Governance and Moral Risk: New Approaches

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Abstract. *In agent theory, managers occupy a central place. The central position of managers contributed to the development of management sciences (Charreaux, 2000). Initially, agent theory emerged as a financial theory, but it quickly expanded its influence beyond the financial field (Jensen and Meckling, 1976). The theory of the agent is at the origin of new theoretical fields, for example "governance", especially "enterprise governance". As far as governance theory is concerned, it has allowed the renewal or extension of analyzes on economic systems (Charreaux, 2004/2005). In this context, it can be mentioned that "the most significant contributions of the TPA are found in the fields of enterprise governance, management control and human resource management" (Charreaux, 2004/2005, p. 16). Gaudin (2002, p. 10) considers that "the term governance is a way of seeing, a framework of analysis and a language to define and solve multiple problems. Moreover, governance is a clinical examination apparatus to increase performance and a mental tool for the organizational and architectural design of any economic and social entity."*

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1. Introduction

The use of the notion of governance appears increasingly in media, economic and political speeches, as well as in the disciplines of economic and social science. The significance of the term of governance and its theoretical foundations remains frequently imprecise in current language. Often, the term "governance", notes Gaudin (2002), is used as a synonym for the term "governance", which means that it is a return to the rehabilitation of the original sense. However, the notion of governance is a reference to new forms of organization and ways of making decisions. The notion appears in many key words. To this end, we select the key words: governance and good governance.

"Governance allows to civil society or other actor to take part in the renewal of the decision-making approach in the area of shared goods or general interest management" (Gianfaldoni and Richez-Battesti, 2008, p. 44).

"Governance is a set of circuits and networks that bring shareholders, companies, citizens, workers, suppliers, customers, interest groups, media and regulatory authorities to the various actors to coordinate their activities so as to deliver performance to the private, and associative"(Gaudin, 2002, p. 11).

"Governance is a notion capable of expressing an opportunity to characterize power within organizations" (Rubinstein, 2002, p. 8).

"Good governance aims to ensure that information flows well, that networks and circuits allow each agent to know their rights and responsibilities" (Charreaux and Wirtz, 2002, p. 8).

The four definitions suggest that we appreciate the ability of governance to express the desire to strengthen the effectiveness of policies to introduce articulations in the overall interest of any organization. At the same time, regardless of the disciplines of governance or its positive approaches, partnership and centralization appear to be determinant.

Enjolras (2008) is keen to point out, when it comes to the term of governance, that the debate over this term is of great interest to the firm, in general, and to public policy at the level of decision-making territorial samples. We can see that Enjolras (2008) is interested in two terms: “urban governance” and “global governance”.

2. The problem of Governance

Enjolras (2008) considers that the notion of *problem* presents a great strategic imprecision. The notion in itself always reveals the way in which problems are put (ie to make decompositions in a structure of sub-problems to be integrated) and the particularities of epistemological approach.

The task of governance is to: probe the context situation; recognize stakeholders; think good governance.

First, governance *probes the situational context* in order to make a brief and provisional mapping. Based on cartography, adjustments can be made in the future. Surveying the situational context is an important act for understanding a complex environment. Surrounding the context identifies the asperities of the mapped situations. In this way, viable solutions for risk management can be found.

The parties concerned is a task of governance of utmost importance in identifying stakeholders that should not be avoided. Based on stakeholder recognition, governance discovers partnership interests, outlines alliances that allow for effective collaboration, and implements mechanisms that converge actions inspired by divergent goals (Enjolras, 2008).

A good thinking about governance is likely to allow for an examination of the configuration of the interveners to be mobilized. Good governance also leads to knowledge of the powers, rights, needs and obligations of all stakeholders. In this way, it can be understood why and for what the activities that give coherence to collective action should be coordinated.

These three major governance challenges serve to analyze the tensions and weaknesses to overcome, the sources and causes of the company's dysfunctions. Enjolras (2008) concludes that governance is a way of seeing, a framework of analysis, an apparatus for examining poor performance sources, and a mental tool for organizational and architectural design of the firm. Gaudin (2002) reveals the issue of governance inspired by Kenneth Boulding’s work, *Primer on Social Dynamics*, Free Press, New York, 1970. This researcher lists “relational disorder” in the form of an isosceles triangle (Figure 1.2) is a fan of integration mechanisms. Each tip of the triangle is the use of a pure mechanism, and the inside of the triangle mixes (combinations) of the various integration mechanisms. The relationship nodes in the center of the triangle unite the mechanisms that naturally can not be homogeneous on the whole of a firm.

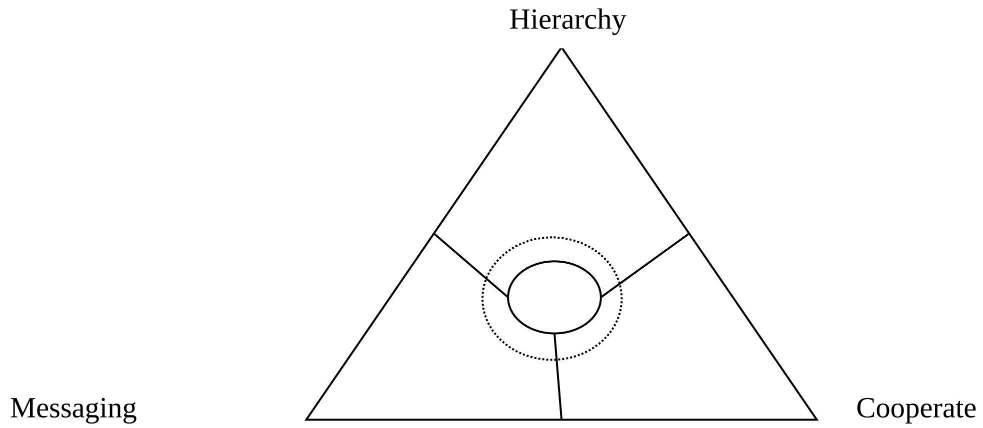

Figure 1. Relationship disorder
Source: K. Boulding (1970)

Focusing on relational disorder enables us to understand the importance of organizational knowledge and the complexity of issues in order to incorporate coordination mechanisms that combine hierarchy, cooperation and exchange. Simultaneously, various contextual and circumstantial pressures can be accommodated, specific to the assets and transaction costs of a firm. The configuration of hierarchy, cooperation, exchange, and ways of combining and recombination helps us identify governance issues.

Gaudin (2002) considers that the issue of governance focuses on the following concepts - leverage: information and knowledge; network; collaboration; reflection (thinking); administrator; the design.

Information and knowledge are two concepts that serve to redefine the company. The specificity of redefining is that instead of redefining the firm as a set of roles and rules, governance is interested in defining the firm by its "informational DNA (1) and by producing knowledge and skills" (2). The two dimensions - information and knowledge - are the key dimensions, ie the fundamentals of organizational design. The information, by the nature of the changed messages, defines the relational configuration of the organizational design, and knowledge and skills guide the design activities. The aim of information and knowledge is to change messages and relationships so that challenges and motivations can be transformed into accelerated learning capable of innovation and value-added.

The notion of network is also the hard core of social capital and a way of organizing the production and sharing of knowledge and collaboration. From the perspective of the network, the great interest lies in its ability to articulate between technical training and relational training. The essence of a network lies in the possibility of identifying the type of relationships to establish the basis of the relationship between cooperation and the results of the training.

There are, depending on the nature of connectivity and messaging, a wide variety of networks. The entire typology of networks has a voluntary participation, it influences the phenomenon of outsourcing and emphasizes the quality of formation and identity generation.

Collaboration is an important means of mobilizing the network. Collaboration must be based on a good knowledge of the mechanisms through which it appears and persists. Collaboration can be spontaneous, in which case it resembles the games of the invisible hand of the perfect market. Collaboration, in moments of affluence or synchronicity, can become unclear and even a real destructive torrent.

The ways of collaboration are multiple. Meanwhile, mass media collaboration is possible through new media. According to Mead (1963), it may be possible for the collaboration to show the need to adjust and adapt to the actions of others. Adaptive aspect should be understood as a process through which interactions and relationships generate habits and conventions.

The learning process is the result of interacting with the environment or something else. The process of learning is, above all, the result of *reflection* (of *thinking*) about and in action with provisional prototypical arrangements implemented in the adaptation work.

Governance must be based, as has been said, on good thinking in order to constantly impose its concepts and practices and reinvent its foundations. Simultaneously with the accumulated experience, thinking causes the need to redefine the problems. As a continuous process, thinking is both a process that involves self-organization and the self-perception that the firm is a way of living.

The emergence and evolution of governance is not a simple conception, governance means a variety of networks. Governance refers to a complicated decision-making process that involves a *administrator*. In both literature and practice, there is a need for a reactive and proactive administrator who is able to modify all the energies and knowledge available to encourage stakeholder action.

Gaudin (2002) distinguishes three stages of the administration process. First, an administrator's effort to draw attention to the gap between reality and what is desired. Then, the double mobilization activity (defining critical stakes and motivation for a large number of networks) and collaborative support (developing new relationships and encouraging the exploration of new tracks). Finally, a continuous process of renewing processes to support the learning and exploration of stakes in change.

In summary, the administrator maintains the ability to learn, restructure, and promote collaborative governance. The administrator should behave as an “automatic pilot” (Gaudin, 2002), ie to integrate knowledge and learning, to have the ability to look for long-term effects, to achieve a participative and interactive definition of the major organizational development directions.

Intervention in a complex and continuous process can not be built up by mechanical problem-solving exercises. It is necessary to launch a process of intelligent exploration, a guided survey through a lucid appreciation of experience-based links in order to obtain selective representations for problematic situations. Solutions to solve problematic situations require action designed according to a design. This is, in fact, a conversation with the situation that leads to the discovery of structures that reveal conflicts and dilemmas in the appreciation system. The existence of conflicts and dilemmas is also due to the fact that participants have anchor points in different reference frameworks. The heart of design is a new idea, the result of an objective logic, validated by what is true in reality.

Gaudin (2002) believes that there are two types of governance in the company's governance: governance (G) and low governance (g). Governance G is centralized, hierarchical, authoritative, and coercive. Governance g is more horizontal, pluralist, participative and experimental. Gaudin (2002) notes that in the course of history, there was a shift from G to g. This shift is still manifesting today.

3. Principles and mechanisms of governance

Enjolras (2008) believes that good governance calls for respect for several principles, including: democracy or maximum participation; the veracity of prices and costs; subsidiarity or vertical power delegation; competition; multistability.

The principle of democracy or the maximum of participation ensures a maximum knowledge and a firm commitment to honoring the obligations taken to legitimize everything that results from a process. This principle is considered the “arc of collective action”.

The principle of price and cost reliability contributes to increased transparency and clarity and, on this basis, allows all actors to make effective and effective decisions because they have a very good information on opportunity costs. Hence, it can be concluded that everything that violates the truth of prices and costs can be a weak governance.

The principle of subsidiarity or vertical power delegation suggests that the best and most balanced decisions are made by those who are most directly concerned (those decisions they regard). On the basis of this principle, the procedures at the lowest level and the most local possible decision-making procedure are privileged. The principle does not accept to make the decision at a higher level even if it is indispensable. The principle works for decentralization to be as much as possible, but to be as centralized as needed.

The principle of competition functions as an antitrust principle. When an interlocutor chooses between several sources (supply, sales, etc.), there is infinitely less chance for it to expire. This means that, in fact, competition is not only a source of efficacy, it is also a catalyst for innovation and learning.

The principle of multistability suggests that the best way to establish a differentiated system is that which allows its decomposition into subsystems. In this way, decomposition ensures the most appropriate subsystem to facilitate the necessary adjustments when there is a shock or a disturbance. The principle leads to making the lowest cost adjustments, as the system is not forced to change in its entirety. In architecture of open systems, the principle of multistability occupies an important place.

The stated principles indicate the general directions of action. In order to influence it is necessary to incorporate them into effective mechanisms for the company to be taught. However, in practice there are no fundamental principles specific to the good architectural design. Moreover, in a universe where the context has an important role, it is possible that a mechanism, even strong, may not contribute in the same way, either good or bad, according to circumstances.

Governance manages agent problems stemming from property separation and control. Agenting mechanisms are being implemented to solve agent problems. The governance system regains a set of mechanisms - external and internal - which are the control means the owner has to control the directors.

External governance mechanisms are spontaneous market-related mechanisms. Banking governance is primarily concerned with the financial market, the takeover market, labor market, bank finance relationships, the legal environment, and regulator (Charreaux, 2000).

Charreaux (2000, p. 36), referring to the financial market, believes that “in a competitive environment, if executives manage the company ineffective, its bankruptcy risk will be important”. Consequently, the firm will not be able to continue to fund its activities, to cope with competition. In bankruptcy, directors can no longer protect their functions and will be the target of the desist. In order to avoid bankruptcy and protect their functions, directors will focus on multiplying efforts to manage firms effectively.

When a firm that is characterized by untapped opportunities is defective, the firm may be the target of another firm that will take control of the premium (Gaudin, 2002). The firm will replace the incapable management team and thus benefit from better governance gains. This time, the disciplining of directors is ensured by threatening a possible takeover of control.

The labor market evaluates and penalizes the director in case of lack of performance (Fama, 1980). The labor market can also challenge the directors. Moreover, banks in particular and debtors in general may be active investors (Jensen, 1998). Banks and debtors are in a position to exercise control and discipline directors. In this context, it is also necessary to specify that a legal framework establishes a set of laws aiming to establish better protection of investors. Indeed, the legal and regulatory framework allows contract security and the protection of property rights.

Control of directors is thus exercised through market forces (financial, labor, takeover, etc.) and the legal and regulatory framework. This control directs the directors to three disciplinary disciplines: superfluous, bankruptcy and contractual (Williamson, 1991). The hyper-disciplinary discipline is recommended to more performing companies. For performing firms, owners can go to sell titles to penalize directors' inefficiency or for insufficient distributed dividends. As far as bankruptcy discipline is concerned, it is necessary to observe its imposition by debtors who are entitled to claim the liquidation of a bankrupt company. The contractual discipline is exercised by reviewing the employment contract concluded between directors and owners. Revised contracts may provide for directors' remuneration levels in line with the results obtained by the firm.

Regarding *internal governance mechanisms*, which are intentional and formal, Charreaux (2000, pp. 17-54) refers to control exercised by shareholders through: the voting right of shareholders in general meetings; board of directors; mutual oversight between executives; the control exercised by the employees.

The internal governance mechanisms, the board of directors, and the mutual oversight of executives fit into a vision that the director, as an active member, can rooted against control and develop to strengthen his power. There are also theories that implicitly consider directors to be passive. Among these theories, Charreaux (2000) seems to be a follower that emphasizes the incompleteness of markets and contracts. In pursuit of their own interests, directors are inclined to opportunism and, therefore, are rooted.

As has been remembered, the interests of directors and shareholders are different. The interests of directors are: Maintaining the company, earning wages and premiums, and taking advantage of the benefits in kind (home and car service, vast office, voyages, etc.). Opposing the directors, owners' interests are to respect property rights, maximize rent and capitalize on property titles and pay as much dividends as possible (Williamson, 1991).

For defending interests, executives adopt rooting strategies. The purpose of these strategies is to neutralize disciplinary mechanisms, expand discretionary power and take advantage of various advantages by avoiding and even blocking control (Shleifer and Vishny, 1997). “Rooting seems to be the inevitable shift of executives' teams who want to expand their discretionary space” (Paquerot, 1997, p. 106). To the extent that directors rely on their discretionary power to satisfy their own interests, directors are testing opportunism and rooting at the expense of their mandate.

The various characteristics of banks (predominant partnership, specific contractual forms, opacity of banking assets, etc.) contribute to strengthening the role of internal governance mechanisms. Control exercised through internal governance mechanisms is important in companies, but more importantly in banks. We support this idea by using our opinion, it is true a long time ago by Williamson (1991): “Agent conflicts are more important in a bank to the extent that certain external control provisions are difficult to transpose into the sector banking”. If it is true what Williamson (1991) has said, then it means that for a bank internal governance mechanisms are more important than external mechanisms.

Since banks “lend” a great deal from corporate governance, it is possible and easy to focus on implementing company-specific internal governance mechanisms. From this perspective, Enjolras (2008) opts for the use of the following internal governance mechanisms: mechanisms for collecting, producing and distributing information; mechanisms of the form of the moral contract; mechanisms related to the learning and re-enrollment process; psychosocial mechanisms.

The mechanisms for collecting, producing and distributing information act at the level of the forum and the links of dialogue and inclusion. It should be noted that the development of links and dialogues is a powerful mechanism for collecting, producing and distributing information. These mechanisms facilitate imitation and interaction. By means of flexibility, the mechanisms acting at the forum level and the links support the spirit of the body and generate a strong identity to ensure the firm’s perennial.

The moral contract is a set of informal arrangements resulting from personal and group interactions. Informal arrangements are the constraints that participants volunteer to impose. Moral contracts or new links vary according to form and content. The moral contracts give way to structuring partnerships even under tacit or informal arrangements.

Moral contracts and conventions form the warp of governance. Through the multitude of moral contracts, the trust capital on which the concept of collaborative networks is based is strengthened. Finally, moral contracts are powerful forms of very important social ties to ensure low cost levels. Trust and moral contracts are the substitutes of law and litigation.

In a series of situations considered unsolved, good coordination goes through an explicit recognition of the different reference frameworks. In these situations, frequent cases of merging of various points of view and novel means of achieving the objectives are revealed. Explicit recognitions, combinations of opinions are possible by calling for mechanisms related to the process of learning and reinstatement.

But learning and re-engineering means is not enough. Only critical thinking and a multidialogue on the character that limits and divides the reference frameworks allows understanding the source of deconcentration and obstruction of effective coordination. Also, only a learning and refurbishment effort facilitates agreements on both sides to define the objectives of resolving a deadlock. For example, dual loop learning (Torres-Blay, 2004, pp. 240-241) or learning in several loops - loopholes, loopholes, etc. - which is based on experimentation and transformation, determines important mutations in the interpretation frameworks and in the company's value system. Through an active commitment to experimenting, the company is focusing on discovering new skills. Experimentation is useful when a result conflicts with accepted theories. This conflict must generate an investigation to rethink theories. Transformation is the last stage of learning. Through transformation, a company accumulates new skills. On the external side, transformation may consist of a profound reconfiguration of the competition systems related to the imposition of the new rules of operation of the firm. Thus, double-loop learning leads to changing structures of action and reconsidering interpretational frameworks and systems of values and beliefs.

The fourth set of psychosocial mechanisms refers to the bonds between beliefs and beliefs. We must note that the actions of the interveners are not based only on the dictates of instrumental rationality (rationality in structuring). The actions of the interventions appear, in part, due to the social context and the beliefs of obtaining and distributing information. Beliefs play a double role: the filter to see what is not seen and the grid to interpret the surrounding world. Beliefs, beliefs undermine the psychosocial mechanisms that trigger or juggle action.

It is possible for the process of collective thinking to derail in the area of acceptable solutions. In this case, the stock coordination system is jeopardized because a number of solutions will be erroneous. The effects of erroneous solutions are found in opportunistic and destructive behaviors that will undermine the collective thinking process.

In conclusion, observance of principles and good governance mechanisms limits the company's failure. The complexity of the problems to be solved and especially the inadequacy of principles and mechanisms to the requirements of governance put the firm in a position to face risks due to the manifestation of opportunistic behaviors of both the management team and the stakeholders. The risk situation can be moderated by developing reactivity and learning ability very quickly.

4. Shareholder and partnership governance

The concept of governance has been widely debated in literature that lists a multitude of definitions. Many definitions focus on the complexity of the enterprise's concept of governance. On the other hand, reviewing the literature gives us the opportunity to see that the definition of enterprise governance is articulated around two approaches: shareholder governance and partnership governance.

Shleifer and Vishny (1997) believe that corporate governance deals with mechanisms that provide capital contributions to finance and maximize investment. This definition, with a very general content, presents two-way formulations: the interests of financial investors and the financial-equity vision. From the perspective of the second point of view, the sole objective of the enterprise is to secure the financial investment that best directs the directors.

La Porta, et al. (2000), as defined by the company's governance, is limited to defending the interests of minority shareholders. Focused initially on the relationship that develops between the company's shareholders and the managerial team, attention moves to agent relations between majority and minority shareholders. In this case, the corporate governance concept targets a system of protection of the interests of a single partner, the shareholders. Obviously, the definition has a reductive character that focuses on a contractual conception encountered by Jensen and Meckling (1976) and conflicting, captured by Charreaux (1996).

We believe that a more comprehensive definition of enterprise governance is that which focuses on three aspects: organizational mechanisms to separate powers, organizational mechanisms that influence management team decisions to restrict the ability of management teams to define their space discretionally. These issues are found in Charreaux and Wirtz's definition (2006, p. 24): "Enterprise governance is a set of organizational and institutional mechanisms that have the effect of delimiting powers and influencing the decisions of the governing directors and their conduct to define discretionary space". Regarding the term "discretionary space", it should be noted that the managerial extension or discretionary power is the space (power area) of the directors that is not controlled by the stakeholders. Discretionary power works and develops when control mechanisms, disciplinary, are insufficient or do not fully assume their role.

When organizational theory is interested in a trend centered on agent theory and transaction costs, enterprise governance characterizes forms of economic coordination and challenges. Economic coordination and challenges (refer to managers and managerial teams) are part of the contractual mechanisms of enterprise piloting.

The agent's theory, transaction costs, coordination, and challenges form the corporate governance structure of the company (Charreaux and Wirtz, 2006). The governance structure, that is, the space where contracts are negotiated between economic agents, aims to limit transaction costs and to influence the organizational environment of contracts in a context of limited rationality, opportunism and contract specificity. Charreaux and Wirtz (2006), combining asset specificity and transaction cost level, define three types of governance structures: market, hierarchy and hybrid form.

The origins of the corporate governance concept have to be attributed to Berle and Means (1932). In the paper we meet the debate about the separation of capital ownership and decision-making in an American management firm. Here is also the issue of the risk of spoiling the interests of small shareholders. Over time, the contours and scope of analysis have evolved so that "enterprise governance adds to the mechanisms that govern the conduct of directors to their discretionary decision-making power and other terms, in particular: stakeholders or stakeholders - employees, clients, suppliers, the environment and the actors that play a role" (Charreaux, 2000, pp. 430-431). After 2000, corporate governance will refer to "relations between the direction of an enterprise, its board of directors, its shareholders and other stakeholders" (OECD, 2004). Thus, the governance of the enterprise, based on a set of control and challenge mechanisms, determines the structure that defines the objectives of an enterprise and the means of achieving and monitoring the results obtained. Finally, in order to impose the concept of "good governance", which has the capacity to incite (in the sense of provoking) the board of directors and the direction to pursue the objectives according to the interests of the enterprise.

Around the concept of enterprise governance or articulated two different approaches: shareholder governance and partnership governance.

Shareholder governance favors the creation of shareholder value and control mechanisms for directors. Shareholder governance primarily brings financial investors and creating value to the business as assimilated to value creation for shareholders. Charreaux and Wirtz (2006, p. 62) consider that "the process of creating shareholder value only passes through disciplining directors."

Before referring to the main pillar of shareholder governance, *shareholder value*, let us mention that in the traditional conception of enterprise governance, we find a simple scheme of enterprise operation. This scheme is rooted in Agent Theory (Jensen and Meckling, 1976): "The firm is just a contract hub in the center of which there is an important contract that defines the shareholders-directors relationship, a source of conflict of interest deriving from capital dispersion shareholders left to the directors". The shareholder is perceived to be the sole legitimate owner of the enterprise, which is in fact in a position to exercise control and obtain a right over residual flows (net profit and net asset). Within this governance framework, the main challenge is to challenge directors to implement enterprise management that maximizes their value.

Obviously, the concept of shareholder value has a direct impact on the type of governance that results in a normative approach. Jensen and Mecking (1976), Fama (1980), say that the best governance system is the one that gives control to the shareholder and is founded on maximizing shareholder value. It is effective to give control to the shareholders' business because they are the residual debtors. As a result, shareholders have every interest in acting for the value created to be greater. This result is a pledge of enterprise efficiency and performance. The ability of enterprise governance to resolve agent conflicts between executives and shareholders depends on the control mechanisms (internal and external) that have been implemented. In this context, it should be noted that internal control mechanisms focus on organization, audit, hierarchy, etc., and external ones on the disciplinary role that markets (financial, labor, etc.) can play. Insufficient control over managers, discretionary managerial power may result in a weak use of free reserves, in a waste of resources.

The shareholder governance model is inspired by the Anglo-Saxon management firm. This model of governance is based on the shareholder value law. The main features of the Anglo-Saxon equity model of governance, according to Gianfaldoni and Richez-Battesti (2008), are: shareholder governance; external logic, market orientation; the form of the enterprise; diffuse shareholders: conflicts of interest between shareholders, require strengthened control of directors; the stock market plays an important role in: allocation of resources and funding, market discipline (challenges, sanctions), requiring executives to make decisions in line with shareholders' interests to achieve profitability goals; provocative mechanisms: mechanisms for counting executives and employees related to performance and return on equity, challenge for value-plus control over reserves, competition and market discipline (financial, labor, etc.); power distribution and control procedures: legitimate power as a shareholder (outcome-based control, stock exchange rate, profitability), legal framework (minority shareholders protection), control courts (board of directors, composition linked to holding capital, presence of independent administrator); relative power of directors depending on the shareholder structure.

Charreaux and Wirtz (2006) emphasize that share-based governance is a requirement for efficiency and aims at continuously improving it. In this sense, controlling the discipline managers and contributing to increasing the company's efficiency in the value creation process. The vision of shareholder governance, as a set of rules of managerial play, adapts to the model of value creation and distribution. Charreaux and Wirtz (2006), highlighting the efficiency paradigm, advocating the existence of two currents: disciplinary and cognitive.

The disciplinary stream operates with the imperatives: directors must be challenged, supervised, therefore disciplined, and controls and sanctions must be implemented to ensure the efficiency of the firm. From this perspective, the disciplinary stream promotes the reduction in agent costs, which is an important contribution to improving efficiency and ensuring an optimal distribution of the value created. The disciplinary stream is also based on the contractual vision of the firm. According to this vision, the firm is a contract hub requiring authoritarian and disciplinary management.

According to cognitive trend, the company is no longer considered a contract hub. The company is considered a knot of knowledge and skills. From a cognitive point of view, there must be no desire for challenge and supervision, but act on means of value creation. Maximizing value goes through the development and coordination of the company's skills. In terms of directors, their organizational capabilities, knowledge and skills are considered lower value-creation factors.

Unlike shareholder governance, which is a system to protect the interests of a single partner, namely shareholders, partnership governance is characterized by widespread integration of stakeholders in the value creation process. From this point of view, the concept of partner governance underlines the reduction of the shareholder ownership model that overrides the importance of shareholders as the last remaining receivables.

In contrast to the shareholder value, *partnership value* has emerged. The imposition of the concept of partnership value was possible through the contribution of several researchers. Using a chronological order we will remember Aoki (1984) who conceives that in a company “a cooperative game between different stakeholders” takes place. Williamson (1991) defends, in an institutional vision of the firm, the objectives that are not confused with those specific to shareholders (hostility and hostile anti-bullying protection) or those of directors (opportunism, discretionary power). Charreaux (2004/2005) “develops a plural vision of the company and sees it as a multi-stakeholder knot”. He is also, as his predecessors, in a position to defend the thesis opposite to the shareholders of shareholder value, and puts into question the alleged dissemination of the American corporation that is associated with shareholder governance.

The model of partnership governance is of European origin and is called the "renan model". Of course, this model of governance is based on the law of partner value. Gianfaldoni and Richez-Battesti (2008) highlight the following main features: partner-type governance; internal logic, network orientation; the form of the enterprise; concentrated stocks, harsh cores, cross-holdings: difficulties in taking control of the market, more difficult control of directors through majority shareholders; the stock market has a moderate role in: bank financing, the importance of the banking relationship in reducing informational asymmetry, the constraint on short-term profitability; provocative mechanisms: less challenging directors' remuneration, a collective challenge arising from participation in decision-making, advantages for stakeholders; power distribution and control procedures: cognition (long-term control centered on strategy), legal framework (development of labor law), control courts (board of directors, supervisors, enterprise committee), network of administrators (board of directors dominated by the main stakeholders, internal control of managers).

The synthesis presented highlights the main features of partner governance: a more important place attributed to business relationships with different stakeholders, the logic of organization and regulation is internal and based on partner networks and institutional provocation mechanisms. Regarding partnership governance, its effectiveness depends on the consensus that exists between the stakeholders and the importance or, on the contrary, the influence of costs within the firm.

5. Conclusions

As part of this, we have discussed the various approaches to the notion of governance that is increasingly appearing in media, economic and political discourses, and in the disciplines of economic and social science. The meaning of the term governance and its theoretical foundations remained, in the opinion of established authors, inaccurate in current language. Although the term governance is often used as a synonym for the term governance, we believe that the notion of governance is a reference to new forms of organization and ways of making decisions. The four definitions we have stopped deterring us to appreciate the ability of the government to express the desire to strengthen the effectiveness of policies to introduce articulations in the realization of the general interest of any organization.

Further, the objectives of governance, the principles and mechanisms that determine their course, the forms they wear are also essential aspects of our investigation.

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