



FACULTY & RESEARCH

Other Unpublished Work | 2011

Deference from Low-status Firms: Maintaining Status without Resources

by Mikolaj Jan Piskorski and [Bharat N. Anand](#)

Abstract

This paper proposes a set of conditions under which high-status firms retain their positions, even if they lose resources. Firms are considered high status if they obtain ties from other high-status firms. Within the class of high-status firms, we distinguish between those that receive ties only from high-status firms and those that also receive ties from low-status firms. Although ties from low-status firms contribute little to a firm's status, we hypothesize that they play a critical role in maintaining it in the event of resource loss. Specifically, following resource loss, high-status firms without ties from low-status firms will lose their status, but those with ties from low-status firms will retain it. Results of an empirical examination of venture capital syndicate formation in the United States yield support for these predictions.

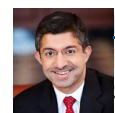
Keywords: [Business Ventures](#); [Venture Capital](#); [Financial Condition](#); [Alliances](#); [Rank and Position](#); [Status and Position](#); [Financial Services Industry](#); [United States](#);

Language: English Format: Print [Read Now](#)

Citation:

Piskorski, Mikolaj Jan, and Bharat N. Anand. "[Deference from Low-status Firms: Maintaining Status without Resources](#)." 2011.[Export Citation](#)

About the Author

[Bharat N. Anand](#)

Henry R. Byers Professor of Business Administration

Senior Associate Dean, HBX

[Strategy](#)[View Profile »](#)[View Publications »](#)