



*The effectiveness governance of economic institution in
enhancing administrative creativity
- A field study of Algeria Telecom*

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Abstract ;

Through this study, our aim is to know the impact of the governance of economic institutions on administrative creativity in Algeria Telecom by relying on incentives and rewards representing corporate governance as an independent variable and administrative creativity as a dependent variable. To achieve the desired goals and results, we relied on the descriptive analytical approach, which is based on collecting and analyzing data from secondary and primary sources, we used a questionnaire as the main tool for information gathering, which was distributed to a sample of 31 individuals. We also relied in the statistical analysis on the 26-spss program, as well as personal appetizers and field observations as an aid in collecting them, as the study found a strong correlation between the dimensions of incentives, rewards and administrative creativity in the Algeria Telecom under study in Mostaganem. There is also a statistically significant effect at the level of significance 0.01 for the dimensions of the strength of moral incentives and material reward for administrative creativity. Finally, the study recommended the management of the institution to give more space to the freedom of discussion, ideas and proposals, as well as to give attention and acceptance to ideas and suggestions from time to time. He gave importance to showing recognition of the efforts of employees, especially those with creative abilities

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1. Introduction

Interest in the subject of corporate governance has increased in recent years (Al-Jalani, 2015, p. 114), as the subject of corporate governance is one of the most prominent topics that have attracted attention since the mid-nineties of the twentieth century, as it was created by unstable conditions and accidents that swept some global and local financial and business markets (Al-Khudairi, 2007, p. 7). Perhaps the most prominent of these are the economic collapses and financial crises witnessed by a number of East Asian countries, Latin America and Russia during the nineties of the twentieth century, in addition to the collapses of major American giants during the first years of the twenty-first century, such as: Enron Energy and the American telecommunications giant World Com, which is the second largest American telecommunications company, Finally, the global financial crisis that the world witnessed in the second text of 2008 (Al-Saeed & others, 2019, p. 1).

The word governance goes back to the ancient Greek word (Al-Hayali & Al-Ghazawi , 2015, p. 23) Kubernan (Safir & Boubaker , 2018, p. 9) expresses the ability of the captain of the Greek ship and his skills in piloting the ship (Al-Hayali & Al-Ghazawi , 2015, p. 23) Then he passed to the Latin language in the thirteenth century under the term Gubernare, which at that time meant the style of management or direction of the ship, Modern theories have contributed to the crystallization of the concept until it has received the great importance that it currently enjoys and the establishment of its theoretical structure, and the developments experienced by the concept of corporate governance were the result of the development of the economic, social and organizational environment that had a great impact on this concept (Safir & Boubaker , 2018, p. 9). One of the factors and reasons that have also led to the increased interest in governance is the acceleration of globalization (Al-Saeed & others, 2019, p. 9), as well as its role in maximizing the value of the enterprise in the market and ensuring its survival, growth and continuity at the international, regional and local levels (Al-Salami, 2002, p. 55). Mentioning these elements that each institution seeks to achieve, in addition to the application of governance, it must also strive for excellence, and excellence is not achieved by wishful thinking or imitation, but is achieved by planning, preparation and effort in order to get rid of administrative concepts that no longer keep pace with the times (Atallah & Al-Ashmawy, 2008, pp. 20-21), and to absorb and apply modern concepts stemming from the nature of transformations and prevailing conditions.

1.1. The problem of the study:

The problem that this study aims to answer is represented in:

- How effective are incentives and rewards in promoting administrative creativity in economic institutions?

1.2. Study variables:

the study is based on two variables

Independent variable: Incentives and Rewards (as a representative of corporate governance)

Dependent variable: administrative creativity

hypotheses of the study:

We sought to answer the problem of the study based on the following hypotheses:

H1: There is a statistically significant effect of material rewards on administrative creativity in Algeria Telecom;

H2: There is a statistically significant effect of moral incentives on administrative creativity in Algeria Telecom;

H3: There is a statistically significant effect between the study variables.

1.3. Objectives of the study:

- A reading of the concepts of the study variables (institutional governance and administrative creativity) to approximate the picture on the subject of the study;

Disclosure of whether there is awareness of the importance of administrative creativity at the level of Algeria Telecom;

- Disclosure of Detect the extent the availability of incentives to promote managerial creativity;

- Studying the nature of the relationship between the governance of economic institutions and administrative creativity based on the element of incentives and rewards through conducting a field study at Algeria Telecom.

1.4. Significance of study:

Despite the studies and research conducted on this topic, the field is still fertile and needs research studies in other sectors, especially in the developing world, including Algeria, which makes a study of this kind, like previous studies, open the door to different studies in the field of governance and administrative creativity. On the one hand, and on the other hand, the study derives its importance through the results and recommendations that can benefit officials in the administration, which enable them to make some improvements, increase their awareness, and stand at the shortcomings and address them, which face the application of governance of economic institutions, especially in terms of incentives and rewards that reflect positively on the administration and be a reason for enhancing creativity in it.

1.5. study methodology:

To delve into the subject and answer the problem, we relied on the descriptive analytical approach, where we presented some literature related to the variables of the study, and in order to test the hypotheses, we conducted a field study of Algeria Telecom Mostaganem and distributed a questionnaire to its employees, and we also used statistical tools to analyze the questionnaire, with some descriptive statistics measures and to extract and analyze the results, we used the statistics program 26 spss.

2. Literature review:

2.1. Overview of governance of Economic institutions:

Governance is a system for managing, monitoring and evaluating the performance and development used, and economic and service institutions of all kinds. Interest has increased globally, regionally and locally in rooting the concept of governance and consolidating its rules and practices (Hantash & El-Sayed Ahmed, 2019, p. 72). And this term created itself and imposed itself forcibly or voluntarily, as it was created by unstable conditions, turmoil and accidents swept by some financial markets (Al-Jalani, 2015, p. 115).

2.2 Definition of governance of Economic institutions:

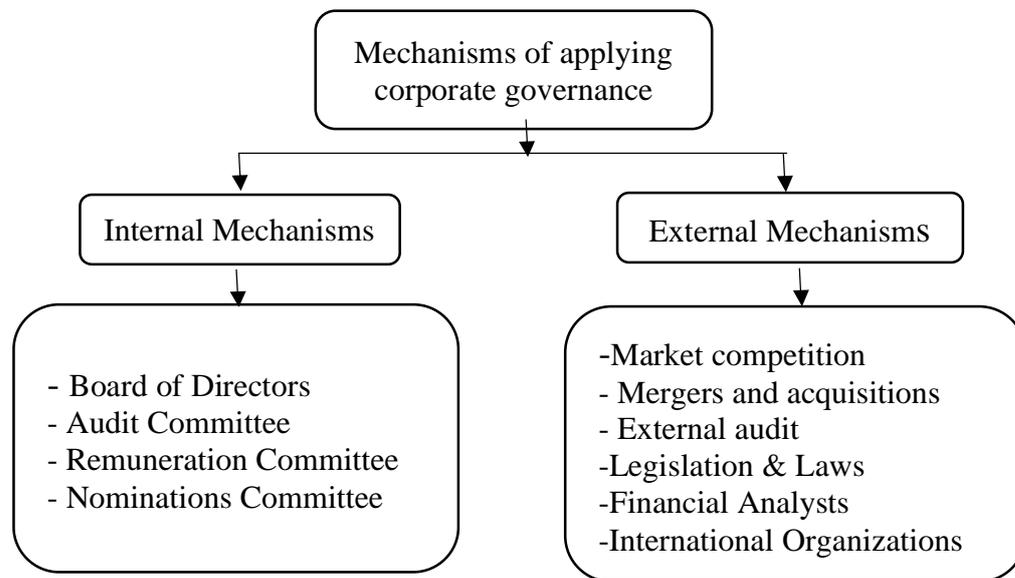
Despite the spread of the concept of governance and the pursuit of its application at the global level, there has been no agreement on a unified definition of it among specialists and those interested in its application. This may be due to the multiplicity of dimensions of this concept and its impact on the organizational, economic, financial and social aspects of the institution (Atallah & Al-Ashmawy, 2008, p. 1). The most important of these definitions are:

- Definition of the Cadbury Committee Report that: “ Governance is an integrated system of control that includes financial and other aspects, and is done through the management and control of the company”. (Cadbury Commission, 1992, p. 250)
- In 1999, the Organization for Economic Cooperation and Development (OECD) introduced the following definition: “ Governance is a set of relationships between the company's management, its board of directors, shareholders and other interested parties within the company, including the structure of the objectives set by the company, and the means to achieve those goals with specific and continuous control of performance”. (OECD, 2004)
- It was also defined as:” that system according to which the management and control of the institution is carried out and is concerned with giving the necessary means that allow finding a logical balance to avoid all personal deviations and is based on three basic pillars: the board of directors, auditing and managing the work of the institution”. (Jaques, 2007, p. 439)
- Therefore, it can be said that governance is: the sum of rules, systems, procedures (Ali & Shehata , 2009), mechanisms, laws and decisions that ensure discipline, transparency and justice, and therefore aims to achieve quality and excellence in performance by activating the actions of the management of the economic unit with regard to the independence of the economic resources available to it in order to achieve the best possible benefits for all relevant parties and society as a whole. (Center for Arab Private Enterprise, 2005)

2.3 Mechanisms and pillars of governance of economic institutions:

Corporate governance mechanisms come to bridge the gap that can occur between the owners and managers of the institution as a result of practices that can harm it, and corporate governance is classified as shown in the following figure:

Fig.1. Mechanisms for applying the governance of economic institutions



Source: (Fadawi , 2013-2014, p. 60)

The governance system is also based on a set of pillars that represent the main components of this system, which by relying on it can the institution can achieve its goals (Bouziane & Barbar , 2017). Among the most important of these pillars we find: (Safir & Boubaker , 2018, pp. 59-60).

- Legal controls: These controls require the existence of laws and legislation concerned with the rights of shareholders such as the right to vote, the election of the Board of Directors, the appointment of the external auditor, and also concerned with the organization of the Board of

Directors in terms of the statement of its qualities, responsibilities and independence.

- Audit and Administrative Systems Committee: Audit committees must be established within the company so that its members enjoy integrity, independence, sufficient scientific and professional qualifications, in order to ensure good disclosure, and the establishment of internal administrative systems with a high degree of competencies

- The existence of an effective governance system: It means the existence of a clear organizational structure that defines the authorities and responsibilities, and is assisted by a set of systems such as the internal control system and the responsibility accounting system, as well as key committees of the Board of Directors, concerned with the renewal, and permanent improvement of production lines, marketing, financing, and human resources, which in turn leads to supporting the efficiency of the institution and its ability to achieve its goals.

2.4. Purpose of good application of the governance:

Its purpose is to:

- Discipline: means following appropriate ethical behavior that is consistent with the responsibility given;
- Transparency: It is the timely disclosure of information sufficient to illustrate financial performance.
- Independence: It is freedom from various pressures and influences that would control the behavior of the parties involved in a certain direction and not the other. (El Hamalawy, 2005, pp. 331-332)
- Accountability: It is related to clarifying governance roles, responsibilities, and management efforts in order to ensure convergence between the interests of directors and shareholders.
- Responsibility: which can be achieved through the company's commitment to the rules and regulations before all stakeholders;
- Justice: It is achieved by securing the interests of shareholders, applying their contracts towards the companies in which they invest, and respecting their rights. (Safir & Boubaker , 2018, pp. 40-41)

2.5 Overview of administrative creativity:

Creativity today has become a necessity that insists on regimes, whether in political, social or administrative dimensions, and has become the criterion that judges some institutions to survive and be steadfast (Al-Sakarneh, 2011, p. 11).¹ As creativity is classified as there is technological creativity, creativity in products and services, administrative and organizational creativity which is what our study specialized in, administrative creativity.

2.6 The difference between creativity and innovation:

Creativity has been used in many researches synonymous with innovation³ (Khasawneh , 2011, p. 35) ,Some considered that the distinction between the two terms is related to their expression more than the fundamental difference between them (Ayoub, 2000, p. 6)⁴, While others consider them interconnected But they are based on a mutual relationship. Amabile believes that creativity is a creative mental process that leads to the production of useful, new and unfamiliar ideas by an individual or group of individuals

working together, while innovation depends on these ideas in the successful application of creative ideas. (Amabile , 1988, p. 123)

2.7 Definition of administrative creativity:

Managerial Innovation has been defined as: a set of variables that may affect the structure, process and organizational behavior, or it is the process of investing, developing and applying new ideas in the organization (Al-Faouri , 2005, p. 25). Some researchers believe that administrative creativity is the initiative shown by the employee or manager with his ability to deviate from the sequence. Ordinary or traditional thinking. This qualitative change is done through the process by which the employee becomes sensitive to problems and variables in knowledge and missing elements. When creative thinking is directed towards the requirements of administrative practical life. (Al-Sakarneh, 2011, p. 19)

2.8 the Stimuli Administrative creativity:

From the point of view of Quinn and Rivoli, motivation is one of the factors that promote creativity, as proven by many studies in different types of production and service institutions as well as research institutions in many developed countries, that creativity has traditions and standards, including: (Al-Faouri , 2005, p. 227)

- Support the risk-taking and change through prizes and rewards;
- Acceptance and existence of mistakes.

Among the most important Stimuli we mention:

- Scientific selection of individuals with promising intellectual abilities and skills;
- Assigning work appropriate to the characteristics of the individual, his mental abilities, desires and psychological and social orientations; (Khairallah, 2008, pp. 215-216)
- The absence of favoritism in the administrative unit; the possibility of achievement through the job, the possibility of moving from one job to another job on demand, the presence of high standards of excellence at work;
- The presence of appropriate rules and instructions for work;
- Recognition: ensures that there are rewards for individuals for their creativity in the administrative unit; (Al-Faouri , 2005, p. 228)
- Linking material and moral incentives to performance and levels of achievement at work;

- Providing learning and training opportunities and developing knowledge and mental and cognitive abilities;
- Holding the individual accountable for performance and delegating (or involving) him in decision-making;
- Raising the atmosphere of competition and challenge among employees and raising the desire for excellence and excellence through incentive systems;
- Developing communications, opening magazines of interaction, exchanging opinions and sharpening minds by raising questions that the institution is looking for answers;
- Develop a culture of continuous development and improvement and confirm commitment to total quality;
- Developing the culture of the institution favoring experimentation and try and avoiding blame and bashing when failure;
- Interest of superiors in ideas and suggestions submitted by subordinates (Al-Faouri , 2005, p. 227). Encourage individuals (and leaders at the forefront) to practice forward-thinking by making suggestions, developing methods, and taking responsibility for updating their work;
- Expanding decentralization and reducing close administrative control over performance;
- Develop a sense of responsibility and self-control and ensure accountability for results;
- Transparency in the announcement of performance evaluation standards and rewards for achievement. (Khairallah, 2008, p. 216)

3. Field study:

3.1 . Sample and population of the study: The research population consists of individuals working at Algeria Telecom in Mostaganem. We adopted the random sample method in selecting the research sample, which numbered 31 employees, the questionnaire was also distributed to them through field visits to the members of the research sample, take back from him 26 The questionnaire of this research was divided into two parts, where the first part was related to the farthest power of incentives and rewards, the first dimension is about moral incentives and the second part dimension is material rewards, and this section contained 20 phrases. As for the second section on administrative creativity and contained 10 phrases.

Table 1. Descriptive analysis of the personal data of the sample members

Variable	Option	Iteration			Ratio to total Iterations%
		M	F	Total	
Sex	Male	16	0	15	57%
	Female	0	11	11	43%
Total		15	11	26	100%
Age	Less than 30 years old	04	04	6	23%
	30-40 years	12	06	18	73%
	41-50 years	0	01	2	04%
	More than 50 years	0	0	0	%0
Total		15	11	26	100%
Education Level	high school	06	01	8	30%
	academic	09	10	17	96%
	Graduate	01	0	1	04%
Total		15	11	26	100%
Seniority	Less than 05 years	04	04	5	19%
	05-09 Years	09	07	17	65%
	10-20 years	03	0	4	15%
	More than 20 years	0	0	0	%0
Total		15	11	26	100%
Function	Head of Department	04	0	3	11%
	employee	12	11	23	88%
Total		15	11	26	100%

Source: Preparing researchers Depending on SPSS

3.2. Descriptive analysis of the personal data of the sample members: After retrieving 26 questionnaires valid for analysis, an average of 83%, the sample was close in terms of sexes where the number of males 15 At the rate of 57 %In return for women 11 at the rate of 43 %.

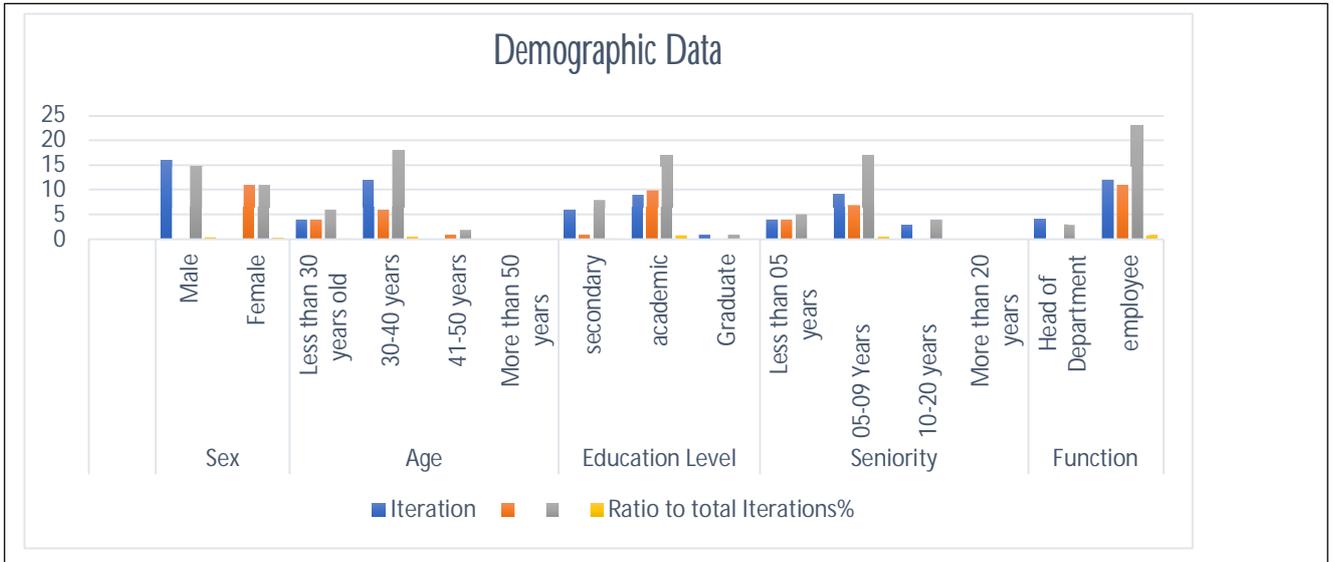
About age, they were (30-40 years) by73 % of the total sample, followed by23 % and 04% for both (Less than 30 years old) and (40-50 years) respectively.

About education level, the highest percent was for (academic) by96 % of the total sample followed by (high school) with 30% of the total sample, while 04% of the total sample were post-graduation.

About Seniority, they were (Less than 05 years) by 19% and (05-09 Years) with 69%, As the ratio of (10-20 years) 15%.

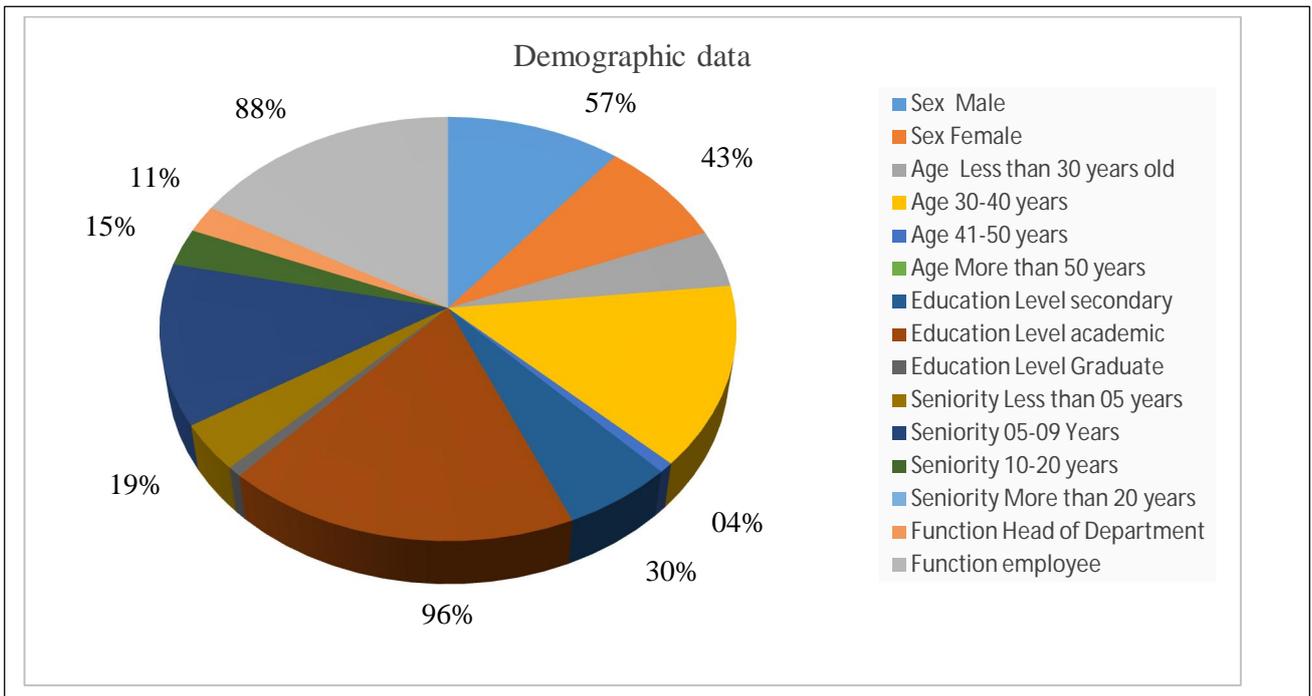
As for Function, the majority of the sample was employee by 88% either (Head of Department) 11%.

Fig.2. Demographic data of Study Sample



Source: Preparing researchers Depending on Excel

Fig.3. Demographic data of Study Sample



As is evident from the table and the two figures, all employees have a certain level of education, and the largest percentage of university graduates, along with a majority of more than 5 years of experience, in addition to this, the majority of them are young people, and this is what we also noticed in the field visit, and these points can be said to be indicators of the presence of some energy and ambition accompanied by new ideas.

3.2. Study the honesty and stability of the questionnaire: To check the stability and truthfulness of the study tool represented in the questionnaire, we resorted to calculating the Alpha Krumbach coefficient and the honesty coefficient and summarized the results in the following table:

Table 2. the honesty and stability of the questionnaire

The first variable: the dimensions of the power of moral incentives and material rewards			
Divisions		Phrases	Alpha Cronbach
the dimensions of the power of moral incentives	Working Environment	From 1 to 4	0.688
	Recognition of staff effort	From 5 to 9	0.708
	Staff Engagement	From 10 to 14	0.693
material rewards		From 15 to 20	0.654
All phrases The first variable		From 1 to 20	0.678
The second variable: administrative creativity			
All phrases of The second variable		From 20 to 30	0.607
All phrases of Questionnaire		From 1 to 30	0.767

Source: Preparing researchers Depending on SPSS

Through the results shown in the table, we conclude the stability and validity of the measurement tool represented in the questionnaire Since all the results of the Alpha Cronbach are positive for all statements of the dimensions of the power of incentives and rewards and for all statements of administrative creativity where he estimated 0.777 And 0.702 Respectively, as for the honesty coefficient, it was estimated at 0.802 all phrases of Questionnaire.

3.3. Study the opinions of the study sample: As shown in the following table, the majority of the opinions of the study sample were (ok) for the statements of the work environment, and unlike the answer to the statements of both recognizing the effort of employees and involving employees, the percentages were close between (ok) and (agree to some extent), all these elements involve moral incentives, and the matter is no different with material reward, as

opinions were divided between (agree), which was the largest percentage, and (agree to some extent).

Table 3. Study the opinions of the study sample

Divisions of the study		Ok	agree to some extent	Disagree
the dimensions of the power moral incentives	Working Environment	76.93%	21.8%	1.27%
	Recognition of staff effort	53.85%	44.2%	1.95%
	Staff Engagement	52.87%	47.13%	0%
material rewards		53.08%	46.92%	0%
administrative creativity		62.32%	37.68%	0%
Correlation Coefficient			0.628	
Significance level			0.005	
Coefficient of Determination			0.395	

Source: Preparing researchers Depending on SPSS

As we found a strong correlation between the dimensions of incentives, reward and administrative creativity, and this is after calculating the correlation coefficient, Incentives and rewards also have an impact on administrative creativity by 39.5% because the determination rate was 0.395.

4. Conclusion:

The governance of economic institutions is of great importance that cannot be siege, but through this study we tried to highlight a certain aspect of this importance, which is its effectiveness in enhancing administrative creativity, as we relied in this on incentives and reward as its representative to conclude at the end of this study that incentives and reward have an impact on administrative creativity by (39.5%).

Based on this study and through its parts, theoretical which clearly shows the importance and effectiveness of incentives and moral and material reward in promoting administrative creativity and its applied part, which was a field study of Algeria Telecom, we reached the following:

- There is a strong correlation between the dimensions of incentives, remuneration and administrative creativity in the Algerian Telecom institution under study in Mostaganem. where the correlation coefficient was estimated (0.628).
- There is a statistically significant effect at the level of significance 0.01 for the dimensions of the strength of moral incentives and material reward on administrative creativity at the level of Algeria Telecom Mostaganem.

5. Recommendations:

Based on the findings of this study and its findings, we make the following recommendations:

- Giving the management of the institution more space for freedom of discussion, putting forward ideas and submitting proposals, as well as giving attention and acceptance ideas and suggestions from time to time.
- Give importance to show recognition of the efforts of employees, especially those with creative abilities.
- Not only moral motivation, but also material motivation, such as giving gifts and honoring the plaintiff employees, even if on occasions such as Labor Day, for example, would create an atmosphere of competition within the institution.

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