ENTREPRENEURIAL CAPABILITIES AND METACOGNITION: HOW VENTURE CREATION CAN BE MANAGED (INTERACTIVE PAPER)

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Principal Topic

If top management teams want their firms to innovate and to create new businesses they have to manage organizational capabilities effectively. Unfortunately how top management teams sustain superior corporate performance by managing such entrepreneurial processes is not well understood. This paper analyzes the underlying problem of managing entrepreneurial capabilities: exploring and exploiting resources and contexts. Linking the need to develop highly-specialized capabilities with the necessity to develop integrative capabilities this paper bridges a conceptual gap in the literature and builds a dialectical model of reflective entrepreneurial action.

The ability of entrepreneurs to recognize opportunities and act upon them shows the importance of individual cognition and action. Since the 1980s academic research and organizational practice pay more attention to entrepreneurship as a shared activity of individual members in top management teams of corporations. In order to act entrepreneurial top management teams need to acquire entrepreneurial capabilities that enable action (exploration, exploitation) and reflection (Schon, 1982).

The dynamic capabilities view and the concept of ambidexterity emphasize organizations’ need to manage different kinds of knowledge process at the same time, suggest simple rules and organizational forms to successfully do so. How entrepreneurial teams manage to integrate action and reflection remains unclear and integrative frameworks that explain strategic entrepreneurship, i.e. action and reflection on the boardroom level are still lacking. The goal of this paper is deepen our understanding of organizational opportunity recognition and value creation.

Integrating the knowledge/capabilities view of the firm with entrepreneurship theory, this paper draws on recent research on problem solving and metacognition to identify the crucial difference between two complementary elements of entrepreneurial capabilities, i.e. specialized capabilities and integrative capabilities which are needed in organizations (ambidexterity), teams, and by individuals. The relevant literature is analyzed to clarify the fundamental problem: how are highly specialized activities integrated? Suggesting that higher level, integrative capabilities allow individuals, teams and organizations to effectively balance action and reflection this paper emphasizes that organizing, sequencing and integrating such knowledge processes, requires thinking about thinking, or what is called metacognition in psychology (Dodgson, 1993).

Identifying a gap in current theorizing and building a dialectical framework of entrepreneurial capabilities and reflective action this paper contributes the field of strategic entrepreneurship. The framework is illustrated with examples of ventures in large multidivisional firms and entrepreneurial firms from the US, EU, and Japan including Apple, Randstad, and Softbank.

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