



Misgivings about dismantling the opportunity construct



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ABSTRACT

The concept of entrepreneurial opportunity has become a fundamental entity organizing entrepreneurship research. Recently, however, the validity of the construct has come into question with scholars noting definitional fragmentation as highly problematic and advocating for dismantling the construct in favor of replacement concepts. This paper articulates misgivings over this movement by identifying several stumbling blocks it creates for the future of entrepreneurship research. These realizations are followed by the notion that agreeing the construct is representationally valuable and accepting systematic variation in construct definition as a function of clarified conceptualizations of the process underpinning entrepreneurship is a more advantageous equilibrium state. Specific benefits associated with a move in this direction are identified.

1. Introduction

A robust body of literature has solidified the construct of *entrepreneurial opportunity* as a “fundamental entity” (Kuhn, 2012) in entrepreneurship research (Short et al., 2010). Despite its demonstrated utility, there are notable challenges associated with the concept and several scholars have taken issue with the lack of definitional clarity and theoretical precision surrounding the opportunity concept. This has led some scholars to claim it is nothing more than linguistic innovation (Ramoglou and Zyglidopoulos, 2015) while others claim it is inherently elusive (Dimov, 2011) and thus suffers from an irresolvable construct clarity problem (Davidsson, 2015). Therefore, some insist that the *opportunity* construct be replaced with alternative concepts such as “new venture ideas, external enablers and opportunity confidence” (Davidsson, 2015; Davidsson, 2016) while others call for abandoning the construct altogether (Foss and Klein, 2012; Klein, 2008). These reactions are notable because they indicate a proclivity by entrepreneurship scholars to change the focus of the conversation rather than tackle the difficult questions presented by the opportunity concept.

In many ways, this is to be expected. The opportunity concept is essentially an umbrella construct that encompasses a range of dynamics that lead up to and include new venture formation. This is important because prior research has documented that umbrella constructs typically rise and fall along a predictable path. Hirsch and Levin (1999), for example, carefully map the evolution of umbrella constructs and document that as scholars grapple with ambiguous aspects of a construct, meaning becomes fragmented and the initial excitement about the construct's ability to represent complex phenomena wanes as murmurs of discontent grow around the diversity of definitions used to represent the phenomena. These murmurs often grow into full-scale attacks on the validity of the construct in the form of calls to pull back and reconsider the appropriate use of the construct. As the discussions above highlight, dynamics along these lines appear to be unfolding with the entrepreneurial opportunity construct.

This is insightful because Hirsch and Levin (1999) go on to conclude that when this happens, one of three equilibrium states unfold: (1) construct coherence – definitional fragmentation challenges are resolved; (2) permanent issue – agree the construct is

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representationally valuable and accept variation in definition; or (3) construct collapse – abandon use of the construct, usually in favor of multiple sub-elements. Viewed in this light, it is clear that efforts by some scholars to replace the construct with alternative concepts or to disband its use entirely are pushing for the equilibrium state of construct collapse. I have misgivings over this movement because it introduces several stumbling blocks for the future of entrepreneurship research. These are failures to consider (1) definitional fragmentation is the result of a lack of process clarity unsolved by dismantling the opportunity construct, (2) the construct represents the language used by entrepreneurs in the field and (3) authors who utilize the opportunity construct will increasingly incur the high costs of responding to challenges from the validity police. Considering these issues, I advocate a push towards “permanent issue” rather than “construct collapse” as a more advantageous equilibrium state. This article elaborates on these points and articulates some of the benefits of a shift in this direction.

2. Problems with pushing towards construct collapse

A construct is conceptual abstraction of phenomena that encompasses a shared set of observations (Babbie, 1992; Suddaby, 2010). Constructs are mental representations that reduce the complexity of reality to a level of comprehension. Constructs that do this well are adopted by many scholars, and as consensus builds around the value and utility of the construct, it becomes objectified – seen as an entity outside the minds of individuals (McKinley, 2005). The advantage of construct objectification is the consensus that underpins it provides legitimacy to phenomena as a topic of research. In entrepreneurship, legitimacy of the topic of study for the field was once of central concern until Shane and Venkataraman (2000) introduced the notion that by focusing on the construct of *entrepreneurial opportunity* the field could be both distinct and legitimate. This idea was so successful that the opportunity construct became a fundamental entity in guiding entrepreneurship research.

However, because constructs are mental representations, their power lies in consensus that the construct is a more accurate representation of the phenomena than competitors. Consensus, though, is fluid and constructs are subject to *de-objectification*, a situation that occurs when there is “a lack of consensus among scholars about the definition of the construct” (McKinley, 2005, p.101) and this highlights the subjectivity of the construct often resulting in construct collapse. Indeed, there are numerous definitional formulations of the opportunity concept and it appears that de-objectification of the construct is surfacing. Davidsson (2015), Foss and Klein (2012) and others assert that definitional fragmentation observed flows from inherent characteristics of the construct. That is, an elusive fundamental nature of the empirical reality surrounding the phenomenon coupled with the elasticity of the concept makes a unified definition of the opportunity construct unachievable (i.e., a construct clarity problem¹). In response, Davidsson (2015), perhaps unknowingly, advocates for construct collapse as a desired equilibrium state in the sense that he argues dropping the opportunity construct in favor of alternative concepts such as new venture ideas, external enablers and opportunity confidence.²

2.1. Unresolved process clarity

While I agree with Davidsson that definitional fragmentation is a potential problem, I disagree with the assumption that the reason for such fragmentation is the inherent elusiveness of the concept and that sub-dimension replacement constructs are the solution. My position is that the source of definitional fragmentation is not a lack of construct clarity, but rather it is a lack of process clarity. Entrepreneurship is a process (McMullen and Dimov, 2013) and there are many conceptual abstractions (i.e., models) of entrepreneurship as a series of activities (e.g., Bhave, 1994; Ruef, 2005). Some approaches see the process as non-linear (Sarathy, 2001) while others conceptualize it as a sequential set of phases that unfold over time (see Fig. 1). Regardless of the approach, process models pose challenges for empirical research because the process is decomposed into phases such as means, experimentation and commitments (Chandler et al., 2011) in the non-linear approach or identification, evaluation, and exploitation in the linear tradition (Shane and Venkataraman, 2000) under the guise that phases can be studied independently via a series of input-output analysis (cf., Wood and Williams, 2014). However, these phases lack clarity in the sense that they are loosely defined and fail to specify clear beginning and end points.

The implication is that as researchers study specific phases, the process approach necessitates ‘stretching’ the definition of ‘opportunity’ to operationalize the construct consistent with the conceptualizations of the phase under study (i.e., identification, developing, etc.). As this unfolds across many studies, a feedback effect is realized as variations in operationalization and measurement of the opportunity construct increase ambiguity (McKinley and Mone, 1998). Hence, the meaning of the opportunity construct becomes increasingly fragmented over time, but not because of characteristics of the concept, as Davidsson (2015), Foss and Klein (2012) and others have claimed, instead because of the manifestation of a lack of clarity around the process (Van de Van, 2007). This lack of clarity cannot be resolved by moving to replacement concepts. Any replacement concept would be regularly redefined to map onto the process in the same way the opportunity construct has, resulting in the very same definitional fragmentation the new concepts were supposed to eliminate. Essentially, replacements concepts take us right back where we started and in the case of Davidsson (2015), times three.

¹ This includes the inherent favorability aspect of the opportunity construct as discussed by Davidsson (2015) as a definitional conundrum.

² Notably, the word ‘opportunity’ appears in one of the replacement constructs, suggesting it has representational value even in a reconceptualization.

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