

Chapter 6

Entrepreneurship and Chance: Evidence of Happy Coincidences, Serendipity, Synchronicity, Black Swan Events, or the “Hand of God”?

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ABSTRACT

The unpredictability of business activities means that entrepreneurs should find a way to adapt and embrace chance. The traditional and predefined process logic offers little support for today’s complex and dynamic business environment. One tenet that shaped the direction of entrepreneurship research is the view that the entrepreneurial opportunity discovery and development is linear, systematic, and rational, that is, it is assumed that all factors are measurable and knowable. However, unknowable instances of coincidence, randomness, and chance factors can play a significant role in new venture creation. The authors propose that these factors point to the nonlinear and acausal phenomenon of chance. This research proposal intends to address entrepreneurs’ alternative mechanisms, other than the classic formal planning model, to harness opportunities or overcome setbacks arising from chance. To achieve our purpose, the authors examine qualitative data drawn from entrepreneurial activity of Spain and Portugal.

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INTRODUCTION

The role of entrepreneurship has become evident since the end of the last century. In modern open economies it has become an important area for economic growth and development (Toma, Grigore, & Marinescu, 2014).

Entrepreneurship is a creative human process, which implies person's will of taking on responsibilities and the mental ability of identifying opportunities where others find only chaos, contradictions, or confusion (Toma et al., 2014). To be an entrepreneur is therefore to act upon a possibility that one has identified and is worth pursuing (McMullen & Shepherd, 2006).

Entrepreneurship is flourishing as a discipline and many scholars have recognized the richness of the entrepreneurship field and incorporated the concept by rethinking theories, developing conceptual models, introducing new constructs, and performing a variety of empirical studies. This plurality certainly signifies an enrichment of the field (Hoskisson et al., 2011).

Yet, scarce attention has been paid to luck, chance, serendipity or misfortunes are still insufficiently researched areas in organization studies and entrepreneurship (Lennerfors & Rehn, 2014). Indeed, there is a disregard of chance in the scientific inquiry (Bandura, 1998).

The world is unpredictable and uncontrollable; it favours ingenuity, improvisation and imagination rather than faith in traditional and predefined process logic. Of course that in times of change, stress and uncertainty, people seek order and meaning in their lives. The inability to predict and control events that can have harmful consequences is highly upsetting (Bandura, 1998). However, chaos is not only a threat; it also creates opportunities for knowledge and ideas. Chance, as Louis Pasteur well noted, 'favours the prepared mind' and this combination lies at the heart of serendipity, for example. Chance makes fascinating turning points in life (Gabriel, Muhr, & Linstead, 2014).

The creation of new ventures is neither simple nor smooth, as there are a number of context specific factors that entrepreneurs need to account for. Despite their importance, the chance of many events is unrecognized and even denied. Columbus, for instance, discovered America's coasts while searching for India (Dew, 2009). In other words, unknowable instances of coincidence, randomness and chance factors can play a significant role in new venture creation.

Chance events are usually related to unplanned, accidental, unpredictable, or unintentional encounters that have an impact on life. For example, chance events were reported as influencing the career decisions of 69.1% of the studied individuals (Bright, Pryor, & Harpham, 2005).

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