

The Eurasia Proceedings of Educational & Social Sciences (EPESS), 2024

## Volume 37, Pages 114-121

**IConMEB 2024: International Conference on Management Economics and Business** 

# Strengthening Algerian Economic Enterprise Environmental Competitiveness Analysis: The Case of Algeria Telecom in Laghouat

## Larabi Oukacha

University Center of Aflou

**Abstract**: This study aimes to identify the role of environmental analysis in strengthening the competitiveness of Algeria Telecom, the operational agency in Laghouat. A descriptive analytical methodology was used to analyze the mentioned institution data, and a questionnaire was used as the main tool for collecting the analyzed data using the SPSS statistical software package. A number of results are reached, the most important of which is the existence of a statistically significant positive relationship between the contribution of environmental analysis and the strengthening of competitiveness in Algeria Telecom. In the light of these findings, the study made a set of recommendations and proposals on the subject. It can be concluded that this study enhances the importance of environmental analysis in strengthening the competitiveness of enterprises, especially in the telecommunications sector. The findings and recommendations provided may be important in guiding policies and actions for similar organizations in strengthening enterprises's competitiveness.

Keywords: Environmental analysis, Internal environmental analysis, External environmental analysis – competitiveness.

## Introduction

In order to achieve their success and goals, organizations and institutions in current era are looking for ways to adapt to their surroundings. Organizations assess internal environmental factors, such as organizational structure, work culture, available capabilities and resources. Analysis of external environment includes understanding economic, political, technological and social factors that may affect performance, success and even survival, and organizations work to follow developments in the market, competitors and the field of work in which they operate. This helps organizations identify future trends and competitive strategies to adapt, where organizations can form strategic partnerships with customers, suppliers and partners to exchange information and resources and collaborate in common areas, and thus enable them to take advantage of new opportunities and resources and deal better with challenges. environmental analysis is of great importance in institutions, regardless of their activity, size, nature of ownership and location, as it plays a major role in identifying opportunities and threats in external environment and strengths and the weakness in institution internal environment. In order for institution to gain competitiveness and achieve competitive advantages, it must rely heavily on environmental analysis. Given this, the following main question can be asked: To what extent does environmental analysis contribute to strengthening Algerian enterprise competitiveness?

In order to answer our main question, a number of concepts deserve be defined. First, Strategic environmental analysis is a comprehensive model of strategic management processes and one of its important components. It is concerned with following up and analyzing changes in institution internal and external environment, that is, identifying the strategic elements of the two environments. It is a set of sequential and successive stages aimed at studying and analyzing factors and changes affecting the future of the economic unit. It is also considered as set of events and factors and forces that exchange influence and relationship with an organization. Thus, environmental analysis is the organization's study and analysis of the internal environment (strengths and weaknesses) and analysis of the external environment (opportunities and threats) in order to know the future of the organization (Aisha &Fatiha, 2017).

<sup>-</sup> This is an Open Access article distributed under the terms of the Creative Commons Attribution-Noncommercial 4.0 Unported License, permitting all non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

<sup>-</sup> Selection and peer-review under responsibility of the Organizing Committee of the Conference

<sup>© 2024</sup> Published by ISRES Publishing: <u>www.isres.org</u>

Following Aisha and Fatiha (2017), a long range of environmental analysis can be distinguished, theses are namely; analysis of industry and market which deals with industry dimensions, industry growth, market forces. Competition analysis that focuses on analyzing competitors characteristics and features. Policy and laws analysis, concerned with analysis of legal activities and systems and their impact on the market and political activity required to be taken into account by organizations and industry. Social analysis, which emphasis analysis of current and potential social data and their impact on industry and analysis of social interest groups (consumer). Human resources analysis that deals with employment analysis and identification of needs and deficit in labor data. Analysis of macroeconomic data that stresses any economic factors affecting supply, demand, growth, competition and profitability and finaly, technology analysis which concentrates on any analysis and knowledge of scientific and technical methods affecting the industry, especially innovation, current and potential innovations.

Environmental analysis is the main tool to determine the strategic elements in the external environment of opportunities and risks and balance them with the elements of strength and weakness in the internal environment of the organization and the process of environmental analysis is of great importance when evaluating the organization in order to achieve a number of benefits, the most important of which are; identifying opportunities available to the organization in view of the capabilities, experiences and resources of the organization. Strategic environmental analysis helps to allocate available resources and determine the use of them. Identifies the so-called distinctive capacity of the organization, which is defined as the capabilities and resources possessed by the organization and the operational processes used to employ those capabilities and capabilities to achieve the goal. Environmental analysis is an urgent necessity because it leads to efficiency in performance, and this is what all international companies agree on. The main objective of environmental analysis is to know the basic concepts, the most important of which are inspiration, awareness of internal strengths and weaknesses, opportunities and external threats, and this analysis is based on the study of the institution from its essence and the environment that is around(Abbas, 2010).

Environment analysis fall in two main categories. Firstly, internal environment of the institution, represented by a set of factors, components and financial, cognitive and organizational variables closely related. Corto (1997) believes that the internal environment of the institution is represented by the internal organizational environmental level associated with a limited and accurate administrative and organizational application of the business organization ( Bani- Hamada & Idris, 2010). It also means taking a closer look at the organization from the inside to determine performance levels, areas of strength as well as constraints, and internal analysis provides detailed information on sales, production, profits, costs, organizational structure, management style.... Etc. Accordingly, we define the internal environment as a set of variables represented in the organizational structure, resources, culture of the organization and significantly affects its activity through the strengths and weaknesses it acquire.(Salman Dawood ,2019) elements of the internal environment: The elements of the internal environment are represented in three elements: the organizational structure of the institution, the organizational culture prevailing in the institution and the resources available to it. It is meant by Organizational structure, that building which determines the internal structure of the institution, as it clarifies the divisions, organizations and sub-units that perform the various works and activities necessary to achieve the objectives of the institution (Inhibitor, 2007). Organizational culture could also be defined as every human activity emanating from the environment and expressed or continuing its traditions (Bin Habtoor, 2007).

As regards tools and approaches to strategic environmental analysis of internal environment, this latter is represented in a set of factors, components and physical, cognitive and organizational variables located within the walls of the institution, such as the structure of managers, the structure of values, internal culture and internal systems, marketing, production, finance, human resources, information systems and research and development, which are controlled by the institution and controlled and this process belongs to the study and evaluation of these variables related to environmental analysis. Internal environment analysis tools are represented as follows:

- Value Chain Analysis Tool, according to Porter, is a series of activities performed by an organization to deliver a valuable product. It is also defined as a systematic way of looking at the range of activities performed by an organization by understanding the current and potential sources that distinguish an organization from its competitors.
- Resource Approach Tool: Origins of this approach go back to the work of Pernos (1957). It means that efficiency and effectiveness of the institution in its performance and its ability to achieve a competitive advantage is based on the highest degree on unique resources that the institution specializes in from others. Analysis of the resource approach means that process that focuses on evaluating the basic resources necessary for the institution to enable the ability and competitive advantage over its competitor and this

analysis is concerned with the inventory of core and distinctive competencies of the institution.( Dora & Jaradat, 2014).

- Benchmarking Analysis Tool: (Hilton et al., 2003) believes that benchmarking is a technique for determining competitive advantage by studying an organization's products, services and processes and comparing them with the performance of the best organizations(Al-Laini,2011).

Secondly, external environment, it means all economic, technological, political, social and cultural factors and variables and the forces of competition in the external environment of the institution. (Yassin,2010). It is also known as the underlying factors outside the scope of the institution and interacts with it and leads either to support or hinder it(Al-Qatamin,2009). It could also be defined as the environment of direct dealing and defines the environment, which includes a group of institutions, individuals and forces that interact directly with the work of the institution and affect it and are affected by it, such as: banks, competitors, government institutions, shareholders, distributors Etc. (Al-Shumaili,2007). It is also defined as the set of elements and forces that are located outside the boundaries of the organization and that interact with each other for different events to varying degrees through the opportunities and challenges that affect their performance(Hirsch, 2012).

External environment has four major dimensions or aspects, political dimension, economic dimension, cultural and social dimension, and technological dimension. The political dimension contains all the variables that have to do with the political field such as the laws of the state and political stability in the country and the political dimension is all the variables that have to do with the economy such as the availability of raw material, the level of prices, the level of inflation The health of the economy, the availability of labor, the level of competition... All these elements play an important role in the stability of the institution's activity and are taken into account when examining and analyzing the external environment, and we also find the cultural and social aspect, the institution is affected by it to a large extent, such as the level of learning of individuals, the level of formation, the culture of society, its beliefs, religion and traditions... etc., and the technological dimension also has an important role as the level and quality of technology available controls the level of competitiveness and the level of quality of products and the element of technology is important when carrying out external analysis(Hirsch, 2012).

After this deep definition of environment analysis, we turn to the other concept mentioned in the title of this study and represented by enterprise competitiveness. From the many defitions that exist for enterprise competitiveness, the one beloging to Enright.MJ can be adopted. Accordingly, enterprise competitiveness is seen as the ability to provide the consumer with products and services more efficiently and effectively than do other competitors in the international market which means a continued success for the enterprise globally in the absence of support from the government. Beside providing the consumer with products and services more efficiently and effectively, it can be added with the appropriate price and exactly at the right time (Malakia,2018).

Competitiveness is extremely important as it contributes to maintaining the vitality of the organization and protecting it from obsolescence and destruction by giving it a competitive position, forming a new future vision for the goals that organizations want and the great opportunities they want to seize, competitiveness leads to achieving a comparative and continuous competitive advantage in saving production costs and improving the quality of products, providing a competitive environment that helps the organization, achieving strategic excellence over competing organizations, competitiveness contributes to continuous development and improvement for performance (Shukri, 2022). Competitiveness is based on a set of Pillars represented by the following points:

- Process technology focus whicht allows a rapid transition from one production to another if necessary, and means focusing on flexible and different manufacturing systems.
- Research focus leading to development and innovation activities with the aim of obtaining a technological lead that gives it leadership in designing and producing new products with better characteristics, thus avoiding obsolescence of products by reducing their life cycle and reducing production costs reflected in price reduction.
- Total quality management focus, as an intellectual basis of excellence and is a comprehensive and continuous development that includes all aspects of performance in order to follow the needs and expectations of the customer (customers, customers) and the scope of total quality is represented in all stages and the entrance to total quality is directed to meet broad goals such as improving quality, reducing cost, increasing market share. (Qersh, 2007).

- Benefit drawn from other strong competitors experiences. We clearly notice here that strong and competent competitors push the organization to develop, through its constant search for new competitive advantages or maintaining the previous one by acquiring new basic skills and creating basic ways of thinking.
- International quality standards Commitment ISO in such away to ensures that it obtains an ISO certificate and achieves a set of characteristics.
- Technological development in order to reach the highest level starting from production.
- Study of foreign markets, local market is a limited market, and it is necessary to search for more sophisticated and balanced options and low-risk markets, and here the government responsibility emerges by providing all information on demand trends, and the type of commercial and non-commercial risks, which can be exposed within these markets.
- Development of information systems through the production, circulation, storage, documentation, and good use of information, as information systems are currently a technology that has a significant impact on the way institutions work in particular and the economy in general.
- Adapting the education system to market needs so that education systems are compatible with the needs of the labor market, according to future demand for work, and future technological directives.
- Developing individuals competencies, of a set of educational activities, which lead to increasing the current and future profitability of individuals and raising their capabilities to accomplish the tasks entrusted to them, by improving their knowledge, skills, aptitudes and attitudes (Shark,2007).
- Competitive Vigilance, according to Michael Cartier, Mindfulness as the activity that enables us to stay informed of all developments in the sector we operate, and Vigilance expresses the extent of the organization's precaution towards our changing world. Competitive vigilance is the activity through which the enterprise recognizes its current and potential competitors, and it is also concerned with the environment in which competing enterprises develop through industry analysis, competition analysis, and competitive vigilance contributes to building and developing the competitiveness of the enterprise.

## **Literature Review**

The issue of environment analysis and enterprise competitiveness is among the hot topics and has gained much attention in the literature. In this regard, we mention the two following studies : namely the one Obaid (2008), entitled Strategic Analysis and Competitive Performance : An Analytical Study in the Banking Services Industry in Baghdad. In an attempt to test for a causal relationship between the intensity of strategic analysis and the competitive performance of banking services in Iraq. This study has shed light in its theoretical part on the theoretical literature related to strategic analysis, competitive performance, indicators of measurement of each and the relationship of overlap between them. Study tool: the researcher dropped the theoretical perception on the field side, relying on the collection of quantitative data on the documents of the four banks (banks) of the study sample with the use of the questionnaire tool for metadata, where the forms were distributed to 42 individuals between a manager and a managing director in the four banks. Data were subjected to several statistical tests to test the causal relationships between the variables of the research model through several programs and using the path analysis model in order to determine the structural relationships and direct and indirect impact relationships, analysis and interpretation. Several results were reached by the author, the most important of which are that the intensity of the use of strategic analysis by the studied banks has a positive impact on the competitive performance of the banks under study. Accordingly, the research results confirmed that the relationship between competitive performance with its clientelistic financial axes, operational creativity and the intensity of strategic analysis with its axes (mission, objectives, internal analysis, external analysis, alternatives, implementation, control is a reciprocal relationship, strategic analysis causes better performance, and in return that excellence in performance requires more strategic analysis of the competitive environment and strategic capabilities.

The second study has been advanced by Mahlab and Al-Sharif (2015), entitled the impact of environmental analysis as a mechanism of strategic vigilance in building the competitive advantage of the economic institution, a field study of a group of small and medium enterprises in the wilayas of Bordj Bou Arreridj and Setif, published in Algerian Journal of Economic Development. The study aimed to show the relationship between environmental analysis and the competitive advantage of institutions, the position of managers on environmental analysis, and the extent to which they realize its importance in building and developing the competitive advantages of small and medium enterprises. In order to achieve the objectives of the study, authors followed the descriptive and analytical method as it suits the subject of the study, and a theoretical presentation of the concepts and basics related to environmental analysis, strategic vigilance and competitive advantage and its dimensions, then supporting the theoretical side with a field study conducted on 15 national small and medium enterprises in the wilayas of Setif and Bordj Bou Arreridj. Study tool: The questionnaire was adopted as a tool

for collecting data in addition to accessing the records and documents of institutions, and in the light of the analysis and interpretation of the answers of the sample (managers of institutions), the study concluded a number of results. The results of the study: SME managers are aware of the importance of environmental analysis in achieving the competitive advantages of their enterprises, as they see: in achieving its dimensions: efficiency, quality, flexibility, responsiveness to customer requirements. The studied small and medium enterprises are interested in their internal and external environment and are greatly affected by it . The institutions under study are highly influenced by competitors, as they strategic relationships with their suppliers and can integrate with them. The study sample expects the entry of new competitors to the markets, but does not put barriers to entry in front of them, due to its weak awareness of the threat of their entry. The products of the institutions of the study sample are known specifically by alternative products, but they do not realize the extent of its strength due to the neglect of the alternative products factor and the possibility of their impact on the institutions. The institutions studied know their potential and shortcomings, as they analyze their internal environment.

## **Research Methodology**

#### The Data

In order to answer our main question about the impact of environment analysis on enterprise competitiveness, Algeria Telecom in Laghouat(Algeria) was chosen as a sample study. The mentioned institution is one of the services with regional competence that supervises three 03 departments in terms of administrative, commercial and technical management, in addition to its direct management of the so-called regional telecommunications centers, each according to its specialization in the fields of communications. Tasks assigned to each department in the operational directorate of Algeria Telecom Laghouat Unit. To achieve our goal, 40 questionnaires were distributed, 38 of which were recovered. We notice here that 3 questionnaires were excluded because they were not suitable for analysis, so the number of questionnaires valid for analysis was 35 questionnaires, equivalent to 87.5% of the questionnaires retrieved. Table 1 below shows the number and percentage of valid and canceled questionnaires distributed, retrieved, and cancelled:

	1	· ·	
Rate in %	Number	Appointment	
100 %	40	Distributed questionnaires	
05 %	02	Missed questionnaires	
95%	38	Questionnaires retrieved	
87.5 %	35	Valid questionnaires	
7.50%	03	Cancelled questionnaires	

Table 1. Number of questionnaires distributed, retrieved, valid and canceled

### **Results and Discussion**

Data collected from previous step were processed by the SPSS package. The stability of the study instrument was verified by relying on the selection of Alpha Chrome Bach, which measures the stability of the measurement instrument. Results of Alpha-chrome bach coefficient are summarized by Table 2.

Table 2. Alpha-chrome bach coefficient			
Stability Honesty Coefficient	Alpha Chrome Bach	Axes	
0.953	0.892	Environmental Analysis	
0.910	0.865	Internal Analysis	
0.842	0.798	External Analysis	
0.956	0.836	Ability Competitiveness	
9680.	834 0.	Total	

It can be seen from table 2 above that the value of alpha chrome bach for all paragraphs of the form was 0.888. The alpha Cronbach coefficient indicates the stability of the tool or questionnaire, that is, the stability of the results obtained using the tool. A value between 0 and 1, and a higher value indicates better stability.

Our results point to a correlation between the provision of environmental analysis and strengthening the competitiveness of the institution, we have calculated the correlation coefficient "Pearson" between the first and second axes and found that there is a statistically significant direct correlation between them at a significance level of 0.01 and a confidence interval of 99%. This indicates that environmental analysis contributes to strengthening and developing enterprise competitiveness.

By the same way there is a correlation between internal analysis and enhancing the competitiveness of the enterprise. We calculated Pearson's correlation coefficient and found that there is a statistically significant strong correlation between them at a significance level of 0.01 and a 99% confidence interval. This supports the acceptance of the hypothesis suggesting that internal analysis contributes to enhancing the competitiveness of the enterprise.

Finally, our results indicate a correlation between external analysis and its management and enhancing the institution competitiveness. Again the Pearson correlation coefficient between the third and fourth axes was calculated and found that there is a strong and positive correlation of statistical significance between them at the level of significance 0.01 and a confidence interval of 99%. This supports the acceptance of the hypothesis stating that external analysis and its management contribute to enhancing the competitiveness of the organization.

#### **Concluding Remarks**

Given the results mentioned in previous section, environment analysis in its two folds; internal and external sounds extremely important in affecting institution's competitiveness. These results thus, can be of great benefit for both policy makers and academicians levels. As regard the former, and according to the results reached by our study, many suggestions may be put forward such as;

- The need for the institution under study to pay attention to identifying the strengths and weaknesses in its internal environment, especially with regard to organizational culture, human resources, and the marketing aspect as important factors that enhance its competitiveness. In addition to paying attention to various other internal environmental variables and working to analyze them continuously.
- Raising awareness among managers of the importance of environmental analysis, as a key pillar in achieving competitiveness
- Updating the approved management methods, and the trend towards integrating environmental changes into the overall planning processes of the institution.
- Seeking to monitor the changes of the elements of the external environment, both public and private, on an
  ongoing basis, to be a basis for developing interactive relationships from the perspective of maximizing the
  use of the opportunities they offer, and mitigating their effects on the activity.
- Algeria Telecom must rely on effective information systems that enable it to continuously and accurately
  monitor the various changes in its environment, and help it choose a competitive strategy that ensures
  adaptation to these changes.
- Employing specialized competencies in the fields of environmental analysis, focusing on training and training working individuals, with the need to involve them in making decisions related to the future of the institution.
- Developing cooperation relations between employees, encouraging them to take initiative and creativity, with an emphasis on developing awareness of the importance of the customer and the need to respond effectively to his requirements.
- Working on controlling costs and rationalizing expenses is a key entrance to enhance the competitiveness of the institution indicated on the cost.
- Algeria Telecom should adopt competitive strategies commensurate with its internal capabilities and external conditions, as its tendency to adopt strategies based on unscientific methods is one of the factors affecting its competitiveness.
- The need to improve the awareness and awareness of managers of the concepts of strategic management and their application through the organization of training programs that enable them to raise their capabilities and management and strategic skills, and enable them to analyze environmental variables and deal with them in an effective manner.

Benefits from the study in hand may also be very useful for academicians to carry on further future reaserch that can expand and develop knowledge in the field. Based on the findings reached in our study, here are some prospects that can be explored in future studies

- Standardized and customized environmental analysis tools can be developed for organizations, allowing them to analyze their competitive environment and identify strengths, weaknesses, opportunities and threats. This tool may include economic, social and environmental criteria that affect the performance of organizations.
- Studies can be conducted on competitiveness in institutions, which is the ability to analyze the environment surrounding the organization and anticipate future challenges and opportunities. How competitiveness can be developed and enhanced in these organizations can be explored.
- The impact of ambient factors beyond institutions, such as laws, legislation and general economic conditions, on competitiveness can be studied and how these factors affect can be analyzed and strategies developed to deal with them.
- It can be studied how organizations adopt benchmarking, that is, comparing an organization's performance with similar organizations in the market, affects competitiveness. The factors that influence organizations' choice of benchmarking and how to develop strategies that benefit from it can be explored.

### **Scientific Ethics Declaration**

The author declares that the scientific ethical and legal responsibility of this article published in EPESS Journal belongs to the author.

## Acknowledgements or Notes

\* This article was presented as poster presentation at the International Conference on Management Economics and Business (<u>www.iconmeb.net</u>) held in Antalya/Turkey on November 13-16, 2024.

## **References:**

- Abbas, A. A. B. (2010). Strategic management: A contemporary vision. Jordan: International Publishing House.
- Aisha, N., & Fatiha, B. (2017). The role of environmental analysis in enhancing sustainable competitive advantage (Derayah. Adrar University).
- Al-Ghalbi, T. M. (2009). *Strategic management: An integrated methodological perspective* (2nd ed.). Dar Wael for Publishing.
- Al-Laini, S. S. A. (2011). Cost management techniques required for Arab business organizations in achieving competitive advantage: A proposed integrative framework for continuous improvement Techniques. *Journal of Administrative Sciences*, 7(30).
- Al-Qatamin, A. (2009). *Strategic management: Concepts and applied cases* (2nd ed.). Amman, Jordan: Dar Majdalawi for Publishing and Distribution.
- Al-Shumaili, A. Y. (2007). *Modern strategic management* (1st ed.). Cairo, Egypt: Dar Al-Fagr for Publishing and Distribution.
- Bani- Hamada, K., & Idris, W. (2010). *Strategy and strategic planning*. Amman, Jordan: Dar Al-Yazuri for Publishing and Distribution.
- Dawood, F. S.(2019). Strategic management (concepts, fundamentals and applied practices) (1st ed.). Baghdad: Dar Al-Sisan, Baghdad.
- Hirsch, I. (2012). *Modern strategic management*. Ain, Melilla, Algeria: Dar Al-Huda for Printing, Publishing and Distribution
- Malaikia, A. (2018). *The reality of innovation and its role in raising competitiveness*. Algeria: Al-Wafa Legal Library.
- Panza, C. (2014). Message from IFTDO president. Retrieved from https://www.cyhrma.org/
- Qirsh, A. (2007). The role of change in improving competitiveness. (Saad Dahleb University, Blida).

- Salman, F. A. A., Fadhil, A. H., & Amanah, A. A. (2023).role of organizational culture in enhancing employee satisfaction: An analytical study in Rafidain Bank–Iraq. *International Journal of Studies in Business Management, Economics and Strategies*,2 (4),83-100.
- Yassin, S. G. (2010). *Strategic management*. Amman, Jordan: Dar Al-Yazuri Scientific Publishing and Distribution.

## **Author Information**

## Larabi Oukacha

Sherif Bouchoucha - Aflou University Center, Algeria Contact e-mail: elarabi.t@yahoo.com

#### To cite this article:

Oukacha, L. (2024). Strengthening Algerian economic enterprise environmental competitiveness analysis: The case of Algeria telecom in Laghouat. *The Eurasia Proceedings of Educational and Social Sciences (EPESS), 37,* 114-121.