The Moderating Role of Entrepreneurial Orientation and Trust on the Relationship Between Network Range and Firm Performance

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ABSTRACT

Prior research has emphasized that network range is critical to improve firm performance. However, research on boundary conditions of this relationship is still scant. Accordingly, this study advances research on the aforementioned relationship by focusing on the three-way interaction of entrepreneurial orientation (EO) and trust. Based on data from a time-lagged two-wave survey of 389 firms in an emerging economy, we confirm the positive network range-performance relationship and find that EO strengthens the relationship between network range and firm performance. Furthermore, findings suggest that network range can generate superior performance when aligned with the high levels of EO and cognitive trust, thus confirming the proposed three-way interaction. However, the three-way interaction among network range, affective trust, and EO had nonsignificant effect on firm performance. Overall, these findings contribute to a better understanding of how to facilitate network connections to enhance firm performance for new ventures.

Keywords: Affective trust; Cognitive trust; Entrepreneurial orientation; Network range

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