

## **The role of psychological ownership in entrepreneurial opportunity identification process in the context of sustainable entrepreneurship – a narrative study of team-based**

How individual or teams identify entrepreneurial opportunities are still into large extent mysteries. Entrepreneurial opportunities are widely studied subjects in entrepreneurship research. This study seeks to understand the role of psychological ownership in entrepreneurial opportunity identification through different theoretical perspectives and by analyzing narratives of interviews of entrepreneurs who have co-founded their enterprise in a team and who view that their enterprise contributes to sustainability. Pierce, Kostova & Dirks (2001) define psychological ownership as a state of mind where the possession towards the target is being expressed. This study aims to understand what kind of experiences of “mine” and “ours” entrepreneurs’ experiences towards their entrepreneurial ideas. Possibly, the ideas are evaluated differently when the idea is experienced as mine or ours. Psychological ownership theory suggests that feelings of “mine” and “ours” get developed, when individuals control some material or immaterial target, intimately know about it and/or invest themselves into it (Pierce, Kostova and Dirks 2001).

McMullen & Shepherd (2007) note that some entrepreneurship theories focus on individual-levels, and other studies focus on system-level, and have different assumptions of knowledge and motivation of entrepreneurs. McMullen & Shepherd (2007) propose that uncertainty is always present in an entrepreneurial process, but in an attention stage the uncertainty is more radical. McMullen & Shepherd (2007) use the term third-person opportunity to describe a possible opportunity for someone. In an evaluation stage they use the term “a first-person opportunity” to refer to an entrepreneurial opportunity that some actor experiences possible for him- or herself.

Entrepreneurship scholars have approached entrepreneurial opportunities from many perspectives. Shepherd & Patzelt (2017) categorize main studies on entrepreneurial opportunities into a cognitive psychology perspective and interactive perspective. Shepherd & Patzelt (2017) note that the dominant cognitive psychology perspective is debating about the definitions and the nature of entrepreneurial opportunities. The research in the field has focused on individuals assessing opportunities. On the other hand, some researchers have called for a need for understanding on entrepreneurial opportunity identification processes also in the collective level. Shepherd, McMullen and Ocasio (2016) use the term knowledge structure by Walsh (1995, 281) who view that knowledge structure refers to a “...mental template that individuals impose as an information environment to give it form and meaning”. Among other researchers Shepherd, McMullen and Ocasio (2016) note that knowledge structure is subjective, and it is used has impact on strategic decision-making processes. Some studies approach entrepreneurial opportunity identification process from interactive perspective (Shepherd & Patzelt 2017). Dimov (2007) notes that entrepreneurial ideas “emerge in an iterative process of shaping and development”, and situations have power in the process, too. Dimov (2007) emphasizes the social role in the entrepreneurial opportunities, and refers the process of shaping, discussing and interpreting the business idea as opportunity development. O’Neil, I. & Ucbasaran, D. (2016) view that entrepreneurs build their enterprises on the values and ideas that matter to themselves, but they also work to balancing external demands, what matters to others while cultivating their own values and beliefs. Shepherd & Patzelt (2017) call for approaches that would include more understanding of interaction dynamics of entrepreneur and community as well. The community can be “other entrepreneurs, financiers, technologists, consumers, and suppliers”. Moreover, entrepreneurial opportunity has been approached from other perspectives, too. Cohen & Will (2007) suggest that market failure can be used to explore sources of opportunities.

In sustainability-oriented entrepreneurship one could assume that entrepreneurial identification process may be special characteristics and may emphasize the role of values and embeddedness in some community. Also, Kibler et al. (2015) emphasize the role of the social context in sustainable

enterprising. Johnson, M. P. & Schaltegger, S. (2020) view that entrepreneurship for sustainable development is a multilevel phenomenon that connects social, environmental and economic dimensions between entrepreneurial processes, market transformations, as well as large-scale societal developments.

Munoz & Cohen (2018) noted categorized sustainability related entrepreneurship research into two research streams that share a common ground: other studies focus on bringing sustainability into entrepreneurship while others focus on entrepreneurship developing sustainability. Dean & McMullen (2007) define sustainable entrepreneurship as "*the process of discovering, evaluating, and exploiting economic opportunities that are present in market failures which detract from sustainability, including those that are environmentally relevant.*" Cohen & Will (2007) define *sustainable entrepreneurship* as "the examination of how opportunities to bring into existence 'future' goods and services are discovered, created, and exploited, by whom, and with what economic, psychological, social, and environmental consequences. Cohens & Wills (2007) perspective to entrepreneurial opportunity identification focuses on discovery of entrepreneurial opportunities instead of the social creation process in them.

This study approaches the phenomenon by studying narratives of entrepreneurs, which makes it possible to combine many levels of analysis: individual, group and institutional level. The datasets in this study are theme interviews of Finnish co-founders who have founded an enterprise with a team and who view their enterprise contributes to sustainability. As a result, this study presents interpreted findings of sustainability-oriented team entrepreneurs and how they view their entrepreneurial opportunity identification process as individuals and as members of a team, and how they explain the social process and relatedness of entrepreneurial idea development in their social context.

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