EXTENDING RESEARCH IN OPPORTUNITY RECOGNITION: ASSESSING DIVERGENT THINKING, EVALUATION AND ELABORATION ABILITIES (INTERACTIVE PAPER)

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Creativity has been linked with opportunity recognition (Kirzner, 1999; Ward, 2004; Baron, 2008). The number and innovativeness of opportunities represent two dimensions of divergent thinking – fluency and originality, respectively. However, two other dimensions of divergent thinking (Guilford, 1967) – flexibility (diversity of opportunities) and elaboration (detail of the opportunities) – have not been assessed in the existing literature on opportunities.

Several prior studies have presumed that the more opportunities (fluency) the better one’s opportunity recognition ability (e.g., Corbett, 2007; Hills & Shrader, 1998; Shepherd & DeTienne, 2005). However, entrepreneurs need to recognize the value of their ideas and work to elaborate their ideas into opportunities (Dimov, 2007), both of which are represented in most models of opportunity recognition (e.g., Ardichvili, et al., 2003). Little research to date has been conducted to examine how entrepreneurs evaluate, select or develop opportunities.

Method

The 201 student subjects were given a two-stage task. In stage one, subjects were given a protocol and asked to list as many ideas for starting a new business as they could. In stage two, subjects were asked to examine their list and select one idea that they thought represented the best opportunity and were then asked to further develop that opportunity. Background information about their prior knowledge (Marvel & Lumpkin, 2007) and human capital, as well as control measures, were collected. Two sets of expert judges were utilized. The first set of judges assessed the four divergent thinking dimensions. Further, subjects completed a 13-item survey of opportunity assessments used in prior studies. The second set of expert judges assessed the developed opportunities using the same 13 items.

Results and Implications

The results of this study extend the literature linking knowledge and human capital to opportunity recognition by examining not just the number (fluency) and innovativeness of opportunities (originality), but also diversity (flexibility) and detail of the opportunities (elaboration). This provides a more fully-specified and robust assessment of opportunity recognition. The results also extend the literature by testing the conception, evaluation and development of an opportunity. Finally, the data allow tests of the general effectiveness of introductory courses in entrepreneurship on the opportunity recognition process across two different universities.

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