A 2x2 CONCEPTUAL FOUNDATION FOR ENTREPRENEURIAL DISCOVERY THEORY (SUMMARY)

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SUMMARY

A 2x2 CONCEPTUAL FOUNDATION FOR ENTREPRENEURIAL DISCOVERY THEORY

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Principal Topic

Theories about entrepreneurial discovery are important to entrepreneurship research. However, the dominant paradigm underlying those theories commonly assumes opportunities form based on either deliberate search or serendipitous discovery (Alvarez & Barney, 2007; Gaglio & Katz, 2001). The former emphasizes creative action, search tactics, information processing, traits, and individual affect (Fiet, 2007). The latter holds that opportunities exist out there and are surprising to alert entrepreneurs because they are unanticipated (Shane, 2000). This dichotomy has evolved into a unidimensional continuum corresponding to the subjective and objective aspects of opportunities (Alsos & Kaikkonen, 2005; McMullan & Shepherd, 2006). The paradigmatic approach erects barriers to entrepreneurial discovery theory development and fuels debates over how opportunities form. Our paper addresses this issue and contributes a critique and extension of the current view.

Method

The dominant opportunity paradigm leads to oversimplifications because moderate cases fall into a kind of conceptual middle range, where coincidence and irrelevance are confounded. This ambiguity stunts theoretic development because it defies formal description. A gap exists because deliberate search and serendipitous discovery are not opposites. High deliberation does not equal low serendipity, and high serendipity does not equal low deliberation. Although the former entails purposeful creation and the latter reflects accidental discovery, one’s presence does not equate to the other’s absence. Opportunities usually entail both modes simultaneously.

Results and Implications

Research in this area commonly misattributes variance belonging to opportunities to individuals instead (Shane, 2000). This 2x2 framework makes a contribution by going beyond person-situation interactionism to integrate who (entrepreneur), where (situation), and what (opportunity) more fully. Thus, it can help open the way to new models that address the emergence and existence of opportunities. Such theory can help recast the creation versus discovery approach with a flexible multidimensional framework of four permutations representing opportunity classes (eureka; systematic search; legacy; serendipitous discovery) which, in turn, reflect and coordinate existing streams (effectuation; search; family business contexts; knowledge-based approaches).

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