

Doctoral Consortium Title: How does prior knowledge affect entrepreneurs' identification of green business opportunities through the theory of planned behaviour?

INTRODUCTION

Despite the progress towards sustainability efforts of major companies worldwide, 95% of the businesses in the world belong to micro, small and medium-sized enterprises. ((*WTO / Informal Working Group on Micro, Small and Medium-Sized Enterprises (MSMEs)*, n.d.) Therefore, looking at what SMEs and their entrepreneurs worldwide are doing regarding sustainability is an important topic to investigate.

In Asia, the estimated market size of sustainability business is expected to be between USD 4-5 trillion dollars by 2030. (*Asia's \$5 Trillion Green Business Opportunity | McKinsey*, n.d.) This creates huge opportunities for entrepreneurs in Asia. So why do we not see entrepreneurs in Asia jumping onto the bandwagon? Was one of the reasons that they did not know how to identify and exploit the new opportunities in the green economy.

Since the Shane & Venkataraman's paper in 2000 on the promise of entrepreneurship as a field of research, the research on opportunities and how to exploit them has been a central theme in entrepreneurship research (Shane, 2003; 2012; Eckhardt & Shane, 2003; Alvarez & Barney, 2010).

This study builds on existing academic literature on entrepreneur opportunities identification, especially in the areas of prior knowledge by Shane (2000) and the opportunity identification theory by Ardichvili et al. (2003). The main objective is to establish whether prior knowledge in green and sustainability-related knowledge directly impacts entrepreneurs' ability to identify green opportunities. (Hanohov & Baldacchino, 2017; Patzelt & Shepherd, 2011) By addressing gaps in the existing literature and offering actionable insights for practical applications, the study may provide valuable contributions to better understand the elements at play for the opportunities identifications in the green economy by entrepreneurs. In a more macro view, it may also contribute to the understanding of green and sustainability-related economies and thus, foster its growth.

LITERATURE AND THEORETICAL FOUNDATION

Prior Knowledge

Kirzner's theory of entrepreneurship emphasises the equilibrating role of entrepreneurship (1973). When the market is not in equilibrium, profit opportunities exist, and entrepreneurs discover and act on these profit opportunities to equilibrate the market. As information is not symmetrical, only a subset of the population can recognise any particular opportunity at any particular time (Kirzner, 1973). This aligns with what has been observed in Asia: only some entrepreneurs managed to identify opportunities in the green economy, while others experienced difficulties doing so.

So, why do people discover some entrepreneurial opportunities and not others? One answer is that people recognise opportunities related to their prior knowledge (Venkataraman, 2019; Shane 2000).

Prior knowledge is made of three elements: the knowledge that comes from activities that are of special interest to the entrepreneur, the entrepreneur's professional experiences, and the entrepreneur's formal education. (Ardichvili et al., 2003)

As Venkataraman argued that sources of prior knowledge that lead to opportunity discovery are idiosyncratic, resulting from work experience, personal events, and education (2019), so would it also apply to sustainability? Would prior knowledge of green and sustainability-related topics lead to opportunities identification among entrepreneurs? This is something that this study seeks to uncover.

Entrepreneur Opportunity Identification

There have been numerous research on the identification of entrepreneur opportunities over the last 2 decades since (Shane & Venkataraman, 2000; Shane 2012) with mostly 2 schools of thought. One focusing on opportunities discovery (Shane, 2000, Eckhardt & Shane, 2003) the other focusing on opportunities creation (Alvarez & Barney, 2020). This distinction is important as opportunities for discovery and creation are thought to involve very different decision-making modes (Maine et al., 2015).

This study builds upon the framework by Ardichvili et al. (2003) in the study of entrepreneur opportunities identification on a discovery school of thought. It examines how prior knowledge and entrepreneurial alertness impact the opportunity identification process.

Theory of Planned Behaviour (TPB)

The Theory of Planned Behaviour proposes that an individual's decision to engage in a specific behaviour can be predicated by their intention to engage in that behaviour (Ajzen, 1991).

Entrepreneurial activities represent planned (intentional) behaviour. Krueger & Carsrud, (1993) Opportunity identification is also an intentional process. Karimi et al., (2016) which makes the TPB a well-suited theory for this topic.

RESEARCH QUESTION, AIM, AND OBJECTIVES

Research Question:

The primary research question of this study is: How does prior knowledge affect entrepreneurs' identification of green business opportunities through the theory of planned behaviour?

Research Aim

The aim of this study is to provide valuable insights for encouraging entrepreneurship in the green and sustainability-related space by understanding the impact such knowledge may have on identifying opportunities by entrepreneurs in Asia.

Research Objectives

The primary objective of this study is to understand whether entrepreneurs in Asia would be able to identify more opportunities in the green and sustainability-related economy with related prior knowledge.

PROPOSED METHODOLOGY

A qualitative methodology will be adopted with a sample size of 40 entrepreneurs based in the Asia country of Vietnam. Vietnam was chosen because it is a vibrant export economy in Asia, and it has had huge entrepreneurial activities since its opening in the 1990s.

A case study will be conducted whereby participants(entrepreneurs) are provided with knowledge of green and sustainability-related potential information (prior knowledge). After this, individual entrepreneurs would be studied to understand whether entrepreneurs are able to identify opportunities related to their field via interviews.

PHILOSOPHICAL PERSPECTIVE

The study would adopt a critical realism approach. (S. A. Alvarez & Barney, 2010) to understand how prior knowledge of green and sustainability knowledge affects entrepreneurs' identification of green business opportunities.

RESEARCH DESIGN JUSTIFICATION

The primary objective of this study is to understand whether entrepreneurs in Asia would be able to identify more opportunities in the green and sustainability-related economy with prior knowledge. A qualitative approach is selected as it allows a more in-depth understanding of how prior knowledge provided to the subjects in the case study affects their identification of opportunities afterwards.

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