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THE PRODUCTION OF ENTREPRENEURIAL OPPORTUNITY: A CONSTRUCTIVIST PERSPECTIVE (SUMMARY)

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SUMMARY

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Principal Topic

We develop a theoretical model that depicts the process of opportunity production from a constructivist perspective. The model assumes that opportunity production proceeds through several stages, including perception, objectification, and enactment. However, between each stage, some opportunities are abandoned due to inadequate objectification or insufficient resource support. We identify several variables that determine whether or not opportunities are objectified and subsequently enacted, and these variables are incorporated as predictors into empirically testable propositions.

Method

Opportunities for engaging in entrepreneurial activities begin as perceptions by individual entrepreneurs and develop as a process of social construction (Weick, 1979). At the initial stage, the entrepreneur begins a sense-making process (Weick, 1979) intended to clarify the existence of an opportunity. This sense-making process takes place through interaction between the entrepreneur and her peers, and based on the degree of peer consensus the opportunity is either invested with the status of an objective reality (Berger and Luckmann, 1966), or abandoned.

At the second stage of the process, opportunities undergo attempted enactment by the entrepreneurs who believe in their reality. Each attempted enactment involves a set of social interactions with resource providers and other stakeholders whose support is needed to turn the opportunity into a working venture. Depending on the entrepreneur’s reputation and her access to social networks that can be used to enlist stakeholders, the opportunity is either enacted into a new venture, or not.

As a final component of our model, we argue that opportunity abandonment, whether at the objectification stage or the enactment stage, will trigger a post-hoc cognitive reconstruction by the entrepreneur. In that reconstruction, the entrepreneur redefines her initial perception of the opportunity as an illusion. We argue that this post-hoc reconstruction has benefits for the entrepreneur, increasing her cognitive flexibility and her openness to the pursuit of new opportunities.

Results and Implications

The paper should help scholars and entrepreneurs conceptualize the evolution of opportunities over time, as opposed to viewing them as fixed, time-invariant external entities. This paper also considers the role of opportunity abandonment, which is rarely mentioned within the existing entrepreneurship literature. Finally, this paper provides insights for entrepreneurs by suggesting that social influences on and by the entrepreneur may be critical to initial opportunity production and exploitation.

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