PASS ON THE GOOD VIBES: HOW RESOURCE ENDOWMENT EXCHANGES ACROSS INDIVIDUALS (INTERACTIVE PAPER)

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Principal Topic

Engaging in entrepreneurship can be a challenging task and is often perceived as a stressful time for nascent entrepreneurs. Previous studies show how emotional support from social networks is helpful for entrepreneurs in this process. In this study, we are interested in why some individuals provide emotional support to nascent entrepreneurs. We change the perspective on the social exchange process tied to resource acquisition by reversing the unit of observation from the entrepreneur (ego) to the resource provider (alter).

By integrating ideas from social psychology on emotional well-being and affect, we demonstrate that an individual’s stock of emotional support and their social skills influence the emotional support that this individual passes on to an entrepreneur.

Method

The data used to test our hypotheses are taken from the Danish Alter Study of Entrepreneurship (DASE). The dataset consists of a representative sample of individuals who know someone in the process of starting a business (N= 467). For each respondent we have measured resource providers’ available emotional support and social skills (IVs) and the emotional support they provide entrepreneurs (DV) – all established measures adapted from psychology research. We run a hierarchical linear regression to test our hypotheses, including both a main effect model and an interaction model.

Results and Implications

With point of departure in the feel-good-do-good phenomenon, we find that the emotional support that an individual has available influences the emotional support this individual subsequently passes on to entrepreneurs (H1). Furthermore, we show that individuals with higher social skills are also more likely to provide emotional support to entrepreneurs because they are more adept at interacting with others (H2). Finally, we find that the tendency of individuals to pass emotional support from oneself to entrepreneurs depends on those individuals’ social skills. With these results we provide important new insights on the social exchange process between entrepreneurs and their social environment – namely that resource exchange is a social process at both ends of the exchange and can therefore not only be explained from an ego-perspective.

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