Good practices of HRM, what contribution to reduce hidden costs!

MAHLOUL Zakaria [*], DOUADI Mehidi [**]

Received: 03/12/2020
Accepted: 22/05/2021
Published: 18/07/2021

Abstract:

This study aims to highlight the contribution of good practices of human resource management in reducing hidden costs. The origin of these costs are the organizational dysfunctions (work conditions, work organization…) resulting from the complex and continuous interaction between company structures (material structure, mental ... etc.) and human behaviors (absenteeism, turnover…), with the presentation of some studies in several companies.
The Studies have shown that there is a positive relationship between HRM good practices and hidden costs, It has found also, that good human resource management practices contribute in the creation of a value-added by converting hidden costs into performance.

Keywords: *Good practices of human resources management; Hidden costs; Organizational dysfunctions; Human behaviors; Company structures*
JEL Classification: M12; M41; M59; J28; D21.

الممارسات الحسنة لإدارة الموارد البشرية : ما إسهاماتها في تخفيض التكاليف الخفية!

ملخص :

تهدف هذه الدراسة إلى إبراز مساهمة الممارسات الحسنة لإدارة الموارد البشرية في تخفيض التكاليف الخفية بالمؤسسات، والناتجة بالأساس عن الاختلالات التنظيمية التي مرجعها التفاعل الدائم بين هياكل المؤسسة (هياكل مادية، ذهنية... الخ) والسلوكيات البشرية في المؤسسة (التغيب ودوران العمل)، مع عرض دراسات لعدد من الباحثين في هذا المجال.

وقد توصلت هذه الدراسات إلى وجود علاقة إيجابية بين الممارسات الحسنة لإدارة الموارد البشرية والتكاليف الخفية، وأن الممارسات الحسنة لإدارة الموارد البشرية تساهم في خلق قيمة مضافة للمؤسسة من خلال تحويل التكاليف الخفية إلى إيرادات.

الكلمات المفتاحية : *الممارسات الحسنة لإدارة الموارد البشرية، التكاليف الخفية، الاختلالات التنظيمية، هياكل المؤسسة، السلوكيات البشرية.*

تصنيف JEL : M12، M41، M59، J28، D21.

[*] PhD Student, University of Setif 01, Algeria, Laboratory: LPIEEM, mahloulzakaria@gmail.com …….
(Coresponding author)
[**] Professor at the University of Setif 01, Algeria, Laboratory: LEMAC, douadimhidi@gmail.com

Introduction :

The sustainable success of the company in its markets is based on two main axes: the first consists of the company's degree of control over its costs in relation to the quality expected by customers; the second axis consists of the capacity of the company to innovate and to cope with modern technological changes. These two axes depend mainly on human potential, which is the main nerve of the company and the key factor of success. But, the human potential can be a source of cost, such as hidden costs.

Hidden costs are costs that are not identified in the different information's systems of the company, these costs are the result of organizational dysfunctions resulting from complex and continuous interactions between the different structures of the company and human behavior, these costs have a significant impact on the performance and the reputation of the company.

To better control these costs and have a competitive advantage, good human resource management practices can be an effective tool. Good HRM practices aim is to improve human behavior and create motivating work structures in order to reduce the organizational dysfunctions; and consequently, these practices make it possible to create added value by reducing hidden costs and freeing up performance.

From the above, we can ask the following two problematic:

1- How do the dysfunctions affect the performance of the company?

2- How do good HRM practices contribute in the reduction of hidden costs?

In order to respond to these problematic, we propose the following Hypotheses:

1- Dysfunctions are the main source of hidden costs in the business which in turn influence the overall performance of the company;

2- Good HRM practices help reduce hidden costs by creating a motivating work environment and therefore improve performance.

Several objectives are highlighted in the context of our work:

- Highlight some dysfunctions in relation to HRM;
- Highlight the costs resulting from these dysfunctions;
- Review the literature on good HRM practices and their impact on performance;
- Explain the method of converting hidden costs into performance.

For the drafting of our article, we resorted to the documentary technique which allowed us to exploit various books and documents. We also followed the descriptive approach to describe the different studies dealing with this subject.

To address the research topic, we have structured the research into three parts:

Section 01: The concept of hidden costs

Section 02: the concept of good practices of human resources management

Section 03: the contribution of good HRM practices in the reduction of hidden performance costs

Section 01: The concept of hidden costs

The hidden costs method was first developed by Henry SAVALL and his research team ISEOR (Socio-Economic Institute for Organizations) in 1973. In this section we want to introduce this concept briefly.

1.1. Definition of hidden costs

Hidden costs are defined as those that are not identified in the information systems of the company, such as: budget; income statement, general accounting, cost accounting, dashboards. These costs are an approximate measure of the cost that bears the organization as a result of regulating disruptions (dysfunctions) (SAVALL & ZARDET, Maitriser les couts et les Performances cachés, 1995).

A hidden cost refers to the cost due to phenomena usually not taken into account by official information systems. Hidden costs refer to both costs which are taken into account but diluted in different items and costs which are not taken into account and which correspond to shortfalls (opportunity costs) (chef d'entreprise, 2015).

They are characterized by their strong power to explain the quality of an organization's function. Indeed, the visible costs make it possible to measure the amounts and the differences, without being able to analyze all the causes. In contrast, the hidden costs are of phenomenological in origin and allow us to know and analyze all the causes. For example, the high hidden costs associated to the absenteeism mean that the function of the company has been greatly disrupted by staff absences, and by the regulations put in place to compensate for these absences (SAVALL & ZARDET, Maitriser les couts et les performances cachés, 2015).

1. 2. The origin of the hidden costs

A hidden cost is the economic consequence of a dysfunction. In other words, the hidden costs are the monetary translation of the disruptions undergone by a company and the organizational mechanisms that it puts in place, more or less consciously, to alleviate the primary effects of the dysfunctions. These mechanisms are called **regulations**.

The Hidden costs are the monetary translation of regulation activities:

Dysfunction → **Regulation** → **Hidden costs**

Source: (Savall and Zardet, 2015, p 128)

Figure (1): The origin of the hidden costs

1.3. What is a dysfunction?

A dysfunction is a difference between the expected functioning, called **Orthofunctioning** and the actual functioning.

Indeed, the theory of hidden costs emphasizes the importance of **the quality function** of the company, because these dysfunctions constitute anomalies or operational difficulties that prevent the company from achieving its objectives by using its material and human resources efficiently (SAVALL & ZARDET, Maitriser les couts et les performances cachés, 2015).

The economic impact of these dysfunctions must be assessed. Indeed, **dysfunctions are corrected by regulation**: this is how the organization reacts to the problem (dysfunction) encountered. Regulations may require time spent, lead to production losses and overconsumption of raw materials, external services or financial costs, or even wages or scrap.

1. 4. Indicators and components of hidden costs

Indicators of dysfunction are considered both as structural indicators and performance indicators, and as socio-economic variables which reveal a state of social efficiency of the system [Structures - Behaviors] and likely to be measured financially. These dysfunctions can be expressed under five indicators:

• Absenteeism;
• work accidents;
• Staff turnover;
• Non - quality or lack of quality of products;
• Differences in direct productivity or under - productivity.

The regulations of dysfunctions are expressed either through human activities or through the consumption of goods and / or services. At the hidden costs assessment stage, these indicators are broken down into (SAVALL & ZARDET, Le nouveau contrôle de gestion : méthode des coûts-performances cachés, 1992):

1.4.1. Over-consumption: quantity of products and services consumed in addition to regulate the dysfunctions suffered by the company. (**Ex**: in a clothing company, quality defects caused by poorly adjusted machines have led to overconsumption of fabric at a rate of 08% of production) (CISTALLINI, 2013).

1.4.2. Over time: they represent the cost of time devoted to the regulation of dysfunctions instead of being devoted to obtaining a solvent production (**Ex**: in a manufacturing electronic devices company, 30% of line managers' time is devoted to regulate the quality defects) Overtime is evaluated by the hourly contribution to the margin on variable costs (HCMVC) (NOGUERA, 2002) .This is calculated as follows:

Turnover (CA) - Variable costs = Margin on variable costs (MCV)

$$\text{Hourly contribution to the margin on variable costs (HCMVC)} = \frac{\text{Variable cost margin (MCV)}}{\text{Number of expected hours (HA)}}$$

1.4.3. Over salary: these are the elements of remuneration and associated expenses paid without activity counterpart or in the event of a shift in function, salary differential between an incumbent and his replacement (temporary). Indeed, overtime is not valued at the wage cost, but according to the principle of the hourly contribution to the margin on variable costs (MOREAU, 2012).

These three components constitute **charges** that companies and organizations could avoid, at least partially, by mitigating the scale of dysfunctions. They are called **overcharges.**

1.4.4. Non-production: it does not represent a real charge but an opportunity cost due to loss of margins relating to missed opportunities to produce and sell a good or service (machine breakdowns, stock outs, work accidents…). Like overtime, non-production is evaluated by the hourly contribution to the margin on variable costs (ANAMARI, 2015); (**Ex**: the out of stock of fruit in a fruit juice production company will cause a stop in production for two days per month).

1.4.5. The non-creation of potential: it doesn’t constitute a real charge. It illustrates the performances delayed by the non-realization of intangible investments because of the current dysfunctions which monopolize the organization's means and resources (SAVALL

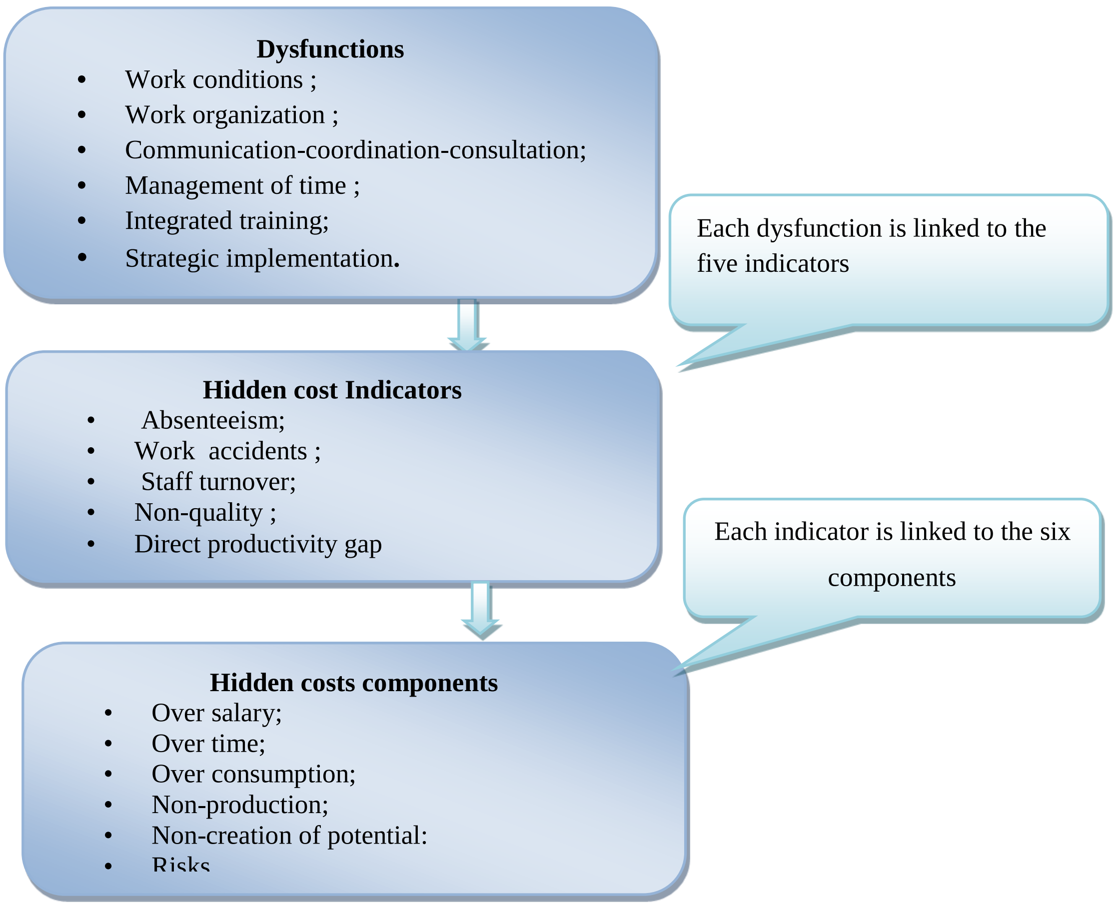
H. , Le gisement exploitable des coûts cachés, vers un nouveau contrôle de gestion, 1986). (**Ex**: delay in improving equipment will affect the sales in the future).

1.4.6. Risks: these are the damaging effects that may result from the occurrence of these dysfunctions. (**Ex**: the risk of loss of a customer following the delivery of non-compliant merchandise (NOGUERA, 2002).

These last 03 components constitute hidden costs not included in the visible costs. They are called non-products; they represent the absence of production causing loss of gross margin resulting from dysfunctions.

1.5. Link between dysfunction indicators and hidden cost components

This link can be schematized as shown in Figure 02.



Source : (Savall and Others, 2008, P 33).

Figure (2): Link between dysfunction indicators and hidden cost components

For example, poor working conditions can cause a high absenteeism rate and a high staff turnover rate, these rates translate into costs in the form of over salary for the replacements of absent workers, overtime to complete customer orders or in the form of non-production.

1.6. General model for calculating hidden costs

The hidden costs assessment model consists of associating with each of the five indicators of dysfunction the six hidden cost components corresponding to the regulations actually implemented by the company, as shown in figure 03.

Components / Indicators	Over salary	Over time	Over consumptions	Non-production	Non creation of potential	Total hidden costs	Risks
Absenteeism						Hidden costs related to absenteeism	
Work accidents						Hidden costs related to work accidents	
Staff turnover						Hidden costs associated with staff turnover	
Non-quality						Hidden costs linked to the Non quality	
Direct productivity gap						Hidden costs associated to Direct productivity gap	
Total	Over salary generated by the 05 indicators	Over time generated by the 05 Indicators	overconsumption generated by the 05 indicators	Non-production generated by the 05 indicators	Non creation of the potential generated by the 05 indicators	Total Hidden Costs	hidden costs Risks generated by the 05 indicators
Economic concepts	Historical costs			Opportunity costs			
Accounting concepts	Surcharges			non-product			

Source: (Savall and Zardet, 2015, P 131)

Figure (3): General model for calculating hidden costs

Section II: Good HRM practices

There are no universal human resource management (HRM) practices. Effective practices are those which must take into account all data, internal and external, current and forecast; that is, which adapts to a given context. We will briefly mention in this section some known practices (بوزورين 2017).

2.1. Recruitment: Recruitment is a fundamental and unavoidable step for every professional body; it is a set of actions implemented to find a candidate corresponding to the needs of an organization for a given position. Recruitment is a decisive step in human resources policy, because it can have an effect contrary to the objectives sought. It is therefore necessary to define with clarity, the policy and the procedures to be followed, as well as the means which will make it possible to support them.

2.2. Training: It is a set of measures adopted for acquiring or improving professional qualification, it has a significant effect on the minds of workers.

2.3. Career management: this results in the implementation of a follow-up of employees' career paths to improve their skills and retain them with the company. In order to ensure its development and respond to fluctuations in its environment; The company must put in place an effective career management that attracts, retains and develops its human capital.

2.4. Salary policy: Salary policy is the sinews of war in terms of employee motivation and involvement, even if today a consensus is emerging to assert that this tool is not (or no longer) preponderant for retaining its employees, it serves to attract (talent race), motivate (encourage, minimize absenteeism and turnover) and build loyalty (retain the best employees).

2.5. Improving working conditions: Working conditions generally refer to the environment in which employees live at their workplace. The pleasant working environment complements any individual benefits and helps promote employee well-being. Improving working conditions is an important lever for making the company more efficient, more attractive and improve the general Performance.

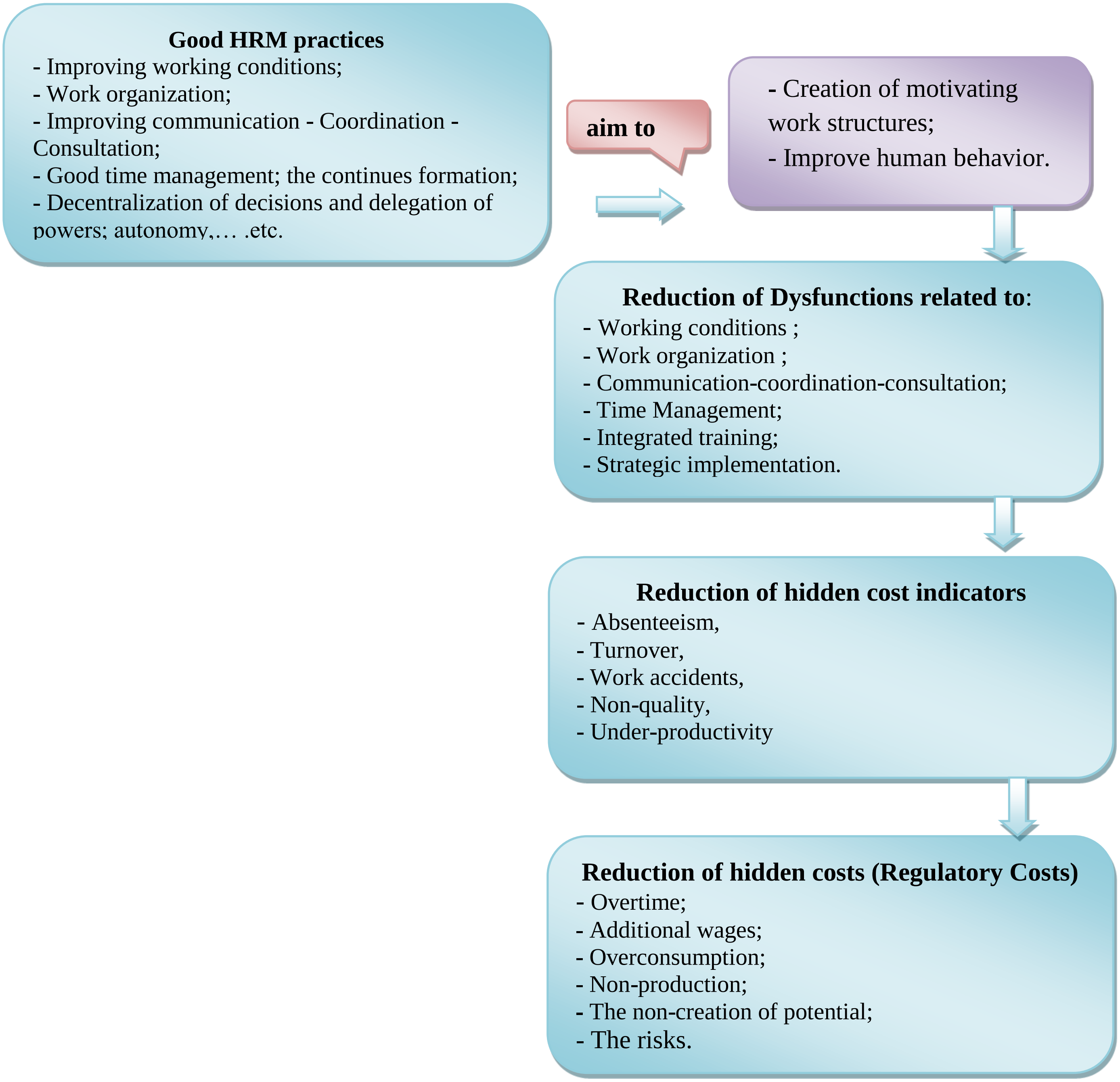
2.6. The organization of work: the organization of work is simply to define who does what in a company. It is usually found at the heart of most organizational changes. The organization of work is an important axis for maximum productivity and for the well-being of the worker. Without work organization. There is no way to continue.

2.7. Improving Communication, coordination and consultation: Communication, coordination and consultation are the main keys to the success of the work, because they strengthen the relationship between the organization and its employees. These 03 practices are important levers to make the company more efficient.

2.8. Motivation: Motivation is the driving force in the company in order to achieve its objectives in terms of effectiveness, efficiency and performance. Without a minimum of motivation, nothing gets done, nothing is created. It is the driving force, which invites to take action and makes what we do alive and effective.

Section III: The contribution of good HRM practices in reducing hidden costs

The expression "hidden costs" should be seen as a shorthand for the expression hidden cost-performance, that is to say, Hidden costs are the translation of the loss or deterioration of performance, in this sense, **the reduction of a cost constitutes a performance and the reduction of a performance constitutes a cost** (SAVALL & ZARDET, Le nouveau contrôle de gestion : méthode des coûts-performances cachés, 1992). In this sense, we intend to carry out our research according to the following diagram



Source: Preparation of searchers

Figure (4): The contribution of good HRM practices in reducing hidden performance costs

3.1. Improving working conditions and hidden performance costs

Does improving employee working conditions reduce hidden costs and improve company performance?

Numerous studies stress the positive relationship between the work environment or one of its components and the level of performance obtained, some of which we will mention below.

The ANACT (National Agency for the Improvement of Working Conditions) study carried out in Germany 2008, among leading companies in their market, on the determining factors for better performance. The study concluded that working conditions and working environment are the most determining factors in employee performance and company performance (Agence Nationale de l'amelioration des conditions de travail, 2008).

Huselid's study (1995) on the relationship between good HRM practices and financial performance, which is one of the best known studies due in particular to its interest in financial performance and the remarkable size of its sample, the study indicates that a high use of a defined number of HRM practices is associated with an average increase in sales of more than 27,000 USD / year / employee, and a reduction in the turnover rate of 7.5%. The corresponding increase in shareholder value is then increased to 18,500 USD and the increase in profits is estimated at 4,000 USD / year / employee. As a result of this study, Huselid partnered with other researchers on several occasions to refine his results. Thus Delaney and Huselid (1996) adopt a methodology with many similarities which describe and result in a positive relationship between the simultaneous implementation of certain HR practices and perceived organizational performance (HUSELID, 1995).

The 2006 study in the United States of America with a sample of 2013 employees on the effect of workplaces on employee performance, the study found that the design of workplaces is important for a considerable improvement in job performance. Directors estimate that the expected increase in employee performance can be as high as 22% if their offices are well designed.

The study commissioned by SECO in 2009 on the family-friendly staff policy, i.e. targeted measures to more easily reconcile work and family life, the study concluded that the implementation of this policy is economically profitable for companies, The return on investment is 8% (Office cantonal de l’égalité et de la famille, 2016).

Roelofsen's study in 2002 on the effect of improving working conditions on absenteeism and turnover rates, the study arrived at a result that improving working conditions reduces complaints, absenteeism and the turnover rate while increasing productivity. Also, the study found that good working conditions make employees very satisfied and show a high level of commitment to their organizations (NANZUSHI, 2015).

The European survey in 2013 on the quality of life at work that the Dublin Foundation has just published, shows that the lack of recognition and the loss of meaning are among the factors most often cited, with the increase in job insecurity. No wonder then that the latest figures published by INRS estimate the annual cost of occupational stress in France at 1.9 to 3 billion Euros (BRUNET, 2016).

In deduction, we can say that in order to have pleasant working conditions, the company must be subject to costs, the lack of initiative in this area, are also cost factors; Work accidents can lead to a production stoppage and an increase in social contributions, but the charges do not only have this origin. The work accident causes work disorganization, deterioration of equipment, spontaneous walkouts ... the cost of which can be very high, 3 to 4 times that linked to the improvement of working conditions, according to French estimates (REMPY, 1979).

The Normalization office of Québec - Canada has built a national standard "Psychological health and safety in the workplace". The experts behind this standard suggest a return of 2.75 to 4 Canadian dollars per dollar invested in health and quality of life at work and estimate the productivity of a physically active employee at + 12% (BRUNET, 2016).

The study published in 1995 by Mr. Huselid also, which analyzes the links between the HR practices of 968 listed companies and was called the "High performance Work practices". namely a coordinated set of 13 practices relating to recruitment and selection procedures, salary and performance management, employee mobilization and training. The hypothesis was that a system based on progressive and coordinated practices could improve a company's knowledge, skills and capabilities and potentially increase employee motivation, reduce production waste, and prevent voluntary departures of good employees. . The results confirmed this hypothesis by showing that a standard deviation of 25% of HR performance had an impact of 07% on turnover and 16% on productivity. The impact of HPWPs is also evident in terms of sales, profits and share value (DELOBBE & Others, 2009).

We can therefore say that investment in this area helps to achieve the following objectives:

- Improving the efficiency and quality of products and services (well-mastered indicators),
- The reduction of hidden costs linked to absenteeism, turnover, etc.
- Permanent motivation and satisfied employees.

3.2. Work organization and hidden cost-performance

Here too, we find many studies indicating a positive relationship between work organization and level of performance, some of which can be cited in the following:

The study carried out by the ISEOR (Socio-Economic Institute for Organizations) in 1977 on the organization of work in a household appliance company, where the methods department allocates a determined number of time units to do certain tasks. The research team found that a team of 70 workers always performs less efficiently than another team doing the same work and using the same means of production, but organized in semi-autonomous groups. In addition, the study found that the workers of the second shift are 02 times less absent, produce fewer quality defects (SAVALL & ZARDET, 2014).

The INRS study in 2010 on the negative consequences of the long-term work system. The study has shown that this system leads to: doubling the number of errors committed, increasing the number of work accidents, affecting the health of employees (overweight, drug addiction, addiction, stress, etc.), and changes in the relationship between the work and / or the quality of the service provided,… etc. The study concludes that excessive work periods should only be "absolutely necessary" and should be accompanied by supervisory measures such as observance of rest periods, recovery times, assessment and mitigation of tasks. performed during night shifts, etc (WEIBLE & Others, 2014).

Another study conducted by ISEOR on the organization of work in 1976 at the level of a shoe company with a workforce of 350 people. The company suffered product failure costs of up to 5.4% of its overall production cost (almost 7% if we also estimate the commercial damage). After the reorganization of work in a different way by the elimination of a large assembly line and its replacement by two independent chains, the gains in product quality have led to a surplus of around 4,700 Euros per month, which made it possible to finance the creation of a qualified job as a supervisor and to generate a net surplus of around 23,500 Euros per year (SAVALL & ZARDET, 2014).

A study carried out by P. Kilby in 1985, on 54 experiments carried out in 9 countries, in which different forms of work reorganization have been implemented. In all cases of the study, a marked improvement in productivity was observed varying between 5 and 500%. The largest increases are due to the implementation of work streamlining methods. Kilby, recognizing the specificity of his experimentation, quite naturally concludes the importance of this form of reorganization as an element of productivity improvement (PASTRE, 1985).

In conclusion, the organization of work allows the company to achieve the following objectives:

- Better effectiveness, efficiency and quality;
- Better exploitation of hidden performances;
- Permanent motivation and better satisfied employees.

3.3. Training and hidden cost-performance

With its evolution, staff training concerns employees and managers. It is perceived as a long-term investment and a strategic stake making it possible to meet market requirements either in terms of quality or in terms of costs and performance. We will cite some studies on the relationship between training and hidden cost-performance

The 1997 study carried out by the Institute for Employment Research (IER) in Germany, on a sample of 2090 establishments with at least one employee covered by social security. The results indicate that a 1% increase in training in 1997 would lead to an increase in productivity (1998-2001) of 0.76% (DRAGOMIR, 2010).

Bartel’s 2000 study of Return on Investment (ROI) in training, the study demonstrated that the ROI in training obtained with such approaches is between 7% and 49%. A 7% ROI means that every dollar invested in training is fully paid back and in addition produces a profit of 7 cents (BARTEL, 2000).

The study of Holzer and others in 2003 on a sample of 155 companies located in Michigan (USA), doubling employee training cycles reduced the failure rate to 07%, using a fixed-effects model. It's worth $ 15,000 (CHOCARD, 2013). According to the Terra Nova think tank, one hour of additional continuous training per employee leads to an increase of 0.5 to 0.7% in the growth of labor productivity (M. LEMOINE - Terra Nova Working Group, 2014).

The study of Tan and Barta in 2007, using the results of the World Bank survey, demonstrated that planned training has a positive effect on added value, the effects range from 2.8% to 71% per year (TAN & BARTA, 2007).

With well-designed "experiential" training, learners are more involved in their training. Indeed, simulation games allow them to be confronted with concrete situations in relation to their daily problems. This dynamic learning situation directly develops the skills of learners through experimentation and has many benefits for the company (ARAGON, JIMENEZ, & VALLE, 2014):

- Improved motivation of learners in their willingness to learn and train;
- Creation of synergies between individual performance and that of the company;
- Acceleration of the achievement of business objectives;

- Reduce resistance to change.

Productivity, competitiveness, attractiveness ... by relying on human capital, are the fruits of effective and efficient training.

3.4. Salaries and hidden cost-performance

For the company, remuneration is a charge representing 30% to 70% of the costs it incurs. We will then refer to labor costs of which remuneration is the main component, but which is far from being the only one. We also have employer charges, parafiscal charges, management and labor costs represent in France for example 40 to 100% of the remuneration paid.

Indeed, compensation is an essential control variable. It contributes to the development of performance, conditions the internal social balance, keeps employees in the unit and attracts skills. So motivating salaries increases the performance of the company.

A study by E. LOCKE in 1999 on the types of motives revealed that the monetary compensation factor contributes up to 70% to motivation, while goal setting, participation and the work environment share the rest of the percentage. It thus appears that monetary remuneration (compensation), even if it is not sufficient, represents a fundamental lever for successful motivation of human resources. This part of motivation which is influenced by money is achieved by external or situational factors which are distinguished from internal or dispositional factors. It represents one aspect of extrinsic motivation (Gómez-Miñambres, Corgnet, & Gonzalez, 2016).

According to the International Labor Organization (ILO), labor productivity increased in developed countries by nearly 15% between 1999 and 2011, while wages only increased by 6%, less than half. In Germany, labor productivity has increased by almost a quarter over the past two decades while real monthly wages have not budged. ”In the United States, real hourly labor productivity in the non-farm business sector has increased 85% since 1980, while real hourly compensation has increased only 35% " (The International Labor Organization (ILO), 2013).

In Canada, labor productivity, the real monetary value of goods and services produced in one hour of work, increased by 52.5% between 1976 and 2014 (or by an average of 1.12% per year), real median hourly compensation, for its part, increased by 3.3%, or only 0.09% per year on average. Labor productivity increased by 41.4% from 1983 to 2013, while real wages increased little (9%) (La productivité et la rémunération du travail au canada, 2016).

The economists Sharpe, Arsenault and Harrison arrive at the same conclusions in their study (2012) which is based on Statistics Canada series "different from ours": median real wages barely increased from 1980 to 2005 while the productivity of the work increased by 37.4%. This is to say that workers have allowed productivity gains and that they would have been entitled to see their real wages increase in relation to this enrichment (ROUILLARD & ROUILLARD, 2015). This gap between wages and productivity since the 1980s is also evident in the United States and in many industrialized countries. Among South Americans, from 1973 to 2011, median workers' wages rose little in constant dollars (10.7%) while labor productivity jumped considerably (80.4%) (Economic Policy Institute, 2019).

With an adequate remuneration policy, the company can:

- Increase labor productivity;

- Reduce hidden costs;
- Reduce resistance to change;
- Permanent motivation of employees.

3.5. Motivation and hidden cost-performance

Happier an employee, the more efficient they are in their work. This is shown by a new study conducted by the Economics Department at the University of Warwick in 2012, UK. By performing a number of experiments, the results of which are published in the Journal of Labor Economics, the team of researchers determined that being happy increased productivity by almost 12% (Economic policy institute (EPI), 2012).

Companies like Google are investing more in supporting employees, to keep them happy, "" For Google, this satisfaction has climbed 37%, they know very well what is at stake. Under scientifically controlled conditions, make employees happier is really profitable (Le HuffPost, 2016).

A study carried out by researchers BELKAID Ibrahim and BORI Chawki in 2017 at the level of the national painting company in Oran on the link between motivation and the level of employee performance, the researchers found that the level of performance is positively linked to the level of motivations provided. The study concluded that appropriate staff motivation would increase performance level by 18% on average (2017 بوري و بلقايد).

In a 1992 study by GENES on the effect of moral motivations on a sample of officials of state-owned enterprises in the United States of America, as well as on the relationship between incentives and employee satisfaction and their impacts on the turnover rate in companies manufacturing agricultural tractors, where the plant management suffered from this turnover. Of the 615 engineers, representing 17% of the sample studied, the results of the study showed that moral motivations had a greater impact on the minds of engineers whose monthly incomes exceeded $ 2,000, while material motivations play a larger role for those with income less than $ 2000. The study showed that there was: a relationship between the staff turnover rate and the level of participation in decisions that some engineers considered more important than the material incentives, a positive relationship between the level of satisfaction and job turnover, which appears more evident in those who have more than 05 years of seniority (2009 عبد الباسط و حمادي).

Ghazi Hassan Odeh's study in 2013 on the effect of incentives on improving the performance of employees of public sector enterprises in Jordan, found that: the level of performance is positively related to the level of motivation, increasing the level of motivation by one degree would increase performance by 28.1% and moral incentives have a greater impact than material incentives (2013 العوده الحلايبية).

Ping Wang's 2011 study on the effectiveness of motivation in improving the performance of project team members, found that team member motivation was positively correlated with performance levels and concluded that motivating team members would improve performance by 29.8% on average (WANG, 2011).

What we can say, the company will never be able to achieve its objectives without a permanent and adequate motivation of the employees, because this contributes to:

- Encourage human potential for creation and innovation;
- Improve the quality of products and services;
- Achieve the effectiveness and efficiency of business processes;
- Minimize hidden costs.

3.6. Communication, coordination and hidden cost-performance

Effective communication helps to make the individual aware of the importance of his work and to integrate himself into the culture of the company to face the challenges encountered, reduce their resistance to change and facilitate their adaptation to market requirements and different socio-economic variables. We can therefore say that communication between all members of the company regardless of their hierarchical level is the key to the success of any company. Several studies have demonstrated the importance of communication in improving performance and reducing hidden costs, including:

Watson Wyatt's 2003 study of 267 leading companies in the US market, on the impact of communication and coordination on companies' financial performance. Watson found that companies that have an effective communication and coordination system perform better than those without, and that improving communication and coordination among employees would help increase market value of these companies by 29.5%. In addition, in companies characterized by a high level of communication and coordination, the total shareholder return between 1998 and 2002 was 26%, while it reached only 15% in companies where the level of communication and coordination is lower. As he revealed that improving these two factors would lead to a significant reduction in the turnover rate compared to competitors, and directly contribute to reducing hidden cost-performance (W. WYATT - World Wide Research Report, 2004).

In another study conducted by Kirtley Jhonston et al in 2007, On a collection of companies on the relationship between employee communication at work and the financial performance of the company, Total return increased from 20.378,81 $ to 243.732, 6 $ after improved communication and coordination between staff members (KIRTLEY, 2007).

A 2009 study by Jhon Baldoni found that companies that communicate and coordinate among their employees have a higher return on investment than other companies over the past 05 years (2004-2009). The study also found that effective communication increases staff discipline and organizational commitment and also creates a kind of desire and motivation for innovation and development in companies (BALDONI, 2009).

In another 2008 study carried by Richard Luss and Steven Nyce on the secrets of "outstanding performance". the researchers concluded that effective employee-to-employee communication would enable the company to: gain greater market share, increase labor productivity and increase sales per employee (49% more than corporate having poor communication). When comparing these companies in terms of return on invested capital, it was found that companies that communicate more effectively achieved a total return of 91% between 2002 and 2006, compared to 62% in companies with less effective communication (Luss & NYCE, 2008). This study also established that there is a negative correlation between the level of communication and turnover rate, in fact, 80% of companies characterized by effective communication and coordination indicating that their turnover rate has been significantly compressed, compared to their competitors.

In conclusion, improving communication and coordination can lead to the following objectives:

- Reduction in turnover and absenteeism rates, and therefore the related hidden costs;
- Reduction of production losses and non-quality rates;
- The efficiency of processes and operations,
- The release of hidden performances.

Conclusion :

Immersed in an increasingly changing and competitive economic environment, at the heart of constantly changing global markets, two variables are determining the life of the company: the degree of control of the company of its costs compared to the expected quality and the company's ability to innovate and develop its products. Hidden costs are costs that must be controlled by the company in order to succeed in its competitive objectives. Good HRM practices appear to be an effective tool in controlling this type of cost, because they aim to improve work structures on the one hand and human behavior on the other hand in order to create an environment of serene work and stimulating work, development and innovation. What we want to demonstrate through our research. As we can draw other conclusions from this study:

- Hidden costs are only an expression of deterioration or loss of performance;
- Hidden costs are linked to the quality of a company's functioning and are generated by internal dysfunctions.
- Hidden costs represent, in fact, the direct financial impact of the number of disruptions and the regulatory activities chosen on the performance of the company,
- The proposed assessment must take into account the integration of socio-economic variables, demonstrating the interdependence between the working conditions of workers and the hidden costs that will affect the economic performance of the company.
- Good HRM practices contribute to the creation of added value by converting hidden costs into performance, by an effective and efficient use of resources.
- A considerable contribution in reducing hidden costs belongs to the personnel, hence the importance of HRM in the company.

We can conclude from our research that Human potential can be a burden (threat) as it can be the source of differentiation of the company (opportunity) It all depends on the management of the company.

The recommendations

- Have a cost management that allows to know the dysfunctions and their financial impacts;
- Go from traditional personnel management to HRM;
- Motivation of the state through regulations and tax and parafiscal advantages in relation to good HRM practices.

Research horizons

Controlling hidden costs in the field of human resources leads us to take an interest in other managerial practices that can positively influence the performance of the company, of which we will cite a few factors:

- Decipher the best practices in a specific area, with a view to raising potential performance gains for the company and establishing indicators, in order to quantify performance;
- Thorough analysis of processes by carefully cutting out key business operations. This operation will certainly lead to finding sources of performance, faults to be improved, transitions between tasks to be fluidized… It is small streams that make great rivers !;
- Match the skills of the team with the current and future needs of the company, with a view to building a sustainable competitive advantage.
- At the managerial level, hidden costs stimulate the search for solutions to deal with the dysfunctions that handicap an organization;
- Keep in touch with current customers and better manage customer relations by setting up an effective CRM.

Bibliography :

1. Agence Nationale de l'amelioration des conditions de travail. (2008). l**es conditions de travail et la Performance de l'entreprise**. ANACT, France.

2. Anamari, S. (2015). **Dysfunctionalities as source of hidden costs under life quality at work constraint.** International journal of academic research in economics and management sciences , 04 (02), 06-07.

3. Aragon, M. I., Jimenez, D. J., & Valle, R. S. (2014). **Training and performance: The mediating role of organizational learning**. BRQ Business Research Quarterly , 17 (03), 161-173.

4. Baldoni, J. (2009, November). **How communication drives performance**. Harvard Business Review , p. 03.

5. Barta, T. a. (2007). **Planned training and the added value**. World Bank Survey, Washington.

6. Bartel, A. (2000, July). **Measuring the employer's return on investments in training**: evidence from literature. Industrial relations journal , 39 (03), pp. 502-524.

7. Brunet, S. (2016, Octobre 05). **qualite-de-vie-au-travail-et-performance-de-lentreprise;** Consulté le Novembre 24, 2020, sur https://www.huffingtonpost.fr/sylvie-brunet/**qualite-de-vie-au-travail-et-performance-de-lentreprise**_b_3541227.html

8. chef d'entreprise. (2015, 06 15). Consulté le 11 23, 2020, sur chef d'entreprise: https://www.chefdentreprise.com/Definitions-**Glossaire/Cout-cache-**239928.htm#

9. Chocard, Y. (2013). **Training and Failure Rate**. skills-Employement Observatory research center (OCE), Montreal.

10. Cistallini, V. (2013, 2 18). L**es coûts performances caches, mesure scientifique de la sante et de la vitalité d'une organisation et contribution a la validité des concepts de gestion.** Consulté le 11 24, 2020, sur Academia education: http://intercostos.org/documentos/apellidos/Cristallini.pdf

11. Delobbe, P., & Others. (2009). **Bien-etre au travail et performance de l'organisation.** Bruxelles: Louvain school of management.

12. Dragomir, M. (2010). **La relation entre la formation des ressources humaines et la performance organisationnelle: l'effet modérateur du roulement du personnel**. Montréal.

13. Economic policy institute (EPI). (2012). **Motivation and Performance**. Washington.

14. Economic Policy Institute. (2019, July). **The Productivity–Pay Gap**. sur Economic Policy Institute: https://www.epi.org/productivity-pay-gap/ Consulted on: Nov 25, 2020,

15. Gómez-Miñambres, J., Corgnet, B., & Gonzalez, R. H. (2016, Octobre). **Goal Setting and Monetary Incentives: When Large Stakes Are Not Enough**. Management Science forthcoming , 10 (02), p. 23.

16. Huselid, M. (1995). **The impact of human resources management practices on turnover, productivity and corporate financial performance**. Management Academy , 38 (03), pp. 35-36.

17. Kirtley, M (Déc 2007). **The link between communication and financial performance in simulated organizational team**. Journal of Managérial issues , 19 (04), p. 543.

18. **La productivité et la rémunération du travail au canada.** (2016, Decembre 07), Article sur Jeanne Emard: https://jeanneemard.wordpress.com/2016/12/07/la-productivite-et-la-remuneration-du-travail-au-canada/ last consultation: Nov 25, 2020.

19. Le HuffPost. (Octobre 03, 2016,). **C'est prouvé, être heureux au travail améliore la productivité.** On the website: https://www.huffingtonpost.fr/2014/03/22/etre-heureux-au-travail_n_5012224, last consultation: Nov 25, 2020

20. Luss, R., & Nyce, S. (2008). **Secrets of top performers: how companies with highly effective employee communication differenciate themselves - the methodolgy behind the 2007/2008 communication ROI study**. Dunod. London, England:

21. M. Lemoine - Terra Nova Working Group. (2014). **Rapport sur la formation professionnelle. Entrer et rester dans l'emploi :Un levier de compétitivité, un enjeu citoyen**. Paris.

22. Moreau, J. J. (Mars 05, 2012). **Article en ligne on** : http://www.jmn-moreau.com/wp-content/uploads/2010/10/doc_230407_105840.pdf, last consultation: Nov 24, 2020

23. Nanzushi, C. (2015). t**he effect of workplace environment on employee performance in the mobile telecommunication firms in Nairobi city county**. PHD THESIS , 12-13. Nairoubi.

24. Noguera, F. (2002). **Management stratégique du temps de travail - Instrumentation et impact de l'aménagement - Réduction du temps de travail**. LYON: Flammarion.

25. Office cantonal de l'égalité et de la famille. (2016). l**es nouveaux enjeux de l'organisation de travail**. Sion- France.

26. Pastre, O. (1985, Avril). **Organisation du travail et croissance économique : un vieux débat anglo-saxon.** Revue Economique , 36 (2), p. 391.

27. Rempy, P. (1979, Mars). **report of the prospective group of work and evolution of the company of the VIII plan**. industrial economy review (10), pp. 114-115.

28. Rouillard, J., & Rouillard, J. (2015). **Salaires et productivité du travail au canada depuis le début du 20e siècle : les travailleurs bénéficient-ils de la croissance économique**. Industrial relations Department , 70 (02), p. 42.

29. Savall, H. (1986). **Le gisement exploitable des coûts cachés, vers un nouveau contrôle de gestion**. Exchange review (86), 08.

30. Savall, H., & Zardet, V. (1992). **Le nouveau contrôle de gestion : méthode des coûts-performances cachés.** Paris, France: Malesherbes accounting.

31. Savall, H., & Zardet, V. (1995). **Maitriser les couts et les Performances cachés** (éd. Economica). Paris, France: Economica.

32. Savall, H., & Zardet, V. (2015). M**aitriser les couts et les performances cachés** (éd. 6). Paris, France: Economica.

33. Savall, H., & Zardet, V. (2014). **Reconstruire l'entreprise : les fondements du management socio-économique.** Paris, France: Dunod.

34. The International Labor Organization (ILO). (2013). **Global wage Report**. Genève.

35. W. Wyatt - World Wide Research Report. (2004). **Connecting organizational communication to financial performance-2003/2004 - communication ROI study**. London.

36. Wang, P. (2011). **La motivation : une source efficace pour améliorer la performance des membres d'équipes de projet.** Québec, Canada: Rimouski.

37. Weible, & Others. (2014, Mars 16). **organisation du travail en 2 x 12 h : les risques pour la santé et la sécurité des travailleurs.** références en santé au travail (137), pp. 143-149.

38. أنس عبد الباسط وحمادي سليمان عبد الله، (2009)، "**الحوافز وأثرها على الأداء- دراسة ميدانية"**، مجلة الرافدين للتنمية، جامعة الموصل، المجلد 31، العدد 93، ص 109-110.

39. بوزرين فيروز، (2017)، أطروحة دكتوراه بعنوان **"أثر ممارسات إدارة الموارد البشرية في بناء المزايا التنافسية في المؤسسات المتوسطة الجزائرية"**، جامعة سطيف- الجزائر، الصفحات 14-65.

40. بوري شوقي وبلقايد ابراهيم، (2017)، "**علاقة التحفيز بمستوى أداء العاملين – دراسة ميدانية بالمؤسسة الوطنية للدهن لوحدة وهران**"، مجلة اقتصاديات شمال افريقيا، المجلد 17، العدد 02، ص 269.

41. غازي حسن عوده الحلايبية، (2013)، مذكرة ماجستير بعنوان **" أثر الحوافز في تحسين الأداء لدى العاملين في مؤسسات القطاع العام في الأردن"**، جامعة الشرق الأوسط، الأردن، ص 65.

Appendices

Figure 01: The origin of the hidden costs
Figure 02: Link between dysfunction indicators and hidden cost components
Figure 03: General model for calculating hidden costs
Figure 03 : The contribution of good HRM practices in reducing hidden performance costs