Contents

	Preface	ix
	Introduction	1
I	Fundamental Building Blocks of the Theory	
	1 The Nature of Man	11
	2 Self-Interest, Altruism, Incentives, and Agency Theory3 Theory of the Firm: Managerial Behavior,	39
	Agency Costs, and Ownership Structure	51
	4 Specific and General Knowledge and	
	Organizational Structure	103
	5 Organization Theory and Methodology	126
II	Residual Claims and Organizational Forms	
	6 Agency Problems and Residual Claims	153
	7 Separation of Ownership and Control	175
Ш	Compensation	
	8 Compensation and Incentives: Practice versus Theory	201
	9 Performance Pay and Top-Management Incentives	229
	10 CEO Incentives: It's Not How Much You Pay,	
	But How	270
IV	Organizational Applications of the Theory	
	11 Science, Specific Knowledge, and Total	
	Quality Management	301
	12 Divisional Performance Measurement	345
	Notes	363
	References	388
	Acknowledgments	406
	Index	409