EXPANDING THE ROLE OF THE ORGANIZATION IN TRANSACTION COST THEORY

Ghoshal and Moran (1996) predict negative effects from applying Transaction Cost Theory (TCT) to control opportunism within organizations. Outcomes of bureaucratic control can include such positive outcomes as Organizational Citizenship Behaviours, which have been related to overall organizational effectiveness. Organizational effectiveness is incorporated into Chiles and McMakin’s (1996) model of TCT.