L'analyse du comportement économique des acteurs de l'entreprise : entre la théorie de cout de transaction et théorie behavioriste.

Analysis of the economic behavior of company stakeholders : between transaction cost theory and behaviorist theory

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Résumé

Les relations au sein de la firme et extra firme ne cesse a se développées, mais, dans l'autre côté, ces relations se caractérisent par l'apparition des conflits d'intérêts que nous cherchons à expliquer d'une part et d'une autre part que nous cherchons a maitriser. Nous avons essayé dans un premier travail d'expliquer ce genre de relation par l'apport de la théorie d'agence, dans ce travail nous allons essayer d'expliquer ces relations et ses conflits d'interet par la théorie de cout de transaction et les théories behavioriste. Cela, Nous incitent à faire un rappel sur les travaux de Williamson, que sa théorie est considérée comme l'une des théories les plus efficaces permettant d'expliquer les comportements des acteurs internes ou externes de la firme. Elle trouve ses origines dans les travaux antérieurs notamment, ceux développés dans le cadre des approches contractuelles, notamment par Coase, ou dans d'autres approches développées par Commons, Hayek, Simon, Arrow, Barnard, Chandler et Al.

Mots clés : comportement économique, acteur, théorie d'agence, théorie de cout de transaction.

Abstract

Relations within the firm and outside the firm continue to develop, but, on the other hand, these relationships are characterized by the appearance of conflicts of interest that we seek to explain on the one hand and on the other. Another part that we seek to master. We tried in a first work to explain this type of relationship by the contribution of agency theory; in this work, we will try to explain these relationships and its conflicts of interest by the theory of transaction costs and behaviorist theories. This encourages us to recall Williamson's work, as his theory is considered one of the most effective theories for explaining the behavior of the firm's internal or external actors. It finds its origins in previous work in particular, those developed within the framework of contractual approaches, notably by Coase , or in other approaches developed by Commons, Hayek, Simon, Arrow, Barnard, Chandler et Al.

Keywords: economic behavior; actor ; agency theory ; theory of property rights; transaction cost theory

1. Introduction

The question of economic behavior has been addressed by several authors in the field, notably through the agency theory of agencies within the organization. At this level, we will present the main theoretical contributions allowing us to understand this phenomenon within the firm as an organization whose coordination detects conflicts of interest between the actors. First, we will focus on Williamson's work in order to explain the behavior of the firm's internal or external actors. Secondly, the contributions of different theories which can be considered as extensions of these first works.

On the other hand, the presentation of theoretical models will make it possible to present elements of response to the determinants of the economic behavior of actors. The ultimate goal at this level is to identify a conceptual framework specific to theoretical business models. The concept of economic behavior of actors raises the following question:

- *How can we define the components of economic behavior through transaction cost theory? And how can this behavior influence decision-making within the firm?*

The models defined by the authors are based on classic relationships and determinants of economic behavior. Generally, any economic actor or agent has an interest in maximizing profit in the first place, and then he seeks to achieve other complementary objectives.

In order to answer the questions we will adopt a deductive approach, starting from the general towards the particular. This choice aims to define a path allowing us to link the theoretical contributions and our research problem. Firstly, we will present Williamson's contribution; this axis will allow us to verify the points in which the two schools of thought are different. Secondly, we will present the contribution of game theory and the behaviorist theory of economic behavior.

2. The theory of transaction costs and the contractual behavior of the actor: economic analysis.

Several authors used Williamson's approach to demonstrate the existence of costs within the firm. It focuses attention on the concept of organizational form performance, in terms of cost reductions and efficiency. *Williamson* emphasizes the importance of separating operational and strategic objectives. On the other hand, *Williamson's contribution* is also characterized by the definition of several organizational principles, making it possible to explain the boundaries between the firm and the market.

2.1 Transaction cost theory and Williamson's analysis of economic behavior

The first work developed in this direction was by the British economist *Ronald Coase* , in his article " *The Nature of the Firm* " 1937, *he* is among the first economists who were interested in questions of the existence of the firm and its nature. He considers that economic science as a whole is a science which is interested in studying human behavior, through the definition proposed by the economist Lionel Robbins " *economics* is *the science which studies human behavior in terms of relationships between rare ends and means that have alternative uses"* *(***Ronald Coase .** 2000). At this level, economics aims to process and analyze different human relationships. *Coase* 's inspirations, find their origins in the work of *John Maynard Keynes. A*mong the definitions of the theory, we will retain that of *David Henderson* who said in his introduction that ," *the theory of economics is a method more than a doctrine, a device cognitive, a thought technique, which helps those who master it to reach correct* conclusions *(***Ronald Coase .** 2000).

From these conclusions, *Coase thought* that the determination of the behavior of the actor in general and of the firm in particular is strongly influenced by several factors, making it possible to define costs relating to intra-firm coordination or transaction costs. Extra-firms. However, determining these costs is almost difficult, because they are costs generally linked to the search for information and the negotiation of different contracts on the market. In addition, what makes determining these costs difficult is that they are associated with other factors, such as the social system, culture and technology.

This leads us towards increasingly complex relationships, which gives more credibility to the neo-institutional approach in order to explain coordination relationships and inter-actor interdependencies. Coordination between two actors requires the definition of the mode of coordination; is it coordination on the market or within the firm?

The contribution of the theory of the firm to the analysis of economic relations on the market also finds its origins in the work of *Olivier Williamson,* who is interested in modes of organization. At this level, the theoretical framework proposed by *Williamson* at the beginning of the 1970s gives a new definition to the term cost, which can be defined as the difference between the firm and the market, i.e. a dichotomy between the firm and the hierarchy, of which authority is one of the fundamental characteristics of the firm.

Thanks to the work of Williamson, the economics of transaction costs reaches a significant influence in the analysis of the relationships between the economic actors of the firm, while considering that transaction costs play a very important role and at the same time a problem axial in the organization. As part of an extension of the work of *Ronald Coase, Williamson* defined two hypotheses relating to the behavior of agents, allowing the company to make an arbitration between modes of coordination (Abecassis.1997).

2.1.1 Basic behavioral hypotheses

Williamson 's assumptions are also contractual incompleteness's in transaction cost theory, which are generated by the bounded rationality of contractors and the information asymmetries characterizing the environment they face.

- ✓ **Limited rationality**

At this level, *Williamson* considers that economic actors have limited cognitive capacities. It is well known according to *Williamson* that the environment is characterized by its complexity, the presence of several phenomena including uncertainty, prevents companies from predicting the effects of their decisions. For a decision taken by an actor to be rational, it is necessary to determine all the possible choices to be considered, but the presence of uncertainty and the imperfect knowledge of the actors make anticipations of all behaviors difficult, if not impossible. At this level, the actor's rationality requires the choice of a single behavior and the others are difficult to evaluate.

However, *Grossman & Hart 1986 and Hart (1995)* think of an adequate formalization of the theory of transaction costs, by developing the theory of incomplete contracts, of which *Grossman and Hart (1986)* use the terms "non-contractualization" and "non- verifiability" instead of that of the limited rationality of agents. *Williamson*, to adhere to the vision of these two economists, speaking of the need to develop formal models of incomplete contracts. He considers the latter to be "a *complete formal treatment of what transaction cost economics describes as incomplete contracting"* (Farès & Saussier.2002).

- ✓ **The risk of opportunism**

For *Williamson* , the risks linked to uncertainty and the limited capacity of agents in terms of their rationalities lead to opportunistic behavior of agents, the latter leading to an increase in transaction costs, in particular costs linked to contract negotiation. On the market. In the presence of opportunistic behavior and to deal with the consequences linked to this behavior, *Williamson* suggests adopting a comparative approach between transaction costs and coordination costs, an approach which will push towards the internalization of transactions and the use of to the market in order to reduce part of the costs (*Williamson.1991).*

For *Williamson* , the difficulty of making a choice or arbitration between recourse to the market or to the firm to carry out coordination, created a new form of coordination, described as intermediate or hybrid.

Williamson 's analysis can be summarized in the following diagram:

Table 1 : analysis of arbitration according to *Williamson*

		Caractéristiques de l'investissement		
		Non spécifique	***Peu spécifique***	***très spécifique***
Fréquence des transactions	***Faible***	**Marché** (*Contrat classique*)	**Contrat avec arbitrage**	
	Forte		*Contrat bilatéral*	*Internalisation*

Source: Olivier Boissin (1991)

The modes of governance defined are the market, the firm or a hybrid form; resorting to one of these modes requires placing emphasis on transaction costs and coordination costs. The market according to *Williamson* , is considered as a classic contract, of which the identification of the parties of the contract is not important, given that the objects of the contracts are delimited and all the scenarios are foreseen.

The notion of contract with arbitration makes it possible to define a long-term relationship, which makes it very different from that of the market. In this type of contract, uncertainty is high, at a level the appearance of opportunistic behavior is highly possible, this is the reason why *Williamson* predicts that the regularization of conflicts can be done through arbitration. By third party.

The use of internalization is to the extent that uncertainty is high for a repetitive transaction and when the assets mobilized are very specific. However for a bilateral contract, where the contractors remain autonomous as in the case of a franchise or subcontracting contract.

The choice of a governance structure is intended to save transaction costs, which depend on three main factors:

Firstly, the repetitiveness (frequency) of the transaction allows us to give an idea of the possibilities that the two parties of the contract return each time to the market to coordinate or adopt an internal governance structure to reduce transaction costs. Second, the uncertainty of the environment plays a very important role in the transaction, the more the environment is of high uncertainty, the more the drafted contract is less complete. Finally, the specificity of the asset, the problem of redeploying certain assets on other transactions makes transaction costs higher (Garrette .1989).

2.1.2 Types of contracts and nature of costs

Generally, Williamson distinguishes two types of costs, Ex-ante Costs and Ex-post Costs. The first types of costs relate to the drafting, negotiation and protection of the agreement. In this case, the agents find it impossible to define their obligations, at this level *Christophe (1993)*, Specifies that the economics of transaction costs summarizes the problem of economic organization in the contract. On the other hand, ex-post costs are costs, which arise following a divergence from the initial agreement.

In his research explaining the diversity of organizational forms, *Williamson* distinguished three types of contracts (Williamson, 1986*)*:

- A classic contract: this first type is a one-off and traditional contract; generally, it materializes a well-defined operation or transaction. One of the things characterizing this type of contract is that the identification of the parties is not important as long as the relationship is impersonal. By giving the example of a contract between a principal and a worker to carry out a well-defined task.
- A new type of contract or “the neo-classical contract”: this type of contract is due to a very long relationship characterized by high uncertainty. According to *Williamson*, it is very difficult to foresee all eventualities in advance, due to a risk of opportunism, which can lead to the emergence of conflicts between the parties to the contracts. This contract offers a relationship under a triangle of risk-trust-flexibility. The creation of a contract is characterized by the presence of these three elements, leading the parties to resort to a third party intervening for arbitration in the event of a conflict.
- A personalized contract: This is a lasting contract. Unlike a traditional contract, the identification of the parties to the contract is very important in order to make the relationships between the parties more robust.

2.1.3 Organizational forms according to Williamson

The analysis provided by *Williamson* leads the organization to internalize its activities in the case where costs are greater internally than externally due to uncertainty. Generally, the use of a coordination method is based on efficiency in terms of cost reduction. At this level, Williamson defined two organizational forms making it possible to remedy organizational type problems. First, the U form, or what he called the unified form, in this form there is complementarity between the specialized functions and the operational units. Second, *Williamson* distinguishes the M form, or the multidimensional form, which is structured into several divisions under the control of top management.

- ✓ **The unified form: definition and criticisms**

The first form distinguished by *Williamson,* is characterized by several disadvantages for the organization, which adopts it, in particular, the loss of control within the organization. The work developed in this context shows that the growth of the firm is strongly influenced by the development of the hierarchy, as well as the effectiveness of strategic decisions within the firm directly depends on the quality of the hierarchical structure allowing control. And the circulation of information in the best conditions. There is also a positive correlation between the size of the firm and its structure.

In the U-shaped structure, there are possibilities of divergence of interests between the actors of the company; there is an impossibility of assessing the behavior of the managers in terms of achieving the objectives of the owners. The failure to achieve the objectives set by managers, in particular, sometimes giving priority to short-term (operational) decisions, on the contrary, neglecting long -term (strategic) decisions.

- ✓ **The M shape: Definition and advantages**

View of the inability of the unified form to overcome a certain number of behaviors appearing within the organization (firm), leads to the definition of the multi-decisional form, in order to overcome the leaks of which the U form does not have was able to overtake.

The new form allows decision-makers to give more importance and focus on achieving long-term goals through strategic decision-making. The hierarchical structure makes it possible to define a manager at the head of each division, who contributes to the preparation of strategic decisions with the leaders of general management. The distribution of tasks according to the multi- divisional form allows the rapid detection of the origin of the problem and the evaluation of the strategic performance of the division.

2.1.4 Williamson's analysis and arbitrage: the market and the firm

The analysis presented by *Williamson* focuses on three fundamental principles to explain the boundary between the firm and the market.

- **The specificity of the assets**

According to *Williamson*, this principle makes it possible to conceive of the sharing of activities between firms; at this level, firms adopt increasingly cooperative behavior, in particular that the specific character of an asset can lead to a form of cooperation, in particular the subcontracting or vertical integration.

- **The externality**

The second principle raised by *Williamson* is that of externality. The existence of an externality aims to minimize costs for one main party, but *will the second party expect the same benefits as the first?* This question has been a major research question for authors in the field. However, the effects of the externality are always linked to the behavior of the co-contractor, which makes the prediction of the level of satisfaction in terms of gains and the evaluation of costs between the contractors difficult.

- **Hierarchical decomposition**

The principle of hierarchical decomposition concerns the internal structure of the firm and leads to recommending the establishment of sufficiently autonomous operational subsystems.

2.1.5 Criticisms and reversal of Williamson's analysis

The development of the basic hypotheses by *Williamson* defines an impossibility of creating a perfect contract, in the presence of several phenomena. Despite this important work, but this manifested several paradoxes. *Christophe Everaere* (1993), specifies that "it*'s not centralization and hierarchy that are required to resolve uncertainty and urgency, but on the contrary active mobilization at the most decentralized levels of all partners, stakeholder in the production process or the innovation project, which can help speed up these processes* [1].

Christophe (1993) believes that even with the presence of uncertainty, the latter mobilizes the internal actors of the company with their different identities, to contribute collectively to the learning and decision process. It appears that the first criticism addressed to the theory of transaction costs is that the latter does not take into consideration the importance of learning and innovation in the integration of the firm.

Williamson, proposes the solution of supervision to reduce the risks of opportunism, through the evaluation of the consequent results of the partners' strategies and the anticipation of their behavior. But, this hypothesis is no longer accepted for *Brousseau* (1994), explaining that trust

[1] **Everaere Christophe. (** 1993). *From costs to transaction investments. For a reversal of Williamson's theory* . In: Revue française d' économique, volume 8, n°3, 1993. pp. 149-203 ;

plays an important role, therefore, the hypothesis is only justified if the company's stakeholders have trust in the supervisor. The work carried out on alliances shows that few companies use a supervisor. (*Brousseau, 1994*).

According to *Christophe* (1993), it is sometimes important to waste time in decision-making rather than hastening it in the perspective of reducing costs. Taking time in the decision-making process allows us to collectively understand the implications relating to the decision and the objective; also, knowing the problems in advance allows us to avoid problems during execution. One of the criticisms addressed to the analysis of the transaction economy is the neglect of the production process by focusing all attention on the reduction of transaction or coordination costs. At this level, *Williamson* limits the role of the firm in the exchange economy, without thinking about the production economy.

2.1.6 The theory of transaction costs and the question of vertical integration

The work developed within the framework of transaction cost economics focuses attention on the characteristics of the contract. The contract is an essential element of the modes of coordination, which distinguish the market, the firm and intermediate or hybrid forms. Using one of these methods requires a comparison between the coordination costs within the firm and the transaction costs on the market.

The use of a given governance structure first involves defining the advantages and disadvantages in terms of security, flexibility, and incentives which make one governance structure preferable to the other (*Farès & Saussier*.2002).

However, vertical integration is defined as a particular type of contract, making it possible to link two parties on well-defined objectives. *M. Farès , S.Saussier* (2002), said that “ *Vertical integration is then analyzed as the choice of a particular governance structure with a particular type of contract which implies the signing of so-called contracts of subordination where conflicts have the particularity of being resolved internally, without intervention by the judge: the firm is its own court of appeal* .

According to the authors, vertical integration is a strategy for avoiding opportunistic behavior, namely that this behavior does not stop developing following the progression and developments of complex relationships in the market. The choice of vertical integration comes after a comparison of the repercussions of the internalization of the company's activity and the costs that this decision entails (integration strategy). *M. Farès & S.Saussier* (2002), add that vertical integration leads to a reduction in incentive costs for the firm.

At this level, the theory of transaction costs considers a vertical integration strategy as a solution to deal with the incompleteness of contracts, particularly when future contractors want to carry out a contract whose transaction is uncertain, and they hope limit opportunistic behavior.

2.1.7 Williamson's analysis and coordination behavior

Williamson's work seeks to present the determinants of choice of governance mode, notably his famous article entitled «Markets *and Hierarchies* ". *Williamson* 's definition of transaction cost pushes him to adopt *Coase* 's definition , in this case the trade-off between the cost of production and the cost of organization determines the choice of governance mode. **(**Williamson**.** 1975)
Williamson 's analysis , the modes of governance, namely hierarchy and the market, are two forms of contracts which are characterized by a crossing of interests between actors with a view to achieving a given level of economic activity.

The transaction for *Williamson* requires the presence of two technologically different partners; the transaction took place when a good passes from one stage to another whose transformations are made according to the difference in technology between the partners. If the good passes from one stage to another in the production process, transaction costs accompany the process that are added to production costs (depending on the economy of scale). *Brousseau* (1993) adds that these costs are generally linked to the search for partners, the preparation of agreements and ensuring compliance with them.

One of the points that attracted *Williamson 's attention* is the question of vertical integration, the author seeks the factors leading firms to adopt cooperative behavior, in general the author sought to operationalize the different concepts that 'he introduced. The author did not limit his questions to this level, but he extended his analyses, applying to questions of lateral integration and vertical concentrations.

The issue of imperfection is a fundamental determinant in the formation of transaction costs because it prevents the formation of a complete contract. For *Williamson,* the opportunistic behavior of the actor can never be considered as a cause of the formation of transaction costs as long as the environment is less uncertain, when it offers several choices of partners. However, this substitutability of partners can’t be considered as a guarantee.

At this level, the author makes a difference between two possible situations, “Ex- ant small number “ and “ex-post small number “, for him the second situation is the most favorable, the execution of the contract leads to transforming into a small number (Small number). Investment in specific assets leads firms to be more dependent and locked into bilateral exchanges, the moment of contract renewal the firms chose to renew with the ex-partner or an already known partner.

2.2 Theories of incomplete contracts and the economic behavior of the actor

The theory of incomplete contracts is considered an extension of the theory of property rights, which specifies the existence of internal hierarchical power within the firm. The authors state that this theory explains the decision-making strategy of the firm, based on the nature of the links existing between the ownership of assets and the right to control these assets.

In the *Walrasian model,* economic agents are considered as stakeholders who have no influence on the price, and the latter remains the only determining variable of the agent's behavior. Even in the neoclassical model we can consider the interactions that take place on the market as contracts with a limited role in coordination (*Fares,2005*). At this level, *Arrow* (1953) and *Debreu* (1959) developed the work of *Walras,* by introducing time variables and contingency into their analyzes, specifying that agents resort to closed and contingent contracts.

The two authors specify that a closed contract allows signing on date zero and defines the terms of exchange for the entire history of the economy. In addition, for a contingent contract, it's one that stipulates the delivery of a given good on a given date, but by constraint of the occurrence of a specific random event. *Arrow and Debreu* summarize their contributions in a combination for each good exchanged, namely "date, Good and "random event".

Grossman , Hart (1986), Hart (1995) and *Moore* (1990) are the main theorists who developed this theory. They find that the main objective of this theory is to explain vertical integration or reliance on the market, otherwise the decision taken by the firm either to ensure all stages of the production of a good or it can resort or market to seek cooperation. Developments in the theory of incomplete contracts have been in several areas of economics.

Grossman and Hart (1986), referred to transaction cost theory, proposing a missing formalization of transaction cost theory, explaining the origins of contract incompleteness in transaction cost theory, notably rationality. Limited actors and the uncertainty linked to certain acts. Given have the two authors refer to the contribution of *Williamson. It'*s because the latter explains that the incompleteness of a contract must be considered as an effective contractual choice not as a constraint before the contracts, in justifying that the asymmetry of information and the indescribable are not necessarily relevant to prevent the signing of the contract between the two parties.

The two authors use the two concepts, namely, non-contractualization and non-verifiability or place of limited rationality, thus they refer to specific investments than to the specificity of assets.

In the legal sense of the contract, the contribution of the theory of incomplete contracts led to a strict renewal of the concept of contract in French law by the theoretician *Ghestin* (2000) and in Anglo-Saxon. Ayres *et a.* 1989,1992 and *Johnston* .1990 and *Schwartz. 1*992.

Ayres and Gertner (1989 and 1992) note that incompleteness in the contract is the fact that certain characteristics of the contractual relationship cannot be contracted , which is a legal reason for the contracting parties to leave them aside.

Williamson (1996), specifies that the theory of incomplete contracts is considered as a restatement of the theory of transaction costs. Theoretical developments in contract theory lead to the analysis of the interaction between transaction cost theory and the latter. At this level, there appears a group of authors who say that one theory complements the other. Another group showing that the transaction cost theory is a theory of contracts in its own right, and according to *Williamson* the theory of incomplete contracts is a theory allowing a contract to be formally treated in the transaction economy (Kreps; 1996, *Masten ; 1997 ; 1999 and Hart; 1995*).

Brousseau and Glachant (2000) also summarize the contribution of contract theory in explaining the inability of a third party to verify certain contractual clauses. Consequently and because of institutional failure, the contracting parties do not have perfect information on the actions of the others; otherwise, each party to the contract cannot easily predict the action of the other.

Agreeing on a contract characterized by the existence of a specific asset between the parties is always a question of giving rise to opportunistic behavior. The existence of this behavior is linked to the question of sharing the surplus generated by this asset. (Hart & Moore, 1988).

2.2.1 The theory of incomplete contracts: extension of the theory of transaction costs or overrun.

The common point between the theory of transaction costs and the theory of incomplete contracts is the proposal for analyzes of incomplete contracts between economic actors, to the extent that each adopts a different approach to the other. At this level, *Fares & Saussier* (2002), show that the theoretical approaches have different sources of incompleteness of contracts.

According to the authors, “ *the theory of incomplete contracts assumes that a dividing line can be drawn between contractual problems that arise from the incompleteness of contracts and* *those that arise from asymmetry of information between the contracting parties".* Indeed, it is clear, according to this definition that the actors are too influenced by the phenomenon of information asymmetry, which is the reason why the authors focus their research on the incompleteness of contracts.

In models of incomplete contracts, economists consider that the concept of the limited rationality of actors has no importance in the explanation and analysis of inter-firm relations. The origins of contract theories depend on the models, first of all, either due to transaction costs (*Grossman & Hart* , 1986), or due to an informational problem, notably observed by a third party (*Grossman & Hart, 1986) . Hart,1986 and ; Hart & Moore,1988; Hart,1995*).

However, the origins of contractual incompleteness in transaction cost theory are entirely different, as they do not take a comparative approach between the problems of information asymmetry origin and incompleteness origin. contracts. *Fares & Saussier* (2002), consider that the incompleteness of contracts is only the result of the hypotheses defined in the theoretical model of *Williamson* (1986). Generally, these are hypotheses characterizing the behavior of agents and their environments, the latter are already assumed rational in an uncertain environment.

The common point analyzed by the two theories, namely the theory of transaction costs and the theory of incomplete contracts, was the analysis of incompleteness of contracts. However, the incompleteness of contracts does not have just one source. *Kreps* (1996), the incompleteness analyzed by the two theories is not the same, given that their origins are different.

2.2.2 The foundations of the theory of incomplete contracts

Three key and fundamental concepts are considered key factors in the theory of incomplete contracts, namely indescribability , unverifiability and renegotiation.

- ✓ **The indescribability constraint**

In the theoretical developments of incomplete contracts, the authors declare several fundamental origins of incompleteness of a contract. Generally, when signing a contract, the parties find themselves faced with contingencies that are predictable but difficult to describe; within the framework of the constraint of indescribability, two types of costs are distinguished. First of all, the incompleteness of a contract is analyzed through the first parameter which is the writing cost. In 1985, *R. Dye* was the first to seek to associate a fixed cost when entering into a contractual relationship between two parties. Writing a contract generates several different costs, which will raise several difficulties. *Hart and Holmstrom* (1987) highlight two major difficulties that can arise when concluding an incomplete contract.

First of all, according to the logic of *R. Dye* , there are clauses to be inserted into the contract which can generate sometimes infinite writing costs, he gives an example of salary, when the contracting parties agree to put a direct link between the salary and the profit of the company, then we will have the following analysis:

If w = $\mu * \boldsymbol{\Pi}$

With w: salary

μ: link percentage

$\boldsymbol{\Pi}$: profit, with $\boldsymbol{\Pi}\ \mathcal{E}\mathbb{R}$

According to the author, the fact of indexing the salary for the benefit of the company generates uncontrolled writing costs. Secondly, agreeing on certain clauses does not mean that the evaluation of all the costs associated with the latter has been made.

Second, the concept of unpredictability is perhaps linked to an ambiguity somewhere, which limits the capacity of the contracting parties or the third person (judge) to foresee and describe contingencies. At this level, there are two descriptive models explaining that the complexity of the environment is a factor influencing the capacity of the contracting parties.

First, *Sujoy 's model Mukerji* [2], in 1998, the author explains that in an uncertain universe, contractors who have a large number of shares also have an aversion to ambiguity. According to the author, the contractual behavior of actors is traditionally explained by appealing to a combination of transaction costs and unlimited rationality, for him it includes the concept of ambiguity, the more an act is negatively affected by ambiguity , less its attraction for the decision maker proven by the ambiguity .

Second, *the authors* among the authors who explained the incompleteness of the contract by the combination of transaction costs and the unlimited rationality of the actor, he considers that the contracting parties confront the problems of evaluating the effects of contingencies on their gains much more than the aversion of ambiguity (*Deker* , *1998*).

- ✓ **The unverifiability of the contract**

Unverifiable factor is a determining factor of an incomplete contract, because the designation of a third person, a judge for example, cannot verify the clauses which the contracting parties

[2] **Sujoy Mukerji** . (1998). *Ambiguity Aversion and Incompleteness of Contractual Form* . The American Economic Review, Vol. 88, No. 5 (Dec., 1998), pp: 1207-1231

agree to introduce into the contract. . Generally, this is a situation where the information is visible to the parties to the contract, but not to the third party (judge), even if the main parties to the said contract know the clauses, but this information qualifies as unverifiable. (*Hart & Moore* , 1990)

This situation can be interpreted from the existence of symmetry of information between the contracting parties on the one hand and the third party (judge) on the other hand. *Hart* (1990), adds that the presence of information asymmetry poses the problem of unverifiability , the latter is not linked to limitation of the cognitive capacities of the parties to the contract. The author compares the existence of unverifiability to the existence of the difficulty of transmitting the information shared between the contracting parties to the third person who is responsible for the arbitration (judge).

- ***The renegotiation constraint***

The contract renegotiation process is linked to the desire of the contractors to have their contract registered before a judge so that they do not fall into renegotiation of the contract again, by asking the latter to apply the clauses of the contract without recourse to a modification in the latter. (*Maskin & Tirole* , 1999)

Hart , indicates that this system does not exist in reality, because the parties to the contract can renegotiate the initial contract, but informally, through the choice of a third person judged as exchange intermediary between them, this way in which the contract is renegotiated is not visible to the judge. (*Hart & Moore* , 1999).

The two authors give the example of the United States, which declares that the parties can renegotiate the initial contract with total freedom. However, in this case, the judge cannot require or force the contracting parties to explain the fundamental reasons behind this renegotiation, but he must ensure that the latter was produced in a fair offer and with good faith. This situation requires that the judge go beyond the formal framework of the commercial code, and he can refer to his case law to intervene.

The contribution of the transaction cost theory has made it possible to identify the determinants and factors that can influence the behavior of the economic agent in general; we subsequently analyze economic behavior according to the approach behaviorist in the next section.

3. Analysis of economic behavior: theoretical approach

3.1 The contribution of behavioral theory (Behaviourist)

Behaviorist theory is considered one of the theories to go beyond traditional neoclassical theory. The starting point was the hypothesis of rationality, referring to the definition of rationality defined by *Herbert Simon* , in the 1950s , " *Limited rationality is that at work in real behaviors. It takes into account the informational limits of the decision* maker . [3]*Simon* had to wait until 1976 to clarify exactly his disagreement with the neoclassical theory of rationality.

In the works included in the behaviorist current the agent instead of seeking satisfaction he aims for maximization, at this level it is among the point which makes this analysis different from that provided by other currents of thought. The notion of organization in behaviorist analysis is defined as a group; whose individuals seek the maximization of their utilities, the interaction of individuals gives rise to several conflicts given the existence of different interests between them.

The notion of objective retains an important place in the analysis of economists of this movement, in particular by *Cyert & March* . The existence of different groups within an organization leads to competitive conflicts in terms of achievement. In achieving the objectives and setting a timetable for execution, priority is always given to the achievement of the objectives set by the power removed, also, the timetable for achieving the other objectives is always subject to modifications depending on the visibility of people with power and hierarchy within the organization.

Cyert *&* March 's contribution revolves around the decision-making process by managers in the event of uncertainty, the uncertainty problem raised is strongly linked to the environment of the organization or firm in particular. At this level, the authors propose hierarchy as a determining factor in the resolution of internal conflicts within the firm.

Generally, the behaviorist approach is based on a certain number of principles making it possible to analyze the behavior of the economic agent:

- Satisfaction
- Limited rationality
- The multiplicity of objectives
- Sequential consideration of objectives

[3] **Herbert Simon** . (1994). Herbert *simon and rationality* . In: French Economic Review, volume 9, n°1, 1994. Pp : 133 -181

- Feedback
- Standardized operating procedures
- Resistance to change
- The coalition to resolve conflicts
- The organizational game to stabilize the coalition and maintain viability

Leibenstein 's contribution to behaviorist theory is characterized both by the extension of the latter and on the other hand by criticisms addressed to the work of *Cyert and Marche* , particularly in the context of the resolution of internal conflicts of the 'organization. *Leibenstein* confirms that the use of coalitions and organizational play are effective in limiting conflicts and analyzing the internal functioning of the firm. But on the other hand, he addresses conflicts, in particular, that he notes the absence of a real theory allowing the resolution of the problems, inserted into the framework of the determination of objectives. At this level, the author develops a new theory entitled the efficiency theory X.

The theory developed by the author is focused on five fundamental principles, namely:

- Selective rationality
- The individual as a basic unit in analysis
- Discretionary effort
- The zone of inertia
- Organizational entropy

3.2 Game theory and analysis of actor behavior.

Questioning the assumptions of the neoclassical approach shows that traditional microeconomics has difficulty describing the functioning of the economy in the real world. The economic agent becomes an increasingly complex stubborn person. Which gave birth to the new microeconomics, notably with information economics, organizational economics and game theory, evolutionary theory, etc.

At the beginning of the 1950s, economic approaches favored individualistic methods, in order to analyze interactions between individuals and study the behavior of groups (groups, organizations, teams, etc.). These individualistic methods make it possible to group individual commitments in order to estimate problems and eliminate any unexpected consequences of voluntary actions of individuals. At this level, game theory based on the hypothesis of a non-cooperative game between the actors, of which each actor decides to defend its interest independently of the others, leads to the conclusion that, under certain usual conditions, a priori behavior non-cooperative a posteriori generate the domination of the absence of cooperation between the agents.

Game theory is one of the methods favored today by economists to explain strategic relationships or interdependencies. It is an analytical method, which is used to model the behavior of economic agents who defend their interests in very specific situations. This tool allows you to identify the players, their game tactics and the maps of their position, also, it allows you to carry out simulations in different situations.

3.2.1 Game theory, what rationality?

Game theory is an instrument for analyzing the interdependencies of strategic decisions between actors. The analysis of actors' behavior using game theory calls for a hypothesis of reconstructing a choice based on individual interactions. The choice of a strategy by an actor depends on the strategies of other existing actors, giving the example of firms in a market. The notion of behavior in the analysis of game theory is very fundamental; this notion makes it possible to model inter-individual relationships (**SCHLEICHER.**1979).

Cooperative behavior between individuals gives rise to the appearance of two possible situations. First, the absence of cooperation that is generally due to selfish behavior of the actors (players), that is to say that the latter only seek to maximize their own interests. Second, the case of cooperation, when the actors find themselves in a dependence of interests.

Cooperation between actors does not always mean the existence of altruistic behavior on the part of one of the actors; the modeling of this behavior from an economic point of view is done because of all the hypotheses by analyzing the induced consequences. On the strategies followed by the actors. It makes it possible to overcome several obstacles existing in the market, in particular profit sharing. The authors demonstrate that the choice of a cooperative strategy makes it possible to maximize the utility function of the actors in question.

The problems overcome can be summarized in the transition from Homoeconomicus to interactivity, from a situation where rationality is parametric and decisions are made independently of others, to a situation where rationality is strategic. To the extent that the decisions and choices of the actors are made in an interactivity, the actors determine their strategies by anticipating the strategies of others.

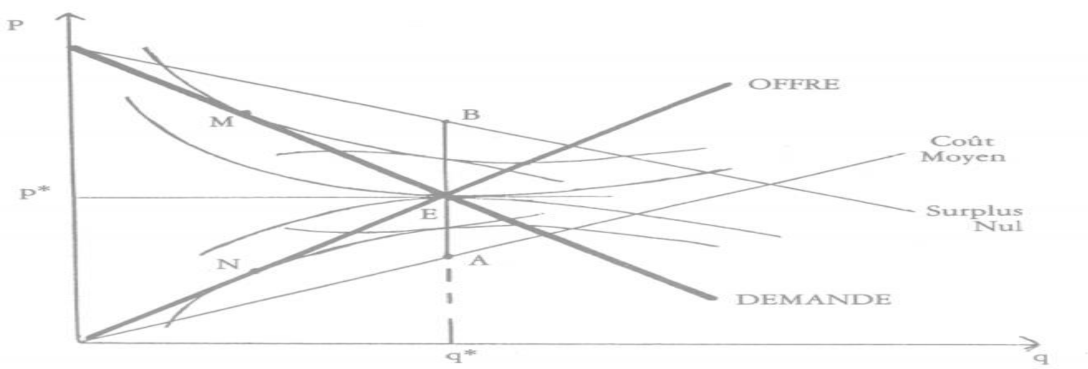
The analysis of actors' behavior using game theory is not far from neoclassical theory; otherwise, it is not a total departure. Game theory refers to the hypotheses of neoclassical theory; it takes into account the analysis of cooperation-conflict dilemma, integrating several fundamental concepts in this analysis, in particular, such as uncertainty and risk accompanied by certain transactions and the way in which information is distributed between actors.

Game theory presents actors as players in a game. The latter find themselves dependent on choices, in a standardized game and under certain rules, which influence their choices, they adopt behaviors according to their rationalities, and the Actors must integrate the behavior of others into their strategies.

3.2.2 Game theory and analysis of the behavior of actors and the market

The market game is generally analyzed by the mechanism of supply and demand. *Antoine d' Autume (1992)* has produced a diagram allowing us to understand the behavior of players on the market. He considered the producer as an actor who has a cost function C(q) with diminishing returns and he assumes that he wishes to maximize his profit represented by (pq) -C(q). The author specifies that each producer never agree to sell at a price lower than its average cost, the offer of which is the marginal cost curve. In his diagram, the points of tangency are supply.

Figure 1: the market game



Source: Autumn Antoire. 1992

For the consumer, the utility function is U(q) +m, of which m means the marginal utility of money which is constant. The consumer does not agree to exchange in any case given that the price does not provide him with a positive surplus.

The interaction of the demand and supply curves makes it possible to define a competitive equilibrium, which corresponds to point E according to the author. The equilibrium defined in E is not always achievable following certain abuses, or when the producer behaves individually by setting a price in a monopsony manner. In the author's representation, point M corresponds exactly to the monopoly situation. On the contrary, for the case of the consumer if he thinks of reacting in a monopsony way he reaches point N.

The development of economic relations between the actors, matched forms of cooperation, as a more effective solution making it possible to reduce and limit losses for the actors. In the case where both actors choose to cooperate, they fall on the point of the contract curve, which in the representation takes the form of the Edgeworth line. In this case, the two actors (the producer and the consumer) are led to maximize the sum of profit and utility, otherwise, U(q)-C(q).
Economic relations between economic actors begin when they produce, then they consume and exchange. This created circuit is defined as a game between economic actors. The game is created by the fact that the utility of one is not independent; it is affected by the decisions of others. In this sense, each actor must develop hypotheses about the behavior of others.
Game theory makes it possible to analyze this situation using a conceptual dual, namely maximization and equilibrium at the same time. However, there are too many equilibria depending on the type of game defined, but in many works, the authors use the Nash equilibrium. Nash makes it possible to define an equilibrium situation, in which each player tries to determine his optimal behavior by taking into account the behavior of the others.

4. Conclusion

We have presented the basic elements according to the two main theories, transaction cost theory and behaviorist theory. We have defined the determinants of economic behavior and how the latter affects the choices of an economic agent.
The choice of the determinants of economic behavior is positioned at the center of analyzes relating to the company's internal and external conflicts of interest. The explanation of these conflicts of interest, the analysis of the work making it possible to link the managerial aspect to the major economic questions. We started with the theory of property rights, of which several works consider it as the starting point of their analyses.
The transition that we have made towards the transaction cost theory lies in the sharing of certain common points between the two theories. Agency theory and transaction cost theory are very interested in opportunistic behavior within the company, but the analysis of the interactions between these two theories shows that there are also different points.
For our part, economic behavior is a broad concept and which marks the emergence of other basic concepts. Which makes its definition a bit complicated and which does not have a recognized conceptual framework in relation to company strategy.

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