

Rethinking The Concept Of Entrepreneurial Emergence: A Perspective Of The Individual As The Focus

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ABSTRACT

The paper explores the concept of entrepreneurial emergence in the context of pre-organization event and located the core focus of entrepreneurial emergence in the individual thought process. It takes a radical departure from existing views to develop a new meaning of the concept and refers to this as the relevant interpretation. It identifies that entrepreneurial emergence is not the same as the coming to being of an enterprise but the budding of entrepreneurial mind in an individual. The coming to being of an enterprise is essentially an organizational emergence separate from entrepreneurial emergence. Entrepreneurial orientation and intention are the core components of entrepreneurial emergence. Fundamentally, the paper presents a platform for identifying why and how people become entrepreneurs and uses the concept to capture the initialization stage of becoming an entrepreneur. The perspective presented in the paper represents the birth of a new thought about the concept of entrepreneurial emergence which is expected to stimulate deeper examination of the contending views and theories.

Keywords: Rethinking; Entrepreneurial emergence; Organizational emergence; Entrepreneurship;

INTRODUCTION

The need for entrepreneurship development has been greatly emphasized in all nations particularly in the developing countries which have great experiences of economic hardship and mass poverty. Government at all levels are now implementing policies to facilitate business venturing and encouraging entrepreneurial spirits of the members of their societies.

The concept of entrepreneurial emergence has increasingly become an important area of focus in entrepreneurship research. This is evident in the various research efforts on the forces of entrepreneurial emergence and in the studies of entrepreneurial behaviour and processes that lead to the emergence of new firms. Some of the research efforts in this area include Reynolds (2000); Gartner, Shaver, Carter and Reynolds (2004); Carter, Gartner and Reynolds (1996); Saravasthy (2001); Hunt and Aldrich (1998); Van de Ven and Garud (1989), Ogundele (2012) and Chiles, Meyer and Hench (2004). This increasing interest in the area of entrepreneurial emergence has been necessitated by the need to facilitate business venturing based on the identified importance of entrepreneurship and business organizations in economic growth and development, on one hand, and on the other hand, the low level of interest by people in many societies to engage in entrepreneurial ventures.

Although studies on entrepreneurial emergence have only been emphasized recently, the concept of emergence in itself is not new in science. A lot of studies have been carried out in science on the nature of emergence which provide a useful framework for studying emergence in entrepreneurship. Much of the ideas on emergence in entrepreneurship are borrowed from emergence events in science. Thus the concept and definitions of entrepreneurial emergence

are tailored towards the views about “emergence” in the field of science. From the perspective of general science, “emergence is an “embodied” process that leads to the generation of something new” (Fletcher, 2003). However, in the various views it is apparent that emergence in entrepreneurship is linked to three related phenomena, as reported by Lichtenstein (2008). These include: the creation of new industries (Aldrich and Fiol, 1994), start-up i.e. coming into being of new firms (Gartner, 1985), and the discovery and exploitation of economic opportunities (Shane and Venkataraman, 2000). Entrepreneurial Emergence has therefore been discussed at these three levels with each context constituting a distinct literature on entrepreneurial emergence (Lichtenstein, 2008). This paper presents theoretical departure from existing contexts by situating entrepreneurial emergence in the psychological rebirth of an individual to have an inner desire to engage in a personal productive activity that meet the needs of society and to believe in himself as having the capability to be successful; rather than situating it in the establishment of a new venture itself. It presents entrepreneurial emergence as the thought process leading to the event of a new venture establishment rather the event itself. It views entrepreneurial emergence as connected with the individual attitudinal change and the birth of a new mindset that favours ownership of one’s own business; rather than coming to existence of the organization itself. Essentially, the paper presents a basis for rethinking and redefining the concept of entrepreneurial emergence in a way that allows for the development of entrepreneurial personality through the modification of individuals’ thought processes.

METHODOLOGY

The paper is purely conceptual and relies on views in the existing literature on entrepreneurial emergence and business formation. The discussion was based on the information generated from the review of the literature on entrepreneurial process. The paper generates a new thinking on entrepreneurial emergence based on a structured survey of scholarly works on the theories of entrepreneurial emergence by filtration and synthetic approach in harmonizing the existing views and theoretical patterns. The discussion is therefore a collation of arguments from different perspectives by scholars of entrepreneurship development and observed individuals’ current behavioural patterns and attitudes of individuals who have become business owners, as well as those with intentions to establish business enterprises. In specific terms, the paper is product of a mono-method qualitative analysis with the use of secondary data.

REVIEW OF THE RELEVANT LITERATURE

The various contexts of emergence in entrepreneurship reflects the fact that entrepreneurship is a complex process that occurs on multiple levels of analysis including society, individual organization and industry (Low and MacMillan, 1988; Aldrich,1999, both cited by Lichtenstein, 2008).

At the level of industry and society entrepreneurial emergence is used to describe the introduction of a new pattern of production by exploiting a new technology, and recognizing and re-creating an industry (Tushman and Anderson, 1986 cited in Lichtenstein, 2008) as well as creating entirely new communities of organizations as a result of major technological discovery or breakthrough (Hunt and Aldrich, 1998). Essentially, entrepreneurial emergence at the industry level (i.e. new industry emergence) have been explained by number of factors as cited by Lichtenstein (Ibid). These include technological breakthroughs (Hunt and Aldrich, Ibid); “Cognitive and socio-political legitimacy necessary to gain critical resources (Andrich and Fiol, 1994); endogenous processes that impact firm founding rates in an industry (Carroll,1985); the emergence of a dominant design that facilitates yet constrains further

innovation(Suarez and Utterback,1995); and contextual factors that can expand entrepreneurial events in entire regions (spilling, 1996; Lichtenstein, 2001)”

The organization level of entrepreneurial emergence analysis has its origin in Gartner's (1985) explanation of the process of new venture creation which he described as “the organizing of new organizations” (Lichtenstein, 2008). The definition of an emerging organization in creation, i.e. being formed.(Kartz and Gartner, 1988 cited in Lichtenstein, Ibid). At this level of the analysis of entrepreneurial emergence, the major research challenge has been to identify the origins of new firms and how a venture initially emerge i.e. come into being (Lichtenstein, Ibid). Unfortunately, the task only emphasizes the “how” but never includes why new firms come into being. The phenomenon of organizational emergence only reveal that new firms creation results through entrepreneurial organizing, a process which span over a period. This organizational emergence (entrepreneurial organizing) process has been named differently by different researchers such as Kartz and Gartner (1988), Hensen and Wortman (1989), Vesper (1990) and McMullan and Long (1990) as pre organization, the organization in -vitro, start-up, and pre-lunch respectively. But a more recent view by Lumpkin and Dess (1996) described organizational emergence as “new entry”, which they explained as the act of launching a new venture either by a start-up firm, through an existing firm, or via internal corporate venturing” (Lichtenstein, 2008). This view apparently represents a broader perspective of the concept of organizational emergence. Apparently, this approach to viewing organizational emergence derives from the concept of entrepreneurship as “ the coming into being of products or services for markets that do not yet exist”(Lichtenstein, 2008).

Other researchers have attempted to examine organizational emergence from the perspective of the entrepreneurial organizing behaviours that result in emergence of organization. They defined entrepreneurial organizing as the sequence of start- up behaviours (Reynolds and Miller, 1982). However no studies so far have found a consistent sequence of behaviours that correlates with organizational emergence or successful start-up (Lichtenstein, 2008). Evidently, the analysis on entrepreneurial emergence both in concept and process is quite robust. It has been viewed from different perspectives and at different levels. However, there seem to be an over concentration, whether consciously or unconsciously, on the organizational level to the exclusion of the level of the individual, the agent by whom the organization comes to being. Furthermore, in many of the analyses, organizational emergence has been unthoughtfully confused with entrepreneurial emergence. While in some cases they have been viewed as the same and therefore studied using the same framework, in some other cases analysts have tried to save the situation by distinguishing entrepreneurial emergence in levels and viewing organizational emergence as one level of entrepreneurial emergence among other levels, and the individual, in this approach occupies the rudimentary level.

THE NEW THOUGHT

In this paper, the author views entrepreneurial emergence as different and separate concept from organizational emergence. Entrepreneurial emergence is a phenomenon in itself which given other factors result in or causes organizational emergence. Entrepreneurial emergence is located in the individual i.e. it is associated with an individual.

Entrepreneurial emergence is a situation at a point in time when an individual begins to have new thought about himself in favour of business ownership. The entrepreneur emerges when the individual begins to desire business ownership, and to think and believe in himself that he can do it. Thus entrepreneurial emergence reflects a state of self realization of one's abilities to own and operate an enterprise. In other words, it is a state of new identity of the an individual which he develops upon a realization of his abilities. At this point the individual's attitude

begins to reflect his desire for entrepreneurship. It is a state of ignition yet to enter into motion. Here the latent capabilities of the individual are ignited. This is different from the point when the individual starts or establishes the business to actualize his burning desire and capabilities. It is this business establishment phenomenon that refers to organizational emergence and is defined as entrepreneurial entry. Essentially, the individual first emerges as a potential entrepreneur and then enters into entrepreneurship. Entrepreneurial emergence is the threshold for organizational emergence with the start-up process as the thresh-line between them. There can be some argument about the relationship between entrepreneurial emergence and entrepreneurial orientation. We contend that they are closely related but yet different. Entrepreneurial orientation is the final stage of entrepreneurial emergence when the process of developing interest in entrepreneurship, building entrepreneurial attitude and confidence in one's capabilities to bring together and manage business resources is complete. It is simply an entrepreneurial emergence at maturity. Entrepreneurial orientation is located between entrepreneurial emergence and organizational emergence.

Emergence in general, include the creation of a "new level" of reality. The summary of previous reviews of emergence in sociology and management presented by Mihata (1997) informed that "in the doctrine of emergence, the combination of elements with one another brings with it something that was not there before" (Lichtenstein, 2008). In entrepreneurial emergence that "something that was not there before" is the desire for entrepreneurship, motivation, willingness and intention to engage in business ownership. Thus in the context of entrepreneurship, entrepreneurial emergence occurs when an individual begins to experience the reality about his ability and capacity to own a business, being confronted with the reality of his circumstance. Essentially, what "emerges" in entrepreneurial emergence is the desire for entrepreneurship and positive disposition towards business ownership and management (entrepreneurial intention), all of which culminate into what has been known as entrepreneurial orientation/attitude. The new born is referred to as "entrepreneurial personality" that is capable of creating vision to connect possibilities.

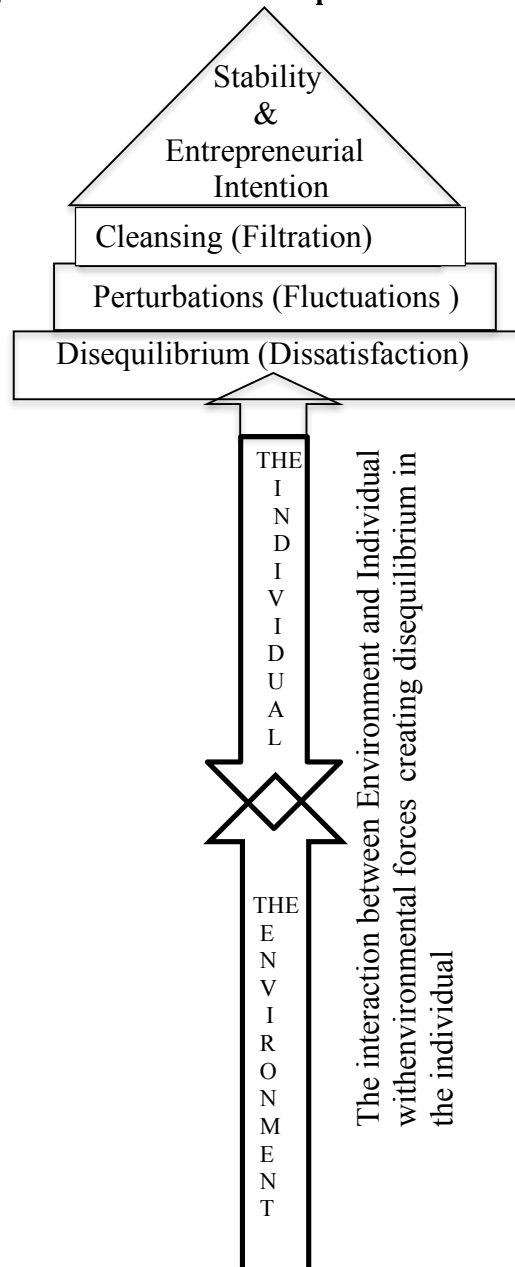
On the other hand, what "emerges" in organizational emergence is a structure called the enterprise or venture. This is what McKelvey and Lichtenstein (2007) referred to as a network of structure of interaction that defines more adaptive versus less adaptive combinations of attributes (Lichtenstein, 2008). It is in organizational emergence that vision created at entrepreneurial emergence moves from vague to clear state to take form and meaning, resulting in new venture. Here, the value associated with the new reality is being discovered and exploited. This process involves "the entrepreneur's perception of opportunity structures, or gaps in the market, that are met by acquisition and management of resources and information networks" (Gartner and Carter, 2004). A critical element in organizational emergence which distinguishes it from entrepreneurial emergence is organizing. Organizing essentially, "makes vision real through an ongoing iteration between the enactment of the entrepreneur – specific actions that 'test' the landscape, 'effectuate' an idea, 'create' an opportunity – and the responses from the environment which give clues to astute organizer of which behaviours to select and drive forward".

However, the process of entrepreneurial emergence is similar to that of organizational emergence even though the former is less visible. The process starts at the state of disequilibrium, that is when the individual has been pushed into a far-from- equilibrium state. At this state the individual is dissatisfied about his present condition and he experiences frustration in his attempt to achieve his socio-economic goals under the existing conditions, he is therefore inwardly dissatisfied. He sees a gap which he needs to fill.

The second stage of the process is that of “fluctuations” or “perturbations” when the individual becomes highly perturbed and disturbed by his condition, and he is confused as to what to do to overcome the situation (i.e. to fill the gap). He finds himself in a precarious situation of survival and tries to assess all the options for survival considering the characteristics (merits and demerits) of each scenario and the implications of his choice or decision. Critically he is faced with uncertainty about the feasibility of his decision and the outcome. At this stage he exhibits fear and lack of confidence in himself. This stage is similar to that of alternative investment/project ideas generation in organizational emergence.

The third stage is that of thought cleansing and re-organization stage where the individual fights against the fear of failure, filters out thought of failure, builds confidence in himself and overcomes or conquers all fears. At this stage the individual creates new perception and develops new orientation about entrepreneurship. The last stage is that of stability where the individual becomes stable in his thought and perception about entrepreneurship. He becomes sure of himself and now has confidence that he can do it. At this stage he is convinced that entrepreneurship engagement is the means to overcome and better his present socio-economic condition. This naturally brings the willingness by him to engage in business venturing reflected by a final decision to own a business. This stage includes the search for opportunities for investment (i.e. the type of business that will meet his needs and objectives) by the individual having made his decision to own a business. This four stage entrepreneurial emergence process is represented in the model below:

Figure 1: Four Stage Individual focal Entrepreneurial Emergence Model



Source: Author

We shift the context of entrepreneurial emergence based on complexity theory from the perspective of “a co-evolutionary process of the emergence of order in a system arising from the interaction between heterogeneous agents in the system” as presented by earlier theorist, (e.g. Holland,1998; Lichtenstein, 2000; Fuller, et.al, 2006) to an individual’s internal evolutionary process arising from the interaction of the individual and his environment. We agree with Holland (1998) and others that emergence is “a product of coupled, context dependent interactions.” However, we contend that what interact in entrepreneurial emergence are not the stages and events (processual interaction) leading to the establishment of an organization as suggested by current theory, but instead what interact are the person’s environment and his needs (both economic and social needs). For example, the interaction between the person’s socio-economic condition of unemployment and abject poverty, and his need for better economic wellbeing and survival would result in new thought about existence and what to do (economic engagement) in the circumstance. Thus critically, the use of complexity theory in conceptualizing and explaining entrepreneurial emergence is relevant

only to the extent that it explores the complex interactional relationships between the various environmental forces and the various needs of the individual to give understanding of how entrepreneurial intention is built in the individual. The complexity phenomenon in this context is used to reflect the large volume of factors or forces which affect and influence the individual's potential for survival; as well as the several needs of the individual which must be satisfied; and the multitude of ways that the environmental forces relate and interact with the individual needs, jointly and singularly, to generate such needs or to provide means to satisfy them.

Entrepreneurship is a process which depends on personal attitude, lifestyle, beliefs, values and motivation which may be inherent or cultivated overtime as a result of influence of the individual's external environment such as his socio-economic conditions, which initializes a new way of thinking about life and the need for achievement. This initialization of the new path (thinking) toward achievement routed in entrepreneurship or business ownership is what is called entrepreneurial emergence. It is on the basis of this that it can be argued that entrepreneurs are made. Who makes them? They make themselves by attitudinal change through the influence of their environment. Their personal socio-economic experience forces them to reconstruct their thought towards being entrepreneurs. Thus technically, entrepreneurship is the product of the interaction between the individual and the environment.

CONCLUSION

In this paper the context of focus is the individual and we have isolated entrepreneurial emergence to the initial realization of the need to become an entrepreneur by an individual. We identified and suggested that what has been largely interpreted in the literature as entrepreneurial emergence is in fact organizational emergence which is the natural outcome of entrepreneurial emergence. While we appreciate the adaptation of the complexity theory of emergence which forms the background of the theorization of entrepreneurial emergence, we contend that entrepreneurial emergence is an event or occurrence of reconditioning the mind from its previous order of thinking to a new order pre-occupied by a desire for entrepreneurship. We contend that it is not at the point of establishing the business or the business itself that constitutes entrepreneurial emergence but the realization of the need for entrepreneurship and the burning desire to convert available opportunities. In our thought, entrepreneurial emergence is located in the individual but influenced by his/her interactions with society. This aligns with the views that suggest that entrepreneurship is an intrinsically driven phenomenon. We also implied that the phenomenon is not related to existing entrepreneurs who are already business owners who may want to establish other new businesses, but essentially to only those who had never been business owners. Thus, we have separated two concepts of emergence in entrepreneurship, viz, entrepreneurial emergence and organizational emergence. It is hoped that conceptualizing entrepreneurial emergence in this context would help to develop an effective framework for entrepreneurial motivation and the making of entrepreneurs in a society. As Fuller, et.al.(2006) observed, the discussions on entrepreneurial emergence indicate how valuable the concept has been in entrepreneurship theorization, however, the discussions have left gaps which require scholarly attention. One of such gaps is the inability and failure to recognize that the transformation of the mind of the individual as the core element of entrepreneurial emergence. This paper fills that gap and serves as a platform for rethinking the concept of entrepreneurial emergence.

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