Passive and Active Opportunism in Interorganizational Exchange
with Steven H. Seggie, David A. Griffith and Sandy D. Jap

Abstract

This work demonstrates that managers respond differently to active and passive opportunism, creating differential transaction costs that in turn undermines satisfaction with performance in interorganizational relationships. We find via three empirical studies involving nearly 600 organizational participants, that due to omission bias and tolerance, managers’ responses to passive opportunism are more constructive and protracted than responses to active opportunism. This increases maladaptation, bargaining, and monitoring costs which in turn, mediates satisfaction with the performance of the relationship. Further, the results of our longitudinal survey of ongoing exchange relationships indicate that the poisonous impact of passive opportunism on satisfaction with exchange performance is greater than that of active opportunism. The findings underscore the importance of greater understanding of the management and effects of passive and active opportunism.