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SUMMARY

PERCEPTIONS OF LEGITIMACY IN THE DECISION TO EXPLOIT:
A PLANNED BEHAVIOR FRAMEWORK

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Principal Topic
Legitimacy is a critical resource for the survival and growth of new ventures (Aldrich & Fiol, 1994; Stinchcombe, 1965). Although scholars link legitimacy with venture success, we know little about the extent to which perceptions of legitimacy affect the decision to exploit an entrepreneurial opportunity. Drawing upon Ajzen’s (1991) theory of planned behavior (TPB), this study provides a theoretical examination of the linkage between attitudes about actions necessary for legitimacy attainment, normative beliefs about the actions, and perceived behavioral control, and the intention to act.

Method
Venture formation decisions involve uncertainty and risk, and the influence of both on the decision to act is prominent in social psychology (Ross & Nisbett, 1991) and in behavioral decision-making (Kahneman et al., 1982). Scholars posit that both conditions are detrimental to entrepreneurial action because evaluative processes block or delay actions that lead to missed opportunities (Shane & Venkataraman, 2000). Thus, explaining this evaluation, which occurs after recognition but prior to the decision to act, is essential to entrepreneurship theory (McMullen & Shepherd, 2006).

Legitimacy researchers have identified a number of ad-hoc activities that provide a means for ventures to gain access to necessary resources needed to survive and grow (Zimmerman & Zeitz, 2002). This study examines the extent to which perceptions about legitimacy attainment are predictive of an entrepreneur’s decision to exploit an opportunity.

Entrepreneurial intentions capture the motivating factors that influence action (Bird, 1988; Krueger et al. 2000). TPB holds that normative beliefs about an action and the confidence individuals perceive in their ability to perform the action influences the intention to act. Because venture creation begins with intent and because entrepreneurs typically do not control the resources required to profit from knowledge of the opportunity, we argue that differences in perceptions about the ease or difficulty to achieve a desired threshold of legitimacy affect the decision to exploit recognized venture creation opportunities.

Results and Implications
The significance of this research is two-fold. First, we introduce new boundary conditions in the decision to exploit. Second, we develop a theoretical framework to explain the extent to which perceptions about the legitimacy attainment affect entrepreneurial intent and the decision to act.

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