

**How to undertake change in the economic compagny after transfer of property ? The organization's capacity to change approach : Case study**  
**كيف يمكن إجراء تغيير في الترابط الاقتصادي بعد نقل الممتلكات ؟ قدرة المنظمة على تغيير النهج: دراسة حالة إفرادية**

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*« How to undertake change in the economic company after transfer of property ?The organization's capacity to change approach : Case study »*

**Abstract :**

*Organizational changes resulting from the transfer of property are innumerable. Simultaneously affecting strategy, structure, technology, culture ... etc. In this research, it was deliberately chosen to follow privatized enterprise buyers strategy to make the latter permeable to change, is to say, able to carry out its organizational changes (proactive or reactive). To do this, we conducted a thorough case study of a privatized company sold to a German multinational accumulating long experience in international acquisitions. The realized finding reveals the new leadership will to radically break its past with heavy socialist cultural heritage.*

**Key words :** Privatization in Algeria, Organizational change, organization's capacity to change, change management.

**Jel Classification Codes :** L33, D23, E22, J5.

*« Comment entreprendre le changement dans l'entreprise économique après le transfert de propriété ? Une approche par la capacité de l'organisation à changer : Etude de cas »*

**Résumé :**

*Les changements organisationnels induits par le transfert de propriété sont innombrables, touchant à la fois la stratégie, la structure, la technologie, la culture...etc. Dans le cadre de cette recherche, on a délibérément choisi de suivre la stratégie des repreneurs d'une entreprise privatisée pour rendre cette dernière perméable au changement, c'est-à-dire capable de mener à bien ses projets de changements organisationnels (proactifs ou réactifs). Pour ce faire, nous avons réalisé une étude de cas approfondie sur une*

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*entreprise économique privatisée cédée à une multinationale allemande cumulant une longue expérience dans les acquisitions à l'international. Le constat réalisé révèle la volonté affichée de la nouvelle direction de rompre radicalement avec le passé de cette entreprise au lourd héritage culturel socialiste.*

**Mots clés :** *La privatisation en Algérie, Le changement organisationnel, la capacité de l'organisation à changer, la conduite du changement.*

**Jel Classification Codes :** L33, D23, E22, J5.

«كيف نقوم بالتغيير في المؤسسة الاقتصادية بعد نقل الملكية؟ مقارنة قدرة المنظمات على التغيير: دراسة حالة»

**ملخص:**

التغييرات النظامية الناتجة عن نقل الملكية عديدة، تؤثر فيآن واحد على الاستراتيجية، الهيكل، التكنولوجيا وثقافة المنظمة... الخ. موضوعنا في هذا البحث يتبع استراتيجية المتحصلين على المؤسسة المخصصة لجعلها قادرة على التغيير وقابلة للتغيير، بمعنى قدرتها على تنفيذ التغييرات التنظيمية (الاستباقية أو كرد فعل). للقيام بذلك، أجرينا دراسة حالة شاملة لمؤسسة اقتصادية مخصصة لتنازل عنها لشركة ألمانية متعددة الجنسيات ذات خبرة طويلة في عمليات استحواذ في الخارج. النتائج المحققة تكشف عن رغبة القيادة الجديدة لكسر التراث الثقافي الاشتراكي الثقيل للمؤسسة المخصصة. **الكلمات المفتاحية:** الخصخصة في الجزائر، التغييرات التنظيمية، قدرة المؤسسة على التغيير، قيادة التغيير.

**تصنيف Jel:** L33, D23, E22, J5

## **How to undertake change in the economic company after transfer of property ? The organization's capacity to change approach : Case study**

### **1. Introduction :**

*Partial or total transfer of public assets induces the change in the nature and structure of the property. The Company's owners are the residual creditors holding the right to control assets use. The transfer of property (privatization in the case study) is defined as a different distribution of decision-making rights (management and/or oversight rights in investment and financing matters) in favor of non-public agents. The state's decision-making role is adjusted depending on the privatization degree, it becomes more or less effective. Besides, these decision-making rights are exercised within a disciplinary system, which encourages interest convergence between asset owners and decision-making centers that they use. Hence, privatization, by changing the ownership structure, leads to change in the corporate governance system. By affecting organization value creation and distribution process, these disciplinary mechanisms (spontaneous or intentional) operate at the performance level*

*resulting from privatization. Therefore, ownership structure nature appears to play a crucial role in organizational efficiency.*

*The problem we address in this article arose from the following note: Multinationals and mixed companies established following the privatization of public enterprises are converting huge profits with good profitability of invested funds. Questions following this note relate specifically to multinational companies offering positive performance indicators, while in the recent past these state-owned companies have struggled to survive financially and socially.*

*In this article, we have chosen to study this problem from the organization's capacity to change; groundbreaking approach on organizational change research. Our study Context follows the initial observation and focuses on the privatized economic enterprise.*

## **2. Literature review :**

The organisation's capacity to change is defined as follows:

- According to HAFSI& DEMERS (1997) « The capacity to change is practically the preliminary stage which consists of working to create the most appropriate conditions and then undertake the change ».

- Autissier and Derumez (2010), define the organization's capacity to change as follows: "The ability of the organization and its actors to create favorable conditions for continuous change to spread it and integrate it into the work of the organization itself". The capacity to change « It also constitutes a process of making change specific to each organization that is constantly renewed and rebuilt ". An organization may contain this potential, if it is considered and treated as an organizational capacity that can make a difference, it may constitute the ultimate competitive advantage for organizations (ARNOUD & FALZON, 2013).

In summary, the ability to change requires, among other things, a mastery of the change conduct and is distinguished from it in the sense that it does not aim to master, control the change process, but more to accompany and facilitate it. According to SOPRANOT, the capacity to change's theoretical bases are sought in two theoretical corpora: The change theory as a continuous process and the dynamic capacities theory (SOPRANOT, 2004) (TEECE & PISANO, 1994) (LABROUCHE, 2014) (ALTINTAS, 2015).

By following the organization's capacity to change approach, we sought to determine (if any) the ability or capacity of the Algerian company (which under privatization has become a foreign joint-stock company) to deal with the entire set of changes compelled to make. These changes can be grouped according to the following two criteria :

- Changes resulting from the transfer of property rights ;

- Changes that managers undertake according to new owners' recommendations and requirements.

Changes arising from the transfer of property rights are mainly summarized in :

- The change in the Board of Directors composition and/or the management board which leads to a change in the corporate governance (transfer of decision-making rights) ;
- In other cases, the change in the direction of the company induces a change in management (transfer of decision-making rights).

Company managers make other changes to face the following challenges :

- Adapting the newly acquired company to the new owner's requirements who are claiming dividends ;
- Adapting the workforce's skills to the new technologies transferred by privatization ;
- Adapting the company's competitiveness access export markets.

Introducing changes within the privatized institution is not the same as making them in private sector institutions. This institution has characteristics that distinguish it from private sector companies meaning that it has a special history that defines its actors and individuals' practices and behavior.

According to Andreff (1995): "The privatized enterprises of the economies in transition are not yet truly private enterprises. [... ..] in joint-stock companies, we see that these privatized companies remain mainly under the internal control of employees and directors. [... ..] new shareholders fail to control and discipline the directors who continue to exercise the rights over the assets. Internal coalitions in organizations maximize the growth of the firm and its autonomy, rather than profit".

Accordingly, the privatized company is studied as a specific company requiring specific measures that we're seeking to clarify in this work. Consequently, this study sought goal is to contribute to understanding the problem of developing organizations' change capabilities and then restricting change capabilities to the privatized institution specifically.

This study will enable us to understand and apprehend new buyers' practices and measures to fully control their acquisitions.

From this problem arise the following two research questions :

- How to build the capacity of a privatized company to change?
- How did new buyers contribute to developing these capacities?

The buyer's identity was not excluded in this study. Multinationals' experience in international acquisitions determines the success of the application of its management model.

The hypotheses that emerge from this problem are :

- The possibility of transposing the change management model from the parent company ;
- Or, on the contrary, the persistence of the inherited model ;

- Or the emergence of a hybrid model that takes into account the privatized company characteristics and specificities.

From this problem arise the following two research questions :

- How to build the privatized company capacity to change?
- How did new buyers contribute to developing these capacities?

The selected research approach is appropriate for exploratory research. It also favors a gradual development to understand the building and development practices of the privatized enterprise's change capacities.

This research requires a method that acts according to a historical approach to study the changes and the intra-company conditions facilitating them (changes). It also requires current techniques to observe actions, interactions and, their consequences in terms of decision and/or learning.

For this, we used the historical reconstruction method that allowed us to trace the company's evolution. Even before its privatization until today from stories of its members, also by documents consultation ERCO group, the current KNAUF PLATRES SARL, and a press review.

This exploratory research is included within the interpretivist model where the study aims to understand and analyze an unknown or rarely explored phenomenon: change capacities of privatized companies.

According to (Miles, 2003); "... this approach leads to" deep understanding ", empathy or interior investigation with the subject under study. For social interactionists, interpretation comes through understanding group actions and interactions. In both cases, there is an inevitable "interpretation" of meanings, carried out by both social actors and the researcher".

The case study is particularly suited to this type of paradigm whose aim is essentially comprehensive. It allows "to grasp the subjective and intersubjective meaning of a concrete human activity from the perceptions and actions of the different actors involved" (RISPAL, 2003)

The case study is appropriate "when there is a question like how or why about a contemporary set of events over which the researcher has little or no control".

The inductive qualitative method is the corollary of the case method. According to Miles and Huberman: "With qualitative data, we can respect the time dimension, assess local causality and formulate fruitful explanations. Besides, qualitative data is more likely to lead to new theoretical integrations; they allow researchers to go beyond their preconceptions and their initial conceptual frameworks ". (Miles, 2003).

In light of the research question, the choice of the case "KNAUFS plâtres SARL" has several justifications :

- First, this plaster manufacturing company (plaster bag, plasterboard) is the result of the privatization of a public company EX SOPLAF (initially up to 50% and then up to 100%) with an introduction of new management. This company dominates its market and leads its field since it introduced plasterboard production in Algeria. This hegemony drives it to create all the conditions necessary to maintain its position as a leading plaster manufacturer in Algeria ;

- Second, this institution belongs to the construction sector, which is considered a thriving business sector. Also, the company's new owners are a German multinational company with long experience in international acquisitions (a company that has successfully established itself on four continents with all the cultural diversity that may exist).

Also, the many organizational changes that this company has gone through before and after its privatization make it an appropriate field for the study.

- The company's transition from the public sector status to the private sector status with all accompanying changes in shareholding, management, and governance ;

- The company has experienced many change projects, before and after its privatization (in particular the extension of the production unit and its modernization, introduction of the SAP ERP operating software, etc.).

In short, this institution has fulfilled the necessary conditions to answer our research question that will allow, in the inductive logic, to generalize or extrapolate the results obtained.

**3. Research Methodology:**We gathered Qualitative data by combining the following three methods :

- Semi-structured interview ;

- Non-participating direct observation ;

- Collection of written documents.

These three methods combination reduces the risk of subjectivity and enhances the "internal validity" of our research.

**3.1. Semi-structured interviews:**To serve the research objectives, we adapt the interview questions according to the respondents' position within the institution. Thus, we modeled interviews in three ways, depending on characteristics of respondents, their experience, and their affiliation or not in the union, to collect as much information as possible:

- Those who have experienced privatization and whose professional experience within the company has exceeded 10 years (the company was privatized in 2006), regardless of the position they hold: 1 first manager, 2 senior managers, and 1 medium director ;

- Those who joined the company after its privatization and whose jobs differ from senior manager to middle manager. we justify the choice of these professional groups by their dominant role in the success or failure of change projects (as either the primary actors in change or recipient elements of

change or media in change projects): the general manager, 4 senior executives managers, 5 medium directors;

- Finally, workers belonging to the first or second group also have union activity within the company: 1 director and 1 middle manager.

We formulate and adapt interview questions to guide respondents to achieve the interview goals. Also to allow them to express themselves freely.

This allows the researcher to take advantage of opportunities available to him in the research field (Patton, 2002). Interviews were conducted with persons with strong scientific and professional qualifications (varies from engineer to graduate) to enrich our discussions with theoretical concepts and terminology that we did not address before the start of exploratory research. This data gathering method also helps us to have an exchange in which respondents share their perceptions, interpretations, and experiences.

It also contains open questions that allow actors to highlight the meaning of their actions “value systems, their standards, their interpretations of conflict situations within an organization, and their readings for their own experiences” (Quivy and Campenhoudt, 1995).

Initially, we conducted 4 exploratory interviews:

- Two interviews with members of the Administration and Finance Department;
- and the other two interviews with members of the Quality Management Department.

During exploratory interviews, the questions derived from an analysis of the literature that shaped the dimensions and composition of this research.

This exploratory stage made it possible, in the sense of Gritz (1998), to gain familiarity with the important elements, to guide the construction of the initial conceptual framework as well as to correct and clarify the interview guide.

This exploratory stage allowed us to prepare the second stage of the data-gathering process; define the research protocol and interview guide that addresses a series of preliminary topics (Romelaer, 1999). It is important to say that interview questions have evolved and become more accurate as research questions and our conceptual model.

Each interview began with a presentation of the research framework and its objectives to contextualize the interviewees. It is necessary to clarify to interviewers the research overall goal, determine its approximate duration, and provide principles of confidentiality.

We conducted interviews in respondents' offices or meeting rooms. Interviews lasted approximately one hour and thirty minutes on average. They were all recorded using a voice recorder (mobile application), except for an interview during which the respondent refused to be recorded.

Also, during and after each interview, we recorded notes in the research notebook aimed at improving future interviews (impressions, errors, difficulties encountered, required modifications in the questions, etc.), as well as writing down ideas that will help us to analyze and translate data and

finally, note the stages of progress in Field research to facilitate writing the methodological chapter for this work.

Finally, it is worth saying that the interviews were mainly conducted in French, and on several occasions, we needed to reformulate our words in Arabic or Largo to encourage our interlocutors to express themselves without feeling forced to respond to us in French.

The difficulty with this type of interview is to transcribe it. The researcher should make an additional effort in translating and interpreting words.

The qualitative data gathered was carried manually and via the NVIVO 11 qualitative data processing software.

We used interview themes as a general coding plan to implement our contextualist analysis framework developed by Pettigrew.

**3.2. Data analysis :**In this case study, we use a data analysis framework that refers to the contextualist approach of Pettigrew (1987, 1990). We have coded the data to have access to this analytical framework.

The interest of Pettigrew's approach lies in its multidimensional character, based on three important dimensions to understand the change dynamic:

- The content refers to the change subject, or the "what to change" ;
- The processes, or "how to change" relate to the action of transforming the organization from a present state to the future state, interactions between actors involved in the change.
- The context available internally and externally; internally, it covers three intra-organizational dimensions: structural, cultural, and political dimensions; externally, it covers the socio-economic, political, technological environment in which the company operates. This context explains the "why change".

Change is no longer seen as a state but as a process (Pettigrew et al., 2001) and the analysis of change must update the interconnections:

- Between events retrospectively and in real-time to locate the processes over time ;
- Between the different levels of the context, based on observable data and the interpretation constructed by the actors, so that the context reveals its explanatory force as a field of interaction between the different levels of analysis ;
- Between the context and the processes, the first constraining the second, which contributes to building the first ;

This exchange over time between agents and context is cumulative. "So what happens, why and how it happens, and what result it causes, depends on when it happens" (Pettigrew, 2012).



Then, the thematic codes were grouped by analogy forming categories. The data was then organized using narrative strategies, time decomposition, and synthetic strategy.

**2.4. The non-participating observation :** To go beyond the speech of the executives interviewed, we used non-participant observation. This observation consisted of taking notes during company visits without being involved in its operation.

Unlike intervention research, our objective was not to introduce a change in the organization to observe its effects (Gavard-Perret et al.) But rather to describe and understand practices in their context. Thus, action research is envisaged as a global strategy aiming at institutional changes, where researchers are asked by organizations through their experience to certain types of action to set up and follow a change project and this in conjunction with the participants (Miles and Huberman, 2003).

Our presence on the ground encouraged frequent and rich informal contacts with members of the organization.

Collection of written documents :

Also, to verify and complete our primary data, we gathered different types of documents :

- The resolutions of the state shareholding council relating to the privatization of the company ;
- The notes and letters sent by the Conseil de Participation de l'Etat to the social partner of the company ;
- The amending statutes of the company ;
- The company's environmental policy ;
- The quality management manual and these procedures ;
- The safety manual,
- as well as written procedures, press articles, statistics on the movement of employees, etc.

Also, we had access to the company's archives, we could consult the ISO 9001 quality management certification manuals, the occupational safety manuals, the procedures of various departments, the user manual of the SAP software, the amending statute of the company, the BOAL,... etc.

These documents were useful to us since we were able to trace the company's history through these documents and the stories of its members.

**4. Presentation of the KNAUF ALGERIE case :** Knauf Algeria is the subsidiary of the parent company Knauf located in Germany. The Knauf Algeria subsidiary is part of the MENA region (the Middle East & North Africa), whose headquarters are located in Turkey and which includes, among others: Knauf Algeria, Knauf Morocco, Knauf Tunisia, Knauf Egypt, Knauf Iran, Knauf Dubai... etc. Present in 40 countries and managing 77 factories, the company has a long experience in the companies abroad acquisitions (internationalization).

The last parentage of the plastering complex of FLEURUS before its privatization states that it among the three units of SODEPAC, a subsidiary of the ERCO regional group which in turn was a subsidiary of the industrial and commercial group GICA.

The construction of the Plastering Complex at Fleurus was completed in 1978 by Knauf Engineering handled by SNMC. We state that KNAUF knew the complex and was well aware of the possibilities that it offered; Which certainly motivate its purchase by Knauf Germany.

To privatize its units, the SODEPAC subsidiary was dissolved and :

- The lime unit in SAIDA was privatized and sold to a private Algerian buyer who currently belongs to the BMSD companies group;

- The Zahana asbestos unit was dissolved, and due to the permanent cessation of asbestos production, a highly carcinogenic product; workers were compensated ;

Fleurus Plastering Complex was privatized up to 50% in 2005 in favor of the KNAUF Group for €8 million, the Plaster Fleurus became SPA SOPLAF.

- 2005: partnership and 50% stake in the KNAUF group's capital for an amount of 8 million euros, PLATRES FLEURUS becomes SPA SOPLAF ;

- 2006: The SOPLAF SPA comes under the management of the KNAUF group and became KNAUF PLATRES FLEURUS (KPF) ;

- 2010: KNAUF Group acquires KPF capital and changes legal status from SPA to SARL.

Among the conditions of the total company sale, were to realize investments within a maximum period of 42 months. The realized investments were evaluated by the buyers at about 70 million euros.

The main investments are as follows :

- Passing production capacity from 230,000 tons/year to 600,000 tons/year due to the installation of a new oven 45 tons/hour;

- A factory to produce plasterboards 20 million m<sup>2</sup> / year with its unit for the manufacture of metal profiles (plasterboard accessories)- The creation of a training center dedicated to plaster trades ;

- A wide range of products was launched in production on the Algerian market and for export.

The conversion of the company's management to the Germans and the amplification of the pace of work transformed the company and its members completely and led to drastic radical changes from top to bottom, i.e. imposed and governed by the summit (the parent company). This type of change is recommended in times of crisis as the company's strategy, structure and culture must be managed simultaneously.

These multi-dimensional changes are summarized according to the following points :

- SAP ERP (information and communication system) implementation to standardize information flow from subsidiaries (BERNIER, BAREIL, & RONDEAU, 2002)(SLIMANI, 2018);
- Redefining the company's formal structure by the requirements of the IC system (structuring technology) (BERNIER, BAREIL, & RONDEAU, 2002) ;
- Review the salary grid after employee requests.
- Carrying out actions to reflect a positive image of the company with positive externalities and socially responsible (DiMaggio & Powell, 1983);
- Implementing the Quality and Environmental Management System (ISO 9001 V. 2008) by engaging the company in an ongoing process of learning and organizational innovation.

## **5.RESULTS AND DISCUSSIONS :**

The results obtained from this research on the privatized organization's capacity to change represent a new and enriching contribution to research carried out on the institutions' ability to change. Our literature review lists many works in completely different contexts.

Also, this study would not have the same contribution if it were conducted without identifying buyers, who through their rich history of pioneering acquisitions have demonstrated great potential in the corporate linking process.

The main action taken to prepare the institution for change concerned its social climate (BAREIL, 2016), which represents a barrier to implement the planned change projects.

This measure included neutralizing and dismantling power alliances within the company and removing strong influence or resistance elements.

To do this, he embarked on developing a social plan under the cover of voluntary departure, early retirement, and resignation, by taking advantage of the union movement freeze for more than 4 years (by UGTA).

Thus, a staff inherited from the SOPLAF of 156 people (all socio-professional categories combined) currently remains less than 20 people (those who have more than 10 years of experience within the company).

Our observation is validated by the table below :

**Board 1 : « KNAUF Algérie SARL staff rotation since 2006 to 2015 », adapted by ourselves from statistics carried out with the personnel manager**

		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
<b>Departures</b>	Retirement	5	9	3	5	3	0	1	2	8	2	38
	Resignations	23	1	0	0	26	1	13	18	30	19	131
	Of which resigning executives	23	10	0	0	0	1	6	8	23	13	84
<b>Number of staff</b>		194	181	199	221	229	193	207	222	182	206	-
<b>Exit Rate</b>		14,4%	5,5%	1,5%	2,3%	12,6%	01%	10%	12,7%	20,8%	10,4%	-
<b>Recruitment</b>		00	15	28	27	37	46	14	15	49	40	271
<b>Entry rate</b>		0	8,2%	14%	12%	8%	24%	7%	6,8%	27%	20%	-
<b>Turnover rate</b>		7,2%	6,85%	7,75%	7,15%	10,3%	12,5%	10,5%	10%	24%	15,2%	-

This table shows through the headings the exit rate (the exits are divided into retirement and resignation, resignations, in turn, reveal the resignations of managers), the entry rate, and turnover rate. These rates are indicators of the psychology of workers and the policy of human resources management within the company. It provides an overview of the size of employee movements in the organization and costs associated with employee departure and arrival.

The total number of registered departures since the partial privatization of the company in 2006 reached 159, compared to 156 inherited when the company was privatized (currently, only 20 workers with more than 10 years of professional experience within the company). This fact reflects the new administration's desire to renew its workforce ensuring the establishment of a new institutional culture.

The main reason behind these departures is the working climate. The coalitions of forces that were formed in addition to the political manipulations within the company pressure on workers who preferred to leave and benefit from the payment of bonus (representing 45 days for each year of experience).

The German partner noticed the strength and control of the company's union in employees, and to prepare the company for the stage of total privatization, he made a disguised social plan as voluntary departure, early retirement, and resignation by proposing a somewhat attractive compensation that represented 45 days a year worked.

This is a way to neutralize individuals emerging in a socialist culture who will not necessarily serve the capital goals of new buyers.

New buyers essentially wanted the departure of people who were very active in unions or people who had a strong influence on employees or people at the head of alliances of authorities within the company.

### **5.1. Change in the case study :**

It is necessary to understand the change nature to be able to explain it. To make the privatized institution able to change, they applied radical change. Which explains methods used in its diffusion, simultaneously affecting the company's strategy, structure, and culture.

As said before, the radical change concept is also cultural and cognitive by managing the transmission of cultural norms; the latter, which was created and grown in a socialist environment, was one of the first to be replaced. The change is major and complete, turned on beliefs, values, strategy, and organizational structure.

As much as the change was severe, it changed the entire organizational system irreversibly. Therefore, "a break with the previous state of things ... has shaken all habits (ways and means of production), work and life habits (areas of production)" to search for new stability that allows the establishment of a new strategy, new system, new structure, and new culture.

In the case of the studied company, privatization took place in two stages :

- The first stage: partial privatization up to 50% with the management transfer. This step lasted 4 years from 2006 to 2010; it was the most important and difficult period for all stakeholders within the company (new buyers, management, workers, and customers) ;
- The second stage: total privatization carried out in 2010.

The transition phase corresponds to the period when people are forced to abandon current practices to acquire other practices and skills. In this transitional period; It is no longer a place for old practices (culture, administration, social relations), and new ones are not yet acquired.

This transition to a new institutional culture, to a new administration, and re-establishment of social relationships activates two interrelated processes: existing practices disintegration and new practices rebuilding.

Thus, during a successful transition, old practices gradually fade and are replaced by new ones. This period usually requires significant effort from the change instigators and its recipients.

Whether at the individual, collective or organizational level, this period is often characterized by floating, ambiguity, turbulence, tensions, conflicts, paradoxes, discontent, ineffectiveness, and corporate weakness.

We realize that privatization has brought about complex changes that combine different types of simultaneous changes requiring distinct and sometimes contradictory strategies.

Thus, a strategy that encourages workers' departure from the socialist era coexists with a paradoxical strategy aimed at retaining employees through the promotion of personal initiative and the promotion of individual learning (VAILLANCOURT, 2008).

About labor relationships, cooperation between unions and management made it possible to jointly solve problems and enhance synergy to achieve common goals. This cooperation culminated in the drafting of a new collective agreement. Other case studies show that union attention and engagement with organizational change, as part of a coordinated approach, contribute to reducing employee concerns and also accelerates the adoption of new business methods by the relevant employees. This is what we felt among staff representatives who confirmed their commitment to the company's development plan.

Currently, the union is an integral part of change projects within the organization. Its representatives attest to the efforts made by the company's CEO to maintain a healthy social climate. But this does not mean that the establishment is free of some problems with the workers.

By including the process dimension of the capacity to change of the privatized company KNAUF PALTRES SARL in the LEWIN (1951) model of implementing organizational change (unfreezing-transition or change- refreezing), we can make the following associations :

- **Unfreezing:** This first stage of change involves preparing the organization to accept that change is necessary, which involves breaking down the existing status quo before building up a new way of operating. The key to this is developing a compelling message showing why the existing way of doing things cannot continue. This is easiest to frame when you can point to declining sales figures, poor financial results, worrying customer satisfaction surveys, or suchlike. These show that things have to change in a way that everyone can understand.

To prepare the organization successfully, it is necessary to challenge the beliefs, values, attitudes, and behaviors that currently define it. Using the analogy of a building, the existing foundations might not support add-on storeys. Unless this is done, the whole building may risk collapse.

This first part of the change process is usually the most difficult and stressful. When starting cutting down the "way things are done," it puts everyone and everything off balance. It may evoke strong reactions in people, and that's exactly what needs to be done.

By forcing the organization to re-examine its core, it's to create a (controlled) crisis, which in turn can build a strong motivation to seek out a new equilibrium. Without this motivation, it won't get the buy-in and participation necessary to effect any meaningful change.

In our study case, this stage started even before the company was privatized. The CPE in charge of privatization operations has attempted to pave the way for facilitating this process by scheduling

informational meetings between the SGP and privatizable company workers' representatives about privatization by enumerating and glorifying privatization as well as the benefits that new owners will provide to workers. In determining this stage in time, we can confirm that it corresponds to the period that extends from several years before the partial privatization of the company in 2006 when the management was transferred to the German buyer until 2012 (the year in which the ratification of salary increases), that is, after two years of total privatization To the company;

- **Change** : After the uncertainty created in the unfreeze stage, the change stage is where people begin to resolve their uncertainty and look for new ways to do things. People start to believe and act in ways that support the new direction.

The transition from unfreeze to change does not happen overnight: people take time to embrace the new direction and participate proactively in the change. A related change model, the change curve focuses on the specific issue of personal transitions in a changing environment and is useful for understanding this aspect in more detail.

To accept the change and contribute to making it successful, people need to understand how it will benefit them. Not everyone will fall in line just because the change is necessary and will benefit the company. This is a common assumption and a pitfall that should be avoided.

Time and communication are the two keys to the changes occurring successfully. People need time to understand the changes, and they also need to feel highly connected to the organization throughout the transition period.

We can say that there was an overlap between the unfreezing period and the change transitional period, as it is difficult to separate the two phases due to the synchronization of old culture eradication practices and the creation of new practices through the implementation of several change projects that affect all levels of the company simultaneously.

This period started in 2006, the year of the company's partial privatization with the management transfer to German buyers. Also, it coincided with the launch of major organizational changes such as the implementation of the integrated management software package SAP (Enterprise Resource Planning); ISO 9001, 14001, OHSAS, etc. certifications. A personnel management policy that primarily aims to eliminate a group of people who have a strong influence on workers and people at the head of power alliances within the company. The main challenge posed by German buyers is the elimination of the socialist culture in favor of a new culture of organizational performance.

- **Refreeze** :When the changes are taking shape and people have embraced the new ways of working, the organization is ready to refreeze. The outward signs of the refreeze are a stable organization chart, consistent job descriptions, and so on. The refreeze stage also needs to help people and the organization internalize or institutionalize the changes. This means making sure that the changes are used all the time, and that they are incorporated into everyday business. With a new sense of stability, employees feel confident and comfortable with the new ways of working.

In our study case, it corresponds to the period when a large part of the employees inherited from the public enterprise left the enterprise, and also, the consolidation of change projects. The recruitment of new young staff who have never worked in public companies promotes the acculturation of new organizational objectives.

**5.2. Managers in change :**The manager represents the role of mediator and negotiator and implements the senior management policies and decisions. Since the company privatization in 2006 and throughout the three stages of change, three managers have succeeded at the head of the company's management. The first manager took over the management company for several years before privatization, and he remained in office until 2009, then for another year, he held the position of assistant director after appointing the new manager.

The second director was appointed Director-General and was installed in 2009. His office assumption was not without effect; After analyzing actors' strategies and identifying the most influential groups within the company, he sought to win the support of influential members of the organization who were supposed to discern the change process more than others. He had to rally these groups for change; To this end, and according to their resistance, it must negotiate, that is, clarify the benefits that these influential parties will gain from participating in the change. Some elements may facilitate obtaining support for the proposed change. The manager can demonstrate concrete support for change by choosing to invest significant resources in it and by providing groups that support the project with a contribution of resources. The manager can insist that the organization be stable, despite the change, thus reducing the risk of building a strong resistance to innovation. From a political perspective, the director must take initiatives that direct political forces to support change. This dynamic can also change the change project dramatically.



## **6. Conclusion :**

*The specific context of the privatized company in Algeria represents a very interesting field to research on the question of the capacities of change of organizations. The privatized company has specificities that distinguish it from companies in the private sector in the sense that it has an equally specific history conditioning the practices of its actors. According to Andreff (1995), "the privatized enterprises of the economies in transition are not yet true private enterprises". Privatized enterprises cannot replicate the processes and systems of private enterprises since the most critical functions remain in the hands of the same people, "the privatized enterprise is not a true private enterprise, under the 'angle of the theory of property rights, whether it is managers or staff who have the power to decide on the use of income and the alienation of assets.*

*Indeed, and according to a study on the main obstacles to change carried out in the light of empirical work (a research project approved by the Ministry of Scientific Research), it seems that the "history" of the Algerian company is the dominant factor in its resistance to change. The reference frame for economic enterprise in Algeria remains linked to a collectivist logic inherited from its socialist management system. Therefore, poses a real problem of adaptation to the new requirements of the privatized company environment.*

*It is, therefore, a question of "a break with the previous state of affairs ... shaking up from top to bottom all the habits (modes and means of production) as well as the habits (niches of production) of life and work" to the search for new stability allowing the establishment of a new strategy, a new system, a new structure, a new culture "(depending on the school of configuration).*

*The transition (induced by privatization–case study) is the time when people have to abandon existing practices to tame others. It's an in-between period; old practices (Culture, management, social relations) no longer have their place, and new ones have not yet been acquired. This shift towards a new corporate culture, towards new management and the overhaul of social relations, activates two interdependent processes: a disintegration of existing practices and a reconstruction of new practices. During a successful transition, old practices gradually fade away and are gradually replaced by new ones. This period usually requires significant effort from the change initiators and the change receivers. Both individually and collectively or organizationally, this period is often marked by hesitation, ambiguity, turbulence, tensions, conflicts, paradoxes, disorder, discontent, inefficiency, and a business vulnerability.*

*Our research results lead us to list the following elements that constitute the capacity of privatized companies to change :*

- *The will to sever the old system (public administration) by encouraging inherited employees departures from the public institution. This brutal discontinuity represents an approach to establishing a new corporate culture. A culture of organizational and individual performance ;*
- *Neutralizing alliances within the company to weaken the forces that can stand against organizational change projects ;*
- *Encouraging workers' initiative towards improving their daily practices (single-loop learning). Therefore, encouraging individual change at the organizational level facilitates organizational change (VAILLANCOURT, 2008); The correlation between these two phenomena pushes the company's management to pay special attention to encouraging personal efforts and promoting good practices within the company. We note that the promotion of personal initiative does not stem from the logic of participatory change, but rather from the process of directing and mastering resistance to radical changes such as those occurring in the privatized institution ;*
- *The latitude granted to managers, providing the resources (financial, technological, etc.) needed for changes and facilitating the transition to the required situation: Managers are the parent company decisions' executors (top-down changes), and they are responsible for returning the organization's feedback to change by proposing adjustments necessary for its success. These adjustments are small emerging changes, from bottom to top, proposed by members of the organization and essential for the success of the radical change. As said before, all resources are provided to managers for the success of change projects ;*
- *Structural flexibility that allows modeling the company's structure in light of change projects requirements (ERP, certification, and athletics neutralization) (BERNIER, BAREIL, & RONDEAU, 2002)(BARABEL, 2015).*

*Finally, we propose, in turn, a definition of the organizations' capacity to change in the specific context of the privatized institution: "The main capacity to change a privatized institution is its ability to transcend its past as a public institution. This ability is formed through radical measures aimed at neutralizing the internal alliances rooted in the company and which are strong sources of resistance to change, especially intellectual change."*

*Methodologically, this study is essentially based on the speech of the actors interviewed, the collection of documents, and non-participant observation. According to Gavard-Perret et al., this methodological device aims to limit behavioral biases of the actors observed "people who know they are observed modify their behavior in the sense of an adjustment to the supposed expectations of the observer and to keep an objective distance necessary for the theoretical ascent ". However, this device does not allow real access to real practices in terms of change management but simply to speech on practices. Indeed, "the study of practices is only possible within the framework of a prolonged*

*presence in the company, with a high level of integration of the researcher into the organization, to allow him to share the daily life of the company and to grab the exceptional and unpredictable moments where deviations, surprises, and inflections are played out ”(lorino, 2008, p.165). Our objective would be to participate (participant observation) in the implementation of a change project within a privatized company.*

*Current research could be improved by going further in describing the ferments constituting the capacity of organizations to change in other specific contexts such as privatization. This study should initially be extended to other privatized companies by varying the identity of the buyers.*

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