

Business turnaround through planned behavior - the national rail transport company as a case study -

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Summary:

Companies have to measure, monitor and analyze their performance in order to be more successful and to adapt to rapid changes in the environment. They go through different means to ensure their maintenance and development. However, some questions exist about the ability or not of companies in general to understand their environment, to anticipate its evolutions and to plan their actions accordingly.

In this article we will try to explain the behavior of companies in difficulty in an uncertainty environment, also see how we can reduce the latter by relying on the theory of planned behavior (AJZEN).

Rail transport provides travelers and shippers with services that are competitive with other modes of transport in the territory, to meet a wide variety of needs. It is a key factor of competitiveness and attractiveness, on a national scale. It contributes to the reduction of social and territorial inequalities by ensuring the mobility of all. And this effect, we carried out a retrospective analysis of the last five years from 2016-2020 in order to better understand the behavior of the company in a situation of difficulty through the planned behavior.

As a result, we can say that any strategic reflection is based on a general diagnosis of the company, then drawing up an action plan which brings together the recommendations, but the uncertainty environment contributes to the non-realization of the strategic plan.

Keywords: Business environment, Planned behavior, Business recovery plan.

Jel Classification Codes : D21, D29, D23, D8.

Résumé:

Les entreprises doivent mesurer, surveiller et analyser leurs performances afin d'être plus performantes et de s'adapter aux changements rapides de l'environnement. Ils passent par différents moyens pour assurer leur maintien et leur développement. Cependant, certaines interrogations existent sur la capacité ou non des entreprises en général à comprendre leur environnement, à anticiper ses évolutions et à planifier leurs actions en conséquence.

Dans cet article nous allons essayer d'expliquer le comportement des entreprises en difficulté dans un environnement d'incertitude, voir aussi comment on peut réduire ce dernier en s'appuyant sur la théorie du comportement planifié (AJZEN).

Le transport ferroviaire offre aux voyageurs et aux expéditeurs des services compétitifs par rapport aux autres modes de transport sur le territoire, pour répondre à une grande variété de besoins. C'est un facteur clé de compétitivité et d'attractivité, à l'échelle nationale. Elle contribue à la réduction des inégalités sociales et territoriales en assurant la mobilité de tous. Et à cet effet, nous avons réalisé une analyse rétrospective des cinq dernières années de 2016-2020 afin de mieux comprendre le comportement de l'entreprise en situation de difficulté à travers le comportement prévu.

De ce fait, on peut dire que toute réflexion stratégique se base sur un diagnostic général de l'entreprise, puis sur l'élaboration d'un plan d'action qui rassemble les recommandations, mais l'environnement d'incertitude contribue à la non réalisation du plan stratégique.

Mots-clés : Environnement des affaires, Comportement planifié, Plan de redressement d'activité.

Classification Jel : D21, D29, D23, D8.

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I- Introduction :

Businesses in general operate in an environment marked by profound and rapid change. Even large companies are not immune to this reality.

Indeed, to assert themselves in the business market competitively, they have important questions to resolve in order to manage their development.

They must ensure the management of the organization while strategically piloting the evolution of it, in terms of risk prevention and its skills in this area significantly improved. The assessment and control of risks and vulnerabilities participate in the survival of business and / or in increasing its competitiveness.

The subject of our research is about environmental uncertainty managing through planned behavior: the case of the National Railway Transport Company (SNTF). The choice of the national railway transport company as a case study by the fact that it fits perfectly into our problematic, namely that it is a company, which has been the subject of a recovery after a period of difficulty and environmental uncertainty in through planned behavior.

Our objective through this research is to analyze the planned behavior to do so a problem arises: How can you turn around a struggling business through planned behavior?

To be able to answer this question, we have made the following hypotheses:

Hypothesis 01: starting from the reality that its environment influences the company, the strategic diagnosis is an important step in discovering the causes of the degradation of the company.

Hypothesis 02: the company can ensure its turnaround if it can ensure planned behavior.

In our work, we will analyze recovery through planned behavior based on the theory of ajzen.

To answer our problem to confirm or refute our hypotheses, we opted for an analytical study, which followed a research methodology based on:

- * A bibliographic search, which allowed us to identify all the literature relating to the business environment, managing environmental uncertainty, and business recovery plan.

- * A case study in the SNTF. As such, an exploitation of internal documents in order to collect quantified data, analyze and interpret the results.

Previous Study:

1-Master's Thesis: Sultani Muhammad Rushdi (2005/2006) a study entitled: "Strategic management in small and medium enterprises in Algeria: its reality, importance and conditions for its application."

The study dealt with the conditions for applying strategic management in Algerian small and medium-sized enterprises, as it illustrates the importance of the management style, as it is the link between the enterprise and its surroundings, which can deal with its various changes and its continuous factors, and it also enables the establishment of permanent competitive advantages that guarantee its survival and continuity, and effective policies and mechanisms with a dimension

The strategy that ensures the development and promotion of Algerian small and medium enterprises, and the improvement of their competitiveness. The field study showed that these institutions did not attach importance to strategic management. The author also fined that these institutions change their goals in the event of the pressures imposed on them on the one hand, and the complexities of the environment on the other hand, and they lack strategic thinking.

2- Doctoral thesis, Sophie Cluzel (2012), a study on the steps to reduce the vulnerability of small and medium enterprises based on the life cycle, the goal: to reach how to reduce the vulnerability of small and medium enterprises through risk management, to identify the nature of the problems that cause imbalance in management, to provide suggestions for

amendment imbalance. The necessity of strategic diagnosis has reached in order to reduce the fragility of small and medium enterprises, and the management of fragility is when facing major risks.

3- Youssef Hamidi: The Future of Algerian Small and Medium Enterprises in the Light of Globalization, PhD thesis in Economic Sciences, Faculty of Economics and Management Sciences, University of Algiers, 2008.

The study focused on various aspects related to the new global economic variables, with reference to the development of small and medium enterprises in Algeria and their role in the national economy, with a presentation of the strategic options available for these institutions to face globalization with a focus on the strategic alliance. The researcher concluded that Algerian small and medium enterprises still characterized by their weak competitiveness, and therefore it has become necessary to rely on some forms of alliance strategies in order to be able to maintain their market share and develop their competitiveness.

Among the proposals made by the researcher, the development of legal frameworks to keep pace with global changes, and a review of the laws and procedures for the promotion of exports.

4-Fares Tariq: The role and status of small and medium enterprises and ways to upgrade their competitiveness - a case study of Algeria. (2018) University of Setif, the study aims to analyze the reality of small and medium enterprises in Algeria and identify ways to upgrade their competitiveness, in light of the challenges and developments in the national economy in recent years, due to the decline in oil prices and the scarcity of financial resources, as well as the establishment of a free trade zone with markets European Union by the year 2020, and the consequent liberalization of trade exchanges governed by the logic of competition. The study concluded that Algerian small and medium enterprises suffer from many obstacles and problems that make them unable to compete, despite the programs and policies that Algeria has established to raise the competitiveness of this sector.

Based on the experiences of some of the leading countries, the study concludes that although the availability of a business-friendly environment and special mechanisms to support these institutions are among the necessary conditions for upgrading the competitiveness of these institutions, they are not sufficient. Accordingly, the study recommends the need to achieve close integration between these policies and industrial, technological, educational, and financial policies to ensure their success. Finally, the study confirms that the embodiment of these policies be based on coordination and cooperation among all economic actors in a way that supports the promotion of the competitiveness of small and medium enterprises, and makes them an active party in comprehensive development.

1.1. the internal and external environment:

In this section, we will shed light on the business environment, as well as, show the different types of the environment.

1.1.1. Definition of business environment:

According to UBC Net Tutor Commerce, environment is the sun total of conditions that surrounds us at a given point of time and space. It is comprised of the interacting systems of physical, biological and cultural elements which are interlinked both individually and collectively. It states further that environment is the sun total of conditions in which an organism has to survive or maintain its life process. It influences the growth and development of living forms. Environment refers to anything that immediately surrounds an object and exerting a direct influence on it. It consists of the interacting systems of business physical and cultural elements which are interlinked both collectively.

Blurtit also regards business environment as those conditions and forces which are eternal to the

business and are beyond the individual business unit, but they all operate within it. .Fernando regards business environment as external forces, factors and institutions that are beyond the control of the business and they affect the functioning of a business enterprise. These include customers, competitors, suppliers, government and the social, political, legal and technological factors etc. Oyebanji defined business environment as those factors that can influence the individual's business organization. He stressed further by saying that every organization must take into consideration the environmental constraints, material and human resources in their respective business in spite of their differences in status and that the effect of the environment carries from one situation to another. Business Environment have the following features: (a) Business environment is the sum total of all factors External to the business firm and that greatly influence their functioning. (b) It covers factors and forces like customers, competitors, suppliers, government and the social, cultural, political, technological and legal conditions. (c) The business environment is dynamic in nature, which means, it keeps on changing. (d) The changes in business environment are unpredictable. It is very difficult to predict the exact nature of future happenings and the changes in economic and social environment. (e) Business environment differs from place to place, region to region and country to country. (1)

According to Adebayo et al. business environment can be broadly categorized into internal and external environment with the former comprising variables or factors within the control and manipulation of the firm to attain set objective while the latter encompasses factors that are outside the control and manipulation of the firm.

Hence, firm must develop a plan that will help it to cope with the various environmental forces. Similarly, the nature of business environment is said to be classified as dynamic, stable and unstable which often help a firm in the selection of appropriate strategies (Ibidun and Ogundele,). Adeoye opined that in order for business to cope with the dynamic and rapidly changing business environment, there is a need to develop and implement appropriate strategies that would safeguard their operations and yield the desired results. Similarly, Ogundele added that a firm perception of the nature of the business environment is a function of its size and industry. (2)

I.1.2. External environment:

We have

I.1.2.A. The broad environment:

The most important elements in the broad environment, as it relates to a business organization and its task environment, are global socio-cultural, economic, technological, and political/legal forces.

-Socio-cultural Forces:

First, because most of the other stakeholder groups are also members of society, some of their values and beliefs are derived from broader societal influences, which can create opportunities and threats for organizations. For example, societal interest in health and fitness has led to business opportunities in the home fitness and nutritional supplements industries, whereas concerns about smoking has set the stage for a regulatory and legal backlash against the tobacco companies. (3)

Second, firms may reduce the risk of gaining a bad "ethical" reputation by anticipating and adjusting for socio-cultural trends.

Third, correct assessment of socio-cultural trends can help businesses avoid restrictive legislation. Industries and organizations that police themselves are less likely to be the target of legislative activity.

The fourth reason why analysis of socio-cultural values is important is that demographic and

economic changes in society can create opportunities for and threats to the revenue growth and profit prospects of an organization.

-Global Economic Forces:

Economic forces can have a profound influence on organizational behavior and performance. Economic growth, interest rates, the availability of credit, inflation rates, foreign exchange rates, and foreign trade balances are among the most critical economic factors. Economic growth can also have a large impact on consumer demand for products and services. Consequently, organizations should consider forecasts of economic growth in determining when to make critical resource allocation decisions such as plant expansions. Inflation and the availability of credit, among other factors, influence interest rates that organizations have to pay. High interest payments can constrain the strategic flexibility of firms by making new ventures and capacity expansions prohibitively expensive. (4)

-Global Technological Forces:

Technological change creates new products, services, and, in some cases, entire new industries. It also can change the way society behaves and what society expects. The Internet, hand-held computers, direct satellite systems, and cellular telephones are technological innovations that have experienced extraordinary growth in recent years, leaving formerly well-established industries stunned, creating whole new industries, and influencing the way many people approach work and leisure. Computers and telecommunications technologies, for example, have played an essential role in creating the increasingly global marketplace.

-Global Political/Legal Forces:

Political forces, both at home and abroad, are significant determinants of organizational success. The stakes are often high. Concerns about monopoly business practices have garnered more attention from regulators in recent years. As previously discussed, Microsoft was the subject of a monopoly practices investigation and was determined by the courts to be a monopoly. Final actions are pending. Similarly, a proposed merger between WorldCom and Sprint, the telecommunications giants, came under intense scrutiny from antitrust officials.(5)

I.1.2.B. Task environment:

has a strong relationship with companies and especially with its production-logistics system? The task environment may include a company's competitors, customers, suppliers, strategic partners, and regulators. Customers and competitors are task environmental factors close to a business that can have a direct impact on the business' operations and success. Asheghian and Ebrahimi and Grant argued further that the task environment is the closest environment of the; organization and its elements are influencing the organization directly.

Customers: are the people who pay money to acquire or buy an organization's products in the form of goods and services. The main focus of companies today is to satisfy the customer which has an impact on the competitiveness of an enterprise. Monitoring the customer's behavior is a prerequisite for business success. A consumer is the one who will ultimately use the company's products and services. Customers are said to be more satisfied if their suppliers can meet and fulfill their orders within the required time. The desire to satisfy the customers according to makes the supply chain members keep buffer (safety) stocks. The organizations also enter into long-term relationships (which require trust and commitment) with their suppliers to secure sustainability in supplies. A study carried out by Yin-mei shows that effective customer delivery influences customer satisfaction and service quality. Zerbini, Caru, and Cugini assert that customer satisfaction is one of a firm's milestones towards profitability.

Organizational performance: has been a source of influence on the actions taking by companies and the degree to which an organization realizes its goals as well as the stated objectives of the organization through the strategies and policies of the organization. The idea of OP is hanged on the position or premise that it is a combination of productive assets made up of human, physical,

and capital resources, for the major reason of fulfilling a dream, vision or accomplishing a shared purpose. OP is also viewed as the measure of how a manager utilizes the resources of the organization efficiently and effectively to accomplish the goals of the organization as well as satisfying all the stakeholders. In their contribution, Richard, Devinney, Johnson, and Vip described OP as the real output measured against the intended or expected output. Organizational performance is measure with market share. (6)

Market share: is the percentage of a market (defined in terms of either units or revenue) accounted for by a specific entity. Market shares command the attention of business managers as key indices for measuring the performance of a product or brand in the marketplace. Many individuals in business indeed keep a close watch over day-by-day changes in market shares, so much so that market-share movement to them is almost synonymous with market information. Market share is closely monitored for signs of change in the competitive landscape, and it frequently drives strategic or tactical action. Increasing market share is one of the most important objectives of a business. The main advantage of using market share as a measure of business performance is that it is less dependent upon macro-environmental variables such as the state of the economy or changes in tax policy. (7)

I.1.3.Internal environment :

We have:

TANGIBLE

Financial Resources include the money that the company has available to it, or money it can easily acquire(8), that allow it to compete in the market. This can include money to pay salaries needed to attract the best candidates to positions, money needed for investment in new technology, money for advertising, marketing, and so on. Financial resources also include the financial history of the business. So a company with excellent financial results may be more likely to secure loans to be able to invest.(9)

Physical resources include the things that you can touch, that allow the business to operate. This includes machinery, premises, computers, tools and the like.(10)

INTANGIBLE

The Brand of the firm is the acknowledged identity of the firm and the level of service or product it promises, and is closely linked to the Reputation. It generally is a measure of how consistently it is perceived by customers to meet their needs well, over time. It is very hard won, and can be easily lost.

The Culture of the firm is the Values, behaviours and patterns of judgments that the firm exhibits over time. It is very difficult to define, but in essence is the Personality of the firm. It might include things like always being honest, valuing employees, being good business citizens and so on.

HUMAN

The Knowledge of the firm is the “Intellectual Ability” possessed by the firm and available to it, in order for it to better meet its aims and objectives. It includes knowledge of the market, knowledge of customer groups, what the competition is doing and might be likely to do, and so on.

The Skills are the trained and experienced abilities of people within the firm to carry out key tasks and activities.

The Motivation is the peoples’ individual, internal drive to carry out activities well and to be successful.(11)

The Capacity for Collaboration is the ability within the firm for individuals to work together for the success of the firm. It includes the ability of people within departments to work well with people from other departments for the common good of the firm, without putting their own department first, ahead of the firm.

Resources are important to the success of the firm over time. But of much more importance is the ability of the firm as a whole to use these resources to develop Capabilities. A capability is the

ability of the firm to use various resources together, efficiently and effectively to meet the overall goals of the firm. A firm may have potential resources available to it, but usually, unless it uses these resources collectively, imaginatively and efficiently, it will never be as successful as it could potentially be. (12)

I.2. Managing Environmental Uncertainty:

In this section, we will explore the definition of uncertain environment as well as the business recovery plan, and gain a better understanding of Ajzen's theory.

I.2.1. Definition of the concept of environmental uncertainty

Environmental uncertainty is taken from various perspectives and is generally presented by psychologists and economists. These definitions describe environmental uncertainty mainly in the form of inability to determine the likelihood of future events, lack of information about the cause and effect relationships, inability to accurately predict the implications of the decision, and etc. Milliken (1987) defines uncertainty as the individual's perception of the inability to predict accurately. This inability is due to lack of sufficient data to predict correctly or the sense of inability to distinguish between relevant and irrelevant data. (13)

I.2.2. Business recovery plan:

The recovery plan requires absolute rigor in its development as well as in its forecasts. It must strive to encompass all dimensions of the business taking into account its internal and external environment. The main components of the recovery plan relate to the financial, commercial, industrial, organizational and social fields.

The business recovery plan represents the interpretation and simplification of an already chosen and defined recovery strategy. The goal of this plan is to solve the business problems and get it back to profitability as soon as possible. It consists, mainly, of a set of steps, which is as follows:

Redefining strategic choices: For the company to be able to ensure its survival and strengthen its competitive situation and its competitiveness, it needs to redefine its strategy. This implies a careful choice of tactics and means used to invest its human, financial and material resources.

Finally, the relevance of human action based on its perceived feasibility through planning (Ajzen).

This is why the leader's anticipation materialized, among other things, by planning his vision. In the absence of a formal planning process, one may wonder whether the decisions are well thought out or come only from the flair of the leaders.

There is therefore a close relationship between managers' perception of the environment and their strategic direction in that analysis of the resulting information enables managers to decide. Thus, the business environment cannot be overlooked in the development of its strategy.

I.2.3. Ajzen's theory of planned behavior:

Ajzen's theory of planned behavior (1991) is an extension of the theory of reasoned action, in which a complementary variable has been added: Control perceived behavior, "the theory of planned behavior differs from the theory of reasoned action in its addition of perceived behavioral control.

Planned theory behavior gives the intention of the individual the central place of genesis of behavior. According to this theory, all behavior that requires some planning (such as starting a business), can be predicted by the intention to have this behavior.

The interest of this theory is to propose a theoretical model that can be used in all situations where the behavior is intentional since it has not based on variables external factors as immediate determinants of behavior.

According to Ajzen, intention is the result of three conceptual determinants.

- * The attitude towards behavior,

- * The perceived social norm

- * Perceived behavioral control.

Behavior is determined by intention and by perceived behavioral control.

II– Methods and Materials:

In order to illustrate the planned behavior for the recovery of companies in difficulty, our study will focus on the national railway transport company, which is a Public Establishment of Industrial and Commercial nature (EPIC).

SNTF (“Société Nationale des Transports Ferroviaire”) create on March 26, 1976.

SNTF is a trader through its passengers and goods transport services and the contracting authority through its infrastructure maintenance missions.

Its mission consists of three main activities:

- Passenger transport (suburbs - regional - mainline),
- Transport of general merchandise,
- Transport of minerals (iron and phosphates).

Thus falls within the competence of the national company:

- Operation of the national rail network and management of the infrastructure.
- Maintenance (infrastructure and rolling stock).
- Development of national and regional plans in relation to the supervision.
- financing of investments in rolling stock.
- pricing structure.

To assess the recovery of the SNTF through the planned behavior, we used an analysis method: a quantitative analysis based on figures of the company through the activity reports for fiscal years between 2016 and 2020, the choice of these period sums up in the slowness of the application of the strategy given the size of the company and lack of the will to turnaround.

To carry out this analysis, it is necessary to reflect on the elements structuring its activities: the mission, the means etc. They provide a framework within which the diagnosis takes place. It is first necessary to identify the origins of the problems encountered: are they of a financial nature? Are they more on the commercial side? Do they have to do with Human? Are they the result of organizational errors? Most of the time, a simple cause is not enough to explain the situation.

It is a chain of events that will lead the company to a sad fate. Once the analysis has carried out, then comes the time to look for possible solutions: should we recapitalize? Should we call on external funds? Will it be necessary to lay off? On the contrary, to recruit, the answers are different according to the causes.

In order to identify the origins of the problems, we must study the business environment through the SWOT analysis, the table below shows the result of the analysis carried out by the company.

III- Results and discussion:

To begin with, it is important to have a strategy in order to define a course or, in other words, a guideline. Because it is essential in order to concentrate efforts on objectives of success, and, consequently, to avoid dispersing. In addition, it is essential to define the framework of the company and give meaning to it and without losing sight of the goal of facilitating action and reducing ambiguities.

And as soon as we talk about strategy, the notion of choice is essential. And therefore, when developing the strategy, it is impossible to achieve everything, and we have to make certain choices. These choices are called “strategic decisions”.

These strategic decisions, included in this report, are characterized by a long-term orientation, the definition of the scope of activity with the aim of creating a competitive advantage, which is difficult to imitate, as well as an allocation of optimal resources which will be extremely influenced by competition.

In order to identify the origins of the problems, we must study the business environment through the SWOT analysis, the table below shows the result of the analysis carried out by the company.

Table (01): Diagnosis of the company according to SWOT

Strengths	Weaknesses
-Public policy promoting and prioritizing rail transport. -Interconnection of North African networks. -Rail transport is best suited for mass transport. - Fairly competitive comparative costs Railway network undergoing complete overhaul (Extension, rehabilitation and modernization). -Significant development program equipment already engaged and will be gradually and constantly supplemented. -Reorganization of SNTF structures in progress. -Raising the level of expertise and competence through a training program ambitious. -Subsidiaries and associated support participations for combined transport. -An optimized mesh of the network in the making.	-Lack of specialized terminals promoting the inter-modality. -Weakness of the current network mesh. -Wagon park exceeded and sometimes does not allow optimization. - Deficiency of loading sites and unloading of major clients. - Willingness to promote the road on the railroad for years (Example: Asphaltting of the tracks in the ports + pricing favorable to the road). -Business Inefficient model Information system that no longer meets the requirements of economic efficiency. -Technical expertise to the detriment of commercial and managerial expertise -Unbalanced financial situation of the SNTF induced by a standstill that has lasted for decades. - stocks are greater than consumption, while SNTF is a service company. -added value is minimal compared to the size of the company -generation of large deficits
Risks	Opportunities
- K- Insufficient legal arsenal to encourage and promote rail freight. - Insufficient financial resources committed for the optimization of the system as a whole.	-National economy tending towards development and growth, inducing strong demand for transport and logistics services. -Modernization and expansion of capacities ports offering significant transport potential. - Infant industries giving growth insured for the activity. -Connection of loading sites to the national rail network (grain silos, industrial zones, logistics bases and seaports) -Other regions of the country connected to the national network

The source: Company Activity Report

A five-year recovery program (2016-2020) therefore proposed to adapt the railway tool to the market economy and restore the financial equilibrium of the SNTF.

In the light of the diagnosis, it estimated that its recovery is possible through in-depth reforms obeying the following considerations:

-Rail activity: Improve the quality of service and adapt the offer to demand

-Infrastructure: depreciation of certain railway lines.

-Maintenance and renewal of the tracks: Consists of implementing an annual plan to replace, renew and maintain the existing tracks in accordance with programs determined in relation to the assumed

age of the lines, so as to guarantee their permanent ability to withstand the increasing movement trains in fluidity and safety, using the most modern mechanical means while ensuring the assistance of the technical skills of the railways of the developed world.

-Increase the profitability of existing lines: the company is implementing projects to improve the profitability of the lines in order to overlap with the increase in the volume of passenger and freight transport and has set itself the objective of increasing the capacity, in trains, tracks and the increase in commercial speed.

Profitability improvement projects include the following work:

- * improve the geometric plans of certain lines.
- * modernize stations (rails and installations)
- * use modern signaling and communications systems.
- * splitting of certain one-way lanes.

This will increase the commercial speed of trains, save time, and increase line capacity.

Extension of the network through the creation of new lines: in accordance with the state policy aimed at consolidating economic and urban development and allowing the flow of goods from industrial areas to the operating ports, and within the framework of a comprehensive plan to expand facilities and services.

Modernization of signaling and communication systems

Introduction of the automatic reservation system: the company introduced the online ticket reservation system.

-finance and accounting

The railways are suffering worldwide from great difficulties in finding funding for its new projects to improve the quality of their services and to make it able to compete with other means of transport.

These difficulties summed up in how to achieve the important and necessary equation so that the railways can continue to offer a high quality service and be competitive therefore, the main objective becomes:

- * increase revenue and reduce expenditure: that is to say, achieve financial equilibrium.

Company purchases should be directed to consumption and reduce inventory to avoid loss of equipment and supplies.

-Material:

Improve maintenance and the quality of the vehicles used.

The acquisition of new equipment adapted to customer needs

-Human resources:

Highlight refresher and retraining training programs.

Give more importance to human resources

-human resources:

Training: as for it focused on the development of the agents called to contribute in the project of electrification of the Algiers suburbs and the renovation of the rail. Thus, the program of most of the trainings organized intended for the technical staff of the company: operation and equipment.

Administrative managers have also benefited from a few training cycles specific to their function, of short duration. In addition, recycling cycles in the field of IT. However, we do not find the numbers there.

The result is as follows:

A-Analysis of railway activity:

During the period between 2016-2020, the company recorded an overall turnover of

	Table (02): the company turnover				In MDA
	2016	2017	2018	2019	2020
Goods turnover	1 791	1 906	2 264	1 982	2 063

Passenger turnover	1 958	2 092	2 208	2 054	486
Turnover excluding traffic	119	511	367	328	186
Total	3 867	4 507	4 841	4 364	2 728

The source: Company Activity Report

Notwithstanding the readjustment of the objectives, the current achievements in the 2020 financial year do not necessarily achieved the expected results, in particular for the traveler, whose activity has been interrupted since March, following the measures taken by the public authorities, in order to stem the spread of the pandemic of COVID-19.

As for freight transport and despite the consequences of this pandemic on economic activity nationally, the SNTF ensured the circulation of freight trains and succeeded in maintaining the level of activity to that of the previous year.

From the above, SNTF closed the 2020 financial year with a business volume of 2.7MDA, resulting from the transport of 8.4 million passengers and 3.8 million tonnes of goods.

A-1-Analysis of passenger activity:

This analysis allows us to better understand the movement of travellers and the activity that generates more revenue. By business segment (suburbs, regional, main lines)

Although the suburbs register a considerable number of travellers, the mainline generates a higher turnover (the price of a mainline ticket higher than the price of a suburban ticket).

Table (03): Achievements Number of travellers by business segment

Services	2016	2017	2018	2019	2020
Suburb	34 294 771	39 109 498	35 261 696	30 467 489	7 484 209
Régional	2 479 559	2 839 586	3 167 893	3 018 776	735 860
Broad outlines	912 023	1 023 432	1 106 537	1 039 161	237 131
TOTAL	37 686 353	42 972 516	39 536 126	34 525 426	8 457 200

The source: Company Activity Report

The passenger service could therefore have recorded good performance for the year, if not the outbreak of the pandemic.

Like all transport companies, SNTF was strongly impacted by the consequences of the government measures taken to stem the spread of the Covid 19 virus. Indeed, and as of the date of entry into the containment system at the end of March, there was a total interruption of traffic travellers.

A-2- Analysis of the goods activity:

The analysis of the merchandise activity is done by product.

The transport of goods generates a significant turnover and the important products are phosphate, iron ore, fuel.

Table (04): Commodity by product activity (tonnage)

services	2016	2017	2018	2019	2020
Phosphates	528 038	289 336	561 637	450 099	640 503
Iron ore	59 040	821 580	1 091 866	852 247	610 842
Fuel	1 458 062	1 462 907	1 486 545	1 429 700	1 447 029
Grains	799 563	749 115	650 532	603 791	759 042
container	252 482	218 988	182 229	135 198	107 752
Various	389 039	463 419	449 742	400 122	311 203
Total	3 486 224	4 005 346	4 422 551	3 871 157	3 876 372

The source: Company Activity Report

In view of such an uncomfortable economic situation, the goods activity therefore remains at a level relatively correct, if we take into account the measures resulting from the sanitary confinement decided by the public authorities, and the consequent restriction of train operating hours, the cessation of transport of fertilizers and the slowdown in activities related to the transport of steel products.

The activity remains, in fact, concentrated on the transport of strategic products, namely: Iron Ore, Phosphate, Fuels, Cereals and containers and to a lesser extent Steel Products (Tubes and Coils).

B-Infrastructure:

The company's infrastructure consists of the rail network, level crossings, as well as structures such as tunnels and bridges.

B-1-Consistency of the network operated:

Table (05): Consistency of the network operated

	2016	2017	2018	2019	2020
Length of network operated	3 844,5	3 997,7	3 997,7	4 000,5	4 000,5
Tunnels	142	142	142	142	142
Bridges	7 769	7 769	7 769	7 769	7 769
Railroad Crossing guarded	273	273	289	298	302
Railroad Crossing Not guarded	885	885	881	873	875

The source: Company Activity Report

*2016: Commissioning of the section of line between thenia and bordj menial 16.162km

*2017: the continuity of the bordj menaiel line up to wadi aissi 48.238km for a total of 64.4km (thenia-oued aissi), and saida moulay slissen line 101.92km

*2017: commissioning of the beni saf/beni saf city 3km section of line.

*2017: commissioning of the bab ezzouar section 2.787 km

B-2- Rail safety: (Incidents and operating accidents)

Almost all categories of accidents recorded a decrease compared to previous years, reflected in the limited circulation, in terms of working hours, of freight trains and the suspension for 9 months of the circulation of passenger trains, which does not reflect the actual annual number resulting in material and human losses.

Table (06): Number of operating incidents and accidents.

operating incidents and accidents	2016	2017	2018	2019	2020
Derailment	281	365	459	454	155
Incidents	263	214	313	345	414
Accidents	334	358	482	335	332

The source: Company Activity Report

- Accidents: Despite the number is poor following the reduction of trains in circulation, particularly passenger trains, although the damage caused is precious, despite the preventive measures taken.

- Derailment: this category is also recorded a significant number of 155 despite the significant decrease in the trains circulated, 61% of the total number is concentrated in the mining line in Annaba, and whose consequences on the equipment and the railway installations are very important.

C-Material:

The material is all that concerns trains whether for the transport of passengers or goods.

Table (07): Company equipment (In service)

Equipment	2016	2017	2018	2019	2020
Passenger equipment	306	306	286	286	286
Goods equipment	10 140	10 129	10 213	10 213	10 213
Moteur equipment	279	289	303	260	260
Total	10 725	10 724	10 802	10 759	10 759

The source: Company Activity Report

D-Human resources:

Human resources are very important since the company's expenses mainly consist of the payroll.

Table (08): Number of the company's workforce

	2016	2017	2018	2019	2020
Managerial staff	3 628	1 595	2 410	3 027	3 227
Mastery	1 690	4 648	4 825	5 084	5 279
Executions	6 938	6 690	7 044	7 149	7 218
total	12 256	12 933	14 279	15 260	15 724

The source: Company Activity Report

E-finance and accounting: (Income statement (by nature))

Table (09): Financial situation of the company

	2016	2017	2018	2019	2020
ADDED OPERATING VALUE	13 498	14 572	14 630	16 619,00	14 994
OPERATING RESULT	-2 195	-844	508	-590,00	-8 539
FINANCIAL RESULT	187	111	1 593	328	557
NET INCOME FOR THE YEAR	-1 492	-657	2 117	-268,00	-7 297

The source: Company Activity Report

Indeed, if we refer only to the income statements without the tariff compensation provided by the state, we note that the financial imbalance is also a consequence of a series of internal structural deficiencies at SNTF. This explains why all the attempts at financial rehabilitation, which the Company has benefited from in the past, have proved ineffective. However, without a deep reflection on the management, we consider that the recourse to a strictly financial treatment does not allow a durable recovery.

Observation:

Despite the difficulties experienced by the company the result in 2018 is positive, the company was not able to achieve all of its objectives.

In summary, the company was able to make an encouraging result with a profit of 2,117 MAD, and an added value of 14,630 MAD, the positive points of this recovery plan are:

- On the financial side, the company is profitable, and the added value has to increase.
- Rail network has been extending, allowing more coverage of the national network.
- Traveler activity has experienced a significant movement.
- Acquisition of new materials, either for travelers or for merchandise.
- Retraining of employees through training, as well as the training of new recruits each in their field.
- Distribution of staff according to their qualifications.
- Raising wages, as an incentive to give more.

The recovery plan, the company was unable to achieve these objectives, the problems are as follows:

- Degradation of the railway.
- The decline in activity, and low productivity,
- Loss of resources as a result of acts of sabotage,
- Inadequate investments in infrastructure,
- Very low investments in rolling stock
- Archaic and deficient management.
- General condition of the track is poor or even dilapidated in some places.

- These structures, sometimes a hundred years old, require heavy and permanent maintenance. Many are in poor condition
- Telecommunications and signaling facilities are mostly obsolete, dating back to the construction of the railway.
- Recent modernization efforts remain fragmented and still insufficient
- For travelers, the capacity offered today is largely insufficient to absorb the increase in traffic expected for the years to come.
- Despite these efforts, no parameter has evolved positively, the context did not allow it.
- Insufficient revenues compared to subsidies
- Decline and loss of market share

IV- Conclusion:

A struggling business is not just a business that, encountering or anticipating hardship, takes immediate action to avoid financial trouble. These companies are characterized by low profitability, a declining volume of activity, a deterioration in the social climate and even strikes, and many of them are also going through difficult times. For a business to be competitive, it must compete by adapting to changing customer needs, launching new product lines on time. Or, using new and more production techniques efficient and by marketing products at low prices. Otherwise, the company will find itself lagging behind its competitors and getting caught up in trouble.

The recovery plan requires absolute rigor in its development as well as in its forecasts. It should strive to encompass all dimensions of the business taking into account its internal and external environment.

The relevance of human action is based on its perceived feasibility through planning (Ajzen, 1991). This is why the leader's anticipation materializes, among other things, by planning his vision. There is therefore a close relationship between managers' perception of the environment and their strategic direction in that analysis of the resulting information enables managers to decide. Thus, the business environment cannot be overlooked in the development of its strategy.

In our case study we focused on the recovery of the Société Nationale des Transports Ferroviaires. The company undertook a planned behavior in order to be able to recover. The recovery measures are based on the main conclusions and recommendations formulated in a study on "Elements of diagnosis and recovery strategy of the railway sector". The railway plays an important role in the context of the free market economy, in light of this finding from the study, it is believed that its recovery is possible through far-reaching reforms. These new requirements raise questions about the configuration of the network, the quality of its infrastructure, its development, the rules for managing rail activity and the market segment.

Finally, despite the planned behavior undertaken by the company, the economic model of the Algerian railway system remains globally unbalanced, within the framework of an illegible environment.

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