
The Role of Middle Management in the Strategy Process: Group Affiliation, Structural Holes, and *Tertius Iungens*

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Abstract

This study explores the relationship between eight distinct brokerage roles of middle managers and their involvement in achieving different strategic goals. The authors argue that each role contributes to different aspects of middle managers' strategic goals and that some roles are more likely to realize brokerage advantages than others. They further suggest that bridging structural holes may not be an optimal strategy in all situations. Important implications of their model are discussed and several future research directions are proposed.

Keywords

group affiliation, middle management, strategy process, structural holes, *tertius iungens*

In the early 1990s, Floyd and Wooldridge (1992, 1994) developed a typology of middle-management strategic goals. They distinguished four middle manager roles in the strategy process: championing strategic alternatives, facilitating adaptability, synthesizing information, and implementing deliberate strategy (Floyd & Wooldridge, 1992, 1994). Although some subsequent studies have further explored the strategic roles of middle managers, the number of studies in this area remains relatively small and has stagnated over the years. Table 1 shows the number of these studies distributed by year and by scholarly journals.

Previous studies have focused primarily on the *strategic roles* that middle managers play in the strategy process (for a detailed review of these studies, see Wooldridge, Schmid, & Floyd, 2008). However, some scholars have raised the possibility that the *structural positions* of middle managers in organizations may also help them to be effective in these roles. Structure matters because it recognizes the social side of human interaction and incorporates that facet into the fabric of economic transactions. To consider the structural approach of middle managers is to embrace them as parts of a larger social system. Here, their network positions and relationships with others influence their actions and, consequently, their strategic goals.

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Table 1. Summarizing the Chronological Trend in Middle Managers' Roles in the Strategic Decision-Making Process

Year	Strategy			Management				International business		Entrepreneurship		Others		Total
	SMJ	SO	LRP	AMJ	AMR	ASQ	JOM	JMS	OSt	JIBS	EPT	JBV	Others	
1993					1									1
1994						1								1
1995							1							1
1996														0
1997	1							1						2
1998														0
1999											1			1
2000														1
2001	1			1										2
2002	1					1						1		3
2003														0
2004			1	1		1							1	4
2005		1	1					2		1	1		2	8
2006													2	2
2007								1	1					2
2008			1					1						2
Total	3	1	3	2	2	3	1	5	1	1	2	1	5	30

Note: SMJ = Strategic Management Journal; SO = Strategic Organization; LRP = Long Range Planning; AMJ = Academy of Management Review; ASQ = Administrative Science Quarterly; JOM = Journal of Management; JMS = Journal of Management Studies; OSt = Organization Studies; JIBS = Journal of International Business Studies; EPT = Entrepreneurship Theory and Practice; JBV = Journal of Business Venturing; Others include Journal of Nursing Management, Journal of Workplace Learning, Group and Organization Management, Journal of Applied Behavioral Science, and Human Relations.

A brokerage role, which is a linkage role that middle managers can occupy, is a structural property. A broker is an actor who mediates the flow of resources or information between two other unconnected actors (Burt, 1992). Therefore, an actor who fills a brokerage role is an individual who is in the position to mediate between unconnected actors, divisions, or small business units.

The notion of brokerage has often been alluded to in the previous literature on middle management. For instance, Pugh, Hickson, Hinings, and Turner (1968) argued that middle managers sit between vertically related groups. They perform a mediator role between operating-level managers and top-level managers. Likert (1961) depicted middle managers as “linking pins” who connect the overall strategic goals articulated by top managers with the day-to-day reality of lower level managers. Hage (1974) suggested that middle managers “knit together” organizational activities and coordinate between top and bottom levels. Floyd and Wooldridge (1992) argued that middle managers mediate, negotiate, and interpret connections between the organization’s institutional (strategic) and technical (operational) environments, a view shared by Parsons (1960). Thus, middle managers appear to be not just passive recipients, but active interpreters, mediators, and intermediaries in implementing strategic change (Balogun, 2003; Balogun & Johnson, 2004). Such research suggests that middle managers are likely to occupy the structural positions necessary to become brokers within the organization, which then offers the potential for social influence through information and control advantages (Burt, 1992). If properly leveraged, a brokerage role can become an important weapon to influence the effectiveness of the strategy formulation and implementation process.

A limited number of recent studies have examined middle managers from a brokerage perspective. Our review of these studies indicates that although scholars in this stream of research have begun to garner an initial interest in understanding middle managers’ contribution to firms’ strategy from a network lens, such an endeavor is largely underdeveloped and limited. This is primarily because (a) emphasis was placed on individual middle managers’ achievements as opposed to their contributions to firms’ strategies, (b) organizational goals were oversimplified, and (c) little attention was paid to the context that surrounds middle managers’ task environments.

Our article endeavors to fill this gap. We draw on Gould and Fernandez’s (1989) typology and suggest that the simple structure of mediation implied by the notion of “linking pin,” “knit together,” and other similar terminologies can be analytically decomposed into distinctive brokerage types. Furthermore, we extend Gould and Fernandez’s typology to the strategy context by linking their conceptualization of five brokerage roles with the four types of middle management strategic goals proposed by Floyd and Wooldridge (1992). We also develop a framework to better understand the micromechanisms that underlie each brokerage role. In doing so, we focus on how group affiliation defined by organizational hierarchy and group characteristics influence middle managers’ motivation, ability, and opportunity to bridge or close structural holes. Such agency-related factors, as Emirbayer and Mische (1998) contend, should be understood as a complementary lens for network structure.

Overall, we contribute to existing knowledge in two ways. First, defining middle managers’ brokerage roles in terms of Gould and Fernandez’s (1989) typology provides additional insights into brokerage processes, constraints, and benefits. It joins a small number of recent articles, notably Siegel (2007) and Jensen (2008), that examine the contingent value of brokerage. Our study contributes to the brokerage literature by spelling out the context under which brokerage will not automatically translate into benefit. Second, we aim to enhance understanding of middle managers’ role in strategy formulation and implementation by elaborating on how occupying various brokerage roles allows them to shape various stages of the strategic process.

Our article is organized as follows: First, we review the existing literature on middle managers' brokerage roles. We then introduce Gould and Fernandez's (1989) typology of brokerage roles and discuss how this typology can be applied to middle managers in the context of the strategy process. Specifically, we extend Gould and Fernandez's typology and develop eight different brokerage roles that middle managers can potentially facilitate in the organizational context; we then show how these brokerage roles can influence the involvement of middle managers in achieving strategic goals. Finally, we discuss possible directions for future research.

Middle Managers' Brokerage Roles

The notion of brokerage has been examined broadly in the management and sociology literatures. Prior research has primarily focused on how brokerage roles affect individual outcomes such as job promotions (Burt, 1992; Podolny & Baron, 1997), power (Krackhardt, 1990), and influence (Brass & Burkhardt, 1993). For instance, Burt's seminal article on network brokerage indicated that managers who are within a brokerage-rich network are less likely to be structurally constrained and therefore more likely to achieve superior performance evaluations that lead to promotions and higher bonuses (Burt, 1997). Similarly, Podolny and Baron (1997) found that an individual's mobility is enhanced by having a broad, brokerage-rich network that allows the acquisition of a wide range of information and resources.

Strategy researchers have adopted a similar approach (i.e., examining the impact of middle managers' brokerage roles on their personal outcomes). For instance, Rodan and Galunic (2004) explored the individual managerial and innovation performance of middle managers' brokerage roles. Their study paid particular attention to managerial innovation, defined as managers' ability to pursue entrepreneurial opportunities. They found, consistent with Burt's (1992) view, that middle managers' brokerage roles can help to disguise entrepreneurial activity and enable them to pursue initially hard-to-justify projects (Rodan & Galunic, 2004). In another study, Pappas and Wooldridge (2007) found that middle managers' brokerage roles are positively related to their involvement in achieving divergent strategic goals. Their definition of brokerage, however, was different from those of other scholars. They defined brokerage roles as those boundary-spanning roles that bridge internal organizational members and external stakeholders. They found that middle managers' brokerage roles will influence a company's strategy through the managers' increased exposure to the latest market and technical developments.

Moran (2005) also examined middle managers' brokerage roles, investigating the relationship between middle managers' brokerage roles and their sales performance. He found that middle managers can use a so-called "multivocal" position to frame issues in such a way that they can enhance the appearance of competition for their time and resources (Moran, 2005). He posited that in the process of information manipulation and resource control, middle managers' brokerage roles help these managers to achieve personal benefits at the expense of their organizations. Studying middle managers in an Italian subsidiary of a leading multinational computer firm, Gargiulo and Benassi (2000) found that a lack of brokerage roles leads to strategic inflexibility for middle managers during times when it is necessary to adapt to coordination requirements of a new task environment. This is because a network deficient in brokerage will generate a cognitive lock-in for existing members and will isolate them from the outer world. Table 2 summarizes these studies.

We focus on brokers because they are playing an increasingly important role in modern organizations. As Uzzi and Dunlap (2005) state, most corporate networks are made up of several groups. However, there are few links between them. In other words, formal structure,

Table 2. Summary of (Middle) Managers and Their Brokerage Roles

Author	Journal	Year	Dependent Variable	Context	Method	Key Findings
Burt	<i>Administrative Science Quarterly</i>	1997	(Middle) managers' early promotion and bonus	Large electronic firms	Survey	The baseline model found that (Middle) managers' brokerage role has positive impact on the likelihood of early promotion and larger bonus
Pappas and Wooldridge	<i>Academy of Management Best Paper Proceedings</i>	2002	Organizational renewal	Medium-sized hospital	Survey and Interview	Middle managers' brokerage has positive influence on organizational renewal
Rodan and Galunic	<i>Strategic Management Journal</i>	2004	Managers' overall performance and innovation performance	Medium-sized Scandinavian telecommunication company	Survey	Middle managers' brokerage has positive impact on their overall managerial performance
Moran	<i>Strategic Management Journal</i>	2005	Middle managers' task performance	One Fortune 100 company with 170 subsidiaries worldwide	Survey and Interview	Middle managers' brokerage role is positively related to their sales performance, but not their innovation performance
Pappas and Wooldridge	<i>Journal of Management Studies</i>	2007	Middle managers' divergent strategic activity	Medium-sized hospital	Survey and Interview	Middle managers with brokerage role have higher levels of divergent strategic activity than their counterparts without such a role

specialization, and occupational subcultures create an intraorganizational network that is rich in structural holes (Burt, 2004). This leaves plenty of opportunity for brokers because they connect separate groups, thus stimulating collaboration and communication (Uzzi & Dunlap, 2005) as well as mobilization and coordination efforts of disparate groups to pursue opportunities that require the integration of disparate expertise (Parise, Cross, & Davenport, 2006). Such recognition is an important step for organizations in making effective strategic decisions by strategically developing, identifying, and positioning middle managers. Our approach is also consistent with the recent call for an understanding of how brokerage roles of individual middle managers can provide benefits to their organizations instead of only to the individual middle managers themselves (Leana & Van Buren, 1999; Moran, 2005).

Existing studies have enriched our understanding of the criticality of middle managers' brokerage roles in achieving personal advancement. However, these studies tend to pay little attention to several important issues. First, few of these studies have looked at the impact of brokerage roles on organizational-level outcomes, despite the suggestion of recent studies that the brokerage roles of middle managers may benefit organizations as a whole and not just the managers themselves (Leana & Van Buren, 1999; Moran, 2005). For example, Burt (1992) has argued that part of the value that managers add to a firm comes from their ability to coordinate other people because it allows them to identify value-added opportunities as well as to pull together the right group of people to act on these opportunities. Similarly, Krackhardt (1990) suggested that managers who bridge structural holes can be more influential and use their roles to pull resources together to solve complex organizational problems. Such arguments suggest that middle managers' brokerage roles will affect both organizational- and individual-level outcomes. However, the question of whether and how the brokerage roles of middle managers can help organizations reach their strategic objectives has received little attention in spite of its importance to organizational strategists (Moran, 2005).

Moreover, as discussed above, the few studies that have explored the effect of middle managers' brokerage roles on organizational-level outcomes have tended to treat these outcomes as one-dimensional. For example, although both Moran's (2005) and Rodan and Galunic's (2004) studies focus on middle managers' brokerage roles, they consider only their influence on innovation performance or sales performance, respectively. However, organizations may have different goals for middle managers in formulating and implementing strategic decision making, such as the four goals identified by Floyd and Wooldridge (1992). Such multidimensional goals create both a challenge and an opportunity for middle managers to act as strategic brokers. They are challenges because multiple goals tend to compete for middle managers' limited time and attention. Therefore, middle managers typically must manage multiple goals, which are often at odds with one another. Such challenges also create opportunities for middle managers to develop their skills in becoming better brokers (i.e., those who are not merely linking-pins standing in the middle of a triad of top managers, middle managers, and lower level managers). Instead, if such opportunities are seized, they become strategic brokers who know when, how, and under what conditions to bridge or close the structural holes among their network contacts.

Furthermore, although a few studies have explored the relationship between brokerage and organizational-level outcomes, they do not generally account for the different contexts of brokerage roles. For example, Pappas and Wooldridge's (2002) study of a medium-sized hospital found that middle managers are strategically positioned at the intersection of critical activities that facilitate organizational renewal. However, the study implicitly assumed that a middle-manager broker manages information flow within a triad of top-, middle-, and lower level

managers. In general, however, middle managers may sit in many different triads within an organization, where a triad is defined as a network that consists of three members. For instance, the triad can consist only of one middle-manager broker, a peer middle manager, and one lower level employee, or it may consist of one middle-manager broker and two peer middle managers. Such different triads, in our view, create various contexts within which needs, interests, information flow patterns, and goals are quite varied for those members involved in the triads. For instance, in a triad of one top manager, one middle manager, and one lower level employee, information usually flows from the top down. Here, the goal for middle managers is typically to implement the strategic direction effectively at the operational level. In contrast, in a triad of two middle managers and one top-level manager, the information flow may be more complex, and an important goal will likely be related to how the middle-manager broker can elicit support from his or her peer in an attempt to champion strategic alternatives to the top management team. Hence, different triads (where one middle manager acts as a broker) create different contexts and constantly alter organizational goals for the broker. To this end, there is a need to develop a typology in which different brokerage roles can be clearly differentiated to accommodate these contexts and goals, which we discuss next.

Brokerage Roles: A Typology and Extension

We explore the influence of middle managers' brokerage roles in achieving a firm's objectives. Specifically, we investigate whether and how middle managers' different types of brokerage roles allow them to engage in activities that help attain strategic goals. Floyd and Wooldridge (1992) argue that how well middle managers perform these tasks is central to a firm's strategic objectives. Through the introduction and extension of Gould and Fernandez's (1989) typology of brokerage, we decompose their five brokerage roles into eight distinctive types and investigate the relationship between these distinctive brokerage roles and middle managers' ability and motivation to perform the tasks central to attaining strategic objectives. We argue that different brokerage roles lead to different intentions of middle managers. Different brokerage roles will also involve different relationships and information flows around focal middle managers. Furthermore, individuals in each brokerage role are well embedded (constrained or facilitated) within specific performance contexts and strategic objectives.

Typology of Brokerage

Gould and Fernandez (1989) conceptualized brokerage as a process by which one actor mediates the flow of resources or information between two other actors who are not directly linked. They emphasized, however, that such mediators are not unbiased transmitters of information between two actors. Instead, mediators tend to shape the transferred information according to their interests so that exchanges between some actors differ in meaning from exchanges between other actors. To incorporate this idea into existing brokerage models, Gould and Fernandez (1989) suggested partitioning the brokerage system into a set of nonoverlapping classes or subgroups of actors so that communication or resource flows within groups can, in general, be distinguished from the communication or resource flows between groups.

In partitioning the actors, we needed to identify a logical way to assign affiliation. Although, individual managers are likely to belong to a number of different group affiliations, we suggest that the organizational hierarchy level can be considered a distinguishing affiliation for three reasons. First, the appropriate grouping criteria should depend on substantive judgment, which

includes the goals of the actors in the given context and on the particular functions of the brokerage relations (e.g., negotiation, information diffusion; Gould & Fernandez, 1989).

In our article, we assume that the goal of middle managers is to contribute to the strategy process and that they use brokerage relations to diffuse information across different hierarchical levels of organizational managers. Second, formal position defined by organizational hierarchy has been arguably a consistent predictor of interaction patterns within organizations (Jacobson & Seashore, 1951; Stevenson, 1990; Thompson, 1967; Tsai, 2002; Weiss & Jacobson, 1995). Third, although group boundaries can also be drawn by function and division characteristics, our main intent here is to develop a framework that can identify the interaction pattern among middle managers. Therefore, our framework uses the organizational hierarchy as its frame of reference in describing the different contexts of the triads.

Gould and Fernandez (1989) combined affiliation information and network structure to analytically decompose a simple brokerage structure into five distinct types of brokerage roles. First, middle managers can broker their group members so that the brokerage relation is purely internal to the group (*Coordinator*). For example, a middle manager may facilitate information between two peers. Second, the two parties that the middle manager connects may belong to the same subgroup; however, that subgroup is a different subgroup from that of the focal middle manager (*Cosmopolitan*). For example, a middle manager may struggle between two vice presidents (VPs) in a matrix organization. Third, in the *Representative* broker role, a middle manager can delegate one of his or her peer managers to communicate information to, or negotiate exchanges with, outsiders (i.e., the top managers). Fourth, the middle manager can act as a *Gatekeeper* for his or her peer managers (group) and can manipulate the information from the outside group (either top or operating level). Last, when none of the three members in a triad belong to the same groups, the focal middle manager is referred to as a *Liaison* in the sense that she links lower level managers and top management—two distinct groups—without having prior allegiance to either.

We further decompose these five brokerage roles into eight brokerage roles because some roles (such as *Cosmopolitan*, *Gatekeeper*, and *Liaison*) involve different subgroups relative to middle-manager brokers (Figure 1 provides a summary of our brokerage typology). For instance, in a *Cosmopolitan* role, the middle-manager broker can have relationships either with two lower level managers or with two top managers. We view such alternate scenarios as different brokerage roles because they involve different subgroups (the group of lower level managers and the group of top managers) and consequently, they dictate different contexts. Therefore, we develop *Cosmopolitan I* and *Cosmopolitan II* roles to capture such nuances. Moreover, these roles can involve different directions of information flow. For instance, in the case of *Liaison I*, information flows from lower level managers to middle managers and then to top managers, as dictated by organizational hierarchy. Alternatively, in *Liaison II*, information flows in the opposite direction, dictating a different type of context.

Brokerage, Tertius Gaudens, and Tertius Iungens

Most literature focusing on brokerage is based on Simmel's (1950) original concept of *tertius gaudens*, which later played a central role in Burt's structural holes theory (Burt, 1992). The notion of *tertius gaudens* can be best understood within a triad network and is defined as a situation in which one player strategically manipulates two other parties, the so-called alters, who are not directly connected.

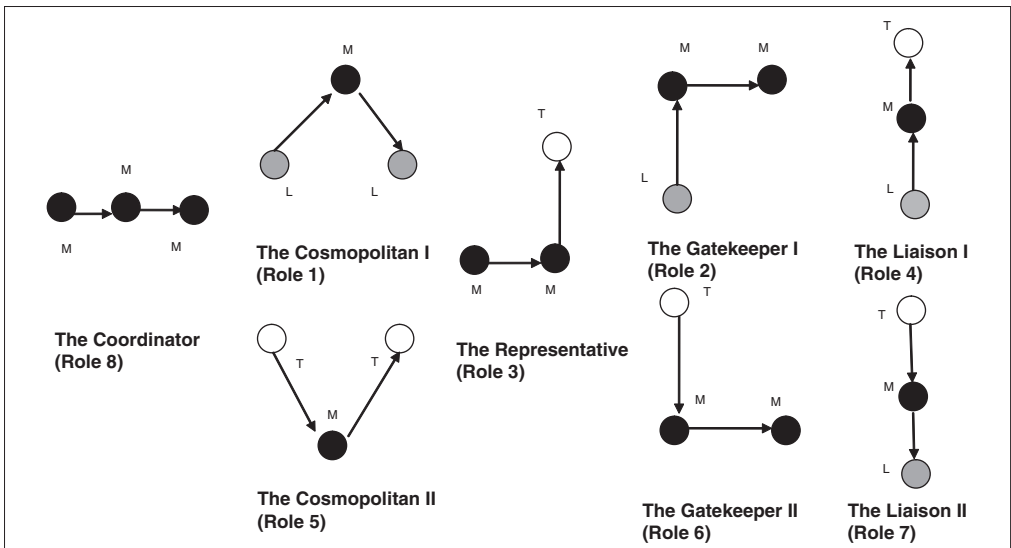


Figure 1. Eight brokerage roles of middle managers

Note: Graphic representation is adapted from Gould and Fernandez (1989). The title of small circles and differentiation by I and II are added by the authors. The various colors (white, gray, black) represent three different affiliations in formal hierarchies, that is, dark refers to middle managers (M), gray refers to low-level managers (L), and white refers to top managers (T).

Gould and Fernandez's (1989) typology of brokerage assumes such a *tertius gaudens* situation because they do not permit the endpoints of the brokerage relations (alters) to be directly connected. However, this is a problematic assumption, because the endpoints of brokerage relations between the two disconnected parties can be linked for at least two reasons. Drawing on Obstfeld (2005), we refer to the joining of the two disconnected parties as *tertius iungens* (the Latin verb *iungo* means to join, unite, or connect), or what he refers to as a "union strategy," in contrast to the related notion of *tertius gaudens*, or what he refers to as a "disunion strategy." For instance, the middle-manager broker may be more interested in facilitating transactions between the two disconnected actors directly because certain activities can add value by bringing people together rather than through continued mediation. Meanwhile, when a focal broker manipulates the information flow between two *nonaffiliated* members, his impartiality will be suspect. In this case, the two disconnected alters may engage in a countering move (Madhavan, Gnyawali, & He, 2004), in which case they enter into specific ties to block value appropriation by the broker. Therefore, the eventual benefit realized by adopting a *tertius gaudens* strategy is a function of (a) whether the broker truly intends to or is able to bridge structural holes and (b) whether the alters engage in a countering move and have the ability to outmaneuver the broker by setting up a linkage themselves.

A clear distinction between the concepts of *tertius gaudens* and *tertius iungens* helps to clarify the constraining and facilitating factors relating to these functions. We argue that group affiliation—dictated by organizational hierarchical level—shapes the intention and ability of a broker to bridge structural holes. Similarly, group affiliation also affects alters' intentions to counter the broker's value appropriation. Simply put, a brokerage structure does not automatically trigger acts of brokerage; therefore, nor does it necessarily realize brokerage benefits (Burt, 2005). The role that middle-manager brokers occupy determines the information on group

Role 1: Cosmopolitan I (Lower Level Manager → Cosmopolitan I → Lower Level Employee)

A Cosmopolitan connects two members who belong to the same subgroup. Cosmopolitan I managers connect with two lower level managers as indicated by Figure 1. This should be differentiated from Cosmopolitan II, where a focal middle manager is connected with two top managers. The Cosmopolitan I role differs from Cosmopolitan II because they involve different subgroups (the group of lower level managers and the group of top managers) and consequently involve different contexts.

Middle managers often play a proactive role in strategic innovation (Currie & Procter, 2005; Floyd & Lane, 2000), which requires them to challenge the existing strategy model by championing alternatives. A proactive middle manager may first synthesize the information from lower level managers to single out the most promising ideas for strategic initiatives. Burgelman (1983) found that new ideas are more likely to develop at the operating level. Hutt, Reingen, and Ronchetto (1988) also suggested that an initial idea in the marketing strategy formulation process typically began with the problem identification of a salesperson, followed by an interaction between that salesperson and a middle manager.

Although the focal middle manager is always exposed to the new information, not all this information will be useful or will become a strategic initiative. An important responsibility for middle managers in synthesizing the information is to assess the feasibility of the idea (Hutt et al., 1988). A Cosmopolitan I brokerage role can help middle managers achieve this goal. Thus, when receiving new ideas and information from the bottom up, focal middle managers should bounce these ideas back to other lower level managers in order to evaluate the veracity and accuracy of the idea. There are two reasons why Cosmopolitan I brokers can sustain the brokerage advantage established by a *tertius gaudens* strategy.

First, from the broker's perspective, he or she has a strong incentive to maintain and sustain the structural holes between two disconnected operating-level managers. Therefore, the Cosmopolitan I middle managers will not proactively adopt a *tertius iungens* orientation, (i.e., close the gap by bringing these two subordinate-level managers together) because doing so will surrender a broker's advantage to the alters' side.

Second, from the alters' (i.e., lower level managers) perspective, the extent to which the Cosmopolitan I broker pursues his or her goal will be greatly constrained. This is because occupants of brokerage roles have their own motivations and goals that are often inconsistent with those of the disconnected parties. We argue that middle managers as a group have different interests, norms, and mind-sets compared with managers at other hierarchical levels. For example, Parnell (2005) lends support to the notion that one's strategic perspective is not independent of one's management position, and suggests that managers at each level may adopt perspectives that facilitate the managerial responsibilities at that level.

Diverse interests and mind-sets tend to produce conflict and distrust among members across group boundaries. Thus, group members may not choose to rely on nonaffiliated group members as brokers for fear they will not mediate communication impartially (Fernandez & Gould, 1994). As a result, the Cosmopolitan I broker's role may not be eventually translated into actual brokerage behavior. Empirical studies have supported the dual consideration of brokerage roles and affiliations in obtaining a thorough understanding of the brokerage role. For example, Fernandez and Gould (1994) argued that occupants of Cosmopolitan roles who link actors with interests dissimilar to their own will be able to convert their structural position into influence only if they generally refrain from public advocacy of their own interest. Perrone, Zaheer, and

McEvily (2003) found that in a buyer–supplier relationship, purchasing managers will be trusted more by suppliers when they are free from constraints derived from their affiliations.

Relatedly, a lower level manager may not trust a middle manager when the latter acts as a Cosmopolitan I broker. One way to outmaneuver a broker's *tertius gaudens* strategy is to proactively adopt a *tertius iungens* strategy (i.e., to counter the broker's value appropriation by establishing a tie with the alter on the other side). Such a strategy, though intuitively appealing, is hard to implement. This is because lower level managers lack the ability and opportunity, both of which are greatly restricted by their distinctive group characteristics. Furthermore, the relatively larger number of individuals at lower levels indicates that the frequency of interaction with a given peer will be low. Consequently, lower level managers are less likely to develop a cohesive team (Stevenson, 1990; i.e., they will develop some group identification among themselves but only to a certain degree). Thus,

Proposition 1a: The Cosmopolitan I (Role 1) role will be positively related to the degree of information synthesis and championing alternatives during the strategy process.

Proposition 1b: A middle manager acting as a Cosmopolitan I broker will be more likely to adopt a *tertius gaudens* strategy than a *tertius iungens* strategy.

Role 2: Gatekeeper I (Lower Level Employee → Gatekeeper I → Peer Middle Manager)

A Gatekeeper usually manipulates information between his peer middle managers and an outside group. We define Gatekeeper I as a manager who connects peer middle managers with lower level managers. This role is different from that of Gatekeeper II wherein a manager links a top manager and a peer middle manager. In both situations, the focal middle manager acts as a Gatekeeper who filters information flow. However, the direction of information flow, the content of the information, and its associated contexts are very different. Synthesizing information involves obtaining peer support. These peers include, but are not limited to, middle managers in other divisions, functions, or small business units, who can lend support to or influence focal middle managers. Their support might be very informal, such as information sharing and emotional support rather than resource contribution. Hutt et al.'s (1988) study traced the emergent processes in strategy formation and asserted that middle managers consistently search for peers' support as a prerequisite to strategic championing. Their interviews with middle managers indicate that peer middle managers in other divisions or units contributed to the development of new initiatives by providing information to the proposal initiators.

Meanwhile, our arguments regarding information synthesis in Gatekeeper I are consistent with those in Cosmopolitan I. In the Cosmopolitan I role, middle managers synthesize information from lower level managers to filter out the most promising ideas or initiatives. They achieve this through bouncing these ideas back to other lower level managers. In the Gatekeeper I role, middle managers synthesize information from lower level managers and their peer middle managers in an effort to obtain support and feedback from peers. We argue that the Gatekeeper I brokerage role is the one that requires extensive attention at this stage. We now address the underlying mechanisms that drive this logic.

First, middle managers who act as gatekeepers have little incentive to adopt a *tertius iungens* orientation. According to Burt (1992), there are two advantages to bridging structural holes:

information and control. Here, both forms are salient in generating a gatekeeper's advantage. A Gatekeeper I is an individual who attempts to control information entering a subgroup from an outsider (Shoemaker, 1991). This individual can control such information flow through a variety of means. First, a Gatekeeper I can simply filter the information (Emmitt, 2001) and transmit it selectively. For example, because of her background, a marketing director may choose to pass along information that relates to a growing market opportunity, while avoiding the technical information that may represent a huge challenge to her audience. Alternatively, a Gatekeeper I may also manipulate this information and infuse it with new meaning related to his prior experience (Dutton & Jackson, 1987). Such control advantage will prohibit Gatekeeper I brokers from closing the gap between the disconnected lower level managers and the broker's peer middle managers.

From an informational advantage perspective, nonaffiliated members tend to provide new and fresh perspectives (Uzzi, 1997). This further reinforces the focal broker's ability to control information flows because the control advantage will be weakened if information is redundant within a triad. Moreover, a Gatekeeper I's motivation to close a structural hole is also attenuated because a proactive *tertius iungens* strategy will increase the possibility of the replacement of his Gatekeeper I role by his peers in the future, further impeding his ability to eventually become a candidate to champion a strategic initiative. Because a successful champion will bring significant career-related rewards, Gatekeeper I brokers should guard against peers appropriating their meritorious ideas or initiatives.

Second, an analysis of lower level managers and peers' middle managers also suggests that members in both groups are unlikely to initiate a *tertius iungens* strategy. Lower level managers, such as customer service supervisors, tend to interact more with middle managers with whom they share initiatives (Wilson & Malik, 1995). The opportunity for such a connection, therefore, is highly limited. Meanwhile, even if these managers do have a linkage with middle managers in other divisions through cross-divisional/functional tasks and project management, developing an informal connection will be risky because such behavior may be interpreted by the Gatekeeper I broker as disrespectful and untrusting.

Such issues become more complex with middle managers and their peers. Peers share similar interests with focal Gatekeepers because they are part of the same group. Thus, group members are less likely to distrust their peers in relaying information from outside (Gould & Fernandez, 1989) and, consequently, they are less likely to close the structural hole. However, this argument should be interpreted with caution. Because middle managers are structurally equivalent (Shah, 1998), the relationship among them is competitive by nature. However, they may choose to compete less with each other for two reasons. First, being considered by the Gatekeeper I broker as a source of peer support will be perceived as a favorable act (i.e., "keeping me in the loop"). Peer middle managers may expect a reciprocal contribution from the broker when they are pushing through a strategic champion in the future. Second, establishing a relationship with a lower level employee may be constrained (Stevenson, 1990). As Blau (1977) suggested, formal position functions as a "structural parameter" that acts as a constraint on social relations within an organization. Thus:

Proposition 2a: The Gatekeeper I (Role 2) role will be positively related to the degree of information synthesis during the strategy process.

Proposition 2b: A middle manager acting as a Gatekeeper I broker will be more likely to adopt a *tertius gaudens* strategy than a *tertius iungens* strategy.

Role 3: Representative (Peer Middle Manager → Representative → Top Manager)

Once an initiative is verified, debated, and discussed, it moves to the next step: championing. The major goals in this step are to (a) build a strong impetus for the initiative, and (b) keep top managers informed and enthusiastic. A Representative broker can achieve such goals. As a Representative broker, a middle manager can be delegated by one of his or her peer managers to communicate information to, or negotiate exchanges with, outsiders (i.e., the top managers). Essentially, a Representative broker serves as an agent either formally or informally to relay information (about market, technology, etc.) from peers to top managers. This role should be differentiated from that of Gatekeeper II, who conveys strategic direction from top managers to peer middle managers.

The advantage generated through the Representative brokerage role is related more to the efficiency of information flow than to control. Building the impetus and momentum of the initiative requires efficiency. However, fragmentation occurs when two different groups of individuals lack the chance to communicate through a common language. In the case of our middle-manager context, communication is fragmented between the peer middle manager groups and top manager group when no representative middle manager exists. A representative middle manager, therefore, serves as a bridge that increases the efficiency of information flow between these disconnected groups. Fragmentation of communication can adversely affect the speed and accuracy of information transfer. For instance, using a Swedish sample, Rydgren (2005) found that brokers fulfilling a Representative role promoted a relatively high degree of system integration that contributed to effective communication between the economic and political parties in the precorporate era. Usually, it is more likely that the initiative affects one middle manager's area directly. Here, the Representative broker takes the championing lead, and is only concerned about other middle managers to the degree that coordination and resource sharing are necessary. Despite this, Representative brokers have no desire to maintain a *tertius gaudens* strategy. In other words, they are more likely to initiate a *tertius iungens* strategy, that is, to bring disconnected groups of individuals together (or to close the holes).

Recognizing that top managers may desire to close the structural hole if they view a strategic alternative as a potential threat to an existing strategy, the Representative broker may adopt a *tertius iungens* strategy for two reasons. First, such a strategy gives the impression to the top management that consensus on a strategic initiative has been achieved (Dess, 1987). This further convinces top-level managers that an alternative proposal is a deliberate contemplation that went through debate, articulation, and discussion. Second, though closing the structural hole between peer middle managers and top managers increases the risk of being replaced by others as a Representative broker in the future, such risk is limited because the relationship between peers and focal middle managers is both competitive (structurally equivalent) and cooperative (reciprocal contribution in the future; Tsai, 2002). Thus,

Proposition 3a: The Representative (Role 3) role will be positively related to the degree of championing alternatives during the strategy process.

Proposition 3b: A middle manager acting as a Representative broker will be more likely to adopt a *tertius iungens* strategy than a *tertius gaudens* strategy.

Role 4: Liaison I (Lower Level Manager → Liaison I → Top Manager)

A Liaison broker links lower level managers with top-management. As we pointed out earlier, we differentiate Liaison I from Liaison II based on the direction of information flow dedicated by organizational hierarchy. As a Liaison I broker, a middle manager is positioned between a lower level manager and top manager and relays information. Usually, lower level managers are the people in the front line of the market. Therefore, their information regarding market trends might be the most critical and current for top managers' strategic mapping. As we argue below, this role is particularly related to how middle managers achieve the goal of championing strategic alternatives.

Strategic champions not only require peers' support but also provide an opportunity for middle managers to link the origins of initiatives to the ultimate decision makers. In this capacity, the focal middle manager is positioned between the initiator and the higher level managers. A Liaison I broker has no prior allegiance to either the proposal initiators or the receivers (Knoke, 1990). Accordingly, the triad that consists of a Liaison I broker has the highest degree of distrust because none of the party belongs to the same group. It follows that both the initiators (lower level managers) and the receivers (top managers) tend to proactively adopt a *tertius iungens* strategy in an attempt to neutralize a Liaison's brokerage advantage. To explore this further, we simultaneously consider the group affiliation and group distinctive characteristics.

The social distance within an organization will inhibit interaction between hierarchical levels (Bacharach & Lawler, 1980). Thus, interaction would decline as hierarchical distance increases. Top managers and lower level managers have less opportunity and ability to communicate with each other even if they fear information manipulation by a biased broker. In essence, formal positions within an organization define individuals' organizational roles, which further delineate and proscribe their pattern of interactions.

The reluctance of the initiator and receiver to link up with each other does not preclude the possibility of having ties with the Liaison I broker. Liaison I brokers are highly motivated to close the gap between the disconnected levels of hierarchy for two reasons. First, Liaison I brokers will worry less about the replacement of their role by a lower level initiator if the latter is connected with top managers. This is because the initiator has a superior-subordinate rather than a competitive relationship with the Liaison I broker (i.e., they are not structural equivalents).

One caveat is that we do not suggest that the mere presence of structural equivalents will lead to *tertius iungens* strategy adopted by middle managers. Rather, our arguments center on how we can enrich our understanding of the realization of brokerage benefits by placing different brokerage roles in context. Here, the context will be those important factors summarized in Table 3, including broker's intention, alters' intention, and constraining/facilitating factors on alters.

Second, an active adaptation of a *tertius iungens* strategy by Liaison I brokers will also facilitate implementation. Closing a structural hole between the lower level initiator and the top-level receiver enables top managers' feedback. Such feedback informs the initiator as to how the initiative is embedded in the overall organizational strategy. For example, Westley (1990) found that when lower level managers are the initiators, they will lack motivation if excluded from the championing process. As one of his interviewees stated,

The question is not about power access, but more about playing the bigger game. I feel that by not giving me the necessary information they mishandle my effectiveness. If I'm playing in a small game, my view vis-à-vis that game is small. (Westley, 1990, p. 342).

Table 3. Summary of the Conceptual Framework

Brokerage Role	Relationship Involved	Broker's Intention	Reasons for Broker's Intention and Action	Alters' Intention	Constraining/ Facilitating Factors on Alters	Strategy Goals
Cosmopolitan I (Role 1)	$L \rightarrow M \rightarrow T$	Bridge structural hole	Initiative double check Verify feasibility	Limited degree to pursue a <i>tertius iungens</i> strategy	Larger pool of lower level managers Specialization leads to local search	Synthesizing information/ Championing alternatives
Gatekeeper I (Role 2)	$L \rightarrow M \rightarrow T$	Bridge structural hole	Win support from peer middle managers Control information through filtering and subjective interpretation Fear of role replacement	Lower level managers are unlikely to initiate a <i>tertius iungens</i> strategy Peer middle managers may have limited intention to adopt a <i>tertius iungens</i> strategy	For lower levels managers Less opportunity to know middle managers in other divisions, functions, and so on Disrespect by focal middle managers For peer middle managers Structural equivalent and competitive relation Less time for interacting with peers, increased mutual trust and ambiguity Reciprocal contribution Structural parameter	Synthesizing information
Representative (Role 3)	$M \rightarrow T \rightarrow L$	Close structural hole	Preemptive strategy Increase the TMT's belief in the consensus of current initiative at middle-management level Fear of replacement is outweighed by coexistence of cooperative and competitive relations among peers	Top managers tend to adopt a <i>tertius iungens</i> strategy Peer middle managers have no intention to close the structural holes	For top managers Perceive strategic alternative as potential threat to existing strategy For peer middle managers Reciprocal contribution	Championing strategic initiative
Liaison I (Role 4)	$L \rightarrow M \rightarrow T$	Close structural hole	No fear of replacement of brokerage role because of superior-subordinate relation Linkage between alters provides a big picture to the lower level managers	Limited freedom to adopt a <i>tertius iungens</i> strategy	Both top managers and operating-level managers are reluctant to close the structural hole because of high level of hierarchy distance	Championing strategic initiative and foundation for strategic implementation

(continued)

Table 3. (continued)

Brokerage Role	Relationship Involved	Broker's Intention	Reasons for Broker's Intention and Action	Alters' Intention	Constraining/ Facilitating Factors on Alters	Strategy Goals
Cosmopolitan II (Role 5)	T → M → T	Close structural hole	Require information consistency	Proactively pursue a <i>tertius iungens</i> strategy	Smaller pool of top-level managers Coalition is the strongest at the top	Implementing the deliberate strategy
Gatekeeper II (Role 6)	T → M → M	Bridge structural hole	Shield emergent activities from top management Keep strategic flexibility	Top managers have no intent to initiate a <i>tertius iungens</i> strategy Peer middle managers may have limited degree of intention to adopt a <i>tertius gaudens</i> strategy.	For top managers No threat is coming from strategic initiative. For peer middle managers Structural equivalent and competitive relation Less time for interacting with peers, increased mutual trust and ambiguity Reciprocal contribution Structural parameter	Implementing the deliberate strategy and facilitate adaptability
Liaison II (Role 7)	T → M → L	Bridge structural hole	Shield emergent activities from top management Keep strategic flexibility	Top managers have no intent to adopt a <i>tertius iungens</i> strategy Lower level managers have limited freedom to adopt a <i>tertius iungens</i> strategy	For top managers No threat is coming from strategic initiative. For lower level managers High level of hierarchy distance	Implementing the deliberate strategy and facilitate adaptability
Coordinator (Role 8)	M → M → M	Close structural hole	Increase the veracity and speed of information sharing Allow timely debate and dialectical inquiry Increase the quality of learning	Limited degree of intention to adopt a <i>tertius gaudens</i> strategy (sometimes indifferent attitude)	The coexistence of cooperative and competitive relation due to structural equivalence and reciprocal concern	Facilitate adaptability

Note: M = middle managers; L = low-level managers; T = top managers.

Therefore,

Proposition 4a: The Liaison I role (Role 4) will be positively related to the degree of championing alternatives during the strategy process.

Proposition 4b: A middle manager acting as a Liaison I broker will be more likely to adopt a *tertius iungens* strategy than a *tertius gaudens* strategy.

Role 5: Cosmopolitan II (Top Manager → Cosmopolitan II → Top Manager)

Whereas, a Cosmopolitan I links two lower level managers, a Cosmopolitan II refers to a middle-manager broker who connects two top managers. As we discussed, because the people whom a focal middle manager connects are different in these two scenarios, the contexts will be quite different. Therefore, these two roles also differ in several aspects. First, unlike a Cosmopolitan I broker, a Cosmopolitan II broker has an incentive to close the structural hole. After all, a clear understanding of strategic intent is important for successful implementation. By linking two top managers, Cosmopolitan II brokers can ensure that the strategic intent from one top manager is shared and agreed on by others in the top management team. Within the top-management team, individual top-level managers may interpret and frame a consensual strategy issue in very different ways because each person has a different background. For example, a Finance VP may negatively frame a strategic market entry, emphasizing its financial risks, whereas a marketing VP may interpret the same information in a way that emphasizes its market potential. Thus, a proactive closure by the Cosmopolitan II broker becomes a preimplementation screen that ensures everyone is on the same page.

Second, per our earlier discussion, we argue that lower level managers have an incentive to close structural holes. However, despite this incentive, they have less opportunity and capability to do so because of the large number of lower level managers. Consistent with Gould and Fernandez (1989), having the same group affiliation may raise suspicions about a broker's impartiality. In contrast, top managers have greater opportunity and ability to close the hole. Previous organizational research on coalitions has shown that the status effect is likely to be strongest at the top, which results in a biased interaction pattern among a small group of members at the top (Stevenson, Pearce, & Porter, 1985). Because the top management team is much smaller than other management levels, communications among the top members are presumably more intense. Frequent interaction may promote trust, which enhances group identification (Rytina & Morgan, 1982). Taken together, both ego (middle managers) and alters (top managers) are in favor of a *tertius iungens* strategy rather than a *tertius gaudens* one.

Proposition 5a: Cosmopolitan II (Role 5) will be positively related to the degree of implementation of deliberate strategy during the strategy process.

Proposition 5b: Cosmopolitan II (Role 5) roles will be more likely to adopt a *tertius iungens* strategy than a *tertius gaudens* strategy.

Roles 6 and 7: Gatekeeper II (Top Manager → Gatekeeper II → Peer Middle Manager) and Liaison II (Top Manager → Liaison II → Lower Level Manager)

Gatekeeper II brokers relay information from top managers to their peers whereas Liaison II brokers relay information from top managers to lower level managers. Whereas Gatekeeper II brokers need to convey important strategic initiatives to peers, Liaison II brokers need to

convey important strategic direction to lower level managers so that the latter can have a clear and big-picture view of the company. As such, we argue that these two roles are similar in both implementation and adaptation of an organization's strategy.

Gatekeeper II brokers transmit strategic goals and objectives from the top to their peers. In the Gatekeeper I role, a lower level manager has an incentive to close the gap but is unable to do so because the Gatekeeper I broker may later retaliate. However, here, the situation is different for Gatekeeper II brokers. In this triad context, the top manager may not be interested in closing the gap because the transmitted strategic intent needs to be implemented. Unlike the role faced by a Representative broker, the current role does not involve a threat that comes when a strategic initiative is initiated from the bottom-up. Meanwhile, a Gatekeeper II broker has a strong incentive to keep the disconnected parties apart. This motivation, however, differs from that in the Gatekeeper I role. Although there is more concern with role replacement and information manipulation in the previous role, here the Gatekeeper II broker is worried more about adaptability. Recall that a deliberate strategy may not be followed exactly by peer middle managers once it is handed down. As Floyd and Wooldridge (1992) have argued, organization members consistently experiment with new approaches and adapt appropriately. Gatekeeper II brokers should shield these activities from top-management to help initiatives emerge. In this way, divergent perspectives expressed and proposed by peers can increase strategic flexibility, which is an essential component for effective implementation. Consequently, Gatekeeper II brokers will keep the structural hole open to buffer the emergent strategic patterns from top-management influence. Thus,

Proposition 6a: The Gatekeeper II role (Role 6) will be positively related to the degree of implementation of deliberate strategy and facilitating adaptability during the strategy process.

Proposition 6b: A middle manager acting as a Gatekeeper II broker will be more likely to adopt a *tertius gaudens* strategy than a *tertius iungens* strategy.

Proposition 7a: The Liaison II role (Role 7) will be positively related to the degree of implementation of deliberate strategy and facilitating adaptability during the strategy process.

Proposition 7b: A middle manager acting as a Liaison II broker will be more likely to adopt a *tertius gaudens* strategy than a *tertius iungens* strategy.

Role 8: Coordinator (Peer Middle Manager → Coordinator → Peer Middle Manager)

When middle managers facilitate information among their peer group, they are occupying a Coordinator brokerage role. In many cases, a Coordinator broker establishes an interface (through either formal meeting or informal occasions) for information exchange among his or her working peers.

One of the activities in facilitating adaptability is to create a learning environment that encourages information sharing and discussion. Coordinator brokers can effectively play this role because they exchange information with two in-group members. Here, the brokerage relationship is completely internal to the group (Gould & Fernandez, 1989). The Coordinator role emerges when one peer proposes a strategic alternative that is divergent from the deliberate one. The broker then transfers that proposal to another middle manager. According to Gould and Fernandez (1989), this is a situation in which the effect of group identity is the greatest.

That is, the disconnected peers will perceive the Coordinator broker as completely impartial in mediating the information. We argue that the focal middle manager is more likely to espouse a *tertius iungens* union strategy when acting as a Coordinator broker. The direct linkage between the two disconnected peer managers will increase the veracity and speed of transmission of new perspectives and points of view, allowing a timely debate (Schweiger & Finger, 1984). This will greatly enhance the quality of learning and information sharing because information transferred by a broker tends to be distorted over time. Thus,

Proposition 8a: The Coordinator role (Role 8) will be positively related to the degree of facilitating adaptability during the strategy process.

Proposition 8b: A middle manager acting as a Coordinator broker will be more likely to adopt a *tertius iungens* strategy than a *tertius gaudens* strategy.

Table 3 summarizes the overall conceptual framework.

Table 3 is organized by key concepts (i.e., broker's intention, alters' intention, constraining/facilitating factors on alters) that are discussed in our overall framework. As indicated by Table 3, there are four types of brokerage roles (e.g., Cosmopolitan I, Gatekeeper I, Gatekeeper II, and Liaison II) related to the likelihood of adopting a *tertius gaudens* strategy (bridge structural hole) and another four types of brokerage roles (e.g., Representative, Liaison I, Cosmopolitan II, and Coordinator) associated with the possibility of adopting a *tertius iungens* strategy (close structural hole). In discussing the first four types of brokerage roles, it seems that all four brokerage roles will be more likely to adopt a *tertius gaudens* strategy than a *tertius iungens* strategy. However, the underlying mechanisms that drive the relationship between brokerage role and likelihood to adopt a *tertius gaudens* strategy differ among the four types of roles. These mechanisms can be better understood by those core concepts laid out in Table 3. These core concepts include factors related to both the broker and the alter (see Table 3, category title for detail). For instance, to understand the likelihood for Cosmopolitan I to adopt a *tertius gaudens* strategy, we can decompose such a likelihood into two sets of factors, that is, factors related to the broker (the Cosmopolitan I) and factors related to the alter. On the one hand, Cosmopolitan I intends to adopt a *tertius gaudens* strategy because of her desire to double check information and verify the feasibility of these initiatives. Meanwhile, her desire to adopt a *tertius gaudens* strategy will be either constrained or facilitated by the alters' intention. In the case of Cosmopolitan I, the alters' (refers to lower level managers in this case) desire to pursue a *tertius iungens* strategy is limited and largely constrained due to (a) larger pool of lower level managers and (b) specialization of their job function. By considering broker and alter together, our conclusion that Cosmopolitan I is more likely to adopt a *tertius gaudens* strategy is well supported by those factors simultaneously affecting broker and alter.

Factors that affect broker and alter are quite different in the case of Gatekeeper I. For instance, a Gatekeeper I broker intends to adopt a *tertius gaudens* strategy in an attempt to win support from peers and to control and manipulate information strategically. There are also concerns about role replacement. Meanwhile, alters' intention to adopt a *tertius gaudens* strategy can be further understood from both the lower level managers' and peer middle managers' perspectives. In the case of lower level managers, they are not likely to initiate a *tertius iungens* strategy because of their limited chance to know middle managers in other divisions. In the case of peer middle managers, their intention to initiate a *tertius gaudens* is also limited by reciprocal contribution and their competitive relations. These factors should be integrated to better understand Gatekeeper's likelihood of adopting a *tertius gaudens* strategy. However,

these factors are different from those mentioned in the discussion of Cosmopolitan I. Similar arguments can be developed for Gatekeeper II and Liaison II following the summarized key points in Table 3.

Essentially, we suggest that understanding the likelihood of a focal broker's choice of strategy (either *tertius gaudens* or *tertius iungens*) should be based on a simultaneous analysis of broker's intention, alters' intention, and factors that constrain or facilitate alters' intention. These analyses indicate that a broker's brokerage strategy is highly contextualized. Therefore, understanding his or her behavior within the context can enrich our understanding of those distinctive driving forces that can predict a broker's possible brokerage strategy even though different brokers may adopt the same strategy.

Discussion

Prior research acknowledges that the brokerage role of middle managers (Burt, 1992; Moran, 2005) is an important component in the strategic decision-making processes. We extend this research by differentiating these roles and linking them with distinct networking activities that contribute to strategic objectives.

Our article makes several contributions. First, although it is widely acknowledged that managerial actions and strategic goals are socially embedded, we know little about the microsociology of productive social exchange (Adler & Kwon, 2002; Moran, 2005). That is, to achieve strategic goals, firms must allow value-creating managers to exchange useful and valuable knowledge and information. We contribute to the understanding of the role of middle managers in organizations by suggesting that it is more complex than previously acknowledged. Whereas previous literature identifies five brokerage roles, we further decompose these into eight distinct roles. Each brokerage role involves interaction and communication with different sets of individuals, which defines different network contexts. Context matters because it directs human agency toward certain actions while restricting others. It is through the influence of motivation, ability, and opportunity that agents bridge certain structural holes while closing others.

Research on middle managers' strategic contribution tends to emphasize their unique positions within an organization. This perspective is prone to "contextual fallacy" because the context in which middle managers' behavior is embedded is not well-articulated (Moldoveanu, Baum, & Rowley, 2003). We avoid this problem by considering the network of relationships that surrounds middle managers and their group affiliations that determine the content of information flow among organizational members. Thus, our article resonates with Moldoveanu et al.'s (2003) call for a contextually rich understanding of the linkage between micro- and macro-level phenomena through uncovering the microsociological foundations of the strategy process (Uzzi, 1997).

Second, recent studies demonstrate that middle managers do more than merely facilitate strategic implementation in a passive way (Balogun & Johnson, 2004; Floyd & Lane, 2000). We propose a framework that identifies the active roles that middle managers can play during the strategic decision process. In particular, such roles not only reflect middle managers' contributions to strategic innovation and renewal, but also display their contributions to strategy implementation. Indeed, even if strategic change is created from a top-down approach, middle managers can actively interpret, mediate, and broker information among multiple stakeholders. For instance, by actively uniting two unconnected top managers (Cosmopolitan II) or two peer middle managers (Coordinator), middle managers acting as brokers can influence strategy implementation.

Third, our framework sheds some new light on network research. A central theme in network analysis focuses on the relationship between network structure and innovation. Middle managers' promotions (Burt, 1992) and innovations (Burt, 2004; Koka & Prescott, 2002) are enhanced by bridging structural holes via two different sources of advantage: information and control. Burt (2004) argued that modern organizations have many structural holes. Managers who occupy these strategic locations can help develop good ideas and demonstrate their competence. Burt's study, however, does not describe the mechanism of how these good ideas can be implemented. Using Mintzberg's (1978) parlance, Burt's intended strategy may neither be effectively and consistently implemented nor be eventually realized. One way to integrate these arguments, as our article suggests, is to view brokerage roles of middle managers as a double-edged sword. That is, the *tertius gaudens* and *tertius iungens* strategies are complementary rather than contradictory. *Tertius iungens* strategy becomes particularly critical in strategic integration and implementation. After all, by focusing on bridging structural holes alone, the cooperative part of competition has been largely ignored (Ghemawat & Rivkin, 1998; Parkhe, 1993).

Finally, our article follows the call for an understanding of network structure by considering human agency (Emirbayer & Goodwin, 1994; Ibarra, Kilduff, & Tsai, 2005; Parkhe, Wasserman, & Ralston, 2006). An analysis of middle managers' unique brokerage roles requires scholars to understand these strategic agencies as well as their bounded and situated rationality (i.e., rationality within a specific context, within the network structure; Moldoveanu et al., 2003). Furthermore, a clear understanding of agency should hinge on its surrounding context that consists of the content of relations, group affiliation, and other constraining and facilitating sets of factors (e.g., level of hierarchy). Middle managers, as a social agency, are both constrained and facilitated by network structure and surrounding social processes.

Future Research Directions

We identify six directions for future theoretical work. First, research could explore what mitigating factors would increase (or decrease) the linkage between middle managers' brokerage roles and organizational performance. Goleman (1998) and others have written extensively on the leader's emotional intelligence (EI) in influencing individual as well as group and organizational performance. Future studies could investigate the extent to which leaders' EI enhances their ability to effectively manage brokerage roles. One might speculate that "excessive" EI may cause middle managers to "lose their edge" and not argue their roles with sufficient forcefulness (Mayer, 2004). Hence, there may be a curvilinear relationship between the level of EI and performance outcomes, and the appropriate level of EI may vary with the brokerage role in which a middle manager finds himself or herself. In other words, different brokerage roles may serve as underlying mechanisms that link the relationship between EI and group and organizational performance. All things being equal, middle managers with a high level of EI may benefit more in Representative or Liaison (I or II) brokerage roles when implementing strategy or championing strategic initiatives than when they synthesize information, because the latter would typically involve less peer interaction. Similarly, an organization's culture could be expected to have a strong influence on a middle manager's ability to effectively manage brokerage roles. Conservative cultures may lead to core rigidities and thus erode risk taking and innovation (Hamel & Prahalad, 1996)—a factor that would likely have a more detrimental effect when championing alternatives than when implementing deliberate strategies.

Second, scholars could address the appropriateness of various integrating mechanisms associated with various brokerage roles. For example, Sicotte and Langley (2000) suggested that various types of integrating mechanisms—horizontal structures, planning and process specification, formal leadership, informal leadership, and horizontal communication—have contingent relationships with environmental uncertainty and equivocality. In the present context, one could speculate that middle managers in the Cosmopolitan I role (Role 1) would likely require more sophisticated types of integrating mechanisms such as horizontal structures, given that they must synthesize information from multiple sources to determine the most valuable ideas for strategic initiatives. For instance, to enhance the effectiveness of information synthesis, organizations might set up formal meetings for middle managers to regularly meet for discussions with lower level managers from different departments. In contrast, middle managers in the Gatekeeper I role (Role 2) would likely draw on less complex integrating mechanisms such as informal leadership, because they would be eliciting support from organizational peers. Here, developing social capital through frequent and close contact may be a more viable approach to integration.

Third, extending the scope of our argument beyond the boundaries of the firm would provide viable research opportunities: for example, what types of brokerage roles would enable middle managers to more effectively span organizational boundaries in order to enhance a firm's strategic alliances, outsourcing activities, and customer and supplier relationships (Dyer & Singh, 1998)? Such initiatives could not only increase short-term organizational performance but also could enhance learning and knowledge acquisition (Zahra, Ireland, & Hitt, 2000). One might expect that, given their need to facilitate adaptability, middle managers who are experts in the Coordinator role (Role 8) would be more effective in spanning boundaries than would middle managers whose important role is to implement deliberate strategy (e.g., Cosmopolitan II).

Fourth, our theoretical arguments mainly focus on the effect of middle managers' brokerage roles on organizational-level outcomes. While we do not incorporate the traditional human capital perspective (Becker, 1964, 1983; Snell, Shadur, & Wright, 2001), we do see some promising directions regarding the interplay of brokerage roles and human capital in determining middle managers' ability to play these roles. For example, certain brokerage roles (such as Cosmopolitan I/II or Gatekeeper I/II) are more likely to endow middle managers with advantages in accumulating firm-specific knowledge (Pennings, Lee, & Witteloostuijn, 1998), which in turn becomes a source of sustainable competitive advantage for a focal firm. In a similar vein, middle managers who are initially well-equipped with strong human capital are more likely to develop their brokerage roles. Such research will help scholars understand more complicated perspectives of middle managers in the strategy-making process.

Fifth, our theoretical arguments about brokerage roles hinge on the assumption that these roles are developed from a network structured by formal hierarchy. However, the middle manager is not in a vacuum: there is an informal network at play as well. For instance, in the Cosmopolitan II example, it may be necessary for the manager to close the network because preexisting relationships in the work place (e.g., close ties between high-tenured managers) may preclude him or her from successfully adopting a *tertius gaudens* role and achieving any leverage through it. Also, there are long-term implications of closing a hole because, once closed, it cannot be reopened. However, such a statement largely hinges on the assumption that there is little turnover within the organizations. This assumption is only plausible when the external environment is stable over time. To this end, the fact that structural holes cannot be reopened, once closed, is a very special case within our general argument. Individuals within organizations do change over time, because of either job promotion or voluntary turnover. Therefore, understanding the dynamics of such a change and its effect on brokerage roles represents an interesting

Table 4. Summary of Recommendations

Recommendations	Direction	Examples
Recommendation 1	Exploring the mediating effect of brokerage roles. Treat brokerage roles as underlying mechanisms between other organizational constructs and performance outcome	Leaders' emotional intelligence (EI) enhances their ability to effectively manage different brokerage roles which further affect on leaders' ability to formulate and implement strategy.
Recommendation 2	Investigating the moderating context under which different brokerage roles can be fully used and effectively organized	Different types of integrating mechanisms can be one of the interesting moderating context. For example, Cosmopolitan I (Role I) would better contribute to middle managers' ability to synthesize information if organizations also provide Cosmopolitan managers with more sophisticated types of integrating mechanisms such as horizontal structures.
Recommendation 3	Extending the boundary condition of our proposed theoretical lens	Our theoretical arguments are largely developed in an intraorganizational context. It would be of interest to study these brokerage roles when we enlarge our boundary of the firms to include outside relationships with suppliers, alliance partners, and customers.
Recommendation 4	Developing more complex causal relationship between brokerage roles and other theoretical constructs	We are interested to see studies that examine the causal relationship between human capital and brokerage roles, that is, whether strong human capital will lead toward middle managers' ability to better play these roles or whether these brokerage roles will provide middle managers the ability to accumulate more firm-specific advantage.
Recommendation 5	Recognizing the role of informal network in addition to formal network	To examine the interplay between formal network and informal network. For example, a preexisting tie between two top managers may preclude a middle manager who assumes the role of Cosmopolitan II to successfully achieve any leverage.
Recommendation 6	Portraying the negative impact that brokers may play	To link middle managers' brokerage roles and three barriers to strategic control, namely, systematic, behavioral, and political barriers.

extension for future research. Meanwhile, we acknowledge the role of the informal network as well as a more complex interplay between formal hierarchy and informal network. To aim at exploring these complexities will be a fruitful direction for future research.

Finally, our effort here largely portrays the positive impact that brokers may play (i.e., we focus on how they contribute to value creation during the strategy process). Here, middle managers may intentionally or inadvertently derive private—as opposed to public—benefits via their

brokerage activities (Leana & Van Buren, 1999). Future research could focus on the negative impact of brokers' influence on strategic decision making. In this vein, Lorange and Murphy (1984) proposed three primary barriers to affect strategic control: systematic, behavioral, and political. The first refers to limitations in the design of the system. In contrast, the latter two refer distortions that may occur due to factors such as one's professional or educational background and intentional use of power and political influence to attain one's ends, respectively. Thus, interesting extensions could be to examine how brokers' political actions (or opportunistic behavior) may appropriate value in the strategy formulation and implementation process, or how managers' professional background and experience can influence their decision-making process. A summary of our recommendations is shown in Table 4.

Conclusion

Our framework provides a tool for middle managers to evaluate their brokerage strategy in achieving different strategic goals. Middle managers who recognize how, why, and when to apply different brokerage roles are more likely to use the advantage of network structure to access the network landscape more accurately (Krackhardt, 1990), and, consequently, to achieve strategic goals in a more effective and efficient manner. Our article also implies that downsizing middle managers in organizations may have significant disruptive consequences. The departure of an experienced and well-brokered middle manager can fragment an intraorganizational network at key junctures. Consequently, flow of information required during different stages of the strategy-making process may suffer significant disruptions.

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