

The importance of human resources transformation (HRT) project: Case study Algerian company (Sonatrach) plan 2023

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Abstract---This study aims to explore the important and strategic topic of human resource transformation through a case study of the Algerian oil & gas company Sonatrach, which began implementing its human resource transformation project in 2020 and is still on its way to fully implementing it, this study relied on official periodic and annual reports and documents for the year 2023, this study reached a set of results, the most important of which are: Sonatrach is increasing the number of employees and giving great importance to the training process in order to make its project a success. This study concluded with a set of recommendations, including the need to expand the categories participating in training operations and to work to enrich the latter.

Keywords---Transformation, Recruitment, Training, Sonatrach.

Introduction

Human Resource transformation represents a strategic effort aimed at fundamentally altering the management of human resources within an organization. The goal is to align HR practices with overarching business objectives while enhancing the employee experience, this process includes the redesign of HR strategies, processes, systems, and technologies to boost efficiency, generate business value, and foster a more engaged and productive workforce.

To achieve its managerial and operational excellence goals, Sonatrach has prioritized the enhancement of its human resources; As a driver of growth and competitiveness, training and recruitment plays a central role in the company's Human Resources management policy.

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Through diversified recruitment processes, a company can attract talent and enhance cultural diversity, and by continuous training, a company can maintain a high level of skill among its employees, also, performance evaluation provides feedback on the effectiveness of the company's programs, consequently, professional development initiatives are crucial for adapting to swift changes in the scientific arena, particularly within the energy industry.

Based on what was said, we raise the following problematic, “Does Sonatrach have the capacity to develop and succeed in its human resources transformation project?”

From this question, sub-questions arise as follows:

- What is meant the human resources transformation?
- The manner in which the training process is conducted within the organization and which category the greatest benefit from it?
- Does Sonatrach committed to internal and external recruitment processes?

The importance of the study lies in its consideration of a significant project within Algeria's largest economic institution, Sonatrach, which operates in the energy sector. In accordance with the strategy it has developed within the framework of its Vision 2030, the human resources transformation project is at the forefront of this strategy, for which a significant budget has been allocated to elevate human resources to a higher level of efficiency, starting with the recruitment process, through training, evaluation, and optimal management of the career path. Therefore, this study sought to achieve the following objectives:

- Trying to understand what is meant by human resources transformation and the importance of this project for the organization in the short and long term.
- Trying to understand the training process in the organization, identifying the entities responsible for training human resources, and the groups most targeted by training processes.
- Trying to identify the nature of employment in the organization and the most relied upon categories in the organization to carry out recruitment operations, as well as identifying the most targeted specializations according to the organization's needs.

To conduct this scientific study, a field study was conducted at the institution under study, relying on official statistics provided by the relevant authorities, in addition to the company's annual report for the year 2023.

Finally, the methodology of this study relied on the descriptive approach, which was used to collect the scientific material necessary to understand the theoretical aspects of the subject, apply it to practical reality, and derive the necessary results from it.

Literature Review

In the current environment, the long-term success and competitive edge of businesses rely on valuing human resources, as most assets held by companies can be replicated, with the exception of human capital. Consequently, it is crucial to guarantee that human resources engage in their tasks willingly.

A genuine HR transformation is an integrated, aligned, innovative, and business-oriented strategy for reimagining the execution of HR functions within an organization, thereby enabling it to fulfill commitments made to customers, investors, and other stakeholders. This process commences with a clear understanding of the justification for undertaking HR transformation (Ulrich, Allen, Wayne, Younger, & Nyman, 2009, p. 08)

The need for the transformation of HR has been positively influenced through the below mentioned reasons: (De Silva, 2014)

- To reduce cost and better manage cost of internal process.
- To improve the service levels to line management and employees.

- To align the organizational with common objectives.
- To benefit from technology and empower line management and employees.
- To free internal management to focus on strategic issues.
- To concentrate on core business and sustaining core competences of the organization.

There are two main activities that we will address (training and recruitment), which are two main axes in Sonatrach's human resources transformation project. Effective recruitment strategies are crucial for organizations seeking to attract and retain top talent in a competitive job market.

Recruitment is defined as the process of identifying, attracting, and selecting individuals for employment within an organization. This process goes beyond simply filling vacancies; it requires a strategic approach that aligns with the organization's goals and culture. (Shofiana, Hasbullah, Ida, & Larasati, 2025, p. 131), the purpose of recruitment is to get as much supply of potential applicants as possible so that the organization/company has the opportunity to choose prospective workers who meet the specified qualification standards. (Perkasa, Parashakti, & Prexi, 2020, p. 03)

The initial phase of the selection and placement process involves employee planning, the planning process is fundamentally based on identifying the need, assessing applications, and assigning suitable candidates to the necessary positions (Ozkeser, 2019, p. 805). Employee requirements can be fulfilled in two distinct ways:

Employee Provisioning from Internal Resources: (Muscalu, 2015, p. 353) This can occur through transfers or reassignment. Both methods should prioritize the voluntary participation of the employee. Additionally, there may be modifications regarding the promotion of the individual's responsibilities, job descriptions, salaries, and other related aspects.

Employee Provisioning from External Resources: This includes individuals who are currently employed within the organization as well as those who possess the desire and capability to work for the organization. Recruitment from external sources can introduce fresh ideas, methodologies, and techniques. Furthermore, the new employee has the potential to enhance the productivity of their colleagues, as they will exert additional effort to establish their competence. (Sisneros, 2024, p. 04)

Training is a term that denotes organized efforts aimed at promoting the acquisition of pertinent skills, knowledge, and attitudes among members of an organization (Latham & Dello Russo, 2008, p. 400), training is also characterized as a function or activity within human resources management that aims to identify the developmental and qualification needs of individuals across different organizational levels, taking into account their performance strengths and weaknesses as well as their behavior in the workplace. (Al Khawaldeh, 2023, p. 07)

The training program is significantly based on training needs analysis (TNA). It focuses on staff development and encompasses the following aspects: (Mulang, 2015, p. 193)

1. The onboarding of new employees and their acclimatization to organizational responsibilities.
2. The acquisition of new work equipment, which prepares the staff to effectively use the new technology without risk and with optimal efficiency.
3. Modifications in management systems, such as the implementation of a new HR management system, which equips the staff for their roles through the newly established framework.
4. The adoption of new quality standards (ISO certified), which prepares the staff for their roles through the newly established system.
5. The necessity for knowledge refreshment, which revitalizes the skills and knowledge that staff have acquired in a new context.
6. Deteriorating staff performance, which enhances the quality of staff performance as required by strategic environmental developments.

7. Employee rotation or relocation, which enhances the staff's ability to manage new roles and work environments.

There exists a variety of training courses that can be employed to engage employees. These courses are typically utilized throughout all phases of the training process, including orientation, in-house, mentorship, and external training, the choice of training method is contingent upon the resources allocated for training, the nature of the company, and the emphasis the company places on training. There are many types of training such as: technical or Technology Training, quality Training, soft skills training, managerial Training, Safety Training...sct (Alghurabli, 2017, p. 09)

It is widely recognized that various forms of organizational training are advantageous not only for the organization itself but also for its individual employees. On one hand, training and development contribute to enhanced profitability and foster more favorable attitudes towards profit orientation, augment job knowledge and skills across all levels of the organization, elevate workforce morale, and assist employees in aligning with organizational objectives. On the other hand, training and development provide individual employees with the means to make improved decisions and engage in effective problem-solving, promote self-development and self-confidence, aid employees in managing stress, tension, frustration, and conflict, enhance job satisfaction and recognition, and guide individuals towards their personal goals while refining their interaction skills. (Rashed, 2019, p. 09)

Results and Discussion

In this part, we will discuss the practical aspects that Sonatrach has begun to implement its project.

1-Presentation of Sonatrach company:

Established on December 31, 1963, following Algeria's independence, SONATRACH is a comprehensive oil and gas enterprise that operates throughout the entire value chain, with a focus on exploration, production, pipeline transportation, refining, and marketing.

As a fundamental pillar of Algeria's economy, Sonatrach ensures national energy security, accounting for approximately 26% of Algeria's GDP and 50% of the country's fiscal revenues. (Sonatrach, 2025)

Principal Mission of Sonatrach:

- Address the domestic demand for hydrocarbons.
- Enhance national revenues in the short, medium, and long term.
- Foster Algeria's economic development.

2- The principal axes of the transformation HR project:

The TRH project essentially consists of a review of the four (04) HR processes (Sonatrach, Jan2021, p. 06):

- Recruitment: a simplified, digitalized process based on the Employer Brand, designed to attract the best future employees through a diversification of recruitment channels. The recruitment process, which also includes a three-stage Integration phase (administrative, cultural and professional integration), will be supported by a platform (recruitment website), designed to make recruitment operations transparent.
- Skills Development: This process is based on technical and behavioral skills repositories, which will enable the manager to identify the skills gap of his or her employee, and consequently the actions required for his or her development, formalized in an IDP (Individual Development Plan).
- Performance Management: This is a process based on the principles of performance differentiation and its consequences on remuneration, equity and solidarity. Performance management enshrines the management model based on objectives directly linked to Sonatrach's performance, drawn exclusively from : Job descriptions (key performance indicators), in the case of individual performance,

Annual Company Plan, validated by the corporate bodies, in the case of collective performance.

- Career Management: is a process based on mobility according to illustrated career paths in each professional field. These career paths will enable each Sonatrach employee to visualize the career opportunities available to him or her, based on performance and potential.

3- Analyzing the Human Resources Activity for 2023:

In this section, we will review the recruitment and training processes that the company has initiated in its new project, without touching on the performance evaluation process, which has not yet been implemented.

3-1- Employment status :

The general situation of employment can be explained as follows:

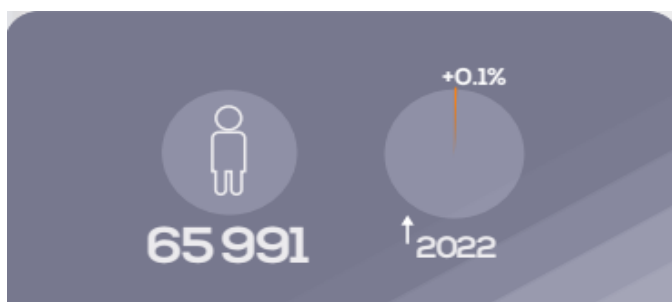


Figure N°01: Employment status

Source: (Sonatrach, 2023, p. 51)

The year 2023 ended with a total workforce of 66,025 employees, a slight increase of 0.1% compared to 2022 (65,991 employees). This demonstrates the organization's dynamism and strategic expansion, which must also be accompanied by the recruitment and mobilization of greater numbers of human resources.

- Partition by socio-professional category (SPC):

They are partition by social and professional category as follows:

Table N°01: socio-professional category

Staff	Number of agents	Rate (%)
Senior	31 318	56.2
Supervisor	21 976	39.4
Execution	2 433	4.4

Source: Internal Company Reports for 2023

The permanent workforce represents 84% of the total workforce, the distribution reveals a clear preeminence of the category of senior the university graduates (holders of bachelor's and master's degrees), followed by the category of supervisor agents, who are mostly technicians, then execution agents (drivers, maintenance assistants, etc.) who have a limited educational level and whose main task is to carry out field tasks, we notice that the company focuses a lot on the category of seniors, as they are the thinking category and contribute to drawing up strategic plans, as for the remaining employees, they are temporary contract holders at a rate of 16% and they are often found in the company's branches, especially in the field of achievements and works.

- Partition by function:

By function, the share allocated to core business functions clearly predominates:

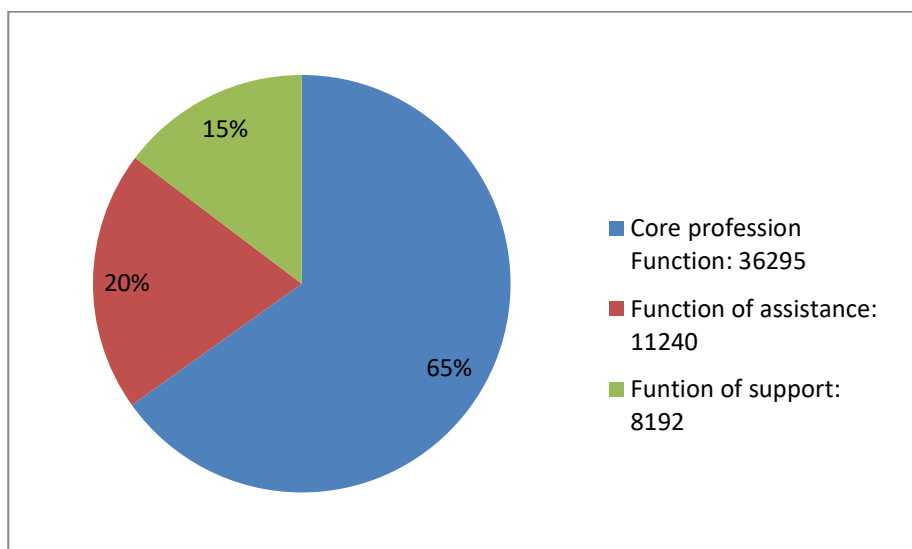


Figure N°02 : Functions types
Source: Internal Company Reports for 2023

The proportion of the Core profession Function workforce represents 93% of the expected target (i.e., 65% CPF). Then, the support and assistance functions follow closely (15% - 20%). For the age of employees, the average age of permanent staff is 43, with an average seniority of 14 years, this is important and good for the company as it has a large pool of expertise and a long margin for development and providing more high performance to the company.

As for the largest segment present in the company, the category of male employees represents the overwhelming majority at 84% due to the company's specificities, the nature of work in it, and the fact that most of its branches are in isolated areas of the country, as for the female staff represent 16.5% of the total permanent workforce, or 9,184 employees, an increase of 0.9% compared to 2022 (9,104 employees). Nearly a third of this workforce works in core profession functions (the fundamental function), Executive functions are not suitable for this category at all, the average age of this staff is 41, with an average seniority of 13 years.

3-2- External Recruitment:

The number of permanent employees selected through external recruitment during 2023 reached 1,356 employees. By socio-professional category, these recruitments primarily concern supervisory positions:

Table N°02: External recruitment

Staff	Number of agents	Rate (%)
Senior	287	21
Supervisor	945	70
Execution	124	09

Source: Internal Company Reports for 2023

External recruitment in core profession functions "CPF" totaled 980 employees (72% of total external recruitment), of which more than 90% concerned the following functions:

- Research and exploitation of gas field: 431 (44%)
- Maintenance: 248 (25%)
- Security: 207 (21%)

The recruitment process demonstrates the company's focus on its core functions, with 431 positions in the research and exploitation sector, representing 44%, followed by the maintenance sector and then internal security. External recruitment in the support & assistance functions "SAF" reached 376 agents (i.e. 28% of the total external recruitment), mainly assigned to functions in the following sectors:

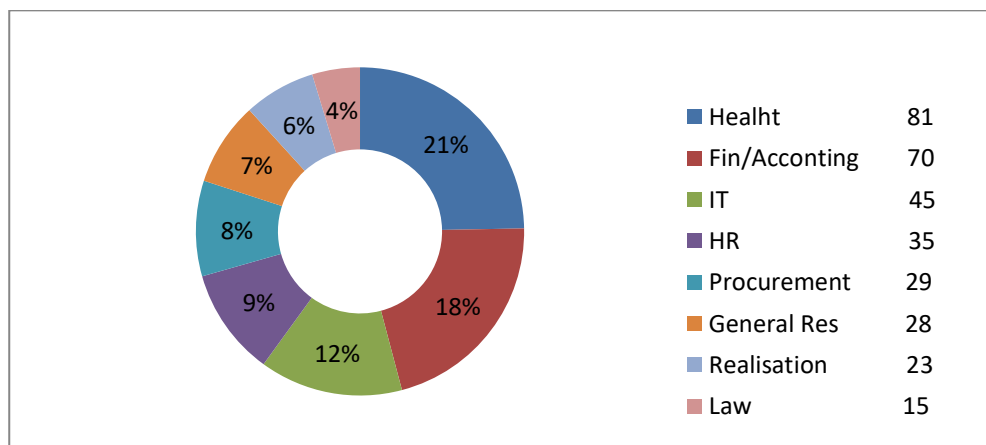


Figure N°03: Most requested functions
Source: Internal Company Reports for 2023

These recruitments were motivated 78% by operational needs and 21% by the launch of development projects. The health sector topped the list of in-demand positions, employing 81 individuals, representing 21% of support and assistance positions. Finance and accounting also occupied 70 positions, representing 18% of the total. The remaining positions were similarly represented (information technology, human resources, supply chain, general resources, realizations, and law). Therefore, we conclude that the predominant category in the company is control assistants, representing 70% of the total, this indicates that this category is a vital contributor to the organization's actual business results.

3-3- Training:

- Achievements:

During 2023, 28,614 employees were trained (43% of the total workforce), for a total duration of 301,029 hours/day and an overall cost of approximately 5,672 million DA (2.5% of the payroll), an increase of 14% compared to 2022, this indicates the company's growing interest in training its employees and enhancing their knowledge.

- Partition by socio-professional category:

Table N°03: Agents trained by socio-professional category

Staff	Number of agents trained	Rate (%)
Senior	17 862	62.4
Supervisor	10 124	35.4
Execution	628	2.2

Source: Internal Company Reports for 2023

The training primarily targeted employees in the senior category (engineer, cadre), with 17,862 individuals trained, representing 62%, followed by the Supervisor agents category, with 10,124 individuals trained, representing approximately 35% of the executive category, and finally, the Execution agents, this shows us a kind of injustice towards the Supervisor, who constitute the most representative and vital category in the company, as the number of trainees is small compared to the number of workers in this category, but this reflects the company's view and policy focused on the senior category.

- Partition by function:

The training primarily targeted senior staff and primarily core **professional** functions:

- Core profession functions: 19,839 agents, or 69% of the total trained workforce and 55% of the CPF workforce.
- Functions of assistance/support: 8,777 agents, or 31% of the total trained workforce and 30% of the FAS workforce.

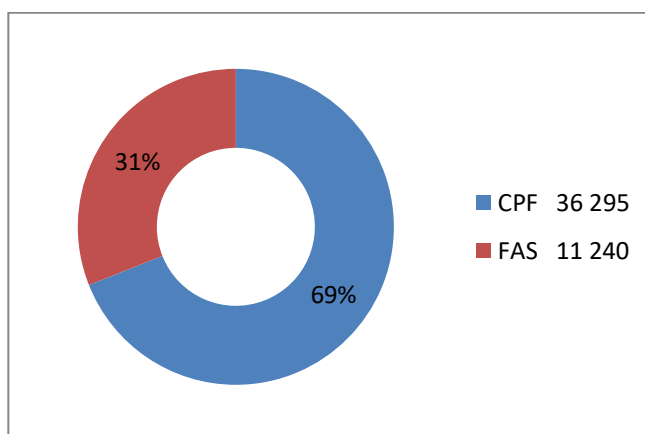


Figure N°04: Agents trained by functions
Source: Internal Company Reports for 2023

In terms of the age of the trainees, the average age of the trained staff is 42, with an average seniority of 13 years, it is an acceptable average, neither low nor high, which indicates that the training is more geared towards basic functions. In terms of gender of the trainees, Female staffs represent 16.7% of the total trained workforce, or 4,771 employees. Nearly 38% of this workforce works in core business functions, male employees constitute 84% of the total workforce.

Training provided by the Company's training centers (IAP, SMA, and Activity Training Centers) represents 91% of the total man-days (or 272,507 hours/day), corresponding to 46,232 participations and a cost of 5,026 million DA, or 88% of the total cost. In terms of man-days, training activities were refocused 59% on core business functions and 41% on support areas, Face-to-face training represents 93% of the total man-days. Nearly 88% of training activities carried out during 2023 were short-term, averaging 8.5 days per employee. There are two main institutions approved by Sonatrach to conduct training, development and rehabilitation activities.

- Sonatrach Management Academy « SMA » :

In the last five years, the academy has successfully trained over 90,000 employees from the Sonatrach group and its numerous subsidiaries across various disciplines, including accounting, finance, commerce, transactions, marketing, human resources management, project management, information and communication technologies (ICT), industrial safety, environmental concerns, and more.

The educational oversight at this institution is managed by 35 full-time trainers, along with a network of 500 trainers that comprises experts, including executives from different subsidiaries of the Sonatrach group and retired executives, to leverage their expertise, as well as private specialists and partnerships with specialized foreign institutes. (Abdallah, 2024)

- Algerian Petroleum Institute « IAP» :

Alongside the institute situated in Boumerdès, three additional specialized training centers were later established: Arzew, Skikda, and Hassi Messaoud, providing a combined total of 1,600 teaching positions.

In order to stay aligned with global technological advancements in the oil sector, the IAP initiated postgraduate training programs in 1986, which include Specialized Engineers, Specialized Masters, Specialized Postgraduate (PGS), Masters, and Master of Science.

- IAP Missions:

As a crucial component of Sonatrach, the main objective of the IAP is to facilitate the company's transformation by:

- Providing training, development, and retraining across various domains within the energy sector, especially in hydrocarbons.
- Coordinating and executing specialized and accredited training programs in the diverse fields of activity in the hydrocarbon sector.
- Establishing exchanges and partnerships with national and international universities and institutes, and organizing scientific and technical events.

Conclusion

The HR transformation enables organizations to succeed in the rapidly changing business landscape, although it might seem like a challenging endeavor, adhering to the correct procedures and ensuring the involvement of key workers throughout the process will yield substantial benefits for any organization that embarks on it. The findings obtained through this study show that:

- The company has a large workforce and it is growing as a result of external recruitment operations carried out by the organization as a reflection of its expansion and the increase in the volume and diversity of tasks.
- The category of senior staff (engineers,..) with a high university education is the most common job category within the company.
- The Core professional functions are the most in-demand functions within the company, as they are related to the company's core activities.
- The company's external recruitment focuses primarily on attracting supervisor staff for core profession functions especially in research and exploitation functions.
- The company has doubled its training operations compared to previous years, reaching nearly half of the company's total workforce.
- The senior category (cadres, engineer) are considered the most beneficial category of training programs, especially individuals who hold positions within the core profession functions (fundamental).
- The company has sufficiently equipped and respected facilities to carry out training operations in various administrative and technical specializations.

Based on these findings, we recommend the following:

- Providing greater training opportunities for assistance/support function staff, as they are the most present and dynamic group within the company, ensuring quality work is inevitably achieved by those in these positions, who are closest to the problems on the ground.

- The need to provide opportunities for graduates of specialized formation institutes, as they are at a level no less advanced than their university-educated counterparts, those graduates have received at least three years of theoretical and practical training.
- The need to awareness and control the superiors in the process of providing training to their subordinates to avoid favoritism on the one part, and to control their exclusionary behavior towards the worker on the other part, Because they see training as just entertainment and a waste of time from their narrow perspective.
- The need for transparency and informing employees of all developments occurring within the organization, especially their files, through an information system equipped with all the details (Promotions, training updates, salary updates...etc.)
- The necessity of establishing the necessary effective and equitable mechanisms in the performance evaluation system, and not placing it under the complete control of senior management officials (department head,...) to avoid their arbitrariness towards subordinates, and their lack of full knowledge of the work accomplished by lower-level workers.
- The need to enrich training processes and not make them limited to core profession functions only. Rather, they must go beyond that to expand the worker's knowledge in various sciences surrounding the work environment, such as teaching English, artificial intelligence skills, etc.

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