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ORGANIZATIONAL CAPABILITIES AS A LEVER OF INNOVATION CASE OF THE ALGERIAN PUBLIC COMPANY NAFTAL

LES CAPACITES ORGANISATIONNELLES COMME LEVIER DE L'INNOVATION CAS DE L'ENTREPRISE PUBLIQUE ALGERIENNE NAFTAL

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Abstract:
The objective of this research is to demonstrate the role of organizational capabilities in improving the ability of companies to innovate. To achieve this, our research takes a qualitative approach through the study of the Algerian public company «NAFTAL», one of the most important players in the Algerian oil sector. Our results show that strategic and operational capabilities improve the company's ability to seize external opportunities and transform them into new products or services. In addition, the organization promoting initiative and communication, participative management style and decentralization of decisions, as well as the favorable social climate, reinforce commitment and encourage employees to innovate.
Keywords: Organizational capabilities; innovation capital; management, efficiency

Résumé
L'objectif de cette recherche est de montrer le rôle des capacités organisationnelles dans l'amélioration de la capacité des entreprises à innover. Pour ce faire, notre recherche emprunte une démarche qualitative par l'étude de l'entreprise publique algérienne « NAFTAL », l'un des acteurs les plus importants dans le secteur des hydrocarbures en Algérie. Nos résultats montrent que les capacités stratégiques et opérationnelles permettent d'améliorer la capacité de l'entreprise à saisir les opportunités externes et les transformer en nouveaux produits ou services. De plus, l'organisation favorisant l'esprit d'initiative et la communication, le style de management participatif et la décentralisation des décisions ainsi que le climat social favorable renforcent l'engagement et incitent les collaborateurs à innover.
Mots clés : Capacités organisationnelles ; capital innovation ; management, efficacité.

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1- Introduction:

When analyzing the history of companies up to the latest developments, we realize that the sources of value have noticeably changed, shifting from factors of production to the industrial age, to distribution and communication techniques, the importance of which is particularly strong in the market economy. Today, value sources are linked mainly to knowledge and innovation that has become a vital source of value and improvement in business performance.

Indeed, the new economic environment resulting from the economic crisis across the countries calls for a radical transformation of our ways of thinking and acting. That is why companies are looking for new models of management that promote innovation, collaboration and commitment to continue to develop (Autissier & al, 2018).

To ensure their development, businesses are forced not only to do better than others, but also to do what they do not do to ensure their sustainability and continue to grow. Therefore, companies are obliged to invest heavily in R&D and training employees who determine the company’s innovation capacity.

Thus, the purpose of this research is to show the role of the organization, as an intangible capital, in improving the company’s ability to innovate. In order to do this, we will first present organizational capabilities. Then, we will examine how the organization can improve the ability of the company to innovate. Secondly, we will present the results of our study carried out with the Algerian public undertaking "Naftal".

2. The organization and ability to innovate:

2-1- The organizational capabilities of the company:

The organization is closely linked to the emergence of the organization theory, the latter continue to evolve taking into account new influences based on different disciplines (economics, political science, anthropology…). Researchers are increasingly interested in relationships that characterize the behavior of actors than with formal organizational structures. Flexibility, learning and quality are data to be integrated into a moving and open environment.

New organizations’ theories are increasingly paying attention to individuals who make the organization. To this end, researchers are trying to understand what is happening in organizations today and to discover the hidden dimensions of organizational life.

Over the past decade, the organization has become a central theme of managerial thinking in various disciplinary approaches, including strategic management and learning-based approaches. We will therefore present approaches that have contributed significantly to the emergence of the organization as a doctrine.

The organization, as an intangible capital of the company, is part of the currents of competitive analysis of strategic management, which addresses the fundamental question of maintaining the company of its competitive advantage over time. Resource theory and dynamic capabilities theory have particularly promoted the emergence of organizational capital and have significantly recognized its importance.

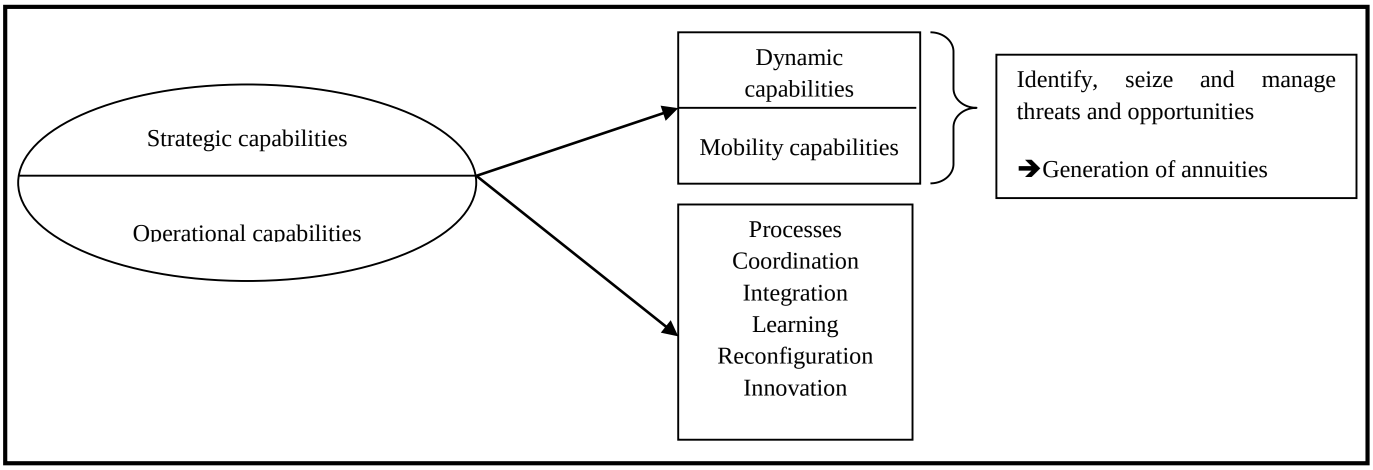
The resource theory has made it possible to focus attention on the potential within the company which can provide it with a competitive advantage, including intangible and value-creating organizational resources.

The dynamic ability approach, according to Labrouche (2014), is considered as one of the most influential theories of analyzing the sustainable competitive advantage of companies over the past decade. Its objective is to analyze how companies develop and renew their capabilities to make the competitive advantage sustainable. This approach considers that the company's performance is in the way it develops and uses specific strategic capabilities called: dynamic capabilities.

Focusing on the role of organizational capabilities in performance and in the development of competitive advantage, the resource-based approach and dynamic capabilities approach have contributed significantly to the emergence of organizational capital as a theme of managerial thinking. According to these two theories, organizational capital can be defined as a set of organizational capabilities and processes that combine tangible and intangible resources needed to execute the company's strategy and create value for its stakeholders.

Therefore, Bounfour (2011) proposed to define organizational capital around two main components: Strategic Capabilities and Operational Capabilities, as shown in the following figure:

Figure N°1: Strategic capabilities and operational capabilities model



Source: Bounfour Ahmed, *Organizational Capital*, Springer, Paris, 2011, Page 38.

2-1-1- Strategic organizational capabilities:

Strategic capabilities identify all processes and routines that enable the company to create a competitive advantage, combining resources, including: dynamic capabilities, mobility or flexibility capabilities and improvisation capabilities in project management.

A- *Dynamic capabilities and ability to seize opportunities*: Teece (2007) highlighted three major dynamic capabilities processes that refer to the strategic dimension of organizational capital:

The ability to identify and/or create an opportunity: It is a process through which the company aims to understand and anticipate developments in its environment. This process, which may be part of a reactive or proactive logic, consists of collecting and interpreting information about clients, suppliers, potential employees and anything that promotes innovation.

For that purpose, the company develops organizational processes that allow access to this information. This requires investments in research and development which, according to Teece (2007), allows the company to discover new opportunities.

Investment in research and development plays a major role in maintaining or even increasing the competitiveness of companies that now rely on the ability of companies to capture, process and analyze environmental data.

It is considered as the hard core of the intangible investment, Bolusset (2007) has presented the OECD definition, which is considered as «all the work undertaken systematically with the aim of increasing the amount of scientific and technical knowledge available to a given human organization, as well as the use of the results of these works to bring to the stage of the operation of new products, materials, devices, systems and processes».

Through this definition, we note that investment in research and development has a very important return, as it offers the company opportunities for growth by generating new products, services, systems and processes through the identification, evaluation and anticipation of market signals.

Thus, investment in research and development requires staff with specific abilities and skills. As well, leaders have an important role in the capture of early signals and information. According to this vision, leaders can set up a standby mechanism that provides feed forward information and promote a culture of knowledge sharing to enhance the company's ability to access external knowledge and transform threats into opportunities. Also, the company's interactions with external companies, through a communication structure, improve the transfer of information and knowledge.

It should be noted that the company's ability to recognize the value of new information and to assimilate them and then use them means its absorption capabilities. Cohen and Levinthal (1990) consider "absorption capabilities" to be a dynamic capability, which allows the company to introduce knowledge from outside and ensure flexibility for the company in a changing environment.

Similarly, absorption capabilities are defined by Zahra and George (2002) as the company's ability to absorb external knowledge, «these are routine and processes that enable it to understand, analyze and interpret information from external sources». Once external information is acquired and assimilated, it must be exploited internally and translated commercially, it is the company's ability to seize opportunities.

The ability to seize the opportunities: Opportunities detected by the company must be translated internally into new products, services or processes. According to Lane and Lubatkin (1998), it is the company's ability to apply the new external knowledge commercially to achieve organizational objectives.

It concerns the company's ability to develop routines to interpret the information acquired by proposing new ideas and projects of products and services, which requires investments, including training and development and marketing activities.

According to Teece (2007), the company must consider the following dimensions in order to define the appropriate economic model and take advantage of the available opportunity:

- Design product or service architecture and related business model to define the solution and value to be delivered to the customer.

- Select functionalities, technologies and costs to be integrated into the product or service to best meet customer needs;

- Target the market segment on which the product must position itself and delineate the company's borders;

- Define the modalities for decision-making in order to avoid errors in decision;

- Involve staff in order to ensure their loyalty and commitment.

The ability to reconfigure organizational assets: identifying and capturing opportunities in the form of new products or services promote the growth of the company. As a result, the company must align its material and intangible resources with the identified opportunities.

To maintain this growth, it is essential for the company to reconfigure its organizational structures and assets. For that, Teece (2007) proposes two ways to adapt the company's organizational assets: decentralization of decision-making power and co-specialization management.

Furthermore, Teece (1986) also emphasizes the role of knowledge management in aligning company resources with identified opportunities. To this end, he sees that corporate governance should promote organizational learning that has a very important role in developing dynamic capabilities.

B- *Mobility capabilities and flexibility of organization:* Faced with changing markets, the company must equip itself with organizational means to reduce uncertainty while retaining the opportunity to act in the face of an opportunity because, according to Chédotel (2005), it is the company's ability to respond to new situations that determine its potential for innovation. The theme of flexibility represents a field of study treated for decades by management theories and organizations, particularly in contingency theories, which seek to adjust the company to its environment, without using the term 'flexibility'.

The debate on flexibility and formalization has given rise to numerous management publications. Although planning was considered a preferred form of anticipation in strategic management; today, faced with an unstable and unpredictable environment, it no longer offers sufficient answers to the concerns of the managers.

Mintzberg (1994) notes that planning approaches prevent the development of strategic thinking. In the same way, Ansoff (1980) evokes the notion of "strategic surprise" which means that managers cannot achieve a perfect forecast. To this end, the company must prepare for change and identify potential risks.

There are various definitions of flexibility, El Akremi et al (2004), propose a general definition incorporating the recurring elements. They regard flexibility as "specific organizational capabilities, such as the ability to vary and multiply possible options, extend the decision-making field, limit irreversible actions, facilitate redeployment of resources, improve coordination, control commitment, shorten response time, broaden the repertoire of procedures and practices, learn, increase flexibility and improve command capabilities".

Consequently, flexibility results from a combination of organizational capabilities: adaptability, responsiveness, capacity for change, the ability to increase managers' flexibility, capacity to reorganize and redeploy resources, and learning capacity.

Aaker and Mascarenhas (1984) propose several ways to develop the flexibility of an organization, we can quote:

- Diversification which may affect the processes, activities and products of the company through the expansion of the range and penetration of different markets;
- Increasing the autonomy of each production unit compared with others;
- Development of potentially useful resources, for example by developing R&D capacity and by promoting functional redundancies and flexibility.

According to Lewis (2000), the company must balance the two approaches, flexibility and planning, considered complementary and necessary, on the one hand, by promoting creativity and involvement to adapt to environmental developments and discipline and order to reduce risks on the other hand. This is the movement of organizational improvisation.

C- *Improvisation capabilities for better project control:* A complementary element must be added to flexibility, it is the ability to improvise. Several organizational researchers (e. g. Eisenhardt and Tabrizi (1995), Miner et al (2001) and Cunha et al (2003)) studied organizational improvisation in particular in project management.

It means that the project team is likely to continue its tasks and react immediately when it faces unexpected surprises, errors or events that change the vision and plan shared by team members and even when the context changes.

From this perspective, improvisation capabilities are defined by Pavlou and El Sawy (2010) as «the possibility of spontaneously reconfiguring existing resources to build new operational capabilities to respond to emergencies, unpredictable and new environmental situations».

In order to develop this organizational improvisation capabilities, Chédotel (2005) proposes to create semi-autonomous teams with a clear definition of priorities, responsibilities, standards and values while leaving a wide margin for creativity and learning.

In this sense, Cunha et al (2002) see that «plans are useful as long as they don’t stifle the project, and the structure is necessary until it prevents innovation». In addition, the behavior of the team members must, according to Kamoche and Cunha (2001), be based on trust and accountability, they must communicate with the project leader who takes their proposals into account and confronts their views in the search for solutions, thus enabling their experiences to be capitalized easily.

2-1-2- Operational capabilities: The operational dimension of organizational capital:

Operational organizational capabilities are defined by Renard and Soparnot (2010) as "all the organizational capabilities hierarchically integrated in lower levels, which are found in operational space’. These organizational capabilities are expressed and implemented in particular in sales, supply and support activities that will allow to obtain what is needed for production, to produce, distribute and provide direct support in order to operate the strategy.

As a result, it is about the company’s ability to carry out its various activities on a day-to-day. They therefore consolidate all business processes of the company. The concept of the process was limited to production, and was subsequently generalized to all the company’s activities in the late 1980s due to companies transformation.

According to Colas (2013) and Bounfour (2011), business processes include in particular:

- Processes that directly contribute to detecting client needs and product or service realization: purchases and supplies, production, trade and mastery of customer relationship, logistics…
- Processes are necessary for the smooth functioning of the company: human resources, financial resources, control…

To provide added value to the client, business processes must allow for a better combination of resources through the selection of entrants, operations, procedures and methods to produce good and service….

2-2- Innovation: structural capital of the company:

Innovation is not a new phenomenon, Joseph-Aloïs Schumpeter, a long time ago, identified it as the main «engine» of capitalism. Schumpeter (1926) highlights the «creative destruction» that characterizes economic evolution, by replacing old technologies with new ones. This phenomenon can take five forms: Manufacture of a new good, introduction of a new production method, opening of a new market, conquest of a new source of raw materials and realization of a new organization.

Innovation is defined by OECD (2005) as "implementation of a product (good or service) or a new process (of production) or substantially improved, a new method of commercialization or a new organizational method in business practices, organization of the place of work, or external relations”.

On the other hand, innovation capital is considered as a component of intangible capital that reflects the company’s ability to create and commercialize new knowledge. It has become the nucleus of the intangible capital that lead, according to Sullivan (1998), to a sustained competitive advantage. Several studies (Wang (2012); Chang and Hsieh (2011)) have shown the role of research and development in the evolution of innovation capital and the positive relationship between the latter and companies performance.

Thus, innovation capital is a set of resources and assets enabling the company to create and commercialize new products/services or new methods and knowledge. To this end, Edvinsson and Malone (1997) describe innovation capital as renewal capabilities that allow the company to create and introduce new products or services.

Other researchers add to this definition other concepts that are required in the process of development of a new product or service such as: technology, studies and corporate culture. Chen and al. (2004) consider innovation capital as the competence to organize and implement research and development, to develop a new product to meet the requirements of customers. Wagner and Hauss (2000) define innovation capital as the company’s ability to generate value in the future. According to these authors, innovation capital does not only concern the development of new products, services and processes, but also technology and management.

Joia (2000) sees innovation capital as a direct consequence of the company’s culture and its ability to create new knowledge from the existing base. Castro, Verde, Saez and Lopez (2010), for their part, believe that innovation capital is the combination of organizational knowledge that allows the development of technological innovation.

Through these definitions, we can define innovation capital through its main characteristics as an intangible asset which is translated by the ability of the company to create value through the development and introduction of new products, services and processes. Innovation capital consists of a set of non-technological intangible elements that are embodied in organizational routines such as:

- The innovation strategy, which means strategic choice allowing for the best allocation of resources necessary for innovation based on the objectives of the company;
- The culture of innovation which concerns all the attitudes, experiences, beliefs and values that motivate employees to initiate new actions and to innovate;
- The innovation structure, that is a structure that allows the flow of information and decisions in a flexible way to promote creativity and innovation;
- Knowledge held by employees that is translated by ideas and enter in the innovation processes. These knowledge progress through internal and external learning.

According to Kaplan and Norton (1996), innovation capital management is important to develop this capital and to assess its impact on company performance. As such, Chen and al. (2004), Wu, Chen and Chen (2010) and Günther (2010) proposed some financial and non-financial indicators to measure innovation capital. For financial indicators, the authors proposed: expenditure on research and development, sales of new products, income from royalties.

With regard to non-financial indicators, the proposed indicators include:

- The number of new products (or processes) introduced during the last three years;
- The average duration of the introduction of new products or the development of new processes;
- The number and quality of patents or patent claims;
- Number and quality of employees in R&D
- Cooperation between R&D, production and marketing departments;
- Development and support of innovation culture through company management;
- The ability to manage innovation projects;
- Motivation of innovative employees;

These indicators allow managers to better manage innovation capital, evaluate its contribution to the company's performance in order to improve it. They also provide information to analysts and investors on the company's innovation capacity.

2-3- Role of organizational capabilities in improving the company's ability to innovate:

Wagner and Hauss (2000) emphasize the importance of the interactions between innovation capital and organizational capital in creating new knowledge and processes. Furthermore, the company's strategic organizational and operational capabilities allow for the development of innovative products and services, through routines favoring the commitment of new actions and a structure that allows the flow of information and promotes creativity and coordination between the different departments involved in innovation (R&D, marketing and production).

According to Dimitriades (2005), strategic capabilities express cognitive potential that strengthens the company's ability to innovate and adopt this innovation. In line with this, Simon and Kumar (2001) emphasize that strategic capabilities allow the company to progress more effectively and more quickly than competition.

Role of dynamic capabilities: dynamic capabilities represent the process by which the company identifies or creates an opportunity, captures this opportunity, and implements a process of aligning its organization with the opportunity identified.

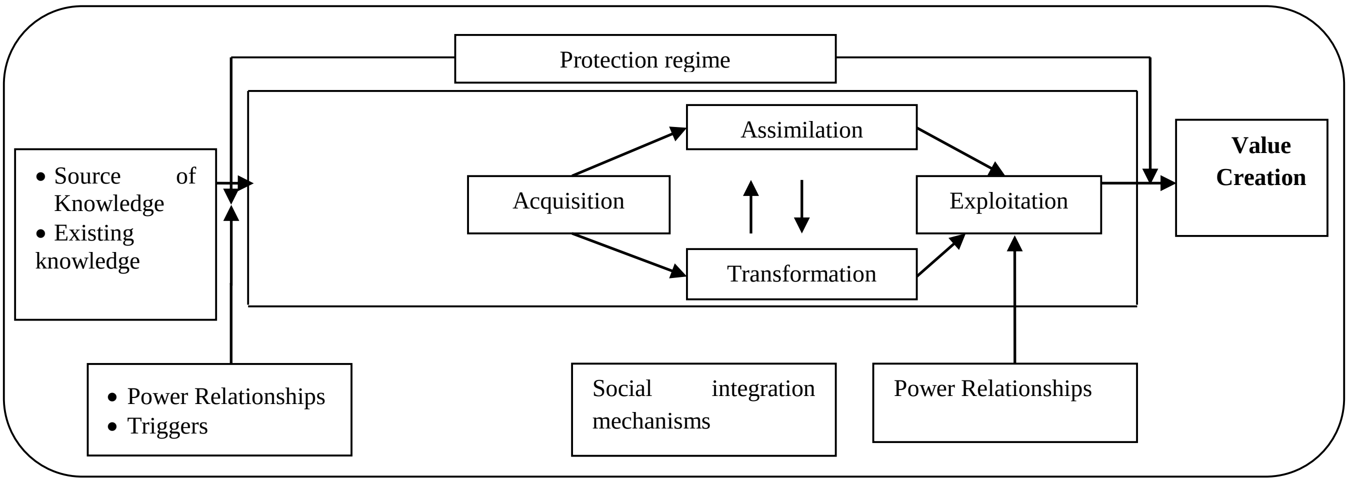
They are often mobilized in the formulation of the strategy which will guide the evolution of the company, it is the ability to exploit the set of distinctive and unique knowledge required to establish the strategic vision of the company. Thus, they improve flexibility and adjust the strategy to changes in the environment through processes of observation and analysis of the evolution of the internal and external environment.

Petitdemange (2001) notes that understanding the real needs of external customers enables an improvement in the company's products and services and also promotes technical and organizational innovations, while enhancing the company's competitiveness.

However, understanding the real needs of customers depends on the company's absorption capabilities. Several authors (Kedia and Bhagat (1988), Van den Bosch, Volberda and Boer (1999), Wiglers and Cassiman (1999), Zahra and George (2002), Lane, Koka and Pathak (2006)) consider the absorption capabilities as a prerequisite for learning the organization, for innovation and for improving the company's competitive advantage.

Todorova and Durisin (2007) completed the founding work of Zahra and George (2002), based on the seminal article of Cohen and Levinthal (1990), they proposed a model to clarify the concept of absorption capabilities and show its role in innovation and l improved the results of the company.

Figure N°2: Value creation model by absorption capabilities



Source: Adapted from Todorova and Durisin, « *Absorptive capabilities: Valuing a Reconceptualization* », Academy of Management Review, 2007, vol 3, N ° 32, page 775 and Benbya Hind, Belbaly N.A., and Meissonier Régis, *Empirical study on the behavior of developers and its impact on the development of open source software*. Proceedings of the Association of the Association Information and Management. 2007.

From this figure, Todorova and Durisin (2007) show that the acquisition of new knowledge depends on the ability to recognize the value of external knowledge, the latter depends on the company's prior knowledge, its experience, its investments in particular in R&D. This knowledge is then assimilated, transformed and combined with existing one, through routines and processes facilitating understanding and interpretation of new knowledge and developing new ideas or projects.

Exploitation is the ability of the organization to apply this new knowledge in a commercial way, for example through the development of new products within the framework of organizational objectives. These authors have incorporated into their model contingency factors relating to the company’s environment: internal and external triggers, power relationships within and outside the company and social integration relationships that correspond to routines or processes that facilitate knowledge sharing and influence interactions between business members and similar firms (such as standby devices).

In line with this, Hamel and Pralahad (1989) and Hamel (1991) also see that company interactions with the external environment improve the company’s absorption capabilities.

Todorova and Durisin (2007) as well as Noblet and Simon (2015) believe that the effective exploitation of this absorptive capability by the company has an influence on its value creation and its competitive advantage, which is materialized by the development of new markets and products (scarcity, superior quality, increased prices) and flexibility in the development of new resources.

Role of mobility capabilities: organizational flexibility plays an important role in adapting the company to the market and in particular to changes in demand, reducing the asymmetry between its internal and external environment. The flexible organization, according to Tarondeau (1999), is the organization that is able to adapt rapidly to its environment at a low cost, through its ability to easily change relations between its different internal actors and its ability to mobilize external partners where necessary through close relationships with them.

Watiez (2002), for his part, sees flexibility as an organizational principle that forms the basis for proper functioning, productivity and competitiveness. Thus, flexibility has a decisive strategic importance for the company, it has a close relationship with the company’s innovation capacity, which is a source of competitive advantage. In order to cope with a changing environment where time management is a central element, the company must show flexibility, speed and intelligence in order to be able to innovate and differentiate itself with competitive advantages. To this end, according to Gadrey (2000), the company must establish an organizational structure that promotes the initiative, creativity and dynamism that is required as new performance criteria.

With this approach, Desreumaux (1997), by studying the "post-bureaucratic organization model", illustrated the new forms of flexible organization characterized by: "structures at restricted hierarchical levels, modes of operation similar to small business, sharing of information with the largest number of employees, participatory management"

Flexibility is based on exchanges between internal and external actors. This exchange is enhanced by decentralization, autonomy, sharing culture and participatory management, which in turn promotes reactivity and innovation.

Role of improvisation capabilities: the project, according to Jouini and Pluchart (2004) , is a discovery process in which several unexpected events can appear. When anticipating variations and uncertainties encountered during the project is not possible, particularly in random markets, improvisation and responsiveness in decision-making are a key success factors that guarantees the creation of the project value. They reduce risks and increase exposure to opportunities.

In addition, the company's improvisation capabilities facilitate the conduct of change and conflict management among stakeholders and promote creativity within the project, contributing directly to its success.

Operational capabilities, for their part, have an important role in the development of strategic capabilities. According to Teece et al (1997), organizational capabilities and core competencies arise from operational processes, which can lead to the competitive advantage.

We note that strategic and operational capabilities, linked to each other, play an important role in improving innovation capacity, and are essential for companies that wish to remain efficient and move faster than their competitors and thus maintain a good positioning in their markets.

3- Organization and Innovation: case of NAFTAL

3-1- Innovation, a development imperative for Algerian companies:

The current context marked by the globalization of trade, the desire for membership in the World Trade Organization, the rapid evolution of information and communication technologies and fluctuations in oil prices force Algerian companies to innovate to create value and continue to develop. Thus, Algeria is ranked 108th out of a total of 126 countries according to the global innovation index, which takes into account human capital and research, infrastructure, creativity and technological know-how.

With this in mind, Professor Mebtoul was commissioned by the Prime Minister of Algeria in 2013 to carry out an audit, with the participation of foreign and Algerian experts, and to produce a report on the Algerian economic recovery by 2015/2025 following the fall in oil prices, posing the problem of national security and the risk of budgetary tensions that Algeria may experience. He believes that «the battle for Algeria's future economic recovery and our place in global competition will win through good governance and our ability to innovate" (www.algerie1.com, 2018).

3-2- NAFTAL and the Oil Sector in Algeria:

3-2-1- The oil sector in Algeria: Importance and evolution:

The oil and gas sector is a strategic sector, it is considered as the first bearing niche in Algeria. Indeed, according to the IMF, the share of hydrocarbons in the gross domestic product is estimated at 45%, and 87% of Algeria's foreign currency revenues coming from hydrocarbons as oil exports account for an average of 95% of the country's total exports. Thus, oil taxation accounts for 55% of the total State budget revenue. That is why particular attention has always been paid by the public authorities to this sector, which has undergone several changes since independence.

After independence, the Algerian oil management continued to be carried out by the joint REPAL company in accordance with the Evian agreements during the transitional period up to

1965. During this period, the national company of transport and marketing of hydrocarbons «SONATRACH» was established in 1963 by presidential decree (No. 63-491).

On July 29, 1965, an agreement was signed in Algiers between the People's Democratic Republic of Algeria and the French Republic, the agreement aimed at resolving issues relating to hydrocarbons and industrial development in Algeria and the definition of an original concept of oil exploitation.

On February 24, 1971, Algeria decided to regain control of its oil wealth, this decision to nationalize hydrocarbons was taken by the President of the Republic «Houari Boumediène». This historic decision has engaged a long process of preparation and negotiation for the recovery of natural wealth. This decision was followed by an order signed on April 11, 1971, which promulgated the Basic Law on Hydrocarbons. The purpose of this act is to define the framework in which foreign companies should conduct their activities in the field of research and exploration of hydrocarbons. This period was also marked by membership in OPEC in 1969.

The first oil shock was triggered by the Kippur War between Egypt and Israel in October 1973, which had both political and economic effects, the Arab member countries of OPEC decided to reduce monthly production by 25% and took measures on oil exports to the countries that supported Israel, the price of barrel has risen from $ 3 to $ 18 under pressure from exporting countries, particularly Algeria and Libya, in the name of the solidarity of «Arab nations».

Oil has thus become an essential element of international policy. Under these conditions, consumer countries have tried to adapt their economies and seek other energy resources to cope with this oil crisis. Another oil shock occurred six years later, caused by the collapse of Iranian production following the Iran-Iraq war in 1980. From the 1980s, OPEC began to lose its influence on consumer countries, and the price of oil is now regulated by the market. The emergence of new producers (Indonesia, Norway, the USSR.), the reduction in consumer dependence on oil producers and the political manipulation of prices by Saudi Arabia led to a oil counter-shock, resulting in the triggering of a severe financial crisis in Algeria, which turned into an economic and social crisis.

In order to cope with this crisis, Algeria has requested the rescheduling of its debt. In addition, the IMF and the World Bank have imposed a structural adjustment program on Algeria (1994-1998). From 1998, the price of oil began to recover, the quantities of oil exported increased in particular to the European market, thereby improving Algeria's position in the oil market.

To attract foreign investors, a law (N ° 05-07) was promulgated on April 28, 2005 which allows them to exploit Algerian resources. However, this law was amended and supplemented by Ordinance 06-10 of 29 July 2006 which reduced the shares of foreign companies in the exploitation of resources. Thus, it provides for the participation of Sonatrach at a rate set at a minimum of 51% in research or exploitation contracts of foreign companies.

The 2008 global economic crisis, caused mainly by the subprime crisis, has led to lower oil prices following a significant decline in global economic activity. Prices continued to decline, but in the second half of 2014, a sharp fall was recorded in the order of 50%, oil prices, and this fall led to the risk on the Algerian economy. Therefore, the Algerian Government was obliged to put in place a policy of austerity. In January 2016, fuel prices increased following the revision of the rate of VAT on fuels and the introduction of the oil tax.

NAFTAL is one of the largest public companies, and is a pillar of the State policy. It has strategic activities aimed at satisfying a need of general interest by ensuring the distribution of important products throughout the national territory, while contributing to the collection of money for the benefit of the State in the form of taxes (tax on oil products).

3-2-2- Creation and Development of NAFTAL:

NAFTAL is an Algerian company, 100% subsidiary of SONATRACH group. Its main task is the storage and distribution of petroleum products in the Algerian market. The National Refining and Distribution Company of Petroleum Products by Abbreviation E.R.D.P is a company issued from SONATRACH, established by Decree No. 80-101 of 6 April 1980. It enters into operation on 01/01/1982, it is responsible for the industry refining and distribution of petroleum products in the domestic markets and export.

On the other hand, its mission was to organize and develop the distribution activity of refined products from its facilities or acquired to complement its production range, organize and manage the distribution network, market fuels and lubricants, including those destined for aviation and marine, GPL, bitumen, paraffin, tires and any other product with close commercial characteristics, and finally NAFTAL is responsible for storing and transporting any product refined or marketed by it in the national territory.

On February 5, 1983, the name «ERDP» was replaced by «NAFTAL», by Decree No. 83/112, this appellation was chosen in a competition, it originated from NAFT which means oil in Arabic and 'al' referring to «Algerian». In 1987, the company 'NAFTEC' was created by Decree No. 87-189 on oil refining. Thus, "NAFTAL" is responsible for the marketing and distribution of petroleum products.

In 1997, Decree No. 97-435 of 17 November 1997 was promulgated ending the monopoly of the market in distribution. This decree deals with the regulation of storage and distribution of petroleum products, which devotes to any legal or natural person the exercise of the distribution activities of petroleum products, G.P.L. packaging and processing of bitumen.

From 1998 onwards, «NAFTAL» changes status, obtains the status of corporate company S.P.A. and becomes a 100% subsidiary of SONATRACH. The organization of the NAFTAL subsidiary is structured around central structures responsible for defining policy, monitoring and controlling the company and decentralized operational structures. In July 2002, the capital of NAFTAL was increased to 15.65 billion Algerian Dinar.

Today, NAFTAL employs approximately 31 000 workers, of whom 2 800frames (2016), it operates in the following areas:

- LPG-charging;
- The formulation of bitumen;
- Distribution, storage and marketing of fuels, LPG, lubricants, bitumen, tires, fuel GPL, special products; transport of petroleum products.

Several competitors are present in these areas in particular in the marketing of tires and lubricants and the formulation and distribution of bitumen, we can quote: SHELL MARKETING ALGERIAN, SPA. TOTAL LUBRICANTS OF ALGERIA, SPA. DISTRIBUTION ESSO MOBIL ALGERIE, SPA. TOTAL BITTERNESS OF ALGERIA.

3-3- Presentation of the survey:

For our study, we opted for the qualitative approach through the triangulation method. We conducted interviews with 25 managers in different directions to have different views. Interviews lasted between 15 and 54 minutes. With regard to the literature review, interest focused on internal documents, such as the organization chart, activity reports, company internal journals, reports made by different corporate branches and electronic documents (website, press releases and press articles).

Moreover, during our presence on the ground, the observation allowed us to clarify, confirm and sometimes reverse previous findings. It also allowed us to put more specific questions to the people concerned and to enrich our interview.

4- Discussion of results:

We will present the results of our investigation into NAFTAL's organization and its role in improving its capacity to innovate. NAFTAL is organized by a line of products. It is a divisional structure, divisions are called "branches" and each has a precise and distinct activity. ThusNaftal is organized into three hierarchical levels:

First level: this level represents the branch composed of the CEO, its Staff and the Secretariat

Second level: it covers functional structures

- Executive directorates: Executive Directorate Strategy, Planning and Economics, Executive Directorate Finance, Executive Directorate Human Resources.
- Central Directorates: Central Technical and Development Directorate, Central Direction Audit and Management Control, Central Directorate Hygiene, Health, Environment and Quality, Central Directorate Information Systems, Central Directorate Social and Cultural Affairs and Directorate Central Communication and Public Relations.
- Support Directions: Directorate General Administration, Directorate Internal Security of the Institution, Legal Directorate and Market Branch.

Third level: the final level covers decentralized operational structures called branches: Fuel branch, LPG branch and marketing branch. According to the operational managers, although some decisions are centralized, the current structure makes it possible to achieve their main objectives, it is a product structure, where the role of the Directorate General is to ensure corporate strategy missions and coordinate the activities of the various branches.

The strategy of Naftal is defined at the central level, the executive directorate 'strategy, planning and economy' ensures the coordination of the process of formulating strategy, its adoption and the monitoring of its implementation at a decentralized level, through the strategic objectives transmitted to all structures.

Also, Naftal does not have a research and development structure responsible for the development of new services or products. It is the executive direction «strategy, planning and economics» that carries out strategic studies on market developments in all strategic areas of the company, and also defines benchmarking policies and methods.

In addition, brainstorming is organized by the company comprising the frames of different structures, central and operational, in order to propose new products or services that are value creating, which can be developed by the company. This technique promotes creativity and innovation and thus improves the company's strategic capabilities.

Among the activities proposed at Brainstorming are:

- Manufacturing Conversion Kit to develop GPL activity, this product is economic and ecological. The development of this activity will reduce the import of "super gasoline". This proposal comes from a three-country benchmark: Turkey, Japan and Poland.
- The distribution of bitumen in small quantities, this is a need expressed by some customers.
- Development of «non-fuel» activities: introduction at the level of service stations of new activities (catering, shops, rapid mechanical maintenance…);
- The development of CNG (Compressed Natural Gas);
- The blending of lubricants;
- The development of automotive maintenance products;
- Development of pneumatic activity with a major;
- Production of removal on the basis of products: " Jet decommissioned "or" kerosene ".

The majority of these proposals have been incorporated into Naftal's medium-term plan 2017/2021. Some activities will be subcontracted or developed in partnership to allow Naftal to refocus on its core businesses.

In addition, the majority of Naftal managers adopts the participatory management style, accept mistakes by subordinates and promote group work and initiatives. Periodic meetings are held where ideas of all participants are accepted. Also, reading committees are set up where sometimes even the work of a superior is reviewed by a subordinate, the aim is to promote learning and involvement of collaborators. Nevertheless, Naftal's organization imposes the application of the rules and decision-making instructions which are sometimes judged binding by employees.

Furthermore, Naftal has a strong capacity for improvisation in projects. Projects are followed by procedures and management instructions, semi-autonomous teams are formed with a clear definition of their responsibility. Project members often have positive feedback and the initiative is highly favored by project leaders. This allows new working methods to be proposed which reduce the time frame for projects and reduce costs.

With regard to business processes, the Naftal client process plays a very important role in innovation within the company. It contributes to the development of new products or services by identifying opportunities in the market, through the needs and expectations of major customers. Thus, the complementarity between the different business processes of Naftal promotes operational innovation. Indeed, each NAFTAL collaborator tries to propose a working method at its level that improves quality or reduces the time to carry out its daily tasks. This involves improving the quality and/or time frame for carrying out the business processes which, themselves, improve the company's strategic capabilities.

5- Conclusion:

The objective of this research was to demonstrate the role of organizational, strategic and operational capabilities in innovation.

Organizational capital provides the environment that promotes human capital development because the latter has no value if it is not captured, transformed and developed in ownership of the company, it is the role of corporate organizational capabilities. The latter allow for the development of offers for innovative products and services, through routines favoring the commitment of new actions and coordination between the different departments involved in innovation.

The study conducted at Naftal showed us that the organization supporting the flow of information, creativity and initiative strengthens commitment and encourages employees to innovate. However, the company should create a research and development structure to ensure interface with the various departments of the company. It should also give more autonomy to employees and managers in order to exploit the innovative ideas of all staff.

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