MEN OF ACTION - THE INFLUENCE OF ORGANIZATIONAL IMPROVISATION ON OPPORTUNITY RECOGNITION (INTERACTIVE PAPER)

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INTERACTIVE PAPER

MEN OF ACTION - THE INFLUENCE OF ORGANIZATIONAL IMPROVISATION ON OPPORTUNITY RECOGNITION

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Principal Topic

Surprisingly little effort has been made so far in entrepreneurship research to comprehend opportunity recognition as a process. While some studies addressed this question in a context of new venture creation, there is still very limited insight into how a process of opportunity recognition can occur within established businesses. In such a context, corporate entrepreneurs as agents of change have to permanently deal with unforeseen and unexpected events that open up a steady stream of opportunities for creative action and hence for innovation. However, creative ideas do not appear full-blown in the minds of individuals, but must be based in their existing knowledge and in the cognitive frameworks they possess. Acting creatively requires people to construct, formulate or otherwise define a problem at hand and to make sense of a given situation.

Method

To get an understanding of this process of innovative action, we therefore introduce organizational improvisation as a mechanism to make sense of unexpected events and to conduct unplanned experiments in the face of hitherto unidentified customer needs. The reason for improvisational behavior may be the presentation of a problem for which an actor has no precomposed solution, or simply the desire to try something new. Improvisation hence emphasizes the degree, to which planning and execution converge in time and can be seen as a capability to seize an opportunity at exactly the moment when it opens up. This is especially important in modern service-intensive economies as the delivery of services differs from prototypical goods in greater customer participation, involving less delay between output production and customer consumption. Our paper argues that the recognition of under-exploited opportunities entails the need of spontaneous innovative behavior and experimentation in the face of new and different business conditions, when new solutions can be found through a creative recombination of resources and past routines and organizational knowledge bases can hence be extended. We develop a model of the interaction between organizational improvisation and the recognition of opportunities in a corporate context, including antecedents and potential moderating factors of this central relationship.

Results and Implications

With this paper, we strive to enhance the understanding of the process of opportunity recognition, trying to open the “black box” of the recognition process. Second, while the concept of opportunity recognition has largely been researched in the context of new entrepreneurial ventures, we introduce the concept into the setting of an established firm and introduce a corporate entrepreneurship perspective.

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