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POWER BALANCE IN ORGANIZATIONAL RELATIONS: RESOURCE DEPENDENCE VS TRANSACTION COST

ABSTRACT

In its attempts to comprehend power balance in organizations, resource dependence and transaction cost are unique among organizational theories. While resource dependence has been a terrifying dilemma, transaction costs are a significant burden on organizations. Most of the cases that organizations are trying to get away from resource dependency may be ending up causing an increase in transaction costs. Theoretically, the correct power balance at a certain extent of resource dependency may cause fewer transaction costs. This power balance between the two theories becomes more critical, especially amid uncertainties such as pandemics or black swan events. Also, this study underlines the value of intracompany and intercompany communications while maximizing stakeholders' benefits and using the limited sources of the world very sustainable.
Keywords: Resource Dependency, Transaction Cost, Power Balance.

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1. INTRODUCTION

It has been over 40 years since resource dependency theory (RDT), and transaction cost theory (TCT) were discussed and widely applied to organizational studies. Both approaches have been subject to inter-organizational relations and the survival of organizations. Organizations have a dependency on their environment. Even the level of dependency varies; it is a fact that organizations do not operate without interacting with their environment. While Resource Dependency theory focuses on the power imbalance of inter-organizations, transaction cost theory partially focuses on the possible costs of that power imbalance. In this article, power imbalance and likely transaction costs have been analyzed from a corporate relations perspective. Social relations and inter-organizational trust factors are both overlooked in both theories, and from this respect, both approaches are studied in this article. Due to harsh economic conditions, some companies dismiss the trust factor. To reach quicker, organizations may overlook mid to long-term relations and investments.

2. RESOURCE DEPENDENCE THEORY (RTD)

The roots of this theory go back to Thompson (1967). Pfeffer and Salancik (1978) have done further work in RDT. According to Thompson, as resources make their way from the environment to the organizations, there will always be uncertainties. These uncertainties have been analyzed at an organizational level to shed light and improve the theory. Thompson studied these relations and prevented organizations from environmental shocks or uncertainties (Pfeffer, 2005). At the same time, while Thompson worked on those relationships, he outlined what to do to protect the organization from external shocks (Pfeffer, 2005). Reaching the sources easily and quickly under the way can be controlled because this is a more manageable method. Organizations try to get the sources rapidly, fast, and incontrollable ways because this enables them to manage their operation field freely. This is why the idea is always to reduce the dependency on the other organizations while increasing dependence on the different organizations (Jones, 2010). Accessing and facilitating sources in a self-controllable and secure way is crucial for RDT. Therefore, organizations try to minimize their dependency on the sources they depend on and maximize the dependence of their environments on them. This approach pushes organizations to continue research to find alternative players in their environment or eliminate alternative players.

There are two ways to control RD. These tactics and strategies are called *buffering* and *bridging* (Scott, 2003). Once again, the main goal of these strategies is to reduce the dependency between organizations. *Buffering* mainly focuses on protecting the borders of organizations (Johnson, 1995). Meanwhile, it helps to increase the tolerance or flexibility of an organization under limited time and resource conditions (Scott, 2003). Determining workflow, need of supplies, and increasing the raw material levels should aid smooth operations-the help mentioned above the manager to become more autonomic (Johnson, 1995). On the other hand, *bridging* strategies encourage mergers/vertical integration, joint ventures, and inter-organizational relationships. Mergers are commonly described as two companies are uniting under one roof. It is done to expand the organization's reach or to increase the organization's market share. Vertical integration can be explained; when a manufacturer company owns its supplier or its distributor. Bridging is done to increase environmental resilience.

Mergers are preferred due to three reasons. The first reason is reducing competition when the union is done with a competitor. The second is merging your supplier to reduce dependency. The third is to merge with another company to reduce the dependence on existing conditions. In other words, mergers are beneficial in adding variety to your portfolio (Hillman, Withers & Collins, 2009). Merging can be done either vertically or horizontally. A vertical merger is done when a supplier or a customer becomes a partner. It usually happens under strong dependencies (Pfeffer and Salancik, 1978). The party under higher dependence works for a niche sector prefers to merge its supplier (Davis and Powell, 1992). After millennia, mergers and acquisitions have become very popular. This technique has been commonly used in the past decades. As it is shown in the below chart in Turkey, direct foreign investment is increasing. Most of the figures are generated due to mergers and acquisitions. One of the main reasons for this can be that globalization increases competition, and competition eliminates the middle player. As of December 2020, around 73,679 companies with foreign capital operate in Turkey.

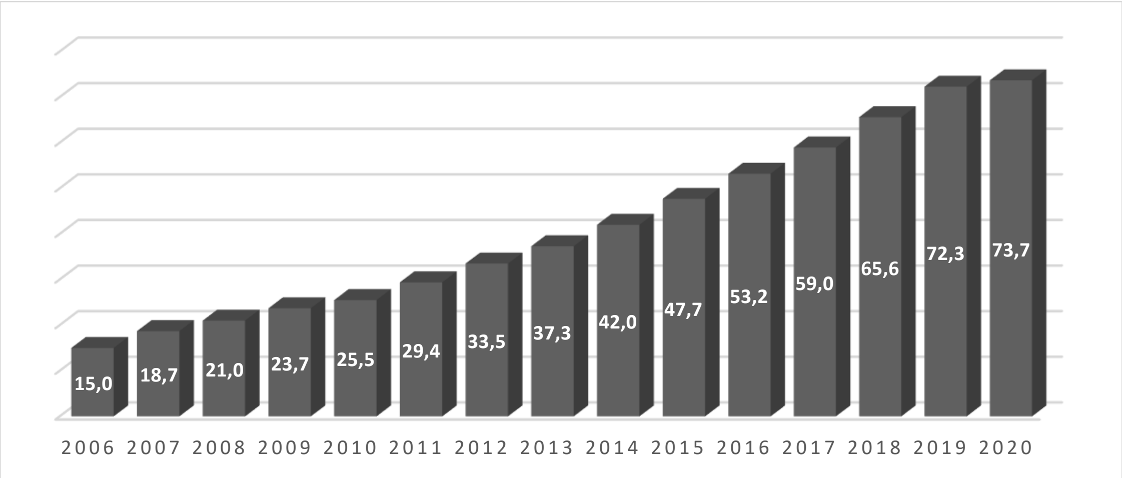

Figure 1: Companies with International Capital in Turkey (Cumulative, in thousands)

Source: Ministry of Trade, (2020), https://trade.gov.tr/.

A horizontal merger is done when a particular competitor that uses some sources becomes a partner. This prevents the uncertainty caused due to competition (Pfeffer and Salancik, 1978). The last merging strategy is also called variety merging. Organizations add variety to their activities to reduce tension and uncertainty (Davis and Powell, 1992). Another way of reducing uncertainty is cooptation. Having a well-networked solid board member can facilitate the needed relation for an organization.

Sometimes this particular board member can also work for an organization that your organization depends on.

Political actions can reduce uncertainty; however, “the created environment” controlled by laws and social sanctions is challenging to manage. According to Pfeffer and Salancik (1978), “organizations may use political means to alter the condition of the external economic environment” and that “organizations may use political mechanisms to create for themselves an environment that is better for their interest.” In doing so, organizations continuously try to shape governmental regulations to generate a more beneficial environment. According to Meznar and Nigh (1995), organizations that are heavily reliant on the government are more likely to engage in political activity.

Executive succession is internally focused on answering adaptation to environmental uncertainty and dependencies. They have the following outcomes: the distribution of power and control within the organization is influenced by the environmental context, which includes contingencies, suspense, and interdependencies. The tenure and selection of principal organizational administrators are influenced by the distribution of power and management within the organization. Corporate policies and structures are the results of decisions affected by power and control distribution, and administrators who direct administrative activities impact those activities and the structures that result (Pfeffer & Salancik, 1978). Thus, there is a higher chance of CEO turnover when there is more uncertainty and dependency in the environment.

2.1. Criticisms about RDT

In many ways, the theory is detailed to explain the organizational environment. However, it can be said that the approach is not perfect, and there are several criticisms of it, together with several limitations and missing features. Some of the critics have been listed in Table 1 (Davis and Cobb, 2010; Donaldson, 1995; Demers, 2007; Johnson, 1995; Nienhüser, 2008).

Table 1: Criticism on RDT

1	Lack of focus and leadership
2	Even cooptation and organization structure has been analyzed, matrix, organic, team, and inner coordination structures are missing.
3	Considering the organization only a political structure
4	Joint ventures and mergers & acquisitions are analyzed at a sectorial level, not an organizational level
5	Power theory helps to explain organizational behavior; however, not enough on changing environment and inter-organizational relations
6	RTD is widely objective, and it does not pay needed attention to social, cultural, and organizational parameters.
7	Individual behaviors are seen as organizational behaviors.
8	The focus of analyses is variable. According to the theory focus of it can be organizations, inter-organizations, or resources. This variety limits in and around the theory.
9	It only focuses on adapting to the environment and managing it from top management and overlooks the other parameters.
10	When subjective studies are analyzed, there are not many studies that draw criticism and a negative approach.

Joint ventures and mergers & acquisitions are very critical of power imbalance. Analyzing partnerships at an organizational level is always overlooked from the RDT perspective. Also, in light of associations, changing environments and inter-organizational relations should be researched. Another very critical lack of RDT is not enough attention on social, cultural, and organizational parameters. When the human factor is missing, trust concern evokes and creates RDT related transaction costs. RTD also needs to be more focused on leadership. Successful leaders can increase environmental resilience. Also, this should be connected to cooptation; therefore, leadership and cooptation aspects may need more profound research. The future and existing research may bring about a deeper look into RDT.

3. TRANSACTION COST THEORY

The first relation between the organization and economic markets was declared by Nobel winner economist Ronald Coase (1937) based on neo-classical economic theory. His “the nature of the firm” article was looking to answer “Why do organizations exist?”. According to Coase, if the markets function so well so then why do we need organizations? Therefore, transaction cost theory tries to answer “why organizations exist?” and why companies outsource activities to the markets. The transaction cost theory assumes that companies try to minimize the costs of resource flow with the markets and that firms try to lower the bureaucratic costs of transactions within the organization. Thus, organizations analyze the worth of resource flow with the markets against the bureaucratic costs of having them within the organization. Coase (1937) mentioned that every organization would expand as long as the organization's activities can be performed more economically within the organization than by outsourcing the activities to the markets. Oliver Williamson (1975, 1979, 1981, 1985) analyzed Coases's (1937) theorem thoroughly, and he is the one who overcame Coase's lack of putting theorem in function. Williamson brought new approaches and dimensions to the Transaction Cost Theory. The theory is commonly remembered by Williamson.

Williamson described transaction cost as an outcome of ex-ante and ex-post agreement costs. An ex-ante cost is, creating an agreement, discussing it, negotiating it, and securing it. On the other hand, ex-post costs occur when transactions go over agreements boundaries. The parties put extra effort to put things back on track, which means more negotiations, managerial measures other than courts, and it may reach up to financial securities. Willimason (1975) stated that there are two alternative mechanisms to describe transactions. These are the market and hierarchy. Markets' mechanism relies on agreements that protect price-competitions and rights of transaction parties. The hierarchy mechanism brings the parties together under a third persons' (a manager) supervision. This third person has the right and the power to solve the problem during transactions. According to Barney and Hesterly (1996), are transactions performed in the market or at hierarchy? The choice is made depending on *behavioral assumptions* and *specifications of the transactions*.

3.1. Behavioral Assumptions

The behavioral assumption is one of the fundamental theories in both micro and macroeconomics. The premise is expressed, beneath their resource restrictions, individuals attempt to maximize their benefits, which can be described as more profit and outcomes (Moffatt, 2020). The two very crucial characteristics of the human under the behavioral assumption are bounded rationality and opportunism.

3.1.1. Bounded Rationality

People tend to be rational, but they can be only bounded rational (Simon, 1947). No agreement fulfills both parties. Williamson (1985) The cost of a perfect deal would be very high. Furthermore, it can also be claimed that there is no excellent agreement. When the level of uncertainty in transactions is high, it is likely to use market governance effectively. In other words, "Coase also suggested that when the transaction's uncertainty is low, and the knowledge required for market contracting is high, markets will be more efficient than firms in governing transactions" (Ulrich & Barney, 1984). Williamson (1985) states these uncertainties as price uncertainty, products performance, and other party's behavior. On the other hand, in hierarchies, close monitoring of each other's activities (Barney and Hesterly, 1996). Orders may also facilitate close monitoring of each other's reactions and foster common targets and objectives among transaction sides. Bounded rationality handicaps can thus be reduced.

3.1.2. Opportunism

Humans care more for their benefits rather than the organizations. This is called opportunism. Humans are moral creatures, but the possibility of opportunism should always be considered (Williamson, 1975). The effort to know who is not righteous is the cost of opportunism.

3.2. Specifications of the Transactions

Transactions are not voidable due to the countless relations to the environment. To comprehend transaction cost, it is critical to know the terms of transactions. Uncertainty, transaction frequency, and asset specificity have been researched widely. Here is a closer look at these specifications.

3.2.1. Uncertainty

Uncertainty due to transactions is seen as either environmental or behavioral. In general, environmental uncertainty occurs because of unforeseen conditions before agreements. It is challenging to adapt the arrangements to changing needs. For instance, a manufacturer has to change the product specifications due to competition. Therefore, a new agreement has to be made with its supplier and customer. In short, due to environmental uncertainty, it is required to create new contracts

(Rindfleisch and Heide, 1997). Price changes, competitions, and product changes, all of these activities will increase transaction costs (Williamson, 1979). Behavioral uncertainty is concerned about the behaviors and acts of the parties after the agreement, such as opportunism (Geyskens et al., 2006).

3.2.2. Transaction Frequency

According to Williamson (1985), repeating transactions can be cheaper due to the fixed costs of hierarchical governance. This is why when there is high repetition; organizations choose to have hierarchical management. If an organization continuously buys an identical product from the same supplier, this is called a high-frequency transaction. The organization establishes a purchasing department, and the transactions are held within the hierarchy. When an organization continuously buys different types of products from other suppliers, then the frequency of the transaction will be low. Still, the number of transaction will be high. Therefore, every single procurement channel will require an agreement, and so different conditions will occur. This will also cause an increase in the transaction cost.

3.2.3. Asset Specificity

Some transactions require specific investments such as location (being close to some of the raw material), Special Asset Specificity (special equipment and software and Human Resource Specificity) (particular trained human source). According to Williamson (1981), in the case of asset specificity, it is essential to choose either hierarchies or markets. Both parties can experience a ‘locked in’ problem due to the nature of the transaction. These kinds of situations require more precise identification of parties and long-term relations. Thus, hierarchies can be chosen.

Table 2: Forms of Governance - Uncertainty versus Asset Specificity

ASSET SPECIFICITY	UNCERTAINTY		
	Low	Medium	High
Low	Market (governance through price mechanism)	Market (governance through price mechanism)	Market (governance through price mechanism)
Medium	Hybrid Forms (governance through contracts)	Vertical integration or hybrid forms (governance through contracts)	Vertical integration or hybrid forms (governance through contracts)
High	Hybrid Forms (governance through contracts)	Vertical integration or hybrid forms (governance through contracts)	Vertical Integration

Source: Zylbersztajn, D. (2000). Conceitos gerais, evolução e apresentação do sistema agroindustrial. *Economia e gestão dos negócios agroalimentares. São Paulo: Pioneira*, 1-21.

3.3. Vertical Integration and Multi Divisional Form

When a company controls more than one stage of supply chain management, it is called vertical integration. If an organization makes integration with a supplier, that is called backward integration. If an organization integrates with a customer, wholesaler, retailer, or distribution company, it is called forward integration.

The multi-divisional form is also called an M-type. According to Chandler, executive officers make strategic decisions, and division managers make operational decisions. Williamson (1985) drew attention to Chandler’s (1962) work called “Strategy and Structure,” and after his work, American companies started using M-type structures. Williamson (1985) stated that M-type facilities got popular among American companies due to bounded rationality and opportunism. A typical M-Type system distinguishes strategic and executive decisions. When an organization has divisions, it is easy to control each department, and each department has a better chance to demonstrate its performance with more explicit goals (Barney and Hesterly, 1996).

3.4. Criticism on Transaction Cost Theory

Barney and Hesterly (1996) categorized common criticism on TCT under three significant aspects; the first one is theory mainly focuses on reducing transaction costs. To have long-term success, a specific investment is required for a particular transaction. It was second, dismissing the extra charges due to establishing an integration (Perrow, 1996). Lastly, ignoring social relations while governing economic transactions. According to Granovetter (1985), social ties and trust factors that create social links are overlooked.

Long-term investment and plans bring better success to the organization. TCT focuses primarily on short-term instant transaction costs and their possible adverse effects on the organizations. Unfortunately, while governing economic transactions, the social parameters of organizations have been dismissed. To reduce transaction costs in a short period, organizations set very rational controlling methods. These methods may create mistrust issues in employees, which may lead to further complications. Thus, transactions cost can increase. It can be observed that the topic is more related to psychological studies. It has severe effects on organizational theory fields starting from the beginning of the studies. Both RDT and TCTs' perspective social relations and trust issues need to be discussed further, and more field research and empirical studies must be done.

This article focuses on criticism of RDT in the light of TC from a perspective about trust. Organizational theory is a discipline that consists of many perspectives on firms. Two prominent and popular perspectives are Resource Dependency and Transaction Costs. These two theories are very critical to the survival of organizations. As shown in Table 3 and Table 4, the number of companies established and terminated is enormous. Every year, more than fifty thousand companies are established; however, one-fourth of them are terminated. In other words, every year, around fifteen thousand companies cannot survive to have a more profound looking at organizations and to understand both theories, different views are required. Also, different opinions will bring a better linkage between perspectives. This article focuses on the idea of social relations and trust factors that are commonly overlooked. One of the very critical survival criteria is managing the uncertainty of the environment.

Table 3: Companies Established in Turkey (2010-2021)

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
2010	5003	4230	5055	4466	4072	4327	3979	4369	3848	4284	3400	4938	**51971**
2011	6090	5000	5276	4777	6090	4857	4024	3825	3679	4413	3603	4467	**56101**
2012	5328	3894	3663	3272	3250	3083	2581	2393	2680	3065	3416	3139	**39764**
2013	4238	4310	4538	4576	4475	4000	4064	3082	4061	3533	4715	4351	**49943**
2014	5916	4771	5026	4959	4768	4851	4394	4067	5206	4397	4974	5386	**58715**
2015	6471	5509	6092	6022	5635	5896	4760	5027	5275	5201	5519	6215	**67622**
2016	6894	6364	7117	5860	5422	5571	3136	4533	3745	5362	5592	4885	**64481**
2017	6275	5617	6146	6447	6250	6039	5269	6674	5105	6992	6971	5998	**73783**
2018	9631	7167	7580	8563	8297	5599	6871	5536	6394	7160	7110	6441	**86349**
2019	8637	6772	7151	6789	6798	4641	7301	5390	7805	8464	7833	7952	**85533**
2020	10591	9287	8425	2878	3479	9719	10394	9496	10764	10419	8782	8560	**102794**
2021	11428	10001	11034	8707	4542	9680	6847	8900	10316	9463			**90918**

Source: Url-1

Table 4: Companies Terminated in Turkey (2010-2021)

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
2010	1942	1064	989	912	822	1145	1085	874	869	897	755	2088	**13442**
2011	2111	984	1009	1144	1206	1403	1185	1085	909	1048	912	1995	**14991**
2012	2449	1094	869	882	1123	1311	1505	1034	932	1176	1282	2406	**16063**
2013	3113	1186	1123	1093	1184	1203	1548	1038	1117	1022	1163	2610	**17400**
2014	2892	1181	1073	937	968	1120	1136	874	995	1002	1083	2561	**15822**
2015	2734	1091	1000	992	712	980	1053	760	774	755	811	2039	**13701**
2016	2178	867	780	691	581	878	602	689	903	1096	1167	1896	**12328**
2017	2142	815	720	810	861	1112	1211	1313	951	1375	1228	2163	**14701**
2018	2417	682	780	623	652	752	1017	954	1183	1235	1112	2186	**13593**
2019	2092	665	693	776	946	756	1213	1011	1233	1272	1103	2290	**14050**
2020	2292	865	821	427	517	1130	1514	1305	1582	1331	986	3179	**15949**
2021	958	775	1015	1017	563	1269	1141	1442	1687	1599			**11466**

Source: Url-1

To survive longer, organizations need to reduce uncertainty in markets. While doing so, reducing transaction costs is a crucial factor. Reducing tension in the flow of resources required is also a critical factor in an organization's survival. We want to stay more in the market to create more value for the organization and its environment. However, the whole system forces us towards death and disorder as it happens in the entire world. This is commonly called entropy. To fight against it, organizations have to use reverse entropy.

In some cases, the fight against entropy is helpless. While trying to reduce uncertainty, we may end up having more handicaps. Since the uncertainty is not avoidable, managing it efficiently is critical. Managing the uncertainty by eliminating human, cultural, and ethical factors is taking us nowhere.

Due to harsh economic conditions, companies are dismissing the trust factor. To reach goals, quicker organizations may overlook mid and long-term relations and investments. This creates more materialistic operations. However, taking the matter by an only materialistic approach is causing a more negative economic impact. In other words, to increase the gross margin and net profit, organizations seek excessive alternative channels. In the beginning, it seems to be working organizations start saving money. Creating more suppliers for a particular need maybe a peace of mind activity. Still, in reality, all these activities can leave the organizations empty-handed at the end of the day. Organizations want to be more powerful, more rooted to increase the organizations' survival and lifespan.

The success of resource dependence theory has been a problem to some extent. The idea that organizations are constrained and affected by their environments and attempt to manage resource dependencies has become almost so widely accepted that it is not being explored and tested as thoroughly as it should be (Pfeffer & Salancik, 2003). There is never perfect control of the environment and transaction cost control. Every organization and every structure needs unique solutions for their needs. Different views and especially views of social relations and trust are critical.

3.5. Creating Power Imbalance

To comprehend an organization's behavior, you must first understand the context of that behavior, i.e., the organization's ecology (Prefer & Salancik, 1978). RDT recognizes the impact of external factors on organizational behavior, and managers can take steps to reduce environmental uncertainty and dependence, despite being constrained by their context. The concept of power, control over vital resources, is at the heart of these actions (Ulrich & Barney, 1984). Organizations often try to increase their power over others while attempting to reduce others' power over them" (Hillman et al., 2009). When a company has a significant product or service available to its customers, when asked at a very competitive price with excellent after-sales service under acceptable payment terms, that company will quickly create a power imbalance over its customers. Another way of creating a power imbalance would be being a scarce supplier of a particular service product due to location, investment size, know-how, and political forces.

As a primary goal of all companies, they use power imbalance to make more money. Companies use their power imbalance to control the environment. The very critical point while using the power imbalance is customers should not feel that their supplier has power over them. Because once that feeling is there, then customers feel uncomfortable and start to seek alternatives. Make sure that every product and service can be substituted unless there is a governmental limitation. And keep in mind that also governments and political parties do change. If a company does not use its power imbalance to make money while allowing its customers to make money, then that power imbalance disturbance will evoke from the customers' side. Once customers start realizing the abuse of the situation, they will then seek alternative suppliers. Even if a customer feels the power imbalance, if the supplier believes in a win-win philosophy, seeking alternative suppliers would only increase its transaction costs.

One good supplier, meaning a supplier that believes in win-win philosophy and never abuses the power imbalance. Which is the ideal way of doing business? If one is bothered by the idea of one supplier because the main idea in today's business life is "one supplier is a suicide," then for the sake of the "If something happens," approach drives a customer to look for alternatives. When the customer finds the option, they need to try it once, and thus they start giving them business, then the transaction cost increases. While testing a new supplier, the purchasing from the old supplier goes down when a company goes down with them, and they may not be keeping the same competitive prices. Which means another cost is around the corner? It is always understood that if the old supplier treats the customer fairly, it will harm the customers' company. Keeping the relations with the one good supplier on an acceptable level is a crucial point. Routine meetings, sharing short, mid, and long-term goals, sharing feelings of walking and growing together are vital. After this win-win philosophy, joint ventures or mergers and acquisitions are discussed, which are the key to the power balance between companies. The best solution for resource dependency is joint ventures, mergers, and acquisitions, which researchers have widely discussed over the years. The number of joint ventures over the years is increasing. In most cases, partnerships work successfully. Some stock market companies buy shares from each other to secure their dependency over each other. The very typical real-time example for this is the case of IBM's purchase of 12 percent of Intel's stocks. Some disadvantages can be discussed over this kind of vertical integration, such as a transaction cost of view. Another way of securing the imbalance instead of acquiring a firm company prefer to issue more than one license. Thus, having two or three licensed suppliers would ensure the imbalance and reduce the costs. But again, this can be used for high-tech patented products, which is rarely done.

Some of the suppliers do not give the feeling that customers are dependent on them. Even when they are strongly dependent on them, it can be argued whether if these suppliers cause fewer transaction costs or not. For instance, technological suppliers such as Microsoft products, Google applications, accounting software, some engineering software can be listed at a glance. Customers never think that they are strongly dependent on these suppliers. One can imagine what would happen if one of these suppliers stopped their service to a company or doubled the price from one year to another. These suppliers have a muscular power imbalance. Some of them have no alternative at all. However, they never misuse their power over their customers. Can this be the reason why they do not have competitors? In other words, they manage the power imbalance so well that nobody tries to find an alternative, and no choice is created. All of these also stimulate transaction costs in a positive direction. A good example can be technology suppliers. Price is exemplary service is right one time a year very fixed agreement. It is very critical to find suppliers that are not abusing the power imbalance. And being such a supplier to the customers is a very crucial approach for a successful operation. Organizations record every misuse of power imbalance. This memory always triggers the feelings on the dependent side to look for alternatives. In business life, there is always an alternative if it is looked for.

Gaining power through political activities and support is very helpful in the short term and very dangerous in the long term. Also, in the short term, it has a meager transaction cost. However, it never lasts for long; politics often change. Organizations should never be dependent on political support. If there is an opportunity to gain political power, organizations should gain only a small percentage of their income. Otherwise, when politics change, an organization may lose most of its income. This will increase its transaction costs rapidly. While recovering from the loss, the company will lose a lot of power. In some cases, the loss is never compensated for, and companies go for downsizing; in some cases, they stop their activity.

The main idea of an organization is to establish a power imbalance over other organizations. Once an organization creates power over others, the dependence on others becomes high. The more cost-controlled transaction, the more beneficial for the organization. Is it working that way? Even if it works that way, is it sustainable? Having control over others is critical, but keeping in mind that if the other feels this control on them, management cannot be sustainable. To some extent, success ruins everything, and RDT's success has also been a problem. Perfect dependence also brings a lot of complications. The human side of perfect dependence, meaning having complete control or trying to have it on one's environment, creates minor problems, leading to significant issues.

4. CONCLUSION

Surviving is the primary goal of all organizations. Dependency is unavoidable. Controlling power imbalance is very critical for survival. Also, it has a direct impact on the transactional costs of organizations. While RDT and TCT focus on organizational survival, many critical points have been dismissed or overlooked. The corporate relations perspective needs to be more involved in both theories. Social factors and trust are both create environmental resilience if organizations spare enough focus. This resilience is required more than overdue to uncertainty is being the most significant threat for organizations. The world is experiencing its most crowded times while the consumption rate is exceptionally high. We consume our resources carelessly. Mainly amid pandemic and endemic diseases occur more than ever, and black swan events also happen more frequently. Volatility has never been this much. On the other hand, the new generation workforce is now more and more part of our organizations, which is a further uncertainty for the organization. Adapting our organizations to this new generation workforce requires more sources. In short, the environment is always and will always be uncertain. Trying to minimize uncertainty is a must for survival but knowing the effort we need to spend to reduce the tension is critical. Further field works and empirical studies can help us understand the behavior of coordinating the imbalance in the environment with acceptable levels of transaction costs.

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