ENTREPRENEURIAL FIRM DEVELOPMENT: THE RELATIONAL DYNAMICS OF AGENCY, STRUCTURE AND THE COMPETITION FOR CAPITAL (SUMMARY)

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Principal Topic
Understanding networks and the role of social capital in the development of entrepreneurial ventures is a dominant theme within the entrepreneurship, yet a number of enduring gaps in our knowledge and understanding of entrepreneurial networks exist. In the search to generate a more nuanced approach to culture, power, agency and structure, organizational analysts and, more recently, entrepreneurship scholars are employing Bourdieu’s (1977) practice perspective. Such studies highlight that entrepreneurs’ resource acquisition involves complex interplays between multiple agents engaged in field-level struggles over access to resources (Bourdieu, 1986). This paper enriches the theoretical development of social network studies in entrepreneurship by examining the context and convertibility of various forms of capital.

Method
Given the aim of understanding dynamic influences on the acquisition of resources, a longitudinal design was appropriate. In the first stage of the research, life story interviews were used to gather rich narratives of their business histories, as well as reveal the context which existed outside of their own stories. This first stage of interviewing led to the identification of critical incidents (Flanagan, 1957) that were verified and discussed with participants during the second stage of interviewing. Cases were purposively selected and data was analysed using the constant comparison method, from which theoretical saturation determined a final sample of fifteen cases (Eisenhardt, 1989; Strauss and Corbin, 2008).

Results and Implications
Findings illustrate that institutional norms have significant implications for the development of the small ventures and for the relative value of their evolving configuration of capitals. Analysis of network characteristics uncovered noteworthy results, particularly regarding the contents of ties over the development of ventures and the positive and negative outcomes of homophily. Entrepreneurs were found to rely on highly technical forms of capital, and the perceived legitimacy of informational resources emerged as paramount. As a consequence, it was found that entrepreneurs preferred to develop and engage in bonding relationships and valued the trust they identified to be contained within such ties. Our analysis identified that when small ventures compete for capital, their degree of success depends not only on network or interpersonal dynamics but how regulatory, cognitive and normative institutions enabled or constrained their options.

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