

JYVÄSKYLÄ UNIVERSITY  
SCHOOL OF BUSINESS AND ECONOMICS

Tarja Niemelä &  
Sofia Kauko-Valli

**The Promise of Pop-Up Entrepreneurship  
Towards Temporality And Ambidexterity On  
Entrepreneuring**

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Jyväskylä University  
School of Business and Economics  
P.O.Box 35,  
40014 University of Jyväskylä, Finland  
Email: [tarja.niemela@jyu.fi](mailto:tarja.niemela@jyu.fi)  
[Sofia.kauko-valli@jyu.fi](mailto:Sofia.kauko-valli@jyu.fi)

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## **ABSTRACT**

Pop-Up entrepreneurship is a new approach to temporal entrepreneurship and entrepreneurial acting in the way we understand entrepreneurship. As an approach it is a new way of thinking of entrepreneurship and insight into acting as an entrepreneur and entrepreneuring in modern society. By focusing on opportunity and effectuation processes as well as ambidexterity we found several areas where these two research streams could interact and generate new research directions. As a result of our study we propose a paradigm shift towards a more temporal-based view on entrepreneurship to develop the idea of pop-up entrepreneurship as promising field of entrepreneurship research.

Keywords: Ambidexterity, Entrepreneurship, Opportunities, Pop-Up Entrepreneurship, Temporality

## 1 Introduction

Risk, ambiguity and change have been traditionally associated with and seen as essential parts of entrepreneurship in its many forms (Landström 2005; Chiles, Bluedorn & Gupta, 2007). However, in the current situation, in the face of the fragile economic recovery following the crisis of 2008, the level of change and ambiguity seem to have escalated uncontrollably. It could be said that the recent dramatic increases in the level of global competition, emerging technological breakthroughs along with the general economic unpredictability and political turbulence, to name a few, have added totally new dimensions to the experienced complexity, uncertainty and unpredictability in the field. While rapid changes, increased complexity, uncertainty etc. may be beneficial for emergent entrepreneurship and serve as a *"hotbed for entrepreneurship"* (Landström, 2005, 66), they can nevertheless become an instrument of destruction of even the most successful ventures.

In public and political speeches particularly, entrepreneurship has been welcomed as a solution to pressing needs, whether we talk about providing affordable and attainable services to citizens or about creating new jobs, flourishing regions or wealth creation in general. In a similar fashion within the field of entrepreneurship research itself, entrepreneurship, as a particular, rather well defined expression of entrepreneurial spirit in action – is seen as a solution to societal, environmental and economic challenges. Without doubt entrepreneurship can be seen at the center of economic development and wealth creation even in future.

On the practical level we could conclude, that a lot of expectations have been placed upon entrepreneurs and on their ability to bring about positive changes through opportunity recognition, creation and exploitation to name a few. From the point of view of flourishing and sustainability, firms need to find totally new kinds of renewal strategies to stay competitive. They should emphasize both agility in innovation (as creative responses to constant change and ambiguity) and take into account the overall well-being of individuals, organizations, and regions at the same time to create sustainability.

The aim of our research note is to suggest that a paradigm shift toward a more temporal and project based view of entrepreneurship would be beneficial to open up new avenues for thinking and to bring about the desired outcomes. We propose that a new form of entrepreneurship, namely Pop-Up Entrepreneurship is called for, that embraces ambiguity and takes openly advantage of the fast changes and unpredictability in the field. We begin by discussing opportunity formation and ambidexterity and connecting these ideas into temporality in entrepreneurship. Lastly, preliminary definition and implications of the idea of pop-up entrepreneurship is proposed. Our main purpose is to encourage temporal pop-up entrepreneurship research.

## **2 Our understanding of entrepreneurship in a modern society**

As we have learned, the idea of entrepreneurs who discover and create opportunities is not a new one (Cantillon [1775]; Smith 1776; Ricardo 1817; Knight 1921; Schumpeter 1939; Kirzner 1997). In these early traditions of entrepreneurship research individuals are thought of as acting entrepreneurially alone or in groups,

and to identify competitive opportunities in product or factor markets in order to seek to exploit them in an effort to generate economic profits (Casson [1982]; Alvarez, Barney, & Anderson, 2013). Furthermore, the main body of entrepreneurship research is based on the models employed by neoclassical economics such as rational decision-making (Perry, Chandler, & Markova, 2011).

Our understanding of entrepreneurship comes from our own experience of teaching entrepreneurship in business school, but also from managing and owning several businesses and developing entrepreneurship in a rural context. Our understanding of entrepreneurship differs from the predominant entrepreneurial decision-making model, which is goal-driven, taught in business schools, as referred to by Sarasvathy (2001) as a causation model. We follow with the idea of Sarasvathy (2001) who argued that individuals also employ effectuation processes when pursuing entrepreneurial opportunities. Effectuation identifies and questions basic assumptions of how individuals think and behave rationally when starting business and offers an alternative explanation to causation that is believed to have face validity (Perry, Chandler, Markova 2011). When using effectuation processes, entrepreneurs start with a generalized aspiration and then attempt to satisfy that aspiration using the resources they have at their immediate disposal (i.e., who they are, what they know, and who they know). The overall objective is not clearly envisioned in the beginning, and those using effectuation processes remain flexible, and take advantage of environmental contingencies as they arise, and learn as they go. As Venkataraman (1997, 120) has put it *“in the absence of current markets for future goods and services manage to come into existence”*.

The Pop-up entrepreneurship idea proposed here instead focuses on temporal perspective on entrepreneurship. It can be seen as a solution for e.g., personal, organizational or even regional level of renewal. It could be used to solve unemployment issues, as an opportunity to test (examine) one's suitability and willingness to act as an entrepreneur or to create opportunities to use one's competences and capabilities in various stages of life-course. Entrepreneurial acts, whatever they are carry the idea of temporality within them (Sharma, Salvato & Treya, 2014). We refer to temporality in entrepreneurship in general, but also within entrepreneurial acts. We agree with Lindgren & Packendorff (2003) that the view of reality is a result of social construction of the entrepreneurial act as this can encourage researchers of entrepreneurship to use multiple perspectives in theory, practice and methodology, when it comes to temporality and entrepreneurial action of single actors or entities.

We refer to temporality as an opportunity for entrepreneurship itself (various forms of entrepreneurship, public-private partnerships, etc.) that can be launched in order to solve wicked problems in our society or just to find resource-wise solutions for entrepreneurs or e.g., municipalities to produce better services for their citizens. When it comes to temporality we want to think here that entrepreneuring can be itself temporal solution for something, or adaption, maintaining, innovation of businesses or renewing action, idea or performance of individuals or groups that needs to happen by entrepreneuring or by acting entrepreneurially.

### 3 Opportunity formation processes

Opportunity formation processes suggests that opportunities are formed by exogenous shocks to pre-existing markets or industries that entrepreneurs then discover (Shane 2003), or alternatively opportunities are formed endogenously by the entrepreneurs who created them (Alvarez & Barney 2007). As Alvarez et al., (2013, 313) have pointed out *'the focus on processes shifts the traditional view in entrepreneurship from one of search, i.e., the superman-like entrepreneur with extraordinary vision who sees opportunities, to a view that includes the processes used to form opportunities. Processes that are often iterative and are trial-and-error processes that fail and succeed produce novel products and services.'*

Recent literature has recognized that opportunity formation processes may vary and the differences may affect both entrepreneurs as well as *'a variety of broader social and economic phenomena'* (Alvarez, Barney & Anderson, 2013, 30) but there is no consensus of how to study these issues (McMullen & Shepherd, 2006; Sarasvathy, Dew, Velamuri, & Venkataraman, 2003).

Whilst the ongoing debate on opportunities holds discovered opportunities as belonging within the critical realist paradigm and creation of opportunities in evolutionary realist. The differences between opportunity recognition and opportunity creation as the former, leaning on the critical realist ontology, highlights the differences between individuals who recognize the opportunities and those who do not. This probably is a factor that pushed the entrepreneurship research towards researching individual differences between entrepreneurs and non-entrepreneurs. (Alvarez, Barney, & Anderson, 2013, 309; Dimov 2007) However, the results in this



line of research have been somewhat controversial. It seems that there have been only cognitive differences found between entrepreneurs and non-entrepreneurs and it still is unsure if the differences are the cause or the result of entrepreneurial activities (Alvarez & Barney, 2007).

Opportunity recognition takes the research of strategic renewal deeper to the roots of humanity. Lumpkin and Lichtenstein (2005, 457) see opportunity recognition in accordance to the view of Timmons (1994); as *"an iterative process through which insights are contemplated, new information is collected and considered, and knowledge is created over time"* and as a form of creativity possibly embodied in new ventures or innovation. Grégoire, Barr & Shepherd (2010) take into account individual reasoning strategies, cognitive processes and the role of prior knowledge. Opportunity recognition is discussed in the context of organizational learning. They also emphasize that opportunities arise from changes. There are also two different ways to look at entrepreneurial action regarding opportunities: a) process of recognizing opportunities, concerning subjective abilities and means to exploit the opportunity, or b) opportunity evaluation, by recognizing the opportunity and evaluating its actionable suitability for oneself regarding means and motives. (Grégoire, Barr & Shepherd 2010).

On the individual level opportunity enactment seems theoretically as a quite simple concept. However, the more individuals the levels contain (group, organization), the more complex the opportunity enactment theoretically becomes.

#### **4 The role of ambidexterity in exploration and exploitation of opportunities in entrepreneurial action**

The word 'ambidexterity' is derived from the Latin *ambos*, 'both', and *dexter*, 'right' (as opposed to left) i.e, ambidexterity is 'right on both sides'. Ambidexterity has two dimensions such as temporal (simultaneous vs. sequential) and structural (independent vs. interdependent) that can be further differentiated in harmonic, partitional, cyclical and reciprocal dimensions. (Simsek, Heavey, Veiga & Souder (2009, 865). Although there are several definitions of ambidexterity, we follow here with the definition provided by Vera and Crossan (2004) as they take into account both the time (temporality and project based action) and context by saying that ambidexterity is one possibility on how to succeed in the contemporary, rapid and complex competitive environment.

Organizational ambidexterity describes the ability to balance opportunity exploration activities with opportunity exploitation activities (March, 1991). Exploration activities include search, experimentation, and discovery, whereas exploitation entails the refinement and implementation of discoveries (March, 1991) made. Ambidexterity research suggests that firms shift their focus between exploration and exploitation and vice versa over time (e.g., O'Reilly & Tushman, 2007). Empirical research has indicated that when firms strike a balance between exploration and exploitation activities, they tend to experience direct benefits in firm performance (e.g., Allison, McKenny, & Short, 2014; Uotila, Maula, Keil, Zahra, 2009).

Further research on ambidexterity in family businesses suggest that the unique attributes of family firms influence how they balance the need to exploit existing

knowledge with the need to explore and develop new knowledge (Sharma & Salvato, 2011). While research has examined how ambidexterity emerges in family firms and how it affects performance, little is yet known about how family firms balance exploration against exploitation efforts over time. Lack of knowledge concerning how temporal factors influence ambidexterity in family firms creates a gap between what we know and what we would like to know about ambidexterity in family firms. This lack of knowledge is problematic because time has been found to play an important role in organizational culture, innovation, and intergenerational succession in family business (Craig & Dibrell, 2006; Craig & Moores, 2006), suggesting that the balance between exploration and exploitation may change over time.

As Simsek (2009, 610) notes; “ New world-views have to be developed that account for both the known as well as the unfamiliar, and this process can have beneficial influences on OA. “ Simultaneously, while considering the benefits of organizational ambidexterity, he differentiates how specialists, focused mainly on exploitation or exploration, might function better in a non-turbulent environment, while generalists, being highly ambidextrous, are more likely to flourish in a turbulent ones. There is a need for “the capacity to simultaneously implement diverse courses of action: incremental and discontinuous innovation, exploration and exploitation, flexibility and control, and feed-forward and feedback learning. (Vera & Crossan 2004, 227). Ambidextrous organizations are equally hospitable to exploration and exploitation. They preserve local autonomy, support risk taking, and build control systems that ensure local responsibility and accountability

(Tushman & O'Reilly, 1996), while a common vision and a core set of rules and values act as glue to hold it all together.”

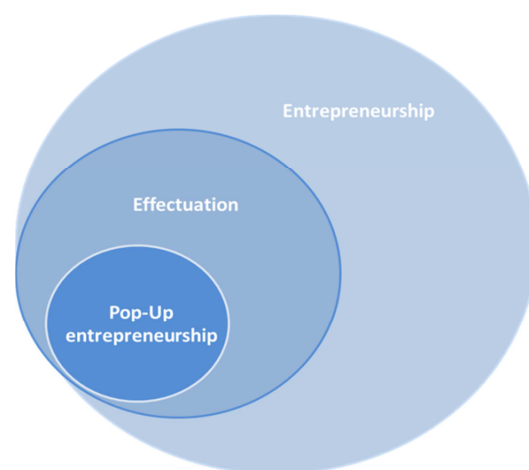
By Kang & Snell (2009) ambidextrous learning is seen as an organizational capability. They start from the exploration as improving firm's abilities in searching new opportunities and renewing the capabilities in changing environments, while exploitation focuses on existing capabilities and already recognized opportunities. They continue with the notion that one-dimensional use of either of the aforementioned strategies is not beneficial. Ambidexterity is one way to balance between exploitation and exploration. Kang and Snell (2009,66) differentiate three varying ways to ambidexterity: 1) Structural ambidexterity (or spatial partitioning) organizational units engaged in exploration are physically separated from those emphasizing exploitation, 2) Contextual ambidexterity all the individuals in an organization have a behavioural orientation towards both capacities, and 3) Punctuated equilibrium or temporal cycling between long periods of exploitation and short bursts of exploration.

## **5 The Promise of POP-UP Entrepreneurship from the viewpoint of temporality and ambidexterity**

Our impulse *to propose a paradigm shift* towards a more temporal and project based view on entrepreneurship and *to develop a theory of Pop-Up Entrepreneurship* comes from the notion that since we cannot escape the tumultuous aspects of our business environment, we need to find fresh ways to embrace and take advantage of them instead. The questions that led to theorizing about Pop-Up Entrepreneurship are:

- How could we create a more entrepreneurial environment?
- How could we release the entrepreneurial potential in our societies even better?
- How could we embrace and take advantage of the tumultuous aspects of the current business environment?
- How could we create a more sustainable model of business renewal that includes flourishing of individuals, organizations and regions?

As a conclusion of our research note we define *Pop-Up Entrepreneurship* as an *entrepreneurial thinking and action pattern that emphasizes a temporal, opportunity and action focused view on entrepreneurship as a whole*. Pop-Up Entrepreneurship aims to see, size, create and exploit opportunities hidden in the fast paced, constantly changing and unpredictable business environment, using effectual logic.



**Figure 1** Pop-Up Entrepreneurship in the Field of Entrepreneurship

## **6 Discussion**

### **6.1 The Idea of Pop-Up Entrepreneurship: Balancing, Renewing or Something Else**

Despite significant investments in entrepreneurship friendly policies and support systems over the years, the results as business start-ups, growth and internationalization of businesses – have been rather modest at best. At the same time a lot of entrepreneurial potential is still wasted (women, minorities, elderly) due to limiting and narrow definitions of what entrepreneurship is and what it should be. Particularly barriers to entry, problems in start-up of business as well as securing venture capital for growth and problems at business exit have been mentioned in earlier literature. Further in response to the fast paced, continuously changing and rather unpredictable business environment, we would greatly benefit from making a shift towards flexibility and dynamism within the field of entrepreneurship. Although the relationship between business performance and entrepreneurial bricolage is far from straightforward, it could be utilized judiciously to overcome resource constraints and to create an overall culture of renewal within the firm.

### **6.2 Practical Ideas**

*P- People.* Start always with appreciating individuals - their dreams, passions, knowledge, skills, networks etc. play a crucial role in any kind of renewal. Top down change management is often arduous and ineffective, whereas bottom up created change can become an empowering force for individuals, teams as well as whole organizations. In a positive organizational climate people are willing and able to share their ideas and make sustainable change a reality.

*O – Opportunity obsession.* Although all kinds of fresh ideas could be playfully explored, look for real opportunities that are created in the passion, knowledge, networks nexus and genuinely utilize the space created in fast paced changes and unpredictability in the business environment. Stay playful.

*P – Projects.* Keep the emphasis on short term, innovative and playful explorations with available opportunities. The aim here is to DO something, to create something new with the existing resources and resource combinations. Instead of fearing failure, look at failure as crucial and welcomed part of the learning process. Action focus, doing new things and immediately testing them out in an authentic environment is the key.

*U – Utility.* Place high value on any active exploration and testing of ideas in an authentic context. Remembering the corridor principle, new opportunities can be seen once we DO something differently. Utility of what is been explored can come in many different forms. Finding organizational passion is priceless. Even if the project fails, it may open up new avenues in form of contacts or new knowledge formation or create a culture of design thinking.

*P – Piloting.* Short term explorations based on effectual logic could lead to many new opportunities that could be further developed into longer term pilot projects. Here, however it would be worth to remember that although the playful explorations with existing resources could lead to long term development, spin-offs etc. the focus of Pop-Up Entrepreneurship is in creating inspiring short term explorations and to experiment with entrepreneurial thinking to renew organizational thinking and create positive change.

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