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BRIDGING OR BONDING? ENTREPRENEURS' BROKERING RESOURCES FOR NEW VENTURE EMERGENCE (SUMMARY)

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≈ SUMMARY ≈

**BRIDGING OR BONDING? ENTREPRENEURS'
BROKERING RESOURCES FOR NEW VENTURE EMERGENCE**

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Principal Topic

Social networks play a catalytic role in organizational emergence, leading scholars to explore the antecedents and outcomes of entrepreneurs' social relationships. Brokerage social relationships—namely, relationships that connect otherwise disconnected individuals in social or economic relations to facilitate the exchange of valued resources—are associated with several advantages, such as information for innovation, information exchange, and social control. Entrepreneurs are brokers in that they bridge gaps in social structures to facilitate the flow of goods, services, information, or opportunities across those gaps. There is a gap in our understanding about how variance in brokerage relationships influences founders especially as it relates to resource mobilization and compassion-organizing outcomes. By exploring this gap, we hope to explore the different forms of value these roles likely generate. In this study, we ask the following questions: are there differences in the brokerage relationships of founders who start ventures in response to wide-spread suffering caused by a disaster, and how do these differences influence firm founding activities and effectiveness in achieving key objectives? We answer these questions by building on theory on compassion organizing from the field of positive organizational psychology and on resource management to develop a brokerage model of the emergence of compassionate new ventures.

Methods

We use structural equation modeling and network analysis to test our model on a sample of 143 ventures that emerged in the aftermath of a natural disaster. We gathered data into “case histories” for each of these ventures and then used content analysis to derive variables for our structural equation model. Structural equation modeling allows us to simultaneously test a system of equations in exploring our research questions of interest.

Results and Implications

The data supports two sets of theoretical arguments. First, when organizing compassion to alleviate others' suffering, both bridging and bonding brokerage relationships indirectly influence ventures' compassionate response through different resource-management approaches (i.e., resource bundling and search). This argument suggests that both types of brokerage relationships generate value in the compassion-organizing context but that they influence different organizational outcomes. Second, and related to the first argument, the brokerage dilemma may not be relevant in a compassionate-organizing context, for which the primary goal is to alleviate suffering as opposed to maintaining gaps in a network. This suggests possibilities for new insights into brokerage outcomes based on relaxing the previous assumption of the desire for a long-term network gap.

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