

Academic propositions extracted from the thesis:

Proposition 1: Market and governance structure are intertwined in heterogeneous partnerships. The market allocates the benefits of heterogeneity, while the governance structure allocates the costs of heterogeneity.

Proposition 2: In heterogeneous partnerships, the efficient allocation of decision rights is a function of members' expertise.

Proposition 3: A more confident manager might be preferred to a less confident manager by the followers, even if there is a negative association between confidence and competence.

Proposition 4: Social image (status) preservation is more costly for a manager with an intermediate level of status compared to a high or low status manager.

Proposition 5: Documentation improves communication between a principal and an agent, given that the agent is not too biased and is sufficiently patient.

Academic propositions not extracted from the thesis:

Proposition 6: A successful compensation package for managers must make a tradeoff between explicit objectives that are well-measurable and implicit objectives that are less measurable.

Proposition 7: Most people have imperfect insight regarding their abilities. This imperfect insight is not necessarily welfare reducing.

Proposition 8: Information processing is performed by a belief system that assigns meanings to actions and interprets the information cues. The belief system in turn is shared in part by the society, via culture, and in part by the individual's own experiences and contemplations.

Proposition 9: When people encounter a statement that they cannot judge its truthfulness, they make their judgement based on the identity of the supporter(s) and the identity of the opposition(s). Therefore, the existence of trustworthy elites is a necessity for a healthy society.

Proposition 10: A stable and prosperous society requires political institutions that strike a balance between inclusiveness and accountability.

Non-Academic proposition:

Proposition 11: Satisfaction with life hinges on two things: Having a purpose in life and moderate expectations.