

View of the Reality of Strategic Vigilance in the Algerian Insurance Companies – Caarama - Annaba

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Abstract:

This article studies the reality of strategic vigilance in insurance companies in Algeria, strategic vigilance being considered an important tool in the current era, characterized by dynamism, because it guarantees to companies continuous monitoring of the environment through its different types. , the descriptive analytical approach was invoked by clarifying the notion of vigilance then distributing a questionnaire and analyzing it using the Spss.

Keywords: Strategic vigilance; Algerian insurance companies Caarama; Technological vigilance; competitive vigilance.

Introduction:

Strategic vigilance is considered as one of the modern strategic methods that have emerged as a result of the global development of the business environment and the intensification of competition. In this context, the application of strategic vigilance allows to anticipate events and supports the decision-making process by predicting developments and obtaining proactive information from the external environment. In this context, it appears to us that the strategic vigilance system has become very necessary for the organization to be able to understand and grasp the environment in order to cope with it as soon as possible.

From the above we can state the problem as follows:

What is the reality of strategic vigilance in Algerian insurance companies - Caarama (Annaba)?

Sub-questions:

- Is there an application for competitive vigilance at the level of the Algerian Insurance Company Caarama ?
- Is there an application for technological vigilance at the level of the Algerian Insurance Company Caarama?

Study hypotheses:

- There's no application for competitive vigilance at the level of the Algerian Insurance and Reinsurance Company Caarama- Annaba -
- There are no manifestations of technological vigilance at the level of the company in question.

Tools and methodology:

In order to answer the problem raised and determine the validity of hypotheses, the analytical descriptive approach has been adopted to define the theoretical framework of the study, as well as all the concepts associated with strategic vigilance using books, articles and other sources. The study also relied on the inductive approach to extrapolate the results, and the statistical approach to analyze the results obtained in the field study using statistical methods.

strategic vigilance:

Definition:

Strategic vigilance is: "A dynamism and methodology for research, compilation, processing (perspective analysis) and information-sharing". (Delbeque, 2012)

Strategic vigilance is defined as: "A process of inquiry that enables the organization to learn about its environment and then take appropriate action to achieve the objectives of the organization" (Brouard, 2004)

Aguilar defined it as follows: “Strategic vigilance means the process of capturing information on events and relationships occurring in the external environment of the corporation, as well as information whose knowledge is suspected to assist the management team in its strategic choices regarding the future of the corporation”. (Natou, 2020)

according to Lesca, strategic vigilance refers to the ongoing collective course taken by a group of individuals using proactive information about possible changes in the external environment of the corporation in order to take advantage of opportunities, avoiding risks, and reducing uncertainty. That information included early warning signs. Furthermore, Lesca also pointed out that the aim of strategic vigilance is to act with appropriate speed and in a timely manner. (Lesca, 1997)

strategic vigilance revolves around the process of proactive management and utilization of information by strategic decision makers. It also takes place through stages: prediction, environmental surveillance, information collection and selection to capture opportunities and avoid threats.

Characteristics of strategic vigilance: (Selman Daood & Fakhri Abbas, 2018)

- **Strategy:** It points out that strategic vigilance information is not relevant to current information but rather concerns the evolution of the Organization in the context of its social and economic environment, i.e., it has no explanation from previously explained models.

- **Prediction:** It is a method designed to provide information about the future, that is, building a perception over months or years that helps to predict early and warn based on intelligent and thoughtful estimation and speculation.

- **Environment:** It consists of several different factors (clients, suppliers, competitors, laws and governments).

- **Creativity:** In fact, strategic vigilance information is investigated and does not describe previously achieved events but allows for the investigation of hypotheses and the creation of creative vision.

- **Voluntarism:** Strategic vigilance is not limited to simple surveillance of the environment, but is voluntary through information investigation, vigilance and constant attention.

Types of strategic vigilance:

The concept of strategic vigilance includes many types, so it can ensure four key functions: Supporting decision-making, warning as it is a radar of opportunities and threats, assessing and following up competitors, and supporting strategic planning and implementing it. (Brouard, 2018)

1. **Competitive vigilance:** The activity by which the company identifies its current competitors and products can compete with its products, distribution channel, investments, senior management capabilities, financial capacity... Competitive vigilance collects information on the competitive environment and identifies strengths and weaknesses, production methods and costing. (Ben ramdhane, 2005)
2. **Marketing vigilance:** Business vigilance is defined as the activity by which a company studies its relationship with suppliers and customers, recognizes new skills in the market, and studies market growth rates. This type of vigilance is based primarily on customers, as well as on the suppliers that the company deals with, subcontractors, and their partners in the development of products and services. (Bendjellouli & Bendi abdellah , 2017)
3. **Technological vigilance:** It is concerned with scientific and technological skills, as well as information systems, materials, products and processes. This type directly includes the company's Research and Development sector and all technical and technological innovations and product developments. (Benhadji, 2020)
4. **Environmental vigilance:** It is considered to be the most comprehensive type, covering the entire company area, which means that any environmental developments can be monitored. It is based on the detection of both weak and strong environmental signals in order to transform them into strategic opportunities and is divided into two types: Legal vigilance and social vigilance. The latter is based on the pursuit of values, customs, demographic variables and purchasing capabilities. (Hamitou, et al., s.d.) Legal vigilance is concerned with following legal developments, regulations and laws that may affect the normal functioning of the company. (Bezencon & Roulet, 2014).

These types are considered the most important types of vigilance because they address the most important aspects of the environment that affect the organization. There are other types whose importance varies from one organization to another, such as social vigilance and digital vigilance.

Figure 01 :



Source: Prepared by the researcher based on previous information

Practical study:

Introducing the Algerian company for Insurance Caarama- Annaba:

CAARAMA insurance is a joint stock company that was created in July 2011 and has a share capital of 1,000,000,000 DA. Initially a 100% subsidiary of CAAR, its shareholders currently include Crédit Populaire d'Algérie (CPA) with 15% of its capital. CAARAMA Assurance specializes in personal insurance, under Law No. 06-04, which established the separation of property and casualty insurance activities. It has a wide range of insurance products covering all branches of personal insurance that make up its offer, such as:

- Temporary death insurance in repayment of credit (borrower).
- Individual travel insurance;
- Travel assistance and assistance abroad;
- Individual accident insurance;
- Individual health insurance;
- Group insurance (group insurance);
- Etc.

Analysis and interpretation of the questionnaire results:

the nature of the distribution was tested using SPSS 22 to determine whether the data followed normal or non-normal distribution, enabling the researcher to select the appropriate tests. The test results indicated that the statistical

significance of Sig = 0,638, which is greater than 0.05 or 5%, thus the data follows the normal distribution. Normal distribution is one of the most common distributions because it often applies to natural, economic, social and other phenomena.

Tools:

the questionnaire, which contained two axes. The first was for personal data of the sample, and the second contained 16 questions spread over two axes reflecting strategic vigilance as follows: technological vigilance, competitive vigilance. It was distributed to a sample of 50 workers.

Verifying the reliability and validity of the questionnaire based on the Alpha Cronbach coefficient:

Table 1. Reliability and validity of the questionnaire

Variable	Competitive vigilance	Technological vigilance
Reliability coefficient	0,845	0,860

Source: made by the researcher based on the output of SPSS22

Through the previous table, it is clear that the reliability coefficients of all study variables are acceptable and greater than 0.60, as the total reliability coefficient reached 0,941, which is a ratio that can be relied upon in the field application. The scale gives the same results with a probability equal to the value of the coefficient if it is re-applied to the same sample.

Analysis of questionnaire dimensions:

The Likert scale was relied upon in the questionnaire axes as shown in the following table:

Table 2. Likert Scale

Categories	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Agreement degree	(5- 4,21)	(3,41-4,20)	(2,61-3,40)	(1,81-2,60)	(1-1,80)

Source: made by the researcher

First dimation: technological vigilance

Table 3. technological vigilance

Phrases		Available options					Arithmetic mean	Standard deviation
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
1. The company is keen to acquire the latest technologies compared to competitors to provide new services.	Frequency	10	25	9	4	1	3.8	0.935
	Percentage	20.4 %	51%	18.4 %	8.2%	2%		
2. The company's information system infrastructure is constantly updated.	Frequency	8	24	8	7	2	3.59	1.059
	Percentage	16.3 %	49%	16.3 %	14.3 %	4.1%		

3. The company relies on research of the R&D Department in the development of its services.	Frequency	3	24	12	8	2	3.37	0.972
	Percentage	6.1%	49%	24.5%	16.3%	4.1%		
4. The company relies heavily on its website in its work.	Frequency	9	21	5	12	2	3.47	1.174
	Percentage	18.4%	42.9%	10.2%	24.5%	4.1%		
5. The company uses an internal electronic network that facilitates communication between management and employees.	Frequency	10	23	2	10	4	3.51	1.260
	Percentage	20.4%	46.9%	4.1%	20.4%	8.2%		
6. The company relies on the Extranet network to stay in touch with third parties.	Frequency	5	5	20	18	6	3.49	0.845
	Percentage	10.2%	10.2%	40.8%	36.7%	12.2%		
7. The company uses aggregated technical information about competitors to develop its services and provide innovative services.	Frequency	7	26	12	3	1	3.71	0.866
	Percentage	14.3%	53.1%	24.5%	6.1%	2%		
8. The company relies on experts (IT engineers) to collect the technological information needed by the organization.	Frequency	11	23	9	4	2	3.76	1.031
	Percentage	22.4%	46.9%	18.4%	8.2%	4.1%		
First dimension: technological vigilance							3.597	0.739

Source: made by the researcher based on the output of SPSS

The general direction of the answer regarding the technological vigilance dimension indicates (agree) with an arithmetic mean of 3.597. This indicates that Caarama company was interested in technological vigilance according to the focus of its activity, where the answers of participants ranged between 49% and 53% concerning the paragraphs of this dimension. This is explained by the company's keenness on everything related to modern technological and scientific technologies, as well as its reliance on the R&D department in all matters related to technological innovation and the various electronic networks that speed up and facilitate its internal and external dealings in general, which helps it to draw adequate information that contributes to the construction of programs and management plans.

Second dimension:

Table 4. Competitive vigilance

Phrases		Available options					Arithmetic mean	Standard deviation
		Strongly agree	Agree	Neutral	Disagree	Strongly disagree		
1. The company has	Frequency	15	29	2	2	1	4.12	0.832

information on the characteristics of the services provided by competitors in the local market	Percentage	30.6 %	59.2 %	4.1%	4.1%	2%		
2. The company collects information on the current results of the competitors.	Frequency	9	25	8	6	1	3.71	0.979
	Percentage	18.4 %	51%	16.3 %	12.2 %	2%		
3. The company collects information about the potentials and strategies of its competitors in the market.	Frequency	11	28	6	4	/	3.94	0.827
	Percentage	22.4 %	57.1 %	12,2 %	8.2%	/		
4. The company is keen to gather information about the new markets of competitors.	Frequency	12	26	8	3	/	3.96	0.815
	Percentage	24.5 %	53.1 %	16.3 %	6.1%	/		
5. The company is studying the capabilities of its potential competitors.	Frequency	7	31	8	3	/	3.86	0.736
	Percentage	14.3 %	63.7 %	16.3 %	6.1%	/		
6. The company is interested in analyzing the strengths and weaknesses of competitors periodically.	Frequency	9	18	12	10	/	3.53	1.023
	Percentage	18.4 %	36.7 %	24.5 %	20.4 %	/		
7. The company is aware of the best offers made by its competitors.	Frequency	15	26	4	4	/	4.06	0.852
	Percentage	30.6 %	53.1 %	8.2	8.2%	/		
8. The information collected about the competitive environment is highly beneficial and valuable.	Frequency	10	22	12	5	/	3.76	0.902
	Percentage	20.4 %	44.9 %	24.5	10.2 %	/		
Second dimension: competitive vigilance							3.878	0.653

Source: made by the researchers based on the output of SPSS

In the second dimension competitive vigilance, we note that the general direction of the answer regarding this dimension, competitive vigilance, indicates (agre) with an arithmetic mean of 3.878. Furthermore, 59.2% of participants confirmed that the company in question has information on the characteristics of competitors' services in the local market, and 51% confirmed that the company collected information on the results of its competitors, indicating the company's vigilance towards competitors and their movements. In addition, 36.7% responded with approval (arithmetic mean of 3.53) about the company's interest in periodically analysing competitors' strengths and weaknesses, indicating the presence of competitive vigilance activity at Caarama company, which is mainly based on the collection and analysis of information about competitors in the market and its use in the development of competitive strategies.

Hypothesis validity Testing

The validity of the study hypotheses was tested using the T test at the level of significance of **5%**, where the tabulated t value is:

DF=49-1=48, its value is **2.682**, where we accept the null hypothesis H0 and the alternative hypothesis H1. If the calculated T value is greater than the tabulated T value, we reject the null hypothesis and accept the alternative one.

First dimension hypothesis:

H0: There are no manifestations of technological vigilance application at the level of the Algerian insurance Caarama.

H1: There are manifestations of technological vigilance application at the level of the Algerian Caarama.

Table 5. Results of the One- Sample T- test for the second dimension

First dimension	Calculated T	Sig
Technological vigilance	35.452	0.000

Source: made by the researchers based on the output of SPSS

We note from the previous table that the calculated value of **T** is **35.452**, which is greater than the tabulated value of **T 2.682**, and the significance level is less than 5%, so we reject the null hypothesis and accept the alternative hypothesis, i.e. there are manifestations of technological vigilance application at the level of the Algerian insurance Caarama.

Second dimension:

H0: There is no application of competitive vigilance at the level of the Algerian insurance Caarama.

H1: There is an application of competitive vigilance at the level of the Algerian insurance Caarama.

Table 6: Results of the One- Sample T- test for the first dimension

Second dimension	Calculated T	Sig
Competitive vigilance	43.168	0.000

Source: made by the researchers based on the output of SPSS

The table shows that the calculated value of T is 43.168, which is greater than the tabulated value of T 2.682. The significance level is less than 0.05, so we reject the null hypothesis and accept the alternative hypothesis, which means that the Algerian insurance Caarama is implementing competitive vigilance.

Conclusions:

The dynamism observed in the current environment has prompted companies to recalculate, take into account change and adapt to it, and this is what is guaranteed by the application of the strategic vigilance system.

After analyzing the results obtained through the study of the reality of strategic vigilance within the Algerian insurance company Karama, we concluded that the insurance market in Algeria is experiencing strong competition, which requires the institution to be vigilant, We also arrive at a set of results that are present as such:

- The results of the study show that there is a real application of strategic vigilance within Karama Insurance Company, as it demonstrates good listening to its environment and collects information to use in decision-making.
- The results of the analysis of the dimensions of strategic vigilance within the Algerian insurance company showed that the competitive and technological dimensions are applied equally, taking into account their importance, particularly in light of rapid technological
- development and the intensification of global competition.
- The study also found that the insurance company Caarama was engaged in strategic vigilance in the absence of a unit or specialized service in that activity, which could make the activity random and disorganized, resulting in a lack of strategic vigilance for its primary objective of rapid response and more effective adaptation.
- Finally, as a recommendation, a cell or department specialized in the application of strategic vigilance within Algerian insurance companies should be created in order to ensure that they benefit from its advantages and apply them within a systematic and solid framework.

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