More than Perks and a Shared Office: How Coworking Spaces Participate in Entrepreneurs’ Resource Acquisition

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Introduction

Since first established in San Francisco in 2005 by Brad Neuberg (Rus & Orel, 2015), coworking spaces have flourished in different cities of the world, offering a place to work, convene, and socialize for their residents. These places host companies from different sizes in various businesses in a shared physical layout, fostering their interaction and engagement. This physical proximity is expected to facilitate communication and collaboration among its residents and at the same time coworking spaces establish themselves as hubs for attracting people with cognitive proximity (Capdevila, 2013, 2015). Moreover, coworking spaces enable the sharing of goods and services that may otherwise be underutilized (Bouncken & Reuschl, 2016; Capdevila, 2013) and, therefore, offer affordable levels of office cost for their users (Spinuzzi, 2012).

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The popularity of coworking spaces has attracted the interest of social scientists as an interesting phenomenon, offering different research questions such as knowledge creation dynamics and innovation practices in localized communities (Capdevila, 2013, 2015), new and changing work practices (Mariotti, Pacchi, & Di Vita, 2017; Mitev, de Vaujany, Laniray, Bohas, & Fabbri, 2018), community-building in a workplace (Garrett, Spreitzer, & Bacevice, 2017; Mitev et al., 2018), emotions experienced in a coworking atmosphere (de Vaujany, Dandoy, Grandazzi, & Faure, 2019), and developing entrepreneurial skills through learning in coworking spaces (Bouncken & Reuschl, 2016; Butcher, 2018; Fuzi, 2015). Studies have indicated that while initial users of coworking spaces were mostly self-employed people and freelancers, they have increasingly become the primary choice of startups and entrepreneurs (Capdevila, 2015; Mitev et al., 2018; Moriset, 2014).

Entrepreneurs are known to have scarce resources (Chang & Chen, 2020; Lee, 2017) for reaching their goals and exploiting or developing opportunities in uncertain conditions. They have to seek, generate, accumulate, and mobilize different tangible and intangible resources (Jones, Macpherson, & Jayawarna, 2014; Lee & Shaw, 2016). Entrepreneurial enthusiasm is not enough to overcome the problems of the entrepreneurial situation. They need to both conform to their broader context and, at the same time, be innovative in their businesses to meet the expectations of their stakeholders (De Clercq & Voronov, 2009). In parallel to this pursuit of entrepreneurs, coworking spaces appear more than brick-and-mortar office buildings, as they also provide several tangible and intangible resources. Existing studies focus on different aspects of coworking spaces attracting entrepreneurs. However, how coworking spaces support entrepreneurs to acquire resources is poorly explored. In this chapter, our objective is to focus on this question to uncover the dynamics involved.

In our study, we used the “capital” framework from Bourdieu (1986), which has been widely employed by many scholars to explain how entrepreneurs acquire different forms of resources (e.g., De Clercq & Voronov, 2009; Jones, Macpherson, & Thorpe, 2010; Lee & Shaw, 2016; Stam, Arzlanian, & Elfring, 2014). This framework identifies various forms of capital, such as economic capital, social capital, cultural capital, and symbolic capital. According to this perspective, actors use different forms of
capital as a “capacity to produce profits and to reproduce itself” (Bourdieu, 1986, 241). Bourdieu (1986) argues that economic capital is the most obvious one among the others that could be quickly and directly convertible into money. However, intangible forms of capital are also critical, and they may also be converted into economic capital. We argue that coworking spaces offer various tangible and intangible types of resources that can be converted into one and other. Bourdieuan concepts help scholars to examine intersubjective and interdependent social phenomena better (Özbilgin & Tatli, 2005).

In this chapter, we carry out a Bourdieuan analysis of the entrepreneurial situation in coworking spaces (Drakopoulou-Dodd, McDonald, McElwee, & Smith, 2014) and conducted a qualitative study in the two most prominent coworking spaces in Istanbul, namely Alpha and Beta (pseudonyms). Both of these coworking spaces are close to central business districts of Istanbul and privately owned. One of these coworking spaces is part of a coworking space chain in Istanbul, and the other one is a university-affiliated coworking space located inside the main campus. We selected these coworking spaces as our polar cases (Eisenhardt & Graebner, 2007), as they have distinctly different characteristics that may help us to broaden our perspective toward other varieties of coworking spaces.

Our findings indicate that coworking spaces allow entrepreneurs to cultivate tangible and intangible sources of capital. They access these resources through various mechanisms supported by coworking spaces. Some of these mechanisms allow accumulating more than one type of capital. The relationships between these mechanisms and sources of capital are drawn as a framework and described in detail.

The study has various contributions, as it offers a novel framework by adopting Bourdieu’s capital framework, and emphasizes the critical dependence on the context:

First, this study provides a novel framework involving a “multiplicity of relations” (Everett, 2002, 57) between different aspects of coworking spaces and the resource acquisition of their inhabitants. Our study follows that coworking spaces are not just “workforce containers” (Reuschke, 2016, 379), and understanding them requires a more comprehensive analysis (Tatli, Vassilopoulou, Özbilgin, Forson, & Slutskaya, 2014).
Our framework emphasizes the richness and complexity of relations inside coworking spaces. We believe scholars studying this domain can elaborate further on these relations, which may foster further empirical work about entrepreneurship in and around coworking spaces. Moreover, our approach to coworking phenomena and findings can guide practitioners better understand the role of coworking spaces for their individual members, organizations, and the surrounding regional entrepreneurship ecosystems.

Second, our study offers a novel adaptation of Bourdieu’s capital framework in the analysis of coworking spaces. Although social capital is used broadly in the entrepreneurship literature (Stam et al., 2014), there are very few examples that consider the symbolic and the cultural capital (e.g., De Clercq & Voronov, 2009; Lee & Shaw, 2016). Therefore, this study is one of the early examples covering all forms of capital, as introduced by Bourdieu, and it also provides a new perspective on how entrepreneurs gain and exploit different forms of capital.

Third, as our study involves two polar cases, we can account for a diversity of coworking spaces and different entrepreneurial situations. While most entrepreneurship studies quantitatively analyzed the field-level (Drakopoulou-Dodd et al., 2014), we take an organizational level of analysis. Entrepreneurship and its context are “too dynamic and complex” (Neergaard & Ulhøi, 2006, 4). Collecting empirical data from two coworking spaces with interviews, observations, and secondary data sources, we can capture complexity (Johnstone, 2006) regarding the focal phenomenon (Denzin & Lincoln, 2005).

In this chapter, we first introduce Bourdieu’s framework regarding the sources of capital and present the entrepreneurship literature regarding different forms of capital. Following that, we describe the design of the study and how we analyzed our empirical data. In the next section, we draw a framework based on our results, showing various mechanisms supported by coworking spaces to access sources of different forms of capital. Then we conclude the manuscript with possible directions for future research.
Forms of Capital for Entrepreneurs

According to Bourdieu, field actors struggle to accumulate different forms of capital to reach their interests (Bourdieu, 1993). Capital can be in objectified or embodied forms (Bourdieu, 1986), and the most prominent forms of capital in entrepreneurship literature are economic, social, cultural, and symbolic capital (Lee & Shaw, 2016). Moreover, all of these forms of capital are accumulated in time and can be transformed into one another (Bourdieu, 1986, 1993) (Table 8.1).

Economic capital is more about tangible forms of capital that cover monetary and material wealth that are easy to value (Everett, 2002). While this type of capital is foundational and pervasively studied in the literature, other forms of capital need to be considered separately without essentially reducing it to economic capital (Bourdieu, 1986). In parallel to this definition, economic capital can be exemplified as money (e.g., Vershinina & Rodgers, 2020) or other forms of financial assets such as housing (Reuschke, 2016).

Social capital is about having a network that provides (potential) resources to its members (Bourdieu, 1986). Specifically, being a member of a group is crucial in the performance of entrepreneurs (Aldrich & Zimmer, 1986) and, therefore, social capital is widely examined by scholars focusing on entrepreneurship and small businesses (Stam et al., 2014). Individuals’ possession of social capital is considered based on the size of their network and mostly analyzed quantitatively (e.g., Burt, 1997; Stam et al., 2014). Nevertheless, there are also several qualitative studies acknowledging entrepreneurs not as heroic actors, but as individuals who network for the growth of their business (Anderson, Drakopoulou-Dodd, & Jack, 2010; Drakopoulou-Dodd & Anderson, 2007). For example,

Table 8.1 Bourdieu’s framework of capital (adapted from Bourdieu, 1986)

| Economic capital | Social capital | Cultural capital | Symbolic capital |
|------------------|--------------|------------------|-----------------|
|                  | Embodied cultural capital | Objectified cultural capital | Institutionalized cultural capital |

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Lehner (2014) has studied how social capital relates to opportunity and gets transformed into economic capital with crowdfunding by entrepreneurs.

The third form of capital is cultural capital, which is about education, experiences, and learning. Bourdieu defines three forms of cultural capital, “embodied, objectified, and institutionalized” (Bourdieu, 1986). Embodied cultural capital is mostly converted from an external source, like the society and the social class of the individual, and internalized unconsciously. Moreover, embodied capital requires time to transmit or to acquire (Bourdieu, 1986). In the case of entrepreneurship, embodied cultural capital manifests itself as knowing and acting according to field norms. This corresponds to entrepreneurs trying to be innovative and different from their competitors in order to align with the expectations of investors and other stakeholders (De Clercq & Voronov, 2009).

The second type of cultural capital is objectified cultural capital, which represents a materialized form of cultural capital that is transmitted with objects (Bourdieu, 1986). This is different from the economic capital corresponding to the value of a particular object. Objectified cultural capital covers the capital required to appropriate and use an object according to its specific purposes (Bourdieu, 1986). For instance, this type of cultural capital can be objectified by having a design of an entrepreneur’s office space like other startup founders (De Clercq & Voronov, 2009).

The last type of cultural capital is institutionalized cultural capital that indicates the competency of the bearer of culture, such as a certificate of academic qualification (Bourdieu, 1986). It is the institutionalized cultural capital that enables comparisons between the qualifications of different parties and allows determining conversion rates between cultural capital and economic capital (Bourdieu, 1986). For example, Lee and Shaw (2016) examined different entrepreneurship training programs for professional higher technicians and non-professionals. Their findings show that professionals possess valuable non-material capital in comparison to non-professionals.

The fourth form of capital presented by Bourdieu (1986) is symbolic capital, which accumulates with gaining recognition (Bourdieu, 1993). Therefore, prestige, reputation, and fame are types of accrued symbolic capital. In case possession of other forms of capital is considered
legitimate, they convert into symbolic capital (Everett, 2002). Therefore, symbolic capital can be identified as “the amalgam of and key to the deployment of all other forms capital” (Özbilgin & Tatli, 2005, 861). In the entrepreneurship literature, scholars refer to symbolic capital to reveal values and meanings ascribed by incumbents of the entrepreneurial field. For example, entrepreneurs try to be reputable to be considered by investors and convince them to invest money in a business that has a lot of uncertainties (De Clercq & Voronov, 2009; Lee & Shaw, 2016). They may aim to establish a workplace that reflects the image of an enjoyable, less-formal work atmosphere (Lee & Shaw, 2016), or employ past cultural markers to be recognized across transnational entrepreneurial fields (Vershinina & Rodgers, 2020).

### Methodology

To reveal how coworking spaces support entrepreneurs to acquire resources, we conducted qualitative research (Dyer & Wilkins, 1991) in two coworking spaces of Istanbul with distinct characteristics, namely Alpha and Beta (pseudonyms). We selected these coworking spaces as our polar cases (Eisenhardt & Graebner, 2007), as they have distinctly different characteristics that may help us to broaden our perspective toward other varieties of coworking spaces. Alpha is part of a coworking space chain that is well known for its inspiring office design and community-building activities. It provides private offices, fixed and nomad desks to freelancers, self-employed professionals, and entrepreneurs running various businesses. Beta is a university-affiliated coworking space, as it is owned by the management company of the university science park. It is located on the university campus at a convenient location. As it is part of the science park, it is subject to particular legislation that regulates what activities can be performed in science parks and entails a level of tax exemption for the companies residing in the area. Accordingly, companies working at Beta need to be technology companies and are admitted after a strict evaluation process. Thus, Beta hosts entrepreneurs, their startup teams, and the business development staff of a few big corporations. Due to regulations, no self-employed professionals or freelancers
are allowed. Selecting two polar coworking spaces with diverse characteristics provided us the opportunity to make a “broader exploration” (Eisenhardt & Graebner, 2007, 27).

The data collected for this chapter is part of a larger research program on coworking spaces lead by the second author. We collected data from several sources, such as observations, interviews, and archival data. The first and third authors of this study have participated directly in the management of the university science park. The second author has no affiliation with either coworking space. Her outsider status enabled the cross-checking of the analysis and the interpretation of the data, enhancing the validity of our study. Our primary data source for this study is interview data and participant observations. Before starting the interviews, the second author, who is not affiliated with either coworking space, performed participant observation to understand implicit and explicit aspects of the research context (DeWalt & DeWalt, 2011) in both places for two and a half months. Extensive field notes were taken during this period regarding the physical aspects of the spaces, interactions between residents, and events organized in these spaces.

We carried out 14 semi-structured interviews (Fontana & Frey, 2005), and these interviews lasted between 10 and 65 minutes, with an average of 45 minutes. All interviewees were informed about the study and asked for permission for recording during the interview. We did snowball sampling and asked each interviewee to introduce others. All interview records were transcribed verbatim. In Alpha, we also interviewed the management team of the facility, an angel investment network, a freelancer, and a law company, to balance our perspective and data access for both locations.

The transcribed interviews, compiled field notes, and observations were synthesized and then organized around emergent themes after cycles of coding. The first two authors coded the data through open coding separately. Then categories and themes were developed, discussed, and questioned until agreement (Eisenhardt, 1989). We continuously discussed our ideas while forming the codes, categories, and themes through an iterative and recursive coding process ending with the consensus of all authors. Then we drew links between themes and different forms of capital as introduced by Bourdieu (1986). These themes emerged from the
data and were reinforced with the literature. We examined the data in
detail to relate these themes and our theoretical framing. Therefore,
throughout the analysis process, emergent ideas were critically compared
with the literature (Anderson et al., 2010). This constant comparative
approach to data analysis (Alvesson & Skoldberg, 2000; Glaser & Strauss,
1967; Silverman, 2000) involves an iterative reviewing of the data with
emerging categories and themes (McKeever, Jack, & Anderson, 2015).
Table 8.2 shows our categories and themes generated through the inductive
process.

Although two authors had managerial access to one of the coworking
spaces, our case-based approach in this study may not be considered as
action research, as we were not implementing any action at Beta based on
our inquiry (Coghlan & Brannick, 2005). With a comparative case
approach, we explored the accounts of members of both spaces. To
enhance our methodological reflexivity (Johnson & Duberley, 2003), the

Table 8.2 Categories and themes generated from empirical data (authors’ own)

| Category                              | Themes                                      |
|---------------------------------------|---------------------------------------------|
| **Cost reduction**                    | Saving time through proximity               |
|                                       | Savings through sharing economy             |
|                                       | Savings through tax advantages              |
| **Entrepreneurial community**         | Common attitudes and behaviors among entrepreneurs |
|                                       | Emotional support                           |
|                                       | Proximity facilitating interaction among entrepreneurs |
| **Entrepreneurial learning**          | (In)formal meetings facilitating access to knowledge |
|                                       | Events facilitating access to knowledge     |
| **Networking**                        | Proximity to potential customers            |
|                                       | Proximity to qualified workforce and professionals |
|                                       | Workplace facilitating interaction with outsiders |
| **Property features**                 | Nice architectural design                   |
|                                       | Office design and location impressing customers |
|                                       | Office design and location satisfying employees’ expectations |
| **Venture recognition**               | Admission after an evaluation process        |
|                                       | Building trust through the coworking space’s recognition |
|                                       | PR support through the coworking space’s recognition |
second author conducted the primary data collection with interviews and participant observation in both settings. The ethnographic observations in Alpha and Beta of the second author are supplemented with the participant observations of the other two authors in Beta (Skrutkowski, 2014). During the analysis phase, we critically considered our epistemic reflexivity (Johnson & Duberley, 2003) and tried to avoid possible biases arising from our social positions and past experiences. We discussed our interpretations and preferences to naturalize our presuppositions. We scrutinize our findings by triangulating different sources of data (Yin, 1994). Although we tried to hold methodological and epistemic reflexive positions, our accounts in this study may still reflect our socially derived self-image and are open to academic scrutiny.

**Findings and Discussion**

Our results indicate coworking spaces do play a role in obtaining different forms of capital for entrepreneurs. Coworking spaces support entrepreneurs to access both objectified and embodied forms of capital through different mechanisms. Moreover, various forms of capital available in coworking spaces are convertible to other ones, so gathering a form of capital may indirectly allow entrepreneurs to gain another. The links between our analytical themes and different forms of capital are shown in Fig. 8.1.

**Cultural Capital**

Coworking spaces are meeting hubs of entrepreneurs and field incumbents. In this study, we find that cultural capital is acquired by, and transmitted to entrepreneurs, through the social communities residing in, and the physicality of, the workplace that conveys this culture. In coworking spaces, several mechanisms support acquiring cultural capital, and it requires time and long-lasting relations with the embedded context.

Coworking spaces catalyze community-building by bringing like-minded people together (Capdevila, 2013). Communities emerge through the proximity, and organized events in these workplaces that
facilitate interaction and are also promoted by emotional support among the residents (Garrett et al., 2017). Members have shared dispositions and behaviors (Anderson et al., 2010; Garrett et al., 2017) that foster the accumulation of cultural capital (Tatli et al., 2014). Moreover, community-based cultivation occurs unconsciously through being a member of a social group having a collective identity. Regarding the community in our empirical context, interviewees mentioned:

**Working with other startups in the same collaborative space and knowing that everybody is working is an unconscious source of motivation. I think this point is so crucial.** (Interview, CSB-2)

**People can rent a bigger office at a different location, nevertheless you prefer to be in this place when you consider the communication and socialization in here.** (Interview, CSA-4)

**In startups, we always have hidden problems, and they [non-entrepreneurs] do not understand how we feel. For example, we think our cash flow is problematic; we cannot pay salaries; will our money be transferred or not. In here, they [entrepreneurs] understand you and mostly better than yourself.** (Interview, CSB-5)
We find that the physical, cognitive, and dispositional proximity in coworking spaces participates in the transmission of an embodied state of cultural capital. This is done through experiencing the shared values and shared meanings at a workplace.

We also find that coworking spaces take part in the acquisition of embodied cultural capital by enabling entrepreneurial learning. Coworking spaces support entrepreneurs to develop new practices and business skills through collaborative learning and knowledge exchange (Butcher, 2018). This process can be facilitated formally by particular events and training, informally during everyday practices or by serendipitous encounters (Butcher, 2018; Jakonen, Kivinen, Salovaara, & Hirkman, 2017). Through these learning occasions, entrepreneurs acquire knowledge on various topics and develop embodied cultural capital (Karatas-Özkan, 2011). As an example of entrepreneurial learning in our research context, interviewees mentioned:

For example, there is an event called the Founders Club here. Founders meet monthly for training and discuss subjects extensively. (Interview, CSB-4)

Last Friday, a friend came [coworker in the same place] and asked you are doing this, and we need such thing […] in case they have questions, and if it is our area of specialization, we try to help them in 10 minutes while drinking coffee. (Interview, CSB-2)

Entrepreneurial learning is different from acquiring cultural capital through the embedded community and is more about accumulating knowledge regarding entrepreneurial issues such as business opportunities, management experiences, and gathering resources. Moreover, acquiring or transmitting knowledge occurs through (in)formal meetings or events with a plan or a topic. So, this source of capital accumulation is a more conscious activity.

Our empirical data also show that coworking spaces enable entrepreneurs to acquire cultural capital by supporting the employee’s image of entrepreneurs through property features. Employees’ image of entrepreneurs is related to the collection of functional and symbolic benefits gathered through employment in a company, and attributes of a workplace play a role in developing a better image (Lievens & Highhouse, 2003).
For example, entrepreneurs exploit the design and location of the office space “that aligns with the field’s current fashion” to collect objectified cultural capital (De Clercq & Voronov, 2009, 405). In line with this, we find that coworking spaces provide a workplace that supports the venture’s image as an employer to gather cultural capital in a materialized form. The interviewees mentioned:

*When an employee comes, and we say look, this is the place where you will work, she/he is happy. They value the job position here. If it is at Oto Sanayi [an underdeveloped district that was first established to host car maintenance and repair shops], it is hard to accept the offer.* (Interview, CSB-1)

*People who are coming for a job interview like this place and find it fancy.* (Interview, CSB-2)

In our empirical context, both of the coworking spaces are close to central business districts and are very well known for their fancy office design. The location of coworking spaces and their internal designs are influential on people. So being located in such a place represents the objectified cultural capital of an entrepreneur.

In our empirical study, we find that entrepreneurs accumulate cultural capital also through venture recognition. When a coworking space “officially recognized [and] guaranteed competence” (Bourdieu, 1986, 248) of an entrepreneur, it transmits institutionalized cultural capital. Examples of institutionalized cultural capital are credentials like educational qualifications (e.g., Shaw, Gordon, Harvey, & MacLean, 2013; Vershinina, Barrett, & Meyer, 2011) or professional certifications (Lee & Shaw, 2016) of entrepreneurs. In our empirical context, one of the coworking space, Beta, selects ventures after an evaluation process. This process includes assessments of the entrepreneur’s qualifications to perform an R&D project and run a company in a scalable manner. The recognition as being the member of Beta is described as the following:

*This place is Turkey’s advanced level entrepreneurship center. There are several bright people. […] These ventures are selected and filtered. They are very successful.* (Interview, CSB-4)
Here, I meet with several people contributing intellectually because they are all handpicked, and everybody wants to be successful. (Interview, CSB-4)

Therefore, selecting a venture to the coworking space indicates that the entrepreneur has some sort of qualifications, and the others recognize this approval.

**Social Capital**

People collect and aggregate social capital through networks of relationships and membership in a group. For entrepreneurs, cofounders gather and keep social capital through having a variety of connections with different characteristics. For example, Stam et al. (2014) found that while weak indirect connections and network diversity increase the performance at the early stages of ventures, they make use of strong ties and network size at a later stage. The relations forming social capital can exist between entrepreneurs, customers, suppliers, and investors (Aldrich & Zimmer, 1986). Among these parties, the effects of relations differ, whether they are between entrepreneurs or between entrepreneurs and non-entrepreneurs (Burt, 1997).

In our empirical context, both of the coworking spaces host an entrepreneurial community. These community members have different backgrounds, and they run ventures in various business areas. However, they have characteristic patterns of work, such as dealing with uncertainty, growing their business, selling their products, and finding financial support. They build relations as an entrepreneurial community:

*For instance, we utilize social relations. [...] For example, [an entrepreneur] that we meet at a happy hour gave us a contact at [name of a company]. On another occasion, [someone else] told us I could meet with this person. Like sharing a common fate of people who are walking on the same road. (Interview, CSA-5)*

*After a while, daily talks evolve into a conversation about whether you are growing, if you are well, etc. You say we have such and such problems. If this problem is something that I can help with, you say I know this guy who can help you. (Interview, CSB-4)*
When the social proximity arising from the community meets with the physical proximity in coworking spaces, entrepreneurs build relationships fostering collaboration (Parrino, 2015). Similarly, we explore that coworking spaces enable relationships in the entrepreneurial communities and leverage social capital.

Another type of connection in coworking spaces appears between entrepreneurs in the community and non-entrepreneurs. Entrepreneurs and other coworkers can build fruitful relationships, such as a cofounder developing a relationship with a business development expert of a big company or a freelancer in the same coworking space. Moreover, the events taking place in coworking spaces and visitors coming to these places allow entrepreneurs to extend their relationships. In this study, we aggregated such activities under networking.

In both of the coworking spaces in this study, there are representatives of big corporations working close to the entrepreneurs, self-employed professionals, and investors. Alpha also hosts freelancers. The big corporations locate their representatives to build customer-supplier relationships or collaborate with entrepreneurs. Independent professionals provide different services to entrepreneurs such as consultancy on law or patents, design support, and so forth. Investors aim to work closely with entrepreneurs to identify successful ones and extend their portfolio through making investments.

The relationships with customers and suppliers are essential for entrepreneurs as they provide strategic information for their business, such as forecasting future demand and develop new products (Adler & Kwon, 2002) or better manage the added value through suppliers (Hormiga, Batista-Canino, & Sanchez-Medina, 2011). Relationships with investors, furthermore, provide various resources and advice on many issues (Katila, Rosenberger, & Eisenhardt, 2008). Developing relationships with investors through casual meetings can be more efficient and helps to reach better outcomes and firm performance (Hallen & Eisenhardt, 2012). Coworking spaces facilitate developing such relationships between entrepreneurs and with other residents through networking. As mentioned by the interviewees,
The manufacturing team of [a big corporation] told us their needs and made some requests... through this person I understand the needs more clearly. (Interview, CSB-3)

What we are doing well at this place is... meeting supply with demand. For example, to the ones who ask if this team can reply to your request, or if you two meet, you will be a great team or such and such. Of course, [as an investor network] doing such things is not our primary objective, but as we meet several others and [Alpha] is sharing space... we do this voluntarily. (Interview, CSA-1)

As in these examples, informal meetings in coworking spaces facilitate entrepreneurs’ timely reach to resources that allow them to control external resources without losing their flexibility (Stam et al., 2014). Outsider visits and events organized in these coworking spaces also allow building connections with potential partners, customers, or investors. These occasions could be the first touchpoint of entrepreneurs to distant social circles. Interviewees mentioned such spontaneous interactions:

There are visitors from outside Turkey who want to understand the entrepreneurship ecosystem in Turkey... all of these people start to come [to Alpha]. (Interview, CSA-1)

For example, when we were not at a coworking space, we considered this ecosystem as much as our immediate network. Here you meet with people with very different profiles that you cannot meet at a coffee shop, or let's say at any other place. (Interview, CSB-5)

Such weak links gained at events provide flexibility to new ventures and can become strong ties in time.

Economic Capital

Economic capital is essential for new ventures (Chandler & Hanks, 1998), and savings appear as a critical form of economic capital that is employed to reach the objectives of a new venture (Pret, Shaw, & Drakopoulou-Dodd, 2016). Moreover, this kind of economic capital is
widely preferred by entrepreneurs as it lessens the external financial needs (Kim, Aldrich, & Keister, 2006). We find that coworking spaces can help entrepreneurs to access economic capital by reducing their costs.

First of all, similar to their counterparts around the world (e.g., Merkel, 2015; Spinuzzi, 2012), coworking spaces in this study offer affordable prices when compared to renting a private office at similar locations with the same office services. Assembling several working units in a facility allows adopting a sharing economy as several functions can be provided more cheaply through economies of scale. Entrepreneurs exploit this financial resource by running their business in coworking spaces. For example, one of the interviewees mentioned:

Rental prices are too high in Istanbul. [...] In addition to overhead costs, there are other expenses such as when I choose this place, I have to purchase a table, a seat. Therefore, there appears a huge gap in the budget. (Interview, CSA-3)

The collaborative working space, comprising fixed and nomad desks, also includes basic furniture in both of the coworking spaces. So, users of this space do not need to spend money on office furniture for their new ventures. Moreover, coworking members do not pay extra overhead expenses, labor costs for cleaning and security, or some value-added benefits such as hot drinks, soft drinks, and so on as all of them are included in the monthly rental price. As one interviewee told us,

As a small company, we did not look for someone to work for office services, let’s say cleaning, preparing tea and coffee... it is not easy to hire someone just for these services. (Interview, CSB-2)

Another mechanism to reduce costs is the tax advantage of carrying out your business in a coworking space. Tax incentives play a role in entrepreneurial decisions as it creates economic value through maximizing their income (Parker, 2003). Entrepreneurs from both coworking spaces mentioned such tax advantages. Whereas these tax advantages are regulation-driven and country-specific, it is a standard governmental policy around the world. In Turkey, you need to pay a stoppage tax to run a business when you are renting an office from a real person. The
regulation is such that you do not need to pay this tax when you locate your business in coworking spaces. You can also claim back VAT tax as the coworking space is invoicing you the rental service with VAT. This is the case for both of the coworking spaces in the study. Interviewees mentioned:

_I asked for the rental price of an office place in Gayrettepe [a central district close to the location of Alpha], and they told me 1500 Turkish Lira plus stoppage tax._ (Interview, CSA-3)

_A at a starting point, it [being a member of a coworking space] sounds very reasonable to us because […] invoiced amount can be deducted from VAT tax._ (Interview, CSA-5)

Moreover, because of its affiliation with the university and the science park, Beta offers additional tax benefits. Technology ventures in this place do not pay corporation tax, as they carry out technology development with officially registered projects. Furthermore, employees in these companies do not pay income tax, which means they get their gross salary as net income. As one of the interviewees stated,

_We chased membership of the science park for a long time because tax advantages were very crucial for us._ (Interview, CSB-4)

We also find that coworking spaces reduce costs by saving time through proximity to several services. Coworking spaces host self-employed professionals and several companies that could help entrepreneurs. This proximity makes it possible for entrepreneurs to get various services without spending too much time and effort. For example, a visual communication designer working with entrepreneurs in Alpha mentioned that

_I am staying here and working with my design tablet, and people come and ask what are you doing, are you designing something, our company needs such a thing, are you interested in doing it._ (Interview, CSA-4)

Likewise, the prototyping lab in Beta makes it easy to reach several manufacturing services. One of the interviewees said:
The AR glasses that we have sent to our customers have some missing parts. We promptly talked with [the company running the lab] and asked them to print [these parts]. (Interview, CSB-2)

Such cost reductions allow entrepreneurs to spend money on other activities such as sales and marketing, to grow their business.

Symbolic Capital

Symbolic capital is the most valuable form of capital (Everett, 2002), as it represents the legitimacy of accumulated capitals in other forms. As a consequence of high uncertainty and a lack of past results, it is challenging for entrepreneurs to gather resources (Zott & Huy, 2007). Therefore, entrepreneurs use symbolic communication to gain trust and convince resource holders of their potential future performance (Aldrich & Ruef, 2006). There are various symbolic actions such as endorsement by approved bodies that helps to build a reputation (Rao, 1994) or having an office with properties such as location, décor, and furnishing that indicate a professional management approach in an organization (Zott & Huy, 2007). Entrepreneurs also make use of such activities to accumulate social capital and gain legitimacy.

In this study, we find that coworking spaces help entrepreneurs to cultivate symbolic capital through venture recognition and property features. As mentioned earlier, Beta is part of the management company of a university science park. This university is well known for its engineering background and one of the oldest technical schools in the world. Moreover, this university science park is one of the top-performing science parks in Turkey. Beta is associated with the science park and was selected through an evaluation of its technology development plans. This process implies a recognition of the sophistication or the potential of the technology projects of Beta members. One of the interviewees said:

The trust issue is problematic. Unfortunately, customers consider foreign companies, like a German or a US-based company, and even when they are a startup, differently. Nevertheless, trust in Turkish companies is very different.
They do not believe in you. They cannot be sure and do not want to support you. Here we get the approval of the school. Here we are backed by [the name of the university]. (Interview, CSB-6)

Gaining legitimacy and trustworthiness through recognition supports entrepreneurs to reach resources, such as human resources, customers, and investors. Moreover, the fame of the coworking spaces also provides some status:

I think the increase in recognition of [Beta] also increases the recognition and trustworthiness of the companies here. For example, when I visit a customer and say I am at [Beta], it develops trust. (Interview, CSB-3)

Besides venture recognition, features of a property may cultivate symbolic capital (e.g., Elsbach, 2004; Zott & Huy, 2007). Coworking spaces are famous for their “fascinating” (de Vaujany et al., 2019, 2) interior designs, and their location choices also bring symbolic meanings (Spinuzzi, 2012). Such property features are prominent in our empirical data as

When you come to [Alpha], the place has a spirit. It impresses you so much. You don’t expect it and say, wow! When you enter, there are high ceilings and brick walls, for example, a renovated hood of a Volkswagen hanging on the wall, etc. (Interview, Alpha-1)

[Alpha] has a ready-made design, a spirit… like an old factory, new customers visiting us like it so much. (Interview, Alpha-4)

When you invite customers, they are impressed [by the place], and they say there is something important here. (Interview, Beta-1)

In both of the coworking spaces, entrepreneurs are able to impress their customers and employees with the symbolic capital gathered through the coworking space and atmosphere.
Conclusion

In this study, we explore how coworking spaces support entrepreneurs to acquire tangible and intangible resources. Entrepreneurs need different resources to grow their business, and they frequently choose coworking spaces as their office location. However, what coworking spaces contribute to entrepreneurs’ resource acquisition has not been fully examined before. By using Bourdieu’s capital framework, we identified different mechanisms supported by coworking spaces that help entrepreneurs accumulate various forms of capital. Accordingly, we draw a framework to locate relations between these mechanisms and sources of capital (see Fig. 8.1).

We believe our study shows the richness and complexity of relations in coworking spaces supporting how entrepreneurs deal with uncertainty and lack of resources. This study has practical implications in terms of helping practitioners to understand what coworking spaces provide to entrepreneurs. Moreover, this study provides a perspective about entrepreneurs’ resource acquisition activities and could foster similar Bourdieuan analyses in cultivating resources in other settings. In addition to this, while it is hard to reach generalizable results with a qualitative study, our deliberative selection of two fundamentally different cases helps us to cover as much variety as we can and develop a comprehensive framework.

Our findings are open to development with further inquiry. For example, as entrepreneurs can acquire different forms of capital, and they are convertible into each other (Tatli et al., 2014), the mechanisms used to obtain more than one type of capital in our framework could be the result of such conversions. Our cross-sectional analysis and results can be developed with a longitudinal study to reveal how one source of capital is transformed into other forms and with which mechanisms as time unfolds. The conversion of one source of capital into another form is understudied in the literature (Pret et al., 2016), and its temporal analysis could reveal different patterns of activities employed for such transformations.
The COVID-19 pandemic is going to impact the demand for coworking spaces, as there are increased concerns for contacting other people in shared spaces because of the risk of cross-contamination and sanitation of surfaces. How COVID-19 will influence the social norms, economy, will leave traces in the symbols and culture of social communities, impact the availability and appropriation of social, cultural, and economic capital and impact coworking spaces need further inquiry.

Moreover, there are different types of coworking spaces with varying business models and missions, as in our empirical context and mentioned in the literature (de Vaujany et al., 2019). These differences may arise from several reasons, such as the broader social context or material characteristics of these spaces. Therefore, comparative analysis of coworking spaces could give more information regarding idiosyncratic aspects of coworking spaces in providing resources to entrepreneurs.

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