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ANALYSIS OF THE DETERMINANTS OF THE COMPETITIVENESS OF ALGERIAN COMPANIES

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ABSTRACT

Objective: This study aims to explore the role of strategic vigilance in achieving competitive advantage for economic institutions by analyzing its ability to provide strategic information about opportunities and threats in the competitive environment.

Theoretical Framework: The research is based on theories of competitive advantage, emphasizing strategic vigilance as a modern tool for monitoring, observing, and analyzing the external environment to enhance competitiveness.

Method: A descriptive-analytical approach was used, with data collected from a sample of economic institution stakeholders to examine the impact of strategic vigilance across demographic variables such as gender, age, and educational level.

Results and Discussion: The findings confirm that strategic vigilance is essential for achieving competitive advantage. No statistically significant differences were found in responses based on gender, age, or educational level, except for significant differences linked to the variable of professional experience.

Research Implications: The study highlights the importance of training managers and decision-makers in strategic vigilance, recommending regular workshops and practical applications to improve competitiveness in economic institutions.

Originality/Value: This research provides valuable insights into the significance of strategic vigilance as a foundational tool for competitive advantage, offering practical recommendations for its effective implementation in economic institutions.

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ANÁLISE DOS FATORES DETERMINANTES DA COMPETITIVIDADE DAS EMPRESAS ARGELINAS

RESUMO

Objetivo: Este estudo tem como objetivo explorar o papel da vigilância estratégica na obtenção de vantagem competitiva para as instituições econômicas, analisando sua capacidade de fornecer informações estratégicas sobre oportunidades e ameaças no ambiente competitivo.

Estrutura Teórica: A pesquisa baseia-se em teorias de vantagem competitiva, enfatizando a vigilância estratégica como uma ferramenta moderna para monitorar, observar e analisar o ambiente externo para aumentar a competitividade.

Método: Foi utilizada uma abordagem descritiva-analítica, com dados coletados de uma amostra de participantes de instituições econômicas para examinar o impacto da vigilância estratégica em variáveis demográficas, como sexo, idade e nível educacional.

Resultados e Discussão: Os resultados confirmam que a vigilância estratégica é essencial para obter vantagem competitiva. Não foram encontradas diferenças estatisticamente significativas nas respostas com base no gênero, na idade ou no nível educacional, com exceção das diferenças significativas relacionadas à variável de experiência profissional.

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Implicações da Pesquisa: O estudo destaca a importância do treinamento de gerentes e tomadores de decisão em vigilância estratégica, recomendando workshops regulares e aplicações práticas para melhorar a competitividade das instituições econômicas.
Originalidade/Valor: Esta pesquisa fornece insights valiosos sobre a importância da vigilância estratégica como uma ferramenta fundamental para a vantagem competitiva, oferecendo recomendações práticas para sua implementação eficaz em instituições econômicas.

Palavras-chave: Competitividade, Remuneração, Investimento, Dívida, Vendas.

ANÁLISIS DE LOS FACTORES DETERMINANTES DE LA COMPETITIVIDAD DE LAS EMPRESAS ARGELINAS

RESUMEN
Objetivo: Este estudio pretende explorar el papel de la vigilancia estratégica en la consecución de ventajas competitivas para las instituciones económicas, analizando su capacidad para proporcionar información estratégica sobre las oportunidades y amenazas del entorno competitivo.
Marco Teórico: La investigación se basa en las teorías de la ventaja competitiva, haciendo hincapié en la vigilancia estratégica como una herramienta moderna para monitorear, observar y analizar el entorno externo para mejorar la competitividad.
Método: Se utilizó un enfoque descriptivo-analítico, con datos recogidos de una muestra de actores de instituciones económicas para examinar el impacto de la vigilancia estratégica a través de variables demográficas como el género, la edad y el nivel educativo.
Resultados y Discusión: Los resultados confirman que la vigilancia estratégica es esencial para lograr ventajas competitivas. No se encontraron diferencias estadísticamente significativas en las respuestas en función del género, la edad o el nivel educativo, salvo diferencias significativas vinculadas a la variable de la experiencia profesional.
Implicaciones de la Investigación: El estudio pone de manifiesto la importancia de formar a los directivos y responsables de la toma de decisiones en materia de vigilancia estratégica, recomendando la realización de talleres periódicos y aplicaciones prácticas para mejorar la competitividad de las instituciones económicas.
Originalidad/Valor: Esta investigación aporta valiosas reflexiones sobre la importancia de la vigilancia estratégica como herramienta fundacional de la ventaja competitiva, ofreciendo recomendaciones prácticas para su aplicación efectiva en las instituciones económicas.

Palabras clave: Competitividad, Remuneración, Inversión, Deuda, Ventas.

1 INTRODUCTION

In a context of globalisation and increased competition, Algerian companies are struggling to identify the levers they can use to seize more opportunities and increase their market share, both nationally and internationally. Competitiveness has become a major issue for all economic players, as competitive advantage remains a difficult objective to achieve. This requires companies to mobilise new factors in order to consolidate their market position.

The aim of our article is to analyse the determinants of the competitiveness of Algerian companies in a particular context characterised by the health pandemic and the recession in the global economy. To this end, we have divided our work into three parts.

In the first part, we will try to remove the ambiguity surrounding the concept of competitiveness. The second part deals with the indicators and factors relating to the

competitiveness of companies. The last part will be devoted to our empirical analysis on a sample of 30 Algerian companies observed between 2021 and 2022.

2 BUSINESS COMPETITIVENESS: A LEVER FOR ECONOMIC GROWTH

Competitiveness does not have a universally accepted definition. It is a dynamic concept that can be evaluated at different levels. Competitiveness is seen as a complex and vague concept and the economic literature dealing with this subject shows that there is no unanimity on the definition of the term to guide researchers and even demonstrates the absence of a solid theoretical framework and a universally accepted definition. It is a term whose explanation varies according to the level of analysis, whether macroeconomic, mesoeconomic or microeconomic.

Moreover, (Hatzichronglou,1991) states that "the term competitiveness is often used by economists and public authorities even though there is no consensus as to its definition. Some authors use it in different ways". Economists have no clearly established theoretical framework for competitiveness. As a result, it is open to various interpretations, which it is crucial to distinguish.

Competitiveness at national level is based on higher productivity and on the economy's ability to redirect production towards high-productivity activities which, in turn, can generate high levels of real wages. Competitiveness is associated with rising living standards, increased employment opportunities and a nation's ability to meet its international obligations. It is often used as a measure of a nation's ability to sell abroad and maintain a trade balance.

At the microeconomic level, the analysis of a company's competitiveness is the subject of controversy between different approaches as to the definition of this concept and its basis. Some authors (Martinet, 1981; Pascallon, 1984; Rambhujum, 1984 ....) refer to competition, others (Porter, 1986; d'Aveni, 1985, ...), rather to the company's strategy in addition to competition, while a third group of authors (Fouquin, 1986; ...) focuses on the factors of competitiveness (Cost, differentiation...).

Despite the diversity of definitions found in specialised literature, there is general agreement on the basis of the concept of competitiveness, which is linked to the state of competition. (Bienaymé,1997) states that "*competitiveness fortuitously combines in a single word two terms which define its main ingredients: combativeness, which refers to a state of mind, and skills, which refer to know-how*".

Sharples & Milham, (1990) take a different view and interpret competitiveness as "the ability to supply goods and services when, where and in the form sought by foreign buyers, at prices as good as or better than those of other potential suppliers, while obtaining at least an opportunity cost return on the resources used". The authors state that this definition includes two types of competition. The first is that of a single sector in international markets, and the second is that of competition between sectors in domestic markets.

Porter's work (1986, 1998) identifies competitive advantage as a source of competitiveness, meaning that companies can gain a sustainable competitive advantage by positioning themselves in an attractive sector or market. Competitiveness at company level is closely linked to long-term company performance and a better return on investment for owners.

Therefore, to remain competitive, a company must undergo a process of continuous adjustment in response to the forces and factors involved in determining its competitive position in the market (Lachaal, 2001**)**.

3 FACTORS AND INDICATORS OF COMPANY COMPETITIVENESS

Defining competitiveness satisfactorily is a challenge, as is measuring it. After the Second World War, various indicators were used to assess competitiveness. These include growth in output, sales, assets and the number of people employed, which are often regarded as benchmarks for measuring a company's economic performance.

The definition of competitiveness given by the World Economic Forum (1994) takes into account two pillars of competitiveness: price and non-price, defining it as "*the immediate and future ability, and opportunity, for entrepreneurs to use resources globally to determine price and quality characteristics of their goods that are more attractive than those of foreign and domestic competitors*". A company's competitiveness is therefore analysed on the basis of two essential components: cost and total quality. Quality here refers to the preference of one product over another at the same price. This dual approach highlights two major components of competitiveness: quantitative and qualitative. This definition allows us to distinguish, from an economic point of view, two dimensions of competitiveness: price competitiveness and non-price competitiveness.

Bienaymé (1997) explains that a company's competitiveness can be difficult to understand by trying to pursue a single objective to which a quantified result indicator would

correspond. According to the author, “a company is considered competitive when its return on equity and sales growth exceed those of its main competitors”.

Lacchal (2001), analyses the indicators relating to market share to capture both non-price and price competitiveness factors. As well as indicators relating to profit, such as measures of the company's gross and net margins, and indicators of price-cost behaviour.

Furthermore, productivity is often used as the most relevant indicator for measuring company competitiveness (Porter, 1990). It has often been called a substitute for competitiveness and a good indicator of a company's long-term competitiveness.

According to (Mucchielli, 2002), “...a certain number of ratios could be calculated, such as economic profitability, or profit rate (overall gross surplus/capital employed), learning productivity of labour (overall value added/employees), margin rate (gross operating surplus/overall value added), self-financing rate, market share, etc”. These indicators can be used to classify companies according to their competitiveness, either to compare them with each other or to assess the competitiveness of two or more homogeneous groups.

Researchers have even used econometric models to represent the multidimensional nature of this concept Garelli (2006). Nevertheless, the majority of indicators used to measure competitiveness all have their limitations and should therefore be used with caution.

It should be noted that price competitiveness is assessed in two different ways, either by price or by cost, depending on the origin of the competitiveness factors. Price competitiveness is achieved through productivity gains, in particular through a policy of economies of scale or through the development of technical progress aimed at achieving productivity gains. Cost competitiveness, on the other hand, is achieved by reducing production costs, in particular by cutting the cost of labour or the cost of raw materials, (Talmenssour, 2022).

4 EMPIRICAL STUDY

Our descriptive study on the determinants of the competitiveness of Algerian companies was conducted on a sample of 30 Algerian companies. We used the financial statements of these companies (balance sheets and income statements) for the fiscal years 2021 and 2022. The information was extracted from the Official Bulletin of Legal Announcements (BOAL) No. 59 for the Wilaya of Bouira.

4.1 OVERVIEW OF DESCRIPTIVE RESULTS

Data of the current study was collected by the researchers from target enterprises over the period of two years (2021 and 2022); all descriptive results, including measures of central tendency, dispersion, skewness, and kurtosis, are presented in the tables and figures below:

Table 1

Descriptive Statistics (Competitiveness Factors 2021)

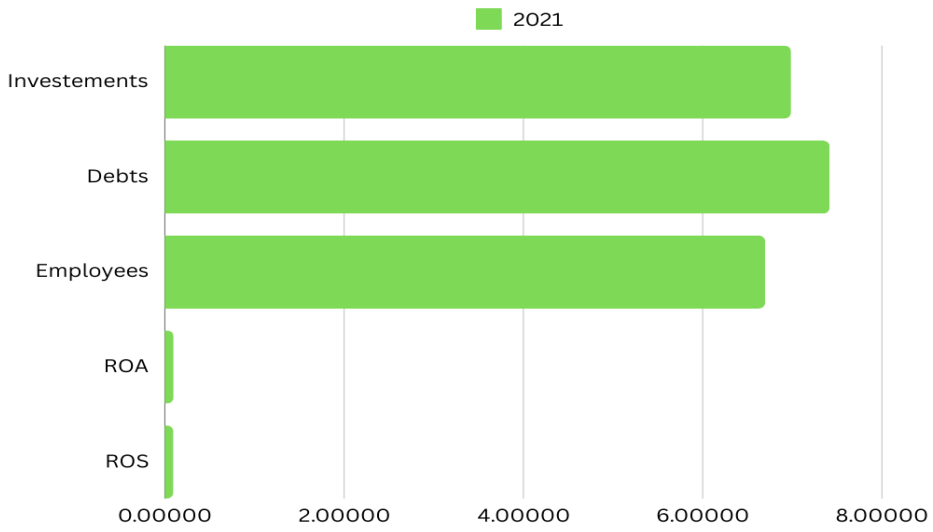
Factors	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
Investments	4.8400	8.9960	6.9855	1.1229	0.333-	0.308-
Debts	5.3660	9.5980	7.4161	0.9232	0.086-	0.141-
Remuneration of employees	5.2250	7.9170	6.6978	0.7338	0.073	1.002-
ROA	0.0010	0.8980	0.0970	0.1650	4.211	20.289
ROS	0.0010	0.5870	0.9560	0.1427	2.723	6.651

S.D = Standard Deviation
ROA= Net income/Total assets
ROS = Net income/Sales

Source: By the researchers relying on SPSS25

Figure 1

Row Chart (Competitiveness Factors 2021)



Source: by the researchers

Table 2

Descriptive Statistics (Competitiveness Factors 2022)

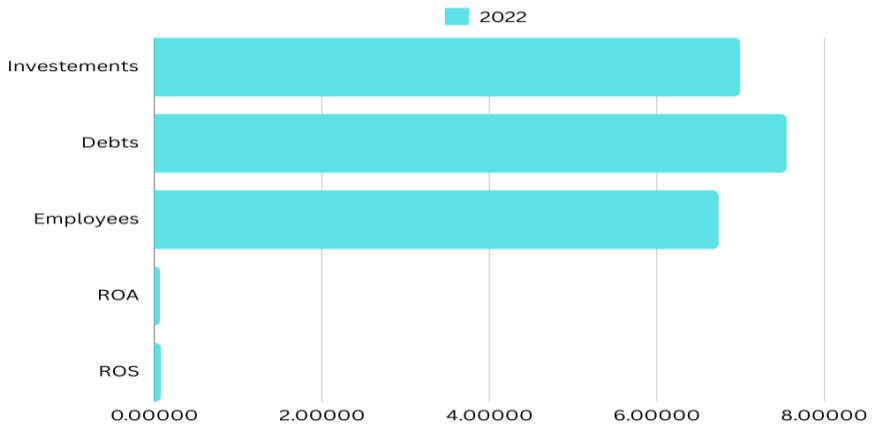
Factors	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
Investments	4.7210	9.0830	6.997	1.1580	0.442-	0.296-
Debts	5.7080	9.6080	7.5499	0.9021	0.020-	0.383-
Remuneration of employees	5.2250	7.9390	6.7388	06832	0.052-	0.513-
ROA	0.0030	0.1700	0.0647	0.0492	0.669	0.583-
ROS	0.0110	0.4960	0.0813	0.0920	3.586	14.814

S.D = Standard Deviation
ROA= Net income/Total assets
ROS = Net income/Sales

Source: By the researchers relying on SPSS25

Figure 2

Row Chart (Competitiveness Factors 2022)



Source: by the researchers

In regards to both "investments" and "the number of employees", we noticed that all enterprises exhibit relatively stable data between 2021 and 2022 with mean values of approximately (6.99) for investments and slightly increased value from (6.6978) to (6.7388) in regards to employees. The standard deviation of the two indicators confirms this stability, showing minimal variation around the averages, which suggests that most companies are maintaining similar levels of investment and number of employees, with no significant fluctuations.

The skewness and kurtosis results suggest a symmetric and normal distribution of this data. However, the "debts" of these enterprises notes a slight increase in mean values from (7.4161) in 2021 to (7.5499) in 2022 with symmetrical skewness and kurtosis close to (0, suggesting a normal distribution of data and indicating that the changes in debt levels are consistent across the enterprises without extreme variations or outliers.

In 2021we note that the mean value of "ROA" was (0.0970) with a standard deviation of (0.1650) which can be explained by a relatively wide variation in the return on assets across the enterprises, in contrast, the mean value in 2022 decreased to (0.0647) with a smaller standard deviation value of (0.0492), indicating less variability in assets among them compared to the year 2021. Such results are also reflected by the skewness and kurtosis of "ROA" in both years, where we found that in year 2021 the strong positive value of skewness (4.211) alongside the values of kurtosis (20.289) suggests that there is a significant variability and diversity between all enterprises. However in 2022 we notice fewer outliers and a more symmetrical distribution, as indicated by both skewness and kurtosis values, which is the reason behind our ability to assume that all enterprises experienced a more uniform return on assets.

In regards to the "ROS" factor, we note a decrease in mean values from (0.9560) in 2021 to (0.0813) in 2022, alongside a decrease in standard deviation values from (0.1427) to (0.0920), while skewness and kurtosis results demonstrate extreme variability in both years, with particularly high peak values in 2022, which in turn suggests that there are certain enterprises that are significantly performing higher than others in regards to net income/sales.

The results presented in Tables 1 and 2 suggest that Algerian companies adopt a stable management of their resources and liabilities - particularly in terms of investments, debts and number of employees. However, these results also highlight variability in their financial performance. The average data for the years 2021-2022 are presented below:

Table 3

Descriptive Statistics (Competitiveness Factors – Mean Data between20211-2022)

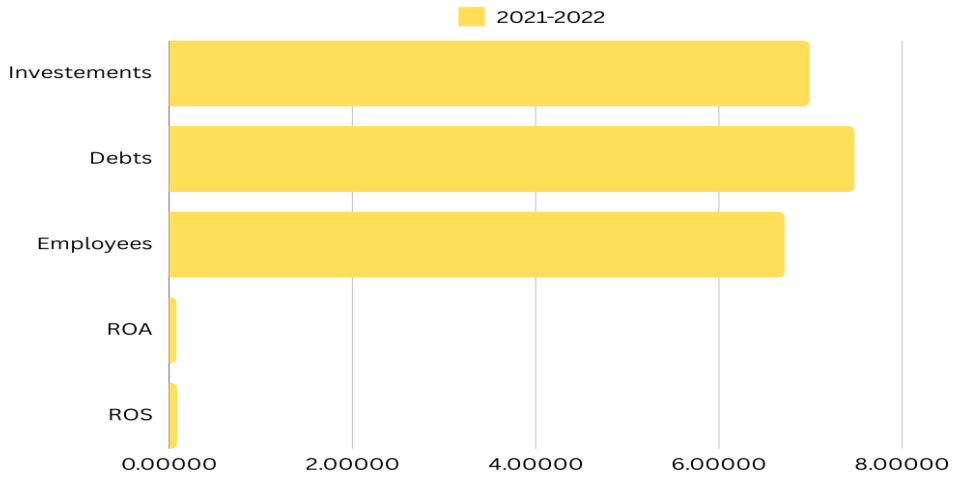
Factors	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis
Investments	4.78	9.04	6.9914	1.13673	-0.389	0.273-
Debts	5.54	9.60	7.48	0.90502	-0.092	0.273-
Remuneration of employees	5.23	7.93	6.7183	0.70363	0.033	0.799-
ROA	0.01	0.47	0.0822	0.09040	2.895	11.363
ROS	0.01	0.50	0.0885	0.10799	2.836	8.087

S.D = Standard Deviation
ROA= Net income/Total assets
ROS = Net income/Sales

Source: By the researchers relying on SPSS25

Figure 3

Row Chart (Competitiveness Factors – Mean Data between 2021-2022)



Source: by the researchers

4.2 COMPETITIVENESS KEY FACTORS (COMPONENTS)

The principal component analysis (PCA) was conducted to reduce the dimensionality of the dataset and identify key components underlying the variables. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was (0.631), and Bartlett's test of sphericity was significant ($\chi^2 = 74.045$, df = 10, $p < .001$), indicating that the dataset is suitable for PCA. Two components were extracted, accounting for (80.65%) of the total variance.

Table 4

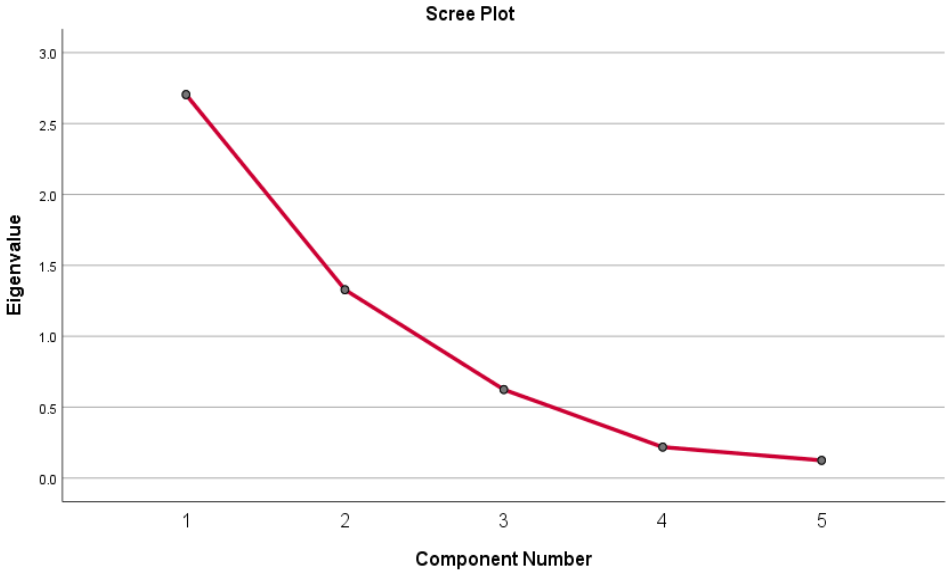
Rotated Component Matrix & Total Variance Explained

Factors	Component1	Component2	Total		% of Variance		Cumulative %	
			1	2	1	2	1	2
Investments	0.929	0.007	2.704	1.329	54.082	26.571	54.082	26.571
Debts	0.950	-0.101						
N° of Employees	0.882	-0.213						
ROA	-0.116	0.817						
ROS	-0.059	0.866						

Source: By the researchers relying on SPSS25

Figure 4

Row Chart (Competitiveness Factors – Mean Data between2021-2022)



Source: by the researchers

The first component (Financial Structure) explained (54.08%) of the variance and was strongly associated with investments, debts, and employees, suggesting an Investment-Employee Structure that characterizes larger, more capital-intensive enterprises. The second component (Performance) explained (26.57%) of the variance and was primarily associated with profitability indicators (ROA and ROS), highlighting a focus on Profitability. The rotation of these components using the Varimax method further confirmed these groupings, with high loadings observed for investments, debts, and employees in the first component, and profitability metrics in the second. These findings indicate distinct operational strategies and structures within the Algerian enterprises, offering insights into their competitive dynamics and areas for improvement.

4.3 DISCUSSION OF RESULTS

The findings from this study provide valuable insights into the competitive positioning and financial management of Algerian companies. The stability observed in investments and employee numbers from 2021 to 2022 suggests that companies in this sample tend to adopt a conservative approach to resource allocation, with minimal fluctuations in these areas. This stability might indicate a cautious investment strategy or constraints in expanding operational capacities, possibly due to economic uncertainties or limitations in accessing financial resources.

The slight increase in debt levels between 2021 and 2022 highlights a reliance on external financing, which could suggest either a growing need for liquidity or strategic borrowing to support operational continuity. However, the symmetrical distribution of debt indicates that these changes are consistent across companies, pointing to similar financing strategies within the sample.

In terms of profitability, the decrease in average ROA and ROS reflects a decline in overall financial performance. The high variability in ROS, especially, suggests that some companies face challenges in maintaining sales profitability, while others manage to perform relatively well. This disparity indicates a competitive environment where some companies may be better positioned to leverage market opportunities or manage cost efficiencies, while others struggle to do so.

The principal component analysis further clarifies these findings by identifying two distinct factors: financial structure and performance. The financial structure factor, heavily associated with investments, debt, and employee count, suggests a link between capital intensity and enterprise size. Larger companies appear more likely to exhibit stable investment and debt levels, aligning with established practices for managing resources and workforce size. The performance factor, closely tied to profitability indicators, emphasizes the diversity in financial outcomes, with some companies achieving stronger returns on assets and sales, indicating a focus on optimizing profitability.

Overall, these results underline the competitive dynamics within the Algerian market, highlighting both the resource stability and the variability in profitability among companies. To enhance competitiveness, Algerian companies may benefit from strategic initiatives that support sustainable growth, improve operational efficiencies, and foster resilience in profitability across diverse market conditions.

4.4 CONDUCTING A MULTIPLE REGRESSION FOR THE REVENUE INDICATOR (SALES)

To strengthen our study, and given that the data regarding the ROA and ROS indicators did not allow for a reliable regression, we opted for another indicator of competitiveness: sales. This choice enables us to better capture the operational performance of the companies studied and to examine more precisely the factors influencing their competitiveness.

This study examines the factors influencing sales performance of Algerian companies using a multiple regression model. The analysis is based on a sample of 30 companies observed over the years 2021 and 2022 and aims to determine how three explanatory variables — investments, debts, and employee remuneration — impact sales performance. The multiple regression was conducted using EViews software, and the results provide insight into the relationship between these financial management factors and company sales capacity.

Table 5

The first result of the regression

Dependent Variable: SALES
Method: Least Squares
Date: 03/30/24 Time: 15:47
Sample: 2021 2022
Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.200701	0.590891	2.032017	0.0469
INVESTMENTS	0.078922	0.087232	0.904733	0.3695
REMUNERATION_OF_EMPLOYE ES	0.890658	0.127784	6.970003	0.0000
DEBTS	0.015271	0.118780	0.128564	0.8982

R-squared	0.709135	Mean dependent var	7.897086
Adjusted R-squared	0.693553	S.D. dependent var	0.764089
S.E. of regression	0.422982	Akaike info criterion	1.181365
Sum squared resid	10.01916	Schwarz criterion	1.320988
Log likelihood	-31.44095	Hannan-Quinn criter.	1.235979
F-statistic	45.50974	Durbin-Watson stat	0.975071
Prob(F-statistic)	0.000000		

4.5 ANALYSIS OF RESULTS

The regression results indicate that the model has an **R-squared coefficient of 0.7091** and an **adjusted R-squared of 0.6935**, meaning that **about 71% of the variability in sales** is explained by the explanatory variables (investments, debts, and employee remuneration). This suggests that the model is relevant for explaining sales, although other unaccounted factors may also influence sales performance.

Regarding the explanatory variables:

- **investments**: with a coefficient of 0.0789 and a probability (p-value) of 0.3695, this variable is not significantly associated with sales in this model, which might indicate

that the impact of investments on sales is not immediately apparent or is counterbalanced by other factors in this context;

- **employee remuneration**: this variable has a **coefficient of 0.8907** with a very high level of significance ($p < 0.0001$), showing a strong and positive correlation with sales. This suggests that employee remuneration is a key factor in the sales performance of the companies studied. This may be explained by the direct impact of employee motivation and satisfaction on productivity and, consequently, on sales;
- **debts**: the coefficient of 0.0153 for debts, with a p-value of 0.8982, indicates that this variable has no statistically significant association with sales in this model. It is possible that the level of indebtedness of the companies studied does not directly influence sales or that its effect is offset by other financial variables.

The **F-statistic of 45.5097** and the **associated probability (p = 0.0000)** confirm that the model as a whole is statistically significant, indicating a robust linear relationship between the explanatory variables and the dependent variable (sales). However, the **Durbin-Watson statistic of 0.975** suggests positive autocorrelation in the residuals, which may indicate that the data are influenced by a temporal structure or factors not included in the model.

In conclusion, this analysis shows that, for the Algerian companies studied, employee remuneration is a key determinant of sales, while investments and debts have no significant effect. Companies could consider optimizing employee remuneration as a priority strategy to improve their sales while exploring other factors not included in the model to complement this analysis.

To optimize the conducted regression, we proceed by eliminating non-significant variables until only significant variables remain. The final results are as follows:

Table 6

Results

Dependent Variable: SALES
Method: Least Squares
Date: 03/30/24 Time: 15:50
Sample: 2021 2021
Included observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.193570	0.577420	2.067076	0.0432
REMUNERATION_OF_EMPLOYEES	0.990832	0.084967	11.66131	0.0000

R-squared	0.701010	Mean dependent var	7.897086
Adjusted R-squared	0.695855	S.D. dependent var	0.764089

4.6 ANALYSIS OF FINAL REGRESSION RESULTS

The final regression results present a model that investigates the relationship between employee remuneration and sales performance for a sample of companies. The analysis is based on 60 observations collected for the years 2021 and 2022.

4.6.1 Key findings

1. **dependent variable**: the dependent variable in this model is **sales**, which reflects the overall revenue generated by the companies in the sample;
2. **intercept (C)**: the intercept coefficient is **1.1936** with a standard error of **0.5774**, resulting in a t-statistic of **2.0671** and a probability (p-value) of **0.0432**. This indicates that the intercept is statistically significant, suggesting a baseline level of sales even when employee remuneration is zero;
3. **employee remuneration**: the most critical finding from this regression is the coefficient for **employee remuneration**, which stands at **0.9908**. This high coefficient, coupled with a standard error of **0.0850**, results in a t-statistic of **11.6613** and a p-value of **0.0000**. This indicates a strong positive correlation between employee remuneration and sales performance. Specifically, for each unit increase in employee remuneration, sales are expected to increase by approximately **0.9908 units**. The statistical significance of this result ($p < 0.001$) underscores the importance of employee compensation as a key factor influencing sales;
4. **model fit**: the **R-squared value of 0.7010** indicates that approximately **70.1% of the variability in sales** can be explained by employee remuneration. The **adjusted R-squared of 0.6959** suggests that the model is robust, taking into account the number of explanatory variables used. This level of explanatory power is considerable, reinforcing the relevance of employee remuneration in understanding sales performance;
5. **standard deviation of dependent variable**: the standard deviation of the dependent variable is **0.7641**, indicating variability in sales across the sample of companies.

Overall, the final regression results highlight a significant and positive relationship between employee remuneration and sales performance. This finding suggests that companies that invest more in employee compensation tend to achieve higher sales, likely due to increased employee motivation, productivity, and engagement. As a result, companies may benefit from

strategies aimed at enhancing employee remuneration as a means to drive sales growth. Future research could further explore the mechanisms through which remuneration influences sales and whether other factors may moderate this relationship.

5 GENERAL CONCLUSION

This study examined the determinants of competitiveness among Algerian companies through an in-depth analysis of financial data from 30 firms for the years 2021 and 2022. By focusing on key indicators such as investments, employee remuneration, and debts, we aimed to understand how these factors influence business performance, as measured by sales revenue.

The results of our analysis revealed that employee remuneration has a significant and positive impact on sales, suggesting that increased investment in employee compensation is associated with higher business performance. This relationship highlights the importance of strategic human resource management in driving employee productivity and engagement, which subsequently translates into positive financial outcomes.

Additionally, the descriptive analysis showed stability in investments and employee numbers within the studied companies, while debt levels have slightly increased, indicating a growing reliance on external financing. However, the variability observed in financial performance, particularly concerning return on assets (ROA) and return on sales (ROS), underscores a competitive environment where some companies stand out for their ability to leverage market opportunities.

In conclusion, to strengthen their competitiveness, Algerian companies must adopt integrated strategies that promote fair employee remuneration while optimizing the allocation of financial resources. This could include initiatives aimed at improving operational efficiency, diversifying revenue sources, and adapting to changing economic conditions. This study contributes to the understanding of competitive dynamics within the Algerian market and paves the way for future research on best practices in management and innovation in the sector.

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