BROKERAGE AS A PROCESS: 
DECOUPLING THIRD PARTY 
ACTION FROM SOCIAL NETWORK 
STRUCTURE

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ABSTRACT

We argue for a broadened approach to brokerage by distinguishing 
between brokerage emphasizing a particular structural pattern in which 
two otherwise disconnected alters are connected through a third party 
(“brokerage structure”) and the social behavior of third parties 
(“brokerage process”). We explore a processual view of brokerage by 
examining three fundamental strategic orientations toward brokerage: 
conduit, tertius gaudens, and tertius iungens that occur in many different 
forms and combinations. This processual view is especially relevant 
in increasingly complex and dynamic environments where brokerage 
behavior is highly varied, intense, and purposeful, and has theoretical 
implications for studying multiplexity, heterogeneity, and brokerage 
intensity.
Brokerage activity in which third parties facilitate the interactions of other actors is central to a broad array of social phenomena ranging from the marketplace to complex organizations. Brokerage is central to formal organizations, cross-organizational forms, and entrepreneurial founding and growth. New technologies that have flattened the world and connect organizations and communities in new forms of coordination and digitally enabled forms of organizing (Davis & Eisenhardt, 2011; Hansen & Haas, 2001; O’Mahony & Ferraro, 2007) have further amplified brokerage’s importance. In short, brokerage is a crucial means by which intra- and interorganizational networks evolve, expand, and drive change.

Given the central place of brokerage in a broad range of organizing phenomena, what follows is the importance of establishing a sound theoretical foundation that accommodates the many different forms that brokerage takes. To date, the brokerage literature is often focused on the implications and extensions of brokerage structure and the relative merits of closed and open networks (e.g., Ahuja, 2000; Burt, 1992, 2004; Krackhardt, 1999; Marsden, 1982). More recent work introducing brokerage process is often subsumed into this open versus closed debate (e.g., Fleming, Mingo, & Chen, 2007; Gargiulo, Ertug, & Galunic, 2009; Xiao & Tsui, 2007). What follows joins an emerging stream of research that identifies various network processes that are important in dynamic organizational phenomena like technological innovation and entrepreneurship (Bizzi & Langley, 2012; Davis & Eisenhardt, 2011; Long Lingo & O’Mahony, 2010; Obstfeld, 2005; Vissa, 2012). In this paper, we argue that brokerage processes can be productively separated from social network structure, and in particular, structural holes. As an extension to existing brokerage theory, we advance a conceptualization of brokerage as a process that alters interaction between two or more parties in a wide variety of triadic structures. This conceptualization clarifies important differences in behavioral orientations toward brokerage and their relationship to sources of brokerage motivation and opportunity. Lastly, we consider important characteristics of networks — multiplexity and heterogeneity — and how it shapes brokerage in relation to brokerage intensity and the type of brokerage behavior.

THE CONFLATION OF SOCIAL NETWORK STRUCTURE AND BROKERAGE

The current organizational literature on social networks and brokerage typically employs a very specific meaning of brokerage involving an open
triad where a broker has tie to two alters who are not tied to one another. For example, in Padgett and Ansell’s (1993) well-known study of Renaissance Florence, the Cosimo d’ Medici’s family benefits from their ties to elite families and the “new men,” who are themselves disconnected. Research on boundary spanners suggests a world in which key gatekeepers link otherwise disconnected individuals across organizations (Allen, 1977; Tushman, 1977). Barley’s (1996) ethnographic study of technical work describes certain computer technicians as brokers or “cutpoints” who bridge otherwise disconnected work communities. In their exploration of IPO deal networks, Pollock, Porac, and Wade (2004) introduce the idea of network architects as brokers who create and manage structural holes in mediated markets. In their study exploring the connection between brokerage and collaborative creativity, Fleming et al. (2007) define brokers as actors with ties to other collaborators who are not tied to one another. Relatedly, Xiao and Tsui (2007), in their study of the relationship of social network position to career networks in four high-tech Chinese companies, use structural holes to define brokerage. These various analyses are representative of a broad category of research that treats brokerage and open triads or structural holes as synonymous.

This open triad conceptualization of brokerage has a long tradition. Marsden (1982, p. 202) suggested that brokerage was a mechanism “by which intermediary actors facilitate transactions between other actors lacking access or trust in one another.” Similarly, Fernandez and Gould (1994, p. 1457) indicate that brokerage is a “relation in which one actor mediates the flow of resources or information between two other actors who are not directly linked” and underscore that brokerage “… does not permit the endpoints of the brokerage relation to be directly connected.” Consistent with this tradition, Burt (1992, p. 18) defines a structural hole as “a separation between nonredundant contacts,” and his subsequent empirical work (e.g., Burt, 1997, 2004) makes a compelling case for understanding many forms of organizing in terms of triadic social network structure.

Burt (1992) offers a theoretical underpinning for the advantages that accrue to actors with many structural holes in their networks and the mechanisms by which those advantages are secured. Specifically, he suggests that brokers that stand between unconnected alters benefit both from the novel information that such a structure affords and the control benefits that allow the broker to leverage the disconnected actors against one another. This latter argument, in turn, draws on the work by Simmel (1950) regarding the tertius gaudens, or “third who enjoys.” A broker with a tertius gaudens orientation who stands between disconnected alters can
benefit passively by not intervening in the conflict or disconnection between two alters or more actively by playing off alters against one another. Over time, structural holes theory has become the predominant conceptualization of brokerage because the structural holes-related measures generate compelling empirical evidence for the impact of structural holes on dependent variables at the individual and firm levels, and also because of the persuasive triadic theoretical argument applicable to networks at the individual and firm levels (Burt, 1992).

The structural holes approach, however, does have certain limitations. These can be illustrated with two brokerage examples that feature the absence and the presence of structural holes. In the first case, imagine Jack, a professor in a business school. Jack walks down the hall to invite Sally and Jane to join him for coffee where they might discuss a potential collaboration. Sally and Jane both know each other well, and are part of an accounting department whose faculty have collaborated with each other in every conceivable combination such that all faculty members have coauthored papers, in one form or another, with every other faculty member. A similar relationship might be seen in a product development group or a loosely formed community of musicians. We argue that such an effort should be referred to as brokerage on Jack’s part, despite the absence of a structural hole between Sally and Jane. Thus, the first case consists of a dense or cohesive network with an absence of structural holes, in which one individual undertakes coordinative action that generates some new collaboration. It can also be that, in initiating collaboration between Sally and Jane, Jack deliberately leaves out Joe, who is also connected to Sally and Jane. Jack may have decided not to include Joe because of a past collaboration that did not turn out well, or because he fears that Joe’s talent might put Jack’s leadership of the new initiative in jeopardy. Here again, we have a case of brokerage behavior (i.e., tertius gaudens) taking place within a nominally dense network. By relaxing the central criterion for brokerage currently in use — absence of ties between alters — a new set of cases is generated where coordinative action by a third, or tertius, might be fruitfully considered.

In the second case, we have an open triad where the broker, Jack, has ties to two unconnected actors, Matt and Deborah, but never does anything that involves linking across or leveraging the disconnection between the two ties. This presents us with the difficulty of characterizing such a pattern of relationships as brokerage when no social process has occurred. Taking this a step further, Jack may stand between many disconnected actors but, for any one of a variety of reasons, fails to take any action
that involves linking or leveraging of any pair of disconnected alters. If no such coordinative action occurs, is it useful to call Jack a broker? The identification of structural holes within a network does not necessarily implicate any specific social activity, including brokerage. Of course, we may regard the presence of structural holes as creating the potential for brokerage, but as we demonstrate in the first case, brokerage can occur without structural holes. The potential for brokerage is in the broker having ties to two or more parties, not in the ties or lack of ties among those parties.

In summary, we argue for expanding the theoretical terrain to make a distinction between strictly structural patterns (such as structural holes) that Burt and others have associated with brokerage, and the social behavior of brokering. There are two parts to this argument. The first part is the recognition that brokerage can occur in a wide variety of structural contexts, including closed, dense networks. The second part is a separation of motivation and opportunity, two elements that Burt (1992) deliberately conflates: “I will treat motivation and opportunity as one and the same … network rich in entrepreneurial opportunity surrounds a player motivated to be entrepreneurial. At the other extreme, a player innocent of entrepreneurial motive lives in a network devoid of entrepreneurial opportunity.”

Even when a given structural pattern provides opportunity for some kind of brokerage, the intent and intensity of brokering will vary. The broker’s intent may be to extract short-term profit or develop long-term market access (Hallen, 2008; Pollock et al., 2004), to pursue profit at an individual or collective level (Kacperczyk, Davis, & Hahl, 2011; Ryall & Sorenson, 2007), and may range from strict self-interest to more complex combinations of individual, shared, or communal objectives (Klein, Ziegert, & Knight, 2006; O’Mahony & Ferraro, 2007). By brokerage intensity we mean the relative effort and range of brokerage behaviors (i.e., conduit, tertius gaudens, and tertius iungens) at the broker’s disposal, each of which will be explored in greater depth below. By opportunity, we mean the relative availability of complementary actors and resources. Often, these opportunities are for recombination of resources to create technological or cultural innovations that are not strictly determined by structure (Baker & Nelson, 2005; Obstfeld, 2005; Rodan & Galunic, 2004). We argue that social network structure affects the ways that brokers do their brokering, but does not define it. Next, we will propose a new definition of brokerage that shifts emphasis toward the social process that occurs within a social network context but that unfolds independently of the network itself.
A RECONCEPTUALIZATION OF BROKERAGE

Marsden’s (1982, p. 202) classic definition proposes brokerage as a mechanism “by which intermediary actors facilitate transactions between other actors lacking access or trust in one another.” The expression “lacking access or trust” corresponds to the nontie condition in Burt’s definition of structural holes, but is broader in acknowledging that the nodes being brokered may have some kind of tie with each other (just not a sufficient one). As a rhetorical device to highlight differences between our process-based view and brokerage and more structural approaches, we adapt Marsden’s definition by changing three terms: “transaction,” “intermediary,” and “lacking access.” First, we propose that brokerage concerns a broad range of social activity, only a portion of which is implied by the word “transaction.” The language of transactions suggests an emphasis on exchanges, particularly economic exchanges. We would, however, include in our conceptualization of brokerage behavior activity where a broker relays information between alters A and C (e.g., Gould & Fernandez, 1989), or brings A and C together to talk about a new potential collaboration (Obstfeld, 2005), or attempts to disconnect A and C (Davis, 2011) — activities not fully represented by the “transaction” phrasing. We also see brokerage as including activity involving conflict resolution (Simmel, 1950), another category of activity not necessarily associated with transactions. Finally, “transactions” suggest only discrete events of time where the brokerage term should also be able to address a relational pattern of engagement over time. A broker, for example, may facilitate the growth of trust between two other parties over time.

We substitute the term “interactions” for “transactions,” to denote a broader scope of brokerage activity. By generalizing to “interactions,” we subsume the transfer and exchange associated with transactions as well as other behaviors by third parties that would include a multiplicity of activities associated with tertius iungens or tertius gaudens behavior. This broader category of activity would also include not only discrete relational events, but also social relations, or patterns of social engagement with continuity over time. A face-to-face or e-mail introduction (i.e., an event), as well as a pattern of activity that sustains or builds trust over time (i.e., a relationship), would be understood as an interaction.

Second, we change Marsden’s term “intermediary” because it implies that the two parties with whom the broker engages do not have a tie with each other. The intermediary case is certainly an important category of brokerage situations, but it is by no means the only kind, and we do not
want our brokerage definition tied to a particularly structural pattern. We view the broker as simply one of the parties. Where we do retain a structural element is in limiting our attention to situations with three or more parties. Per Simmel (1950), the triad enables considerably more complex social dynamics than those found in the dyad, and that are often characteristic of numbers greater than three.

In our adapted version of brokerage, we set aside Marsden’s lack of access condition which requires that the parties being brokered must be “lacking access to or trust in one another.” Even though Marsden’s version is less strict than Burt’s structural holes definition in allowing the actors being brokered to have some kind of tie, it still implies that when there is trust between two parties, there cannot be brokerage by a third party, and as we have illustrated earlier, this is too strong.

In light of these considerations, we simplify and broaden the Marsden definition of brokerage to the following: “behavior by which an actor influences, manages, or facilitates interactions between other actors.” The definition is broader than Marsden’s in generalizing his transactions to interactions. It also avoids defining brokerage as a network structure by deleting the word “intermediary,” and by not making the absence of ties between the two alters a condition for brokerage. Finally, the new definition adds to Marsden’s original verb “facilitates,” the action associated with “influencing” and “managing” to denote a broader range of activity that different forms of brokerage activity might involve. This opens the door for a more complex consideration of brokerage as a process that we consider next.

THREE STRATEGIC ORIENTATIONS TO BROKERAGE ACTION

In order to more fully explore the range of brokerage behavior, we consider three basic categories of brokerage process: conduit, tertius gaudens, and tertius iungens. The first two, conduit and tertius gaudens are the most consistent with structural holes theory. These orientations often co-occur in dynamic contexts as in the case of Burt’s (1992) entrepreneur who accesses novel information (conduit) to leverage advantage over certain alters (tertius gaudens).

Conduit brokerage involves the passing of information between parties (Burt, 2004; Obstfeld, 2005). In conduit brokerage, as the term suggests,
the third party relays information from one alter to the second alter without attempting to change the relationship between the alters. The broker mediates rather than moderates the relationship between two others. For example, a broker who learns of a new technological breakthrough or change in one social domain is poised to deliver his or her knowledge to a second actor or domain that does not have that information (Hargadon, 2002). The broker may extract a reward for this service to the extent that the service is unique. This is not the same as the structural condition of being the only one who has ties to both domains because transferring the information requires motivation to do so and may require special skills identifying novelty in one location that is valued in a second community (Fligstein, 2001).

Different varieties of conduit brokerage entail different levels of effort and skill on the part of the broker. Burt gives several examples of brokers providing value in this way. For example, group A may have a problem that group C has solved, and the broker is the one who transfers the solution. An everyday instance of this is the retailer who sells products (from A) to consumers (C). Note that retailers are typically not unique in being the only available intermediary, and that consumers are often able to purchase directly from the manufacturer. The reason for purchasing from the retailer will have to do with characteristics of the retailer, such as convenient location, or the ability to convince the buyer. Another case is where A has a problem and C has solved an analogous problem. The solution can’t be transferred as is, but the broker can nevertheless use it to solve A’s problem. This case requires even more from the intermediary in terms of skills and effort, and this explains why a given broker may be used, even when A and C have significant relationships. Finally, Burt discusses the case where the broker’s knowledge of both A and C culture (e.g., technological culture) enables the broker to synthesize the two knowledge bases and provides value to one or both parties. Here again, the essential point is the broker’s involvement with both parties, not whether the parties have or do not have direct relationships. If every member of A is well connected to every member of C, the one who in the end performs the synthesis is the one who had the motivation and right combination of abilities to solve the puzzle.

Conduit brokerage involves minimal “management” of the alter—alter relationship on the part of the broker and can occur unintentionally (Owen-Smith & Powell, 2003). While conduit brokerage does not typically entail changing the relationship between actors, such an outcome is not inconsistent with conduit brokerage. A real-estate broker might buffer the
relationship between a buyer and a seller, ferrying offers and counteroffers back and forth, but the end result is a signed deal — an interaction between
the buyer and the seller. Similarly, marriage brokers initially serve to avoid
direct contact between the parties, but the eventual goal is the establish-
ment of a strong bond.

There are several considerations regarding conduit brokerage worth not-
ing. The first concerns the degree of discovery involved in the identification
of information or knowledge that the broker can productively ferry between
two domains. A second involves the extent to which the value the second
community places on the new information is contingent on the broker’s
explication or translation of the information being ferried. Third, the broker
may endeavor to ferry accurate, filtered (some information withheld),
ambiguous, distorted (Burt, 1992), or supplemented information. Finally,
the broker may demand, or hope for, a reward or rent in exchange for
supplying information. Alternatively, a broker may ferry multiple novel
social facts from one community to the other without any immediate
harvesting of value. This latter case suggests that the rents potentially asso-
ciated with conduit brokerage are not automatic and rely on the motivation
of the broker (e.g., to help, to increase his or her status, or to make money)
as well as the ability of the broker to charge rents. Conduit brokerage intent
might range from the altruistic and rent-free knowledge facilitation to
exploitation by a broker who steals information from the first alter to gain
some benefit with the second alter.

Conduit brokerage is consistent with the knowledge advantage asso-
ciated with structural holes (Burt, 1992), but structural holes are not a
requirement as we can readily imagine situations where conduit brokerage
is a common occurrence in structures where alters are already tied in some
way. Let us return to the business school where Jack is a professor who has
ties between Sally, who does research on organizational alliances, and
Jane who studies innovation. In conversation with Sally about her recent
paper submission, Jack learns of several of Sally’s papers relevant to Jane’s
study of innovation which he subsequently brings to Jane’s attention. The
probability that Jack brings novel information from Sally to Jane when all
three have ties is less likely than in a case where Sally and Jane have no ties,
but certainly possible and consequential. This suggests a specific case where
conduit brokerage may take place in a dense network of ties.

Consider a second case of a multidisciplinary scientific team solving tech-
nical problems. Suppose a businessman (the broker) relies on the skills and
knowledge of an anthropologist and a chemist. Because this disciplinary
knowledge is difficult and time consuming to transfer, it is unlikely that, if
the anthropologist and the chemist became fast friends, the business could safely rely on just the chemist for the anthropologist’s knowledge, or vice versa, and there might still be a role for the businessman as conduit. In general, arguments for the information benefits of having disconnected alters work best for highly contagious information such as news of current events and gossip. In other cases, what makes knowledge capable of being transferred is that the receiver possesses the background knowledge needed to comprehend it. Similarly, in their work on the diversity-bandwidth trade-off, Aral and Van Alstyne (2011) found that greater channel bandwidth (e.g., stronger ties connecting the triad) is often positively associated with the exchange of more diverse, complex, or nonredundant information.

Conduit brokerage involves a form of mediation where the broker B is a go-between or intermediary between A and C. B might also be a firm that buys materials from a supplier, transforms them, and sells them to a customer. Conduit brokerage encompasses transmission of flows (e.g., information, gossip, diseases). Conduit brokerage can be contrasted with the several types of “moderation” brokerage that we consider later — tertius gaudens and tertius iungens. In moderation brokerage, the broker B alters the relationship between A and C in some way. The simplest version of moderation brokerage involves the creation of a tie between alters where none existed before. A more complex form of moderation brokerage would involve the alteration of an existing tie by adding or increasing strength of a specific relational dimension: a broker may bring two parties together at the negotiation table or to collaborate in an innovation process by forging a trust tie (as in the Marsden brokerage definition) where before it was weak or nonexistent.

In conduit brokerage, A and C may never meet (or even become aware of each other), and it may be in B’s interest for this not to happen. B’s intent may range from benign to exploitive. Conduit brokerage is a comparatively simpler brokerage form given its correspondence with more established themes associated with knowledge transfer. Less attention has been paid to the related processes associated with tertius gaudens and tertius iungens though they are equally important to a process-based view of brokerage.

*Tertius gaudens brokerage* refers to situations where a broker maintains or exploits unfamiliarity, competition, or conflict between parties maintained actively or through purposeful inaction. This brokerage orientation, first articulated by Simmel (1950) and later explored by Burt (1992) in connection with structural holes theory, involves a strategic intent and effort to generate advantage presented by the disconnection between two parties.
In his exploration of the tertius gaudens, Simmel explored several enabling conditions for tertius gaudens brokerage including relative parity between competing alters, which allows the broker to choose between the two interests. Tertius gaudens brokerage might also involve simply leveraging or preserving unfamiliarity between alters in the absence of parity or similarity. While the disconnection between alters leveraged by the tertius gaudens often assumes the absence of an alter—alter tie (Burt, 1992), there are numerous exceptions to such an assumption.

Simmel proposed a related brokerage style, divide et impera (divide and conquer), where the third more actively encourages conflict between alters: “The distinguishing nuance consists in the fact that the third element intentionally produces the conflict in order to gain a dominating position” (Simmel, 1950, p. 162). For parsimony, we consider divide et impera as a variant of the tertius gaudens orientation as it involves neither conduit nor the joining behavior associated with the tertius iungens examined below. As Burt (1992) points out, the tertius gaudens strategy may involve rivals in pursuit of the same relationship, as in the case of two or more buyers who want to buy the same object, or simultaneous demands made by alters in separate relationships with the tertius. Alter—alter antagonism may be strong and the potential for contact between alters also poses the risk that they could align to eliminate the tertius’ leverage and even conspire together against the tertius. As Simmel (1950, p. 160) indicates: “The favorable position of the tertius disappears quite generally the moment the two others become a unit — the moment, that is, the group in question changes from a combination of three elements back into that of two.”

Tertius gaudens-like behavior, however, may also take place in the presence of alter—alter ties. In the competing buyers example noted above, the buyers might be quite aware and even know each other, and have extensive familiarity with their competing demands. In the case of Simmel’s divide et impera, for example, the active conflict fomented by the broker constitutes a negative tie between the alters, and may suggest the existence of a prior tie of some kind. Burt (1992, p. 33) suggests the limits to the no-tie-between-alters condition when he indicates, “successful application of the tertius strategies involve bringing together players who are willing to negotiate, have sufficiently comparable resources to view one another’s preference as valid, but won’t negotiate with one another directly to the exclusion of the tertius.” Such a specification of gaudens behavior suggests the possibility of some form of relationship between alters. Similarly, Burt (1992, p. 31) offers Merton’s concept of the role-set to suggest a tertius gaudens behavior where the player at the center of a negotiation assigns to
competing members of the same role-set the task of resolving their contradictory demands. In such an example, the absence of a tie between alters is clearly violated (and even suggests a tertius iungens linking behavior, as discussed below). More generally, a broker B facing a close relationship between A and C can attempt to win C’s favor, making A jealous of B and angry with C. By then courting A, the broker B can remove A’s jealousy while preserving A’s anger with C.

In sum, we suggest that the competitive posture found in Simmel’s tertius gaudens behavior appears to have validity independently of a structural condition and may involve cases where competing alters are aware of, or actually have a relationship with, one another. The role of information movement, central to the conduit brokerage orientation, is often also central to the tertius gaudens. Burt’s (2000, p. 355) observation that “accurate, ambiguous, or distorted information is strategically moved between contacts by the tertius” can evolve into information strategies where information is altered or withheld to keep alters apart or encourage conflict. Information is also central to the conduct of the tertius iungens.

Tertius iungens brokerage, the last basic form of brokerage considered here, involves the broker’s introduction or facilitation of two other parties. Where the gaudens leverages disconnection or negative ties, the iungens actively pursues coordination. Obstfeld (2005) also suggests a distinction between brief iungens and sustained iungens. Brief iungens refers to interactions involving discrete episodes of introduction where the broker introduces or facilitates ties between parties and a continuing coordinative role is unnecessary, diminishes in importance, or is simply not offered. Sustained iungens is where the broker’s ongoing facilitation is required. While the tertius iungens takes Simmel’s treatment of the nonpartisan as a precedent (Obstfeld, 2005), Simmel’s nonpartisan is concerned only with the reconciliation of tensions between antagonistic parties and does not consider the case of the tertius iungens introducing previously unconnected alters. Network expansion, whether in the form of entrepreneurial start-ups or emerging social movements, is likely to involve this connecting of previously unconnected parties.

References to tertius iungens brokerage often assume a structural hole network as a necessary condition for tertius iungens brokerage; however, the potential for tertius iungens brokerage to occur in either dense or sparse networks is anticipated in Obstfeld’s (2005, p. 100) definition: “a strategic behavioral orientation toward connecting people in their social network by either introducing disconnected individuals or facilitating new coordination between connected individuals.” In the definition’s first case, the tertius
introduces disconnected individuals — a structural holes case. In the definition’s second case, however, the tertius facilitates coordination between previously tied individuals. The brief and sustained iungens examples, taken together, suggest the tension between the presence and absence of ties. In the case of the brief iungens, the mere introduction of alters suggests the elimination of the alter—alter structural hole. The sustained iungens case, however, suggests that despite a connection between alters, some aspect of alter—alter disconnection may endure that necessitates sustained engagement of the tertius to secure the iungens brokerage interaction.

Tertius iungens microprocesses may present a variation on the knowledge transfer work associated with conduit brokerage. Where the conduit locates, ferries, and in varying degrees, translates information and opportunities, the iungens also marshals information, but with the aim of inducing collaboration (Fligstein, 2001). Both conduit and iungens draw on knowledge articulation, or the social process by which knowledge is made more explicit, useful, or relevant to the situation at hand (Obstfeld, 2005, 2011, 2012). The vehicle for such knowledge work is often achieved through the use of analogies, metaphors, and stories. Imagine a case where Fred endeavors to create collaboration around a creative project (Obstfeld, 2012) that will enlist Gloria and Libby. In the simplest case, Fred presents the project idea at a lunch meeting with Gloria and Libby in the form of a story that describes the project’s origins, objectives, collaborative dynamics, and successful conclusion with the associated enhancements to wealth and status.

Alternatively, Fred may sense that such a one-step, in-person meeting is premature, given the lack of complete alignment between Gloria’s and Libby’s interests. In this second case, Fred approaches Gloria first with a version of the proposed project, story $P_G$, tailored to appeal to Gloria’s particular interests and concerns, and then approaches Libby with a second version of the project story, $P_L$, tailored to Libby. With these two successful dyadic interactions in hand, he now introduces the project at the lunch meeting with Gloria and Libby through a third version of the project, $P_{GL}$, that reflects what Fred learned in the previous two exchanges, and which is tailored to maximize the joint appeal to Gloria and Libby. Not surprisingly, Fred may choose to begin with the points of greatest appeal to both Gloria and Libby and omit altogether those issues particularly objectionable to either. In considering this tertius iungens scenario, we can imagine additional wrinkles that involve the continual enhancement of the project story as appeals to new alters are made or new story features with broad appeal are discovered.
The sequence of Fred’s enlistment of first Gloria and then Libby might be understood as an embellishment on Weick’s double interact (1979) meant to specify the communicative act central to organizing. In the double interact, someone acts, for example by communicating a message to a second person, the second person responds, and the first person makes an adjustment to their original message based on that response. The “double” in double interact refers, for example, to Fred’s initial appeal to Gloria and Gloria’s response (interact #1) followed by Fred’s adjustment of his message (interact #2). In our vignette, the Fred—Gloria double interact is followed by a second double interact involving Fred’s similar recruitment of Libby. These two double interacts lay the groundwork for Fred’s tertius iungens connection of Gloria and Libby. We might refer to the entire crucible of iungens-motivated coordination described above as a triadic interact and in so doing extend Weick’s original double interact idea.

The triadic interact suggests the microprocesses essential to tertius iungens action, demarcating a crucial arena of organizational coordination not fully addressed in Weick’s original pathbreaking work. Indeed, Weick (1979) briefly mentions the triad as an alternative fundamental building block of organizing. We argue that the triadic interact serves as the fundamental unit of coordination and scaling for the creative projects associated with organizational growth and emergence.

Given the active role of knowledge and knowledge articulation in the tertius iungens’ connecting work, it’s not surprising that the tertius iungens measure is highly correlated with survey measures of knowledge articulation operationalized in terms of use of analogies, metaphors, and stories (Obstfeld, 2011, 2012). The articulation of analogies, metaphors, and stories are frequently the means by which the tertius enlists and connects alters. This central role of knowledge and information to iungens coordination also suggests the strong kinship of conduit, tertius gaudens, and tertius iungens brokerage.

While brokerage may in some cases involve a choice between one brokerage strategy and another (e.g., Shi, Markoczy, & Dess, 2009), as noted earlier, brokerage strategies often entail a combination of conduit, iungens, and gaudens forms of brokerage. Certain strategies might be pursued simultaneously in different parts of the broker’s network or can evolve from one (e.g., conduit) to another (e.g., iungens) over time. Every dinner party, for example, involves invitations extended to some and the choice to exclude others in the network deemed inappropriate for the occasion. The reasons such invitations are extended or withheld may range from compatibility of the invitees to the number of seats at the dinner table.
Recent brokerage research emphasizes the use of multiple brokerage strategies. Long Lingo and O’Mahony’s (2010) study of independent country music producers found that producers adjusted their brokerage practices in response to the ambiguity they confronted, but displayed combinations of gaudens and iungens brokerage at every phase of their creative process. Moreover, Davis’s (2011) study of innovative alliances in the computer industry found that active pruning of old ties may be necessary before managers can effectively facilitate new ties, suggesting that sequences of gaudens and iungens behavior are sometimes necessary. Ozcan and Eisenhardt (2008) found that becoming a broker in the mobile gaming industry requires simultaneous iungens activity with two alters coupled with the threat to disconnect either party to motivate both parties to be brokered, suggesting that gaudens can induce iungens in real time. Most recently, Burt et al. (2013) found that sequences of engaging and disengaging from closed networks that they refer to as “serial closure” provide greater advantage than similarly structured networks that are consistent over time. Such episodes of closure might emerge, according to Burt et al. (2013), from reversals that drive changes in status. These closure episodes might alternatively stem from the temporary pursuit of creative projects (Obstfeld, 2012) that bring together clusters of similarly focused actors. In either case, this study suggests how actors might pursue network advantage by employing different sequences of brokerage strategies over time. Taken together, these emerging examples demonstrate how effective brokerage strategies may require complex combinations and sequences of different brokerage behaviors over time and how skilled actors (Fligstein, 2001) may command repertoires comprised of multiple brokerage behaviors for this purpose.

HETEROGENEOUS BROKERAGE NETWORK STRUCTURES: AN EXPANDED VIEW OF BROKERAGE INCORPORATING MULTIPLEXITY AND VARIANCE IN ALTER ATTRIBUTES

If moderation brokerage (i.e., tertius gaudens and tertius iungens) involves the creation, alteration, or intensification of social ties, then the nature and pattern of existing ties and their subsequent alteration deserves closer consideration. For our purposes, we consider social ties to vary by strength and type (also referred to as “content”). Furthermore, a given pair of actors can be connected by multiple kinds of ties simultaneously, a condition known as
multiplexity. We also examine the implications of heterogeneity in actor attributes such as resources, skill, and motivation. We therefore introduce these considerations into an expanded consideration of the distinction between open (i.e., the absence of alter—alter ties) and closed brokerage structures.

**Multiplexity**

Consider the tertius iungens case discussed earlier where Jack brokers a potential collaboration between his friends Sally and Jane, who are already friends and previous collaborators. A more nuanced version of this case might be the case where Jack brokers a collaboration between colleagues Serena and Jill who are friends with each other, but have not collaborated before. What Jack does is modify the alters' relationship so that it now incorporates a new collaborative tie, thus adding additional tie content to the existing alter—alter relationship, making it a multiplex relationship.

It is worth noting that, if we mapped friendship ties, the Jack, Serena, and Jill triple would appear to be a closed triad. But if we mapped collaboration ties (prior to the brokerage activity), the triad would appear to be open. But it is also possible that Serena and Jill have collaborated before, but this new project involves new content that requires Jack's facilitation.

As this illustrates, there is a sense in which the distinction between open and closed triads is artificial, dependent on selective blindness on the part of the researcher. With recognition of the multiplex triad (Shipilov & Li, 2012), the distinction becomes less clear and less important.

At this point, it is useful to recall Marsden's definition of brokerage in which alters share a tie but "lack trust," an important case in the real world. Actors may have some kind of tie with nearly everyone in a given professional space, but might never consider collaborating unless a trusted broker (e.g., with strong broker—alter ties) functions as a tertius iungens to facilitate sufficiently increased trust to make collaboration possible. In one case, the presence of alter—alter trust is dependent on the presence of the broker. In another case, the broker facilitates the development of trust between alters, adding another dimension to their relationship.

**Heterogeneity**

According to Simmel, homogeneity in strength and kind of tie in triads provides the most obvious opportunity for tertius gaudens brokerage.
Simmel (1950, p. 157) suggests that the tertius gaudens gains advantage when the two vying parties “keep one another in approximate balance.” Simmel (1950, p. 159) indicates, “… the advantage accruing to the tertius derives from the fact that he has an equal, equally independent, and for this very reason decisive, relation to two others.” The substitutability of the alters from the broker’s perspective — both in terms of type of tie and type of alter — is what allows the two alters to be played off one another, whether such alters are suitors pursuing a romantic relationship with the same individual, or sellers competing for the same contract.

In contrast, for both conduit and iungens forms of brokerage, it is the nonsubstitutability of alters that presents enhanced opportunities for the broker. In conduit brokerage, the broker provides value to one group by providing them with needed resources derived from another group. The potential for providing value through conduit brokerage is a function of the differences between the parties connected by the broker. Similarly, tertius iungens brokerage is most opportune when the broker detects opportunities to connect complementary, rather than redundant, alter attributes such as resources and abilities. At the same time, iungens brokerage connecting those with differing ties or attributes brings with it the corresponding challenge of coordinating dissimilar backgrounds and interests, what Obstfeld (2005, p. 101) describes as the “action problem,” namely that “dispersed, unconnected people found around structural holes are inherently more difficult to mobilize or coordinate ….” Put differently, such heterogeneity presents greater potential broker payoffs associated with novel combinations but also presents greater risk of incompatibility and therefore failure.

**IMPLICATIONS**

We conclude our consideration of brokerage process by exploring some implications that a brokerage process emphasis illuminates with respect to network phenomena. The central intuition here is that brokerage process — as opposed to brokerage structure — is of increasing importance to brokerage outcomes as brokers encounter more complex and dynamic social settings. Under such conditions, structural advantages are more difficult to maintain and leverage, while deployment of brokerage behaviors provides a means for adapting to these multifaceted and rapidly evolving circumstances. The second and related intuition is that tertius iungens may become
more important than tertius gaudens for achieving high performance in these complex and dynamic settings. We examine two aspects of brokerage process — brokerage intensity, or the relative effort and range of brokerage behaviors (i.e., tertius gaudens, tertius iungens, and conduit) at a given broker’s disposal, and the ratio of tertius iungens and tertius gaudens activity.

Before we briefly explore these implications, we wish to propose, in simple terms, what we mean by “more complex and dynamic social settings.” Consider a given network as a “cast” of characters. We argue that the cast would have four basic properties: (1) the actual identities of the cast (i.e., who the cast members are); (2) the size of the cast; (3) the relationship between the various cast members (the raw data from which various network properties are determined); and (4) the resources, be it knowledge or wealth, that cast members might possess. By “dynamic,” we mean to suggest that the four properties of the cast are changing versus staying constant. By “complex,” we mean to suggest that more, as opposed to less, of the cast’s identities, relationships, and resources are heterogeneous.

Greater heterogeneity in identity (e.g., ethnicity, professional origin, or even interests and objectives), in relationships (e.g., tie content involving various combinations of such ties as friendship, advice, professional ties) and resources poses anyone operating in such a network context with more of an “action problem,” or the challenge of coordinating people with different interests, unique perspectives, and language (Obstfeld, 2005). We propose that increases in heterogeneity demand greater brokerage intensity in order to produce cooperation, coordination, or other results.

While broker facilitation occurs in all structures, such facilitation becomes more labor intensive in the face of heterogeneity where the broker needs to do more active coordinative and translation work (Beckman & Haunschild, 2002). More brokerage intensity (in the form of conduit, tertius gaudens, and tertius iungens brokerage behavior) allows brokerage action to match the complexity posed by heterogeneous networks.

Broker repertoires consist of different combinations of conduit, tertius gaudens, and tertius iungens behaviors, and as noted earlier, skilled brokerage often involves selective deployment of these approaches with different actors or for different objectives. We argue that different combinations of tertius iungens and tertius gaudens behavior are necessary to tailor brokerage strategies to match the situation. Tertius gaudens strategies involve the restriction of alter—alter activity by either keeping certain alters apart or actively cultivating alter—alter tension in a given interaction, whereas tertius iungens strategies involve facilitating selected interactions among alters. Because of its selective capacity, iungens can be used to facilitate the highest
performing interactions between two alters perceived by the broker. Consequently, we expect that iungens behavior becomes relatively more useful in generating and testing increasing numbers of new combinations as heterogeneity increases. Compared to tertius gaudens, which avoids interactions, heterogeneity provides an amplified opportunity for tertius iungens behavior to profitably combine actors (along with the resources they possess) in novel combinations. While some gaudens behavior may be required to occasionally exploit the value of arbitrage opportunities that exist, as heterogeneity increases we expect that higher value can be gained from greater application of iungens-style facilitation or connection. By contrast, homogeneity creates a state of status quo where fewer combinatorial or arbitrage opportunities are available so that most rewards are to be found through a relatively higher emphasis on gaudens behavior. We therefore argue that tertius iungens behavior tends to increase in importance in comparison to tertius gaudens as heterogeneity increases. For these same reasons, we expect that conduit brokerage becomes increasingly frequent and consequential with increased heterogeneity.

CONCLUSION

The classic network literature (e.g., Granovetter, 1973; Homans, 1950; Simmel, 1950) directs our attention to the crucial role of the triad in understanding microsocial, interorganizational, and cross-level organizational phenomena. Brokerage theory constitutes one of the most elaborated areas of social network research. Substantial advancements in our understanding of the nature and implications of brokerage structure have opened up the opportunity and need for a corresponding attention to brokerage process. Future research can fruitfully explore the paths of action, practices, and motivations associated with the use and interplay of these different brokerage approaches over time. The recent interest in network evolution, for example, necessitates examination of structural changes over time, but also a concomitant attention to the social processes associated with such changes. Indeed, while we have employed a somewhat cross-sectional approach to unpack the distinctions between three brokerage orientations (i.e., conduit, tertius gaudens, and tertius iungens), it is important to note that the manifestation of these different brokerage orientations can only be fully understood in terms of how multiple agents employ different sequences of brokerage behavior to achieve various ends over time. Such
brokerage behaviors may be deployed in either more patterned, predictable, or emergent action trajectories. If deployed in repetitive patterns over time, such trajectories would be characterized as routines, whereas emergent trajectories of interdependent action would involve newly emerging creative projects (Obstfeld, 2012). Future research, for example, can unpack the sequences of brokerage activity characteristic of entrepreneurial start-ups or other forms of collective action.

Our brokerage process perspective suggests new ways for understanding and analyzing how brokerage behavior influences organizational outcomes both inside organizations and in cross-level or interorganizational contexts (Brass, Galaskiewicz, Greve, & Tsai, 2004; Moliterno & Mahony, 2011). At a more microlevel, for example, our approach suggests how relational work can be understood in a variety of contexts (Bandelj, 2012). At a cross-level of analysis, different forms of relational work or social skill might account for why similarly structured organizations might have different impacts on their members. Small (2010), for example, referenced a brokerage process argument to account for how similarly constituted New York childcare centers were more or less engaged in helping mothers access resources. A brokerage process perspective can also further illuminate interorganizational phenomena such as alliance formation (Gulati, 1998) or buyer–supplier relationships (Choi & Wu, 2009).

It is important to avoid the simplistic association of certain motives or ethics with any of the brokerage orientations explored here. Many different motivations might accompany an act of brokerage. Tertius iungens brokerage might involve the desire to create or build an organization through the assembly of resources or the inclusion and connection of certain nodes, but just as likely might involve the simultaneous exclusion of others or the enhancement of the broker’s reputation by creating a valued introduction. The broker might benefit his or her alters by introducing lovers, or entrepreneurs and investors, but might similarly benefit one or more alters by assuming a gaudens orientation to keep potential competitors or combatants apart. Tertius iungens activity might also create unintentional or unseen “harm” by facilitating a “bad” match, doing it carelessly, or creating a combination that may be good for an individual’s career but bad for the organization (Davis, 2011). These cross-level effects warrant further consideration—an introduction of competitors might intensify a rivalry harming them both, while simultaneously creating a lower price.

In summary, it is now apparent that the social network literature treats brokerage phenomena as far more complex than originally theorized in previous decades. Disaggregating brokerage structure from brokerage process
affords important new leverage for understanding how organizations and their networks evolve. We have proposed some initial steps for how a deeper consideration of brokerage process can illuminate these important issues and hopefully set the stage for future social network-oriented research.

NOTES

1. We take, as a point of departure, Burt’s (1992) influential introduction of structural holes theory, in part because it continues to have such a sustained impact on the social networks literature, and in particular, the structural view of brokerage, while also noting that Burt and others have continued to develop structural holes theory, both empirically and theoretically, in the two decades that have ensued. Because of the range and depth of this subsequent work (e.g., Burt, 2005, 2010), we will not attempt to recapitulate these developments but to acknowledge its ongoing importance and, as well, a sophisticated process perspective that informs it. Later, we briefly note how our process perspective intersects with a recent work by Burt (i.e., Burt, Merluzzi, & Burrows, 2013).

2. Multiple meanings have been imputed to Simmel’s original terminology. We employ “tertius gaudens” here to refer to only those cases where playing alters against one another is the broker’s focus and avoid using it to reference a broader leverage often commanded by a third party.

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REFERENCES


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