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Entrepreneurial Action:
**Casting the Entrepreneur in the Market
Process**

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Synopsis

The entrepreneur has been cast in many different roles in economic theory. Studies have highlighted the various roles and functions of the entrepreneur within the economic system, leaving entrepreneurial behaviour largely unexplored. This work examines entrepreneurial action in more detail, focusing on the decision-making process informing the entrepreneurial act: constructing the ends-means framework.

An Entrepreneurial Decision-making Cast (EDC) is developed from theoretical work in four areas: i) contextualism; ii) the Kirznerian entrepreneur; iii) rationality and decision-making; iv) Personal Construct Psychology (PCP). A behavioural approach to entrepreneurial action, located within a contextualist framework, offers the opportunity to extend the Kirznerian notion of alertness and elucidate distinctive aspects of entrepreneurial decision-making.

An Entrepreneurial Decision-making Model (EDM) is constructed drawing on the theoretical foundations of PCP and illustrative empirical research. It is established that profit opportunities are not discovered. The entrepreneur subjectively construes an opportunity for gain based on a store of knowledge, as represented by a construct system. Furthermore, entrepreneurs adopt methodological pluralism when assessing constructed opportunities. Any change in knowledge, any revision of a constructed opportunity, is equivalent to learning. The EDM draws-out dimensions of entrepreneurial action, illustrating how endogenous change may occur in the market process.

Entrepreneurial action transcends the traditional type cast role of the entrepreneur in economic theory. The entrepreneurial act unfolds in the market process and potentially arises from action taken by any of the four traditional categories of economic actor. The EDC extends our knowledge of entrepreneurial behaviour, casting entrepreneurial action as a central feature of the market process.

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