



The effect of corporate restructuring on company performance :

A case study of moroccan listed companies

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Abstract: For over two years now, the Covid-19 pandemic has plunged the world into a health, social and economic crisis of exceptional magnitude. Several Moroccan companies listed on the stock exchange have experienced difficulties. Faced with these difficulties, whether financial or not, a company must take corrective measures, the generic term of which is restructuring. These actions are most often grouped together in a plan that combines operational and financial measures capable of maintaining the competitiveness of the firm and increasing its performance to ensure the immediate survival of the company. The results of our quantitative study conducted on a sample of 48 Moroccan companies in difficulty listed on the Casablanca stock exchange over the period 2019-2021 show that the implementation of restructuring measures has a positive impact on company performance.

This article aims to identify the various causes and origins of business failure in order to explain the preventive measures taken by them and better understand the impact of these restructuring measures on performance through the various conclusions issued by theorists having addressed this issue.

Key Words: Restructuring measures, Performance, Moroccan companies listed on the stock exchange, Companies in difficulty, Failure

1. INTRODUCTION

One of the highlights of the past two years is the COVID 19 health crisis, which has gradually globalized and evolved successively into a financial and then an economic crisis which began in Morocco in March 2020. This crisis caused the bankruptcy of a few companies (small, medium or large), especially in the banking sector. These bankruptcies are the result of a long process marked by low liquidity on the market, by insufficient cash, by the loss of equity, by over-indebtedness and by the continuous decline in turnover. As noted by Cadiou C. (1995), the difficult situation is characterized by an increase in the risk of failure linked to insolvency, the cash crisis and the absence of results.

The Inforisk report on business failures in Morocco in 2021 indicates that alongside the 10,556 "official" failures, nearly 95,000 companies, or 14% of all companies established in Morocco, are unofficially dormant.

To remedy this situation, the State has taken the necessary measures to implement an ambitious program for the restructuring of public establishments and companies, to make them a control centered mainly on the assessment of performance, the evaluation of the governance and risk prevention.

In addition, to emerge from bankruptcy, legal reorganizations or safeguard plans for certain listed companies experiencing difficult situations have made very strong progress on the stock market.

This article focuses on studying the impact of restructuring measures taken by listed companies in difficulty on performance. Our study is conducted on a sample of 48 Moroccan companies listed on the Casablanca Stock Exchange over the period 2019-2021.

In what follows, we first present the different definitions of a company in difficulty, as well as the enumeration and explanation of the indicators and causes of the difficulties and describe the nature of the restructuring measures taken by the companies during a period of distress. And secondly, to seek through an analysis of the empirical, the restructuring measures favored by listed Moroccan companies during a period of distress and to analyse the role of these measures as an explanatory factor of performance in the context of an emerging country such as Morocco.

2. COMPANIES IN DIFFICULTY: MAIN CAUSES OF FAILURE AND RESTRUCTURING MEASURES

The approach to the failure of a company can be operated by resorting to collective procedures after an a posteriori analysis of the consequences, essentially financial or economic, of its difficulties. The concept of a company in difficulty is therefore dynamic and complex. This is true when trying to establish criteria for detecting failure.

2.1 Concepts of the company in difficulty

In 1969, Daunigeau based himself on the financial aspect to define the company in difficulty as being: "The one which is close to the cessation of payments taking into account the importance of the operating loss, the outstanding to pay and the existence or not of bank credit".

This definition is now insufficient because it only affects one side of the difficulties encountered by the company while neglecting the other aspects influencing it.

For this, in 1985, Jean Brilman broadened this concept by adding problems characterizing the company in difficulty such as: the decline in profitability, the deterioration of the social climate or the decline in the volume of activity, which are the origin financial problems and to which the leader must find immediate solutions in order to avoid them. In this respect, he defined a company in difficulty as being: "a company encountering or foreseeing financial problems (immediate consequence of other much deeper problems), and which takes immediate measures in order not to experience financial troubles".

As for Jean Francois Daigne (1991), he retains three concepts for this notion of a company in difficulty:

- Unprofitable company in a state of suspension of payments which, as a result, risks not being able to continue its operation.

- Healthy or very efficient but vulnerable company: situation encountered especially in small companies, extremely efficient but which develop too quickly, because their financial management sometimes leaves something to be desired.

- But above all, a company presenting an imbalance in terms of its industrial, then social and finally financial data. Indeed, when the economic elements deteriorate, these leads, if we are not careful, to a demotivation of the staff with, in the end, the spiral of deterioration of the cash flow.

Finally, Prunier and Mourel (1996), gave a general definition by considering that any company whose operation and activity are threatened for any reason is a company in difficulty. They defined it as follows: "a company in difficulty is one whose continuity of operation or activity is compromised, for any reason whatsoever".

By going through these different definitions, we can deduce that a company in difficulty is any company facing problems that have a negative impact on the development of its activity or on its life cycle and which call into question the sustainability of its activity. The persistence of difficulties leads the company to have financial problems. This situation is referred to as a business failure situation.

Default situations affect the existence of a company and represent a very high cost for banking institutions in the event of partial or total loss of loaned funds, but also a major risk for other creditors, who, as a result, may in turn fail. In its common and legal meaning, failure covers a set of situations that contribute to the disappearance of the company due in particular to serious financial problems that lead to cessation of payment.

Historically, the assessment of risk and the problems of failure of a company has been at the center of the concerns of researchers and professionals in this field, because they constitute a fundamental issue for society. They therefore strive to delimit the field involving the concept of failure in order to give it a clear definition.

Pompe and Bilderbeek (2005), Pindado and Rodrigues (2008), Atiya (2001) and Varetto (1998) consider that the notion of default is in principle linked to credit risk, since it is the banks that declare that a company is insolvent when they refuse them credit. Blazy et al (1993), define failure as "the situation from which a recovery procedure is opened against a company".

It is common for the terms "failure" and "difficulty" to be confused. However, failure refers to a significant degree of hardship. This situation is the result of a large number of obstacles that society faces. The failure process is gradual. A company fails first economically, then financially, and finally legally. This last failure is the consequence of the first two.

Obviously, it seems essential to admit that there is no single concept of a company in difficulty and that the best way to account for reality consists in sometimes resorting to practice by adopting an extensive definition of the notion of company in difficulty and inevitably diversified, which would make it possible to better apprehend all the various hypotheses.

Previously, the difficulties particularly affected small entities as well as newly created ones. However, since the early 2000s, the "contamination" has also extended to large companies listed on the stock exchange.

We cite the example of the health crisis which surprised governments around the world with its scale and brutality. This crisis linked to the Coronavirus has spared no sector of activity in Morocco, as in many countries. Since Morocco declared a State of Health Emergency, following the appearance of the first positive cases of Coronavirus at the beginning of March 2020, Moroccan companies have experienced an unprecedented period of cessation of operation. Indeed, several companies, industrial and commercial, were obliged to break off their activity, and consequently their operating and financing cycles were deeply impacted by this health crisis. Many companies temporarily or permanently ceased operations and thousands of jobs were lost.

We can deduce from what has been mentioned that the concept of a company in difficulty is very broad and difficult to define. The company is subject to many difficulties which can come from its internal or external environment, or even both simultaneously. To do this, managers must anticipate them through means of forecasting such as financial analysis and discriminant analysis, in order to be able to detect and resolve them so as not to sink into a process of failure and avoid bankruptcy.

Otherwise, the company will have to put in place a recovery plan that will allow it to get back on its feet. Otherwise, it will be obliged to face legal settlement procedures which are nothing other than the legal

sanction of the failure and the legal translation of the insolvency of the company.

2.2 The main causes of business failure

As we have already pointed out above, it seems difficult to give a definition of a company in difficulty, an economic rather than a legal concept.

To these various factors of imprecision of the concept of company in difficulty, is added the heterogeneity of the causes of the failures of internal origin or of origin external to the company. Each of the specific causes has its share of consequences, and the accumulation of desperate financial and social aggravating factors.

The visible signs of financial difficulties are extremely varied and range from the appearance of certain imbalances or difficulties to postponements of deadlines, late payment of taxes, duties and social security contributions, registration of privileges, protests, recourse permanent bank overdraft or asset sales, paralysis of management bodies, etc.

More concretely, the company is no longer, or will soon be, no longer able to ensure the payment of salaries, the payment of suppliers, the repayment of loans on the due dates, the financing of the investments necessary for operational continuity, and the payment of any restructuring costs necessary for this continuity.

A financial crisis is very rarely the result of a single factor and generally does not happen all at once. It is almost always preceded by mini alerts, most often underestimated or ignored by the manager and his team. Warning signals can come from inside the company or from outside, be financial in nature or not.

Several studies on the causes of business failures agree that the main causes are factors of fragility and internal errors on the one hand, and factors related to the environment on the other.

Among the causes of failure, we quote, the problems of the outlets which often result from the downward trend of the request addressed to the company. It can also be the result of the expiry of contracts without the possibility of renewal. A company in difficulty is characterized by losses in turnover and by its inability to correctly assess its market: poor anticipation of demand or the behavior of its competitors. This poor anticipation will significantly influence the quality of its products. This problem of outlets can be mitigated by measures which will enable the company to have a better knowledge of its environment and therefore to meet the needs of the market.

Thus, the increase in financial charges linked to short-term indebtedness will be a handicap in the face of the increase in shareholders' equity. Among the difficulties of financial origin, we can cite the default of payment by a major customer and the extension of customer deadlines. These two factors highlight the magnitude of late payments on business failures. These situations make it difficult for the company to access bank loans. Indeed, the withdrawal of financial backers appears to be a factor that could jeopardize the very survival of the company.

It should also be noted that the influence of macroeconomic factors on business failure mainly concerns vulnerable businesses. The variables related to general economic conditions are:

- Credit conditions and the money market: These are considered to be one of the main causes of business failures, and are usually the result of tighter banking conditions, a credit crunch or rising interest rates. These credit conditions encourage an increase in the default rate of companies. When the company's solvency deteriorates, its access to the capital market and to supplier credits becomes increasingly difficult. To this end, banks are seeing their roles increase and they are preparing to face the risks.

- The flow of business creation: The distribution of bankruptcies depends on the age of the business. Start-ups have a high mortality rate. The creation of new companies leads, with a lag of a few years, to an impulse of insolvencies. These companies present weaknesses due primarily to the conditions in which they were created. Indeed, the majority of these companies only have the minimum capital required by law. The reinforcement of their funds remains necessary for the development of these companies.

- Inflation: The rate of monetary depreciation can have an influence which may or may not be favorable on the company's situation. In the short term, this phenomenon works in favor of companies that suffer from high debt because it allows them to repay with depreciated money. In the medium term, these see an increasing share of their income absorbed by financial costs.

In addition to the previous causes, there are others which are exceptional and unpredictable such as: The death of a manager, the departure of one or more partners (managers), and natural disasters such as the Covid-19 health crisis of our time. This pandemic is much more than a health crisis, it is also an unprecedented socio-economic crisis putting pressure on each of the countries it affects, it has generated a significant drop in economic activity likely to generate the failure of many companies. The crisis has blocked foreign trade and importing and exporting companies are idling. An unusual rise in corporate insolvencies and the fallout from the crisis also hit the Moroccan stock market.

Since the outbreak of the Covid-19 crisis, market capitalization has collapsed by more than 20 billion dirhams at the start of 2020, causing a plunge in share prices never before seen in the Casablanca financial city.

After reviewing the root causes that lead the company to failure, we will present in the following part the preventive and recovery measures, as well as the operational actions allowing their execution in the daily life of the company.

2.3 The different types of restructuring measures initiated by companies in difficulty

Economic crises call for measures which immediately mitigate their effects but which, at the same time, carry the risk of ultimately affecting the springs of the economy and reducing the possibilities of recovery. The treatment of

companies in difficulty does not escape this dilemma because the measures aimed at safeguarding the activity of these companies, when they are not financed by the community, are necessarily financed by creditors, bankers and suppliers, in particular, the other creditors that are the employees, the State and the social organisms being protected.

We define restructuring as a change in operations, interactions and motivation to succeed in a changing market environment. This definition captures the essence of restructuring changes, some of which will be forced by the behavior of other market players, while others will be pursued by management and owners. The increasing availability of large datasets on publicly traded firms over the past two decades has greatly enriched the empirical literature examining the effects of different types of ownership structures on firm restructuring.

Starting from this idea, it therefore becomes interesting, even useful, to classify the various measures taken by companies in difficulty. Firms experiencing serious difficulties may undertake operational (Gilson 1989), organizational (Wruck 1990) or financial (Gilson et al. 1990) restructuring measures. Operational and organizational measures result in the reorganization of the company, the reduction of costs, divestments or even layoffs. The financial measures mainly consist of the renegotiation of the debt, the capital increase and the modification of the dividend policy. As we seek here to understand the relationship between performance and restructuring measures, we need to specify the latter.

2.3.1 Operational and organizational measures

Operational restructuring refers to the operational efficiency or turnaround phase. This step aims to restore profitability by controlling costs and reducing overhead through the sale of surplus fixed resources such as land, equipment and office space. By decreasing inputs and maximizing outputs, businesses can generate cash flow (at least in the short term) and improve efficiency. When companies recognize distress, the first strategy implemented is operational restructuring.

However, although necessary, operational restructuring is primarily a short-term solution used to quickly generate cash flow. Previous literature suggests that operational restructurings in the form of purchases are less likely than sales. Nevertheless, if productivity can be significantly improved, struggling firms can build new factories or invest in more advanced technology and equipment. Among the operational measures, we cite: the reorganization of the company, the reduction of costs, the disinvestment and the reduction of the workforce.

As we have already underlined, if the panoply of internal restructuring measures available to managers is wide, it is clear that downsizing is a privileged means available to managers to restore the competitiveness of the firm. , whether it is in difficulty or not.

2.3.2 Financial measures

Financial restructuring involves the introduction of substantial changes in the capital structure of the company in terms of indebtedness. This aims to restore and maintain the company's solvency and strengthen its equity. These changes aim to find financial resources and allow the company to overcome the liquidity deficit and relaunch itself in the market. The literature emphasizes the existence of two different financial restructuring strategies: equity and debt. The first strategy includes dividend cuts and other equity-related interventions (such as debt-for-equity swaps and recapitalization through offset credits provided by banks). The second strategy is related to debt restructuring, which may include interest or principal reductions and maturity extensions. DeAngelo.H & DeAngelo.L (1990), found that large firms are likely to respond to distress by cutting their dividends quickly and aggressively. The funds withheld can then be used to pay debts.

Among the operational measures, we cite: the reorganization of the debt, the capital increase, the modification of the dividend policy, etc.

3. IMPACT OF RESTRUCTURING MEASURES ON THE PERFORMANCE OF MOROCCAN COMPANIES LISTED ON THE STOCK EXCHANGE

Over the past thirty years, the majority of industrialized countries have been hit by a significant increase in the number of insolvency proceedings and in particular those relating to financial distress and commercial bankruptcy. Since the early work of Modigliani and Miller (1958, 1963), a growing number of economists and experts in finance and law have taken a close interest in the phenomenon of bankruptcy and its impact on the real sector of the economy. In addition, the sustainability of the company has always been closely linked to managerial factors that come under the notion of cooperation between actors.

By going through the different restructuring measures and mechanisms aimed at improving the firm's efficiency, we have highlighted the results of researchers who have shown that, for firms in difficulty, there was a panoply of measures capable of restoring the competitiveness of the firm, its performance and, beyond that, its value creation process. From a conceptual point of view, poor performance and the destruction of value most often lead firms to undertake operational restructuring measures such as cost reductions, layoffs or even divestments, and financial measures such as the renegotiation of the debt, the capital increase and the drop in dividends. Thus, Jensen (1989), shows that the more a firm is indebted, the more the occurrence of these actions is frequent because if it delayed the application of these measures, it could very quickly fall under the scope of a receivership procedure. From this idea, our interest is to analyze the link that exists between the restructuring measures taken by companies in difficulty and performance.

That said, most empirical studies use accounting and/or stock market variables as measures of difficulty.

Referring to studies by Ofek (1993), the author constructs a sample of low-performing firms by arbitrarily selecting those whose annual stock return is in the lowest 10% of the entire market after having been in the top 67% the previous year. For this, we have chosen as a criterion for the difficulty of listed companies, the stock market criterion because it emphasizes the decline in profitability and the destruction of value for the shareholder.

For the collection of our data, we went to press releases publishing stock market information such as Boursenews, in order to be able to complete our database on the restructuring measures taken by companies in difficulty.

In the context of this study, we are exclusively interested in companies listed on the Casablanca stock exchange during the period between 2019 and 2021. Thus this study adopts a more recent sample to obtain additional evidence on the difficulties encountered by listed companies. The number of companies in the sample varies over the years depending on the number of IPOs per year.

3.1 Constitution of the sample

Over the period 2019-2021, we have identified 48 companies in difficulty listed on the Casablanca Stock Exchange, the stock market performance of these companies is detailed in the following table:

Table -1: List of variations-Central Market-Stocks-

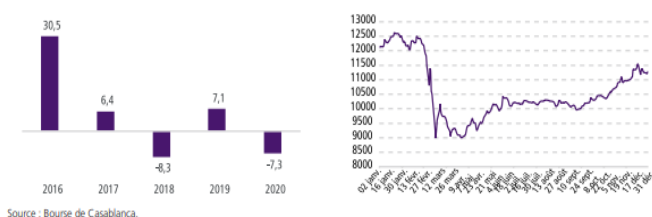
	2019		2020		2021
ALLIANCES	-34,12	ALLIANCES	-35,8	CENTRALE DANONE	-15,59
CENTRAL DANONE	-20,68	ALUMINIUM DU MAROC	-19,99	LYDEC	-36,88
DLAI	-59,34	ATTILARIWAPA BANK	-15,18	OULMES	-13,86
DOUJA PROM	-33,29	AUTO HALL	-11,88	SMI	-22,53
IB MAROC	-37,33	BANK OF AFRICA	-18,78	UNIMER	-12,17
KERAB COMPANY	-13,57	BCP	-10,02		
RES DAR SAADA	-43,43	BMCI	-10,77		
SONASID	-46,12	CDM	-18,05		
STROC INDUSTRIE	-53,08	CENTRALE DANONE	-18,44		
ZELLIDJA	-31,19	CIH	-14,72		
		COLORADO	-13,26		
		CTM	-20,21		
		DELATTRE LEVIVIER MAROC	-32,63		
		DOUJA PROM ADDOHA	-43,65		
		ENNAKL	-17,31		
		EQDOM	-15,15		
		FENIE BROSETTE	-48,29		
		IB MAROC.COM	-34,92		
		INVOLYS	-26,31		
		JET CONTRACTORS	-27,88		
		LafargeHolcim Maroc	-13,51		
		LESIEUR CRISTAL	-10		
		LYDEC	-16,14		
		OULMES	-17,69		
		PROMOPHARM S.A.	-17,06		
		REALISATIONS MECANQUES	-30,56		
		RESIDENCES DAR SAADA	-51,79		
		RISMA	-32,94		
		SALAFIN	-39,72		
		SMI MONETIQUE	-25,58		
		SOCIETE DES BOISSONS DU			
		MAROC	-15,82		
		TIMAR	-22,75		
		ZELLIDJA S.A	-28,26		

We can make the following observations regarding the stock market performance of listed companies during the 2019-2021 period:

While the Casablanca Stock Exchange had seen its capitalization drop by 50 billion dirhams in 2018, it, against all expectations, closed the year 2019 on a clear progression and in good shape, its two main indicators, Masi and Madex, progressing 7.11% and 7.43% respectively. And these indicators are not the only ones to have evolved positively. In addition to the overall transaction volume, even better, the market capitalization increased by 44 billion DH to reach a level of 626.7 billion DH, almost catching up on its losses from a year earlier. While the expectations of the various operators of the Moroccan stock market were optimistic for the year, in particular after having closed 2019 on a clear progression, the pandemic of new Coronavirus (Covid-19) came to turn everything upside down in 2020.

The stock market variation of 2020, characterized by the event of the Covid-19 health crisis which hit the Casablanca Stock Exchange hard. The latter fell sharply during the first three months of 2020, like the international financial markets. The Casablanca market, overtaken by the psychosis linked to the coronavirus, collapsed in March 2020. In value, 123.67 billion dirhams (MMDH) of capitalization went up in smoke in the space of three months. In response to this unprecedented crisis, significant and strict measures have been taken by key Moroccan government stakeholders to help companies survive the pandemic so as not to sink into a process of default, avoid bankruptcy, preserve the as many jobs as possible, and support the economy in a context where businesses are sorely lacking in cash.

In a context of health and economic crisis, the Casablanca stock exchange posted a significant underperformance in 2020, with a decline in its benchmark index of 7.3% after a rise of 7.1% in 2019. The evolution was however, widely differentiated according to the sectors, the most impacted by the crisis having experienced pronounced depreciations. This is particularly the case for "property development and participation" whose index fell by 44.1%, "leisure and hotels" with a drop of 32.9%, or even "transport" with 20.3%. On the other hand, some sectors whose activity has boomed with the crisis have recorded remarkable performances. These are essentially "software and computer services" whose index jumped 52.3% and "pharmaceutical industries" with an increase of 17.5%.



Graph 1: Annual variations of the MASI (in %)

Chart -1: Daily evolution of the MASI in 2020

Against the backdrop of an unprecedented health and economic crisis, the Casablanca Stock Exchange was able to erase, in 2021, the losses incurred a year earlier. Thus, the Masi posted a strong increase of 18.35%.

The Casablanca stock exchange ended 2021 on a strong rise, after dropping 7% in 2020. The rating had experienced mixed changes at the start of the year. As the health and economic situation improved during the year, the market began to trend upwards.

Table N°1 explaining the evolution of the stock market performance of companies in difficulty listed on the stock exchange during the period 2019-2021, allowed us to select our study sample. We used two criteria to define our final sample:

- 1) We took all the selected companies whose stock prices had fallen by more than 10% over each of the years;
 - 2) Companies that have opted for prevention and restructuring measures in order not to fall into bankruptcy.
- The annual stock market performance of our sample over the 2019-2021 period is presented through the following descriptive statistics:

Table -2: List of variations-Central Market-Stocks-

	N	MOYENNE	MEDIANE	MAX	MIN
2019	10	-37,22	-35,72	-13,57	-59,34
2020	33	-23,48	-18,78	-10	-51,79
2021	5	-20,21	-15,59	-12,17	-36,88
TOTAL	48	-26,97	-18,78	-10	-59,34

We observe that the average drop in the stock price is between -20.21% (2021) and -37.22% (2019). The average fall in the stock price of our entire sample corresponds to -26.97%.

3.2. Restructuring measures initiated by companies in difficulty and their impact on performance

As we have already underlined in our theoretical part, the word restructuring is complex because several definitions are proposed. Indeed, restructuring is trying to become common practice for firms in difficulty. Furthermore, it should be noted that not all companies that undertake restructuring are necessarily in difficulty. According to Masquefa (2000), restructuring is a technical device with an economic and social stake. For example, recapitalization is restructuring. It is characterized by a "modification of the framework and mode of organization of the structure, originating in a legal mechanism likely to lead to a lasting and significant transformation of its essential elements". The author understands that restructuring differs from reorganization, which is a simple change or transformation of activity. It is also an efficient response to the difficulties encountered by companies (Séverin, 2006).

To get a clearer idea of the different types of measures taken by the companies in difficulty in our sample, we have grouped the measures adopted by each company into three main categories in the table below: financial

measures, operational measures, and other portfolio measures (such as: backup plan, merger, etc.).

The extraction of information on the nature of the restructuring measures taken by each company was done manually from press reviews and stock market sites.

Table-3: The nature of the restructuring measures initiated by the companies in our sample

<i>Restructuring measures employed</i>	<i>Companies concerned</i>	<i>Comments</i>
Financial measures: • Financial actions • Debt reorganization • Increase in capital • Dividend policy	ADI, TIM, ATH, CDM, IBMC, ADH, SRM, REB, RDS, ZDJ, JET, SMI, BCP, AWB, CIH, BMCI, SLF, SBM, SLM, LHM.	The capital increase is the measure most used by companies in difficulty.. It contributes to maintaining the sustainability and continuity of the operation of the company's activities.
Operational and organizational measures: • Reorganization of the company • Cost reduction • Dismissal/Downsizing	SID, IBMC, COL, FBR, OUL, RDS, CDA, ADI, RDS, LES, EQD, UMR, ALM, BOA, PRO, LYD, SBM, NKL.	IB MAROC, the only company that has opted for downsizing as an organizational restructuring measure.
Others portfolio measures (backup plan, fusion,...)	DLM, STR, SID, RIS, CSR.	As already mentioned above, Delattre levivier and Stroc industrie are placed under judicial safeguard ¹ .

In general, companies that restructure must be able to recover as quickly as possible to avoid negative consequences and limit negative impacts on organizational performance. Thus, the restructuring plan put in place by a company in difficulty, the duration of which must be as short as possible, must make it possible to restore the long-term viability of the company within a reasonable time, on the basis of realistic assumptions. regarding its future operating conditions.

Another remarkable point to raise from the table shows that three companies in our sample used both all the financial and operational measures, namely: SBM, IB MAROC, ResDarSaada. In this respect, we note that all the restructuring measures used by companies in difficulty are complementary in order to regain the growth and value creation necessary to restore competitiveness. We conclude that companies in difficulty use not a single measure but most often a panoply of measures aimed at restoring their competitiveness. There is therefore often complementarity between the various measures undertaken.

¹ After being placed under a judicial safeguard plan in December 2019, Delattre Levevier has been in receivership since April 2021 following a situation of cessation of payments.

It essentially emerges from these remarks that restructuring contributes to improving the performance of companies that practice it, but only after a few years. In the year of restructuring, these companies generally have a lower performance than other companies. This can be explained by the delay of companies that have to restructure (especially when the restructuring requires job cuts), or by the hidden costs that these operations generate in the short term (Chevalier and Dure, 1993; Zardet, 1993). These operations then allow a catch-up which is then favored by the registration of the operation in a reflection on the strategy carried out and the quality of the organization.

Ultimately, we believe that restructuring has become a leading strategy for companies around the world seeking to achieve quick wins by reducing costs and staff and increasing efficiency and organizational performance. (Farrell and Mavondo, 2004).

And that the destruction of value is the result of a situation of financial difficulty, which forces companies to undertake restructuring measures to ensure the continuation of their activity, optimize their performance and avoid bankruptcy.

These measures have enabled companies in particular to benefit, under very favorable conditions, from the financing necessary to deal with the crisis and ensure the continuity of their activities in order to mitigate the impact of the pandemic.

Table-4: Data sources and references

<i>Data sources and references</i>
* Stock exchange sites : https://www.ammc.ma/fr/publication/rapports-annuels https://www.cdgcapitalbourse.ma/ *Casablanca Stock Exchange 2019-2021 Annual Reports: http://rapport.casablanca-bourse.com/ *Press articles: www.leboursier.ma https://boursenews.ma/

For the collection of our data, we had to deploy a lot of effort in order to access all the required information. Indeed, a consultation of the website of the Casablanca Stock Exchange and the AMMC enabled us to collect certain data necessary for the implementation of this research (list of listed companies, financial statements, list of changes in shares as well as the various accounting data, share prices and volumes traded, etc.). We then went to press releases publishing stock market information, such as Boursenews, to be able to complete our database on the restructuring measures taken by companies in difficulty.

4. CONCLUSIONS

Finally, we note that the financial situation of a company that shows telltale signs of difficulty is likely to deteriorate very quickly. To this end, the speed with which

restructuring measures are triggered and the choice of legal prevention mechanisms contained in the various systems possible prevention methods are then extremely important, because the effectiveness of the prevention system will largely depend on it.

Most struggling businesses can be saved if strong action is taken in time. But, management often indicates an unwillingness to focus on real issues. They delay or avoid the necessary radical change. It should be noted that restructuring does not only concern companies in difficulty. It can also be used to convert underperforming businesses into better ones.

A financial crisis is very rarely the result of a single factor and generally does not happen all at once. It is almost always preceded by mini alerts, most often underestimated or ignored by the manager and his team. To this end, failures are generally foreseeable and could be avoided in time by more rigorous management control and by the establishment of a coherent and reliable management system, oriented forward-looking.

In this regard, the implementation of corporate restructuring measures has increasingly become a core business and a common phenomenon worldwide. An unprecedented number of companies around the world have reorganized their divisions, restructured their assets and updated their businesses to boost the performance of society. This has enabled many organizations to respond quickly and effectively to new opportunities and unforeseen pressures.

Finally, we should remember that a crisis can also be a unique opportunity for the company to question itself. A company that has succeeded in overcoming its difficulties often emerges stronger and better equipped to bounce back in its markets.

Several ways for improvement and additional analyzes are possible as an extension of this research to refine the interpretation of the results. In addition to the different types of restructuring measures, the speed with which they are taken can also influence the performance of the company and avoid falling into bankruptcy.

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