

Socio-economic rationality of the wage model of the Sonatrach economic institution : Case study of SONATRACH, Downstream Activity Directorate, Oran

Fairouz BAHRI,

Doctoral Student University of
Oran 2 Mohamed Ben Ahmed (Algeria)

bahrifairouz@univ-oran2.dz

Houcine BENCHAREF

PHD University of
Oran 2 Mohamed BenAhmed (Algeria)

bencharef.houcine@univ-oran2.dz

Abstract :

This academic work addresses the wage policy of the economic institution Sonatrach, based on the concepts of roles and professional contributions, as an aspect of the socio-professional demands of human resources life in Algeria.

Through various theoretical and field readings of the research topic, we were guided to the fact that public policies for employment and wages in Algeria revolve around a quadrilateral (employment relationship - training - qualification - sector or activity of the institution), without taking into account other socio-economic inputs represented in (the nature of the organizational structure - professional roles - professional contributions - quality of efficiency - variables related to consumption and savings models - the composition and social characteristics of human resources - direct tax on individual income).

Our position on this academic work is to demonstrate the importance of the growth of the wage policy of Sonatrach as a model as an essence of economic rationality in Algeria.

Keywords: Wage policy; contribution; reward; management by objectives; economic institution; position; efficiency.

Rationalité socio-économique du modèle salarial de l'institution économique Sonatrach : Étude de cas de SONATRACH, Direction de l'Activité Aval, Oran

Résumé

Ce travail académique traite de la politique salariale de l'institution économique Sonatrach, en s'appuyant sur les concepts de rôles et de contributions professionnelles, en tant qu'aspect des revendications socio-professionnelles de la vie des ressources humaines en Algérie.

À travers diverses lectures théoriques et empiriques sur le sujet de recherche, nous avons été conduits à constater que les politiques publiques de l'emploi et des salaires en Algérie s'articulent autour d'un quadrilatère (relation d'emploi – formation – qualification – secteur ou activité de l'institution), sans prendre en compte d'autres déterminants socio-économiques représentés par (la nature de la structure organisationnelle – les rôles professionnels – les contributions professionnelles – la qualité de l'efficience – les variables liées aux modèles de consommation et d'épargne – la composition et les caractéristiques sociales des ressources humaines – l'impôt direct sur le revenu individuel).

Notre position dans ce travail académique est de démontrer l'importance du développement de la politique salariale de Sonatrach en tant que modèle incarnant l'essence de la rationalité économique en Algérie.

Mots-clés : *Politique salariale ; contribution ; rémunération ; gestion par objectifs ; institution économique ; position ; efficience.*

Introduction

We have observed through our readings of scientific theses in economic and social sciences that wage management policy has always been one of the most significant topics in scientific discussions related to human resources in Algeria. It reflects the economic institution's rationality in developing its workforce, particularly in terms of labor relations and supervision.

Given that we operate in a market economy that demands value creation and competition to attract talent, wage management plays a crucial role in shaping employee performance. It is also a key factor in social stability, a vital tool for strengthening the relationship between management and employees, and an essential element in the success of an institution's management strategy. While wages represent an institution's output, they simultaneously serve as inputs for workers.

The latter constitutes the most important key in the human resources development strategy, and it is also a basic commitment for the employee towards the human resource, thus forming a special relationship between the human resource and the employer , or between the human resource and the institution..

The serious and profound attempts of theorists to theorize about wages go back to Karl Marx (1847) when he attributed the wage to the industrialist who buys the work of his workers and pays them the wage. The human resource sells his work to the employer in exchange for the wage.

Perhaps its roots extend back to the period before **Taylor**, where human resources were paid based on the price and the quantity of pieces produced, so human resources produced more in order to obtain a high wage. Here, managers tried to arbitrarily reduce this price by imposing on human resources a lot of work in exchange for receiving the same wage, which explained the laziness of human resources, which Taylor criticized when he was inspired by the theory of the scientific organization of work to push human resources to work more by giving a high wage to every worker who exceeded the specified standard in production, and in return, every worker who produced less received less.(Foudriat, 2011)

Henri Fayol urged employers to ensure fairness in wage distribution to enhance employee satisfaction within the company. In his management principles, introduced in *Administration Industrielle et Générale* (1916), he emphasized that executives' wages should be based on their contribution to profits, while the wages of other employees were linked to their assigned tasks, along with benefits such as grants and compensation. This approach to wage distribution remained prevalent in many organizations until evolving labor movements and strikes, such as those in the early 20th century, led to further developments in wage policies.

The classical school considered material return to be the basic incentive for the worker, and that the response of this human resource is mechanical, but man is above all a social being who always seeks to satisfy his social needs in addition to his material needs.

Max Weber encouraged researchers in industrial studies and human resources to focus on analyzing wage and reward systems. In *Economy and Society* (1922), he examined the relationship between wage policies and the quality of

results, as well as the nature of work in terms of quality and quantity. His studies on bureaucratic organization and labor dynamics addressed issues such as workplace slowdowns in textile factories and the rise in worker complaints due to wage rationalization and increased production demands – factors that contributed to labor strikes. Weber attributed these slowdowns to workers' attempts to secure higher wages while maintaining the same working hours, as well as unfavorable internal or external industrial conditions (*Morsi, 1992*).

Theorists have tried to find and impose a standard model by establishing a unified global pattern in managing wages, but reality and experience have proven the impossibility of finding a motivational approach that can be applied to all human resources, in all situations, to all institutions, and to all professional cultures..

The possibility of failure is likely in the event of following a system without thinking about it, as the latter has proven its effectiveness in motivating human resources in one institution, which may fail in another institution. Also, changing the content of the work does not have a positive effect on motivating human resources to work, as the needs of human resources are different and are based on the difference in the hierarchical ladder.

1. Problem of the Study:

The economic institution Sonatrach faces a dynamic landscape of socio-technical risks, requiring continuous review and updates to its organizational policies, particularly its wage management policy. This necessity is

driven by the imperative to enhance sustainability and break free from cycles of structural reforms through profound and radical changes in wage policy. The institution aims to attract and retain top talent by redefining its wage management system, shifting from a long-standing position-based logic to an efficiency-driven approach centered on contributions and rewards.

Given the increasing aspirations of human resources and the competitive pressures from rival institutions, Sonatrach recognizes the urgency of adopting a contribution-reward wage policy. This transition is dictated by the forces of globalization and market competition, necessitating a model that fosters workforce mobility and enhances competitiveness through individual and collective performance recognition. Consequently, Sonatrach is compelled to implement this transition as part of a strategic and qualitative overhaul.

However, the effectiveness of applying efficiency-based principles in wage management remains a critical issue that demands rigorous scrutiny. The challenge lies in defining wage policy in the context of ongoing structural and economic transformations, which necessitate fundamental shifts aimed at achieving social, economic, and political equilibrium. Ideally, wage policies should align with Sonatrach's economic imperatives of profitability and efficiency without disrupting social stability.

Addressing wage policy cannot be done in a generalized or indexed manner, nor can it be solely confined to the perspectives of officials, employees, or their representatives involved in wage-related negotiations, protests, or advocacy. A comprehensive examination, analysis, and interpretation of organizational dynamics are required to develop an informed understanding of wage management.

To this end, our research investigates the perceptions of Sonatrach's executives and senior executives regarding the institution's wage management policy. We explore the relationship between socio-economic transformations, professional roles, and contributions to derive the following sociological argument:

- Has Sonatrach's wage management policy been guided by the logic of position or the logic of competence?
- Are salaries at Sonatrach currently determined based on a contribution-reward equation?
- Is there an institutional commitment to standardizing this wage policy across all branches of Sonatrach nationwide?
- What are the technical variables and functional sociological challenges resulting from this wage model?
- To address these research questions, we propose the following hypotheses:
- The traditional wage models at Sonatrach have been historically linked to labor market transformations in Algeria, specifically in terms of employment relationships, training models, institutional activity, and conventional human resource motivation mechanisms such as promotions and in-kind wages.
- Sonatrach's wage policy has not fully incorporated key socio-economic variables, including organizational structure, professional roles, contributions, competence quality, consumption and savings patterns, social characteristics of human

resources, direct taxation on individual income, and emerging motivation strategies such as fostering initiative and creativity in the workplace.

2. Study methodology:

We relied on the qualitative approach through different methods, namely: the content analysis method and the comparative method, in addition to the historical and descriptive method, relying on 28 semi-directed interviews with the research community represented by the various senior cadres and those in charge of the studies, which we chose through the snowball technique, and we also added direct observation and analysis of the institution's documents.

We started the exploratory study which lasted for a month from 09/14/2018 until October 2018 to get acquainted with the field of study. The process of collecting the necessary data for this study took two months from the beginning of September 2018 until October 2018.

3. Wage policy from the perspective of Algerian labor legislation:

After independence, Algerian society has witnessed several changes and transformations in all economic, social and political fields, especially the institutional aspect, from the self-management system in the early years to what is known as the command economy in the early seventies and finally the market economy as a new system.

All this affects the wage policy in Algeria and the stages that wages in Algeria have gone through through each system.

So the wage in Algeria has known some influences, and its determination is done according to standards and

measures so that there is justice in its distribution. The wage in Algeria differs from one era to another according to the stage, as we find a clear difference in the weight of the wage in the previous stages in which purchasing power was good, unlike other years in which the standard of living declined noticeably..

Wages, along with other compensations associated with them, are regarded as one of the fundamental rights granted to workers and one of the primary obligations imposed on employers. Recognizing the essential role of wages in labor relations, Algerian law provides strict legal protections to ensure fair compensation. As stated in **Article 30 of the General Labor Law**, “The worker has the right to wages in exchange for the work performed and receives a salary or income commensurate with the results of the work” (General Labor Law, Article 30, 1990). This provision underscores the legislative commitment to safeguarding workers' rights and maintaining equitable labor practices.

Regular performance or payment of wages is considered one of the rights granted to the worker, whether in terms of legal or humanitarian principles or in terms of legal protection, as it prevents any risk or deduction from wages for any reason. In addition to the privilege of wages over the rest of the other debts owed by the employee, including treasury debts, social security debts, and others..

Jurisprudence defines the wage as the specific financial amount agreed upon by the two parties in advance and paid by cash means by the employer to the human resource whenever the payment date or deadline arrives..

Examples of economic considerations for wage policy include the conditions of labor supply and demand, the bargaining power between the two parties of production (labor and capital), collective agreements, and attempts to meet the effects of inflation, rising prices, and the decline in real wages. This occurs if the increase in wages, and the accompanying increase in currency in circulation, is not matched by an increase in production capacity. It also attempts to support national investment and accelerate the development process and form the necessary capital for it by increasing national savings, increasing the purchasing power of human resource personnel, increasing export capacity, and the relative importance of the various economic activities in society in a way that ensures planning the distribution of human resource forces across the various sectors according to the objectives of the development plan, and other factors aimed at achieving economic prosperity for society..

4. Field study:

Through Research and delve into the most important motives that led to institution Sonatrach to adopt **the contribution-reward** system as a payment system for its employees, its choice was not based on a strategic choice of the institution but rather as a result of external dependency. Adopting a management system like adopting a legal system practiced in another country is the result of a strong and deep external influence, as it is difficult to count this data and determine the degree of access to the system, especially in the context of globalization and competition that has come to impose a type of practices.

The company has become known for its serious competition, which has led to the movement of its workers,

who have left the latter in search of more profit, especially after they benefited from early retirement. These human resources have benefited from significant professional experience and training, which has been embraced by other competing companies at the regional level or outside Algeria in exchange for high wages. Despite the level of wages that Sonatrach offers to its workers compared to other institutions in the country and in the public service, it is noticeable that the distribution of wages in other competing companies (HYPROC, SORFERT, HELIOS) which is active in the same sector, its workers and other human resources vary between increase and decrease.

The weight of the professions and the multiplicity of positions in the institution led to the search for a solution to reduce these professions to ten roles, and to abandon the rank ladder by entering a new world that depends on the contribution of the assistant and the way he accomplishes the work while respecting the specified deadlines, according to the degree of complexity of the professions, and giving great importance here to the evaluation system by involving the heads in evaluating their subordinates by defining the goal between the head and the subordinate and practicing the role..

This system allows for the review of management policy. The path Professionalism for employees by focusing on the extent to which they perform complex jobs and the effort they exert, and introducing another important factor, which is the responsibility of leaders in issuing decisions related to managing the wages of their employees..

As some professions and social status shrink, this is inevitably accompanied by a change in the organizational hierarchical structure of the latter. We must point out here that before it is a wage system, it is a system of interaction within the framework of a relationship. Two-level exchange between human resource and the organization. Represented by the official who reflects the social connection. The work provided by the human resource is considered a contribution, while the institution provides him with a reward in return, *i.e.* The fee is commensurate with his level of performance.

This system is fundamentally different from the previous wage system, and is characterized by replacing the professional rank and professional classification of the position with individual contribution to create greater effectiveness by encouraging work, professionalism, and motivating human resources. This system gives priority to performance, involvement, security, and competence, and it also allows all professional categories in the institution to open up to the new wage policy, but its leadership is only flexible.

It is reflected in improving the level of effectiveness of the results by improving productivity in terms of quantity, quality and deadlines, and controlling cost reduction, while it imposes the participation of human resources in working within teams, contributing within the framework of the initiative, and motivates. On the responsibility of making the decision.

An incentive wage system: This system should encourage employees to participate in achieving the organization's goals and contribute to developing performance and competencies.

It seeks to achieve efficiency by matching results with set goals by excelling in achievement within the framework of a successful process. It raises the level of performance of the employee and the institution through true recognition of individual contribution by rewarding the best contributors, while ensuring that wages develop in an upward direction with the aim of achieving justice by creating legitimate differences in the distribution of wages based on individual entitlement built on role and contribution.

The system objectives are divided into two parts: those related to the institution and those related to human resources.

- This system aims to achieve the strategic objectives of the institution by developing production and increasing reserves effectively, and seeks to create internal activity for the institution.
- Increase the company's internal productivity, and developing the profitability of Sonatrach's various activities at the global level
- Identifying the level and quality of individual competencies in the organization to apply the principle of recognition of merit.
- Establishing special wage programs for some professional groups, such as those with rare qualifications and those who have achieved the highest levels of performance, by establishing variable wage programs directed at the category of executives, in addition to holding managers responsible for decisions related to the wages of their subordinates within a

management framework specified in the performance management system.

- Reducing the classification of professions to the lowest levels, but with significant differences in the basic wage.

Roles are classifications through which the behavior of the human resource and its level of competence are determined. The role assigned to him determines the extent of his control over the work, and thus the wage granted to him within the framework of variable wages. The role includes activating the performance of duties and obtaining the rights related to it, and is often linked to the compliance of human resources with the institution's officials, as they are the ones who determine the roles and evaluate them. This role determines the division of labor and the requirements of each worker in this institution. So that each of the ten roles has a wage band that suits it and combines the following variables: the base wage related to ranks, grades, granting responsibility, individual and group grants, and individual wages. Securing control over practical knowledge, in addition to giving greater value to the core professions (heart of death).

The roles at Sonatrach include all positions that require competence, contribution and responsibility. It is assumed that human resources roles will grow and expand as their competence, achievement and control of the production process and supervision grow. This includes 10 roles, including individual contribution roles, senior and simple management, and mixed roles, which we will mention in detail.

It is a management method assigned to human resources managers and requires classifying employees, choosing the role that matches their position, and evaluating the level of

their contribution to performing their tasks. It is classified as follows:

- **Individual Contribution Roles:** The contributions of individuals to the creation of surplus value are translated, reflecting professional practices in a tangible way and related to three roles: the implementer, the technical assistant, and the professional.
- **Simple management roles:** These include two roles: team facilitator and team leader.
- **Senior management roles:** These include three roles: direct supervisor, team manager, and activity manager.

Mixed roles: These are related to the role of project manager and supervisor. The performance management system is directed to employees who hold organic positions, senior executives, professionals, project managers, team leaders, supervisors, and human resources with practical activities within teams such as machine managers, team facilitators, shift workers, and technicians.

The practice of roles is linked to the axes of contribution, where the contribution occurs as a result of the organization's strategy towards achieving its goals, and is represented in skill, security and competence, involvement, and change. The workforce, the physical ability of the worker, working hours, practical knowledge, performance and results can all be considered levels of contribution, and the level of contribution is consistent with the stage of development of the role that reflects the required level of assistance and its contribution in performing its tasks, and is summarized in 5 levels, which are:

- **Beginner:** It is limited to acquiring the knowledge and behaviors required for the role.
- **Applied:** He employs these knowledge and behaviors.
- **Controller:** He is the very capable assistant in performing his role.
- **Developer:** It is dedicated to the helper who adds something new in the context of performing his role.
- **Reference:** It means the employee who contributes to the development of others.

The achievement of the company's objectives within the framework of management by objectives is not established except through an effective tool for managing wages. On this basis, Sonatrach decided to grant a temporary individual increase estimated at 6%, calculated from the basic wage and distributed to 28% of the company's workers, replacing the promotion system. This concerns human resources and executives who were proposed for promotion after the evaluation process by their subordinates, which became effective as of January 1, 2008.

This procedure was implemented pending the comprehensive implementation of the penalty contribution system and has not been dispensed with to this day. However, this element is somewhat speculative and relativity-related, as it is affected by several factors and we cannot control it. Sometimes, external imperatives that control production conditions enter into this framework, such as a breakdown of machinery, the absence of a spare part, or the entry of human resources into an unexpected strike, a shortage of raw materials, and marketing problems, so it is difficult to link it to achievement.

The application of this system went through four stages:

- **The first phase :**We can call it the system assimilation phase, which extended from February

to May 2004, during which the consulting firms Ibem and Tower Burn carried out...By conducting a diagnostic study on the previous wage system in the institution, by reviewing all documents dealing with wages, and interviewing the institution's executives and managers to learn about the various existing professions in order to understand the foundations set for rewarding the institution's competencies within a framework of a partnership by comparing this system with the various wage systems in similar companies.

- **The second phase** : It was called the pulse of the project, and it extended from the beginning of June 2004 until March 2005. It was characterized by identifying the jobs registered with the institution and concluded with the formulation of a new wage grid, new management rules for wage supplements, and arrangements for rewarding individual and collective performance.
- **The third phase** : The experiment of the new wage system lasted for 3 months from June to August 2005, and affected some of the institution's structures. Based on this, the practical aspect of these arrangements was monitored, and clear lessons were drawn for its application.
- **The fourth phase** : At this stage, the project has been under implementation since the beginning of the first half of 2008 at the level of all the institution's units by controlling it according to a communication plan by assigning these tasks to the following

committees: Steering and Decision Committee, Leadership Committee, Project Team, and Social Partner (within the framework of coordination between the four committees).

While the Law Department believes that the change in wage policy began to be implemented in 1992 and extended until 2007. This project is distinguished by being classified with the possibility of vertical development for the worker by benefiting from 6 percent for the career ladder and 3 percent for each professional degree, and grants linked to the job position, in addition to benefiting from individual grants and group grants..

Comparison between the old and new wage policy in Sonatrach:

I. Main variables of the old wage system:

- The basic pay in the old structure, which is based only on position, does not take into account the contribution and performance of individuals, which creates a feeling of injustice and frustration;
- The basic wage scale does not sufficiently differentiate between social and professional categories;
- Working according to the logic of equal increase in collective wages.
- There is no specific compensation program to recruit or retain certain key positions (technical, or rare management with strong international exposure/subject to competition);
- The marginal role of managers in the functioning of the system, which explains the

lack of participation of managers in the implementation of wage policy.

- HR's extreme dissatisfaction with the pay system: feeling of inequality;
- Compensation is based on increments ranging from 3 to 5 years.

II. New salary variables:

A qualitative study conducted by the General Directorate of Planning and Administration in 2004 on the occasion of the launch of the Sonatrach employees' compensation project, in order to address and analyze a set of topics.:

- Job and wage management.
- Progress and promotion.
- Performance Management.
- Skills Management.
- Professional development.
- Content and organization of work.
- People Management.

1) Classification based on role and contribution model :

- Employment and Compensation Management Corporation.
- Allowing greater flexibility and better fluidity in the organization of Sonatrach.
- Provide the ability to reward the most contributing agents through salary increases.

2) Performance Management System :

It is a rewards system. Professional roles and contributions Part of a **winner-winner** contract. The contract offers each agent the following :

- It aims to disseminate Sonatrach's strategy at various levels of the organization.
- Based on the objectives to be achieved and the procedures.
- Provide the possibility of granting a variable reward to those who achieve and exceed their goals.
- Success in Transformation: By Improving Employee Professional Practices.
- Developing a performance culture: by giving HR prospects for advancement in pay and career development..
- Improving results: in all areas of activity and all levels of the organization.
- Based on three commitments:
- More performance: Work better, be more efficient.
- More Appreciation: Being Valued for Your True Value.
- More fairness: reward everyone according to their contributions..
- The new compensation system has contributed to increased profits..

3) Components of the Princely Rewards System Roles and Contributions

- Limited number of roles Represented by ten.
- From four to five Levels of contributions in each role can justify a real difference in pay.

- Four Areas to contribute to the success of Sonatrach.
- Three Proficiency levels for each holder according to the scale.
- Pay competitive, fair salaries commensurate with individual performance and contribution.

4) **Role:**

- **Role definition:**

It is a group of jobs whose responsibilities and contribution requirements are of the same nature..

Roles are defined based on the functions of the organization and professional sectors, and are independent of the expertise and technical knowledge of each profession in the organization.

- **2. Types of roles:** there are 10 roles :

- **Operator:**The operator performs simple, repetitive, measurable tasks, does so in strict adherence to precise and complete instructions or procedures, and ensures that his work conforms to quality and productivity standards..

- **Technical sequence:**The technical stage, within a team, performs complex work that requires mastery of the theoretical and practical knowledge of his technique, benefits from a certain degree of independence and shows initiative in carrying out his work..

- **Professional:**The professional conducts studies or provides services that require a high level of analysis and synthesis in his field of specialization. Ensures technological monitoring and knowledge sharing.

- **Team Leader:**The team leader provides the first level of hierarchical supervision over operators and/or technical relays. He or she is responsible for ensuring compliance with procedures, operating methods or instructions, particularly with regard to safety.

- **Chief Manager:**The primary manager supervises either teams of operators supported by team leaders, or a team of technicians and/or professionals. He rationalizes the means and resources available to him and proposes improvements to operating methods or procedures.

- **supervisor :**The supervisor provides the interface with one or more external or internal service providers and ensures that they deploy the appropriate resources (in terms of quality and skills)..

- **projectmanager:**The project manager manages the project with a clearly defined objective and only allocated resources for the duration of the project. He initiates and directs all actions necessary to achieve the project objectives..

- **Local Manager:**The local manager organizes, leads and coordinates one or more teams by optimizing the resources and means available to him..

- **Entity Manager:**The entity manager translates his management directives into action plans for the teams under his responsibility. He regularly evaluates intermediate achievements and quickly corrects any deviations..

- **Director of the field of activity:**The Director of the Activity Area shall be placed under the direct authority of a member of the Executive Committee..

- Participates in determining the strategy for his field of activity and applies it to the entities he supervises.

▪ **Contribution level's :**

- **Dedicated to:** Discover and exploit all the knowledge required (procedures, tools, systems, teams, standards, etc.), at this level the reward comes into play..

- **Performs:** Conforms to standards and expectations, is a good "professional" (professional and productive) and fully assumes his role.

- **Domine:** He gets a helicopter view of his role and extends his antennae to see what's going on outside his position, and begins to reach out to others to help them, troubleshoot, and motivate them..

- **Developer:** He goes beyond his strictly defined role, he is outward-looking, outside his team, he cares for others, he helps them, he transmits to them (more than he shares), he lifts them up. In fact, he adheres to a technician's vision of his role.

▪ **Contribution axes :**

The contribution axes arise from the corporate strategy, they reflect the added value objectives that define Sonatrach's success and apply to all roles but in specific formats and expressions, they are expressed through observable professional practices and behaviours, and constitute the common frame of reference for all Sonatrach functions..

We can mention four areas of contribution.:

- **Participation** ,Sonatrach wants to involve every employee in the life of the company.

- **Performance**, Sonatrach wants to be able to compete in the oil and gas market

- **Reliability and Safety** ,Sonatrach wishes to operate its equipment in accordance with health, safety and environmental standards.

- **Changing** ,Sonatrach wants to update its operating systems.

▪ **Mastery level :**

For each level of contribution in the Contribution Axes, the manager can differentiate the degree of proficiency of each holder according to the scale.:

- **month:**Minor and occasional mastery.

- **Hexagonal:**Partial and repetitive mastery.

- **year:**Complete and permanent control.

Within the role, advancement in contribution level is neither automatic nor guaranteed.:

- It is the result of real, significant, continuous, measurable improvement that everyone can see..

- Some HR will not be able to advance to the final contribution level of their role.

- Some can stay at the "execution" level while being good, effective, and naturally contributory professionals.

- There is no minimum or maximum contribution level duration.

Determining the goal of each contribution involves three steps:

- **Step 01:**The manager selects one contribution axes from among the four possible axes.

- **Step 02:**In the selected axes, the manager chooses a contribution that the agent must improve.

- Moving to the next higher tier of the scale at the same contribution level (from “minimal and occasional” to “partial and recurring” or from “partial and recurring” to “full and permanent”)

- Move to the next level of contribution when the client is already at the level of “total and permanent mastery.”

- **Step 03:** Within the framework of the selected contribution, the manager formulates and clarifies the directions with some actions to be taken to help the client direct his efforts effectively during the year.

The means or tool that allows the manager to organize the professional development and salary advancement of his employees. It consists of two parts:

- Identify the two contributions that the agent should improve, either by increasing

- The degree of its mastery, either by moving - on an axes - to the higher level of contribution(NC).

- Specific guidance for each person, in their workplace and in the specific context of their entity.

- Action to be taken.

- The process to be performed.

- Professional practices for improvement.

- Mistakes, malfunctions, bad practices, bad habits that need to be eliminated.

- Contribution targets are not weighted but are discussed and agreed upon jointly during the annual interview.

- Once the contribution objectives have been validated through **N+2** of the agent can no longer be modified.

In order to consolidate the contribution reward project and to make it practical, the institution has begun distributing the individual variable grant to senior executives within the management by objectives system. From a practical standpoint, the institution has

demonstrated a relative application of the new wage policy to senior executives and managers. Its application was represented by distributing the individual performance grant.PRI, while it has not been generalized to the lower levels as if it were the exclusive domain of one category over another, although the achievement is shared by all members of the institution and is represented in the general objectives of the latter, which constitutes this factor of distinction, although the new wage system abolishes all levels based on hierarchical progression to make way for levels based on achievement and performance.

Senior executives occupy senior positions and enjoy the privileges granted by the institution without regard to duties and achievement, which often leads to a state of imbalance between the goals of the institution and the goals of the actors. They also feel job security, satisfaction, and have the freedom to take the initiative in carrying out their duties and in participating in making decisions related to the management of the institution and managing the affairs of their subordinates. In addition, they enjoy independence that enables them to accomplish their work, in addition to not being subject to supervision. Therefore, we have noticed that they are more committed and integrated with the goals of the institution, stemming from their complete conviction of the importance of their presence in the institution and their personal responsibility to carry out their roles to achieve their individual goals and the goals of the institution.

Conclusion

The study we conducted at Sonatrach at the Arzew oil refinery and the downstream activity directorate revealed that wage policies, in light of the multiple applications of wage policies at the company, all of which theoretically aim to achieve the desired results by establishing organized frameworks and establishing concrete programs for their implementation.

The wage policy of the economic institution has known important transformations that were sometimes linked to economic conditions, and sometimes to political conditions, starting with the legislation issued by the French bodies to manage wages. Human resources, leading to the unification of the wage management policy throughout the country, which was known for the fundamental position of the Algerian worker, which coincided with the seventies and extended to the eighties.

The previous wage policy, which was based on the certificate and the logic of the position, which extended since independence, especially with the practice of social policy during the seventies and eighties, the goal of which was equal and fair distribution of wages across all sectors, and at that time Sonatrach was not attractive.

Although the goal set for it was to advance the socialist economy and distribute goods fairly, the deviation in implementation and in the distribution of wages prevented that.

However, the profound transformations witnessed by the Algerian economic institution at the beginning of the

nineties, which brought about the concept of the employment contract and the agreement, especially with Labor Law 90-11, and left the freedom to the institution to formulate its collective agreements and the concept of employment contracts that link employees to their institutions, and thus the emergence of a series of changes as an urgent necessity to move the wage policy from the logic of position to the logic of efficiency, in order to control the management of the wage mass in particular.

Thus, our study concluded by revealing the relative application of wage management according to the logic of a penalty contribution to wage management at the level of senior executives.

Senior executives benefit from individual increases according to the roadmap to determine achievement goals.

Wage management is still controlled according to indicative networks and in a mechanism for the rest of the procedures, including cadres, control workers, and implementation workers.

There is a difference in the distribution of the individual income grant and the contribution is not taken into account ,In addition to applying the 6 percent share distribution in the absence of promotion.

Hence the important result is the existence of limitation .The application of the wage management system according to the logic of efficiency and the equation of contribution and reward, individualism, and compared to the wage management according to the logic of position, which is still dominant.

Finally, the horizons of study and research remain open to a number of questions: Will Sonatrach's wage management policy reach the level of wage management in foreign oil companies, confined to management according to

social policy without giving importance to economic effectiveness?

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