



## OPPORTUNITIES, ORGANIZATIONS, AND ENTREPRENEURSHIP

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In an influential 1989 article, Karl Weick described the theory development process as an exercise in *disciplined imagination* (Weick, 1989). Building on Campbell's (1974) notion of theory development as *ideational trial and error*, Weick argued that effective theorists engage in imaginary experiments—what Einstein called *thought experiments* (Isaacson, 2007) that suggest possible explanations of a particular phenomena or issue at hand. These experiments are then evaluated by the theorist for their logical completeness and broader empirical implications until, through an evolutionary process, a particular explanation emerges as both robust and generalizable.

Certainly, research on the relationship between opportunities and entrepreneurship has followed the evolutionary path described by Weick (1989). Traditionally, these *thought experiments* focused on two distinct types of opportunities—those created by price discrepancies within a market (Kirzner, 1979; Miller, 2007) and those created by exogenous shocks to existing industries (Shane, 2003). A great deal of theoretical and empirical work has focused on understanding and expanding the implications of these two *thought experiments*.

More recently, a different *thought experiment* about opportunities and entrepreneurship has begun to emerge. Building on an evolutionary approach to

entrepreneurship (Aldrich and Ruef, 2006; Baker and Nelson, 2005) this approach to the study of entrepreneurship suggests that traditional decision-making tools may not always be applicable in exploiting entrepreneurial opportunities (Sarasvathy, 2001). In this *creation* thought experiment (Alvarez and Barney, 2007) opportunities can be formed endogenously by entrepreneurs themselves. Work is only now beginning to examine the theoretical and empirical implications of this thought experiment about entrepreneurial opportunities.

In this sense, this special issue—and the last—can be seen as an effort by a wide variety of scholars to try to come to some understanding about these three ways of thinking about opportunities, each of their implications, and—most importantly—the relationships among them. There is little doubt that debates about these three ways of thinking about opportunities will continue for some time—debates that are likely to benefit the field of entrepreneurship for many years.

In this issue, these debates are joined by a distinguished group of scholars. The first article, by Luksha, *Niche construction: the process of opportunity creation in the environment* suggests that one way that entrepreneurs can *create* opportunities is to transform the institutional environments within which they operate. In a sense, Luksha ends up suggesting that the endogenous acts of entrepreneurs to change their environments can have the effect of creating exogenous shocks to the markets within which they operate.

The second article by Hmieleski and Baron, *Regulatory focus and new venture performance: a study of entrepreneurial opportunity exploitation under*

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*conditions of risk versus uncertainty*, examines the link between cognition and entrepreneurial action in different kinds of opportunity settings. Building on the distinction between discovery and creation opportunities Alvarez and Barney, (2007), argue that a *prevention* cognitive focus should pay off in risky discovery settings, while a *promotion* cognitive focus should pay off in uncertain creation settings. Their hypotheses are supported for creation opportunities, but are not supported for discovery opportunities.

The third article, by Gartner, Shaver, and Liao, *Opportunities as attributions: categorizing strategic issues from an attributional perspective*, explores why entrepreneurs describe the opportunities they are exploiting in the ways that they do. Using theory originally developed for identifying strategic issues in larger firms, these authors show that entrepreneurial perceptions about opportunities are primarily a function of entrepreneurs' perceptions of their own human capital and their willingness to employ this human capital.

The fourth article, by Dyer, Gregersen, and Christensen, *Entrepreneur behaviors, opportunity recognition, and the origins of innovative ventures*,<sup>1</sup> shifts attention away from cognition toward entrepreneurial behaviors. These authors distinguish between *creative* and *noncreative* entrepreneurs and, using both inductive interviews and deductive surveys, describe a series of behaviors that creative entrepreneurs engage in that less creative entrepreneurs do not. In this sense, this article discusses the behavioral precursors to exploiting opportunities, whether those opportunities are recognized, discovered, or created.

The fifth article is by Townsend and Busenitz, *Factor payments, resource-based bargaining, and the creation of firm wealth in technology-based ventures*. This article suggests that whether recognized, discovered, or created, the essential attribute of all opportunities that makes it possible for them to create economic profits that can be appropriated is that they must be acquired or developed in imperfectly competitive strategic factor markets (Barney, 1986). They then focus on one particularly important way that this can happen—when entrepreneurs bundle resources and capabilities together in new and innovative ways. In this sense, this article

transcends the discussion of specific types of entrepreneurial opportunities, to focus on how any opportunity can be exploited to create economic profits.

The final article, by Sleptsov and Anand, *Exercising entrepreneurial opportunities: the role of information-gathering and information-processing capabilities of the firm*, continues the focus on entrepreneurial opportunities, in general, by suggesting that the information processing capabilities of entrepreneurs and firms has an important, but subtle, impact on the exploitation of these abilities. This article, together with the article by Townsend and Busenitz, suggest that research on opportunities must not just focus on differences among different types of opportunities, but also on what organizational and market processes affect all types of opportunities.

These six articles, together with the articles in the prior issue of this journal, constitute some of the latest thinking about opportunities and entrepreneurship. But this is far from the *last* thinking about these topics. There are still many unanswered questions about opportunities and how the formation and exploitation of these opportunities either adapts to an environment or changes the environment. Questions such as whether institutions form opportunities or opportunities form institutions and under what conditions these differences may occur has yet to be examined. Likewise, there has been little research on the impact of the type of opportunity formed and exploited on organizational form. These and many other questions have yet to be examined.

As the implications of current extant *thought experiments* are more completely understood, it is likely that still new *thought experiments* about opportunities and entrepreneurship will emerge, and debates and discussion and empirical examination will continue for some time. This, of course, is all for the good.

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<sup>1</sup> In this article, the word *recognition* is used to suggest an event and not theoretically to describe a type of opportunity.

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