THE IMPACT OF BICULTURAL KNOWLEDGE, SKILLS, ABILITIES AND OTHER EXPERIENCES (KSAOS) ON INDIVIDUAL ENTREPRENEURIAL BEHAVIOR: THE CONTEXT OF ENTREPRENEURIAL DISCOVERY, EVALUATION AND IMPLEMENTATION

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ABSTRACT

The current paper builds on our first paper "Biculturalism and Entrepreneurship: An Introductory Research Note (A)". Our focus in this paper is on the impact of bicultural skills, knowledge, abilities, and other experiences (KSAOs) on entrepreneurial behavior. Specifically, we discuss why bicultural may have some advantages over mono-culturals and host country nationals. We propose that biculturalism will have higher chances of opportunity recognition; more positively and less subjectively evaluate them, and finally have less chances of exploiting such opportunities due to institutional constraints. However, when enhanced with stronger networks and cooperation with the host country entrepreneurs, their chances of exploiting opportunities will be higher.

Key Words: Entrepreneurial Orientation, Bicultural Skills, Opportunity Discovery, Evaluation, and Implementation.

INTRODUCTION

Introducing research on biculturalism into entrepreneurship literature is a promising line of inquiry to advance entrepreneurship theory across different cultures and enhance our understanding of the role of biculturalism in opportunity recognition, evaluation, and exploitation (Al-Shammari and Al Shammary, 2018). Prior to LaFromboise’s work, much of the literature regarded only the negative ramifications of biculturalism, such as stress and identity conflict (Fordham, 1988; Sung, 1985). However, following LaFromboise,’s work, many research has focused on the importance of bicultural competencies, especially in the context of international human resource literature. Bell and Harrison, (1996) argued that such bicultural experiences increase the effectiveness and success likelihood of international expatriates due to their diverse cognitive abilities and mixed cultural backgrounds.

An interesting study was done by Robles and Cordero-Guzmán, (2007) on the Latino population in the United States-the largest bicultural minority- found that the low educational levels may be a motivating factor in the push into self-employment. The study also found that the lack of financial resources (either personal wealth or access to capital) for exploitation and expansion purposes hinders the business creation and growth stages; and most Latino entrepreneurial activity was concentrated in the service sector. Although the study did not directly address the biculturalism factor in the large proportion of Latinos entrepreneurial activities, it did however shed lights on important factors that signify the driving forces in
developing entrepreneurial intentions among bicultural individuals. The study called for research that can unearth the social aspects of micro-entrepreneur and self-employed sector, among which the authors named ethnic biculturalism as a major element to be considered. The study represents a foundation and legitimate base to make an argument for the role of bicultural skills, knowledge, abilities, and other experiences in developing somewhat different entrepreneurial views that help the individuals see the arising opportunities quicker, realizing new potential opportunities in their communities and the local (host country) community.

The recognition, evaluation and exploitation of opportunities are the three major developmental stages of entrepreneurship (Shane, 2000). Acquired prior knowledge, experiences and skills can significantly influence the individual’s entrepreneurial intentions (Baker, Gedajlovic and Lubatkin, 2005; Eckhardt and Shane, 2003; Shane, 2000), as well as the person’s ability to discover, evaluate, and exploit new opportunities (Tumasjan, Welpe and Spörrle, 2013). The opportunity discovery, evaluation, and exploitation on the other hand are formed by the individual-setting interactions (Helmsing, 2015; Lim, Oh and De Clercq, 2016; Shane and Venkataraman, 2000a). These interactions vary largely across different contexts, cultures, and environments, which results in different cognitive outcomes that greatly affect individuals’ abilities, skills, and knowledge. Therefore, it is important for entrepreneurship scholars to incorporate the various cultural components into the entrepreneurship research so the theory can be further advanced.

Building on this, it is therefore critical to assess whether those individuals with bicultural skills, abilities, knowledge and other experiences will exhibit more likelihood of developing entrepreneurial behaviour, especially in the opportunity recognition, evaluation and selection and exploitation behaviours. This is our purpose in this paper. We shed lights on an important area that entrepreneurship researchers have paid little attention to. Despite the heavy emphasis by several scholars on differences across cultures and countries, most research has focused on cross-country differences in entrepreneurship activities. To our knowledge, no studies have addressed the phenomena of bicultural entrepreneurs who operate in a host country. Questions regarding those individuals remain largely unexplored, such as: do such individuals have higher entrepreneurial intentions? Why and why not? Do they have a broader set of skills, knowledge, abilities, and other experiences that would impact their entrepreneurial intents? If so, in what regard? Entrepreneurship is a process that evolves over time and requires certain resources that often times are external; does biculturalism have access to those resources? Would cooperation with host-country nationals enhance the likelihood of success for such individuals? What are the differences between monocultures and biculturals in the context of entrepreneurial stages? Where do biculturals possess an advantageous position? Where do monoculturals possess advantageous positions? Can these two complement each other and increase the efficiency and effectiveness of their entrepreneurial activities?

In order to achieve our purpose in this research, the remainder of the paper is organized as follows: First, we discuss in detail the role of (KSAOs) at each stage of the three stages of the entrepreneurial process (opportunity recognition, evaluation, and exploitation) and develop our research propositions along each line of three lines of discussion. Second, we discuss our main contributions in the development of our research propositions. Finally, we discuss the limitations this paper has and make several recommendations for future research to tackle the research questions we raise in this paper.
LITERATURE REVIEW AND THEORETICAL DEVELOPMENT

Bicultural KSAOs and Opportunity Recognition

Shane (2000) posited that there are three types of entrepreneurial knowledge that influence individual sighting of opportunities: prior knowledge of markets, prior knowledge of ways to serve markets, and prior knowledge of customer problems. There are conflicting theoretical arguments as to whether people discover opportunities without searching for them, or they search for opportunities. Some scholars suggest that people will discover opportunities without searching purposefully for them (Shane, 2000). On the other hand, Venkataraman (1997) argued that people will discover opportunities that are related to information they possess already (prior knowledge). Whether it is a searching process or just random discovery, scholars agree on the notion that there are certain levels of personality traits, social networks and ties, and educational attainment that are all necessary to recognize opportunities (Klotz and Neubaum, 2016; Shane, Kolvereid and Westhead, 1991; Shane, 2000). If entrepreneurs vary in their abilities to discover and select these opportunities, it is important to look into the differences among them that may contribute to the variations of the extent to which they can discover existing opportunities and capitalize on them. Moreover, it is also important to see new dimensions that entrepreneurs may differ upon; since the levels of success and failure vary significantly in later stages, after opportunity recognition stage.

Put in the context of entrepreneurial behaviour and activities, one can also argue that there are differences between mono-cultural entrepreneurs and bicultural entrepreneurs. (Luna, Ringberg and Peracchio, 2008) in an experiment study found that bicultural individuals initiate distinct sets of culture-specific thoughts, or mental frames that consist of aspects of their identities. The experimental studies show that language-activated frame swapping (i.e., moving from one set of mental frames to another) occurs only with the individuals with bicultural knowledge, skills, abilities, and other experiences, but not with bilinguals who don't possess bicultural KSAOs. In fact, it is often acknowledged that those with two blended cultures are more flexible than those with one culture. Smokowski and Bacallao, (2011) for example noted that it is easier for the Latino individuals to become biculturals than it is for the Americans. Furthermore, these authors found that those who do become biculturals from the Latino population are mostly successful. This notion suggests that it is difficult for mono-cultural Americans to become biculturals in many ways, including the way they think, speak, act, communicate…etc. This highlights a key point that is needed for an entrepreneur; which is developing multi-cognitive skills and abilities that can contribute into spotting opportunities faster. Diverse cultures, indeed, shape the framing of varying personality traits, which in turn motivates individuals to involve in certain activities that may not be rampant in other cultures (Mueller and Thomas, 2000). Except for economic incentives, some other motives may vary widely across different societies; due to the variations in the underlying system of values of these societies (Huggins and Thompson, 2014; Rentschler, 2003; Siegel, Licht and Schwartz, 2013; Wood, Davidson and Fielden, 2012).

It is not a necessity that an individual must have prior knowledge about a particular domain, in which opportunities may arise, in order to develop intentions for opportunity identifications. Shepherd and DeTienne, (2005) found that when a person has little knowledge about customer problems, the positive effect of financial rewards accrued from identifying new opportunities that are innovative was stronger for those less knowledgeable persons. Hence, individuals who have the necessary personality traits, social networks, and prior knowledge, will
also have greater likelihood of spotting odds that leads to identifying opportunities (Ardichvili, Cardozo and Ray, 2003). Ardichvili et al. (2003) labeled this as “entrepreneurial alertness to business opportunities”. These authors added that alertness is a key factor in the processes of: opportunity identification triad: Recognition, development, and evaluation. In fact, Stevenson (1999) asserted that spotting and selecting opportunities is a unique ability that only successful entrepreneurs can have (Ardichvili et al., 2003; Stevenson, 1999). Many scholars have recently called for more research on the opportunity identification, selecting, and development processes as key issues in the entrepreneurship research arena (Bruyat & Julien, 2001; Mair & Martí, 2006; Mitchell et al., 2004). If opportunity identification is shown to be highly significant by entrepreneurship scholars, it is noteworthy to look for new avenues, through which we can uncover some additional insights regarding the differences between entrepreneurs and the extent to which they are able to spot, identify, and select opportunities. Also, it is important to look at new contributing factors to the variations in entrepreneurs’ ability to spot, evaluate, and successfully exploit and sustain identified opportunities.

Entrepreneurship involves entrepreneurs with unique characteristics (Gartner, 1989; Shane et al., 1991; Shane & Venkataraman, 2000a; Shane, Nicolaou, Cherkas & Spector, 2010). Bicultural knowledge, skills, abilities, and other experiences exemplify a set of unique skills, since not every individual has such set of traits (Bell & Harrison, 1996). Extending this concept (KSAOs), which is widely acknowledged in the international human resource management, to the entrepreneurship field, and more specifically the individual traits – individual entrepreneurial orientation literature can provide new insights as for the variations between individual entrepreneurs in their behaviour concerning the opportunity identification stage as well as the evaluation and exploitation stages (Baker et al., 2005; Shane et al., 1991; Shane and Venkataraman, 2000b). Gartner (1989) survey presented a comprehensive portrait of entrepreneurship. Gartner’s survey results highlighted the major themes that characterize the core concepts of entrepreneurship. The entrepreneur with a question posed by Gartner (does entrepreneurship involve entrepreneurs with unique characteristics?). Innovation with a question (does entrepreneurship involve innovation?). Organization creation with the question (does entrepreneurship involve resource acquisition and integration, followed with new venture creation activities?). Creating value with the question (does entrepreneurship involve creating a value?). Profit or non-profit with the question (does entrepreneurship involve profit making organizations only?). Growth with the question (does entrepreneurship involve growth-oriented organizations?). Uniqueness with the question (does entrepreneurship involve uniqueness?). And finally, owner-manager feature with the question (does entrepreneurship involve owner-managed businesses?).

Bicultural have multiple cognitive skills and abilities, different perspectives from two cultural standpoints, different experiences in both host and original culture, greater needs for approval, greater motives, more flexibility to adapt, and greater need for achievement and wealth (LaFromboise, 2010; Nguyen and Benet-Martínez, 2013; Smokowski and Bacallao, 2011). Several scholars have posited that in comparison to others, entrepreneurs in each culture are more likely to take the initiative and have preference towards controlling their own destiny; they are willing to take charge and direct others, and also have positive orientation towards toward adaptation and change (Hayton, George and Zahra, 2002; Mitchell, Smith, Seawright and Morse, 2000). Mitchell et al., (2000) tested the relationship between specific cognitive scripts such as knowledge concerning protectable ideas and access to resources; tolerance for commitment and motivation; situational knowledge; opportunity recognition; and the decisions of business
creation and reported significant association between these scripts and venture creation decisions. However, Mitchell et al. (2000) reported that these relationships varied across cultures. The notion is that each culture would significantly differ in many entrepreneurial aspects than other cultures and so do individuals belong to these cultures. That is to say, those individual entrepreneurs will have their own schemas, skills, traits, and knowledge arrangements as well as other traits that make them see things differently. However, the question is, when an individual has internalized two cultures, would these individual skills and knowledge arrangements, as well as motives, and needs be still the same. Thus far, the literature appears to be consistent regarding certain personality traits and individual characteristics that are necessary to spot opportunities. We summarize these traits as follows:

Estay, Durrieu and Akhter (2013) found that the need for personal independence is indeed one of the most influential factors, especially at the initial stages of entrepreneurial behaviour. Therefore, one can argue that for a bicultural in the host country, the personal independence need should be higher in order to reach self-esteem desired by the individual. Shane et al., (1991) identified four factors: need for independence, recognition, learning, and roles. One can also argue that a bicultural has greater intentions towards independence, recognition, learning, and roles.

Hessels, van Gelderen and Thurik, (2008) found that social security negatively affects a country’s supply of ambitious entrepreneurship. This is an important point that is often neglected by entrepreneurship scholars. In the host country, the local individuals are presumably more likely to be included in the social security system, or at least some form of it. That makes the monoculture more likely to be job oriented rather than self-employed. Brandstätter (2011) showed that readiness for innovation, proactive personality, generalized self-efficacy, stress tolerance, need for autonomy, and locus of control can all lead to opportunity triggering and entrepreneurial behaviour. Locus of control and innovativeness according to (Thomas & Mueller, 2001), are also traits that encourage entrepreneurial behaviour. Zhao and Seibert (2006) have shown that there is a significant difference between entrepreneurs and managers on major personality dimensions. They found that entrepreneurs scored higher on conscientiousness and openness to experience and lower on neuroticism and agreeableness.

Bell and Harrison, (1996) argued that the extent of an individual’s bicultural life experience will have a positive effect on his or her development of bicultural competencies, which in turn contributes positively into their adjustment, adaptability, and performances in other assignments. They proposed that higher degree of bicultural competence will be associated with lower role conflict in the host country, increased knowledge, enactment of behaviours appropriate to the host country, and increased frequency of interactions with host country nationals. The authors suggest that the effect of KSAOs or bicultural competence will be greater the more culturally novel or tough the host country is compared with an expatriate’s home country.

Hmieleski, Carr and Baron, (2015) studied the effect of human, social, and psychological capital of the founding CEOs of entrepreneurial firms on their performance. This study focused on extending the theory on discovery and creation, in other words from the pre-entry phase (discovery) to the post-entry phase (exploitation). Hmieleski et al. (2015) argued that the knowledge, skills, abilities, and other experiences a founding CEO has are very critical in both discovering business opportunities and exploiting them too. Further, they emphasized the critical role of the benefits that an entrepreneur obtains from their social structures, networks, and memberships in the course of opportunity recognition (pre-entry phase) to the post-entry phase
(creation) and maintaining the business. Additionally, they emphasized the importance of psychological capital in both recognition and exploitation stages, in those cognitive, behavioural, and emotional resources can create an entrepreneurial capacity to respond effectively and proactively to arising opportunities that may not be seen by others. Bicultural have two sources of social structures, ties, and networks memberships (Bell & Harrison, 1996). They also have two sources of psychological capital (LaFromboise, 2010). And because they are simultaneously embedded in two cultures, they have cumulated different set of skills, experiences, knowledge and abilities that enable them to see things differently (Nguyen & Benet-Martínez, 2013).

Alertness is a distinctive feature of entrepreneurs as posited by Kirzner (1997). Furthermore, those who have developed bicultural skills, abilities, and experiences possess more ample cognitive tools comprised of knowledge from two different cultural frameworks, which makes their perceptions, processing, and responses different from others (Dau, 2016). Biculturalism is argued to influence many personal traits, reshape individuals’ thinking, perspectives and information processing capabilities (Bell and Harrison, 1996; Faust, Balota, Spieler and Ferraro, 1999; Hentschel, Smith and Draguns, 1986). Alvarez and Barney (2007) contended that in the discovery theory arguments, entrepreneurs who discover opportunities should be ominously different from others in their ability to either spot opportunities or, after having been identified or spotted, to exploit these opportunities (Kirzner, 1973; Shane, 2003). Kirzner (1973) coined the term alertness, on which Shane (2003) review elaborated and identified several components that are necessary for such trait to exist, including cognitive skills, risk preferences, and information asymmetry. These qualities, or any combination of them, could lead some entrepreneurs embedded in a particular population of society (including industries and markets) to become aware of opportunities produced by exogenous shocks, while others may remain unaware of these opportunities (Alvarez and Barney, 2007). Shane (2003) pointed out that these traits differ for entrepreneurs than non-entrepreneurs. One might argue then that they also differ among entrepreneurs themselves and other individuals according personality traits scholars (Ardichvili et al., 2003; Johnson and Tversky, 1983; Omorede et al., 2015).

Bicultural individuals are highly mobile and dynamic (LaFromboise, 2010), and have faster adaptability than others to new circumstances and environmentally-imposed changes (Nguyen and Benet-Martínez, 2013). Highly mobile individuals have fewer incentives to have paid-jobs, and this would result in enhanced self-seeking and self-dependence, which increases their entrepreneurial intentions and develop unique set of entrepreneurial traits (Feldman and Ng, 2007; Frederiksen et al., 2016). Moreover, biculturals have varied experiences, varied tastes, and varied cultural identities and preferences due to the diverse set of skills they have accumulated over time. They have likely switched between different geographies in their search for life-enhancement and self-dependence, which mean they have likely switched between different industries and varied jobs. Frederiksen et al. (2016) argued that the number of moves between different geographic areas is positively related to the likelihood of entrepreneurial potential and that the farther the distance, the more positive this relationship is likely to be.

For example, on international assignments, biculturals are argued to perform better than mono-culturals (Bell & Harrison, 1996). Alvarez and Barney (2010) stressed that discovery opportunities are objective opportunities caused by exogenous shocks to preexisting industries. Shane (2003) posited that such shocks occur after changes in technology, new emerging consumer preferences, and perhaps changes in demographics. These opportunities hold the potential to create wealth (Alvarez and Barney, 2007, 2010; Shane, 2000, 2003). In order for these opportunities to be converted into wealth creation projects-that is entrepreneurial projects,
they must be identified first by “unusually alert individuals or firms who then can implement strategies to exploit them” (Alvarez and Barney, 2007:559; Kirzner, 1979). The need for independence, achievement, recognition is all presumably greater for bicultural than the monoculturals (Smokowski and Bacallao, 2011); they have different and higher risk preferences (Nguyen and Benet-Martínez, 2013; Smokowski and Bacallao, 2011); adjust quickly in changing environments (LaFromboise, 2010). Since opportunities are mostly created by shocks and changes; part of the bicultural adjustment is attributed to their cognitive abilities of identifying appropriate mechanisms for adaptation, evaluation, and identification of challenges and opportunities associated with these exogenous shocks that create opportunities. This leads to the development of our first proposition in this research as follows:

**Proposition 1:** Bicultural entrepreneurs will have higher chances of identifying opportunities in the host country than the local entrepreneurs (mono-cultural).

**Bicultural KSAOs and Opportunity Evaluation/Selection**

The opportunity evaluation literature posits that there are two approaches through which entrepreneurs evaluate opportunities (Ardichvili et al., 2003). The trait approach posits that entrepreneurs use their risk propensity, need for achievement, and locus of control in seeking self-dependency and entrepreneurial opportunities evaluation processes (Keh, Foo & Lim, 2002). The cognitive approach concerns their preferred way of doing things, which is a function of their cognitive skills and abilities (Keh et al. 2002). Thus, perception and opportunity construction in the entrepreneurs’ mind is dependent on their risk preferences and self-confidence, which in turn are critical in evaluating opportunities. The disadvantage theory posits that exclusion of minorities from the labour market pushes them to develop self-employment tendencies—that is, entrepreneurial intentions (Light, 1979). The evaluation and selection of identified opportunities are of crucial importance, as the later stage-exploitation—depends greatly on the outcome of such evaluation (Ardichvili et al., 2003). Entrepreneurship scholars have mostly focused on personality traits (psychological dimensions) of entrepreneurs when studying the opportunity evaluation stage (Ardichvili et al., 2003; Foo, 2011a; Gruber, Kim & Brinckmann, 2015; Sherman, 2004; Tumasjan et al., 2013). However, there is no consensus yet as to specific framework that each entrepreneur uses, as they largely differ from each other. Emotions have been emphasized and found to be common among entrepreneurs when evaluating opportunities. The emotions have been mainly divided into two types of emotions: positive emotions (Bianchi & Lancianese, 2007; Carver, 2003; Forgas & George, 2001) that are associated with positive evaluations; and negative emotions (Direnfeld & Roberts, 2006; Johnson & Tversky, 1983) as being associated negative evaluations. Thus, one can argue that a person with mono-cultural KSAOs will differ in his/her emotions from a bicultural person due to the embedded psychological differences on what is positive and what is negative (Mitchell et al., 2000; Tadmor & Tetlock, 2006). Furthermore, what a mono-cultural might see as a “no go” opportunity—because of the limited scope they have been exposed to—, may in fact be seen as a potential opportunity for a bicultural individual due to the greater need for recognition, enthusiasm for self-esteem and self-dependency, and the need for achievement. Additionally, some arising problems in which there might be a potential opportunity, may not be observed by one (mono-cultural) and be caught by the bicultural due to the diverse perceptions they have developed (Dau, 2016). Generally, perceptions lead to judgments and evaluations of events and how do they relate to oneself (Foo, 2011a; Forgas & George, 2001; Gisela Böhm & Wibecke, 2008).
Alvarez and Barney (2007) in fact differentiate between opportunity discovery and opportunity creation. These authors elaborated on the difference between discovery and creation in several studies (Alvarez and Barney, 2004; Alvarez and Barney, 2007; Alvarez and Barney, 2010) and argued that under the discovery theory, entrepreneurship is inherent in the human nature—not equally in all human beings, but, nonetheless, a basic quality (Lewin, 2015). Alvarez and Barney (2007) posited that since under creation theory the opportunities are created, evaluated, iterative evaluations occur repeatedly by the entrepreneurs and opportunities created then will be either correctly adjusted or just ended due to failure. However, the authors did not actually directly address how evaluations occur when opportunities are actually not created (forced to exist) by the entrepreneurs, and when they are rather caused by exogenous shocks. Under the assumption that these opportunities arise because there are exogenous shocks, only those alert entrepreneurs can identify the opportunities (Ardichvili et al., 2003; Vaghely and Julien, 2010). Since the recent stream of literature has mostly distinguished between the aforementioned types of opportunities, our focus in this paper is on the “under-studied” opportunity evaluation under the discovery theory.

Literature that uses emotions focuses on how they as both “state” and “trait” emotions contour the evaluation process (Astrachan and Jaskiewicz, 2008; Foo, 2011b; Forgas and George, 2001). Foo (2011) defined trait emotions as “individual tendencies to feel particular emotions” while “state emotions result from events eliciting particular emotions” (Foo, 2011: 375). Foo (2011) maintained that in particular circumstances—especially ones characterized by high uncertainty, which is associated with some degree of risk taking orientation—these feelings and tendencies will be used by individuals as hints on the appropriate courses of actions (Baron, 2008; Gisela Böhm and Wibecke, 2008; Johnson and Tversky, 1983). A common belief among entrepreneurship scholars is one that concerns the environment in which entrepreneurs operate and thrive. This environment is believed to be highly uncertain, unpredictable, and changing rapidly and frequently (Foo, 2011; Baron, 2008). Emotions influence the way that individuals perceive and process the information that come from such environment (Beal, Weiss, Barros and MacDermid, 2005; Lyubomirsky, King and Diener, 2005; Weber and Morris, 2010). According to Foo (2011), emotions can be feelings of both negativity and positivity, and since they are used as sources of information in making judgment regarding risk perceptions and preferences (Ferrier, 2004; Foo, 2011a; Schwarz and Clöre, 1983); it is important then to know whether emotions hold the same for all individual entrepreneurs in their risk perceptions and preferences. Weber and Morris (2010) provide insights on how culture influences judgment and decision making in both economic and social domains. They argue that most previous work has focused mainly on country effects, the model that typically compares between Western and East Asian nations, considering traits such as individualist versus collectivist value orientation. The Schumpeterian view suggests that, besides an entrepreneurial atmosphere (environment), the entrepreneurial movement hinges on the availability of potential entrepreneurs, i.e. individuals with personality traits along with personal statuses and experiences, which would eventually lead them to starting a new venture (Mueller and Thomas, 2001; Schumpeter, 1942).

A decent body of knowledge has suggested that new venture instigation often ensues some situational pushes or pulls (Mueller and Thomas, 2001), among which that “frustration with present life-style, childhood, family environment, education, age, work history, role models, and support networks” (Mueller and Thomas, 2001) represent major factors (Hisrich, 1990; Mueller and Thomas, 2001; Shepherd, 1986). Mueller and Thomas (2001) suggested that some individuals will have greater tendencies towards entrepreneurship than others because of some
negative aspects such as frustration with their current jobs, lay-offs, and career advancement obstacles. Consistent with this view, there have been some empirical evidence reported in the literature. Some studies have shown that entrepreneurs arise as a result of either misfit, rejection in society, or expatriation off of their societies (Brockhaus, 1980; de Vries, 1977; Mueller and Thomas, 2001). These factors are what Mueller and Thomas labeled as the push factors may be best applicable to those who have double cultural backgrounds in a host country. Biculturals may feel displaced occasionally (Benet-Martínez, Leu, Lee and Morris, 2002), they might feel rejected in the host country, especially at their early stages in these societies (Luna et al., 2008), and they are already off of their original lands; as well as their feelings of being mistreated, having conflicts regarding identity, lacking access to host country official jobs and resources, and also lacking the acceptance of the host country society (Smokowski and Bacallao, 2011; Sung, 1985). These factors together could push the biculturals to develop entrepreneurial tendencies that outweigh those of the host country entrepreneurs. Moreover, bicultural need for independency and achievement are greater, and their need for recognition is greater too, and lastly their risk perception is more tolerant than those of the host country. Thus, we argue that their evaluation for opportunities perceived will be more positive, more subjective.

On the other hand, there are positive factors that are assumed to pull individuals into entrepreneurial behaviour such as exposure to business, which encourages the individuals to search for new opportunities (Mueller and Thomas, 2001). These factors could be best applicable to the local (host country nationals) individuals, as they have been embedded in the social environment, exposed to business opportunities in their host country, have access to education, and also have experienced several types of business-training and practices. Since opportunities are only seen or identified by those exceptional individuals with the previously mentioned traits, then the “desirability” or the “feasibility” of these opportunities are expected to be greatly influenced by their subjective evaluation (Keh et al., 2002; Krueger, 1993; Tumasjan et al., 2013). Evaluating an opportunity when it’s still an idea is a crucial step in the course of entrepreneurial behavior (Keh et al., 2002). It involves judgment using one’s cognitive skills and abilities (Forgas and George, 2001; Gisela Böhm and Wibecke, 2008; Johnson & Tversky, 1983), and the use of the individual’s intuition (Gisela Böhm and Wibecke, 2008).

Judgment and decision making on the other hand entails “the study of economic and policy choices that involve assessing risks and benefits … and of interpersonal and social choices that involve attributions and expectancies” (Weber and Morris, 2010). The internal cultural representations evolve over time as a result of frames of mind-situated experiences and meaning generating processes in one’s environment. These processes lead to the development of schemas, categories, rules, procedures, and goals (Weber and Morris, 2010). Bicultural individuals in the host country have experienced different situations based upon their bicultural identity, perceptions, skills, knowledge, and abilities. That is, their evaluation will be different regardless the outcome of the evaluation. Their greater thirst for achievement and independency, recognition and self-esteem, and role-seeking may push them to be more positive in their evaluation, even when the seen opportunities or arising ideas based upon these opportunities are not feasible or achievable. The rationale for this argument is that entrepreneurs will have various levels of “self-efficacy” (i.e., sureness in their competency to efficaciously start entrepreneurial activities) owing to variances in their training, education, and experiences (Bandura, 1978).

In the context of opportunity evaluation, we argue that neither mono nor bicultural individuals (separately) will be sufficiently able to evaluate the opportunity to the extent at which the evaluation would be at the maximum point of objectivity and accuracy, due to the self-bias
and bounded rationality. Therefore, we argue that due to their greater risk-tolerance and need for achievement; bicultural tend to more positively evaluate opportunities than monocultures, but not necessarily more accurately. Mono-cultural individuals on the other hand will more accurately (objectively) assess opportunities, but less positively and with a greater likelihood of negative evaluations. Therefore, our second propositions will be:

**Proposition 2:** Bicultural individuals will be more likely to positively, but less accurately (more subjectively) evaluate opportunities than monocultures.

**Bicultural KSAOs and Opportunity Exploitation**

The attainment of entrepreneurial capital is widely acknowledged to be the most essential step towards initiating a start-up project (Bruton, Khavul, Siegel and Wright, 2015; Hmieleski et al., 2015; Tumasjan et al., 2013). Almost all entrepreneurs face financial hurdles at the early stages of their businesses, especially at the initiation stage (Ardichvili et al., 2003). Financial capital refers to the available amount of monetary wealth, often obtained through inheritance, savings, windfalls, borrowing, or crowd funding to overcome entry costs to start or take over a business (Blumberg and Pfann, 2016). Cox and Blake (1991), McLeod, Lobel, and Cox (1996), Zhang (2012), Dau, (2016), Fulmer and Ployhart, (2014, Jackson, Joshi and Erhardt, (2003) among others, all posited that ethnic diversity increases organizational creativity and effectiveness. Organizations are made of individuals who establish them, manage them and work for them. This argument can be extended to argue that bicultural entrepreneurs when allying with local entrepreneurs, the outcome will have greater chances of success. By success, we mean the ability to exploit the opportunities that have been identified. This can be done by bringing together the ideas that have been developed by the bicultural entrepreneurs, combined with the advantage that the local entrepreneurs have about the institutional environment, regulations, access to finance and other related dimensions will increase the likelihood for the opportunity to be fully capitalized on and exploited appropriately in a timely efficient and effective manner. Since the bicultural entrepreneurs in the host country will have less access to institutions, less information about the regulations; they will need someone who has access to these necessary means in order to appropriately exploit the discovered opportunity. Local entrepreneurs on the other hand have more access to these means, they can more easily secure funds due to their social networks with the local institutional environments; thus, an alliance between the two would be perfectly needed and can result in better chances for the idea to be converted into an exploited opportunity.

Foss, Lyngsie and Zahra, (2013) studied the role of external knowledge from various sources. They found that the incorporation of outside knowledge from different sources is positively related to opportunity exploitation, but the strength of this relationship is considerably influenced by the ability to access such sources during the process of exploiting opportunity. Hmieleski and Baron, (2008) suggested that entrepreneurs will be most successful when their approach of opportunity exploitation closely fits the rationales of their environment and its associated view on the nature of entrepreneurial opportunities. Biculturals in the host countries have varying levels of social ties, networks and embeddedness, although they are likely to be more open to networks than host country nationals to communicate and interact with others (Bell & Harrison, 1996). Ren, Shu, Bao and Chen, (2014) also reported that there is a strong positive relationship between strong ties and opportunity exploitation. Grichnik, Smeja and Welpe (2010) asserted that positive and negative emotions do influence both evaluation and exploitation of
opportunities. Further, they posited that negative emotions negatively affect both opportunity evaluation and exploitation. Companys and McMullen, (2007), Corbett (2005) among others, suggested that individuals who have developed networks with other entrepreneurs are more likely to recognize a business opportunity and to exploit this opportunity successfully (Nieto and González-Álvarez, 2014). Immigrant entrepreneurs are less embedded in the host country institutional environment than host country entrepreneurs (Fairlie and Meyer, 1996; Toussaint-Comeau, 2008). Exploiting an opportunity requires cognitive efforts first to determine the necessary means needed for exploitation, such as knowledge of the regulations and laws, knowledge of the resources available, knowledge of the location and knowledge about the steps through which the initiation of the business should go through (Hmieleski et al., 2015; Tumasjan et al., 2013). Moreover, exploitation requires financial capabilities and resources that are often linked to institutions in the host country. Host country nationals are more capable of securing such capital than biculturals. Biculturals are then less likely, by themselves, to be able to successfully exploit the identified opportunities. They are better able to exploit these opportunities when cooperating with host country nationals, building strong ties, and embedding themselves in the social networks.

The opportunity exploitation is the final crucial step in the entrepreneurial process. For individual entrepreneurs, it is acknowledged that individuals differ in their social skills, social embeddedness and their connectedness to the external circles around them (Faust, Balota, Spieler and Ferraro, 1999; Thornton, 1999). These differences stem from different sources such as their cultural traits and norms, their cognitive abilities, their prior knowledge, and their prior experiences and practices (Ardichvili et al., 2003). Bicultural for example might have less experience in important social networks that are exclusive to the host country nationals (Javorcik, Özden, Spatareanu and Neagu, 2011; Sung, 1985); which makes them less knowledgeable about the institutional practices, norms, regulations, and rules. The host country nationals have the home advantage, access to social networks, institutional knowledge, and environment-specific experiences that make them more knowledgeable about the institutional environment. Access to finance is the most cited hurdle in exploiting an identified opportunity.

Reaching and acquiring resources needed to exploit opportunities is an acknowledged challenge for all types of entrepreneurs (Baker and Nelson, 2005; Ozdemir, Moran, Zhong and Bliemel, 2016). Moreover, entrepreneurs depend more than any other economic actors on their personal ties, social networks, and families in securing crucial resources (Estrin, Mickiewicz and Stephan, 2013; Fang, Chi, Chen and Baron, 2015; Kwon, Hefflin and Ruef, 2013). Bicultural may have limited social networks outside their original culture networks (Tadmor and Tetlock, 2006b). The bicultural network is likely to be less munificent compared to the host country nationals, who have long been embedded in the social system and the sub-environments. Moreover, much of the resources needed for exploiting an opportunity come from the host country environment. The entrepreneur must be able to build mutual understanding with the providers in order to secure the necessary resources from the supplier (Ozdemir et al., 2016). One would assume that the limitedness of the connections that a bicultural may have may actually limit also his/her ability to acquire the necessary resources to exploit an opportunity due to the weaker structural embeddedness and relational embeddedness (Ozdemir et al., 2016), which are results of lack of shared understanding between the host country important entities and bicultural entrepreneurs, lack of interpersonal trust, and lack of mutual liking in some cases (Chau, 1991; Ozdemir et al., 2016; Smokowski and Bacallao, 2011). These limits that a bicultural might have in the host country will limit their ability to exploit opportunities, or their
exploitation may be at best flawed and has limited potential for success. Therefore, third proposition will be as follows:

**Proposition 3a:** Biculturals are less likely to successfully exploit the identified opportunities than the host country nationals.

However, not all biculturals have the same levels of networks, relational or structural embeddedness and access to finance. This however will be contingent on their abilities to develop and accumulate valuable relationships and networks that can help them to secure funds (Huggins & Thompson, 2014). It is argued that biculturals vary in their capabilities to embed themselves in their surrounding environment (Smokowski and Bacallao, 2011). Some biculturals will be more embedded than others, while some biculturals may limit their social networks on their original culture societies. Many scholars have highlighted the significance of embeddedness in the social networks in securing the necessary means to successfully initiate businesses and create ventures (Ren et al., 2014). The extent of bicultural embeddedness and the number of ties that he/she has developed will have moderating effect on the extent to which the bicultural individual will be able to successfully exploit the opportunities. Therefore, this leads to the development of our fourth proposition in this paper as follows:

**Proposition 3b:** This relationship is however contingent on the extent to which a bicultural has developed strong ties, institutional knowledge, and networks in the host country. Such that, the stronger the ties and cooperation with host country entrepreneurs at the exploitation stage, the more likely that the opportunity be exploited successfully.

Table 1 summarizes how both bicultural individuals and monoculture individuals vary across the three entrepreneurial stages, and a third path in which a collaboration between the two would yield better entrepreneurial outcomes.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>DIFFERENCES BETWEEN BICULTURAL AND MONOCULTURAL ACRROSS ENTREPRENEURIAL STAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Opportunity Discovery</td>
</tr>
<tr>
<td>Bicultural entrepreneurs</td>
<td>High</td>
</tr>
<tr>
<td>Mono-cultural entrepreneurs</td>
<td>Low</td>
</tr>
<tr>
<td>One-on-One collaboration (Bicultural entrepreneur + Mono-cultural from the host country)</td>
<td>High</td>
</tr>
</tbody>
</table>

For detailed information on bicultural competencies and how they would relate to entrepreneurial thoughts and orientation, we developed Table 2 adopting the major bicultural competencies used by Bell and Harrison, (1996) and Lafromboise (1993). We added the entrepreneurship-related aspects that would benefit from each listed competency. Table 2 shows each competency, its definition, and how it relates to success potential at each entrepreneurial stage.
Table 2

<table>
<thead>
<tr>
<th>Bicultural competencies</th>
<th>Definition</th>
<th>Requirements for Entrepreneurial motivation, orientation, and success.</th>
</tr>
</thead>
<tbody>
<tr>
<td>General culture awareness</td>
<td>knowledge of both cultures’ beliefs and values</td>
<td>Creates diverse thoughts, perspectives, perceptions, and information processing abilities.</td>
</tr>
<tr>
<td>Acceptance</td>
<td>positive attitudes toward both cultural groups</td>
<td>Establishes legitimacy, acceptance, and contributes into enhanced communication with different groups which enables individuals to gain differing insights and use different lenses in viewing the reality</td>
</tr>
<tr>
<td>Bicultural efficacy</td>
<td>confidence that one can live effectively within two groups without compromising one’s cultural identity</td>
<td>Creates psychological stability, might as well create conflicting views!</td>
</tr>
<tr>
<td>Dual fluency</td>
<td>ability to communicate effectively with both groups</td>
<td>Enhances knowledge, skills, and abilities of individuals.</td>
</tr>
<tr>
<td>Broad role repertoire</td>
<td>possession of a continuum of acceptable behaviors for both groups</td>
<td>Enhances legitimacy and acceptance</td>
</tr>
<tr>
<td>Groundedness</td>
<td>stable social networks in both cultures</td>
<td>Maintains public reach and also opportunities in two different social networks</td>
</tr>
</tbody>
</table>

**DISCUSSION AND CONCLUSIONS**

Our current paper begins with discussing extant literature in the entrepreneurship arena concerning the entrepreneurs as key players in the entrepreneurial processes. The paper discusses the extant theories and empirical evidences that show how individual entrepreneurs vary in their cognitive skills. Then we discuss how bicultural are different from the host country nationals in that they possess sets of skills and traits that may contribute positively into their abilities to discover or spot opportunities. We provide theoretical arguments from opportunity discovery, evaluation, and exploitation on the specific traits that trigger entrepreneurial behaviours. Then we link it to arguments from biculturalism and sociology literatures to show that bicultural may in fact be better able to spot opportunities. However, our arguments also show that bicultural may more subjectively and positively evaluate and select the spotted opportunities due to their greater needs for achievement and self-dependency. Moreover, we argue that opportunity exploitation represents the most difficult challenge for all entrepreneurs. Bicultural are no exception, although they may even have greater difficulties of securing finance for their business ideas. They however can overcome some of the exploitation challenges by embedding themselves in the society, developing networks, and stronger ties with the host country nationals who have greater access to the relative institutions and financial entities that can provide finance for the purpose of opportunity exploitation.

The entrepreneurial action has been widely discussed as comprising of several stages. The discovery (creation) (Alvarez and Barney, 2007; Shane, 2000; Shane and Venkataraman, 2003), evaluation (Baker et al., 2005), and exploitation (Hmieleski et al., 2015; Tumasjan et al., 2013) are the most emphasized stages in the recent literature. Scholars have repeatedly posed the question: why do some individuals discover opportunities while others don’t (Mary George et
Entrepreneurship research have recently emphasized the role of individual differences in distinguishing between entrepreneurs and non-entrepreneurs (Benet-Martínez et al., 2002; John & Robins, 1994), because the common belief is that entrepreneurs are the key component along with opportunities in order for entrepreneurial action to take place (Eckhardt and Shane, 2003; Shane et al., 1991). Scholars have focused heavily on the motives and the reasons underlying the initiation of start-ups or the intentions of self-employment as a way of understanding why some individuals have tendencies towards entrepreneurial action while others don’t (Mary George et al., 2016). These motives are argued to vary across and within cultures and countries (Mitchell et al., 2000). The research on this notion has mostly focused on cross-country and cross-culture differences that lead to such variations in entrepreneurial intentions and actions (Mueller and Thomas, 2001). Very little is known, however, regarding the differences between bicultural entrepreneurs and other types of entrepreneurs and how their bicultural life experiences and skills could be advantageous at some entrepreneurial stages, namely the recognition of arising opportunities. And that these skills are not sufficient at later stages, unless they have successfully built and accumulated strong and enabling networks that can help them in exploiting opportunities.

The paper makes several contributions to the extant body of knowledge on entrepreneurs and the role of culture. First, it discusses the importance of biculturalism as a promising construct for research in the field of entrepreneurship. Second, it links the bicultural life experiences, accumulated knowledge and skills and how they might help entrepreneurs in spotting new opportunities that can’t be seen by other types of entrepreneurs. Third, it discusses in detail at which stage of entrepreneurial process do bicultural has advantage over monocultures or the host country entrepreneurs, and provides arguments that support the propositions concerning this notion. Fourth, it shows that bicultural, although possess some unique set of skills, they still need to be well-connected with the host country environment in order to proceed from pre-entry phase of entrepreneurship (recognition) towards actions (exploitation). In doing so, the paper introduces a new construct, yet important one into entrepreneurship research arena, which scholars could further explore and build on in their pursuit of improved understanding of the individual differences between culturally different entrepreneurs.

REFERENCES


