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**CYRUS Institute of Knowledge  
Cambridge, MA, USA**

**With  
ESCA ECOLE DE MANAGEMENT  
Casablanca, Morocco**

**Conference Theme:**

**ENTREPRENEURSHIP, INNOVATION, RESPONSIBLE  
MANAGEMENT, AND SUSTAINABLE ECONOMIC  
DEVELOPMENT**

**March 4-6th, 2018**

**PROCEEDINGS**

**Co-sponsors:**

- *Bentley University – USA*
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## GOOD INTENTIONS, UNINTENDED OUTCOMES: ECONOMIC DEVELOPMENT QUANDARY

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### ABSTRACT

The aim of this article is to present an alternative model of economic development for developing countries. It argues that economic development programs that do not take into account the influence of non-economic factors are bound for failure. Two models of economic development and counter economic development are introduced. Using these models and applying the strategic management concepts, economic development efforts of developing countries are analyzed. Based on the above models, it is argued that developing economies face a dilemma. Even though they are interested in a quick economic development, the rapid pace of development, if not managed properly, may result in economic regress and fail to achieve overall economic development goals. While the tenants of the argument are valid, the claims it makes should be empirically verified. Implications for developing economies are very clear, acknowledging the problems of economic development efforts that precede critical planning and administrative infrastructure development.

**Keywords:** Transitional economies, developing countries, non-economic factors, counter economic development

## I. INTRODUCTION

Developing countries are eager to leave behind their traditional way of life and join the rank of industrialized economies. They embark on a free market reforms and democratic governance. They are hopeful that the new system of private enterprise, when guided by economic growth policies would lift their societies to prosperity. Their efforts, although well intentioned, are not bearing the expected fruits. The movement toward a free enterprise system is accompanied by an expectation of success. The unsettling impact of that transition that brings in some cases chaos and corruption, naturally, is not welcomed by the masses. This contributes to a longing for the past and doubts about the new system. Sometimes, the government's missteps and inappropriate economic development strategies that do not take into account non-economic factors exacerbates the problem. The strategic choices made for the purpose of economic development may have unintended consequences that result from the interplay between non-economic and economic factors. The paper argues that growth strategies that ignore non-economic factors may actually result in economic regress, not progress. Empirical evidence of such missteps was provided by Fatehi and Veliyath (2008), who elaborated on the problems of economic development during the Shah's regime in Iran and the unintended consequences that followed. Their well-documented research provides a good example of how the best intentioned plans, if devoid of addressing un-intended consequences of economic progress may produce just the opposite outcome.

This paper aims to offer an alternative model of economic development for developing economies. The paper is offered in four parts. First, commonalities of developing countries are discussed. Then it presents the classic model of economic development that often is used by countries on the path to industrialization and modernization. In the third part, it demonstrates how certain economic policies of these nations may produce just the opposite of their objectives. Finally, it elaborates on the implications for adopting the recommendations of this paper.

## II. CHARACTERISTICS OF DEVELOPING COUNTRIES

Often, governments of developing countries in order to ease the difficulties that most people experience in their lives offer various subsidies. Sometimes, these subsidies last for many years. The long years of receiving subsidies creates expectations of permanence for such assistance programs among the people. At the same time, concerted efforts that are made by the state to modernize, not only the economy but by extension, the way of life may cause value instability among the masses. While some countries may experience noticeable success in doing so, among most nations the remnants of the old values remain, more or less, under the surface. Old habits and values would not disappear but morph into unrealistic expectations of improved conditions and better way of life. The process is common among most developing countries and can be summarized as follows:

a. **Entitlement:** In most developing countries, the government is in control of most aspects of economic activity. Therefore, very little is left to the individuals to decide. The state commit itself to provide many service such as health care, transportations and other essential to all citizens at a nominal cost. A few generations live under this system for more many years. People become accustomed to having these services provided by the government which creates a pervasive entitlement mentality. Most individuals could not imagine any other arrangement. Also, to create stability and to guarantee the continuity of the regime, pervasive propaganda adds to the belief that this is "the better way of life". However, availability of telecommunication in various forms portrays a different picture. Comparison is made with other nations who have a better condition. Feelings of abandonment and estrangement become rampant when the state can no longer provide these services. Many people still fell that the State should provide these services even though it no longer is possible. Governments that are fully aware of the extent of economic problems embark on developmental projects in hope of pacifying the population. They disregarded Lewin's (1951) famous recommendation of the three-step process for implementing change. To change the form of an ice cube, for example, first it has to be melted into water to be pourable (unfreezing), then the water could be poured into a container of a desired shape (change), afterward, it could be frozen into any desired new shape (refreezing). The governments of these transitional economies, by ignoring the three-step process of implementing change, set the stage

for failure. They also assumed that individuals would not expect personal gains for working hard. Without taking into account such expectations, those plans are not going to be very successful.

b. **Value Substitution:** Religion serves as a strong value system for most people providing emotional support and behavioral guidelines. Under the modernization efforts religion practices slowly are marginalized or receive less attention as compared with newly publicized modern beliefs. While the old values had permeated into all aspects of the society, would not vanish with the popularity of modernization practices. The old values remain dormant below the surface and exert noticeable pressure on the society whenever there is a chance to challenge the modernization efforts and programs. The consequences of all of this is social instability.

c. **Lack of Background Organizations:** In many developing countries, infrastructure institutions, such as consumer protection organizations, advocacy groups, accrediting educational institutions, charitable organizations, a free press, etc. do not exist because the State controls everything. There is no need to have supporting organizations separate from the state. The extreme example of this practice was noticeable in the old Soviet Union. At that time, there were only two national newspapers. Both were the mouthpieces of the government, Izvestia, meaning “News”, and Pravda, meaning “Truth.” There was a well-known joke saying that there is no news in Izvestia, and no truth in Pravda!

The lack of these background organizations is one of the major difficulties of developing countries in transition to development and true democracy. These organizations are fundamental to a free market economy, without which the economy and the society do not function effectively and efficiently. The absence of a free and independent press to highlight abuses of power and corruption is especially important. In the absence of these organizations, and especially the free press, to keep bureaucrats and the elites honest, public funds could be wasted and developmental efforts only benefit a select few who are connected to powerful governmental positions. An example of this shortcoming was the experience of Azerbaijan with privatization of state-owned enterprises, including the State Oil Company of Azerbaijan Republic (SOCAR) without proper financial safeguards. One of the first actions of the newly independent country was to negotiate, behind closed doors, a \$13 billion Production Sharing Agreement (PSA) with a consortium of Western oil companies in what was then called the deal of the century. When ratified, the PSA had the force of law, but Azeri regulations, or the lack of them, did not require public disclosure of its particulars (World Bank, 2006). The net result was the loss of huge sums of money (Report No. 21459, 2000) to unscrupulous charlatans, impeding investment and growth. In this vein, Walder (2003, 900) stated that “to the extent that privatization is rapid and poorly regulated, the ability of [the old] elites to seize assets is enhanced.”

### **III. PROGRESS AND GROWTH**

Progress and growth are long-term goals of any country. Most economic development plans do not emphasize the issue of efficiency with the intensity and scrutiny of corporate business plans. Moreover, contrary to corporate growth strategies, non-economic issues such as political stability and income distribution quite often have to be addressed through public policies aimed at economic development. The national objective of economic development often has similarities to corporate growth strategies with certain differences.

Public planners should consider environmental conditions in the process of strategy formulation and implementation, giving attention to instability-generating forces. In order to demonstrate the relevance of strategic management concepts, a short discussion of corporate strategic planning is necessary. The next section presents a brief discussion of the process of strategic planning to provide a base for further discussion.

### **Corporate Strategy Planning**

Strategic management and particularly strategic planning have their roots in the long-range planning concepts of the 1950's as proposed by Ansoff, (1965). In addition to all of the characteristics of long range planning, however, strategic management considers realignment of corporate plans with the environmental changes germane to the present and future operations of the organization. It involves a systematic evaluation of internal and external forces, on a continuous basis, and the use of information collected from the environment to achieve organizational objectives. Effective long range planning requires an alignment or fit between strategy and environmental forces.

A common theme in the strategic management literature is that strategy formulation and implementation begins with a three pronged effort to assess internal factors, to analyze external environmental forces relevant to the firm, and to set objectives for the company as these internal and external factors necessitate.

Environmental analysis should enable a firm to understand economic, sociopolitical, technological, and industrial (competition) factors. These analyses should make it possible to identify major opportunities and threats that a company is facing or may face in the future. The identification of opportunities should lead the business to exploit them and the knowledge about threats should enable the organization to prepare for, and if necessary, to avoid potential threats. Internal assessment should give an organization a realistic understanding of its capabilities and limitations (strengths and weaknesses). The firm should employ its strengths in exploiting opportunities, and remedy its weaknesses, and be cautious not to expose them. The end result of the process is strategy implementation. If during the implementation certain problems are encountered, some modifications of the original strategies may become necessary. Control and feedback complete the process and assures that the organizational objectives are reached, or revisions are necessary. In short, it is built on the premise that there exists a set of preferred strategic choices for certain environmental conditions.

Concepts of strategic fit and the linkage between strategy and structure are two of the most important aspects of strategic management. Both have roots in various disciplines. Strategic fit is the theoretical paradigm for theories of organization (e.g. Ansoff, 1984; Bartlett & Ghoshal, 1999; Mintzberg, 1979; Zajac, Kraatz and Bresser, 2000), in strategic management (e.g. Douma, Bilderbeek, Idenburg, & Looise, 2000; Ghoshal, & Bartlett, 1990; Hax, & Majluf, 1996; Venkatraman & Prescott, 1990), and in strategic marketing (e.g. Hurley and Hut, 1998; Slater and Narver, 1994). Similar to most other management and organizational theories, the strategic fit paradigm has been based on observations and empirical verification in the West. It could be said that it is applicable to transitional economies, as well. For example, in a study of 360 randomly selected Chinese electronic firms, Lukas, Tan and Hult (2001) found that the premise of environment-strategy fit applies to the transitional economy of China, too.

Directly related to the concept of strategic fit is 'strategy-structure' link or relationship theory (e.g. Child, 1972; Miles, Snow, Meyer, & Coleman, 1978; Hamilton, Shergill, 1992; Mintzberg, 1979). Rooted in early studies of Chandler (1962), and Galbraith and Nathanson (1978) on organizations, the theory suggests that there is a relationship between business strategy and organizational structure which is consequential for organizational performance. While the relationship is in the direction of strategy to structure, implying that a change in business strategy necessitates appropriate structural modifications, the existing structure could limit the choice of new strategies. The structure of the organization defines the boundaries of organizational components or units; the relationship among various parts; the extent, limits, and location of authority and power; and the formal communication patterns.

In comparing business to government, the counterparts of organizational structure are various aspects of institutional bureaucracy, power structure, background institutions and agencies, and prominent offices in the hierarchy of the government. Quite often the existing power structure has a vested interest in maintaining the status quo and resisting the application of new strategies. In this vein, developments in the field of administrative sciences dovetails here with the concept of strategy-structure fit.



### **Administrative Reform and Economic Growth**

Countries are best positioned to maximize economic growth and business competitiveness when the state protects financial stability, adherence to the rule-of-law, education, research and development, and provides incentives for people to save, invest and innovate (Bartha and Gubik 2014, 1). Sustaining momentum in these areas depends on stable, efficient, and minimally corrupt bureaucratic systems that pursue development as an essential goal.

Since conditions optimizing sustainable growth result mainly from government policy, it may appear that to establish gains in real GDP requires broad social commitment to capitalist-democratic systems, and to a limited extent that is true. Historically, the Great Transformation of rapid per-capita GDP growth spurred by the Industrial Revolution in the 17th through 19th centuries was most prominent in countries dedicated to democratic institutions and practices. Deidre McCloskey (2016) argued that the benefits of the Industrial Revolution came to Britain sooner and in larger measure than elsewhere partly because government policies favored the largely unfettered activities of bourgeois entrepreneurs. Democratic government systems based on individual liberty and the rule of law so powerfully enhance economic growth that non-democratic countries make progress simply by aligning themselves with large, high-growth democracies (Diebolt, et. al. 2013). Acemoglu and Robinson (2012) argued that poor countries remain poor where government policies do not implement inclusive legal protections for entrepreneurs and property holders. Sustainable development depends on integrating an inclusive, entrepreneur-friendly bias throughout the economic policy apparatus.

Regardless of regime type, government reform increases expectations for economic growth policies to take advantage of the new conditions. This explains the impatience for economic improvements often seen in newly-independent states and in states experiencing democratically-oriented regime change. When such opportunities arise, reformers create, in effect, a market for development-friendly public policy, where the public demands policy outcomes that governments scramble to supply. These markets are at first underdeveloped in terms of supply-demand mechanisms. Later, rapid implementation of policies to meet public demand rarely achieves Pareto-optimal resource allocation, slowing progress on development goals. Both of these elements, efficient use of resource inputs and most-desirable allocation of policy outputs, constitute an essential measure of government success. Because the interests of regime officials engaged in policy implementation often are holdovers from the previous regime, they are unsuited to implementing and defending the reforms needed for establishing solid economic policies. The mismatch between personal interests and desired policy outcomes cannot be resolved until one of three things happens: 1) the personal interests of policy makers change, 2) the initiative for reform stalls, or 3) popular movements drive governments to commit to further political and economic reforms.

The third scenario is clearly preferable. However, success in delivering promised reforms depends on infusing the assumptions and ideologies of business management into state policy mechanisms, inculcating them with the “market rationalities” of business. India is a recent example (Daftari 2014, 711). Likewise, China made changes to its policy apparatus after 1978 that has had the dual effect of massively expanding its economic power while also increasing democratization of its state bureaucracy (Wang 2016). In both of these cases, the state successfully integrated strategic business planning models into policy networks and in the process better supplied the demand for growth policies. The economic outlook for tens of millions of people improved markedly.

However, one reason that development is uneven globally is that some states do better than others in integrating development-friendly strategic business thinking into policy bureaucracies. For instance, bureaucratic reform in post-Soviet states (former republics of the USSR) attempted to achieve levels of economic growth more rapidly than their internal governing mechanisms would allow. Those states still rely too much on Soviet-style administrative practices that are generally undemocratic and do not foster risk-taking (Ashurov 2015, Dabrowski 2016, Monobayeva and Howard 2016, Rinnert 2015, Yang and McCarthy 2013). The pattern of these states follows a familiar trajectory: rapid post-independence demand growth diminishes quickly and is only slowly replaced by more lasting improvements in

infrastructure, diversification and modernization of industrial capacity, and national income (Greta and Pakosz 2016, Rinnert 2015, Zeltkov 2005, 23).

Other newly-independent states face similar obstacles in sustaining economic development due to slow reform of outdated bureaucratic structures. Some of these states have only partly followed the more effective economic planning models of developed states which now use methods derived from the New Public Management (NPM) model (Pollitt and Bouchaert 2004). The NPM model promotes transparency, responsiveness and use of private sector market mechanisms to improve government accountability and policy outcomes.

Economic policy officials should bear in mind that administrative reforms alone do not provide a complete answer to the problems of economic growth. Furthermore, growth is only one aspect of overall economic welfare and policy reforms do not touch every aspect of perceived state performance. For example, Russian respondents to a survey about the effects of economic reforms perceived improvement over the Soviet era in only one area: goods and services have become more available. In every other concept surveyed, including levels of corruption, wage fairness, use of natural resources and overall welfare, government economic planning reforms were still perceived negatively (Anisimov 2014, 158).

Nevertheless, policy frameworks that incorporate business decision-making models can be institutionalized within bureaucratic structures to support economic growth initiatives over the long term. Sustainable development requires enhanced government capacity to manage simultaneously increasing demand for development-friendly public policy and continuing expectations for rapid and effective responses to external macroeconomic shocks. The administrative expertise demanded by these multiple requirements must accompany a growth agenda, especially in developing countries.

### **The Application of a Modified Corporate Model in Economic Development Process**

Intuitively it is appealing to adapt the process of corporate strategic planning for the use in formulating economic development policies. Due to sheer size and extreme complexity of a national economy, however, the application of a corporate strategy model to public policy choices runs into numerous difficulties. Unlike the case of business planning, very seldom can public policies be translated into a coherent, integrated plan. Nevertheless, the logical appeal of corporate strategic planning, under the concepts of 'strategic fit' and strategy-structure relationship, should not be overlooked. Certainly, internal assessments and external analyses employed by businesses could very easily be adapted to fit the process of formulating development policies. Also, it is quite clear that the present office holders, the existing power structure and political network, along with entrenched bureaucracy could not very easily be cast aside when new public policies are being implemented.

The premise here is that through specific public policies certain segments of the economy are favored and certain activities are encouraged (Bartick, 2002). Within such a reality the application of a modified form of corporate strategy making process may prove to be beneficial to transitional countries.

The strategic decisions made at the corporate level usually include not only the objectives established by the top management, but the effects of various rates of growth on the whole operation. Such decisions usually involve the full knowledge of strengths and weaknesses of the firm and the impact of various rates of growth on the firm. Capability building, resource acquisition and marshalling the support of influential stakeholders are among the other considerations. The interdependence of public and private capacity-building processes proposed by development economists is apparent. According to Kempe (2009, 729) "sustainable growth and development in developing countries cannot be achieved in the absence of good governance." Good governance, among other things, ensures the most efficient use of scarce resources and building institutions in support of transparency in everything (Kempe, 2009, 729-730).



At the national level, the disappointing outcomes experienced by most developing countries indicates that planners and policy makers have shown less interest in such considerations. Ignoring the adverse and negative consequences, such as income inequality, population growth, insufficient job growth, essential services, rising expectations and value conflict could create imbalances that may result in social and economic instability.

There are, however, differences between managing corporations and governing societies. Similarly, there are differences in corporate planning and public policy formulation. The simplest difference could be found in the orientation toward economic efficiency. A corporation always has to be concerned with economic efficiency, while a nation quite often may forego efficiency for the sake of stability and national security.

To initiate any economic development plan, investments in all forms are needed. Without a sufficient amount of investments no economic progress could be attained. If the necessary capital for investment is not available internally, which is the case for most developing and transitional countries, capital has to be obtained externally through foreign investment (Li and Liu, 2005). Foreign investors are very sensitive to the internal stability of the borrowing country (Zhang, 2007) and its ability to pay the loan. The internal instability of a country not only influences the perceived level of risk by an investor, it can also alter government policies and ultimately have an impact on the course of economic development. Therefore, development policies that may contribute to sociopolitical instability should be carefully identified. Through the evaluation of domestic political situations and identification of possible problem areas, some dysfunctional consequences of future policies could be minimized. Environmental analysis may provide an insight into international trade possibilities and point out the best possible avenue in selecting investment projects that would yield most benefits, economically or otherwise. Public policies that are established in this manner may have a better chance of succeeding and leading to the intended results. In the 1980s, for example, Japan applied such a policy (Sethi, Namiki & Swanson, 1984) with significant positive results.

As an illustration, the following section takes a look at the economic development process. It is intended to illustrate that even the best economic development plans may generate unintended consequences. Inattention to these consequences by transitional economies may actually produce the opposite

### **Economic Development Process and Possible Consequences**

Gupta (1984), and Streeten (1967), suggest a dialectical process of economic growth in which a series of factors pushing both toward and away from the goal of higher income. Almost all of the forces that result in generating higher income, if applied less judiciously, could create instability which in turn leads to lower income.

Following the line of reasoning offered by scholars (e.g. Ferderking, 2002; Gupta, 1984; Haq, 1971; Heilbroner, 1963; Inglehart, 2000; Jong-Sung and Khagram, 2005; Kuznetz, 1955; Olson, 1963; Streeten, 1967), Fatehi and Veliyath (2008) constructed two models of economic progress, and economic regress. They suggested that in the economic progress model, a positive feedback loop generates more income, and in the economic regress model, a negative feedback loop results in less income. Ideally, the process of economic development should go through the positive feedback loop, generating more investment and a more stable sociopolitical and investment climate, though this is not always the case in most developing countries.

The interrelationship between positive and negative forces of economic development are obvious, but for the sake of simplicity and to focus the discussion on the negative consequences that could result from economic development process, these two forces are presented separately.

The processes of positive feedback or income-increasing forces are depicted in Figure 1. As it can be seen from Figure 1, the process of economic development could be the result of self-regenerating forces in which higher income generated by more investment

> Insert figure 1 about here <

and a higher rate of production could create a chain-reaction of better health, better education, higher savings to income ratio, increased economies of scale, stable government, and reduced class prejudice. These forces in turn could lead to improved ability to work, higher investment to income ratio, increased productivity, national solidarity, and improved administration in government. All of these culminate in higher income and the process could repeat itself. This process is often observed in developed countries.

The economic development process if managed inadequately, through ill-prepared and implemented plans, could go through a negative feedback loop leading to just the opposite of the above described pattern. Fatehi and Veliyath (2008) have documented such a process and demonstrated the undesirable consequences of such a scenario. Their analysis provides empirical support for the dynamics of a negative feedback loop. Figure 2 depicts a

> Insert Figure 2 about here <

Negative feedback loop in which higher income:

1. Enables people to improve their health resulting in faster rate of population growth, which if not matched with adequate economic growth, and additional jobs, could lead to increased unemployment and lower income.
2. Creates a higher capital to labor ratio and consequently increased unemployment.
3. Makes it possible for people to receive a better education, leading to a higher literacy rate and proliferation of mass media. Mass media disseminates news about the possibilities of the better economic conditions in other countries and places with a similar condition, resulting in an increased level of expectation. When limited possibilities and opportunities could not satisfy the rising expectation of a better educated population, the consequences could be political and industrial instability.
4. Leads to progress and modernization. Modernization programs supported by a higher income introduce exogenous values into the society resulting in a clash of the old values and traditions with the newly acquired values. The greater the number of new values that enter into the culture in a given time span, the greater the conflict between existing and newly acquired values. The consequence of such clashes is the erosion of old values. Since the newly acquired values have not yet been fully accepted and established, the ultimate outcome is value instability.

Another contributing factor to value instability is rising expectations generated by more education and mass media. As people learn about possibilities and alternatives, and realize the shortcomings of existing means of gratifying their wants and needs, the usefulness and validity of the present value system is questioned. Value instability and rising expectations could contribute to corruption in business and government.

4. Transition to a market economy greatly increases the opportunities for accumulation of personal wealth – whether from legal or illegal means – by the elites. The move toward a market economy provides ample opportunities for the elites' enrichment. Since, at the beginning all capital, real estate, natural resources, or other properties earmarked for privatization, are under public ownership, and incumbent elites have control over them (Walder, 2003, 901), the temptation for abuse of power would be very hard to resist. Under these conditions, the legitimacy and credibility of government and business is greatly undermined when corruption permeates various levels. The consequence is political and industrial instability marked by sociopolitical violence that could lead to lower investment (Cohn, Lewellen, Lease, and Schlarbaum, 1975; Fatehi & Safizadeh, 1989, 1994; Ye and Tiong, 2000)

5. Higher income may not necessarily be justly and more evenly distributed among different segments of the population, creating income inequality, and consequently breeding conflict. In transitional economies of the former Soviet Union, the elites of the society that often are old communist bosses with the facade of new, democratically sounding titles, disproportionately have the opportunity in the new system for immense wealth acquisition. Some elites may even flaunt their newly acquired extravagant

life style. The combination of the above forces of faster population growth, lower investment, increased conflict, and government corruption could lead to political instability and eventually result in lower income. Lower income, mass media publicizing the abuses and the extravagant life style of the elites, create greater relative deprivation which contributes further to political and industrial instability. Capital flight (Fatehi, 1994, Fatehi and Derakhshan, 1997) and lower investment (Fatehi and Safizadeh, 1988, 1989) are the outcomes of political instability which compounds the problems, reducing the level of income still further, generating a vicious cycle that feeds on itself. Transitional economies of the former Soviet Union, quite often experience the negative feedback model of development.

### **Modeling Public Policies Based on Corporate Strategy**

A typical corporate strategic planning involves simultaneous analysis and assessment of external environmental forces and internal capabilities of the organization. This analysis and assessment process enables the organization to chart the most appropriate course of action. A similar process could be useful for national planning. Internal assessment and external environmental analysis used in corporate strategy planning, for example, could be utilized to determine appropriate public policies. Through internal assessment, problem areas could be uncovered. The knowledge gained through internal analysis could assist planners in the formulation of appropriate guidelines to be used in evaluating various alternatives in achieving economic progress. External environmental analysis could identify sources of funds, technologies, and opportunities for needed technology transfer. It could also uncover unexpected opportunities in the international arena most suited to their needs and capabilities.

Most of the literature on organizational change suggests that changes should be brought about slowly and with considerable care, in a manner that is consistent with key situational variables. Making a rapid change over a short period of time is often discouraged (e.g. Kotter and Schlesinger, 1979; Quin, 1980). It is recommended that transitional economies do not focus on achieving rapid economic growth (Noland and Son, 2012, 109). At the national level, however, planners in most developing and transitional countries favor a fast pace of growth to shorten the time required for the industrialization of the country. In most cases, a fast pace of growth strains the fabric of social institutions and produces dysfunctional consequences. Quite often, the undesirable consequences of fast growth are aggravated by the lack of attention to non-economic factors.

Because, economic development is influenced by the interaction between economic and non-economic factors, in the course of economic development certain public policy decisions could dramatically effect the direction of economic progress. The inclusion of non-economic factors, and the provision for their dynamic forces in the planning process, could greatly improve the quality of decisions and the effectiveness of the programs designed to bolster the economy of a nation. The experiences in strategy formulation and implementation at the corporate level could help national planners to chart the interaction and interdependencies between economic and non-economic factors in formulating public policies.

One example is Japan, where utilization of the process proposed here enabled Japan to experience phenomenal growth and prosperity (Digman, 1982; Horvath and McMillan, 1980). According to Sethi, Namiki and Swanson (1984, p. 18) the Japanese government coordinated business activities in terms of planning and implementing a long-range industrial and economic policy. Horvath and McMillan (1980) claim that Japan used the concepts of strategic management, such as growth-share matrix that is commonly used by some corporations, at the national level to assist businesses. The decisions to enter, invest in, or leave certain industries were made by the Japanese government, using productivity/growth matrix (McMillan, 1985, p. 83). The productivity/growth model used by Japan to analyze its industries on a national scale by sectors of the economy is a modification of the model that diversified American corporations, such as General Electric, use to evaluate strategic business units (SBUs). The decision for allocating resources to various industries is made accordingly. Using the Boston Consulting Group terminologies, the Japanese "cash cows" were inorganic chemicals, chemical fertilizers and home electric appliances, which were maintained without additional investments. These industries were

basically used as the sources of capital for investment in other industries. Agricultural machinery, pharmaceuticals, and cosmetics were "stars", and received favorable treatment and the infusion of money earned by "cash cows". Computers, aircraft, and textile machinery were 'question marks' that were also treated favorably but selectively when circumstances warranted. Finally, Japan abandoned and replaced aluminum, textiles, toys, and paper industries as its "dogs".

### **Implications for Transitional Economies**

Complexity is the hallmark of our time. Institutional isolation of the past has given way to interaction and involvement among organizations. Public and private institutions interact, learn and adopt the best practices from each other, no matter where those practices originated. In like manner, public institutions could learn from private organizations to become more efficient and responsive to their constituencies. On that basis there are lessons to be learned from private business organizations, and applied to public policy formulation and implementation. Among these practices, strategic management concepts stand out.

The application of strategic management concepts as suggested by this paper, are very attractive and logical, and the implications for transitional economies are inescapable. Besides the modeling of public policies on business organizations' growth strategies, empirical research has identified critical areas of improvement (e.g. Bonilla-Chacin, Murrugarra & Temourov, 2005; Klugman, Micklewright & Redmond, 2002; McKinnon, 1991; Micklewright, 1999; Milanovic, 1995; Mokhtari and Ashtari, 2012; World Bank, 1995). Among them are the following.

The focus of economic development efforts, in these countries, should be not only on efficiency and increased wealth, but to distribute increased gains throughout society, particularly those at the lower level of economic standing. Instead of concentrating on increased efficiency, in many cases, it is critical to be effective and not leave behind the more vulnerable segments of society.

An educated workforce is more productive. Economic development efforts are more successful when an educated public is involved. Transitional economies should create an environment where public education is more readily available to a larger segment of the population. Strengthening educational institutions should be a top priority for these countries.

Increased employment opportunities could create a more hospitable environment for the application many government projects aimed at improving various aspect of the society. Therefore, any economic development plan should have special projects for new job creation, particularly at the early stages of such a plan. Since, small businesses are at the forefront of job creation, special attention should be paid to reducing bureaucratic obstacles, and paper work required to establish new businesses. Time requirements to establish new business should be shortened to increase competition where prices and quality of the offering would improve resulting in a more positive public opinion and a stable economy.

Reducing bureaucratic obstacles to establish new businesses should be a part of improving overall working conditions and earnings of the lower level government functionaries. These improvements reduce the need for bilking clients and reduces opportunities for corrupt practices. Such attempt should go hand in hand with strengthening ethics laws and improving their enforcement. Along the same line of reasoning, tax collection improvement could increase the government coffers where there would be less budgetary pressure to reduce services to the public.



#### IV. CONCLUSION

In the field of business policy and organizational design the concept of "fit" has gained a central importance. It is argued that organizational performance is a function of the fit between the internal organizational factors on the one hand, and environmental forces on the other (Venkatraman and Camillus, 1984). This argument could be extended further to propose that planning for economic development calls for public policies that strive to maintain a fit between various components of sociopolitical and economic forces of the society. In an effort to create such a fit and to examine the relevant factors that should be considered, the model of corporate strategy making should be adopted. Also, the issue of strategy-structure linkage should not be overlooked. In the strategic management literature, the relationship between strategy and structure is very prominent. Structure is a means by which strategy could be implemented. Taking a similar position for economic development in transitional economies suggests that the government apparatus could play a crucial role in successful implementation of public policies.

Using the concepts of strategic management and adopting the pattern of business response to environmental forces, along with acknowledging the relationship between strategy and structure, it could be argued that in developing and transitional countries, the economic development process could roughly resemble a pattern of business growth. At the early stage of national economic progress, public policies could be devoted to upgrading the basic necessities of people and improving living conditions. This stage consists of providing employment opportunities through the establishment of light industries, followed by building infrastructure. In this manner the GDP per capita could be increased and the purchasing power of the general population consequently improved. Throughout this stage, the emphasis would be on production efficiency and local markets. As the productive capacity of the economy is built up and the income level is increased, capital formation becomes essential to move to the next stage. This is the critical stage, however, because the utilization of new technology may lead to increased unemployment. To prepare for dysfunctional consequences of capital formation, social institutions need to be strengthened to handle the problems of worker displacement and unemployment. In this stage the stability of social institutions and the integrity of public organizations are threatened. The fast pace of introducing new changes and new values into the society may strain the absorption capacity of the system. The consequences may be value instability and corruption and the country may experience a great deal of internal turbulence. Those countries that are prepared to handle the discontinuities created by the growth process could, with little difficulty, move to the subsequent stage of economic growth. The implications are that somewhere during the growth stage, emphasis should be shifted from economic efficiency to system effectiveness.

According to some scholars (e.g. Mehmet, 1978), problems of developing transitional countries calls for consideration of a trade-off between economic efficiency and ethics. They point out that stress on economic efficiency neglects the question of equity and income distribution and also ignores the people's sentiment toward values of fairness and justice (Fatehi & Veliyath, 2008; Rhodes, 1978). For example, a precondition to economic progress is resource accumulation, which calls for income concentration. Any income concentration, however, that is perceived by a large segment of the population as unfair and unjust, could generate instability and undermine efficiency and effectiveness. Instead, progress may ultimately be attained much easier if social programs are given priority over a faster rate of economic growth. National planners may have to settle for a slower rate of growth if the absorption capacity of the society is not adequate. Capital intensive technologies that may result in increased unemployment may not be the right type of technology for developing transitional countries that do not have social provisions for handling unemployment and the associated problems. Decisions regarding resource allocation should not be based solely on economic parameters without the understanding of their social ramifications.

This paper explored the relevance of adopting a corporate strategic management approach and examined the dynamism of economic development with the aid of corporate strategy framework and a variation of the typical economic development model, one that could degenerate into a negative feedback process, leading to economic regress. The appropriateness of adopting a strategic management orientation for

public policy making, for transitional economies of the former Soviet Union and other developing countries, was examined. The imperatives of considering social as well as economic aspects of economic development for these countries could be deduced from the counter-economic development model. Adoption of a corporate strategic planning model and taking into account counter economic development forces, may prove to be an effective tool for analyzing economic development issues.

Theoretically and conceptually, the tenants of the paper are valid. However, empirical verification of these suggestions would greatly improve our knowledge about practicality of these propositions. The economic development models that were introduced by this paper and formed its backbone, should be tested to find out whether they are also useful to other developing countries. While there are great similarities between transitional economies of the former Soviet Union and other developing countries, these similarities should not discourage future research in examining the applicability of these models in other developing countries.

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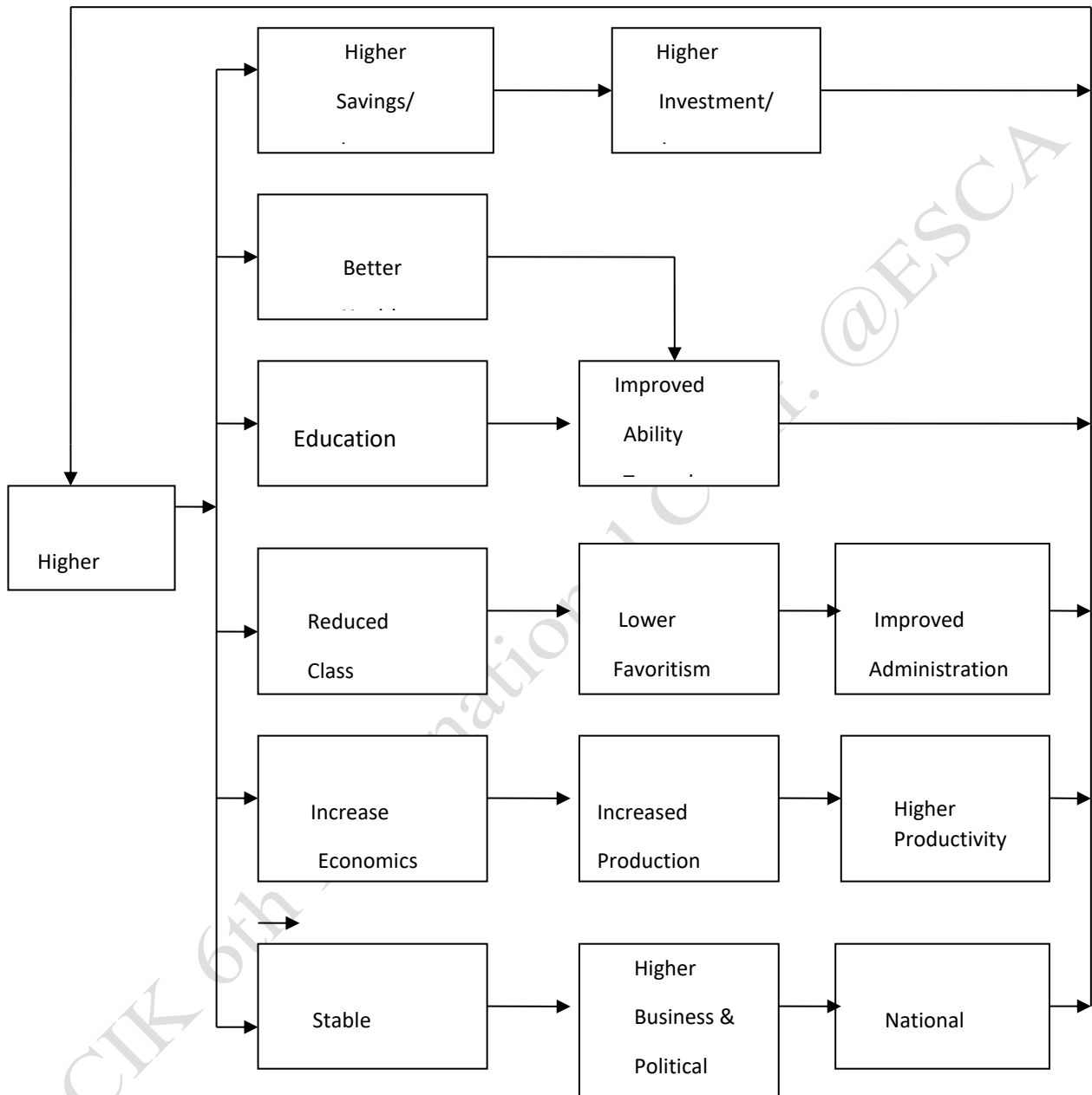
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Figure 1. Economic Progress Model







## WHAT ARE THE ELEMENTS THAT SEDUCE THE CONSUMER IN A LUXURY BRAND? SUGGESTION OF A NEW CONCEPTUAL MODEL

**Fatine El Mouqtafi**

**And**

**Redouane Barzi**

**ENCG-Kenitra, UIT**

### **ABSTRACT**

Why are we seduced by luxury brands? What are the elements that seduce the consumer in a luxury brand? What functions do these brands fulfill? Such were the questions asked while seeking to understand luxury from the consumers' standpoint.

While discovering the luxury industry, its situation and the risks it's facing due to a number of shifts happening in the industry, such as the increasing number of consumers. This case might lead the latter to perceive luxury differently.

Inspired by the work of Wiedmann, Hennigs, and Siebels (2007) who, to acquire information regarding consumer motives and value perceptions, developed a four dimensional model that explains luxury consumption through consumer perceptions of the social, individual, functional, and financial value dimensions of luxury and thus draws on and extends Bourdieu's capital theory (1986).

This approach directed me to the leading argument of my thesis: How do the purchase factors influence the perceived value of luxury brands by the clients?

This article attempts to outline the formulation of a definition of luxury value by editing the previous conceptual model. Two elements are thought of being added to the model, which are: The relationship-based selling and the country of origin effect.

I am currently testing the modified conceptual model through a qualitative survey.

**Keywords:** Customer Behavior – Luxury Value – Customer's Perception – Relational Sale - Country of Origin Effect

## **I. INTRODUCTION**

Luxury market has always been a worldwide market because of its little number of clients in each country. However since the seventies, this industry has known many changes (Bain & Compagny, 2017).

According to a study done by Bain and Company and realized with the help of the Italian Federation of luxury industry Altagamma, the whole international market of luxury products has known a crease of 4% in 2016, which is due to the comeback of the Chinese local consumption, and the revival of tourism in Europe.

Indeed, this study identifies five main factors which will influence the luxury market in the future: the situation of the American market, the rise of domestic purchases in China and mainly in Europe, the increasing influence of e-Business, the growing gap between the winners and losers of the industry, and the arrival of the Millenials at the market.

In one hand, a crease has been mainly pushed by recovering tourism and growing trust in costumers in Europe, and also by renewing the Chinese local consumption which became the primary luxury market. In 2009, two thirds of the worldwide luxury market was controlled by the European Union exporters, followed by Switzerland, China, Japan and the USA. In the other hand, a wider range of clients has been developed, within them the developing countries. Since the nineties, the luxury companies including the industries which are usually mismanaged by the rivalry of the low income countries make profit from the increase of the developing countries. A new range of clients has been developed, for which luxury products act as social marker (Bain & Compagny, 2017).

Dubois and Laurent (1994) and Dubois and al. (2001) found out that the customers' behaviors toward the luxury concept significantly vary. This is why a customer's perceptions study is a necessity.

In this article, we will study the conceptualization of luxury, in order to clarify the clients' perceptions toward luxury brands. This will allows us to criticize the models of the perceived value of luxury and to finally suggest a new conceptual model.

## **II. LITERATURE REVIEW**

The definition of luxury is determined by personal and interpersonal motives. The definition mainly depends of the customer's perception toward luxury. (Vigneron et Johnson, 2004).

This is why, to understand the meaning of luxury, we must start by finding out all the different clients' perceptions.

### **1. Luxury brand**

According to Michel Gustaz (1996), a luxury brand is defined by five main dimensions: A collective identity; a history (mostly related to the creator); an identity support and the sustainability proof; a creative talent (Related to a famous designer) and aesthetic; an exclusive expertise and quality; and selected natural resources.

A luxury object is basically a product (rare, perfect, of quality, etc.) and is carried by a service related to this product (personalized relationship with the clients, a store's reception of quality, after sales service, sustainability of the product, etc.). Therefore, most of the luxury stores give more attention to distribution, and to establish a network of sophisticated stores in the world. This is the key to furnish a subjective rarity atmosphere.

Luxury brands are premium brands bought not only for their functional or economic values, but for their psychological values such as the hedonism and the symbolism (Doss and Robinson, 2013). Some luxury brands are likely to consider luxury products like a product of three essential characteristics: Rarity, additional value, and high quality (Mortelmans, 2005).

Easterman and Easterman (2011) explain that luxury brands have display and charged status components, even if some might consider these components interchangeable, they think that each element mention different consumers perceptions toward luxury brands. Truong and al. (2009) suggested that the display is associated to the consumers motivated by the appearance and the image, while the status correlated with the costumers excited by the external and internal motives. Wiedmann and al (2007) mentioned that the model of the traditional displayed consumption of luxury products is transformed to the experiential knowledge of luxury formed by how the consumers define luxury.

## **2. Conceptualization of luxury:**

Luxury is usually associated to the extravagancy, the opulence, the high society, the wealth, which define a certain personality type, and of course, a certain social status. Traditionally, luxury was considered like a privilege of the aristocracy, and the ruling classes (Wong and Ahuva, 2008).

According to Kapferer and Bastien (2009), the generic concept of luxury might be defined not only like a product or service, but also like a state or behavior, as old as humanity itself.

As Cauwès (1881) separates luxury from firm “The good side of luxury, multiplied and composed under the influence of the democratic spirit of the well-being and equality [...], it’s to commute a more convenient luxury in general to the inconvenient firm usually from the old societies”.

According to him, the most important, is that luxury is starting to lose its character which is exclusiveness and waste “The distribution of the elegant pleasures and the superfluous which successively penetrates all the classes, is a significant character. What we used to formally call luxury becomes a habit state of the daily life”.

Concerning the case of the sociologists and psychologists who are naturally interested in luxury resonance in the population, we find in this group the American economist Thorstein Veblen. First of all, Veblen (1899), in his conspicuousness consumption “High priced articles consumption is an honorability method for the man of leisure”. This approach is close to Jean Baudrillard’s approach, which criticizes the signal economy, for which our objects, are torn between their utility and exchange values “They are taken in the fundamental compromise to be meaningful in the social sense, etc.”

According to Pierre Bourdieu, (1979), buying a luxury brand is a way to confirm their social position: luxury is essentially defined by its social communications’ dimension. In the same vein, Gilles Lipovetsky, Elyette Roux, eternal luxury, Gallimard, (2003) explains “luxury appears as what continues a mythic thought form in the heart of the sold desecrated cultures.”

It is now clear that luxury products fulfill not only people’s functional needs but also psychological ones (Dubois and al., 2001).

A huge element of human implication, a very limited supplying and the recognition of value by the others, are the main components. However, luxury stays as a sure value since centuries. It’s a historic sensibility of the beautiful and the prodigious (Cornell, 2002). Luxury finds its origins in the old habits of high classes’ families. Referring to the exceptional, it is the symbol of a social success but also of refinement and the love for “beauty”.

It’s slippery to define luxury. We can define a luxury product as a rare product that had an objective additional or symbolic value, with a high quality standard, and a high price compared to other products.

In conclusion, luxury is defined as goods for which the use or the display of a particular brand brings out esteem to its owner. Luxury goods allow the consumers to satisfy functional and psychological needs.

### **3. Luxury client's profile**

It is very logic to think that the most loyal clients of luxury brands come from wealthy families, and form a "privileged" population part. While luxury brands which cultivate the cult of the inaccessibility, make paradoxically actions to extend their products ranges in order to target a new type of clients which have different consuming behavior. Recently, the diversity of luxury products is explained in an economic way. They gain their profit thanks to cosmetics, accessories, perfumes and the ready-made. Which allow us to realize that there are two types of clients (Michel Chevalier, 2013).

First of all, regular or loyal clients are rich and mature individuals. They buy because they can recognize and appreciate the final product's quality. For these clients, luxury doesn't represent a standard of living but a lifestyle. This type of clients can be divided into two sub-types. First, there are the exclusive clients or classic luxury clients who believe that luxury brands spread quality and aesthetic values. Second, the traditional or wealthy clients are who seek to be different and have their own style by buying a luxury product. These clients see luxury as a symbol of status, snobbism and classism.

The second type is about the occasional clients. This consumer's type has a strong attachment to luxury brands. It's the type who is still young, has a recent income, and is sensitive toward the luxury world. In their point of view, purchasing a luxury good is a way to relate this special purchase to a sentimental and emotional value (Michel Chevalier, 2013).

Recently, a new range of clients has appeared in the luxury industry, which their perceptions might differ from the old clients. In consequence, analyzing the market and the clients' behavior became one of the most important keys of the luxury brands successful strategies. Which is why, understanding the consumers perceptions toward luxury brands is a necessity.

## **III. PERCEIVED VALUE OF LUXURY BRANDS MODEL**

The main purpose of this article is to verify and criticize conceptual models of the perceived value of luxury, and come up with a new conceptual model which carries other important variables.

### **1. Criticizing the theoretical models**

In order to measure the value of luxury, two conceptual models have explained and developed the construction of the luxury perceived value. The first model belongs to Vigneron and Johnson (2004), and the second was developed by Wiedmann, Hennigs, and Siebels (2007) who clarified in the simplest way the most important variables which form the perceived value of luxury. The second model is more adaptable to the situation of the actual luxury industry. However, it is still missing other significant variables.

Inspired by the work of Dubois and Laurent (1994), Leibenstein (1950), Mason (1992), Kapferer (1998), Eastman et al. (1999) Phau and Prendergast (2000), and Dubois and al. (2001), about the evaluation of luxury brands, Vigneron and Johnson (2004) developed the framework of the brand luxury index (BLI) scale to measure consumer luxury perceptions for brands, suggesting that the decision making process of the client seeking luxury could be explained by five main factors which form a semantic network. Including the personal perceptions (the perceived extended self, the perceived hedonism), also the most usual impersonal perceptions (The perceived conspicuousness consumption, the perceived rarity, perceived quality), Vigneron and Johnson examined the latent structure and the interrelations within the primary definitions of luxury concept which imply the decision making process that happens during the evaluation of the products brands.

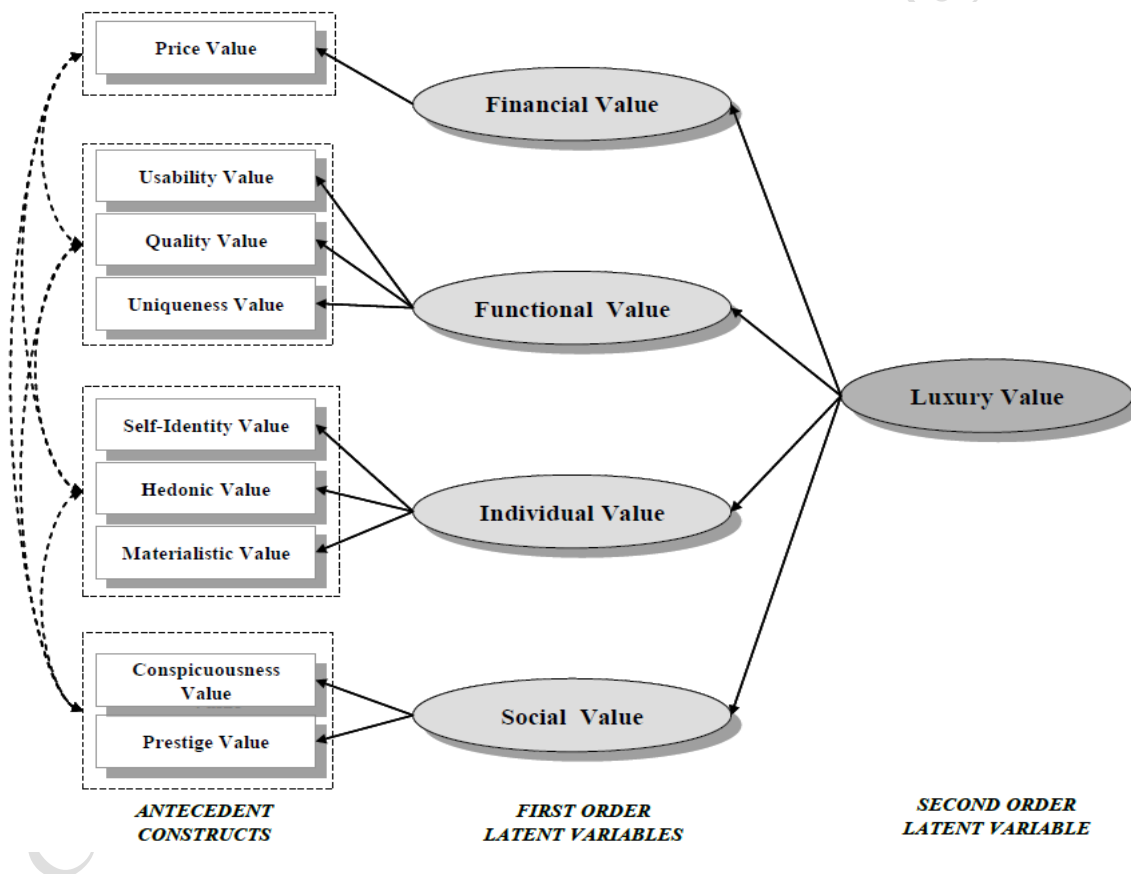
To acquire information concerning the consumer's motifs and the value perceptions, Wiedmann, Hennigs, and Siebels (2007) developed a model gathering four dimensions that explain luxury

consuming through the perceptions of consumers toward the social, personal, functional and financial values of luxury and therefore draw and extend Bourdieu's capital theory (1986):

- The financial dimension is directly addressed to the monetary aspects, such as the price, the resale cost, the reduction, and investment, which refer to the product value.
- The functional dimension refers to the heart of the products profits and their basic functions, like the quality, the rarity, the usability, the reliability and the sustainability.
- The personal dimension focuses on the consumer's personal orientation against luxury consuming and addresses personal issues as the materialism.
- The social dimension refers to the perceived utility that the individuals acquire from the recognized products and services in their own social groups, like the displaying and the prestige value.

The conceptual value that is kept, and on which this study is based is:

Figure 1: Conceptual model: The perceived value toward luxury brands:



- (1) In the capital forms Pierre Bordieu (1986) distinguish three forms of capital: the economic, cultural and social.

**A. Social dimension**

Luxury goods consumption appears to have a strong social function. Therefore, the social dimension refers to the perceived utility which the clients acquire while consuming products or services known by their own social groups, such as the conspicuousness consumption and the prestigious value, which affects the evaluation and the consumption trend in luxury brands (Vigneron and Johnson 1999, 2004; Bearden, and Etzel 1982; Brinberg and Plimpton 1986; Kim 1998).

Individuals are probably willing to use products that are socially used, especially when the purchase motive is the need to show off their social status (Lee, 1990). The social value is described by two values: Prestige and Conspicuousness consumption.

- **Conspicuousness consumption**

Veblen (1899) was the first to mention the idea of conspicuousness consumption, which means that buying or possessing a certain products suggests wealth, and well-being.

During the eighties, many researchers did studies based on the original work of Bourne (1957), which focused on the influence of reference groups on luxury brands consumption (Mason 1981 and 1992; Bearden and Etzel 1982). This study results revealed that showing off a product is positively related to the susceptibility of the reference group. For example, Bearden and Etzel (1982) concluded that luxury goods publicly used were more visible than luxury goods privately used, and also the conspicuousness consumption plays a part in forming preferences toward some products which are used in a public context (Braun and Wicklund, 1989; Hong and Zinkhan, 1995; Bagwell and Bernheim, 1996; Corneo and Jeanne, 1997; Vigneron and Johnson, 2004). As a result, luxury brands might be important for individuals who seek social status and representation. This means that society classes which are particularly related to the brand, play as a crucial factor in the conspicuousness consumption.

- **Prestige**

The possession of luxury brands desire serves as a symbolic signal of a group affiliation. This fad pushes the individual to conform to the wealthy lifestyle and/ or to be distinguished from other poor lifestyles (French and Raven 1959; Sirgy 1982; Midgley 1983; Solomon 1983; Mick 1986; McCracken 1986; Belk 1988; Dittmar 1994).

A prestigious brand might be used during the week while conforming to professional positions and a modest brand might serve during the weekend to equal the social standards of the neighborhood.

**B. Individual dimension**

The individual dimension focuses on the consumer's personal orientation on the luxury consumption and addresses the personal questions like materialism (Richins and Dawson, 1992), hedonic and self-identity values (Vigneron and Johnson, 2004; Hirschman and Holbrook, 1982).

- **Personal identity**

Consumers might utilize luxury articles to integrate the symbolic sense to their own identities (Holt 1995; Vigneron and Johnson, 2004) or they could use luxury brands to maintain and develop their own identities (Douglas and Isherwood 1979; Hirschman 1988; Dittmar 1994).

The client's self-identity includes his subjective perception, the belief in his own capacity, the limitation and the appearances (Graeff, 1996). From this point of view, consumers might make use of luxury articles to integrate the symbolic signification to their self-identities (Vigneron and Johnson, 2004).

- **Hedonism**

Dubois and Laurent (1994) consider that the majority of luxury brands consumers associate these products to hedonic reasons, and that luxury goods purchase is mainly for their own pleasure, and not



for a snobbism signal. The pleasures, excitement, aesthetic of the beauty are the emotional values which the luxury goods consumers find as the reasons to buy luxury goods (Vigneron and Johnson, 1999).

Some products and services have an emotional value and offer an intrinsic joy in addition to their functional utility (Hirschman and Holbrook, 1982; Sheth et al. 1991, Westbrook and Oliver, 1991).

Therefore, the hedonism describes the subjective perceived utility and the acquired attractive proprieties of the purchase and consumption of a luxury brand to stimulate the feelings and the affective states received from personal reward (Sheth and al.1991; Westbrook and Oliver, 1991).

- **Materialism value**

Richins (1994) sees the materialism as a personal values system. He divides materialism in three parts: the centrality, joy and success. Possessions play a central role in the clients' lives. Joy is the conviction to obtain the right possessions which drive to the well-being and each individual will be able to be judged by the possessed objects.

### **C. Functional dimension**

- **Usability value**

In general, a product or service is created to realize a certain function: the main advantage might be seen in the product's conviviality to reach the goal of satisfying the clients' needs. The usability concept was examined in terms of the use easiness and can be defined by the physical, chemical and technical dimensions of a product (Park et al. 1986).

The conviviality is also based on the products proprieties and the client's needs. Therefore, a comparison between subjective and objective judgments of the conviviality has to be done, which depends on the individual evaluation and the specific goal of use. Concerning the basic and principal use, clients expect that the articles they buy are good and last longer as they wished (Fennel 1978).

- **Quality value**

High quality is seen as a fundamental characteristic that realizes a certain function of a luxury good in terms of precondition (Quelch, 1987).

Perfection and supremacy are two words that can define luxury, consequently the high quality degree consists a significant part of luxury consumption (Zeithaml, 1988).

Gentry and al. (2001) think that the reason why clients buy luxury brands is because the product's brand reflects a high quality.

Consumers might associate luxury products to high quality brand, which pushes them to expect more quality in luxury brands (Aaker 1991).

- **Rarity**

The functional value isn't a fundamental criterion that makes the consumers attracted by a luxury product. In fact, rarity and exclusivity are the elements which differentiate a luxury product from other basic goods (Wiedmann and al., 2009; Lynn, 1991; Pantzalis, 1995).

The more a brand is rare, the more its value is symbolized, especially in the consumer's perception (Sun, 2011).

**D. Financial dimension**

McKinsey used the price as a discriminant factor to distinguish certain luxury types from others. Allèrès (1990, 1991) has also considered the price as one of the most significant factors of luxury goods.

The price might also be a quality signal (Aaker, 1991), and the high quality is frequently associated to a high price.

Some authors consider the price as another luxury characteristic and think that the monetary value of a product could have a positive role in establishing the quality perceptions in the spirits of the consumers (Mortelmans, 2005; Wiedmann and al., 2009; Erickson and Johansson, 1985; Lichtenstein et al., 1988; Tellis and Gaeth, 1990).

According to Tynan and al. (2010), the word luxury can be used to persuade consumers to buy the most expensive products.

In summary, Paul Cawès (1881) explains that luxury has been transformed while being diffused above the aristocrats elites “Along with the civilization, luxury is coming near the useful [...]. Luxury of the old decades is limited to the privileged class; the modern luxury is transforming while targeting a wider range of consumers”. To conclude our literature review, we deduct that luxury value has known many transformations, which means that the consumers’ perceptions has also changed. These shifts have happened mainly due to the apparition of many risks in the luxury industry:

- ☐ First of all, the apparition of new clients

Luxury products consumption has increased. On one hand, it is mainly because of the growth of the middle class which their income has increased, and the apparition of clients from the developing countries. On the other hand, the Millennials and the Z generation which has represented 45% of the luxury personal goods market since 2015.

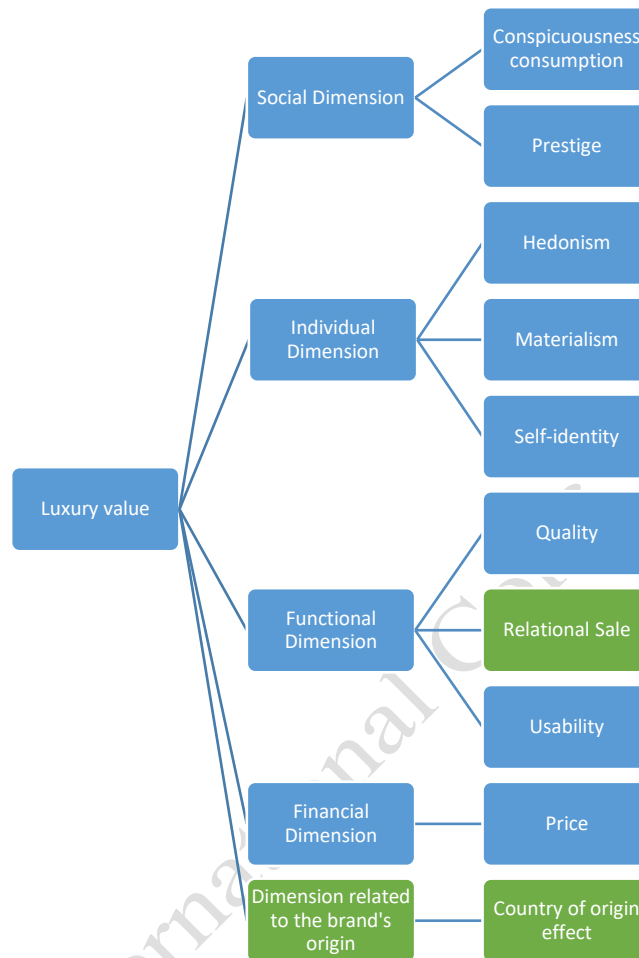
- ☐ Second, the increasing of sales therefore luxury production

On the one hand, the vigorous crease of luxury objects demands imposed a more pushed fabrication at the manufactories. In the other, the fast development of luxury production in the middle of the seventies carried off an important change in the companies, their turnover and their size increased. This made us think if these changes could have influenced the conceptual model.

Because of this, I think it’s important to study again the factors which determine the perceived value of luxury brands. Consequently, we are questioning this problematic: How do the purchase factors influence the perceived value of luxury brands by the clients?

This article’s purpose is to criticize the conceptual model, based on the actual situation of the luxury industry, and to suggest a new model. We think that two variables must be taken into consideration in order to measure the perceived value of luxury. Therefore, the variables are the relational sale, and the country of origin effect.

#### IV. Proposal of the new theoretical model



a. Replace rarity with the relational sale

More the brand is rare or unique, more the good's value is symbolized, especially in the consumers perceptions (Sun, 2011).

However, it's hard not to notice that at the actual moment, there has been a crease in the luxury objects' demand, which forced more fabrication. Therefore, rarity isn't perceived as a variable that gives value to luxury as it used to be.

Moreover, luxury brands' reactions changed the customers' perceptions and were oriented to the overexposure. Indeed, it is hard to find luxury brands which seem available in many markets and in a variety of detailers. The excessive accessibility to luxury products might negatively impact the prestigious character of the luxury brands (Dubois and Paternault, 1995). The counterfeits of luxury brands have flooded the market, and helped in causing the acceleration of the luxury brand overexposure.

The consumption's crease had consequences on the organization of the distribution: Luxury firms manage rarity of their offer thanks to a selective distribution strategy. It appears that the direct sale with the clients is still a pivotal point in the luxury products' communication politics. The exchange maintained at the store is crucial for the relationship with the client, because in the case of luxury brands

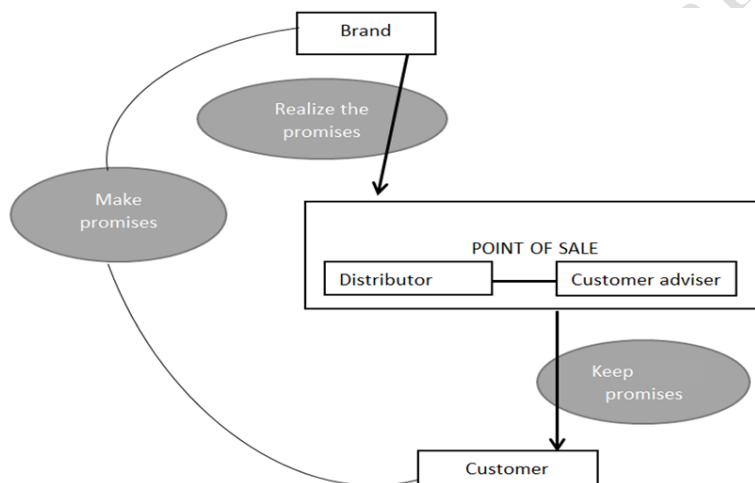
selectively sold, a trust relationship will be established not only in the level of the brand, but also in the level of the reception and the service found at the point of sale. To reinforce their relationship with the clients, luxury companies have to give more weight to the points of sale and the particular customer advisers, because these two represent an essential element in the relationship.

It is through these characteristics that the accessible luxury can resolve the dilemma: assure the crease targeting not just the elites but the elitist part of each client. Which is why, the client must be assured of the upholding of the expertise and the values that prevent the luxury brand from becoming banal. This alchemy, to exist, has to be founded on an efficient relationship which includes the active participation of the three actors: the brand, the customer adviser and the client. The customer has to feel the coherence between the offer and the brand during the whole choice and purchase process, in order to accept the justification of the high price of the good and to be engaged in the relationship with the brand.

Thus, the accent put on the weight of the relationship between the brand, the client and the customer adviser registers luxury in the relational paradigm.

In luxury marketing, the respective objectives of these dimensions are consequently to establish coherence between the illustrated elements in the following figure (Figure 2):

**Figure 2: Importance of the relational sale**



*Source: Décisions Marketing, No. 20 (May-August 2000), p. 49*

On one hand, the promises are done by the brand to the customers through different signals, in particular the direct and mass communication actions (1).

On other hand, the application of these promises, by the control of the staff and the partners management who are the distributors through the distribution contract which aims to define the respective roles in the luxury firm and of the distributor (2), and this in order to let the engagements stay held during the physical contact at the point of sale (3).

Exploratory observations indicate that there is a strong social dimension in the control of the commercial network of the luxury firms. The socialization applied in most of luxury companies seems to converge from the socialization objectives (social control “clan”) (Ouchi W.G. 1979).

To conclude, rarity still exists, except that it was moved from the fabrication stage to the distribution stage.

b. The country of origin effect

There is a large number of luxury brands from different origins, which make us wonder about the image of the brand if we relate it to its origins. Which make us ask the following question: Is a hand bag from

a French luxury brand, same as a hand bag from an American luxury brand? From this point, the country of origin effect isn't applied only on the products but also the brands (Han and Terpstra, 1988): consumers attitudes toward a brand might change depending on its origin (Gaedeke, 1973).

Researches tend to show that in the prestige brands, the externalization of the production and the assembly in other countries is impossible because the brand and the country of its origin are related (Jaffé and Nebenzahl, 2001). For Bastien and Kapferer (2008), a product isn't luxury once it is delocalized; it becomes a simple premium product to which they submitted an exact functional specification and can be fabricated where it's cheaper.

The "Made in France" as a brand compared to "Made in China" or "Made in Bangladesh", the etiquette with the mention "Made in France" brings an additional value to the products.

Since then, this reasoning might be applied on French luxury brands. Consequently, on the price level and the equivalent objective quality, the customer might use the information of the country of origin as a criterion to differentiate products, knowing that today marking the origin becomes harder.

For these firms, preserving the high quality is impossible with the maintaining of the production in France, and so is the "Made in France". Hermès, Chanel and Vuitton create today employment in France collaborating with local subcontractors or by rebuying companies. Two logics are pursuit:

-First of all, the upholding of the French origin that raises the assignment of these luxury firms in front of the customers who are seeking the label "Made in France".

The absence of delocalization somehow allows to respond to the customers' needs "For instance in the countries like Japan..., or China".

-Another logic which is to maintain the bond with the French manufacturer, who is considered as partners, in order to preserve the know-how in France "...I have manufacturers who work with us for twenty years! We are trying to keep permanently our turnover while keeping them, etc."(Maxime Koromyslov, 2011).

## **V. CONCLUSION**

The luxury concept has been largely debated during the human history. Furthermore, this shows that across the centuries, the societies had been occupied by the nomination of luxury.

The definition of luxury has been transformed since more than 3000 years. Consequently each time luxury is perceived differently, because of the shifts which encounter the environment. This is why we were interested in the perceived value of luxury.

Indeed, with the crease of living standards and the access of new social classes to wealth, notably in the developing countries during the past years. Luxury market has known many transformations, such as the apparition of a new range of clients, the crease of luxury goods production and so the luxury products' overexposure, etc. These changes incited us to wonder if the customer's perceptions didn't change accordingly.

This article pursues criticizing the perceived value models developed beforehand, in order to suggest a new conceptual model that will more suitable to the actual customers' perceptions.

The conceptual model that we put forward consists on valuing two new significant variables, which are the relational sale and the country of origin effect.

And thus, it necessitates a qualitative perspective which will be handed over to the luxury firms' managers to test and validate each variable of the theoretical model in order to start the empirical study.

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## MANAGERIAL WORK: WHAT THAT MEAN?

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### ABSTRACT

In a context of globalization that affects all sectors, organizations face stiffer competition. The case of the public administrations of their role is called upon to adapt to a national and international context in constant change, to meet the demands of the citizens who do not stop asking for more in the quality of the services rendered.

Public management is today considered as a lever for the performance of public administration, which consists in achieving a double reconciliation, that of public officials or civil servants with their profession, and that of citizens with their administration as a unit Which does not satisfy their needs, but also to find new ways of involving the different levels of public intervention (associations, local authorities, the State, etc.).

Hence this research based on the perception of public administrations of the existence of managerial practices, their development, and their general approach and their future prospects.

Human resources are one of the major levers for creating value for states. It is a virtually heard cause. Globalization, the deregulation of markets and the spread of information technologies are all processes of globalization of the knowledge generated and used in order to obtain the performance within the latter

**Keywords:** public management, managerial practices, performance

## **I. INTRODUCTION**

We know the word of Albert CAMUS that "Misnamed things is adding to the misfortune of the world. And it is good to relieve the "unhappiness" of the administrative world that it seems necessary to bring some simple ideas and the vocabulary that suits the different methods and tools that he saw multiply within it, decree after decree, circular after circular.

We are not going to redo here a history of management, excellent books are devoted to it. It is only a question here of situating, with respect to others, some notions now commonly used in our organizations.

The crisis of the welfare states in recent years has provoked some reforms within the administrations in all the world. The new managerial paradigms and their ideology allowed to open more on the active life and to emphasize the results. By betting on all the stakeholders in the production of the service and the implementation of the performance that is the result of all these. So what is the proper management to practice in these organizations - its difference compared to private management?

What is performance?

## II. DIFFERENT MANAGERIAL CONCEPTS

### **Définition of management:**

The word "Management": appeared in 1865, in the United States to designate the one who ensures the material organization of show, concert or the professional life of an artist or a champion. , and is becoming widespread today in all the worlds of production, including the social economy. Management is a complex term defined by many authors and seems to apply to multiple domains. To do so, we will retain the definition of Peter Drucker that the review of the tasks of the manager comes to define the management. It involves several disciplines.

### **Management, what are we talking about?**

In reality, it is very difficult to give a precise definition of management; since there is no unanimity on a universal definition of the concept of management, but each author tries to define it in his own way. The most popular definition remains that advanced by Mary Parker FOLLETT. According to which management is "art of getting things done through people", this definition draws our attention to a fundamental difference between a manager who is an ordinary person in an organization. A manager is the one who contributes to the achievement of the goals set by the organization, without performing the tasks itself, but directing the efforts of others to achieve them. This definition remains incomplete and contains some weaknesses, on the one hand Mary Parker FOLLETT used the word art to define the management, to say that the management is an art still remains a half truth, since the management is also based on elements consisting of a set of rules, techniques and purely scientific methods. It uses both intuitive and personal qualities, know-how and skills, as well as a set of theoretical, standardized and formalized knowledge. On the other hand, this definition excludes the various functions of management. Another definition, this time more developed, put forward by George R. TERRY, defines management as a process of "planning, organizing, actuating and controlling, performed to determine and achieve the objectives of the use of people and resources". Based on this definition, it can be said that management is a process consisting of four main activities: planning, organizing, operating, and controlling.

From another angle, Peter Drucker defines the concept of "management" as "An activity aimed at getting men a collective result by giving them a common purpose, common values, a suitable organization and the training they need to be effective and able to adapt to change".

He also points out that the term "management" refers to everything that is necessary to carry out a business, whether small or large, independent or not. It therefore encompasses all management functions: administration in the sense of Fayol, organization, operation, forecasts, etc., the term "manager" has a very broad meaning. It applies to very diverse categories of personnel. It is, in short, a "leader" who is at the head of one or more teams including a variable number of people: general manager and foreman are the extreme echelons of "manager".

To conclude, management is a human and social activity aimed at stimulating behavior, animating teams and groups, developing organizational structures and conducting the activities of an organization in order to achieve a certain level of performance. By increasing the efficiency of individuals at work and by enabling them to develop professionally and personally. The main task of the manager is to find and identify all the tools that will be useful to him in his role. Examining the tasks of the manager can thus enable us to better understand what management is. These are, in fact, of various natures and varied since a manager has a hierarchical responsibility within the company and must perform several tasks according to the level where it is located.

### **Public management:**

"Public management" has become, nowadays, a very common expression of use. We might even think that it is a fashionable slogan, the success of an expression often goes hand in hand with the vagueness of the concept it is supposed to express, and the observer can easily notice that public management is frequently used. today badly; by some, as a symbol of their desire for modernity; by others, as equivalent to better management of human resources in public organizations; by others, as an expression of the diversification of the fields of interest of the discipline they represent. Identifying the concepts of public

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management becomes even more necessary. In particular, it is important to check that public management has many attributes of "traditional" or general management. In her book on public management, Annie Bartoli defines it as "the whole process of finalization, organization, animation and control of public organizations, aimed at developing their overall performance and driving their evolution in the respect for their vocation ". A vocation based on the production of a public service intended for the citizens, and on the general interest of the society. She also adds that public management is based on a general principle of management that is that of contingency: in other words, it supposes an adaptation of management methods to the diversity of situations and issues.

Several levels can translate this field, the level "micro" which is interested in the interactions between the actors and the systems, according to a look of psychosociology. The level "meso" which touches the processes of operation of the public units, from a managerial perspective The "macro" level which concerns the environmental context and the inter-public and / or private relations, relying more on economic logic or administrative sciences. Public organizations associated with public management, know of particularities that can not be considered as incidental to the management of the latter. Certainly, we can evoke the specificities of public entities in many ways, ANTHONY and HERZLINGER, for example, enumerate: the absence of the measure of profit, the fact of being service providers for the most part, the existence of constraints for their funding, the dominance of professionals, the imprecise, diffuse or burst of responsibilities, the importance of political influences, a tradition of inadequate management control system. In this sense, Laurence LYNN evokes "organizational property and purpose, relations with the environment, the point of view and the content of decisions, the structure of authority". Michel MASSENET, on the other hand, shows the essence of organizations in a sort of definition: "These are multidimensional organizations that handle heterogeneous systems of values and measurement systems, in which solutions of continuity appear between the level of general control that is political and that of management, as well as between planning and programming ". We can still see in the "logic of the general interest" and in the independence vis-à-vis the market, the source of the peculiarity of the management of public services.

**Board 1: Evolution of the notion of public management**

Approaches	Management	Period
Politique/Administration	Apolitique	1900-1925
Science De L'administration	Scientific	1920-1940
Weber	Rules	1930-1970
Humanist	Human Capital	1960-1980
Politic Public	Politic	1970-1980
Systémic	Environnement	1980-2000
Nouveau Management Public	« Business »	1980-2000

**Distinction between management, and administration:**

The management appeared in 1965, to designate the one who takes care of the material organization of show, concert or the professional life of an artist or a champion. In French, we have abusively translated by management, for many French authors we manage things but we manage (manageons) people; management is all about technicality and the operational aspect (financial management, risk management, etc.), against the management who is interested in energy. However the term management originates from the English verb "to manage" which means to direct, to handle but also to reach. Everyone agrees that, in its economic acceptance, management is an Anglicism used by Frédéric Taylor for the first time in the early 20th century.

Then it is imported in France by Henri FAYOL a few years later.

To distinguish between management and administration, some researchers very interestingly the administrative paradigm and managerial paradigm by showing that the problem of the first is to identify administrative procedures by level to develop the model of perfect organization then management tends to recognize decision-making situations in order to develop the criteria for the right decision.

From a North American point of view, the former will necessarily be more logical and rational in his theory and will favor, as it should, a legalistic approach to define, in advance, what will be the perfect organization and the second will inevitably be more empirical and subjective in his theory and promote an interdisciplinary approach. Management is concerned with determining the survival and development conditions of organizations, and how the actions and behaviors of managers and all staff can contribute to them. In reality, management is only organizational behavior which is "a field of study aimed at exploring the impact of individuals, groups and structures on the behavior of actors within an organization, with a view to improve the effectiveness of the latter. In other words, organizational behavior aims at studying the activity of members of a given organization and how their behavior affects their performance. Some writers like SHELDON, SPRIEGAL and MILWARD argue that the administration refers to "thinking". It is a higher-level function that focuses on determining the plans, policies and objectives of a company. On the other hand, management consists of "doing" (doing). It is a lower level function that concerns the execution and direction of policies and operations. However, each manager performs both activities in parallel and moves from administration to management according to the level in the organization hierarchy. At the higher level he devotes more time to administrative activity and when he moves down the manager devotes more time to the management of activities.

**Distinction between public and private management:**

Any organization has goals and objectives to achieve, but the nature of its purpose differs greatly depending on the sector of public or private activity. Conventionally, we oppose the search for profit and the public service (general interest). As such, this dichotomy is not illuminating. On the one hand because it puts on the same level an easily measurable reality, at the price of draconian conventions, and a concept much less seizable. On the other hand, because it is based on a dual premise on the motivations and behavior of entrepreneurs on the one hand, the rulers on the other. The first postulate, that entrepreneurs aim to maximize their profit, which is that of conventional economic theory, has been largely overturned by the studies of managers and business economists. The second, namely the orientation of public organizations towards the general interest, requires at least to be specified LYNN considers that "the private management is oriented towards the economic performance as it is determined on the markets, while the public management is oriented towards the public interest as determined in the political forums ". This has the advantage, if it does not specify the nature of the public interest, to establish an interesting parallelism between the market and the political system.

The purpose of private enterprise can thus be diverse: the maximization of profit, the search for a satisfactory rate of growth, the search for recognition by the profession, repositioning in a market or the satisfaction of the needs of realizing its leaders. The common feature of all these elements is to be variables internal to the company or the circle of its members.



The purpose of the company is introverted, it is not to change a state of the world or more modestly of its environment.

The concerns it may have with regard to the latter, (not to pollute for example), are constraints that emanate from the public authorities, or that result from the balance of power in which it is engaged or its desire to to be a corporate citizen, these are not ends. Of course, we can state that private companies by definition meet the needs of consumers, since, without a request to them, they disappear. So they obviously have a social role and the "invisible hand" leads even the most selfish, those of them who are the most profit-oriented, to play this role. But, the role is not the end and the company remains "finalized on itself".

The public-type organization, on the other hand, finds its justification in the will to change a state of the environment or (which amounts to the same thing) to preserve it if it is threatened: it is to contain the unemployment, to avoid external aggression, to facilitate communications, to maintain balance of payments, etc.

This type of finality has in itself, except from extremist political points of view (anarchy on one side, collectivism on the other), no positive or negative connotations; the fields of intervention and the modes of intervention selected will be interpreted positively or negatively by the different segments of the population

### **III. THE MANAGER**

#### **Managerial work:**

Managers are expected to play a key role in the management and development of the skills of their employees, the hierarchy is precisely demanding tools and know-how to fulfill this role. Individuals themselves become responsible for the development and maintenance of their skills, individuals and the hierarchy thus have a shared responsibility. The multiple skills that the skills manager gives the manager, according to these two authors, a status pedagogue and make him a player in the field whose responsibilities are important. He works all the time in the moment and in the judgment. Delaunay and Moret point out that sometimes the manager sometimes takes on the role of psychologist to defuse conflicts, and that he is flexible, he shows a great adaptability and must ensure the confidence of his collaborators by practicing positive reinforcement. This is a particular skill that involves being extremely attentive to the message that the manager gives to his employees, regarding their performance, their abilities and their personalities, through motivation, encouragement, approvals and reframing. . The commonly accepted image of the manager is that of a manager in the ideal position to make rational decisions and to federate energies within a team. Thus, Peter Druker, American management specialist did not hesitate to compare the manager to a conductor: "The manager is responsible for creating a whole greater than the sum of the parts, a productive entity which he leaves more than the sum of the resources put in. It is the analogy with the conductor that comes to mind, through his efforts, his vision and his leadership, his individual instrumental parts, which are not in themselves As well as noises, they become a living totality: the music, but the conductor has the score written by the composer: "he is only an interpreter, the manager is, at the same time, a composer and conductor." This definition of the manager given by Druker corresponds to a very idyllic vision of the role of manager. We often imagine that the manager is a thoughtful planner. It is also believed that the manager does not have repetitive tasks to perform. However, it appears that this vision of the rational manager, informed and planner seems the fruit of the collective imagination. There is a belief in what is almost a myth of the manager. Yet this image has often been questioned. Some studies have shown, for example, that managers are subject to a relentless pace of work and that all their activities are characterized by brevity. Thus, one could almost say that the activities of managers are more frequently oriented towards action than towards reflection. The same goes for the repetition of tasks, it seems illusory to believe that the manager manages only exceptional or unpredictable events. Indeed, in addition to the unpredictable events to be answered, the job of manager covers a number of repetitive tasks including his participation in the rites of the organization, ceremonies, and negotiations. It is these

realities observed on the ground that push Henri Mintzberg to consider that "the manager is in a kind of vicious circle where his workload continues to increase". "The manager is overwhelmed by the burden of his obligations, so he is quickly overloaded with work and is quickly forced to perform his tasks in a superficial manner, so brevity, fragmentation and verbal communication characterize his work.» Without falling into this very pessimistic and devaluing view of the work of a manager, it seems however necessary to question the image of the commonly accepted manager.

To really understand what management is and how important it is for the professional efficiency of individuals, let's now look at the different traditional management theories that have emerged over time, which have been proven in companies. Compared to a conductor, Peter F. Drucker said that "the manager has the responsibility to create a whole that is greater than the sum of the parts, a productive entity from which it leaves more than the sum of the resources that one has there. Put, it is the analogy with the conductor that comes to mind, by his efforts, his visions and his leadership, individual instrumental parts, which are in themselves only noises, become a totality alive: music. But the conductor has the score written by the composer: he is only an interpreter. The manager is both a composer and conductor ".

#### **From managerial theory to management practice:**

We can see after Mintzberg that traditional management, according to a biological analogy, claims to make the manager a sort of champion of the left hemisphere who would spend his time analyzing, comparing, calculating, reasoning, while Above all, he is a person of action. He adds that this person of action, in the context of his work, is very far from being able to transcribe or express everything that he has done: in language, logic, quantity or formal proposals. According to him, this is all the more pernicious because the majority of management theorists believe that rationality, calculations and analyzes are the necessary route to efficiency (Mintzberg, 1976). Perhaps the performance then passes through a strategic reflection entrusted to the left hemisphere, leaving the management to the right hemisphere with its emotion, intuition and strength of synthesis? But these internal critics are coupled with external criticism that questions public management and its performance in the management of territories and in the management of men. In his book *The State of the Planet*, Lester J. Brown (1993) denounces the chimeras of a race for performance measured by the national economic accounts, centered on the gross national product, without integrating the depreciation of natural capital; Just as much as one can question the management of urban territories, and the great territorial balances, without being able to easily highlight the ways of performance (Eckert, 1996). In addition, many books question the ability of traditional management to actually create or foster a minimum of internal cohesion essential to the functioning and sustainability of organizations

#### **New management public:**

to speak of "New Public Management" as we do today instead of new public management is to indicate a bifurcation with regard to public management in the strict sense of which, with Annie Bartoli, we will recall the definition: "all process of finalization, organization, animation and control of public organizations aiming to develop their general performances and to pilot their evolution in the respect of their vocation ". And yet, with the public management, it was already, since the topic of the Planning Programming Budgeting System (PPBS) - the RCB in French (Rationalization of the Budgetary Choices) to take the taking into account of the managerial categories in the operation of the public administrations to replace the declassified "administrative" tradition on the basis of the pejorative argument of the bureaucracy. Whether it is "normal" or "new", public management pursues an objective of efficiency. It marks the entry of the categories of an organizational regulation in the public administrations, regulation defined as "a process by which the anti-organizational actions are countered by antagonistic forces ensuring the maintenance of the system or the organization". These antagonistic forces indicate the existence of tensions that operate between the institutional dimension of the administration (its vocation to fulfill indisputable and permanent missions of public service) and a managerial dimension leading to question the functioning of the public services in the name of the stakes of flexibility and working conditions. This discussion is marked by the introduction of competitive logic in the administrative services as a result of evaluation and incentive systems

applicable to public administrations and their officials. The autonomy then granted to public services tends to shift the managerial role of public officials to the political objectives of the functioning of administrative services by reference to a strategy which must then be formulated explicitly. In the perspective of "normal" or "new" public management, public action must consider as priorities the conditions for success in efficiency (managerial coherence) without forgetting the public nature of this action (coherence). Policy). This implies meeting certain conditions: the definition of a measurable objective (and the expected result at the end of the term), with reference to a medium / long term defined, relevant, consistent with the mission and the vocation of the service concerned. , the coherence of the committed means, the evaluation of the satisfaction of the citizens, the identification of the perverse effects, the coordination between the various services of the State then constituting the New Public Management

#### **New management public elements:**

##### **Managing human capital:**

The latter base is to manage different public officials who rely on rules, procedures and statutes constituting a repository for HRM practices. New Public Management will focus on the concept of merit, the individualisation of remuneration, the assessment of staff on the basis of annual evaluation interviewsation du personnel sur la base des entretiens annuels d'évaluation.

##### **Financial and accounting management:**

Financial and accounting management. The New Public Management focuses on the development of management control with analyzes in terms of "costs - performance" of the activities, in particular with a focus on downsizing (downsizing) and the number of employees. Same in relation to the modes of organization).

Today, we are adding, in a form of overflowing, taking into account the topics discussed in the context of "corporate social responsibility" (in particular the expectations of "stakeholders", sustainable development, etc.).

##### **Programmation:**

Coordination, contracting, evaluation of decisions (ex ante and ex post). More specifically, it is characterized by the implementation of activity indicators, budget and accounting management tools, and cost measurement tools with the aim of responding to three rationales of action: that of the socio-economic efficiency (the objectives state the expected benefit of the action of the State), that of the quality of service (the objectives state the expected quality of the service rendered to the user), that of the efficiency of management or efficiency (the objectives set out, for the taxpayer, the expected optimization in the use of the means employed by relating the products or the activity obtained from the resources consumed). Performance results from the alliance "efficiency - efficiency" in view of a reference system but given the room for maneuver granted to administrations. New Public Management will lead to a redefinition of the public service's action, hence its consequences in terms of the management of human resources applied to civil servants, a revision of organizational charts, and the introduction of a new "administration" report. - political, "the policy is then established in the theme of control (understand" management control ") by a face to face and established between officials and parliamentarians. The project of New Public Management is to infuse" the spirit of "enterprise" in the state apparatus by introducing market logic in its operation, including the perspectives of private governance, ie by acting as if the competition which is always cited as the founding of the market efficiency can serve as a political principle. Such a project began in the 1980s, first in Great Britain, because of the political promises to reduce taxes but also because of the desire to disengage the state. A third reason for its development has since emerged with the perceived need for greater economic responsibility for public services. New Public Management is based on considering the financial aspect as central and on the will of the "central power" to control "remotely", hence the slogan that is specific to it and based on the three "E ":" Economy ", " Efficiency "and" Efficiency "and the very" Thatcherian "Best Value for Money erected as bureaucratic" nightmare "addressed to the supposed rigidity of public

services. A particular role is devolved to the state, which is to know how to organize a minimal state which is at the same time a state-organizer and a strategist-state, in particular conditions of the fluidity of the market by applying the categories to itself, the development of enterprises being considered as the material proof of the development of societies (his Welfare). With the New Public Management, there is thus a transition from the welfare state to the organizing state, whose flexibility and efficiency are then considered as metonymic of the efficiency of the "corporate society" of which it is considered to be one of the aspects. The contours of the state-strategist were defined in a report of 2004. It recognizes the fact that the state is no longer and no longer has to be the sole holder of political legitimacy, at least because of the supra-nationality of international organizations (delegation of sovereignty to entities such as the European Union for example) and the existence of entities such as NGOs, entities also participating in the realization of "Good Common ". This leads, as a result of the independence of the judiciary, to the injunction to place citizens at the heart of public action in order to avoid the development of a contentious society, hence the appeal the disappearance of a state operator and the transformation of the welfare state into a regulatory state. The outlines of the strategic state will claim to defend the "long" time, the deconcentration in terms of organization. The contours proposed to the state strategist are then as follows: to be visionary in consultation with civil society, to be a guarantor of the general interest (public services, regulation of activities, use of public funds), to ensure social cohesion through rational and transparent public decision, organize itself to achieve its objectives (adaptation of the administrative structures) and make the initiative to the citizens (participative democracy).

Public activity is considered to consist mainly of the provision of services. It includes all the characteristics of the service activity namely: the immateriality of the service, the simultaneity of the production and the use, the direct contact between provider and user therefore the importance of the individualisation of the relationship "Official - user" and the participation of the

#### **The terms of the New Public Management:**

The purpose of New Public Management is to seek to improve public performance through five areas: strategic planning, participative management, quality management, introduction of ICT, management control.

The New Public Management aims to ensure the articulation between a Missions Statement (the general aims of the service concerned) and operating principles:

#### **IV. DEFINITION OF MANAGERIAL PRACTICES**

Managerial practices are very different depending on the institutions, depending on the context in which they evolve, according to their strategic choices, etc.: it is obvious that we do not manage in the same way a chain of supermarkets, a textile SME, a network company, a multinational chemical group, an NGO, a Regional Council, a community of agglomeration, a university, a hospital.

One thing that is common, however, is that everyone now has to integrate strategic communication, among other things, into their practices. But each one has to decline it in its own way, according to its own equation: there is not a general and universal model that it would be sufficient to follow ... On the contrary, what is relevant in a given situation is dangerous in a other: the ready-to-wear does not exist, the made-to-measure is necessary.

#### **Définition of concepts**

In a given professional environment, the term "good practice" refers to a set of behaviors and behaviors that are generally accepted and considered essential by most professionals in a field of activity. Good practices can not be decreed. These are not management procedures or rules that must be followed or adhered to. Good practices are successful experiences that are considered transferable and that everyone can adopt while adapting them. On the basis of this definition, we can conclude that a repository of managerial practices aims at listing and communicating all the ways of doing things and the managerial behaviors recognized as expected and accepted within an organization. The repository is therefore both



indicative and prescriptive: managers can refer to it in the exercise of their practice and self-evaluate. In some companies, the repository serves as a basis for managers' evaluation interviews, since the content of the repository describes what is expected from a manager and therefore the progress needed to be recognized as a reference manager. Companies that decide to have a repository of managerial practices, seek to consolidate a managerial culture shared by all levels of management. It can not impose itself "overnight," decree and freeze once and for all, according to a method descending from the general direction.

It must move more and more gradually from "chosen" elements: from a collective and participative reflection of managers who voluntarily commit themselves to adopting the agreed methods and behaviors, because they recognize them as "Good natural practices". Elizabeth GAUTHIE

### **Managerial work**

Le développement de compétences managériales entraînera des comportements adaptés qui déboucheront sur une meilleure performance » est un postulat de départ non démontré (McKenna, Garcia-Lorenzo et Bridgman, 2010). Les différentes approches théoriques des styles de management Stewart (1998), dans son livre intitulé « Managerial work », souligne que la littérature ne fait pas tellement une différence d'une part, entre l'activité managériale « managerial work » et le comportement managérial « managerial behaviour » et d'autre part, entre l'activité managériale et les fonctions managériales « managerial jobs ». Les trois approches marquent trois grandes étapes de l'histoire et du développement du management (Stewart 1998, xi). L'activité managériale décrit le rôle du manager alors que la fonction managériale se réfère à la fonction que ce dernier occupe. Le comportement managérial par

### **4.3 Managerial work**

The development of managerial skills will lead to adapted behaviors that will lead to better performance "is an unstated postulate of departure (McKenna, Garcia-Lorenzo and Bridgman, 2010). The different theoretical approaches to management styles Stewart (1998), in his book entitled "Managerial work", emphasizes that the literature does not make much difference on the one hand, between managerial work and managerial behavior, and on the other hand, between managerial activity and managerial work and managerial jobs. The three approaches mark three major stages in the history and development of management (Stewart 1998, xi). The managerial activity describes the role of the manager whereas the managerial function refers to the function that the manager occupies. Managerial behavior by against, studying the different behaviors or attitudes of the manager in an organization. In view of the difficulty of establishing a barrier between function, role and managerial behavior, Stewart (1998) argues that any research must clearly specify its field of interest.

The author's observation remains the biggest problem of current research in the field of organization management.

While some authors are interested in management as an activity, others are more interested in behavior and management. Management concepts offer general solutions to organizational problems. They make prescriptions through principles and techniques that are not capable of giving specific solutions to managers. The consultants and the management gurus have understood this discretionary behavior of the managers. They often take the opportunity to introduce new concepts, often confusing the minds and activities of managers. These new concepts are mostly a renovation "makeover" of the same management ideologies already developed. A new concept of management is most often an old wine intelligently poured into a new bottle. It can be fashionable in a short time, then become very popular and finally disappear under obsolescence or be transformed into another concept of management (Gibson and Tesone 2001, 124, Pfeffer and Sutton 1999, 1). Pascale (1990) treated this situation as a phenomenon of fashion and short-lived American management concepts. However, there are situations in which some concepts have actually been integrated into the current management vocabulary as results of good management practices (Pascale 1990, Wilson 2002). Efficiency, productivity, culture and quality are examples of concepts that have had a good impact on the management practices of

organizations. Initially introduced as concepts, they are now part of management jargon (Karsten and Illa 2001, 2004).

So the practices involved are:

- Efficiency
- The culture
- Productivity
- Quality

### **Performance and management**

On the other hand Gilbert and Charpentier take inspiration from the definition of Petit Robert, to define the concept of performance as "the numerical result in a competition, the performance is closer to the sports metaphor, but as an optimal result that a machine can get, it refers to the mechanistic metaphor. This common sense approach finds application in management. But it is not useless to deepen the meaning of the notion. Besides, is not it limitative to speak of performance only in the singular? (Gilbert, Charpentier, 2004).

Similarly Gilbert and Charpentier evoke the use of the plural of organizational performance to say ("the performance of the company") indeed "the performance of the company" is not anecdotal, because, as Galambaud underlines (2003)), the company does not have one but performance. (Gilbert, Charpentier, 2004).

### **Axes of public performance:**

1. Clear definition of service objectives;
2. Equal attention to inputs and outputs in anticipation of effects / impacts;
3. Use of restricted instruments of evaluation;
4. Validity, controllability and comparability of results recorded;
5. Meaningful, abundant and balanced information;
6. Adoption of participatory decision-making processes;
7. Coordination of planning, implementation and evaluation of results;
8. Budgeting of activities and services;
9. Wider acceptance of principles, processes and programs by the people served;
10. Comprehensive approach to the management of service structures

Figure 3: conceptual model:

Managerial Practices	1. Clear Definition Of Service Objectives;
Productivity	2. Equal Attention To Inputs And Outputs In Anticipation Of Effects / Impacts;
Quality	3. Use Of Restricted Instruments Of Evaluation;
	4. Validity, Controllability And Comparability Of Results Recorded;
	5. Meaningful, Abundant And Balanced Information;
	6. Adoption Of Participatory Decision-Making Processes;
	7. Coordination Of Planning, Implementation And Evaluation Of Results;
	8. Budgeting Of Activities And Services;



Culture	9. Wider Acceptance Of Principles, Processes And Programs By The Populations Served;
Efficiency	10. Comprehensive Approach To The Management Of Service Structures

## **V. CONCLUSIONS**

The subject of this research was the question of managerial practices in the public sector and their relation to performance. To carry out this work, we successively studied the concepts of management and sector, with a particular public attention paid to the distinction between types of private and public management. To deal with the problem of performance.

This paper was dedicated to defining the literary conceptual framework of research in order to draw up a state of analysis for a later study that will put this study on the ground so that it can be concretized and evaluated afterwards. A qualitative methodology and a field study will be fruitful.

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**ENTREPRENEURSHIP, RESPONSIBLE MANAGEMENT, AND ECONOMIC DEVELOPMENT**  
**APRIL 4-6, 2018**

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## VARIABLES SELECTION FOR THE IDENTIFICATION OF RELEVANT INSTITUTIONAL INDICATORS

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### ABSTRACT

The identification of the determinants of income levels and the explanation of the differences - of these levels- between countries with similar economic resources and geographic strengths are fundamental research questions in economics, especially Development Economics. In this context, several studies showed that a large part of these differences is explained by the quality of the institutional sector.

In this study, we are interested in the identification of the relevant institutional indicators for income level discrimination. We use a variable selection approach to rank and select the most discriminating indicators. In terms of data, we use the “Institutional Profiles Database” (IPD’2012) giving the institutional information of almost all countries.

The results obtained show that the chosen approach of variables selection improves the discrimination model’s performance compared to the case where all indicators are used. On the other hand, by identifying a reduced optimal subset of indicators, we determine those on which the developing countries must act on priority to improve their long term income level.

**Keywords:** Development economics, Institutional profiles, Variable selection, Discrimination, Discriminant variables, Support vector machines, Radius-margin bound.

## **I. INTRODUCTION**

One of the fundamental questions in economics, and particularly in development economics, is that of explaining the differences of development levels and growth between countries. The studies conducted since 1990 demonstrated theoretically and empirically that these differences depend largely on the difference of the quality of the institutional sector [Vijayaraghavan & Ward (2001), Acemoglu et al. (2005), Siyakiya (2017)]. Thus, the quality of the institutional infrastructures and their good governance, the policies of countries in terms of economic and political freedom, the level of corruption, the protection of property rights, the protection of civilians and political stability have a direct impact on the level of growth.

Other studies have confirmed this impact by analyzing the relationship between the quality of the institutional environment and the attraction of countries to foreign direct investment FDI, a main component of the income level. Thus, Wei (1997 and 2000), showed that corruption is one of the determinants of FDI, Stein & Daude (2001) confirmed the significant impact of the quality of institutions on FDI, in particular in terms of political instability, violence and the weight of governments. Globerman & Shapiro (2002) focused on the impact of governance, while for Bénassy-Quéré et al (2007), the factors of corruption, bureaucracy and the protection of employees are the most important. In general, the authors confirmed that the strength and the quality of the institutions usually play in favor of the FDI level.

The aim of this study is to identify the most relevant institutional indicators for discrimination and separation of income classes. We use for this purpose a variable selection approach that we proposed previously. We select 3 income classes, i.e 3 groups of countries: low income countries, middle income countries and high income countries. We first describe the institutional characteristics that distinguish a country from one class from another belonging to another class. Then, via a correlation analysis, we propose a list of measures that a country must adopt to improve its long term income level.

The main contribution of this article is to use a machine learning approach and particularly a variable selection method for the identification of the relevant institutional factors for discrimination. To our knowledge, no study has used such approach in this context before.

The results of this study describe the main institutional features that distinguish a high-income country from another country at a lower level and help to identify the relevant indicators on which developing countries must act on priority. In terms of data, we use the set of socio-economic data describing the institutional profiles of countries: "Institutional Profiles Database" (IPD).

The rest of this paper is organized as follows. The second section describes the used methodology for ranking and selecting the relevant variables. A data description is given at section 3 followed by a presentation of the results of experiments and a general discussion in section 4.

## **II. VARIABLES SELECTION USING THE RADIUS MARGIN BOUND**

In a discrimination problem and in presence of a big number of variables, the relevant ones are not known a priori. A variables selection is recommended in order to eliminate the correlated, noise and / or redundant variables which increase significantly the error rates (Yang & Pederson, 1997). Indeed, by selecting a reduced set of variables, the performances of classification models improves as we only use the important variables for the studied problem, the time and the cost of calculation become smaller with a better understanding of the process generating information.

In a precedent paper (Aazi et al, 2016), we proposed a novel method for ranking and selecting the relevant variables in the multiclass discrimination/classification case (assigning one class to each example). Called the RM approach, it uses the upper bound of the generalization error, specific to a particular Multiclass Support Vector Machine (MSVM) model,; the Radius Margin bound (RM) (Guermeur & Monfrini, 2011). The idea behind the RM approach is to select the variables that minimize the empirical and the generalization errors in a discrimination problem. The empirical error will be

minimized by working without error in the training phase while the generalization error will be replaced by its upper bound. We will work with the hard margin MSVMMLLW model (Lee et al. 2004).

The proposed method consists of three steps: firstly, and since we work with the MSVMMLLW model, we choose its optimal parameters that minimize the multiclass RM bound in the presence of all variables (model selection); secondly, we rank the variables in order of relevance by removing one each time and computing the value of the RM bound. The variables with the highest values are the most relevant given that their suppression increases the value of the multiclass RM bound and thus the value of the generalization error. Finally, proceeding by forward method, we choose the optimal subset minimizing the error calculated on a validation set.

### **III. INSTITUTIONAL PROFILES DATABASE**

Douglass North (Nobel Prize in Economics, 1993) defined institutions as follow:

"Institutions are the humanly devised constraints that structure human interactions. They are made up of formal constraints (e.g. rules, laws and constitutions), informal constraints (e.g. norms of behaviour, conventions, self-imposed codes of conduct), and their enforcement characteristics" (North, 1994).

The aim of the Institutional Profiles Database (IPD) project is to study the impact of the quality of the institutional sector on the economic development and the countries' growth and to provide researchers with a public database of institutional profiles of countries.

The dataset IPD'2012, that we use in this study, is the fourth version of the databases published on 2001 (51 countries), 2006 (85 countries) and 2009 (123 countries). These are freely available data for researchers to encourage research and study of the role of institutions in development. The dataset IPD'2012 contains 130 indicators giving the institutional information of 143 developed and developing countries, representing, according to the World Bank, nearly 98% of the population and the global Gross Domestic Product (GDP). The studied variables are grouped into 9 institutional themes namely (Bertho, 2013):

1. Political institutions;
2. Security, law and order, control of violence;
3. Functioning of public administrations;
4. Free operation of markets;
5. Coordination of stakeholders, strategic vision and innovation;
6. Security of transactions and contracts;
7. Market regulation, social dialogue;
8. Openness;
9. Social cohesion and social mobility.

In addition to the 130 numerical indicators, the IPD'2012 dataset contains two qualitative variables, namely the country region (Sub-Saharan Africa, Europe and Central Asia, Latin America, etc.) and the income level (low, medium, high).

As an indicator of the development of a country, this last variable will be used as an output variable with three classes to discriminate. The objective is to identify the institutional characteristics that separate the three levels of income among the considered indicators. The characteristics that Morocco and any other country must improve on priority in order to increase its long term income level.



#### IV. RESULTS OF EXPERIMENTS

Given the large number of missing data, one country and 20 of the 130 indicators were eliminated from the analysis. The 142 countries (observations) were divided into two samples, 3/4 observations as a training sample (105 country) and 1/4 as a test or validation sample (37 countries).

After determining the optimal values of the parameters minimizing the RM bound in the presence of all variables, we proceeded to the ranking of the 110 institutional indicators in decreasing order of relevance. Table 4.1 presents the first ten relevant indicators according to the RM bound.

Ranking	Code	Indicator
1	A510v	Prospects for young people
2	A900v	National feeling
3	B701	Importance of large-scale distribution
4	B603v	Diversity of land tenure system
5	D800v	Recruitment opportunities for foreign executives
6	C402v	Central bank independence
7	B403v	Accounts of State-owned and partly State-owned firms
8	A501	Coordination in the public sphere
9	D402	Significance of informal work
10	D909	Young people excluded from the labour market

Table 4.1: Description of the 10 first indicators in order of relevance

We can see that the variable A510v "Prospects for young people" is the most relevant; it is the indicator that discriminates at most the income levels of countries. It reflects young people's willingness to stay in their home country. The second discriminant variable is the variables A900v "National feeling" answering the question of existence of a strong sense of belonging in the country. We can say that the countries with a high income level are characterized by these two variables, among others.

The importance of large-scale distribution (B701) and the diversity of land tenure systems across the country B603v (communal property, rights of use, customary rights, religious rights, "modern" rights, etc.) are the next two variables in decreasing order of relevance.

The results also show that the three classes of income levels can be distinguished by the ease of recruitment of foreign executives, the independence of the central bank, the accounts of State-owned and partly State-owned firms (deficit or surplus), the coordination in the public sphere, the importance of informal work and the proportion of young people excluded from the labour market in the country.

A simple analysis of the averages of these indicators by income level confirms these results. Indeed, young people from developed countries with a strong national feeling generally prefer stay at their home countries unlike young people in low-income countries who are trying to find opportunities abroad.

The importance of large-scale distribution records high importance scores for developed countries (3 on average) versus only 0,87 for low income level countries. These latter are characterized by a diversity of land ownership, where foreign executives are not easily recruited, the central bank is not totally independent, the public or semi-public firms are the majority of times in deficit and where the child labor rate and the proportion of unemployed young people is very high.

- Choice of the optimal subset of indicators

To choose the optimal subset of indicators, we incorporate, in the MSVMMLW model, each time a variable in decreasing order of relevance and we compute the recognition rates on the validation set. The results, illustrated in Figure 4.1, show that the first six indicators can predict the income level class in 70.27% of cases. Even better, the first 10 indicators form the optimal subset and can predict the income level in 72.97% of cases. These results confirm the idea of the link between the quality of the institutional infrastructure and the income level of a country.

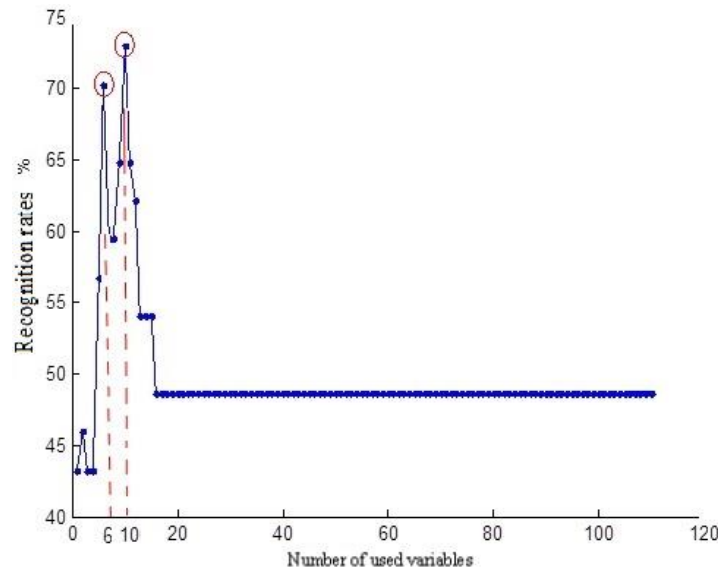


Figure 4.1: Recognition rates in terms of the number of indicators

In order to understand the relevance of the chosen variables and their indication, we proceed to analyze their correlation with the other variables of the IPD database.

Thus, by analyzing the correlations of the variable "Prospects for young people", we note that the choice to stay in the country of origin reflects a low proportion of young people excluded from the labor market - and thus an economy offering a variety of career opportunities-, a low level of informal work and a strong public support for innovation. On the other hand, young people prefer stay in their country, if they feel an internal public security and a legitimacy of the political authorities. The relevance of this variable, predicting correctly the income levels in 43% of cases is therefore due to the fact that it summarizes the information contained in several other variables.

As for the national feeling, the analysis confirms that it comes from a long-term strategic vision of the responsible and the ability of the society to mobilize face to the internal or external challenges.

Income levels are also distinguished by the importance of large-scale distribution. Indeed, the study of the IPD dataset shows that strong concurrence in distribution reflects the establishment of a system of standards on the quality of goods and services (ISO for example), the availability of information on the capital of businesses and the respect of the conditions of safety and health in jobs. On the other hand, the diversity of land tenure system poses problems and obstacles to development. Indeed, given the plurality of management systems and the legal and institutional affiliations of these schemes, the process of the organization and control becomes very complicated creating conflicts and dysfunctions affecting the implementation of development projects.

The openness of companies to foreign executives and the ease of their recruitment reflect a tendency to foster skills. A policy that affects the level of production in companies. In terms of correlation, this indicator is related to the ease of starting a business and the security of property rights.

The relevance of the variable measuring the degree of independence of the central bank is due to the vital role played by this organization. Indeed, the central bank defines monetary policy (value of the money, amount of money in circulation, interest rates, etc.) and ensures its implementation. Its Autonomy is essential to define the appropriate and adapted policy.

The deficit of the accounts of public and semi-public firms is an indicator of poor governance and management and the absence or malfunctioning of the audit services. The correlation analysis shows that this deficit is related to the exclusion of young people, the weak support to innovation and the poor quality of the process of developing public policies. This last indicator also linked to the coordination in the public sphere which measures the degree of coordination between different ministries and administrations in the country.

The importance of informal work is a strong indicator of a high level of corruption (correlation up to 79%), increasing use of child labor (78%) and a low quality of public services (77%).

The last variable contained in the optimal subset measures the unemployment rate. This latter is highly correlated to the strength of the coordination between companies, universities and research institutes, the accounts of public and semi-public firms, the quality of public services, the child labor and to the development level of cities (employment opportunities, investments, infrastructure, etc.).

By analyzing all these results, we can answer the initial question which is to identify the factors on which a country must act on priority to improve its income level. Indeed, according to the RM method, the high-income countries are mainly characterized by the strong integration of young people in the labor market, a strong support of innovation and the protection of property rights. Countries with low income level must guarantee the integration of young people by encouraging investment, facilitating business creation and ensuring adequacy of the programs provided at universities with the demands of the labor market; the developing countries must also:

- Change the culture and the functioning mode of the public and semi-public firms by giving more place to competent young people and modern & efficient management techniques, enhance the involvement of managers and the staff in management, decentralize powers and adopt organizational reforms with regular monitoring and control;
- Guarantee the independence of the central bank;
- Establish a clear long-term strategic vision in order to strengthen citizens' trust;
- Improve the quality and the share of public services (health, education, research ...) in order to achieve greater social justice within the country;
- Implement anti-corruption measures, combat child labor and informal work by the strict application of the law.

On the other hand, countries must ensure internal security and improve their ability to deal with internal and external challenges.

## **V. CONCLUSION**

In this chapter, we applied a variable selection approach to the IPD'2012 dataset. The objective was to identify the relevant institutional indicators that distinguish the income levels. Using the RM approach, we determined the most discriminating indicators and the optimal subset separating the three classes of income.

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## REFUGEES AND ENTREPRENEURSHIP: A PATH TO INTEGRATION AND SOCIAL MOBILITY IN FRANCE

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### ABSTRACT

Paris, France is a cosmopolitan city that is home to those from a plethora of backgrounds. The city is home to refugees from many regions such as the Middle East and North Africa. Given the refugee crisis, there has been considerable research around refugee integration, with an emphasized discourse surrounding efficiently integrating the inflow of these individuals into French society. Refugee entrepreneurship and the labor market integration of refugees is a topic that is often discussed informally but one that remains a mystery, due to a significant lack of data. As a result, little empirical research has been done.

This study incorporates case-based interviews with the entrepreneurs and advisors / support personnel with the purpose of examining the process that these entrepreneurs experience when starting a business. Emphasis is placed on the type of business, its operation, and the particular obstacles these individuals face when starting a business in Paris. Insight into these businesses and their operation will allow for informed policy creation that effectively creates a dynamic, yet cohesive society.

It appears that the key challenges the entrepreneurs face include intercultural communication, stigma attached to refugees, and the convoluted French administration and unfamiliarity with the laws and regulation. Though this is a major international issue today, this study is limited in scope to Paris and seeks to add to the very limited literature with respect to refugee integration and entrepreneurship.

**Keywords:** refugee entrepreneurship, integration, mobility, international relations, Paris, France

## I. INTRODUCTION

Originally from Somalia, Yasin studied economics in Uganda and then Arabic culture in the United Arab Emirates, subjects labeled as “Western education” by those in power in his country. Due to the risky political situation, he fled Somalia and studied medicine in China, before arriving at Gare du Nord in Paris. He was confused and lonely until he met some Somalians, immediately feeling at home. He remembers that “the first night, it was horrible. I was shaking.” He then walked the streets of Paris at night. By day, he searched for French courses and began learning French. Between classes, he would visit the Bibliothèque Nationale de France to surf the internet and meet people, attempting to integrate into society.

He was then taken to a large accommodation center in Creteil. A huge warehouse, it housed over 200 people. He recalls that “it was a huge relief for me. it was no longer very cold. No worries of roaming the street.” Fearful that he would be deported and sent to Italy, his first point of arrival, he was unsure of what to do. He felt discouraged and decided to wait it out. Speaking with other refugees, he realized that “there was a huge lack of information. The only information you could get was from those before you.” He then realized that as an asylum seeker, he could neither continue his higher studies nor work. He learned that “in two years I will have nothing in France. I really wanted and was just desperate to do something.” Yasin then went on to create an organization that assists new arrivals, providing them with the currency that all asylum seekers and refugees so desperately need: information.

Yasin went on to research the issues that new arrivals faced and what he could do to help. He created a Facebook group and website that provide useful information about the asylum process, accommodation, French courses, and the like. He researched how to properly develop an organization and what was needed. He came across Migrant Entrepreneurs (MEnt), an incubation program that equips migrant entrepreneurs with the tools necessary to launch their business. Determined, he fired off an email to the chief of projects and consequently met with him. He then understood how impactful his idea could be if he were to develop it. With the help of MEnt, he revamped the entire mission: his goal became to provide essential information to new arrivals so they can become self-sufficient and integrate into French society. He claims that “the asylum process takes too long. This is for every asylum seeker. Many talented people attended university but when they come here, they cannot do anything at all. Everyone gets really disappointed and loses their potential. People just become no one over time. That was one of my reasons to create an association, to be active.”

Now a team of five and an organization with over 120 volunteers, Réseau des Exilés en France aims to encourage asylum seekers. The projects allow them to be active and feel useful, working alongside locals. There are Arabic courses where asylum seekers teach the locals and French courses where the locals teach the asylum seekers. And there’s no sitting still for Yasin – he has partnered with another organization that informs locals of the projects while he informs the new arrivals. Despite this success, he notes that the main challenge is communication. Living in the warehouse was beneficial because he met many individuals he could provide the information to. Luckily, he assigned some individuals the role of delegate since they are penetrated within the refugee circle and are able to inform them of the organization’s activities. Since the organization was founded based off his experience, he looks forward to continuing to assist the incoming asylum seekers while introducing locals to the newly arrived individuals through this collaborative venture.

Yasin is one of over 300,000 refugees thought to be living in France. The terms “refugee” and “migrant” are often used interchangeably. The 1951 Geneva Refugee Convention, after World War II, created a universal definition, stating that refugees are those who are “owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality, and is unable to, or owing to such fear, is unwilling to avail himself of the protection of that country.” Refugees are forced out of their homeland, often due to humanitarian reasons such as armed conflict or persecution. They seek refuge in other countries and are internationally recognized as “refugees,” receiving assistance from organizations such as the United Nations and various nonprofits. Denial of safety would mean a breach of their basic human rights and



even death for these individuals; therefore, they cannot be deported to places where their lives or freedoms would be in danger. Refugees are thus entitled to basic protections under this (and others) international agreement created in 1951.

On the other hand, migrants often choose to depart their country in search of a better life elsewhere. Unlike refugees, whose primary concern is human rights and safety, migrants leave for other reasons such as economic prosperity. Countries create their own immigration laws when dealing with migrants but must adhere to international law when dealing with refugees. Blurring the line between the forced migration that refugees experience and the voluntary migration that immigrants undergo can undermine public support for refugee assistance. For the purposes of this study, the focus is solely on refugee, rather than migrant, entrepreneurs in order to better understand the challenges that this group is currently facing in France.

This paper provides a summary of the interviews conducted with refugee entrepreneurs in Paris, many of whom participated or currently participate in an incubation program. The founders who escaped war and conflict in their home countries illustrate their path to integration via enterprise. The purpose of this study is to contribute to the very limited understanding of refugee entrepreneurs in Paris and their unique challenges separate from the broader category of immigrant entrepreneurs in order to support informed policy creation.

## **II. LITERATURE REVIEW**

### **Integration**

The world is currently experiencing the biggest migrant crises since World War II. Given this global movement of people, there has been considerable research around migrant and refugee integration. For the purposes of this study, integration is understood as a dynamic and multifaceted two-way process requiring efforts by all concerned parties, including a preparedness on the part of refugees to adapt to the host society without foregoing their own cultural identity and a corresponding readiness on the part of host communities and public institutions to welcome refugees and to meet the needs of a diverse population (UNHCR, 2005).

Integration also requires the promotion of self-reliance of refugees. The host country should provide opportunities and programs to help refugees contribute to the economy. The right to engage in income-generating activities is essential for self-reliance (UNHCR, 2005). The general sentiment in France is that refugees are often seen as a burden, squeezing the social services available. However, the potential for their positive contributions such as economic benefits should not be overlooked. Encouraging active citizenship is an additional pillar that the French integration policy is based on (Costa-Lascoux, 2006) though in reality, opportunities for refugees to become active members of society are far more limited.

### **Employment**

Employment is an indispensable element of integrating into the host community as it promotes self-sufficiency. By being an active participant in the labor market, refugees not only reduce the community's economic burden and support themselves through their own income but also contribute to their community and country. In addition to employment, job stability and progression are also significant factors to integration and self-sufficiency.

There is considerable research on ethnic and immigrant entrepreneurship (Waldinger, Aldrich, and Ward 1990, Portes 1995, Kaplan 1997, Zhou 1998, Kloosterman and Van Der Leun 1999, Spencer and Bean 1999, Li 2000, Hammarstedt 2001, Masurel, Nijkamp, Tastan, and Vindigni 2002, Zhou and Cho 2010). In most of these studies, however, there was little discussion of refugee entrepreneurship. Refugees were mostly treated as part of the migrant population. Particularly, Kaplan (1997) reviews business creation and expansion by the Indochinese community in Saint Paul, Minnesota, USA. Kloosterman and Van Der Leun (1999) focus on the immigrant business start-ups in Amsterdam and Rotterdam, noting that immigrant entrepreneurs may strengthen the local economy by creating jobs, resulting in a win-win situation. They conclude that urban policies should create opportunities for

aspiring immigrant entrepreneurs by providing cheap, accessible commercial spaces and more flexible use of these spaces. Zhou and Cho (2010) review the noneconomic effects of ethnic entrepreneurship, arguing that ethnic entrepreneurs add non-measurable benefits to society such as community building. Examining Chinese and Korean enclave economies in Los Angeles, they argue that as a result of entrepreneurship, a unique social environment is created which is conducive to upward social mobility and therefore integration into society. They thereby suggest that ethnic entrepreneurship plays a critical role in facilitating refugees' adaptation.

Research around refugee entrepreneurs and their impact on the economy is much more limited (Gold 1992, Beiser and Hou 2000, Bourgeois and Helly 2000, Wauters & Lambrecht 2007, Wauters and Lambrecht 2008). Gold (1992) extensively researched entrepreneurship among Vietnamese refugees and Soviet Jews in California. Beiser and Hou (2000) concluded that resettlement policies must ensure equal access between female and male refugees for language acquisition of the host country. Wauters & Lambrecht (2007) specifically explored refugee entrepreneurship in a neighboring country, Belgium, and noted that two birds are killed with one stone through refugee entrepreneurship as it facilitates integration while simultaneously boosting domestic entrepreneurship.

Finding and retaining employment is one of the biggest challenges refugees face. In fact, it is the factor that potentially brings them the most discomfort and stress (Bourgeois and Helly, 2000). Wauters and Lambrecht (2008) reviewed the challenges that refugee entrepreneurs faced in Belgium. Compared to migrants, refugees face an added layer of complexity when attempting to obtain employment. Access to the labor market is quite limited for a number of reasons including a lack of knowledge and skills, and discrimination in the labor market (Pécoud, 2003). Kloosterman and Van Der Leun (1999) state that those from non-industrialized countries (e.g. Turkey, Morocco, Iraq, Iran, Somalia) are excluded the most from an already selective job market. Furthermore, refugees have often left behind all their valuables (capital, relevant networks, diplomas, etc) when fleeing their home country; they therefore require time to acquire the necessary networks and capital to establish a business in their host country (Wauters and Lambrecht, 2007). Residents in France are well aware of the bureaucratic woes that they all face, despite having the proper documentation. Refugees, on the other hand, face an even larger hurdle, compared to the locals and migrants, when starting a business due to lack of access to the necessary paperwork required by the French administration, for both their personal and professional life.

### **III. FRANCE REFUGEE RESETTLEMENT**

France stands out as the oldest country of immigration in Europe, having welcomed refugees from the 19th century onwards (Fahrmeir, Olivier, and Weil, 2005). The country has admitted refugees for various humanitarian reasons such as those fleeing war, oppression, and persecution in their home countries. According to the Ministry of the Interior in France, there were 100,412 (92,830 being first applications), asylum applications that were submitted to OFPRA in 2017, a 17% increase from 2016. Of the 100,412 applications decisions were granted to 89,307 applicants. Those granted protection in 2017 as refugees constituted 24,005 individuals, a 20% increase from 2016. Representing 44% of first time asylum applications, the top ten countries of asylum seekers are Albania, Afghanistan, Haiti, Sudan, Guinea, Syria, Ivory Coast, Democratic Republic of the Congo, Algeria, and Bangladesh.

The process of obtaining refugee status in France is long and complicated. It is important to note that refugees are not called as such until they have obtained the proper paperwork in the country they have entered. They are initially known as asylum seekers, those seeking protection from their host country as a refugee because their claim hasn't currently been processed. There are two administrative organizations that process these applications in France: Office Français de Protection des Réfugiés et Apatrides (OFPRA) and Office Français de l'Immigration et de l'Intégration (OFII). A few months after applying, applicants receive a *récépissé* or receipt which serves as their identification. It is typically valid until the final answer is received though sometimes applicants may need to return to OFPRA to receive a new one. While waiting for the answer to their application, asylum seekers receive accommodation, either in the big centers known as the Centre d'Hébergement d'Urgence (CHU), or

elsewhere such as in apartments or hotels, and receive financial support from the government (about €250 / month). During this period, they are not permitted to work though many do so illegally, in restaurants or in similar settings, in order to supplement the low sum received.

Some time after receiving the *récépissé*, applicants receive an interview at OFPRA. This interview lasts three to four hours and is one of the most challenging aspects of their application: the administration is attempting to understand whether the reasons for leaving their home country are legitimate (i.e. life threatening). There are organizations that assist applicants to prepare for this interview because it is very difficult mentally and emotionally; applicants must dig into their past and gather as much evidence as possible (e.g. emails, pictures, social media posts) to support the reasons for their departure. After the interview, they receive the final answer to their application. There are three outcomes: yes, no, and the Dublin Regulation. A “yes” answer typically allows the applicant to stay as a refugee for 10 years in France; given certain conditions, they can commence working. If a “no” is received, applicants must return to their country but typically they disappear and stay illegally. If they are caught, they are placed in detention centers until they are put on a flight back to their home country. If they are not caught, they can ask for residency after six years. Adopted in 2003, the Dublin Regulation defines which European Member State has the obligation to process and analyze the asylum request submitted by the applicant who arrived in Europe: only one member-state can examine each asylum request. The asylum request must be presented in the first European country the asylum seeker arrived in; thus, individual preferences are typically not accounted for. As such, once the authorities determine the state of first entrance (normally through Eurodac, a central data bank that stores data and fingerprints of all individuals who enter Europe and present asylum requests), they then transfer this situation and individual to the responsible member-state. For example, an undocumented national who first arrived in Greece but submitted an asylum request in Germany has to be transferred back to Greece and have his application processed and evaluated by the Greek authorities. Applicants who receive status as a refugee in one country do not have the same status in another European Member-State and the freedom of residency in Europe does not apply to refugees. The Dublin procedure, applied to all asylum seekers without exception, represented 36% of the asylum applications in 2017.

#### **IV. METHODOLOGY**

Case-based interviews were utilized for obtaining both qualitative and quantitative data. I conducted case-based interviews with 16 individuals in the refugee community in the Paris area. Additionally, analyses of French laws and government reports provided further context to support these interviews. The process for the research was twofold. I spoke with both the advisors / support personnel and the entrepreneurs. I identified these individuals from a plethora of backgrounds and interviewed those willing to participate. The information from the seven advisors / support personnel is based on their experiences working with refugee entrepreneurs in France. As they have worked with numerous individuals, they were able to form some generalizations. Simultaneously, I interviewed nine refugees who either started their own business or had concrete plans to start one in the near future.

During the interviews with the entrepreneurs, I allowed the participants to speak freely on various topics in order to encourage dialogue. To supplement the interviews, I utilized a questionnaire I generated to ask any clarifying questions as necessary. The focus was on the germination and operation of their business and the particular challenges they faced. Additionally, I inquired about their background and personal history, educational attainment, motivation for starting a business, support received, how they dealt with the obstacles mentioned, and their integration into French society and overall satisfaction with their new life in France. During the interview, notes were taken and transcribed. The interviews lasted from one to three hours.

The sample was obtained in one of three ways. Firstly, I contacted numerous non-governmental organizations (NGO) in Paris that currently work with refugee entrepreneurs and requested to meet with them to discuss my research. I then followed-up with them and requested to be put in touch with entrepreneurs who would be willing to speak with me. Secondly, I reached out to entrepreneurs I discovered either from articles or social media. Thirdly, the “snowball” effect was also in play as many

of the entrepreneurs often provided contact details of other entrepreneurs. There is little information on how large the refugee entrepreneur group is in Paris; the individuals I interviewed are simply a sample of entrepreneurs from as many backgrounds as I was able to obtain and track down.

## V. REFUGEE ENTREPRENEURSHIP IN PARIS

### Summary of Findings

The interviews revealed many commonalities as well as some distinctions among the entrepreneurs. The entrepreneurs came to France from seven different countries: Afghanistan, Bangladesh, Iran, Guinea, Rwanda, Somalia, and Syria. These individuals arrived in France between 2010 and 2016. The entrepreneurs were between 16 and 40 years old when they arrived. Six of them came alone while three of them came with their families.

Table 1 provides a summary of the entrepreneurs' demographics. Five entrepreneurs have already launched their business while four are in the process of doing so, with assistance from NGOs or other organizations. The businesses are in a wide variety of sectors, ranging from hospitality and tourism to construction and education. Many entrepreneurs have family members who had previously started a business, thus motivating them to do the same in France.

Participant	Education	Business / Industry	Business Status
1	Literature (Bangladesh) Tourism & Hospitality (UK)	Restaurant / Hospitality	In Progress
2	High School (France) Technician's Diploma (France)	Restaurant / Hospitality	In Progress
3	High School (Syria) Arabic Literature (France), <i>in progress</i>	Food Truck / Hospitality	In Progress
4	Master's in Urban Planning (France) Master's in Management (France)	Guided Tours / Tourism	Launched
5	Economics (Uganda) Arabic Culture (UAE) Medicine (China), <i>unfinished</i>	Organization to Assist Asylum Seekers / Nonprofit	Launched
6	Master's in Journalism (France)	Gallery / Arts	Launched
7	Electronic Engineering (Iran) Master's in Political Science (Iran)	Consulting	Launched
8	High School (Iran) Electrician's Diploma (France)	Renovation / Construction	Launched
9	Economics & Management (Guinea)	Online Learning / Education	In Progress

Table 1 – Demographics

The sample interviewed shows that all the entrepreneurs came to France in order to escape turmoil at home. They came to France seeking refuge and stability in their lives. Most stated that they did not have



a first choice or final destination when they left their home country. One respondent stated “I didn’t have a special country. It was not a choice, it was an obligation to save my life.” A few others chose France because France was the most accepting. They “received the visa the fastest” and “in France it was good, they helped me. Even though I had fingerprints in other countries, they accepted me. They didn’t send me back to the other country or my country.” One respondent recalled that despite being in the UK prior to arriving in France, the French authorities were accepting of his situation. Two respondents chose France because the universities that they applied to in France were well known for their respective programs.

### **Market Opportunities**

We will review the motivations for starting a business in Paris. Many times, entrepreneurship is in the respondents’ blood. One respondent declared “I was always thinking of doing something business related. Personally, I prefer to be independent. My brother worked in the cement business and then said he didn’t want to work for others. He then opened his construction company. He didn’t want to work for someone so it motivated me. I always thought about the risk. I don’t want to take the risk. Here I could do it instantly when I came.” He further articulated that his brother “moved to Oman and opened a construction business there with the Omanis. He told me to join him if I want.” This entrepreneur, a journalist who escaped the political situation in Bangladesh, is aspiring to open a Bangladeshi / Indian restaurant this year, in collaboration with four other refugees / migrants. In the first year, all five friends will work together and if business is good, they will hire others. Their plan is to be eco-friendly and utilize natural / bio products. They are also hoping to give back to the community by “providing training to those who want to work in the restaurant industry but don’t have the opportunity. We will provide food to the homeless people to show solidarity.” Similarly, a respondent mentioned that “I always wanted to start a business” while another revealed that “my father had an enterprise so I was a boss with him. I can’t have a boss. It is hard for me to work as a salaried employee. I knew many things and I could work for myself.”

Other times, respondents stated that they started a business to spread their culture. Another respondent who is opening a restaurant said that “my motivation is to share the Indian/Bangladeshi/Pakistani culture with France. When I explain Indian culture, I see that our culture is very interesting for French people. Thus, I am thinking we need more and more Indian restaurants to explain our culture. French people like Indian culture. When French people come to our restaurant we give them a bindi and they like it, they are so happy. Sometimes they ask ‘ça signifie quoi?’ They get very excited when I tell them.” Additionally, a Syrian woman who came to France with her three children mentioned that “when I came to France I did not find food trucks, oriental or Syrian. Everyone knows Arabian food but not many know about Syrian food. I found an occasion to transfer my culture.” She is currently in the process of starting a Syrian food truck in Paris and looks forward to sharing her culture via gastronomy with locals. As seen, the entrepreneurs’ objectives are ambitious and seek to reach a French clientele, with hopes for informing the locals about their culture and destroying preconceived stereotypes that exist.

Nine months after applying for asylum, an asylum seeker can work. However, not many employers or asylum seekers are aware of this. Those that are often accept any job they can find in order to survive. An advisor reported “it’s kind of complicated because they need to prove the firm wants them. They are often offered jobs that are under their real capacities because they are not really considered as people with high potential.” Thus, many entrepreneurs started their business in order to stay active and reduce their reliance on the government. As Yasin shared in the introduction, he was desperate to do something given that, as an asylum seeker, he is not allowed to work. Starting his own organization allowed him to become an active member in society and help connect the locals with the asylum seekers. He shared “I thought since I am not allowed to work or do anything for the next two years I will do this.”

A Syrian woman mentioned that she was not able to find a job in France, despite her two Master’s degrees, since she was competing with the locals who have a better command of the French language and market. She recalled that “there were some problems with my papers and my French language so I

couldn't find. Again and again my problem was with the French language. I was competing with the French people. It will take me very long time to be a native speaker; I may not be there. Since I came here to Paris I wanted to do my own business. I didn't know what but I know I want to do something like this." She has already launched her business, a guided walking tour that focuses on the Parisian architecture. The purpose is to discover the city from an architectural point of view, using virtual reality sets to understand what the past looked like and compare it to the present. Even though this is "far away from what I did," she is constantly obtaining feedback from her customers to gauge interest. She has already provided more than 30 tours and is currently estimating the funding required and potential investors for the virtual reality sets.

### **Barriers**

The research findings indicate that the main challenges the entrepreneurs face are intercultural communication, stigma attached to refugees, and the convoluted French administration and unfamiliarity with the laws and regulation. Table 2 lists these challenges and their frequency, as mentioned by the entrepreneurs and advisors.

Challenge		Frequency	Total Frequency
Intercultural Communication	Language	9	13
	Business Environment in France	4	
Stigma Attached to Refugees	Perception	8	12
	Financial	4	
Legal / Administrative		6	6
Other	Finding Accommodation	4	4

Table 2 – Challenges

Most of the sixteen individuals interviewed exposed that intercultural communication is the primary challenge. The entrepreneurs cited multiple cases where they were not able to reach their potential because of this barrier. When these individuals typically enter France, they seek out others from their nationality in order to obtain information, as French courses are very limited. One entrepreneur shared that "When I meet someone who speaks Arabic it's for me like a chance. I want to take all the information, where I am, what I have to do. I was without a parachute." An advisor described "what I've observed is they have so much to learn and are constantly challenged by the language barrier, the culture, the way of thinking, how the entrepreneurial system is built." An entrepreneur agreed, claiming that the main challenge is "the language, again and again. To understand everything here it takes me more time. French people know the system, they know that incubators exist." In addition to the language, the added layer of understanding how to properly conduct business in France is a challenge. This cultural barrier results in lots of information that often gets lost in translation. As a result, there is a big learning curve in understanding the information that locals typically already know. Lack of knowledge of both the language and business environment places these individuals at a severe disadvantage.

Many respondents cited stigma attached to refugees as another obstacle. These developing countries are seen as inferior and individuals from these countries are still perceived as those that have low potential and are low skilled. An advisor believes that the biggest integration challenge is "how European countries, especially France, are viewing migrants and how it's rooted in their social representations." Another advisor agrees that refugees "want to integrate into society but the local population doesn't really give them a chance. It's so hard to find a job, to talk to people." The perception of the countries where people come from is really important. An entrepreneur described her experience: "people put everyone coming from Africa into the same basket. When you're in a very nice hotel you can see everyone is looking at you. You feel not wanted. Even people who don't go to school, can't write French, insult you. They want to talk about Black people." A former politician from Iran who started



his consulting business mentioned that even though his “Iranian identity has tripled” he tries to “impose myself to the ‘we’ and not to the ‘they’ group. In France, this is the most difficult part. It’s not easy to identify as ‘us.’” I found his perseverance admirable as he actively attempts to meet one new person every day.

This stigma is also transferred to the private sector. Four participants disclosed the difficulty of obtaining funds for their business, despite their assets. Access to even opening a bank account is quite limited, let alone obtaining a loan. An entrepreneur shared “I am thinking about a big project but I don’t know how to get the investment. They don’t believe in refugees, in our projects. We have to convince them very hard.” To manage this barrier, this entrepreneur is regularly meeting different people to adapt her business plan. She is excited to continue creating products catering to the European market but will not lose her mission of creating jobs in Africa, as she works with local artists in Rwanda in order to promote employment and engagement back home.

With respect to the legal aspect, participants agreed that it’s difficult to do almost anything without papers. When asked to further explain, the entrepreneurs used phrases such as “complicated French administration,” “stressful bureaucracy,” and “too much confusion.” When starting a business, there are many organizations that assist the entrepreneurs but knowing who to reach out to is a challenge. Advisors agreed that the amount of information can be overwhelming and processing this information in French is especially mind boggling. An advisor shared that “there are lots of rules to follow, they don’t know where to start. This results in a lack of confidence.” Another advisor added that “there are legal rules in France that make it hard for companies to hire foreigners. A lot of them find low skilled jobs when they can do something much better but their diplomas don’t necessarily have an equivalence here.” An entrepreneur agreed, stating that “we are new in the market, we don’t know many things like the laws. We are motivated, we would like to take risks, but we need information on the laws.”

### **Support**

Receiving support is critical to the entrepreneurs’ success. Of the nine entrepreneurs, all were supported in some way. Eight stated they were part of incubation programs. It appears that many of the entrepreneurs were not aware that an incubator even existed when starting their business. One entrepreneur stated “when I first started I didn’t know there was something like this. It was progressive. I think this is the case for lot of people. They want to do their job but they don’t know that something like this exists. The whole idea of an incubator is very new. For us we need to know that something like this exists and where to go. There are a lot of programs like this. So just you need to go and look for places but first you need to know that something like this exists.” In addition to the learning, incubators provide the budding entrepreneurs confidence and the motivation necessary to succeed along with useful connections. One respondent mentioned that the others in her program “want to create their own business. Some are creating their own organization to help other people. How great is that! Each time I see them I think ‘I should do something!’ I see the energy because if these guys can do something, I should do also. The connections were very important. The environment itself, to be in one place, all of them startups, is very important.” Another entrepreneur agreed, stating that the incubation program “gave me a lot of contacts. I think the main thing was that. It worked like a bank. Instead of financial credit, they gave me social credit.”

Seven reported having a mentor and of these, six found their mentor through an incubation program. The mentors especially proved helpful. When asked about their respective mentors, the entrepreneurs were very positive and grateful. One stated “I love my mentor, she’s awesome. She really helped me with this project. Sometimes even Google cannot help me. Even though the program came to an end, she is still helping me and giving me advice.” Another respondent shared that “my mentor told me he will stay with me even after I start my business. He will stay with me to show what is right, what is wrong.” It is critical that entrepreneurs are connected with the right programs and mentors to guide them if they are to successfully enter the labor market.

## **VI. POLICY IMPLICATIONS**

As discovered above, there are many barriers refugees face but solutions also exist. Due to the lengthy duration of the asylum procedure, they are not allowed to work for a long period of time, thus resulting in degradation of their skills and mentality. One entrepreneur stated that “I didn’t have the right to work for three years.” An advisor shared that “I feel all these years are wasted and also lower their capacity to do things.” Therefore, many attempt to learn French or start their own business in order to stay active. As experienced by most participants, a lack of French language skills was the primary hurdle. One entrepreneur disclosed that “the procedure takes a long time in France. For example, when you arrive in France, after 9 months you get asylum, maybe longer. For that reason, refugees for 9 months are without language and yes they get some money from the government but it’s not enough to live or pay for French courses. Refugees lose 9 months or more, waiting, waiting, waiting. I think learning the language is very important in this period.” Without knowing French, asylum seekers are not able to attempt to integrate into society; they typically seek out other individuals from their nationality in order to communicate. As asylum seekers are not allowed to work, it is absolutely critical that they have access to high quality French courses during this time. Currently, they only have access to the free courses offered by local organizations but these are not enough and often are not at the quality required in order to fully participate as a functioning member of society.

Stigma associated with refugees remains a major hurdle which needs to continuously be tackled. An entrepreneur stated that the media contributes to this negative image by promoting speeches that are anti-immigration. She explained “when you have that kind of speech in the media everyday how do you think people will react?” She clarified that “everyone who came here is working. You can’t live off €280, especially if you have kids.” Additionally, a refugee is usually considered regarding his or her administrative status rather than as a person, as someone who has potential. Campaigns to promote refugees and their successes are vital. Organizations are working to create a new narrative around migration, one that focuses on their contributions to improve society, but the media must also actively contribute to this initiative. Changing this perception of refugees will require time and effort by the government, media, and general population.

The gap between the public and private sectors needs to be bridged, especially when concerning the topic of refugees and entrepreneurship. Increased visibility should be provided to these individuals. Firstly, there are many firms in Paris so allowing refugees to build relationships with them is crucial. Increased mentoring opportunities should be provided where employers can share their skills and provide advice, both for their business idea and legal questions. Currently, these opportunities exist at the NGO level but creating these opportunities within organizations will be extremely beneficial. Secondly, employers should also be provided more information about the rights of refugees, especially regarding employment as this is still a grey area for many; in reality, however, refugees have the same rights as French citizens with a few exceptions such as voting. Thirdly, special funds should be created in order to support refugees in obtaining funding for their business. Many of the entrepreneurs surveyed agreed with this solution. One declared “we need angel investors and venture capital firms to help with funding” while another added that “if there’s a special fund to help those with projects, it can help with integration.” Providing startup funding can be a great asset for these entrepreneurs, in addition to regulating against discrimination by banks and supporting incubation programs.

Furthermore, the convoluted French administration serves as another stressor for many individuals. There is a great need for administrative workers to understand the differences between migrants and asylum seekers. These individuals should receive special consideration especially when being asked for documents such as birth certificates. Administrative workers must receive special training in order to fully understand the group they are working with. Additionally, lack of information is another concern as many respondents recounted that they experienced inconsistencies when applying for asylum. Since information is scattered and disjointed, it becomes overwhelming for them to comprehend the information, especially in French. Adapting the services for asylum seekers is imperative because ambiguities with French law is yet another treacherous contributor to refugees’ mental state.

Lastly, there needs to be increased psychological support for refugees. Many times, they are unable to focus on their projects due to the shock and trauma that results from escaping their country. An advisor communicated that “there should be a focus on the person and what they need to go forward with their projects. For example, if you don’t know where you’ll sleep that night you can’t move forward with your project.” She further revealed that the entire process, leaving one’s homeland for another country, adds a lot of time and that “it’s a very slow process because these people are rebuilding everything. The government and investors should be aware of this because investors can be asking for results but may not get any.” Assistance to help these individuals regain their mental and emotional focus prior to anything else is critical.

## **VII. CONCLUSION**

Refugees face struggles and challenges that most citizens and immigrants can only imagine. Due to their precarious situation, refugees face obstacles even greater than traditional migrants so it is important for all stakeholders involved to understand the difference between the two. As the process for seeking asylum is both long and convoluted, their skills and mentality slowly degrade because they are not allowed to work during this time. As seen, entrepreneurship not only enhances one’s status but is also preferable to being inactive and unemployed for an interminable period of time. Since their legal status upon arrival is very insecure, many start their own business in order to make a living and participate as active members of society.

In this study, 16 individuals in the refugee community in the Paris area were interviewed. It appears that when attempting to penetrate the labor market, refugees faced several barriers including intercultural communication, stigma attached to refugees, and legal / administrative. Almost all the participants agreed that more can be done to promote refugee entrepreneurship and facilitate integration. Support that goes beyond simply financial support is essential, particularly early on. Higher investments in language acquisition and proficiency are required, as soon as one applies for asylum in order to kickstart the integration process, because knowledge of the local language is a key predictor of successful integration. Access to high quality French courses will not only allow them to be active and stimulate their mind but also allow them to speak and interact with the local population, easing their integration. There also needs to be collaboration between the public and private sectors by supporting initiatives focused on incubators, mentorship, and mobilizing resources, especially since most of the entrepreneurs stated that “my business helped me integrate more into society.” Lastly, societal engagement is required at all levels, especially coordination among integration workers, in order to destroy preconceived stereotypes and enhance a two-way integration process since public opinion is even more hesitant towards refugees. These are talented individuals who create financial, cultural, and social value in their new environment. Empowering them will create a richly diverse society that still maintains French values but one that also has new knowledge and is innovative. Continued research on refugee entrepreneurship in France coordinated among various organizations and cities will help provide further information on their impact, allowing for appropriate methods to support entrepreneurship, integration, and mobility. Despite the challenges they face, almost all of the entrepreneurs stated that they are “satisfied” or “very satisfied” with their life in France. An entrepreneur eloquently declared “I start from zero in France and I am going up, little by little. It’s not easy at all but I have to. I cannot stop in my place. I think nobody can stop in his place. We are not trees, we are human beings, we have to move.”

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## **THE IMPACT OF CUSTOMER LOYALTY ON PURCHASE BEHAVIOR: COMPARISON BETWEEN CUSTOMER LOYALTY LEVELS IN TELECOM SERVICE INDUSTRY**

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### **ABSTRACT**

Customer loyalty is one of the main important approaches adopted by companies to strengthen their competitiveness. Although much research has been written on customer loyalty, less research was interested to the relationship between customer loyalty and the purchase behavior. This paper aims to examine the effect of customer loyalty level on the purchase level. A quantitative study was adopted and data were collected from 165 customers in telecom service industry and analyzed using ANOVA comparison test. Findings show that there is a positive relationship between the customer loyalty level and the purchase level. The results of this paper can help marketing managers to develop effective strategies in the telecom industry.

**Keywords:** customer loyalty, purchase level



## **I. INTRODUCTION**

Customer loyalty is considered nowadays as one of the important aspects that generates competitive advantages and the relationship between loyalty and the organization's profitability has been demonstrated by many researches (Alazzam & Bach, 2014; Bagram & Shazad 2012). Customer loyalty has long been of important interest to scholars as well as practitioners (Anuwichanont, 2010). Achieving customer loyalty is a primary marketing goal but building loyalty and reaping its rewards remain ongoing challenges (Watson et al 2015). Customer loyalty is one of the major outcomes of customer-oriented approach (Mohd and Yusr, 2016), it has several benefits such as lowering costs related to existing customers, expanding relationship within the product range and acting as information channels (McMullan & Gilmore 2008). Kim and Yoon, (2004) define customer loyalty as the willingness of customer to maintain their relations with a particular firm or service/product" (as cited in Inamullah 2012). According to Rauyruen and Miller (2007) customer loyalty is "a merged concept of behavioral loyalty (willingness of customer to repurchase from and continue relationships with the company) and attitudinal loyalty (emotional attachments and advocacy of customers toward the company)" (as cited in Inamullah khan 2012).

## **II. Literature Review**

Sharma and Bhardwaj (2015) confirm that the purchase intention of customers is significantly influenced by the perceived benefits and that this relationship is moderated by the loyalty programme. The variables that influence the increased customer purchases vary in function of the duration of the relationship between customer and supplier, it is shown that there is a difference between the variables that influence increased customer purchases from suppliers and the variables that increase the customer commitment to suppliers over time (Fink et al 2008). Buying intention is significantly impacted by perceived relationship quality and relationship strength and purchase behavior is significantly impacted by buying intention and relationship strength (De Cannière et al 2010). Company loyalty has a positive impact on future purchase behavior, price premium, (Evanschitzky 2012).

Price is a significant factor differentiating lower loyalty from the higher loyalty levels of high loyalty and intermediate loyalty. (Curran & Healy 2014). Customer purchase behavior is significantly impacted by the loyalty programs membership (Meyer 2008). Different levels of income have a significant impact on customers' loyalty (Klopota et al 2016).

There are two types of loyalty: company loyalty and programs loyalty, the first one attracts only customers whereas the second one which is responsible for purchase behavior and preference and intention (Evanschitzky 2012). Choi et al (2006) considers that it is essential to raise the willingness of customer through two-dichotomy strategies of customer management (customers' loyal behavior management and customers' disloyal behavior management).

*"Researchers have been interested in the relationship between brand loyalty and price sensitivity for many years and have examined whether, and how, loyalty affects customer price sensitivity. The typical findings indicate that loyalty does indeed raise the price that customers are willing to pay for a brand. Some results also suggest that loyalty may permit brands to charge a premium over that which their competitors are priced; and this in addition to serving as a defense against lower-priced competitors". The notion that loyalty reduces price sensitivity has been replicated in many studies. Other than such replication, however, there have been few attempts to investigate the relationship between loyal behavior, disloyal behavior and price sensitivity simultaneously, especially in the B2C context (Choi et al 2006).*



Dölarslan (2014) investigated the effects of demographic characteristics such as age, education, income, gender as moderating variables on customer satisfaction and perceived value so that loyalty behavior that are: willingness to pay more WPM, word of mouth WOM and repurchase intention RPI will be affected. Dölarslan found results that support the relationship between satisfaction and perceived value and loyalty behaviors of customers. Satisfaction shows particularly strong effects on (RPI). In the context of creating an increase in the preferences of existing customers, customer satisfaction is a more important predictor of (RPI) than perceived service value. However, perceived value has an equally strong effect on (WPM); as such, it is a more important predictor of (WPM) than customer satisfaction in the context of continued purchasing from the service provider, irrespective of any price increases.

We put the following hypothesis:

**H1: The customer loyalty level has a positive effect on the purchase level**

### **III. Methods**

This study was based on the analysis of a sample (165) of young customers using the services of telecommunication providers in morocco, they are between 20 years old and 24.

#### **Questionnaire**

In order to collect data the questionnaire method was adopted as a tool for this purpose. It is one of the common methods that are used by researchers. The questionnaire is practical, reliable and easily analyzed. It is worth saying that the questionnaire is very fast and not time consuming. There was a high response rate, almost all the sample respondent had answered except three who didn't answer valid answers and consequently they were removed. This high response rate can be explained by the method that was used. Respondents were asked to fill the questionnaire immediately after they received it, it was a kind of face to face data collection because the respondents, while filling the questionnaire, they were able to talk to the researcher.

#### **Measures**

In this research there are two variables of concern: the independent variable "the customer loyalty level" and the dependent variable "the purchase level".

#### **The customer loyalty level**

This independent qualitative variable was measured as categorical of three levels. The respondents were asked to choose among three choices that are the customer loyalty levels: strong loyalty, medium loyalty, and weak loyalty.

#### **Consumption level**

This dependent variable is a continuous quantitative variable that was measured by the amount of money spent on the purchase of the telecommunication services, it was specifically the percentage of money devoted only for the purchase of these services.

#### IV. RESULTS AND DATA ANALYSIS

Because we used the ANOVA independent test, the sample was broken down into three samples S1: 35 (high purchase level) S2: 93 (medium purchase level) S3: 36 (low purchase level).

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
1 high	35	24,20	24,631	4,163	15,74	32,66
2 med	93	15,73	15,605	1,618	12,52	18,95
3 low	36	9,19	12,558	2,093	4,95	13,44
Total	164	16,10	17,960	1,402	13,33	18,87

The number of the respondents (N) in each group who participated in the survey is shown in the second column of table 1 (Descriptives). It is also shown in the same table the mean customer purchase level for the three loyalty conditions.

The first row in table 1, shows that customers who have a high loyalty toward their companies, spend 24, 20 % of their budget compared to other loyalty levels (medium and low). The second row shows that customers who have medium loyalty toward their companies spend 15, 73% of their budgets compared to other loyalty levels, (high and low). The third row shows that customers who have a lower loyalty toward their companies spend 9, 19 % of their budget compared to the two other loyalty levels (high and medium).

Based on these results, it can be seen that our hypothesis is supported, but in order to be sure that these differences are significant and are not due to chance the table of ANAOVA results must be analyzed.

The Column (Std Deviation) in table 1 shows how the three loyalty levels scores are spread. It can be seen that the high loyalty level has the largest one (24, 631).

The Column (Std. Error) represents an estimation of the standard deviation of the sampling distribution of the mean. It can be seen in the output that we are confident at 95 % hat the lower limit and the upper limit do contain the true mean of the population, and that is shown by the column (The 95% Confidence Interval for Mean).

The second output generated by SPSS is the table 2 (Levene's Test of Homogeneity of Variances table), it is used to ascertain that the assumption (the two groups have approximately equal variance on the dependent variable) is met.

Table 2 Test of Homogeneity of Variances			
Levene Statistic	df1	df2	Sig.
9,310	2	161	,000

The variances are approximately equal if the results of the test of Leven is not significant ( $p > 0.05$ ). The table shows a Sig. value, 0.000, which is less than 0.05 and this means that the difference between the variances is significant and consequently one of the ANOVA test assumption is violated, that's why we have to examine the welch test in table 3

<b>Table 3 Robust Tests of Equality of Means</b>				
	<b>Statistic<sup>a</sup></b>	<b>df1</b>	<b>df2</b>	<b>Sig.</b>
<b>Welch</b>	6,132	2	68,515	,004
<b>Brown-Forsythe</b>	5,704	2	68,680	,005
a. Asymptotically F distributed.				

Table 3 shows that the test is significant, so this can buck up our ANOVA table results and continue our interpretation

<b>Table 4 ANOVA</b>					
	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>Between Groups</b>	4025,719	2	2012,860	6,675	,002
<b>Within Groups</b>	48551,518	161	301,562		
<b>Total</b>	52577,238	163			

$F(2,161) = 6,675; p < 0.05$

$P < 0.05$ , this indicates that the difference between the three groups is significant.

## **V. DISCUSSION AND CONCLUSION**

The findings of this research confirm the findings of Sharma and Bhardwaj (2015) indicating that the purchase intention of customers is significantly influenced by the perceived benefits and that this relationship is moderated by the loyalty program. The outcomes of the present study support the results of (Evanschitzky 2012) that customer loyalty has a positive impact on future purchase behavior, price premium. They also confirm (Choi et al 2006) who consider that customer loyalty is essential to raise the willingness of customer through tow-dichotomy strategies of customer management (customers' loyal behavior management and customers' disloyal behavior management).

The first limitation of this study is the measure. In order to measure the purchase level, the study relied only on the percentage of the customer budget devoted to the purchase of these services to decide whether the purchase level is higher or not and that was not exactly sufficient. For example, rich customers have much money to spend on these services and it represents only a little fraction of their spending and consequently it will be seen as if their purchase level is low compared to medium or low income customers who will be seen as if their purchase level is high because the amount of money they spend represents an important part of their

budgets. The second limitation is the customer's age. The sample concerned only customers between 20 and 25 years old which makes it difficult to generalize the results of the survey.

The findings of this research might be useful for marketing managers to develop marketing strategies to manage their customers. Based on the finding of this research that the purchase level is influenced by the level of customer loyalty, marketing managers should raise the level of customer loyalty by using different customer relationship management techniques to make them more satisfied so that they raise their purchase level.

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## MANAGEMENT PRACTICES OF MOROCCAN SME'S OWNERS: A GENDER COMPARATIVE STUDY

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### ABSTRACT

In Morocco, entrepreneurship is stirring up a growing interest in the economic, social and political spheres as well as in academia. It represents a source of value creation and wealth. Many studies highlight the significant growth of small companies. The literature on management practices indicates that the performance of the company depends largely on the skills of the leader, when the intuition of the latter is based on the instruments and rational management methods. This study analyses the relationship between the gender management practices, finds the characteristics of the owner-manager of SMEs, and to detect points of divergence and convergence between women's management and men's management. To do so, we conduct a theoretical analysis of the main concepts and indicators. This theoretical corpus has allowed us to develop a research model that consists of two dimensions: the personal profile of the owner-manager and the management practices. Based on a sample of 119 owners, our findings confirm that the personal characteristics of the owner-manager influence her/his management practices. The results of the comparison between the Moroccan ruling woman and her male counterpart, show that there are no real differences in management style, but rather shared values between women and men leaders, even if human and social values seem to be gaining more importance among women leaders.

**Keywords:** Personal profile, gender, management practices, female and male leader, Moroccan SME's



## **I. INTRODUCTION**

In Morocco, the SME's have a significant importance in the economy, they represent 95% of Moroccan companies, according to the statistics of the confederation of SME's. They are present in all sectors activity: agriculture, industry, services and tourism, communications, transport and financial services.

In this context, given the characteristics of the SME's, particularly its personal nature, it is rather the influence of the owner on whom depends largely the performance of the company that interests us the most. It is also this relative influence that manifests itself most prominently in the design and implementation of strategic decisions that makes us admit the owner as our primary unit of analysis.

The literature on the use of management tools indicates that the performance of the business depends largely on the manager's abilities; also, his intuition is based on instruments and rational management techniques.

Based on these considerations, and on the statement that the owner is the key responsible for the direction of his business, the purpose of this research is to dig deeper into this by verifying the existence of a link between management practices and the characteristics of the owner, and points of divergence and convergence between male and female management.

Firstly, Our study have a descriptive character insofar as it seeks to describe the profile of Moroccan leaders and in a second time, an explanatory character as it aims to verify on one side the existence of relationships between the manager's personal profile, company characteristics and management practices, and the differences / similarities male and female management practices within the organization. The SME's is often provided by one owner, and its success therefore depends on the capabilities of the latter and his vision of management more than any other factor (Thompson, 2009).

Our analysis will be oriented towards the person of the owner, for that we propose to answer to this question:

**Does the owner's profile influence his management practices? And to what extent women and man owner converge in their behavior of management?**

Our contribution proposes some answers to this question, in order to better understand the relationships that may exist between the manager's profile and management practices. We will first present the theoretical and contextual framework of the research; then the methodology; and the main results.

## **II. LITERATURE REVIEW**

On the question of comparison man / woman, a panoply of comparative studies were carried out. Marshall (1984) shows through a literature review on this topic that this research area has failed to demonstrate a significant difference between men and women in the skills and behaviors used to assess leadership or management.

According to Grant and Porter (1994), the preference for men that emerges from the patriarchal culture between men and power can simply mean the preference for power and the maintenance of its traditional form.

However, the implementation of participative management is regularly exposed in research on women leaders. In fact, women aspire to build harmonious relationships with their employees, inviting them to take their place in the decision-making process.

Riebe (2005), had conducted a study to this effect with the leaders of the United States, Ireland and Finland, having created companies exceeding half a million dollars in turnover, he concluded that "it would be impossible to extrapolate the size, the sector, the age or the nationality of these companies run by women based on the answers that they give to my questions about their management practice: the only determining factor of their answer was the gender ". This author notes a style of management turned towards the search for flexibility and the establishment of a warm and familiar climate with the collaborators of the entrepreneur.

### III. METHODOLOGY

#### Research model

The analysis of the research context and the review of theoretical framework allowed us to develop a research model specifying potentially hypothetical relationships between the profile of women leaders / men leaders and their management practices (figure 1).

Our analytical model is based on the general framework provided by Campbell et al. (1970). This framework is defined as a schematic portrait of the factors determining the expression of owner management behavior, considered in the prediction of managerial efficiency.

It contains a set of variables considered relevant through the literature on management practices. It has four dimensions, the first includes variables related to the profile of the owner, age, training, family history and experience. The second concerns the gender dimension that we have chosen to present fully on our research model, since this is the central question of our research problem.

A third-dimension, concerns control variables related to the characteristics of the firm, namely size, sector of activity and seniority. This dimension concerns entrepreneurial, functional and technical management practices. The fourth and final dimension "organizational environment" is added to the model to take into account information received by the owner-manager on the situation of his company, and other hazards (competition, customer, suppliers, bank, ...) that act on the dimensions of the model, but on which we do not necessarily have control.

Based on the initial research model, we will present in this paper, only two first dimensions, variables related to the profile of the leader, and management practices (figure 2).

#### Hypotheses of research

Hypotheses	
H1	More the owner is older, more he/she use management practices
H2	More the level of instruction of the owner is high, more he/she use management practices
H3	More the family history of owner rich on entrepreneurial experience, more he/she use efficiently management practices
H4	More the owner has accumulated experience, more he/she use efficiently management practices
H5	Management practices vary according to the gender of the owner

Our study was conducted using questionnaire administered to a sample of 119 owners (women and man) and the gathering and processing of data was done using a processing software.

- The characteristics of the study's sample are:
- Moroccan SME's, because their performance depends on the owner;
- Activity sector: services, commerce, industry, and high technology, because the majority of Moroccan SME's, operate in this sector;
- Our study concerns all the regions of Morocco, favoring only biggest cities.

#### IV. RESULTS AND DISCUSSION

First part: Synthesis of descriptive study

Age of Moroccan owners (women and men), is generally between 31 and 50 years;

- The majority of Moroccan owners (women and men), are married and with dependent children;
- More than 80% of Moroccan owners (women and men), have a high level of instruction (academic and professional),
- 87.4% of Moroccan owners (women and men), have a previously professional experience;
- About relation with micro-environment (customers, supplier, bank ...), Moroccan owner, manage the relation with the same way
- A large majority of women owner, declare not being able to profit easily from banking facilities, because of the lack of confidence
- We find the same result about relation with suppliers, the majority of women owner cant being able to create a climate of trust, we can explane that with cultural factors, women is usealy affected to domestic work,

Second Part: Synthesis of principle results

H1: more the owner is older, more he/she uses management practicies.	More the owner is older, more he/she acquires experiences, skills, and self confidence.
H2: more the level of instruction of the owner is high, more he/she use management practicies	The owner how have high level of instruction, can be able to have facilities to analyse environnement and to be able to use more practicies Our result, consistent with some works that we have found in the the literature , how shows that the success rate of firms was associated with higher levels of instruction of owners.
H3: more the famly history of owner rich on entrepreneurial experience, more he/she use effeciently management practicies	The family, have a very important role in the desirability and credibility of an entrepreneurial action, but not management practicies
H4 : more the owner has accumelated experience, more he/she use effeciently management practicies	We confirmed this hypothesis, this relation between between the manager's years of experience and management practicies has been widely evoked by the literature, The professional experience have an important role in the decision to start a business, as in the level of performance that can be achieved
H5 : Management practicies vary according to the gender of the owner	Our results indicate that there are no significant differences between women/ man owner ( Management practicies), but we have find some particularity women owner in terms of style of management and relationship. Our result, consistent with some works that we have found in the literature for example Buttner (2001), confirmed that participative management is regularly exposed in research on women owners. women aspire to build harmonious relationships with their employees, inviting them to take their place in the decision-making process.

## **V. CONCLUSION**

In Morocco, we have a huge gap in studies about the issue of women owners, or women entrepreneurship, so our gender comparative study can give more perspective of research;

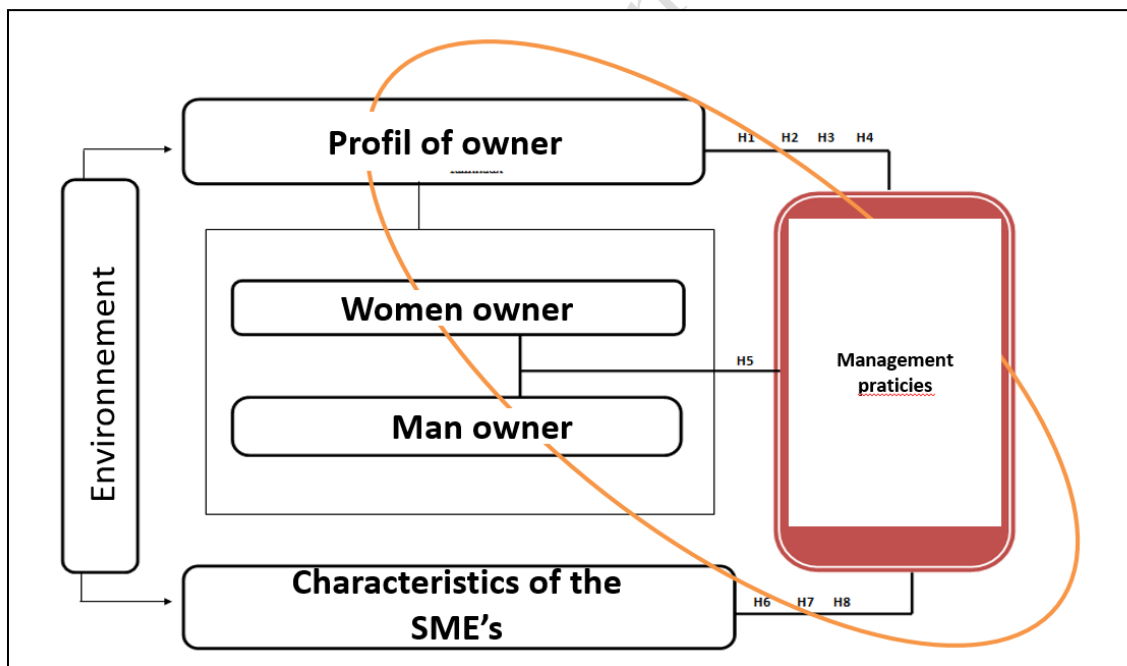
For example, gender comparative study about “women and man entrepreneurship” by phases; post creation, after creation, growth phase.

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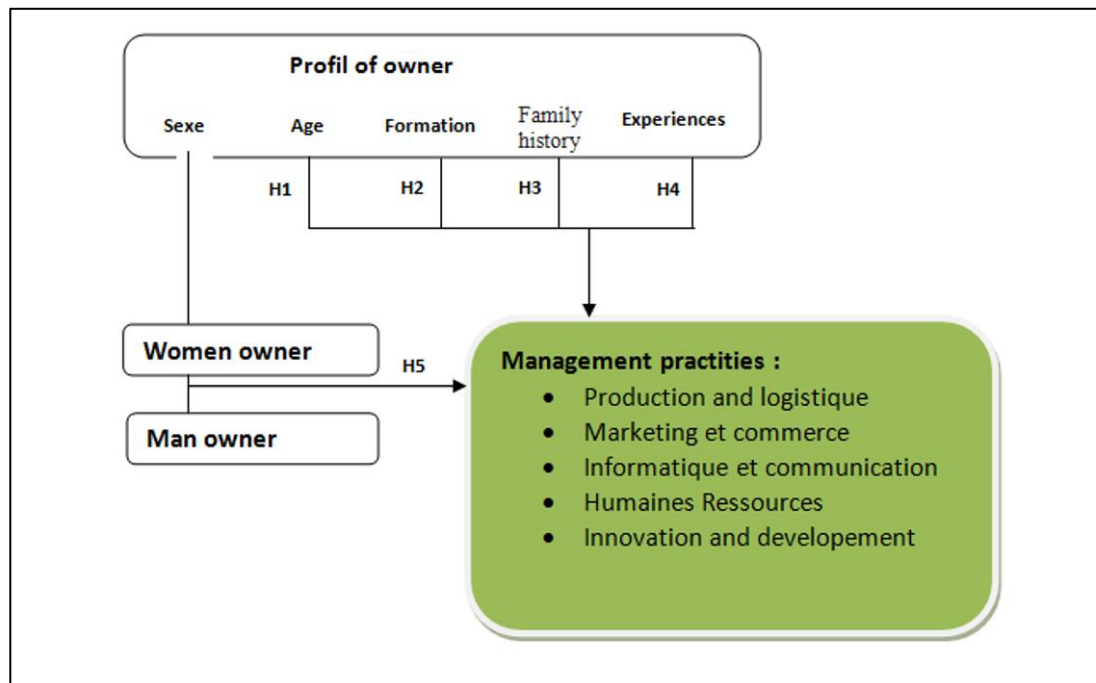
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**Figure 1 : Initial research model**



**Figure 2 : Research model ajusted**





## LEADING EFFECTIVE CHANGE IN NORTH AFRICAN COMPANIES: INSIGHTS FROM MOROCCAN PERSPECTIVE

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### ABSTRACT

Recently, the change occurred in organizational structure, boosted by several organizational strategies and functional policies, raises the subject of its extent and implications. Hence, this organizational phenomenon shapes the managerial choice regarding the efficient behavior or process. The management, in this context, should provide competencies to diagnose the impact of the change occurred and thereby suggests efficient tools, processes and behaviors to lead the transition from an old state to more appropriate one that fits the new features of the business landscape. Leading effective change requires more managers' commitment toward a new strategy that includes processes, leadership behavior, etc. This managerial appropriation implies a range of aspects, among others, the managers' experience in employees' supervision. Leading effective change even more change strategy is treated with abundance in order to lay out organizational response to employees' resistance. Nevertheless, managers' experience, as a key feature of their behaviors, seems to be not explicitly related to change strategy by managerial literature. This paper is based on relevant theoretical background that deals with the association between the middle managers' experience and the deployment of a specific change strategy component within organizational change context, mainly with the presence of employees' resistance. Methodologically, this research is based on a quantitative questionnaire distributed to 107 middle managers involved in organizational change in Moroccan SMEs. An appropriate statistical analysis is deployed to examine data collected. Results demonstrate to what extent diversity of middle managers experience could be related to change strategy in a context of employees' resistance.

**Keywords:** Effective change, organizational change, change strategy, leadership, process, manager experience, SME

## **I. INTRODUCTION**

For business to achieve important objectives like enhancing effectiveness, upholding competitiveness and obtaining more profitability, significant changes in organization are needed. Changes might allow organization the capabilities to renew itself. Some change initiatives will success while other may fail. The success of change requires an appropriate pattern by which organization leads effectively the transition toward a better situation. This pattern contains a set of change processes driven by several strategic considerations. These considerations generate a structured change strategy consisting of scheduled actions and interventions performed dependently.

Change strategy shed light on the approach adopted by top management in organizational transformation context. This change approach is conceived, planned and implemented by executive managers. However, middle managers are charged for coordinating and steering change management in the lower levels. This strategy encompasses several components such as leadership, standardization, etc. In each change strategy components, the middle managers' implication is required for leading an effective change. These managers play a critical role in change management because they translate in actions what is decided in higher levels. In fact, middle managers could deploy, among others, their experience for leveraging their implication in change strategy. In other words, middle managers implication is thought to bring a connection between top management and employees specifically in resistance to organizational change context. This connection is built throughout a specific leadership behavior and standardized processes or methods for institutionalizing the change.

This paper is based on relevant theoretical background that deals with the impact of middle managers' experience on the deployment of a specific change strategy component in organizational change context, specially, when the employees resist to. In this research we seek to understand to what extend diversity of middle managers' experience leverage change strategy in a context of employees' resistance.

## **II. LITERATURE REVIEW**

In modern business environment, organization should be able to undergo continuously changes which are an important device to sustain competitive. These changes are made to provide organization specifics capabilities to deal with complex situations (new product development, new technology, etc.), uncertain perspectives (launch of new activity, market penetration, etc.), stakeholders expectations, even more, to be in her strategies more proactive than reactive.

### **2.1. Organizational change:**

Organizational change is one of the most valuable subjects that managerial literature reveals the value for both scholars and practitioners. In fact, organizational change appears a response to specific situations or for attaining divisional or corporate objectives. In this sense, organizational change provide capabilities to act effectively in competitive environment.

#### **2.1.1. Organizational change initiatives:**

Organizational change initiatives would be conducted by top management while the organization's overall performance seems to be declining continuously. In fact, while the existing manner of operating is inefficient organizational change becomes required (Boeker, 1997). Usually, organizational change happens in business organizations (Diefenbach, 2006) because most executives must deal with different situations and challenges such as: merger, acquisitions, new government regulations, new products, growth, increased competition, technological developments and a changing workforce. So, they find the need for tackling organizational change at different times (Kotter & Schlesinger, 2008; Kavanagh, 2006) to attain positive outcomes for the whole organization and for its stockholders (Kan & Parry, 2004). However, it is argue that older organizations are more inert regarding change than younger (Boeker, 1997), and the new executives, especially top managers recruited from outside the organization, are more motivated for initiating organizational change (Grimm & Smith, 1991)

Also, organizational change could be approached throughout Morgan's metaphors. Each organizational metaphor lay out the assumptions about how organization works (Cameron & Green, 2009). Thereby, it provides more emphasize regarding changes stimulus. So, organizational metaphor would be useful insights about how organizational change appears. This theoretical perspective is well-used to give explanation about what cause resistance to organizational change.

#### **2.1.2. Resistance to organizational change:**

In any change initiative, resistance to organizational change would be the challenge that has to be handled with awareness. Indeed, organization's top managers must take into account this employees reaction because it is recognized as a critical factor for the success of change initiative (Van Dam, Oreg & Schyns, 2008). Resistance to organizational change refers to situation when top managers cannot comprehend why employees do not enthusiastically embrace changes that are being introduced (Cameron et al., 2009). In other words, resistance to organizational change means the situation when top managers are not in the best position to identify resistance going on, their shapes, their sources and the reasons underlying the happening of resistance (Ionescu, Meru ă & Dragomiroiua, 2014).

From the other perspective, organizational success exacerbates permanence and inertia, leading to greater resistance to organizational change (Boeker, 1997) specifically in innovation context. In fact, factors like perceived risk and habit would be acknowledged as sources for the emergence of resistance to organizational change. By perceived risk we mean the one's perception of the risk associated with the decision to implement any innovative actions or activities, while habit means the current practices that is routinely performed in structural organization (Aladwani, 2001).

#### **2.2. Change strategy:**

Change strategy is performed throughout a particular model (i.e. John Kotter's 8-Step Process, Deming Cycle, etc.). This model gives explanation the way organization behaves successfully toward an effective state (Aladwani, 2001). In fact, change strategy model emphasizes how organization manages transition effectively, deals with the culture and leads corporate politics (Cameron et al., 2009). This model provides frameworks and methodologies to comprehend and lead change (Vakola & Nikolaou, 2005). The aim is to develop positive energy and enhance sustainability. It takes place when a sufficiently critical mass of employees are aligned with top managers vision (Kotter et al., 2008). Accordingly, change strategy must give to employees the opportunity to attain the desired information (Ionescu et al., 2014). This information should be conceived by top managers and transmitted and explained by middle managers. In this sense, information and data sharing plays a vital role of organizational commitment in a change context. This organizational commitment enhances employee's acceptance of change (Vakola et al., 2005)

Thus, organization has to build a change strategy supported by two main components such as: leadership and standardized processes and methods. Each change strategy component provides organization to develop capabilities for better understanding and effective leading change.

##### **2.2.1. Leadership:**

As a change strategy component, leadership provides top managers the guarantee for leading an effective change. As leaders, top managers comprehend a need for change, create a vision and implement efficiently the change with the structure. Thereby, these leaders must be skilled in change strategy processes for acting successfully as agents of change and motivate employees to follow (Kavanagh, 2006). In other words, leadership may be helpful in emphasizing the potential competencies which needs to be in place for successful change strategy (Higgs & Rowland, 2000).

This component called leadership is well-known as a dynamic, situation-based social process that is conditional upon culture and context (Kan et al., 2004). Leadership impacts the change strategy effectiveness and outlines to what extend leaders are knowledgeable, insight- and skilful (Diefenbach, 2007).

### **2.2.2. Standardization:**

Leading effective change implies the deployment of standardized processes and methods. The steering of these processes is done by a change management team that creates methods to fit specific situations (i.e. resistance to change), which are designed to bring to light the managers (top and middle managers) as the crucial supporters of the change processes (Ionescu et al., 2014). The characteristics of these standardized processes and methods enhance the employee commitment to change (Van Dam et al., 2008). In addition, change processes should be managed appropriately. (Kavanagh, 2006)

### **2.3. Middle manager experience:**

Middle manager experience could be undertaken throughout the definition of the outputs required from this kind of manager. In fact, middle manager refers to manager who is hierarchically below of the top manager, and who is charged for supervising, steering and reporting a working environment. In other words, middle manager main duty is to translate the strategy decided by the top management into effective action (Nilakant & Ramnarayan, 1990). His functional experience is linked to his managerial working experience in various functional units (sales/marketing, R&D/engineering, manufacturing, finance, etc.) (Li & Zhang, 2007). It is related to his predecessor projects, personal background and prior career. Middle manager experience influences his choice regarding specific context (Westphal & Fredrickson, 2001), perception (Buchanan, 2008), reflection (Rouleau & Balogun, 2011), assessment (Dutton, Ashford, M. O'Neill, Hayes & E. Wierba, 1997; Floyd & Wooldridge, 2000; Van Rensburg, Davis & Venter, 2014), contribution at strategy implementation (Gupta & Govindarajan, 1984), etc. Middle manager experience could be thought as a way for enhancing his competencies and capabilities to accomplish effectively his role.

#### **2.3.1. Middle manager role:**

In traditional managerial literature, the focus is for the most part on mindset, decisions and practices of top managers. In other managerial levels, managers were recognized as resources, executors, even more, facilitators for implementing what is formulated and decided in top management level. However, the modern business landscape constrains organizations for searching competitive advantage in lower management levels, due to their proximity to different stockholders (employees, customers, suppliers, partners, etc). Thereby, scholars and researchers are beginning to pay more attention to other managers such as : middle manager, line manager, operation manager, etc.

Regarding his hierarchical position, middle manager plays a crucial role in modern organizations (Sayles, 1993). This role is consisting in linking top management and employees, ensuring an effective employees' supervision and coaching (Nilakant et al., 1990), as a result of his proximity to employees and customers providing more effectiveness in strategic implementation (Huy, 2001; Van Rensburg et al., 2014; Currie & J. Procter, 2005; Raes, Heijltjes, Glunk & Roe, 2011), supporting organizational interpretation (E. Beck & Ashmos Plowman, 2009), facilitator for initiating creative ideas and actions (S. Hornsbya, F. Kuratko & A. Zahra, 2000; Lassen, Waehrens & Boer, 2009), information and knowledge communicating and sharing (Van Rensburg et al., 2014; Nilakant et al., 1990). Taking all these roles into account, it is necessary to emphasize the skills required from the middle manager to perform and behave effectively.

#### **2.3.2. Middle manager competencies and skills:**

Specific competencies or skills are required from middle manager to perform effectively his role (). First and foremost, middle manager deploys his business and technical competencies to accomplish his functional tasks (finance, logistics, productions, R&D, etc.) (Nilakant et al., 1990; Currie & J. Procter, 2005 ; LI et al., 2007; Lassen et al., 2009). However, other particular competencies (called soft skills) are required to fit specific contexts, for example, the discursive competence. By this competence, middle manager would be able for making a sense and giving an appropriate interpretation regarding organizational phenomenon (Van Rensburg et al., 2014; Raes et al., 2011; Walinga & Rowe, 2013; Wooldridge, Schmid & W. Floyd, 2008). Hence, middle manager enhances his visibility, credibility, accessibility and responsibility (Johnson & Härtel, 2014). Those abilities are the prerequisites of communication competency for selling best initiatives and appropriate issues to top management

(Dutton et al., 1997; R. Ren & Guo, 2011). Also, he will be able to act like a leader by which the organization facilitates the strategic implementation regarding the lower staff levels (L. Pablo, Reay, R. Dewald & L. Casebeer, 2007).

### **2.3.3. Middle manager & change management:**

Middle manager implication in change management has been the topic of much research over the last three decades (). In fact, top management uses the middle manager as a linking mechanism for enabling organization's shifting to a new state while utilizing valuable preexisting capabilities (Raisch, Birkinshaw, Probst & L. Tushman, 2009). In that way, middle manager would be in the substantive position to have the knowledge and experience to connect divergent ideas generated from outside and within the organization to strategic issues (Floyd & Wooldridge, 2000). In other perspective, the Middle manager implication would be more crucial when he participate for initiating strategic change throughout his sense-giving to the context for selling issues to top managers (Dutton et al., 1997).

In resistance to change, middle manager plays the role of a change agent. He is in charge of initiating change initiatives and aligning functional activities to top management decision. In so doing, middle manager has to implement change while managing lower staff levels' anxiety and defensiveness (S. Lüscher & W. Lewis, 2008). In this perspective, middle manager has to make sense to change interventions. This middle manager's sense-making and sense-giving can enhance the organizational interpretation capabilities in change context (Beck & Plowman, 2009). He plays a key role as a interpreter and seller of change at lower staff levels (Rouleau, 2005) and as an institutional actor for maintaining hybrid interests and perceiving et managing lower staff levels' resistances by translating, mediating, negotiating, planning, and monitoring (Stensaker, Falkenberg, & Gronhaug, 2008; Sharma & Good, 2013). Thus, his role would be as more important as organization attempts to implement change throughout top-down approach (Balogun & Johnson, 2005). In that approach, middle manager should use his leadership skills to manage change resistance by assisting and mobilizing his team for change implementation (E. Herzig & L. Jimmieson, 2006; Johnson et al., 2014). The success of this assistance depends on the implication of middle manager in change design. This implication requires timely and detailed briefings from top management, eve more, empowering him (Kuyvenhoven & Buss, 2011; Raelin & Cataldo, 2011) for bridging the gap between the higher hierarchical level and the lower one (Johnson et al., 2014; Wooldridge et al., 2008).

## **III. METHODOLOGY**

This research deployed hypothesis testing to investigate the possible association between the middle managers experience and their preference regarding a specific change strategy component in employees' resistance context. It was an exploratory study conducted with no researcher involvement and manipulation of organizational activities. To fit the purpose of the research, convenience sampling method was applied for obtaining data from participants' involvement in different steps of organizational change management. 107 middle managers in different functional units (marketing, R&D, engineering, manufacturing, finance, administration, etc.) were involved in the study. Those managers were working for Moroccan SME. The choice came from the fact that companies' size dominates the Moroccan business landscape.

For this research, the data-collection method selected was a self-administered questionnaire. Questionnaires were distributed to participants at their place of work. The reasons of this choice were efficiency in data gathering for an appropriate statistical analysis, and anonymity for respondents exposed to organizational change in their daily work.

Two mains variables were used in this survey. First, diversity of middle managers experience was measuring via a dichotomous survey questions by which we attempt to measure if the middle manager experience is hybrid. The second variable is the deployment of a specific change strategy component. Accordingly, this variable contains three categories such as: leadership, standardization and no



preference. We used multiple choice survey questions with exhaustive and mutually exclusive categories. A third variable was added to research in order to deep our investigation. This variable is related to the existence of employees' resistance to organizational change. The aim is to investigate the relationships between diversity of middle managers experience and the deployment of a specific change strategy component when the existence of employees' resistance to organizational change has been taken into consideration. We used dichotomous survey questions for this variable.

#### **IV. RESULTS AND DATA ANALYSIS**

Regarding the existence of resistance to organizational change (cf. appendix 1), we observe that most middle managers (46.9%) weren't in favor of the deployment of a specific change strategy component, compared to those choosing the standardization component (28.1%), and leadership component (25%). Without resistance to organizational change context, the trend is the same. We see that most middle managers (75%) weren't in favor of the deployment of a specific change strategy component, compared to those choosing the standardization component (16.7%), and leadership component (8.3%). Within the group of the middle managers with hybrid experience, there was an equal preference (41.7%) for leadership and standardization in resistance to organizational change context. However, they expressed their indifference regarding a specific change strategy component (61.1%) when they weren't exposed to their employees' resistances to organizational change. The trend is reversed when those managers didn't have a hybrid experience. The majority was for non preference a propos a specific change strategy component regardless their exposition to employees' resistances to organizational change (65% and 79.6%).

In summary, the relationship between the middle managers experience and the deployment of a specific change strategy component holds across the resistance to organizational context. In fact, middle managers with no diverse experience expressed their indifference for deploying a specific change strategy component. This trend is true regardless their exposition to resistance to organizational change. Observing the Chi-Square Tests (cf. appendix 2), we will perceive whether this relationship is significant. Throughout a Pearson Chi-square value (10.835) and a p-value (0.004) smaller than 0.05, we reject the hypothesis H0 and the H1 is accepted. Thus, there is a relationship between the middle manager experience and the deployment of a specific change strategy component. However, this relationship seems to be not significant when the middle manager exposition to resistances is taking into account.

The strength of this relationship is seen throughout the Cramer's V value. Appendix 3 lies out that the Cramer's V value is 0.323, which means that we have a moderate relationship.

#### **V. CONCLUSION, DISCUSSION AND IMPLICATIONS**

As an addition to the managerial literature on middle manager implication in leading effective change, this study illustrates that the middle managers experience is associated with their preference regarding a specific change strategy component.

Our findings give emphasis to the fact that middle managers preference regarding a specific change strategy component is influenced by their experience diversity. This middle managers preference doesn't differ whether they are exposed to their employees' resistance to organizational change or not. Their lack of an antecedent diverse experience explains their preference for using a specific change strategy component. The middle managers preference is related to their sense-making and sense-giving, especially in change context (Van Rensburg et al., 2014; Raes et al., 2011; Walinga et al., 2013; Wooldridge et al., 2008; Sharma et al., 2013). Hybrid experience could be thought as a way for enhancing this willingness for an effective change leading. Earlier studies (S. Lüscher et al., 2008; Rouleau, 2005; E. Herzig et al., 2006; Johnson et al., 2014) of middle managers implication for leading an effective change paid little attention to the impact of experience on manager willingness in resistance to change context. Each change strategy component is crucial for leading an effective change. So,



middle managers willingness regarding a specific component would highlight their skills (Johnson et al., 2014) for performing this component in resistance to change perspective. Visionary and people leadership would be important for leveraging people reactions to organizational change (Szabla, 2007; Erwin & Garman, 2009), standardized processes and methods provide a model for more effectiveness (Trkman, 2010; Isabella, 1990) in terms of target achieving and uncertainty reducing. Our article provides more insights by approaching the diversity of experience as a factor for enhancing middle managers preference to balance between change strategy's components for fitting change context. It would be useful for both scholars and researchers to take into account this argument in their researches and practices.

This research has some limitations. First, our research is based principally on sample containing SME organizations. Thereby, the empirical results don't fit all the organizations managerial practices. Second, the variable related to the deployment of a specific change strategy component contains three categories. Nonetheless, other categories could be added to comprehend more deeply the change strategy. Furthermore, middle managers experience could be measured more efficiently through the multiple choice survey questions rather than the dichotomous survey questions. with regard to the further research, the same research could be conducted in sample containing different size of organizations. It would be more insightful for laying out whether the organization's size impacts the preference of middle managers in change context. Besides, other researches would pay more attention to investigate the mechanisms explaining the top management receptivity to middle management preference regarding a specific change strategy component.

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## VII. APPENDICES

**Appendix 1 : cross table CSC preference \* Diversity of MMExp \* Resistance to change**

Resistance to change				Diversity of MMExp		Total
				yes	no	
yes	CSC preference	Leadership	Frequency	5	3	8
			Theoretical Frequency	3,0	5,0	8,0
			% included in Diversity of MMExp	41,7 %	15,0 %	25,0%
		Standardized processes and methods	Frequency	5	4	9
			Theoretical Frequency	3,4	5,6	9,0
			% included in Diversity of MMExp	41,7 %	20,0 %	28,1%
		No preference	Frequency	2	13	15
			Theoretical Frequency	5,6	9,4	15,0
			% included in Diversity of MMExp	16,7 %	65,0 %	46,9%
	Total	Frequency	12	20	32	
		Theoretical Frequency	12,0	20,0	32,0	
		% included in Diversity of MMExp	100,0 %	100,0 %	100,0 %	
no	CSC preference	Leadership	Frequency	3	3	6
			Theoretical Frequency	1,5	4,5	6,0
			% included in Diversity of MMExp	16,7 %	5,6%	8,3%
		Standardized processes and methods	Frequency	4	8	12
			Theoretical Frequency	3,0	9,0	12,0
			% included in Diversity of MMExp	22,2 %	14,8 %	16,7%
		No preference	Frequency	11	43	54
			Theoretical Frequency	13,5	40,5	54,0
			% included in Diversity of MMExp	61,1 %	79,6 %	75,0%
	Total	Frequency	18	54	72	
		Theoretical Frequency	18,0	54,0	72,0	
		% included in Diversity of MMExp	100,0 %	100,0 %	100,0 %	
Total	CSC preference	Leadership	Frequency	8	6	14
			Theoretical Frequency	4,0	10,0	14,0
			% included in Diversity of MMExp	26,7 %	8,1%	13,5%
		Standardized processes and methods	Frequency	9	12	21
			Theoretical Frequency	6,1	14,9	21,0
			% included in Diversity of MMExp	30,0 %	16,2 %	20,2%
		No preference	Frequency	13	56	69
			Theoretical Frequency	19,9	49,1	69,0
			% included in Diversity of MMExp	43,3 %	75,7 %	66,3%
	Total	Frequency	30	74	104	
		Theoretical Frequency	30,0	74,0	104,0	

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		% included in Diversity of MMExp	100,0 %	100,0 %	100,0 %
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**Appendix 2 : chi-square tests**

Resistance to change		Value	ddl	Asymptotic significance (bilateral)
yes	Pearson chi-square	7,123	2	,028
	Likelihood ratio	7,609	2	,022
	Linear association by linear	6,092	1	,014
	Number of valid observations	32		
no	Pearson chi-square	3,062	2	,216
	Likelihood ratio	2,789	2	,248
	Linear association by linear	3,005	1	,083
	Number of valid observations	72		
Total	Pearson chi-square	10,835	2	,004
	Likelihood ratio	10,378	2	,006
	Linear association by linear	10,566	1	,001
	Number of valid observations	104		

**Appendix 3 : Symmetrical measurements**

Resistance to change			Value	Approximat e Significance
yes	Nominal by Nominal	Phi	,472	,028
		Cramer's V	,472	,028
	Number of valid observations		32	
no	Nominal by Nominal	Phi	,206	,216
		Cramer's V	,206	,216
	Number of valid observations		72	
Total	Nominal by Nominal	Phi	,323	,004
		Cramer's V	,323	,004
	Number of valid observations		104	

# French Papers

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## **QUELLES STRUCTURE DE GOUVERNANCE DE LA CHAÎNE LOGISTIQUE DANS LES PETITES ET MOYENNES ENTREPRISES**

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### **ABSTRACT**

La délimitation des frontières de l'entreprise a toujours posé la question du choix de la structure de gouvernance efficiente, certains auteurs défendent l'idée de s'appuyer sur les propres actifs de l'entreprise (hiérarchie) à travers l'internalisation des moyens dans un objectif de minimisation des coûts de transaction, d'autres font la promotion d'un mouvement d'externalisation massif (marché) à des prestataires externes dans un objectif de création collective de la valeur. L'objectif de cet article est de cerner le comportement des petites et moyennes entreprises marocaines quant à la gouvernance de leurs chaînes logistiques. Si quelques grandes entreprises recourent au marché de la prestation de services logistiques, force est de reconnaître que les petites et moyennes entreprises s'appuient sur les ressources internes de la hiérarchie pour réaliser leurs activités logistiques. Notre réflexion s'attache ici de présenter dans un premier temps, une revue de littérature alliant à la fois le champ logistique et le courant de la nouvelle économie institutionnelle et ce, pour illustrer le rôle du prestataire de services logistiques dans la gouvernance de la chaîne logistique à travers le recours à la structure de gouvernance « marché ». Dans un second temps, les résultats d'une recherche empirique mettant en lumière les facteurs issus de l'environnement institutionnel qui obligent les petites et moyennes entreprises marocaines d'adopter une structure de gouvernance fondée sur la « hiérarchie » pour l'exécution de leurs activités logistiques sont présentés. Enfin, nous évoquons les mesures enclenchées par les institutions publiques et privées pour développer dans un horizon de moyen à long terme le marché de la prestation de services logistiques au Maroc.

Mots clés : Structure de gouvernance, hiérarchie, marché, prestataire de services logistiques, petites et moyennes entreprises.



## **I. INTRODUCTION**

La nouvelle économie institutionnelle, depuis l'apparition de l'article célèbre de Ronald Coase en 1937 qui traite la question de la nature de la firme, intéresse plus que jamais les chercheurs dans les sciences économiques, sociales et de gestion, tout particulièrement, dans les disciplines adoptant une perspective inter-organisationnelle comme le management de la chaîne logistique. La délimitation des frontières de l'entreprise a toujours posé la question du choix de la structure de gouvernance efficiente, certains auteurs défendent l'idée de s'appuyer sur les propres actifs de l'entreprise « hiérarchie » à travers l'internalisation des moyens dans un objectif de minimisation des coûts de transaction, d'autres font la promotion d'un mouvement d'externalisation massif « marché » à des prestataires externes dans un objectif de création collective de la valeur. Le champ de la logistique n'échappe pas à ce questionnement, les entreprises industrielles et commerciales, implantées dans des pays qui ont réussi leur transition logistique font appel au marché de la prestation de services logistiques pour la gouvernance de leurs chaînes logistiques. Néanmoins, au Maroc, seulement une poignée des grandes entreprises qui s'alignent avec cette tendance internationale.

L'engouement des entreprises de recourir à la prestation de services logistiques s'explique par plusieurs facteurs, au premier rang desquels l'émergence de prestataires de services logistiques équipés des infrastructures logistiques (Plateformes logistiques), des ressources humaines (experts dans les métiers de la logistique) et des ressources technologiques (systèmes d'information logistiques) leur permettant, en sus de l'exécution des activités traditionnelles de transport et d'entreposage, la prise en charge d'autres activités à forte valeur ajoutée à même de gouverner les relations entre les acteurs engagés dans toute la chaîne logistique de l'amont jusqu'à l'aval.

Toutefois, si dans certains pays industrialisés, nous observons des marchés très matures dans la prestation de services logistiques incitant les entreprises à adopter des structures de gouvernance orientées « marché » au sens de Williamson (1985), nous observons un comportement différent des entreprises dans les pays en Afrique, particulièrement, le comportement des petites et moyennes entreprises (notées PME) qui optent pour des structures de gouvernance fondées sur la « firme » au sens de Coase (1937) ou sur la « hiérarchie » au sens de Williamson (1975).

Afin d'expliquer la préférence des entreprises à déployer un mode d'organisation particulier pour la gouvernance de leurs chaînes logistiques « marché vs hiérarchie », notre réflexion dans cet article s'appuie dans un premier temps sur revue de littérature combinant à la fois les travaux autour des prestataires de services logistiques qui promeuvent la structure de gouvernance « marché » de la prestation de services logistiques et le courant de la nouvelle économie institutionnelle qui analyse les différentes structures de gouvernance proposées aux entreprises. Dans un deuxième temps, à partir d'une analyse documentaire publique, étayée par une recherche exploratoire sur le terrain, nous mettons en relief d'une part les facteurs issus de l'environnement institutionnel qui obligent les PME à adopter une structure de gouvernance fondée sur la « hiérarchie » pour exécuter leurs activités logistiques et d'autre part les mesures enclenchées par les institutions publiques et privées pour développer dans un horizon de moyen à long terme le « marché » de la prestation de services logistiques au Maroc.

## **II. VERS UNE GOUVERNANCE DE LA CHAÎNE LOGISTIQUE PAR LE PRESTATAIRE DE SERVICES LOGISTIQUES**

Avant d'approcher le concept de la gouvernance, il est primordial de cerner tout d'abord l'approche du management de la chaîne logistique « une philosophie qui adopte une approche de gestion intégrée des flux du fournisseur au client final en passant par un canal de distribution intermédiaire » (Cooper et Ellram, 1993). D'après cette définition de référence, nous constatons que la logistique et plus largement le management de la chaîne logistique n'est pas limité uniquement à l'aspect opérationnel interprété dans le cadre d'une approche introvertie cherchant le one best way au sens de Colin (2005), ou du moins à l'exécution des activités classiques de transport et d'entreposage, mais elle vise l'optimisation globale des flux dans le cadre d'une approche étendue qui intègre aussi bien les partenaires amont que les partenaires aval.

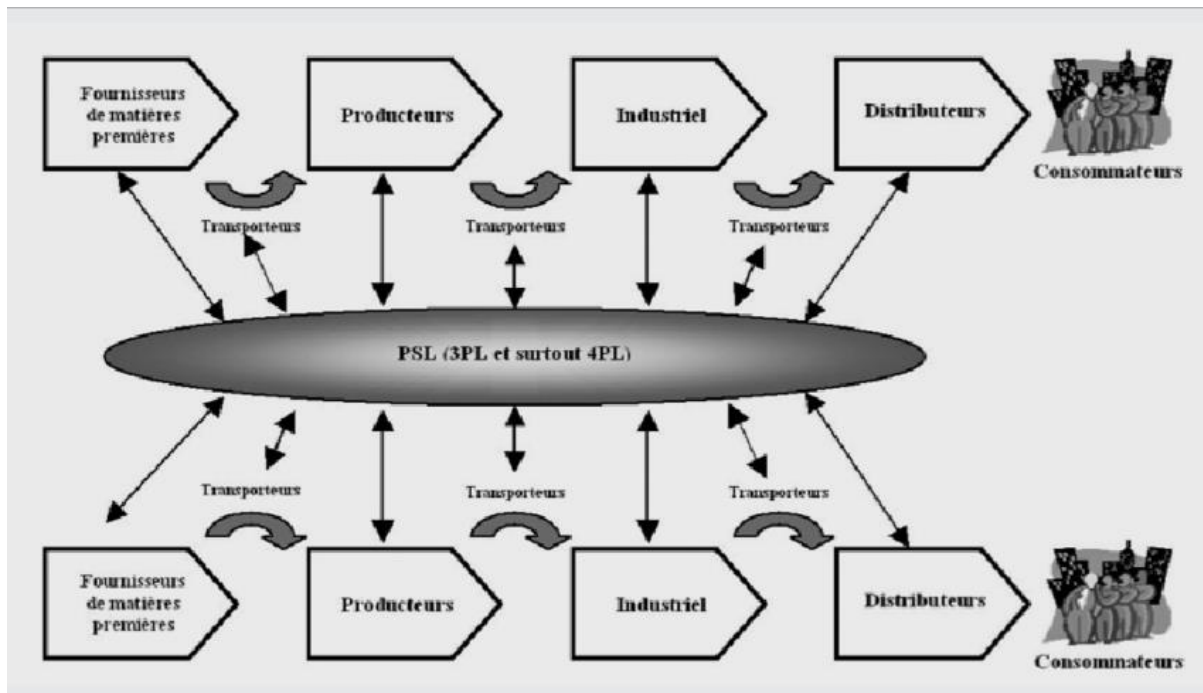
Dans le cadre de la chaîne logistique étendue, le prestataire de services logistiques (notés PSL) émerge en tant que partenaire clé qui se situe dans une position idoine pour jouer un rôle de « chef d'orchestre » au sens de Zacharia et al. (2011) à même de faciliter l'intégration de la chaîne logistique. « L'émergence des prestataires de services logistiques s'explique notamment par le désengagement des industriels et des distributeurs, d'activités jugées périphériques et par un recentrage sur leur cœur de métier, les activités jugées essentielles » (Paché et Sauvage, 2004). Le recours massif au marché de la prestation de services logistiques s'explique par le phénomène de l'externalisation à l'œuvre du management de la chaîne logistique. « Les pratiques d'externalisations logistiques ont modifié les frontières traditionnelles des entreprises ainsi que leurs pratiques managériales et organisationnelles au sein de supply chains toujours plus étendues, globales et collaboratives » (Kacioui-Maurin, 2012).

En tant que bonne pratique logistique, des associations professionnelles définissent l'externalisation logistique. L'ASLOG la considère comme « une démarche consistant à rechercher chez un partenaire extérieur des compétences devenues insuffisantes en interne, afin de prendre en charge tout ou une partie des activités auparavant assurées par l'entreprise elle-même ». Tandis que le glossaire de l'APICS définit l'externalisation logistique comme « le processus selon lequel des PSL fournissent des biens ou des services qui étaient réalisés auparavant en interne ».

Sauvage (2001) note qu'il y'a eu un regain d'intérêt pour la prestation de services logistiques grâce au rôle vital joué par les professionnels logistiques dans le Supply Chain Management. Aujourd'hui, les PSL, ne se contentent plus de l'exécution des activités traditionnelles de transport et d'entreposage, mais ils étendent leurs offres à des expertises leur permettant de remettre en cause même les frontières des entreprises « Omniprésents dans le pilotage des flux (physiques et d'information) depuis les usines des fournisseurs jusqu'aux points de vente au détail, en passant par les unités d'assemblage, les prestataires de services logistiques (PSL) les plus performants couvrent désormais un large spectre d'activités pour le compte de leurs clients chargeurs (industriels et/ou distributeurs). Ils constituent alors des « agents d'interface » qui obligent, eux aussi, à repenser les frontières des organisations » (Roveillo et al., 2012).

Cette montée en flèche des compétences des PSL leur permet de prendre en charge des activités à forte valeur ajoutée. Il peut s'agir des opérations industrielles périphériques ou de transformation légère des produits, de conditionnement ou de l'intégration des flux entre le client et ses partenaires moyennant la maîtrise des processus logistiques et l'utilisation des technologies d'information. De part cette expertise grandissante, les PSL avant-gardistes se placent désormais à l'interface des chaînes logistiques. En effet, comme illustré dans la figure n°1, des recherches (Maloni, 2006; Marasco, 2008; Fabbe-Costes et Roussat, 2011) témoignent que les PSL les plus avancés sur le plan technologique sont de véritables intégrateurs des chaînes logistiques pour le compte de leurs clients.

**Figure 01 : Le PSL en tant qu'intégrateur logistique (Roveillo et al., 2012)**



L'aptitude d'intégration de la chaîne logistique par les PSL a donné naissance à deux typologies qui structurent actuellement le marché de la prestation de services logistiques dans le monde : les third party logistics (notés TPL ou 3PL) et les fourth party logistics (notés 4PL). Berglund et al. (1999) définissent les 3PL comme des « PSL exécutant des activités traditionnelles pour le compte d'un chargeur telles que la gestion et la réalisation du transport et du stockage. En outre, d'autres activités peuvent être proposées, comme la gestion des stocks, le pilotage et le contrôle des flux d'informations, la réalisation des activités à valeur ajoutée telles que l'assemblage, voir même le management de la chaîne logistique dans son ensemble » (Berglund et al., 1999).

L'essor de ce marché à fort potentiel de la prestation de services logistiques a provoqué la création des compagnies de type 4PL, ce sont des PSL qui ne détiennent pas des moyens physiques, ni d'entrepôts logistiques « free asset », ils s'appuient exclusivement sur leur expertise pour contrôler d'une part les activités logistiques sous traitées aux prestataires 3PL et d'intégrer d'autre part les chaînes logistiques à travers une totale maîtrise des flux d'information. « ce sont des prestataires de services logistiques sans actifs matériels qui ont pour mission de gérer le design, le contrôle et le management d'une large gamme de services logistiques pour le compte d'autres sociétés, au travers de services intégrés. Ils gèrent pour le compte de leurs clients, l'intégration de sous-traitants spécialisés pour toute ou partie de leur logistique. Ils assurent la gestion globale des flux physiques et des flux d'informations et fournissent également des services qui vont au-delà de ces flux pour englober des services d'audit et conseil » (Saglietto, 2009).

Au travers ces évolutions spectaculaires qui caractérisent le marché de la prestation de services logistiques, nous pouvons prédire que la gouvernance des chaînes logistiques pourrait être attribuée aux PSL. Dans cette perspective, la gouvernance est comprise comme étant l'ensemble des mécanismes permettant la direction et le contrôle des relations, ou des transactions (Lefaix Durand et al., 2006). En sens, en sus de la réalisation des activités logistiques, le PSL remplit également la fonction de management et de contrôle « les PSL managent, contrôlent et réalisent des activités logistiques pour le compte chargeur » (Hertz et Alfredsson, 2003).

Il faudrait noter que cette revue de littérature s'appuie sur des travaux des auteurs qui ont investigué des chaînes logistiques dans des pays ayant atteint un degré de maturité logistique élevé. Toutefois, la réalité

marocaine est différente, si les entreprises dans les pays fortement industrialisés ont confié la gouvernance de leurs chaînes logistiques aux prestataires 3PL et 4PL, les entreprises marocaines particulièrement les PME ne s'inscrivent pas dans le même modèle, d'où la nécessité d'analyser un courant théorique rigoureux à même de permettre d'expliquer la spécificité marocaine en termes de gouvernance des chaînes logistiques.

### **III. LA THEORIE DES COUTS DE TRANSACTION ET LES STRUCTURES DE GOUVERNANCE**

La théorie des coûts de transaction est une analyse interdisciplinaire qui relie l'économie avec des aspects de la théorie de l'organisation (Williamson, 1979). D'où l'étroite relation de cette théorie avec l'approche inter-organisationnelle dans le contexte du management de la chaîne logistique.

Le concept de coûts de transaction puise ses origines dans l'article de Ronald Coase, (*The Nature of the Firm*) publié en 1937, qui a enclenché tout un programme de recherche autour de l'existence des firmes fondée sur la hiérarchie. Coase s'est efforcé à expliquer que la raison d'être de la firme réside dans sa capacité à réaliser des économies sur les coûts de transaction pour atteindre un double objectif, réaliser une meilleure performance et supplanter les imperfections du marché. Cette position plaide en faveur de l'internalisation des ressources et du capital humain pour réaliser les activités de l'entreprise y compris les activités logistiques. Coase défend l'idée suivante : « La principale raison qui rend plus avantageuse la création d'une firme est l'existence d'un coût à l'utilisation du mécanisme des prix » (Coase, 1937). L'auteur confronte deux types de coût, le coût de l'organisation de la production et le coût de négociation et de conclusion de contrats sur le marché. Compte tenu que la structure de gouvernance « marché » engendre des coûts de transaction importants, la structure de gouvernance « hiérarchie » semble plus intéressante.

Bien que l'approfondissement de l'analyse des coûts de transaction a été délaissée pendant longtemps depuis la publication de l'article de Coase en 1937, l'idée admirable n'est pas passée inaperçue, Williamson (1975) perfectionne le concept des coûts de transaction pour corroborer le théorème de Coase consistant à favoriser la prise du contrôle total des activités par la firme en soutenant les avantages de la « hiérarchie » (intégration verticale ou internalisation) au dépend du marché (achat et externalisation). Au fur et à mesure de l'évolution de l'économie qui entraîne un basculement des arrangements organisationnels (ou arrangements institutionnels), Williamson affine l'analyse des coûts de transaction pour examiner à la fois les avantages et les inconvénients des structures de gouvernance résultant de la hiérarchie, du marché ou du marché intermédiaire, désigné aussi (forme de gouvernance hybride). « L'approche en termes de coûts de transaction proposée par Williamson offre un cadre analytique plus précis que celui de Coase et avance des propositions largement vérifiées par la littérature empirique, sur des questions plus larges que l'existence des firmes, comme celles des choix contractuels ou des formes hybrides » (Saussier et Billon, 2007). C'est à travers les recherches de Williamson qu'on pourrait justifier l'essor du marché de la prestation de services logistiques comme une structure de gouvernance. « Je suis principalement concerné maintenant par les transactions du marché intermédiaire. Alors que précédemment, je soulevais les avantages de l'intégration verticale pour éliminer les transactions du marché afin de les organiser en interne, l'analyse ici est symétrique et traite simultanément avec le marché, la hiérarchie et même avec les modes intermédiaires de l'organisation. La question de comprendre pourquoi il y'a tant d'intégration verticale demeure intéressante, mais pas plus que la question de comprendre pourquoi il y'a tellement de marchés (et quasi-marchés)

» (Williamson, 1979).

Dès lors, Williamson (1985) déclare que la théorie des coûts de transaction pose le problème de l'organisation économique comme un problème de contractualisation. Les opérations peuvent être organisées de différentes manières, mais à quels coûts de transaction ? Arrow (1959) définit « les coûts de transaction comme les coûts de fonctionnement du système économique », en analysant le système économique du point de vue du contrat, « les coûts de transaction sont considérés dans cette perspective comme des coûts de contractualisation ». (Williamson 1985).

Dans la perspective d'établir sa théorie, Williamson a identifié dans ses travaux les différentes dimensions qui sont à la source des coûts de transaction et qui permettent de sélectionner la structure de gouvernance la plus efficiente. Les progrès réalisés par l'économie des coûts de transaction se sont attachés aux sources critiques à l'égard desquelles les coûts de transaction diffèrent. Cinq sources ont été identifiées par Williamson (1985, 1996) : la rationalité limitée, l'opportunisme, la spécificité des actifs, l'incertitude et la récurrence des transactions. Les travaux de North (1990) n'ont pas laissé Williamson indifférent, raison pour laquelle il a rajouté en 2002 la dimension institutionnelle à travers son article « The New Institutional Economics : Taking Stock, Looking Ahead ».

#### **IV. LES INSTITUTIONS ET LES STRUCTURES DE GOUVERNANCE**

Si dans les pays les plus industrialisés, nous assistons à un renforcement des relations partenariales « contrats, franchises » et à un recours massif au « marché », en l'occurrence, le marché de la prestation de services logistiques, c'est parce que les transactions sont encadrées par des environnements institutionnels propices à l'investissement dans des actifs spécifiques, ce qui facilite la mise en place des structures de gouvernance orientées plus vers le « marché » que la « hiérarchie ».

Dans le sillage des auteurs Coase et Williamson, North prétend également que l'adoption de la structure de gouvernance qui favorise les échanges entre les acteurs implique des coûts de transactions limités et une faible incertitude « À travers l'histoire, les institutions ont été conçues par les êtres humains pour créer un ordre et réduire l'incertitude dans les échanges. Avec les contraintes habituelles de l'économie, elles définissent l'ensemble des choix possibles et, ainsi, elles déterminent les coûts de transaction et de production, donc la profitabilité et l'opportunité de l'entrée dans l'activité économique » (North, 2005). Qu'est ce qui détermine alors l'importance des coûts de transaction dans l'environnement institutionnel ? Des analyses du système économique ont révélé que certains acteurs participent au renforcement des échanges contractuels contribuant ainsi à l'amélioration de la croissance économique sans qu'ils produisent directement des biens et des services. En effet, les instances gouvernementales et les administrations publiques, les associations professionnelles, les tribunaux, les banques, sont largement engagés dans les transactions et par conséquent, ils sont considérés comme des éléments incontournables du système économique (North, 2005). C'est ainsi que la réglementation et les lois, les marchés, l'environnement économique, social et culturel participent à guider les modes de raisonnement des individus et des organisations (Di Maggio et Powell, 1991).

Il en résulte à travers l'analyse de l'histoire, que les économies caractérisées par des coûts de transaction très élevés ralentissent la croissance économique et freinent les échanges contractuels. La transaction est alors une unité unificatrice pertinente qui permet d'analyser non seulement les structures de gouvernance, mais d'expliquer également le différentiel de développement en analysant les institutions mises en place dans les différents pays. Comme le signale Coase (1998) « les transactions sont au cœur de la dynamique économique. En effet, en l'absence de mécanismes efficaces pour soutenir les transactions, on ne peut tirer profit des avantages de la division du travail, et l'organisation de la production qui découle de celle-ci perdrait tout son sens ».

À l'instar des typologies des coûts de transaction directs dérivées de l'économie des coûts de transaction, North (1990) identifie également des coûts de transaction indirects qui dépendent principalement de quatre (4) facteurs :

- L'information : Les acteurs doivent prendre connaissance en premier lieu des informations nécessaires permettant de mesurer les attributs des biens et des services objets de la transaction, or l'information est coûteuse.
- Taille du marché : La taille du marché et l'intensité de la concurrence influencent les coûts de transaction, plus le volume des transactions et le nombre d'intervenants sont importants, plus la mise en relation des acteurs exige des dispositifs techniques et socio-économiques complexes
- Enforcement : L'enforcement permet le règlement des litiges entre les acteurs liés par des relations contractuelles. La mise en place des mécanismes de l'enforcement génère des coûts de transaction qui sont à la source de l'émergence des institutions dont le rôle est de veiller à la bonne



exécution des transactions. Ces institutions peuvent être des lois pour formaliser les règles ou des tribunaux pour appliquer les lois.

- Attitudes et perceptions idéologiques : Les modèles mentaux des individus importent également dans la détermination des coûts de transaction, non pas au niveau des choix politiques mais au niveau individuel. La perception individuelle quant à l'équité et la neutralité des règles du jeu affecte le choix des structures de gouvernance.

L'ensemble de ces coûts dépend des institutions. L'objectif visé étant la réduction des coûts de transaction supportés par les acteurs pour renforcer les échanges au sein des marchés, cela implique la mise en place des dispositifs d'adaptation aptes à tirer profit des opportunités locales et mondiales. Les institutions ont pour vocation de forger les règles du jeu et également de mettre en place des incitations qui peuvent prendre plusieurs formes telles qu'une répartition équitable des ressources, l'acquisition des connaissances à travers un système efficace d'apprentissage, l'encouragement à la contractualisation, la sécurisation et l'enforcement des droits de propriété, etc.

L'approche institutionnelle Northienne, à l'instar de la théorie des coûts de transaction Williamsonienne, abrite également plusieurs jeux de concepts. Tout d'abord, avant de définir ce qu'est une institution, il convient de préciser en premier lieu que toutes les institutions ont un caractère normatif, elles n'existent que par les dispositifs qui définissent « un ensemble limité des alternatives acceptées à un moment donné dans une société » (North, 1981).

North (1990) définit les institutions comme suit : « Les institutions représentent des règles formelles (règles, lois, constitution), des contraintes informelles (normes comportementales, conventions et codes de conduite), et des mécanismes de l'enforcement. Les institutions sont constituées d'une structure conçue et mise en place par les agents pour organiser les transactions » ou « Les institutions sont les contraintes que les êtres humains imposent à leurs propres relations. Ces contraintes définissent l'ensemble des opportunités existantes dans l'économie » (North, 2005).

Ménard (2003) propose également une définition des institutions qui nous semble intéressante, « Par institution, j'entends un ensemble de règles durables, stables, abstraites et impersonnelles, cristallisées dans des lois, des traditions ou des coutumes, et encadrées dans des dispositifs qui implantent et mettent en œuvre, par le consentement et/ou la contrainte, des modes d'organisation des transactions ».

À la lumière de ces définitions, le modèle économique idéal est tributaire d'un ensemble d'institutions qui accompagnent les organisations en leur procurant les incitations pour les orienter vers les activités productives (North, 2005). Quant à l'enforcement « il est exécuté par la première partie (first party) à travers les codes de conduite, par la deuxième partie (second party) à travers des représailles ou par la troisième partie (Third party) à travers les sanctions sociales ou l'exécution de l'enforcement par l'Etat » (North, 1990).

Cependant, pas toutes les institutions encouragent le développement du marché « le cadre institutionnel global comprend à la fois des institutions qui contribuent à l'amélioration de la performance et des institutions qui créent des barrières à l'entrée, défendent les dispositifs monopolistes et empêchent la transmission de l'information à faible coût » (North, 1990). Concrètement, toute économie se caractérise par un mélange d'institutions, les pays les plus développés sont ceux qui mettent en place les institutions adéquates qui produisent les incitations à l'investissement et au développement des marchés.

Par ailleurs, il faut différencier les institutions des organisations, si les institutions sont les règles du jeu, les organisations sont les joueurs. Les organisations se composent d'un groupement d'individus engagés dans des activités d'intérêts communs. Les contraintes imposées par le cadre institutionnel identifient les opportunités et mettent en place par la suite les organisations capables de saisir ces opportunités et de les transformer en institutions pour provoquer un changement institutionnel « l'interaction permanente entre les institutions et les organisations dans la répartition économique de la pénurie, donc de la concurrence » (North, 2005).

Dans l'optique d'insuffler un changement institutionnel visant de rompre avec les règles du jeu inefficaces, un diagnostic de l'environnement d'un côté et l'acquisition des connaissances et des



compétences de l'autre permet aux organisations de construire de nouveaux modèles mentaux aptes à déchiffrer le contexte actuel et à proposer des mesures institutionnelles pour développer les marchés. Cela passe par l'élaboration de nouvelles règles du jeu concourant à plus d'efficacité et de transparence, l'objectif est de rendre le marché un lieu propice pour garantir des engagements contractuels crédibles avec des coûts de transaction qui tendent vers une valeur nulle.

Le changement institutionnel se traduit par des changements dans les règles formelles qui « comprennent des modifications législatives, comme le passage à un nouveau statut, judiciaires à travers le droit commun, réglementaires à travers des agences publiques de réglementation, et constitutionnelles qui agissent sur les règles qui sont à la source de l'élaboration d'autres règles » (North, 1990), et des changements dans les contraintes informelles qui « comprennent des changements au niveau des normes, des conventions ou des normes personnelles d'honnêteté ayant les mêmes sources telle que les traditions et l'apprentissage, ces changements interviennent lentement, séquentiellement et inconsciemment sans que les individus s'en rendent compte de l'évolution vers d'autres modèles de comportement cohérents avec les nouvelles perceptions mentales » (North, 1990).

La revue de littérature telle qu'elle a été présentée dans cette première partie à travers la théorie des coûts de transaction Williamsonienne et l'approche des institutions Northienne qui forment le courant de la nouvelle économie institutionnelle a eu un impact profond sur l'explication des structures de gouvernance adoptées par les entreprises « hiérarchie vs marché ». Des organismes internationaux tels que l'Organisation de Coopération et de Développement Économique « OCDE », le Fonds Monétaire International « FMI » et la Banque Mondiale, etc. sont captivés par le courant de la nouvelle économie néo-institutionnelle qui a apporté des solutions pertinentes en termes de mise en place des stratégies sectorielles qui ont contribué à l'émergence des marchés structurés, tout particulièrement dans les pays en voie de développement.

## **V. METHODOLOGIE**

L'objectif de notre recherche étant compréhensif et descriptif, nous ambitionnons de comprendre et d'expliquer les structures de gouvernance déployées par les PME marocaines à travers les dimensions théoriques issues du courant de la nouvelle économie institutionnelle. Par conséquent, nous choisissons une méthodologie qualitative. « La méthodologie qualitative permet un ancrage de proximité avec les interviewés, une richesse et un caractère englobant nombreuse données, une forte puissance explicative des processus et une meilleure stratégie de découverte et d'exploration » (Miles et Huberman, 2005).

Afin de réaliser notre étude exploratoire, nous avons exploité deux sources d'information. Les données primaires, générées à travers la réalisation de 16 entretiens (Voir tableau 02) avec 08 représentants des PME Marocaines, 04 représentants des PSL, dont 02 appartenant à des groupes internationaux qui sont implantés au Maroc, 01 représentant d'une institution privée et 03 représentants de deux institutions publiques œuvrant à la modernisation des chaînes logistiques au Maroc. Ce type de données, qualifiées de primaires, sont récoltées au cours d'entretiens semi-directifs (Voir tableau 01). Le guide d'entretien a été élaboré à partir des principes directeurs de la nouvelle économie institutionnelle. Les thématiques qui structurent notre démarche empirique sont (1) L'influence de l'environnement institutionnel sur le choix la structure de gouvernance qui prend en charge la réalisation des activités logistiques des PME, (2) l'impact des mesures institutionnelles issues de la stratégie marocaine de développement de la logistique sur le développement du marché de la prestation logistique.

Concernant les données secondaires, la presse professionnelle et les documents fournis par les acteurs lors d'entretiens (rapports des études empiriques sectorielles, rapport d'activités, document interne, site Internet, etc.) sont également traités afin de compléter l'analyse du sujet. Par ailleurs, nous nous sommes déplacés en 2015, 2016 et 2017 au salon international du Transport et de la Logistique pour l'Afrique « Logismed ». Ce salon est tenu annuellement une fois par an. Les participants au salon peuvent assister à des conférences de haut niveau sur les principales évolutions du secteur logistique au Maroc et également à des ateliers experts traitant des problématiques. Notre participation à ce salon nous a permis de collecter des données secondaires riches ayant un lien étroit avec notre problématique à même de

compléter notre analyse empirique. L'objectif est de trianguler les sources d'informations et d'améliorer la validité des résultats. L'ensemble des données consolidées ont fait l'objet d'une analyse thématique du contenu (Allard-Poesi et al., 1999).

Tableau 01 : Panel des répondants

N°	Catégorie d'acteurs	Organisation	Fonction	Durée de l'entretien
1	Industriel agro-alimentaire (PME)	Alpha 01	Directeur Supply Chain	55 min
2	Industriel agro-alimentaire (PME)	Alpha 02	Responsable logistique	1 H 00
3	Coopérative agricole (PME)	Alpha 03	Président Fondateur	1H 10 min
4	Entreprise d'import-export (PME)	Alpha 04	Directeur commercial	50 min
5	Grossiste (PME)	Alpha 05	Directeur Général	45 min
6	Grossiste (PME)	Alpha 06	Directeur Général	50 min
7	Distributeur (PME)	Alpha 07	Responsable Achat	1H 10 min
8	Distributeur (PME)	Alpha 08	Responsable Achat et Logistique	1 H 05 min
9	PSL (marocain)	Delta 01	Directeur Général	50 min
10	PSL (marocain)	Delta 02	Directeur exploitation	55 min
11	PSL (étranger implanté au Maroc)	Delta 03	Directeur Général Adjoint	1 H 00
12	PSL (étranger implanté au Maroc)	Delta 04	Responsable Transport	45 min
13	Institutionnel privé	Epsilon 01	Président	1 H 10 min
14	Institutionnel public	Epsilon 02	Directeur Général	1 H 05 min
15	Institutionnel public	Epsilon 03	Directeur Développement	1 H 05 min
16	Institutionnel public	Epsilon 04	Responsable stratégie et planification	1 H 15 min

## VI. PRINCIPAUX RESULTATS

Les principaux résultats de notre étude exploratoire démontrent que l'actuel environnement institutionnel ne permet pas aux PME marocaines de déployer des structures de gouvernance orientées « marché » compte tenu de l'existence de plusieurs handicaps qui entravent le développement du marché de la prestation logistique au Maroc. Conscient de ces contraintes, les pouvoirs publics et le secteur privé ont mis en place une stratégie en 2010 pour insuffler un changement institutionnel. Notre démarche empirique est structurée en deux volets, nous présentons dans un premier temps les contraintes qui entravent le développement du marché de la prestation logistique au Maroc et qui obligent par conséquent les PME de recourir à la hiérarchie pour la gestion de leurs chaînes logistiques et dans un deuxième temps, nous mettons en évidence les mesures institutionnelles et les premiers résultats dégagés qui découlent de la stratégie marocaine de développement de la compétitivité logistique.

1- Les contraintes de développement du marché de la prestation de services logistiques au Maroc  
 Les acteurs rencontrés ont mis l'accent sur 04 contraintes majeures qui ne favorisent pas le recours au marché de la prestation de services logistiques

- L'informel

Si quelques groupes de taille critique opérant dans la grande distribution moderne et quelques grandes entreprises marocaines sont les seules qui font appel aux expertises des PSL, la majorité des PME marocaines s'appuient sur leurs propres ressources logistiques ou recourent au marché informel. Les impacts de l'informel ne sont pas des moindres pour les PSL structurés.

En effet, d'après les professionnels, l'informel ne favorise pas le recours à des PSL. Dans le secteur de la distribution par exemple, les clients des entreprises agro-alimentaires ne sont autres que les grossistes et distributeurs qui vendent à leur tour aux détaillants. Il est connu que ces derniers ne tiennent aucune comptabilité. Ils paient généralement leurs fournisseurs en argent cash qui servira à rémunérer les industriels. Par conséquent, les grossistes ou même les industriels ne peuvent pas contractualiser avec des PSL structurés qui sont obligés de garder une traçabilité sur les flux.

Pour toutes ces raisons, tant que les pratiques commerciales sont dominées par l'informel, le marché de la prestation de services logistiques n'intéressera qu'un segment restreint composé des entreprises matures et transparentes.

- Absence d'un cadre réglementaire

Le secteur logistique ne dispose d'aucune réglementation qui lui est propre, et souffre également d'un manque de normes logistiques marocaines avec tout ce que cela a comme rapport avec les bonnes pratiques. L'objectif est d'émettre certaines règles concernant les conditions de la pratique de la logistique, les conditions d'accès à la profession logistique pour des prestataires comme les 3PL, les acteurs de la messagerie ou les transitaires, l'emplacement des zones logistiques, etc.

- Manque de plateformes logistiques

Le développement de la prestation de services logistiques au Maroc repose sur la disponibilité des plateformes logistiques ayant des caractéristiques particulières. Or, les acteurs rencontrés déplorent la cherté du foncier dans les grandes villes ce qui ne favorise pas l'investissement dans des actifs logistiques et par conséquent, les initiatives des PME quant au recours au marché de la prestation de services logistiques sont limitées compte tenu de la faible capacité logistique des entrepôts exploités par les PSL.

- Manque de compétences logistiques

Le marché de la prestation de services logistiques ne peut pas se développer sans compétences logistiques, du côté des chargeurs, comme du côté des PSL. Aujourd'hui, même s'il y a une pléthore d'offre de formation prestées par des écoles de commerce prestigieuses et des facultés proposant des formations supérieures en logistique, les acteurs rencontrés regrettent une certaine inadéquation entre les profils existants sur le marché et les besoins du secteur. En effet, les PME et les PSL ont le plus besoin, aujourd'hui, de profils de techniciens spécialisés, à même de remplir des tâches bien spécifiques, comme la préparation des commandes, les opérations de manutention, etc.

Les chargeurs et les PSL sont unanimes que le manque en compétences logistiques ne favorise pas le recours au marché de la prestation de services logistiques.

## 2- Changement institutionnel : stratégie marocaine de développement de la logistique

Conscient des contraintes logistiques freinant le développement du marché de la prestation de services logistiques, le gouvernement marocain en partenariat avec la CGEM représentant le secteur privé ont déployé à partir de 2010, une Stratégie Nationale pour le Développement de la Compétitivité Logistique pour pallier aux insuffisances constatées. Les principaux axes de la nouvelle politique dans le domaine du transport et de la logistique sont :

Figure 02 : Les axes de la stratégie nationale de développement de la compétitivité logistique, (AMDL, 2010)



Cette stratégie, qui est le fruit d'une collaboration et d'un partenariat public-privé, s'articule autour de trois grands axes d'actions métiers et de deux axes d'accompagnement transverse.

- **Développement du réseau national intégré de zones logistiques**

L'épine dorsale de la stratégie logistique consiste à développer un réseau national intégré de zones logistiques multi-flux couvrant l'ensemble du territoire et répondant aux besoins logistiques de chaque région. Prévu pour répondre aux besoins du pays à horizon 2030, la superficie de ce réseau est estimée à 3300 ha destinée à sécuriser pour une assez longue période et d'une manière large et suffisante le besoin en foncier logistique et immuniser le secteur contre toute spéculation foncière ou immobilière qui viendrait renchérir injustement les coûts logistiques.

Avant la mise en place de la stratégie logistique, il n'y avait pas beaucoup de superficies destinées à recevoir la logistique. Aujourd'hui, le royaume dispose dans l'ensemble des régions de quelques 550 hectares aménagés prêts à recevoir les investissements logistiques. Pas moins de 200 hectares à Casablanca, le poumon de l'économie nationale et le reste un peu partout dans les autres régions du territoire national (Tanger, Agadir).

- **Optimisation et massification des flux**

Cet axe a été traduit par la signature de trois contrats sectoriels pour les 3 flux logistiques jugés cruciaux pour l'économie nationale. À savoir le contrat pour les flux import-export, avec ses flux de biens industriels et agricoles, le contrat traitant les flux de la distribution interne, notamment ceux de la distribution traditionnelle et de la distribution moderne et le contrat pour les flux de matériaux de construction.

Depuis 2014, l'opérationnalisation des actions des contrats d'application sectoriels a démarré par l'ouverture de plusieurs chantiers par l'AMDL, notamment :

- Chantier visant la structuration de la logistique urbaine du contrat distribution interne
- Chantier visant la sensibilisation à l'externalisation des activités logistiques
- Chantier visant le renforcement de la réglementation en vigueur relative au secteur de la logistique

- Développement des PSL intégrés

Cet axe met en évidence la nécessité d'appuyer le développement et l'émergence de PSL performants capables d'apporter une offre logistique compétitive aux standards internationaux et de créer de la valeur.

Dans ce sens, l'Etat compte mettre à leur disposition des infrastructures, de l'immobilier et du foncier logistique à des prix très abordables et les accompagner pour devenir des PSL intégrés. Il veillera également à renforcer la réglementation afin de protéger les PSL et les encourager à investir et à améliorer davantage leurs offres.

- Formation aux métiers de la logistique

L'élaboration et l'exécution d'un plan de formation et de développement des compétences dans les métiers de la logistique non seulement pour satisfaire les nouveaux besoins du secteur mais également pour mettre à niveau l'existant, trois objectifs principaux découlent de cet axe :

- Doter le secteur des effectifs et des profils dont il a besoin urgemment
- Veiller à ce que, à moyen et long terme, les formations dispensées soient de qualité et suffisamment diversifiées pour pallier les lacunes du système actuel et atteindre l'excellence
- Et enfin mettre en place les mécanismes et les outils pour assurer une adéquation dynamique et continue entre l'offre et la demande en matière de compétences et d'effectifs dans les métiers de la logistique

Dans ce cadre, la formation fait l'objet d'une feuille de route spécifique 2014-2020 basée sur trois axes. Le premier axe consiste à développer l'offre en termes de formation de manière plus ciblée sur des profils d'opérateurs, de cadres supérieurs etc. Le deuxième point, c'est la diversification et l'amélioration de la qualité de l'offre de formation, en introduisant de nouvelles filières de formations alternées, ainsi que des outils qualitatifs, notamment, un référentiel des emplois et des compétences dans le métier de la logistique et d'un système de labellisation des acteurs. Le troisième, concerne l'adéquation entre l'offre et la demande du marché.

## **VII. CONCLUSION**

La réflexion conceptuelle menée dans ce papier a présenté un aperçu sur la maturité du marché de la prestation de services logistiques en s'appuyant sur des travaux de recherche francophones et anglophones. Cette maturité s'explique par la mutation des prestataires de services logistiques de simple exécutant des activités traditionnelles de transport et d'entrepôt à de véritables intégrateurs facilitant ainsi la gouvernance des chaînes logistiques. Ce développement spectaculaire des PSL a été accompagné par l'investissement dans des actifs spécifiques tels que les plateformes logistiques, les technologies d'information et surtout en compétences et expertises logistiques.

L'étude empirique menée a démontré, qu'au Maroc, les PSL ne jouent pas le rôle qui leur est dédié vis-à-vis des PME. La réalisation des activités logistiques est effectuée par les propres moyens de la « hiérarchie » et ce, pour plusieurs raisons qui relèvent essentiellement de l'environnement institutionnel qui ne favorise pas à ce jour l'essor d'un marché de la prestation de services logistiques qui répond aux besoins spécifiques des PME marocaines.



Dans cet environnement institutionnel plutôt défavorable, il convient de souligner en premier lieu que les transactions réalisées dans le milieu informel n'encouragent pas le recours à des PSL structurés pour des raisons de traçabilité des flux et de transparence. En deuxième lieu, la cherté du foncier logistique et le manque de plateformes logistiques surtout au niveau des régions lointaines ne favorisent pas le développement d'un marché destiné exclusivement aux PME. Troisièmement, le manque d'un cadre réglementaire renforcé par des lois, des règlements et de mesures incitatives n'encouragent pas le développement des PSL professionnels à même de proposer des services adaptés au contexte des PME. Finalement, le manque de compétences logistiques du côté des PME marocaines comme du côté des PSL n'incitent pas au développement de la logistique contractuelle.

Eu égard à ces éléments empiriques, la réalisation des activités logistiques par les ressources propres des PME à travers une structure de gouvernance s'appuyant sur la « hiérarchie » n'est pas un choix délibéré, mais forcé étant donnée les faiblesses institutionnelles soulevées.

Conscient de ces contraintes, les pouvoirs publics et le secteur privé ont mis en place une stratégie en 2010 pour insuffler un changement institutionnel. Nous pouvons d'ores et déjà déclarer que cette stratégie commence à dégager signes positifs. Les chantiers relevant de la stratégie logistique soutiennent l'émergence d'un marché structuré de la prestation de services logistiques, mais le chemin est encore long pour faire naître une véritable industrie logistique performante en phase avec les tendances internationales.

Dans ce contexte dynamique, plusieurs questionnements méritent des réflexions pour expliquer finement les problématiques d'arbitrage entre les structures de gouvernance fondées sur la « hiérarchie » ou sur le « marché » pour réaliser les activités logistiques en Afrique. De tels questionnements peuvent s'intéresser à l'impact du développement des infrastructures logistiques (Plateformes logistiques, Ports, autoroutes, etc.) sur l'encouragement de l'implantation des PSL étrangers en Afrique ou bien, l'influence des compétences logistiques sur le développement de l'externalisation logistique au recourant aux expertises des PSL, etc. Ces questionnements peuvent en induire d'autres pour étudier les mesures institutionnelles à mettre en place par les gouvernements des pays africains afin de dynamiser le marché de la prestation de services logistiques au niveau de leurs pays mais également au niveau de l'ensemble du continent Africain. En effet, ces questionnements s'alignent parfaitement avec les faits relatés dernièrement par la presse professionnelle sur les enjeux de l'intégration commerciale des pays africains, notamment par le développement d'une logistique efficace.



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## ANALYSE THÉORIQUE DES APPROCHES DU RISQUE PAYS

**Porobayiré KAMBOU**

### ABSTRACT

Le risque pays reste de nos jours un concept multifacette difficile à définir. Cette difficulté de sa définition résulte des différentes approches qui en sont faites. L'objectif de ce papier (purement théorique), est d'une part de relever les différentes approches du risque pays, de présenter quelques méthodes d'évaluation basées sur ces dit approches et d'en relever leurs limites, et d'autre part, de mettre en évidence des éléments du contexte international actuel pouvant affecter la définition du risque pays ainsi que son évaluation à travers la mise en évidence d'une nouvelle approche dite de l'approche du risque pays global.

**Keywords:** Risque pays, évaluation, contexte international, mondialisation, risque pays global

**Classification JEL :** F20, F30, F60

## **I. INTRODUCTION**

Depuis son apparition lors de la nationalisation du Canal de Suez en 1956 par Nasser, le concept de risque pays a fait l'objet de plusieurs travaux, recherches et publications. Les différents auteurs, chercheurs et institutions qui ont étudié le sujet, ont défini le risque pays en se basant sur la compréhension qu'ils avaient du concept.

Cette difficulté dans l'harmonisation des définitions et des compréhensions du risque pays s'explique par le fait que le risque pays est multidimensionnel et omniprésent dans les échanges internationaux de nature financière (Gautriaud, 2002).

Pour appuyer cet aspect multidimensionnel du risque pays, nous allons rappeler quelques définitions du concept :

Nagy (1984), définissait le risque pays comme « l'exposition à une perte d'un prêt transnational causée par des événements particuliers internes d'un pays emprunteur qui sont, tout ou partie, sous contrôle gouvernemental, mais absolument pas contrôlables par une société privée ou un individu. ». Dans sa définition, Nagy limite le risque pays aux prêts internationaux d'où une approche trop réductrice du concept.

Marois (1990) quant à lui, explique que le risque pays est « le risque de matérialisation d'un sinistre, résultant du contexte économique et politique d'un Etat étranger, dans lequel une entreprise effectue une partie de ses activités. ». Dans cette définition il est clairement dit que le risque pays ne concerne que les entreprises, ce qui exclut un certain nombre d'agents économiques qui, peuvent être affectés par le risque pays.

De ces deux définitions, il ressort que les auteurs n'ont pas tenu compte de tous les éléments pouvant être concernés par le risque pays. Une analyse similaire peut se faire aussi sur la définition du risque pays proposé par plusieurs autres auteurs et qui apparaissent incomplètes. Par exemple Boysson en 1997, définissait le risque pays comme « comme une analyse et prévision de la capacité et de la volonté d'un pays de faire face à ses obligations contractuelles à l'échéance. »

Pour Clei (1998), le risque pays est « l'ensemble des paramètres –macroéconomiques, financiers, politiques et sociaux – qui peuvent contribuer à la formation d'un risque autre que strictement commercial lors d'une opération avec un pays émergent ».

La définition plus complète à notre sens est celle de (Mikdashi, 1998) qui pense que « le risque pays "s'applique aux différentes formes d'endettement, qu'il s'agisse de créances non négociables (bancaires ou non bancaires) ou de titres de portefeuille d'investissement ou de négoce et provient de l'incapacité ou du refus d'un pays à fournir les devises nécessaires pour satisfaire les engagements financiers de l'Etat, ou des agents économiques privés opérant dans ce pays. ».

Comme démontré plus haut, il n'y a pas de consensus sur la définition du risque pays. De ce fait, les méthodes utilisées pour son évaluation sont aussi multidimensionnelles. Ce qui est plutôt logique dans le sens où chaque analyste basera son évaluation sur la compréhension qu'il a du concept. En somme, il y aura autant de méthodes d'évaluation que de définitions.

Actuellement, le risque pays est évalué par les agences de notation financière (Standard & Poor's, Moody's, Fitch Ratings) ainsi que par les sociétés d'assurance-crédit (Euler Hermes, Coface, Atradius) ainsi que par des institutions internationales et des banques d'investissement. Mais le contenu informationnelle de ces évaluations sont différentes puisque les méthodes utilisées ne sont pas les mêmes.

L'objectif de ce papier (purement théorique) est donc de permettre à ceux qui le voudraient, de bien cerner d'une part les différentes approches traditionnelles du risque pays qu'on retrouve dans les différentes définitions, d'appréhender les tenants et les aboutissants de chaque approche. Et d'autre d'introduire à une nouvelle approche du risque pays.

Pour ce faire, notre propos sera présenté en trois (3) parties. La première partie présentera les approches traditionnelles du risque pays selon l'évolution historique du concept. La seconde partie quant à elle, présentera les méthodologies d'analyse du risque pays basées sur ces approches traditionnelles. Et enfin, dans une troisième section nous parlerons d'une nouvelle approche du risque pays à savoir l'approche du « risque pays global », qui est une approche qui a été proposée par deux auteurs Amewokunu et Su en 2009.

## **II. APPROCHES CLASSIQUES DU RISQUE PAYS**

Historiquement, les différentes approches classiques du risque pays ont été influencées par des crises. Il s'agit notamment des crises politiques des années 1960 et 1970, des crises de la dette des années 80 et des crises financières dans les années 90 (Bouchet et al. 2003). A chaque crise survenue, correspond donc une nouvelle approche du risque pays.

### **L'approche politique du risque pays**

Traditionnellement, les définitions du risque pays se réfèrent aux changements dans l'environnement politique pouvant avoir un effet néfaste sur les activités des entreprises étrangères. Le risque pays est alors défini comme le risque politique. La période concernée par cette approche politique du risque pays est la période allant des années 60 aux années 70. Durant cette décennie beaucoup de pays venaient d'acquiescer leurs indépendances vis-à-vis de leur colonisateur. Ce qui a remis en cause la stabilité des sociétés étrangères présentes dans ces pays. La plupart des recherches se focalisaient donc sur l'effet des décisions gouvernementales sur les affaires des firmes multinationales.

L'un des auteurs les plus connus de cette période est sans aucun doute Robock qui, en 1971 stipulait que « le risque pays survient dans les opérations internationales lorsque des changements prennent formes dans la sphère des affaires internationales, lorsque ces changements ne sont pas prévisibles et lorsque sont de nature politique. ».

Hofer & Haller (1980) qui, eux aussi ont travaillé sur le risque politique nous rappelle que les événements politiques ne sont pas des risques en soi, mais plutôt des sources potentielles. La conclusion qu'il convient de tirer de toutes ces contributions, est que les firmes multinationales doivent considérer l'environnement politique dans toutes leurs décisions d'investissement dans d'autres pays, les formes de gouvernement constituant alors un indicateur d'événements susceptibles de se produire à l'avenir (Green, 1974).

### **L'approche souveraine du risque pays**

Les relations entre les gouvernements hôtes et les entreprises multinationales ont aussi fait l'objet de recherches et de travaux de plusieurs auteurs. Les gouvernements des pays d'accueil usent généralement de leur souveraineté afin de poser des actes sociopolitiques ou pour préserver les sociétés locales des concurrents étrangers.

Knudsen, (cité par Amewokunu et Su, 2009), a développé en 1974 une approche dite écologique qui établit une relation inverse entre la frustration nationale et l'expropriation. Knudsen stipule que si la frustration nationale et les investissements internationaux sont élevés au même moment dans un pays, ce sont les investisseurs internationaux qui sont pris pour cible avec un risque d'expropriation élevé. Une approche dans la même lignée que celle de Knudsen est celle dit du « produit psychologique ».

Selon cette dernière, l'expropriation représente une satisfaction psychologique pour le gouvernement du pays d'accueil. Mais la limite, de ces deux approches est qu'elles réduisent le risque souverain au risque d'expropriation. Il conviendrait donc pour une analyse plus complète d'intégrer un certain nombre d'éléments tels que l'influence des politiques gouvernementales, l'influence des procédures administratives sur la performance des entreprises étrangères, les transactions commerciales et les contrats, les prix des facteurs de production, des biens et services (Agmon, 1985; Brouthers, 1995).

Si tous ces travaux traitent du risque pays comme la manifestation de décisions souveraines, le modèle le plus connu des relations entre les gouvernements des pays hôtes et les firmes multinationales et celle de (Vernon, 1971). Vernon a développé ce qu'il a appelé le modèle OBM (Obsolescing Bargain Model). L'hypothèse de base est que les firmes multinationales perdent, avec le temps, leur pouvoir de négociation au profit des gouvernements des pays d'accueil. Ces derniers ont alors plus de pouvoir pour imposer des mesures plus strictes comme l'augmentation des taxes voire l'expropriation complète pure et simple. Vernon considère la firme multinationale comme un acteur politique et non comme un agent passif.

Les auteurs ayant traité du risque politique ou du risque souverain ont eu une vision trop réductrice du risque pays. Cette vision ignore les aspects économico-financières des relations internationales.

### **L'approche économico-financière du risque pays**

Les années 80 - 90 ont été marquées par d'autres formes de crise différentes des crises politiques des 60 et 70. Il s'agit de la crise de la dette résultant de l'incapacité de certains pays du Tiers Monde à honorer leurs engagements. Le Mexique a été le point de départ de cette crise en 1982. Puis la crise s'est étendue pour toucher les pays de l'Amérique latine et de l'Afrique. A partir de ce moment la dette extérieure était devenue une préoccupation pour les prêteurs internationaux. Plusieurs chercheurs se sont donc intéressés au risque pays caractérisé par le risque d'endettement des pays, d'insolvabilité, de défaut de paiement et de non-transfert.

Saini & Bates (1984) définissent alors le risque pays alors comme l'ensemble des facteurs qui affectent la capacité et la volonté d'un pays à payer à échéance ses intérêts et à amortir sa dette extérieure.

D'autres travaux suivront sur la définition du risque pays en prenant en compte cet aspect économico-financier ou faisant une distinction entre les composantes du risque économico-financier (Nagy, 1984). Les trois approches classiques du risque pays ont influencé fortement les méthodes d'évaluation du risque pays. Cela se vérifie dans les méthodes d'évaluation de Coface. Dans les années 80, leur méthode était basée sur le ratio de dette extérieure. Et dans les années 90 ils y ont introduit l'aspect politique avec la chute de l'union soviétique. Et avec la crise financière mexicaine de 1994 ils ont été amenés à introduire l'aspect économique et financier du risque pays (Bouchet et al., 2003).

### **III. LES MÉTHODOLOGIES D'ÉVALUATION DU RISQUE PAYS**

Selon (Boujedra, 2006), l'évaluation du risque pays est devenue une nécessité opérationnelle actuellement puisqu'elle joue un rôle informationnel non seulement pour les gouvernements mais aussi pour les agents économiques. De ce fait, les agences chargées de l'évaluation du risque pays ont une certaine importance. Leur mission est d'évaluer et de rendre public les données sous forme de rating. Ces évaluateurs sont entre autres :

- Des agences de rating ou de notation qui s'intéressent au risque souverain : Fitch, Moody's et Standard & Poor's.
- Des compagnies d'assurance du commerce et du crédit tel que COFACE
- Des cabinets de consulting et d'expertise : Political Risk Services (PRS), Business Environment Risk Intelligence (BERI), Nord Sud Export (NSE), Economic Intelligence Unit (EIU).
- Des journaux financiers.

Les analyses de ces différents évaluateurs ne sont pas comparables selon Boudjera (2006), puisqu'elles ont un contenu informationnel qui diffère. Mais la principale caractéristique est que quel que soit l'évaluateur, les critères retenus entrent dans ceux plébiscités par les approches classiques du risque pays dont nous avons fait l'exposé plus haut, comme nous démontre le tableau 1 (Cf. Annexes). Sur vingt-quatre composants du risque pays retenus, treize touchent à l'aspect économico-financier du risque pays et onze aux facteurs politiques. En somme les méthodes utilisées par les différentes agences se limitent à cette vision traditionnelle du risque pays.



Plusieurs limites et plusieurs critiques ont été formulés à l'encontre de ces méthodes d'évaluation. Nous n'allons donc pas dans ce papier revenir sur les limites couramment évoqués. Nous allons nous concentrer sur d'autres aspects qui sont ignorés par les agences de notation et qui mériterait d'être pris en compte. Il s'agit notamment :

- De la non-prise en compte de l'influence des pays voisins comme facteurs de risque
- De la non-prise en compte des facteurs financiers et économiques d'influence externe
- De l'absence des facteurs sociaux et culturels du pays.

Ces différents facteurs sont des composantes à part entière du risque pays, mais ne sont pas intégrés dans les méthodes d'évaluation visées plus haut, puisqu'elles sont aussi absentes dans les différentes approches classiques du risque, d'où la nécessité d'envisager une nouvelle approche plus générale et plus complète du risque pays.

#### **IV. L'APPROCHE DU RISQUE-PAYS GLOBAL D'AMEWOKUNU ET SU**

Amewokunu et Su en 2009, dans un article intitulé « Repenser l'évaluation du risque-pays dans le contexte de la mondialisation », proposent une nouvelle approche du risque pays à savoir l'approche du « risque pays global ». Les deux auteurs sont partis du constat que le contexte international actuel rejette les visions particularistes et restrictives qu'offrent les approches classiques du risque pays. Pour eux, la mondialisation, avec les changements fondamentaux dans l'environnement international qui s'en suivent, impose une relecture de l'approche que nous devons avoir du risque pays.

Pour (Amewokunu & Su, 2009), les conséquences que la mondialisation a sur l'environnement international peuvent se résumer en ces points :

- Une globalisation des marchés financiers et une multiplication des sources de risque
- Une redéfinition du rôle des Etats et du champ d'exercice de leur souveraineté
- Une intégration commerciale et une division interrégionale de la production
- L'émergence des variables socio-culturelles comme dimension du risque pays

Grace à une étude Delphi réalisé par les deux auteurs, plusieurs variables ont été validés par les différents experts qui ont été interrogés. Pour Amewokunu et Su, « l'idée est de « conceptualiser le risque pays en y intégrant les variables extraterritoriales ». Ils proposent alors le concept de risque pays global qu'ils définissent « comme étant la possibilité qu'un changement imprévu se produise dans un pays donné et porte préjudice aux entreprises étrangères qui opèrent dans ce pays ou qui veulent y pénétrer. Ce changement résulte d'un ensemble complexe et interdépendant de facteurs financiers, économiques, politiques et socioculturels propres au pays cible et des influences que celui-ci subit de la part du reste du monde. ». Il s'agit de la définition la plus complète du risque pays puisque celle-ci prend en compte non seulement les facteurs internes mais aussi les facteurs externes au pays. Les variables socioculturelles y ont été aussi incluses. Contrairement aux définitions citées plus haut dans ce papier, celle-ci n'a pas une vision restrictive et particulariste du risque pays. C'est une approche plutôt généralisée, complète et actualisée, qui est faite du concept du risque pays.

Comme le montre le schéma 1 (Cf. Annexes), le concept du risque pays global prend en compte les facteurs suivants :

- Les influences externes pouvant affecter le pays
- Les facteurs économique financiers d'influence externe
- Les variables sociales et culturelles d'influence externe
- Les risques et facteurs internes du pays (économiques, financières, politiques et culturels).

Globalement le concept de risque pays global va au-delà de la conceptualisation classique du risque pays en y intégrant des variables imposés par la mondialisation.

## **V. CONCLUSION**

Le risque pays est un concept dont la compréhension et la définition ont évolué en suivant les plus grandes crises qui ont secoués l'environnement des relations internationales. De l'approche politique et souveraine des années 60, 70 et 80 en passant par l'approche économique financière des 90, le concept du risque pays reste de nos jours limité à ces approches que nous avons qualifiées de classiques. De ce fait les méthodes d'évaluation du risque pays actuels sont basées sur ces approches classiques.

Mais avec la mondialisation, il apparaît nécessaire de re-conceptualiser le risque pays. C'est exactement ce que nous proposent Amewokunu et Su à travers leur approche du risque pays global. Il s'agit de la prise en compte des changements induits par la mondialisation dans l'environnement international dans la définition du risque pays. Des nouvelles variables sont donc à considérer telles que l'influence externe et les variables socio-culturelles du pays.

Pour conclure, rappelons que notre papier avait pour objectif d'analyser théoriquement les différentes approches du risque pays pour permettre une compréhension du concept. De ce fait nous ne sommes donc pas rentrés en profondeur dans les différentes explications. Nous nous sommes contentés de rappeler les éléments que nous avons jugés importants et nécessaires à la compréhension de chacune des approches. Une suite possible pour ce travail serait de tester empiriquement cette nouvelle approche du risque pays en proposant une méthode d'évaluation globale qui prend en compte les nouvelles variables.

## VI. REFERENCES

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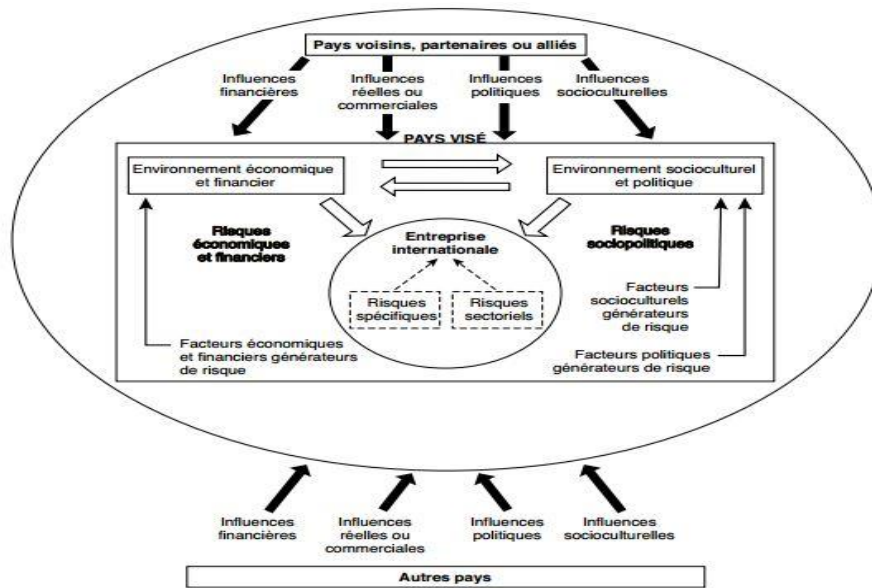
## VII. ANNEXES

Tableau 1 : Composantes de Rating du risque pays

Facteurs	B O A	B E R I	C R I S	E I U	I I C R	Moody's	PRS (ICRG)	PRS (COPL)	S & P	Réurrence du facteur
Compte courant et balance des paiements	✓	✓		✓	✓	✓	✓	✓	✓	8
Niveau d'endettement	✓	✓		✓	✓	✓	✓	✓	✓	8
Niveau de déficit	✓	✓		✓	✓	✓		✓	✓	7
Structure et croissance économique	✓	✓		✓	✓	✓		✓	✓	7
Taux de change et convertibilité des devises	✓	✓		✓		✓		✓	✓	6
PIB et PIB par tête	✓	✓		✓		✓		✓	✓	6
Coût du facteur travail et productivité		✓				✓		✓	✓	4
Niveau des réserves	✓			✓	✓	✓			✓	5
Taux d'intérêt				✓		✓		✓	✓	4
Accès aux marchés des capitaux		✓			✓	✓			✓	4
Niveau de liquidité		✓		✓			✓			3
Marché parallèle						✓	✓			3
Taux d'inflation		✓						✓	✓	3
Comportements et anticipations des agents		✓		✓	✓	✓	✓	✓	✓	7
Environnement politique		✓	✓	✓	✓	✓	✓	✓	✓	8
Accords internationaux et intégration régionale		✓			✓	✓	✓	✓	✓	6
Hétérogénéité des politiques, ethnies et religions		✓	✓	✓	✓	✓	✓		✓	7
Niveau de corruption et flexibilité des lois		✓	✓	✓		✓	✓		✓	6
Taux de criminalité et sécurité militaire		✓	✓			✓	✓		✓	5
Législation		✓				✓	✓			3
Nationalisation		✓				✓	✓		✓	4
Politiques régionales		✓				✓	✓		✓	4
Gestion des infrastructures et des collectivités locales		✓				✓			✓	3
Régimes coercitifs et conformité des lois		✓				✓				2

Source : (Erb, Harvey, & Viskanta, 1996).

**Schéma 1 : Schématisation du risque pays global**



**Source :** (Amewokunu & Su, 2009)