ASYMMETRIC INFORMATION, TRANSACTION ATTRIBUTE, AND INTER-ORGANIZATIONAL CONTRACTING MANAGEMENT

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ABSTRACT

In practice, the formal contract plays a very important role in the inter-organizational transaction. This research tries to explore how the firm manages contract enforcement when facing asymmetric information on a transaction. We adopt case-study approach, and totally generate six transaction cases from five firms. The finding finds as follow. When one transactional party possesses asymmetric information on a transaction, the incentive-related clauses or safeguard-related clauses would be designed in advance and the firm intends to take some management process to reinforce or monitor the transaction.

Keywords: contracting management, uncertainty, case study