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PREDICTING OPPORTUNITY RECOGNITION ABILITY: THE EFFECT OF PROBLEM CONSTRUCTION ABILITY AND INTELLIGENCE (INTERACTIVE PAPER)

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≈ INTERACTIVE PAPER ≈

**PREDICTING OPPORTUNITY RECOGNITION ABILITY:
THE EFFECT OF PROBLEM CONSTRUCTION
ABILITY AND INTELLIGENCE**

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Principal Topic

This study examined the roles of general mental ability and problem construction ability in predicting the quantity, quality and originality of opportunities.

Method

Participants (n=324) were undergraduate business students at two Midwestern universities, who were offered extra course credit for their participation. In this quasi-experiment, participants were randomly assigned to one of two role conditions (entrepreneur or employee) and asked to read a scenario (modeled after Corbett's 2007 opportunity recognition exercise) that included news headlines covering recent economic and social issues. From the headlines, participants were asked to identify as many business opportunities as they could.

Opportunity recognition was measured based on the number of opportunities identified, and each opportunity was rated for both, quality and originality. An index score for *Opportunity Recognition Ability* was calculated that accounted for the individual's fluency of ideas, and the quality and originality of the ideas. *Problem construction ability* (PCA) was assessed using a variation of Baer's (1988) problem-finding task, which has been used in previous research on creativity and problem solving. Participants were asked how many ways they can restate a given problem without solving the problem. *General mental ability* was assessed using the Wonderlic Personnel Test (WPT) Form R, a 12 minute timed proprietary test obtained via a research donation program from the Wonderlic Company, which examines verbal reasoning, mathematical and spatial ability.

Results and Implications

The relationships between general mental ability, problem construction ability and number of opportunities submitted, quality and originality of those opportunities, and participant opportunity recognition ability were examined using regression analysis. Results suggest that general mental ability (an individual's level of intelligence) and problem construction ability (the ability to reframe and construct problems in new and unique ways) significantly contribute to one's ability to recognize opportunities.

Theoretically, the results point to the possible cognitive roles of general mental ability and specific problem solving ability on opportunity recognition. For entrepreneurship educators, because PCA affects opportunity recognition and can be enhanced, courses might improve students' ability to recognize entrepreneurial opportunities by including exercises specifically designed to improve problem solving ability.

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