

# Transnational Entrepreneurship and the Role of Cultural Distance: Case Study Research on African Transnational Entrepreneurs

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## Abstract

**Purpose:** While transnational entrepreneurship research considers its transcultural dimension, the role of vast cultural distance is largely ignored. Thus, this paper focuses on the following research question: how do the (cross-)cultural peculiarities of transnational entrepreneurship – in the light of cultural distance – influence the business development of transnational entrepreneurs?

**Design/methodology/approach:** The paper employs a qualitative empirical design that rests on case study research framed by the ‘Gioia’ method.

**Findings:** The paper identifies specific cultural challenges, cross-cultural drivers and general assets impacting transnational business developments in the case of vast cultural distance as aggregate dimensions.

**Implications:** Transnational entrepreneurship in cultural distant settings has to be particularly aware of personal adversities between transnational entrepreneurs and host country people, the role of transnational networks, as well as the role of hope and resilience of entrepreneurs.

**Originality/value:** The findings contribute to literature through specifying the role of personal discrimination, a specific network category called ‘transnational networks’ and stabilizing factors like resilience and hope.

**Keywords:** transnational entrepreneurship, transcultural entrepreneurship, cultural distance, resilience, hope.

**JEL:** F22; L26; M13; M14.

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## Przedsiębiorczość transnarodowa i rola dystansu kulturowego – studium przypadku afrykańskich przedsiębiorców transnarodowych

### Streszczenie

**Cel:** w badaniach dotyczących przedsiębiorczości transnarodowej uwzględnia się jej wymiar transkulturowy, jednak rola dużego dystansu kulturowego jest w dużej mierze w nich pomijana. Niniejszy artykuł koncentruje się zatem na następującym pytaniu badawczym: jak (między)kulturowe cechy przedsiębiorczości transnarodowej – w świetle dystansu kulturowego – wpływają na rozwój działalności przedsiębiorców transnarodowych?

**Metodologia:** w artykule wykorzystano jakościową metodę empiryczną opartą na badaniach przypadków, dla których ramy stanowi metoda Gioi.

**Wyniki:** w artykule zidentyfikowano jako miary zagregowane konkretne wyzwania kulturowe, czynniki międzykulturowe i ogólne zasoby wpływające na transnarodowy rozwój działalności gospodarczej w przypadku dużego dystansu kulturowego.

**Implikacje:** w kontekście przedsiębiorczości transnarodowej w środowiskach odległych kulturowo należy szczególnie wziąć pod uwagę osobiste bariery między przedsiębiorcami transnarodowymi a mieszkańcami kraju, w którym prowadzą oni działalność, rolę sieci transnarodowych, jak również rolę nadziei i odporności przedsiębiorców.

**Oryginalność/wartość:** wyniki wnoszą wkład w literaturę poprzez określenie roli osobistej dyskryminacji, konkretnej kategorii sieci zwanej „sieciami transnarodowymi” oraz czynników stabilizujących, takich jak odporność i nadzieja.

**Słowa kluczowe:** przedsiębiorczość transnarodowa, przedsiębiorczość transkulturowa, dystans kulturowy, odporność, nadzieja.

### 1. Introduction

There is consent in literature that transnational entrepreneurs foster regional development by innovative business models (Harima, Harima, & Freiling, 2020). Entrepreneurship research has already paid much attention to understanding the peculiarities of transnational entrepreneurs. There is already some evidence of the roots of this specific innovation potential. While certain scholars point to the mixed embeddedness of transnational entrepreneurs (Kloosterman, van der Leun, & Rath, 1999; Kloosterman, 2010), others mention cognitive factors that relate to the migration path like intercultural competencies (Harima, Elo, & Freiling, 2016). Also, the specific access to ethnic resources seems to play a role (Drori, Honig, & Wright, 2009). All the mentioned aspects are important when it comes to cultural issues of the entrepreneurs' home or host country.

This cultural facet of transnational entrepreneurship, however, is still not well understood. While international business research differentiates between international management and intercultural management, a similar distinction in entrepreneurship research is missing. Particularly transnational

entrepreneurship followed the path of considering the cultural dimension within transnational entrepreneurship studies. It is not an ambition of this paper to call for a similar research line of transcultural entrepreneurship in entrepreneurship research. However, it tries to deepen the cultural sphere of transnational entrepreneurship research by gaining first evidence from the field and relating it to prior research. Particularly, this paper focuses the construct of cultural distance that is well known in international business research without playing an adequate role in transnational entrepreneurship research to date (Hofstede, 1991; Trompenaars, 1993). The cross-cultural dimension and the debate on cultural distance, however, is of pivotal interest when it comes to understanding obstacles to business development and diversity potentials to be tapped. The corresponding research question of this paper is: *how do the (cross-)cultural peculiarities of transnational entrepreneurship – in the light of cultural distance – influence the business development of transnational entrepreneurs?*

Against this background, this paper researches the impact of cultural distant settings in a typical transnational entrepreneurship constellation, where transnational entrepreneurs stay in touch with both the home and host country society. It specifies the obstacles as well as the drivers of venturing in this specific situation. The empirical context refers to African entrepreneurship in Western Europe in the context of digital business models.

In terms of the research design and related methods, the paper adopts a social constructivist viewpoint and seeks to identify structure and meaning in data. Data stems from personal interviews, field observations and secondary data and allows developing two case studies of transnational entrepreneurs (Yin, 2018). While the procedure is inductive, data analysis is accompanied by insights from prior research following the systematic analytical approach of Gioia, Corley and Hamilton (2013). The whole research process rests on an interactive research design according to Maxwell (2013) that provides researchers with flexibility in the process of defining the research goal, research design, research question and methods, based on increasing insights during the study.

The research project contributes to transnational entrepreneurship research by specifying the cultural dimension and stressing the specific situation when cultural distance between home and host country of transnational entrepreneurs matters. By illuminating the upside and downside of transnational entrepreneurship in the case of vast cultural distance, the paper specifies cultural facets of transnational entrepreneurs to deal with upside risks and to develop higher levels of resilience and hope. This helps them to continue venturing effectively also when it comes to severe adversities and disaffirmations.

After this introduction, section 2 provides conceptual foundations and clarifies the terminology as well as the research state on transnational

entrepreneurship, transculturality in transnational entrepreneurship research, and cultural distance in transnational entrepreneurship. Section 3 portrays the method and specifies the research design. While section 4 briefly portrays the cases, section 5 presents the results, section 6 discusses them in the light of prior research and section 7 concludes.

## 2. Conceptual Foundations

### 2.1. Transnational Entrepreneurship

Research on transnationalism in entrepreneurship rests on migration sociology rather than international business and governance research. At its core, transnational entrepreneurship focuses on the development in migration entrepreneurship that departs from former views of immigrant entrepreneurship as a unidirectional move from one country to another where venturing activities unfold (Glick Schiller, Basch, & Blanc-Szanton, 1997; Portes, Haller, & Guarnizo, 2002; Light, 2010). Transnational entrepreneurship marks a new step insofar as modern IT solutions and increased mobility enabled by most recent logistics solutions allow people to move to a new country where venturing takes place with the decisive difference that new relationships in the host country arise while embeddedness in the home country continues (Drori et al., 2009; Harima et al., 2016). Resources from at least two involved countries are addressable and newly built relations between available resources allow reaching new levels for business development that did not exist in a similar fashion before (Lazarczyk-Bilal & Glinka, 2021). To tap the available potentials, transnational entrepreneurs tend to move between these different country contexts, often ‘commute’ between different cultures, and build bridges between them (Portes, Guarnizo, & Landolt, 1999; Levitt & Jaworsky, 2007; Yeung, 2009; Drori et al., 2009). Based on specific and well-developed skills of opportunity recognition (Drori et al., 2009), these processes may fuel processes of ideation and business development and provide at least the host country with innovative business concepts. However, whether these processes unfold depends to a large extent on the intercultural competency of transnational entrepreneurs (Harima et al., 2016) and their visionary power to connect resources from different countries for business development purposes (Yeung, 2002).

At the centerpiece of this diversity-based business development stands the access of transnational entrepreneurs to three different networks (Portes et al., 2002), mirrored in the concept of mixed embeddedness (Kloosterman et al., 1999; Lassalle et al., 2020) and the development of social capital (Henn, 2014). As for the embeddedness in different country contexts, transnational entrepreneurs stay in touch with the home country society by nurturing contacts with family members and (business) acquaintances.

These relationships may get weaker over time, but do not diminish even in later generations of transnational entrepreneurship. Besides this, transnational entrepreneurs try to build networks in their host country. Due to issues of integration into the host country society, typically two kinds of networks develop: ethnic networks and host country networks. The former, as the second type of networks, relate to people of the same country or country region as the transnational entrepreneur. As values are similar and communication within this network works, access to these ethnic networks is of pivotal relevance when entering the country. Those ethnic networks provide a basic orientation in the host country and bring together people who are in similar constellations, all of them requiring support. Sometimes these networks help access the other parts of the civil society in the host country; sometimes the opposite holds, so also business development relates to ethnic enclaves (Portes & Bach, 1985). The third kind of networks are those with local people of the host country society. Access to these people is often difficult due to language barriers, cultural distance, limited interactions, or already existing relationship structures. After being more familiar with the host country society and first successful steps of socialization, the situation may turn and host country network structures develop on a business or private basis. This explains why first network structures in the host country are often ethnic ones.

When it comes to understanding the nature of network peculiarities of transnational entrepreneurs, the role of their cultural imprint is visible. In a recent study, Mitra and Basit (2021, p. 121) note: “(...) personal networks of second-generation female entrepreneurs of Pakistani origin are a product of gender, culture and religion, where choices in kinship, friendship and business or professional ties in those networks, are underpinned by the complex mix of gender, culture and religion”. This finding reminds us to be aware of the cultural sphere of transnational entrepreneurship.

## **2.2. Transculturality in Transnational Entrepreneurship**

While research on international business differentiates between international and intercultural management issues, research on transnational entrepreneurship does not adopt this separation. However, transnational entrepreneurship research seems to stress the question of crossing national borderlines (Portes et al., 2002; Drori et al., 2009). Moreover, issues of moving beyond cultural spheres play an important role as well (Drori et al., 2009). Nevertheless, there is virtually no explicit stream of ‘transcultural entrepreneurship’.

To unveil these transcultural issues of transnational entrepreneurship research, we can refer to Yeung (2002, p. 30) pointing to “(...) the social and business networks, in which these TEs are embedded, political-economic structures, and dominant organizational and cultural practices in the home and host countries”. Drori et al. (2009, p. 1007) add: “The transnational

entrepreneur appears to be a person who can operate in two worlds". Aldrich, Zimmer and McEvoy (1989) stress that entrepreneurs transcend essential cultural dichotomies and Sewell (1992, p. 20) identifies "(...) the capacity to appropriate, reproduce, and, potentially, to innovate upon received cultural categories and [socioeconomic] conditions of action in accordance with their (actors), personal and collective ideas, interests, and commitments".

Against this background, there is a strong transcultural dimension deeply embedded in transnational entrepreneurship that can be carved out and further illuminated by focusing on the following topics: (i) mixed embeddedness and social capital, (ii) access and use of ethnic resources, and (iii) intercultural competencies of transnational entrepreneurs.

Mixed embeddedness of the social and institutional kind rests, as portrayed above, on access to the home country, host country and ethnic networks, as well as to related parts of markets and societies (Kloosterman et al., 1999). These network structures deviate from local entrepreneurs considerably thanks to the cultural background of transnational entrepreneurs. Kloosterman et al. (1999) point to the opportunity to form social capital this way – and to replace other capital gaps transnational entrepreneurs might face. Through social capital, they transfer knowledge and experience between different locations and provide resources relevant to venturing processes (Westlund & Bolton, 2003).

Ethnic resources overlap with the social capital they can access by their transnational status and go beyond it by comprising other kinds of capitals relevant to venture development that are open only for transnational entrepreneurs. Drori et al. (2009, p. 1007) claim in this context: "(...) transnational entrepreneurial behavior and motivation (...) depend on the resources available to the entrepreneurs (...). These resources include, e.g., symbolic and material resources, professional knowledge and skills, cultural capital, and a social position within an organization (...)". It is obvious that these ethnic resources are rooted in culture and add to the debate on transculturality in transnational entrepreneurship. However, ethnic resources are only enablers and form a certain structure transnational entrepreneurs can build on. What makes them valuable for venture development depends on an ethnic resource category on the meta-level. In this vein, Harima and Baron (2020, p. 31) add to the discussion: "What determines the characteristics of transnational entrepreneurs is not simultaneous entrepreneurial engagement in home and host countries, but the way they compose resources from different nations to create transnational entrepreneurial value". Pütz (2003, p. 557) claims that transnational entrepreneurs employ certain schemas within symbolic orders "(...) leading action in social practice, namely as a 'repertoire' which offers various options of how to act and to which agents can have reflexive access". Drori et al. (2009) support the view to go beyond structure and to consider the capacity of transnational entrepreneurs to use their 'cultural toolkit' and to employ

these cultural resources for the reconstruction of action. Thereby, they point to the action-oriented role of culture and the interesting fact that cultural boundaries are different from national borders in that they are fluid and implicit (Drori et al., 2009). In this sense, there two facets of ethnic resources that drive the business development of transnational entrepreneurs: access to ethnic resources and making use of them by understanding their complex nature for taking deliberate decisions.

The intercultural competencies of transnational entrepreneurs depend on experiences gathered in different national and cultural settings. In connection with an individual absorptive capacity (Cohen & Levinthal, 1990; Zahra & George, 2002), they recognize, assimilate, and apply knowledge relevant to venture development from different sources that allow bridging between different contexts. Based on accumulated knowledge on business practices in the different regions they are familiar with, transnational entrepreneurs are in a privileged position to learn what kind of elements of a business concept go beyond established standards (Portes et al., 2002). Drori et al. (2009, p. 1007) add: “TEs equipped with broad cultural tools benefit from their social presence in both origin and host countries, increasing their latitude in negotiation and their ability to recognize and manipulate and act upon opportunities for business creation, maintenance, and outcomes”. Insofar, they build on their idiosyncratic experiences, skills, and cognitive scripts that relate to an educated understanding of values and cultural aspects in different locations (Drori et al., 2009; Lundberg and Rehnfors, 2018).

### **2.3. Cultural Distance in Transnational Entrepreneurship**

While the preceding sub-section should show that the (cross-)cultural sphere is of pivotal relevance to an understanding of the very nature of transnational entrepreneurship, the question arises whether (vast) cultural distance between home and host country cultures impacts the business development activities of the respective entrepreneurs. As transnational entrepreneurship research differs from research on international and intercultural management, the role of cultural distance between home and host societies has not played a crucial role so far, although – on another level – scholars like Vertovec (2007) identified the phenomenon of ‘super-diversity’. This super-diversity refers to the “(...) dynamic interplay of variables among an increased number of new, small and scattered, multiple-origin, transnationally connected, socio-economically differentiated and legally stratified immigrants” (Vertovec, 2007, p. 1024) and rests on the individual level. The somewhat neglected role of cultural distance is one reason why this paper considers this issue that traces back to the seminal work of Hofstede (1991) and Trompenaars (1993) (cf. also Shenkar, 2001). While Hofstede (1991) focuses national cultures as starting point for dealing with cultural differences around the globe, Krueger, Liñán and Nabi (2013, p. 703) state: “(...) ‘culture’ cannot be equated to nation anymore.



Multiculturalism and immigration are widespread characteristics of present-day societies, and different sub-cultures do exist within any given country". Trompenaars (1993) is more interested in analyzing cultural differences to understand culture as a dynamic process of dealing with challenges and problems. As this view is closer to the ambition of this paper, it makes sense to consider cross-cultural differences along this understanding. In this vein, Schwartz (2004) seeks to map and interpret cultural differences on a global scale and applies a seven-factor framework, made of the following dimensions: egalitarianism, harmony, embeddedness, hierarchy, mastery, affective autonomy, and intellectual autonomy.

When Schwartz (2004) compares different cultural regions, the contrasts between the Western culture, particularly as practiced and lived in Western European countries, and Sub-Saharan Africa are sharp and mark a vast cultural distance. Moreover, when mapping the cultural regions by positioning 67 countries, the cultural distance between Germany and Ghana in the respective co-plot map belongs to the longest ones. Zambia is in a comparable position. This led to favoring transnational entrepreneurship of Ghanaian and Zambian entrepreneurs in Germany.

Schwartz (2004) sketches out the culture Germany as a country is embedded like this: low levels in hierarchy, mastery, and embeddedness. Germany reaches very high levels in terms of egalitarianism and intellectual autonomy. In case of Ghana, the cultural profile rests on very high levels in mastery and embeddedness, while harmony, egalitarianism, and intellectual autonomy range on very low levels.

### 3. Method and Research Design

The choice of an adequate research design and related methods should clarify the ontology and the epistemology. Moreover, the choice should take the 'anatomy' of the research phenomenon and the state of research into account.

#### 3.1. Epistemology, Ontology and State of Research

While culture with all its complex internal structures and temporal connections belongs to the complex phenomena in terms of the philosophy of science (Hayek, 1964), the complexity challenges the minds of the researchers and leads them to subjective constructions of the reality which depends on the perception of the researcher (Kukla, 2000). A response to this constellation is the adoption of a constructivist viewpoint as the epistemological frame of this paper. With the rather stable, but not static character of culture, it deems useful to build on the interpretive paradigm of organization and management theory according to Burrell and Morgan (1979) and to establish an analytical procedure that seeks interpretations



when studying reality. Following Morgan (2007), the interpretive procedure rests on induction.

Ontologically, this research focuses the transnational entrepreneur as unit of analysis. It considers explicitly the transnational ventures founded by the entrepreneur as core manifestations of the entrepreneurial activities, but always under this organizational umbrella.

As mentioned above, transnational entrepreneurship is already aware of its transcultural dimension, although certain findings are still fragmented. What is lacking, is a sound understanding of the role of cultural distance and how far distant cultural elements may be beneficial or detrimental for business development. Regarding the early state of research, it deems necessary to conduct explorative research of the early stages for a deeper understanding of the complexity of the research phenomenon.

### **3.2. Method and Case Selection**

Qualitative research is a response to the above-mentioned situation. It can rest on different methods. When researching cultural phenomena, particularly ethnographies and research case studies stand at the fore (Denzin & Lincoln, 2011). While ethnographies allow deep dives into cultural facets, they often consume very much time and have a specific profile regarding validity and reliability. Case study research is easier to handle and to conduct. A sound choice of data sources allows an attractive position for quality assurance of data sourcing and handling. Moreover, Yin (2018) clarifies that case study research is an appropriate choice in case of research questions about the 'how' and the 'why'. Against this background, this paper rests on case study research, particularly on two cases of African transnational entrepreneurs in Western Europe chosen to study situations of extreme cultural distance as described in more detail in sub-section 2.3. The case design does not offer claims for generalizing the findings. Instead, the intended outcome of the research process is a better understanding of a particular case that animates researching follow-up cases to move to theory building from case study as proposed by Eisenhardt and Graebner (2007).

Criteria for case selection are (i) evident socialization in both the home and the host country, and (ii) cases of vast cultural distance. One case is about a Ghanaian entrepreneur who founded a business in Ghana. Afterwards, he went to Europe, arranged partnerships in Estonia and launched a new business in Germany. The Ghanaian entrepreneur developed digital solutions, namely a drone project for rural regions in Africa and a robotic solution for wind turbines in Germany. The other case is a Zambian entrepreneur who founded two businesses in Germany, one innovation agency and one platform for agricultural products from Africa to be sold in Germany. Due to the need of socialization and the given distant cultural context both criteria are met.

### 3.3. Data Sourcing

The primary source of empirical data are four interviews. The interviews should provide different angles to understand the business activities more comprehensively and to allow data triangulation. Interviewees were the two entrepreneurs (EG, EZ), a business advisor focused on cross-cultural management (A) who had accompanied and observed the business development of the entrepreneurs in Germany for a long time, and a supporting business partner (P). The interviews were conducted between March and July 2021 and lasted about 63 minutes on average. They were all held in English as the favored language of the interviewees. Due to the pandemic, the interviews were conducted as video conferences via zoom software and recorded and transcribed. To avoid influencing the answers of the interviewees by the interviewer as far as possible, the type of semi-structured interviews was chosen. Accordingly, the first major step after a brief introduction and a small section on socio-demographics was a narration of the interviewee to tell the run of events chronologically. The second step was about questions developed from the research question and the research objective of the paper. A prior test of comprehensibility was conducted. Accompanying sources were field observations and a review of published materials and internal documents. Those additional data sources should allow higher levels of data triangulation.

### 3.4. Data Analysis

According to the above considerations, the analysis follows the systematic inductive approach according to Gioia et al. (2013). This procedure allows analyzing data at first and to move from raw data to open codes without any theoretical pattern in mind to give meaning to data. In this vein, the first step was an initial line-by-line coding to identify the most important thematic content out of data. The next step was about structuring and interpreting data which implies a consolidation of the open codes and a move to selection codes, followed by a theoretical coding that employs theoretical frames from prior research (Charmaz, 2014). The entire coding was an iterative process that involved moving back and forth to develop a structure with 25 first-order concepts, eight second-order categories and three aggregate dimensions – as visualized below in Figure 1. MAXQDA software supported the data analysis process.

### 3.5. Quality Assurance

To enhance the trustworthiness of the qualitative empirical research, the following measures were taken according to Flint et al. (2002) and Gersch et al. (2009). First, credibility as the extent to which results are acceptable representations of reality was achieved through gathering feedback from the informants prior and during the interpretation process. Second, the

theoretical guidance with the interpretation process allowed transferability as the extent to which findings from one study on one context apply to other contexts. Third, integrity as extent to which interpretations are influenced by misinformation or evasions by participants could be achieved by four measures: built trust with interviewees prior and during the interviews, triangulation (through different angles and other data sources), anonymous handling of the data, and a bias check of the interview guideline. Fourth, a pervasive orientation of every step along the research question and objective and the theoretically guided analysis helped arrange fit as the extent to which findings fit with the substantive area under investigation.

## **4. Case Descriptions**

### **4.1. Ghanaian Entrepreneur**

The Ghanaian entrepreneur (EG) founded a digital business with drones for rural regions in Ghana (E-Drones henceforth) and another with robotic solutions for wind turbine maintenance in Germany (E-Robotics henceforth). EG left Ghana in 2010 and came to Germany in 2016 for private reasons. In the time between, he stayed in Spain, in the United Arab Emirates, in Turkey, Lithuania, Latvia, and Belgium and developed a truly transnational profile with imprints from many countries. EG founded E-Drones in 2016 with its headquarters in Accra, Ghana, with a focus on the provision of drone-based total crop pest and nutrition management services. Today, E-Drones is a small business with some 30 employees that already reached the break-even years before and works profitably. EG founded E-Robotics in 2018. He realized that German markets are interested in wind farms and offered relevant robotic services. E-Robotics became a (heavy lift) drone and robotic wind park maintenance, inspection, and repair service provider in Germany. It offers wind turbine blade cleaning services, inspections, drainage hole cleaning, conductivity tests, coating, de-icing, and leading-edge repair services. E-Robotics rests on access to a technology of a Latvian company. The idea of connecting robotic wind turbine maintenance robotics with drones can be regarded as an outcome of EG's transnational business experience in connection with the standing transnational network structures, here particularly in the Baltic region (predominantly Latvia).

### **4.2. Zambian Entrepreneur**

The Zambian entrepreneur (EZ) founded an innovation studio (I-Studio) in 2018 to build and grow culture-driven ventures. Understanding culture as crucial driving force of innovation, he blends African culture and modern technology for advanced solutions. Living in Germany for more than three decades, he developed a 'venture building-as-a-service' business model. In 2019, he became co-founder of a platform that links a global customer

base with high quality agricultural products from Africa (K-Food). His two businesses are focused on African people, companies, and products. EZ is driven by the belief of growing (business) potentials of Africa and designs his businesses around this notion with growing intensity.

## 5. Results

According to the Gioia et al. (2013) method, the results emerge by starting data analysis inductively with raw data and then theorizing supported by prior research. This involves moving back and forth between research and data with a very prominent role of the second-order themes as transmitter between raw data and aggregate dimensions. Analyzing the raw data inductively, allowed the development of 463 codes from interview transcripts and observation memos. According to Figure 1, the interactive procedure brought about a structure of 25 first-order concepts, eight second-order themes (SOT) and three aggregate dimensions, namely (i) cultural challenges, (ii) (cross-)cultural drivers, and (iii) general assets of transnational business development. Wherever possible, established conceptualizations of terms have been used to provide data with a framing grounded in theory. In many cases, prior research provided useful frames to structure the data. In some instances, however, data went beyond existing conceptualizations and extended available frames, and, in some cases, an established concept was simply not available to provide a frame. In these constellations, the structures emerged directly out of primary data.

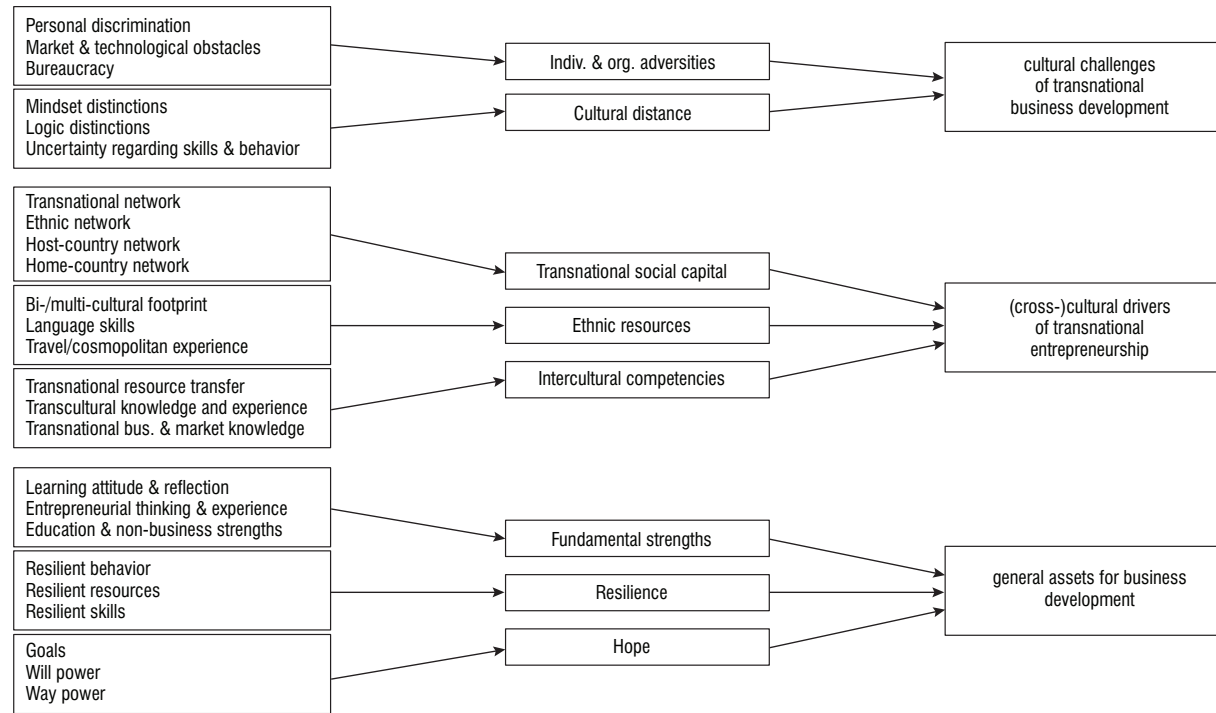
The presentation of results equips the reader with paraphrases from field data in interaction with the concepts taken from prior research. To condense the findings and to increase readability, most of the paraphrases allowing theory development are listed in tables. A few core paraphrases, however, help develop the argument and the corresponding research propositions SOT by SOT within the three aggregate dimensions that structure this section.

### 5.1. Cultural Challenges of Transnational Business Development

*SOT1 – Individual and organizational adversities.* Data suggests that in case of transnational entrepreneurship bridging high levels of cultural distance, individual adversities in terms of (i) personal discrimination stand at the fore and (ii) dominate market and technological, as well as (iii) bureaucracy.

(i) Personal discrimination. In this regard, the case of vast cultural distance seems to go along with the most striking differences from prior research. EG and EZ as African entrepreneurs, as well as advisor A and business partner P reported unanimously how hard it is for people from Africa to get accepted as person or businessman. Particularly other businesspeople have prejudices and reservations when getting in touch with African CEOs. Among the

Figure 1  
Data structure



Source: Own illustration.

factors driving this kind of rejection, ethnic origin and language factors stand at the fore which paraphrases and memos excerpts (cf. additionally Table 1) show:

Last year we had a project with Siemens (...). The major company which was in this project, (...) connecting us to Siemens, does not want Siemens to know that the company, that was going to perform the job, is headed by a black person. (...) First, they asked me not coming for a meeting but to look for a white person to represent me in the meeting, you know, which was very upsetting and so, in the end, you know, this whole thing had to be cancelled, because I disagreed with, you know, how things were proceeded. (EG-47) [Capitals: data sources; numbers: data sections in the document].

Table 1  
*Cultural challenges of transnational business development*

<b>SOT1. Individual &amp; organizational adversities</b>	<b>Paraphrases</b>
Personal discrimination	<p>EG's German is a broken German plus he has the wrong skin color! (A-45)            Deutsche Bank wouldn't even talk with them [African entrepreneurs]. (A-49)            A meeting with local business solution provider revealed that he does not see that African people have a sound background for launching a B2B-based business in Germany. (OM [Observation Memo]-5)            It was very hard work to actually convince, let's say, traditional German businesspeople or even German corporates to actually look at Africa with a, with a sense of openness and freshness. (EZ-44)</p>
Market & technological obstacles	<p>(...) but if you do something that is innovative, like doing something with robotics in an industry (...) that is rather conservative, like, you know, the wind turbine business, then you come in with this double, you know, what is double novelty aspect. (P-23)            We had a lot of resistance in the market and we, we realized that this resistance was just because companies, especially German companies were, they were being companies, you know. They see the potential in the technology, but they have already invested in the manpower. (...) The challenge that I see is, you know in setting up a company like ours, is in scaling up, I would say the market acceptance. (EG-47)</p>
Bureaucracy	<p>You will find very few Afro-Germans with a good Schufa rating. I mean this is again one thing that Germany needs to resolve, this whole Schufa-thing. (A-49)</p>

Tab. 1 – continued

SOT2. Cultural distance	Paraphrases
Mindset distinctions	But to have, you know, people in this space of, okay, we do something with Africa, but it must be development. (EZ-48) There are so many instances that I've needed experts to help me with my business here in Germany that I've relied on experts from Ghana, but better is, you know, if I can call somebody from Belgium or in Turkey, so I think that the relationship when it comes to business in Germany, I would consider more close-by. (...) I would say the partners in Europe because they have the same mindset. (EG-78)
Logic distinctions	(...) so, something that works in Turkey can work in Germany, but if you take something that is working in Ghana and you bring it here to Germany, it will never work. (EG-78)
Uncertainty regarding skills & behavior	But the people who have worked with him, yes, there seems to be nobody neutral. There are the people who think: "Oh, this guy is fantastic!" Absolutely! And then there are the people who will try to find, you know, something, they deal with him in a way they would not be dealing with other Germans. (A-81)

Source: Own compilation.

These discriminations have serious impacts on the transnational business development. While EG suffered from this discrimination, EZ – based on the conviction of the strengths and potential of African culture – found a way to circumvent this through an appropriate business focus.

(ii) Market and technological obstacles. While both EG and EZ were familiar with digital technologies and recognizing market opportunities, they faced typical skepticism of adopting new solutions, particularly in this case of transnational entrepreneurs entering the market. Moreover, disruptive digital innovations like EG's E-Drones and E-Robotics need a certain market size and potential to scale up the business which was hard to achieve (Table 1).

(iii) Bureaucracy. While many entrepreneurs complain about bureaucratic structures and procedures when founding a venture, cultural distance in transnational entrepreneurship is an amplifier, as the transnational experience make entrepreneurs doubt about the sense of certain rules, procedures, and related institutions. While such bureaucracy may be inconvenient, the impact on business development is often limited but in some cases like ratings restrictive (cf. Table 1).

Based on the three sub-concepts we develop the following research propositions (RP):

RP1.1. Personal discrimination has a strong negative impact on business development.



- RP1.2. Market and technological obstacles have a negative impact on business development.
- RP1.3. Bureaucracy has a negative, yet controllable impact on business development.

*SOT2 – Cultural distance.* Data suggested departing from both fine-grained and abstract Trompenaars (1993) and Schwartz (2004) conceptualizations and conceptualizing cultural distance as follows: (i) mindset distinctions, (ii) logic distinctions, and (iii) uncertainty regarding skills and behavior.

(i) Mindset distinctions. Cultural peculiarities like religion, values, or norms penetrate the minds of people considerably. Mindset differentials in different places, however, can hamper coordination of business activities and sometimes make local business partners underestimate transnational entrepreneurs so that they only think in terms of development aid (cf. Table 1 for EZ). Moreover, both transnational entrepreneurs consider involving people and partners with a linking function between cultures useful.

(ii) Logic distinctions. A logic relates to beliefs, assumptions, experiences, and industry-specific identities with predictable models of behavior and action consequences of decision-makers (Bettis & Prahalad, 1995). Too divergent views on conducting the business may cause substantial problems between business and transaction partners, where cultural distance is an amplifier. Consequently, it seems useful to look for more proximity in terms of logics which, according to EG's E-Robotics, helps bring partners together.

(...) so, something that works in Turkey can work in Germany, but if you take something that is working in Ghana and you bring it here to Germany, it will never work. (EG-78)

(iii) Uncertainty regarding skills & behavior. Cultural distance is a phenomenon that can often be perceived right from the scratch when people meet. In the case of vast cultural distance, particularly local people are uncertain how an interaction takes place and evolves. It depends to a large extent on the specific situation whether this uncertainty is beneficial for the transnational entrepreneur, as the paraphrases in Table 1 show.

Against this background, we propose:

- RP2.1. Considerable mindset distinctions have a negative impact on business development.
- RP2.2. Considerable logic distinctions have a negative impact on business development.
- RP2.3. Linking people or partners bridge mindset and logic distinctions.
- RP2.4. Skill- and behavior-based uncertainties have a divergent impact on business development.

## 5.2. (Cross-)Cultural Drivers of Transnational Entrepreneurship

*SOT3 – Transnational Social Capital.* The sub-concepts of transnational social capital as driving force build on the mixed embeddedness construct and the related three types of networks: ethnic, host-country, and home-country networks (Kloosterman et al., 1999; Harima et al., 2016). However, due to the transnational and transcultural dimension of the case, the findings reveal that another kind of network is of pivotal relevance when it comes to transnational business development: the transnational network. Transnational networks comprise people neither residing in the home, nor in the host country but in third countries the transnational entrepreneur is familiar with.

(i) Transnational network: Thanks to migration paths and many cross-country travels, the transnational entrepreneurs developed so many relationships all over the world that they can easily approach the right partners for upcoming issues. These network relationships developed over time in terms of quality, so that they do not only know many people from different countries but managed to build trustful and convenient relations (cf. Table 2). Moreover, the transnational networks are sources of ideation and means of fixing problems instantly.

So, most times, I'm always on the phone with partners or with my network friends that I've got over the years in Israel, in Turkey, in Belgium, and all of that. (...) I think that the network you built in the host country is important, but the network you build internationally is more important. (EG-72)

(ii) Ethnic network: These networks are beneficial for merely socializing with people in the host country with the same cultural roots or for building the business around this community. In case of EZ, when developing I-Studio he shifted the target group to African companies when he realized lacking openness of the host-country society for his vision of building on African culture. K-Food had a similar imprint right from the scratch (cf. Table 2). One can reason those transnational entrepreneurs with vast cultural distance between home and host country tend to this mode of network prioritization, as this holds for EG as well: "80 or 90% of my friends are also from African descent" (EG-86, cf. also Table 2). Members of the ethnic community help transnational entrepreneurs to keep important elements and values of their home countries and provide a certain grounding. As vast cultural distance causes a chasm between transnational entrepreneurs and host-country society, members of the ethnic community are prime candidates for friendships.

Table 2  
 (Cross-)cultural drivers of transnational entrepreneurship: Social capital

SOT3. Transnational Social Capital	Paraphrases
Transnational network	<p>EG knows how people, you know, through his time in Turkey, he knows, he is at ease with them. (...) Same is with his contacts in Latvia or with Spanish people or with African people, he's just totally at home in that sense in Germany. (A-69)</p> <p>You have the choice to select certain partners from so many different countries you're familiar with in terms of knowing them and speaking even their languages. (EG-79)</p> <p>I was collaborating with a company when I was living in Italy to do some scouting about the African entrepreneurial system. (EZ-44)</p>
Ethnic network	<p>I decided to drop this customer segment and really focus on African entrepreneurs and African businesses and Africans, small and mid-size companies or companies founded by African people. I think it was when I was in the second year in my business, this became my entire focus. (EZ-44)</p> <p>And the first and most important relationship I have here in Germany is with the African, German or the black community. (EZ-68)</p> <p>(...) and there are many associations like "Afrika Netzwerk" here (...) which I'm engaged, but also scattered throughout Germany, for instance, ADAN. (EZ-68)</p> <p>The embeddedness in the Ghanaian community specially in [town in Germany], yes, it's part of what gives him a strength. (...) Somebody who separates from that community, does not belong to that one anymore, and kind of stands alone in facing the racist attitude in Germany. (A-75)</p> <p>I have access to them, so, we – I mean Ghana is a Christian country, you know, and most people from there are Christians, and we meet at Church, (...). I mean, we see friends and families from Ghana who are also here in Germany. (...) but we should get to the point that we will need technicians for our robotic team, we can be able to reach out, we can also go to the African community. (EG-82)</p>
Host-country network	<p>In the first step I provided the structure, right. How do you develop a business? How do you start a business and what are the different parts of a business that you need to bring together? We developed together any kind of documents, budgets (...) then I helped him to identify the people he needs to get the work done. (A-38)</p> <p>We're working in partnership with Fraunhofer. (EG-45)</p>
Home-country network	<p>If he [EG] would not be well-connected to the Ghanaian community in Ghana, he wouldn't have had the money to start a business here in Germany. (A-75)</p> <p>Every year I travel to Ghana at least two times because part of my family is still living in Ghana, and also for me it's about the technological transfer, transfer of the knowledge that I'm building. (EG-76)</p> <p>(...) but when the second largest network that I have and I think equally important is the family network. (EZ-68)</p>

Source: Own compilation.

(iii) Host-country network: Cultural distance is a factor that makes it hard for transnational entrepreneurs in such constellations to build relationships to host country people. This holds particularly for private relations. Business relationships can be a chance to develop connections and to convert them to more private ones. However, due to the cultural distance also this chance is hard to take. EG and EZ differ much in this regard, as EG came to Germany as adult with limited German language command, while EZ was educated in Germany with German on mother tongue level. This allowed him to build strong and meaningful network ties with local organizations. Moreover, a small number of addressable people can be beneficial in case of good relationship quality, as the relation between A and EG shows (cf. also Table 2).

So this is very interesting that we can maneuver right on this kind of, kind of network and that we are also able to connect entrepreneurs on the ground with also German entrepreneurs and businesses. (EZ-56)

I've tried for different African businesspeople to open a bank account with Deutsche Bank, and it is impossible. They refused. So, we finally got Sparkasse, made it with them, and they were very positive about it. (A-49)

(iv) Home-country network: Transnational entrepreneurs have the longest and deepest relationships typically with people in the home country. This home country anchor is in case of cultural distance very strong. In the specific cases, home country relations broaden the resource endowment, support ideation processes, and provide emotional stability, as Table 2 shows.

In view of the findings, we propose:

- RP3.1. Availability and quality of transnational networks have a strong positive impact on transnational business development.
- RP3.2. Ethnic networks foster transnational business development through providing social stability and business-relevant resources.
- RP3.3. Ethnic networks partly compensate for rejection-based frustration of transnational entrepreneurs.
- RP3.4. Host-country network development depends on language command and socialization and has a strong impact on business development.
- RP3.5. Home-country networks facilitate transnational business development through resource transfer and mental support.

*SOT4 – Ethnic Resources.* Based on the conceptual part and prior research, the results regarding ethnic resources relate to three sub-concepts: (i) the 'transcultural footprint' of transnational entrepreneurs, (ii) language skills, and (iii) their travel/cosmopolitan experience.

(i) Bi-/multi-cultural footprint: This transcultural imprint can be made of almost all cultural elements, be they more explicit like stories, narratives, etc., or be they implicit in terms of values, norms, beliefs, and similar things. It is to a large extent this transcultural footprint that brings about an

ideation providing business development with an innovative touch different from business concept development of locals. Over and above this, this transcultural footprint can also be a measure to open minds of and doors to host country people. For EZ, the transcultural footprint with a strong African load pervaded both of his businesses that center around African culture. He learned that “(...) migration opens you up to a new reality” (EZ-56). EG’s transcultural footprint comprises elements of all countries where he lived this plays a role. A confirmed in this regard (cf. also Table 3):

Where other people have a problem to envision how this could play out in the one country or in the other and what kind of people there are, and how people might react and things like that, he already has that experience (A-69).

Table 3  
(Cross-)cultural drivers: Ethnic resources and intercultural competencies

<b>SOT4. Ethnic resources</b>	<b>Paraphrases</b>
Bi-/multi-cultural footprint	Being raised in sub-Saharan Africa, he has been raised in several cultures. (A-73) (...) readiness, the willingness, the ability to just go somewhere and arrive in a way that people actually talk with you. (A-73) (...) finding, again, the right tonality to engage with people. (P-23)
Language skills	(...) there’s language. And when we go into meetings together, then I’m actually the one pushing the meetings to be in English although I know that Germans are not really comfortable with it, but only in English he [EG] can really show his strengths. (A-79) I think the most important asset is the language. (EZ-56)
Travel/cosmopolitan experience	Yes, okay, I’ve travelled a lot across Europe. (EG-18) [EG] has moved from one country to another. (A-73) I used a year to prepare myself after my studies and I spent it in Italy, in Northern Italy, in Turin, and I was part of a program called Erasmus for young entrepreneurs. (EZ-44)
<b>SOT5. Intercultural Competencies</b>	<b>Paraphrases</b>
Transnational resource transfer	I wanted to do service but in Germany it’s not possible to use the drones the same way we do in Ghana, but in Germany there are also wind farms, a lot of wind farms, we can offer our robotic services. (EG-37) Everything that I start to do in Germany I find a way to replicate that in Ghana. (EG-76) The financial challenge is: It just doesn’t make sense to take money from Africa and invest it in Germany. (A-40) I built my business also to connect German businesses with African and startups. (EZ-44)

Tab. 3 – continued

<b>SOT5. Intercultural Competencies</b>	<b>Paraphrases</b>
Transcultural knowledge and experience	It is amazing that it is happening on this level. And I think this is the biggest asset that I think not only the German diaspora, but also the one in France, the UK and Italy can bring to the table to really extract their local knowledge. (EZ-56) Personal life experience will support the business experience that you have. (EG-70)
Transnational business and market knowledge	Sometimes, the product or the business that you are running is not favorable in that country that you're in, you know, the host country, but it has a market in a foreign country, and this is where I see the advantage for the transnational entrepreneur. (EG-66)

Source: Own compilation.

(ii) Language skills: With language at the heart of culture, language skills foster business development in the host country. In the case of vast cultural distance, high-level language command is a challenge for transnational entrepreneurs. In this case, EG speaks a two-digit number of languages. However, this goes at the expense of German language command that ranges on mid-level. In general, P suggests (cf. also Table 3):

I think without the language, it is going to become very, very difficult to actually master good business in Germany, even though you can run a business. (P-25)

(iii) Travel/cosmopolitan experience: Travel experiences from visits in many countries often implies to get more familiar with different people and different societies and to socialize quickly. Moreover, this helps build and reinforce network structures. Hence, we propose:

RP4.1. By selectively transferring culture-specific attitudes and behaviors to the host country, a transcultural footprint fosters business development.

RP4.2. Language skills have a strong positive impact on business development.

RP4.3. Travel experience has a positive impact on business development.

*SOT5 – Intercultural Competencies*: The fostering effect of knowledge and experience on building competencies is undisputed (Zollo & Winter, 2002). To understand intercultural competencies, three elements stand at the fore: (i) transnational resource transfer, (ii) transcultural knowledge and experience, and (iii) transnational business and market knowledge.

(i) Transnational resource transfer: What makes transnational business development more disruptive, is the combination of ideas and concepts from different regional settings. In this vein, a huge cultural distance can be useful to ideation. More sources of ideas and concepts from different countries allow a powerful resource transfer from different locations to the transnational business. In addition to intellectual resources, mundane assets like financial capital may also fuel transnational business development. In EG's case, there is resource transfer between E-Drones and E-Robotics, as well as transfer from other countries he resided in to the countries where he founded. EZ's situation is quite similar (cf. Table 3).

(ii) Transcultural knowledge and experience: The resources in this regard are of general kind and may accompany the business resources below. They provide a certain basic understanding that makes interpretation of settings easier when vast cultural distance plays a role. Moreover, resources of this kind contribute to a certain mental strength that is beneficial when it comes to the typical challenges of new venture creation (see also Table 3):

(...) even trying to migrate to one country, it builds you up so strong, you know that something that will discourage a local entrepreneur, will not discourage you. (EG-68)

(iii) Transnational business and market knowledge. This kind of transnational knowledge is business-related. The effects are the same as those of the above general resources. A difference, however, is that this business knowledge is a crucial driver of opportunity recognition. We propose:

RP5.1. Capacities in transnational resource transfer positively impact business development.

RP5.2. Transcultural knowledge and experience positively impact business development.

RP5.3. Transnational business and market knowledge positively impact business development.

### 5.3. General Assets for Business Development

*SOT6 – Fundamental strengths.* When transnational entrepreneurs have to bridge considerable cultural distances, their challenges are manifold and require basic strengths besides psychological issues to be discussed in SOT7 and 8. Data suggests that these fundamental strengths relate to three sub-concepts: (i) a learning attitude and reflection, (ii) entrepreneurial thinking and experience, and (iii) education and other non-business strengths.

(i) Learning attitude and reflection: There is already strong evidence in literature that entrepreneurial learning stands at the fore of business development (Politis, 2015). The same holds for (self-)reflection and a 'fail forward' attitude (cf. Table 4). For transnational entrepreneurs challenged by vast cultural distance, this seems to hold even more. The cases support this view and add modesty as important attribute.



So [EG] makes very strong moves and constantly learns new things. (...) I think [EG]'s a great guy, but he doesn't think in these dimensions, he doesn't think he's a great guy, he thinks there's a great job to be done. (A-61)

Table 4  
General assets for business development

<b>SOT6. Fundamental strengths</b>	<b>Paraphrases</b>
Learning attitude and reflection	I was part of a program called Erasmus for young entrepreneurs. And I used it really to become better at entrepreneurship and also to, in a sense, relearn, I think, the basic skills. (EZ-44) After a year I realized this is not working because it was very hard work to convince, let's say, traditional German businesspeople. (EZ-44)
Entrepreneurial thinking and experience	(...) you also need to have an electrician that is able to dangle up there, a hundred meters high somewhere in the ropes. I mean who is able to do that? Not many of them. And so the fact that in EG's system you don't climb up there, you do not dangle, it's just the robotic arm that goes up. (A-45)
Education and non-business strengths	(...) my ability to fight, to keep the business moving, to fight at some difficult stage is from the strength that I have as a sportsman. (EG-27)
<b>SOT7. Resilience</b>	<b>Paraphrases</b>
Resilient behavior	I've had a lot of racial unacceptability, so it's the distraction – if I'm able with this sort of distraction, it is also possible or easier for me to deal with other distraction that comes with your business. (EG-68)
Resilient resources	(...) can create a huge economic impact if we allow it, if we allow ourselves to be patient and to do it with a certain diligence. (EZ-44)
Resilient skills	This is actually the hardest and harshest rejection I get is not from people who are hostile. I mean, people are or can be hostile, but you can deal with it. (EZ-48) I think I'm fairly eloquent, that I can speak very well. (EZ-5)
<b>SOT8. Hope</b>	<b>Paraphrases</b>
Goals	He's just somebody who goes for it. (A-61) And this was actually when I, when I decided to drop this customer segment and really focus on African entrepreneurs and African businesses and Africans, small and mid-size companies or companies founded by African people. (EZ-44)
Will power	And also it becomes mandatory to be optimistic in the sense, it is not something that is it is good to have, but it is also good to be optimistic in the right way. (EZ-60)
Way power	But what we are very strong in is to do the, I would say, connect with entrepreneurs at the grassroots. And this is not something that we do here in Germany or that I do in Germany, but I also do in China. (EZ-56)

Source: Own compilation.

(ii) Entrepreneurial thinking and experience: For business development, it makes a difference when entrepreneurs possess an entrepreneurial predisposition, show appropriate behavior and are familiar with performing entrepreneurial functions (Lumpkin and Dess, 1996; Freiling, 2008). This helps recognize and develop entrepreneurial opportunities and tap their potential (cf. also Table 4).

(...) building the drone business in Ghana was – I mean you can see the timeline, right – summer 2017 he [EG] found out about agriculture and in summer 2018 his drones were out in the field, I mean – tak-tak-tak – this man pushes, he goes for it! (A-40)

(iii) Education and non-business strengths: Particularly in case of digital business development, a sound education and accompanying values allow transnational entrepreneurs to cope with business development challenges in the case of vast cultural distance. Both transnational entrepreneurs built strengths and gained inspiration through hobbies. EG was a basketball player, EZ musician. Besides that, spirituality (EG) and meditation (EZ) helped them gain strength.

We conclude:

- RP6.1. Continuous learning and (self-)reflection have a strong positive impact on transnational business development.
- RP6.2. Entrepreneurial thinking and experience have a positive impact on transnational business development.
- RP6.3. Education and non-business strengths have a positive impact on transnational business development.

*SOT7 – Resilience.* Resilience is a “(...) dynamic process of effectively negotiating, adapting to, or managing significant sources of stress or trauma” (Windle, 2011, p. 12). It rests on resource and network access, as well as identity. Entrepreneurship research reveals that resilient entrepreneurs are more likely to perform better entrepreneurial output measures (Ayala & Manzano, 2014; Saridakis et al., 2013). Resilience can, thus, be traced back to (i) resilient behavior, (ii) resilient resources, and (iii) resilient skills.

(i) Resilient behavior: Vast cultural distance to the host country society causes challenges of orientation and coping with offending and humiliating human behavior. To master these constellations, resilient responses enable transnational entrepreneurs to stay on the track of business development (cf. also Table 4).

(...) coming through the door as the tall black guy is a challenge, so he always tries to be very friendly, very gentle, very low-key not to trigger any of these reactions. (A-40)

(ii) Resilient resources: Different from business resources, resilient resources provide a buffer when developments get rough from the entrepreneur's viewpoint. Data stresses the role of self-confidence (EG-62), mental health (P-27), drive, personality, humbleness (A-61), patience and equanimity (EZ-44) as important resilient resources.

(iii) Resilient skills: These skills comprise previously learnt patterns that allow a certain controllable behavior when it comes to shocks impacting business development. While EZ is competent in persuasive communication, EG's skills rest on confidence (see also Table 4):

I have learned to built a thick skin and whenever it happens that way I tell myself that the best way to get out of this is to be the best. (EG-62)

The relevant propositions are:

- RP7.1. Resilient behavior indirectly supports transnational business development by avoiding deviations.
- RP7.2. Resilient resources indirectly support transnational business development by buffering social shocks in the host country society.
- RP7.3. Resilient skills indirectly support transnational business development by pattern-based behavioral control in case of shocks in the host country society.

*SOT8 – Hope.* Like resilience, hope belongs to the constructs of positive psychology. To date, the role of hope in entrepreneurship is not well understood. Hope, as a learnt thinking pattern, inspires, motivates, and activates transnational entrepreneurs in cultural distant settings even in unfortunate events and circumstances. It can be of preventing and enhancing kind when it comes to business development (Snyder & Feldman, 2000). Based on insights from positive psychology, particularly three pillars contribute to building hope. (i) goals, (ii) will power (agency), and (iii) way power (pathways) (Snyder et al., 1991; Luthans & Jensen, 2002).

(i) Goals: While way and will power provide the back-up factors of hope, goals are the benchmarks people strive for. As long as transnational entrepreneurs believe in goals and attainment, they have enough sense of direction where to move. This holds in the cases as well:

My goal is to succeed, you know, no matter what, and so, my focus is on the goal, you know, and so I don't allow these distractions to slow me down. (EG-58, cf. also Table 4)

(ii) Will power: Will power equips transnational entrepreneurs with the motivation to move on. While it is barely possible to list all factors causing this motivation, values and ways to interpret things, even of unfavorable kind (e.g., problems and challenges as opportunities), range at the top. This is supported by field data, as EG reported to take a lot of strength from

his religion, from his family, and from his previous achievements (EG-62; EG-34&35; A-65; cf. Table 4).

(iii) Way power: Way power stems from a resource-backed (mental) roadmap leading to goal attainment. Way power increases with taking first steps and coping with obstacles. Field data specifically loads this sub-concept. Important steps were the acquisition of financial capital from public and private sources allowing to significantly advance technology development (EG-41). The experience to be able to develop a new drone system within a year increased hope and made EG believe in the possibility of achieving even more complex technological advancements (see Table 4 for EZ).

Unlike the saying ‘where there is a will, there is a way’, the three sub-concepts are interrelated, and this interplay can affect transnational business development in two ways:

- RP8.1. The interplay of attainable goals, will power and way power absorbs negative events and prevent transnational business development.
- RP8.2. The interplay of attainable goals, will power and way power enhances the traction of transnational business development.

## 6. Discussion

The findings reveal the importance of many concepts from prior transnational entrepreneurship research when it comes to settings with vast cultural distance. However, the findings reveal some evident peculiarities that contribute to research.

The cases reveal that the phenomena of mixed embeddedness (Kloosterman et al., 1999; Kloosterman, 2010; Lassalle et al., 2020) and transnational social capital may appear in different light when it comes to transnational entrepreneurship in culturally distant environments. While embeddedness in the home country, host country and ethnic networks plays a visible role (Portes et al., 2002; Dabic et al., 2020), the case suggests that transnational entrepreneurs commuting between different cultures develop a fourth set of networks that is useful to ideation and implementation of new businesses: transnational networks of people outside the home and host country context. Combined with entrepreneurial judgment (Foss & Klein, 2012) and intercultural competencies, these networks help close critical resource gaps and reinforce the business concept. As it seems, this fourth type of networks complements and substitutes the workability of the other three types of networks. The finding complements Solano (2016, 2020), who pointed to migrants’ entrepreneurial activities involving several countries and groups of people (Brzozowski et al., 2014; Bagwell, 2015; Bagwell, 2018). It is a follow-up question whether the emergence of these transnational networks is a consequence of cultural distance, longer migration paths or multiple stays in different countries. In this study, it seems that all these factors may play a role.

Vast cultural distance in transnational entrepreneurship also displays another peculiarity: personal discrimination. Transnational entrepreneurship research is familiar with adversities transnational entrepreneurs may face (Lee, 2002; Valdez, 2008; Portes & Martinez, 2020; Zapata-Barrero & Rezaei, 2020). However, the kind and intensity of personal discrimination seems to range on high levels. It is one core result of this study to specify this and to point to the extraordinary challenges of culturally distant transnational entrepreneurship.

As discrimination in this setting seems to play a strong role among the cultural challenges of transnational business development, it is highly intuitive that transnational entrepreneurs need some equivalent. They find it in two concepts from positive psychology: resilience and hope. While the former already paved the way to transnational entrepreneurship research (Ayala & Manzano, 2014; Saridakis et al., 2013), the latter still plays a rather silent role (Heilbrunn, Freiling, & Harima, 2019; Freiling & Harima, 2019). The findings reveal that a stabilizing impact of hope on developing businesses of transnational entrepreneurs is visible so that this topic may deserve more attention.

Figure 1 shows the rich number of concepts and sub-concepts. This is not unusual for an early explorative work like this. The findings make first steps of identifying factors with a rather strong impact of developing businesses, although they are not able to specify these. This modeling responds to Sundarajan and Sundarajan (2015), who bemoan a fragmented understanding of transnational entrepreneurship due to lacking models.

## 7. Conclusions

This project advances research in the following regards. First, it illuminates the cultural distance as an important factor of transnational entrepreneurship. Second, transnational entrepreneurship research may already be aware of the role cross-cultural peculiarities. However, as the previous discussion showed, the picture is still incomplete and needs more structure to understand the complex set of peculiarities – and interrelations among the factors. Third, this project brought to the fore the role of particular concepts like transnational networks, resilience, hope, and discrimination.

*Limitations.* This project took first steps into the topic and chose an appropriate research design that rests on two cases. It helps understand the cases but without being able to transfer insights beyond them. The project considered a set of criteria that should contribute to the trustworthiness. However, there are still other factors that could improve the quality of data and interpretation that could not be considered here, namely dependability, conformability, integrity, and generality (Flint et al., 2002). Another issue is that the entire case was developed by a retrospective view. Recognition biases

may occur and question the results, even if the multi-person perspective tried to mitigate this problem. What could be useful to move on is real evolutionary fieldwork that rests on interviews and field observations for a longer time and more continuously to understand how things evolve and what can be drivers of the direction and the pace of developments.

*Implications.* The results challenge decision-makers on the micro, meso, and macro level. On the micro level there is room for business advisors in host countries that support transnational entrepreneurs particularly when it comes to intimate market knowledge and access to core players in the market. While transnational networks are of vital importance for transnational entrepreneurs, host country networks are often thin and weak. This gap can be closed by specialists. On the meso level, private and public actors could provide entrepreneurial support services in institutionalized bodies. Incubators and accelerators that consider the peculiarities of these transnational entrepreneurs could be beneficial and enrich entrepreneurial ecosystems through resource injection of this kind (Harima et al., 2020). On the macro level, comprehensive entrepreneurial support systems are an issue as well. Moreover, the question arises how to deal with personal discrimination and how to find ways to prevent transnational entrepreneurs from serious impacts of this kind.

*Outlook.* Follow-up research could select the field of identified factors by focusing those with more explanatory power. Moreover, there is much room for specifying the relationships among the factors – and to check the conceptualization of cultural distance. More exploratory work could examine whether there are other factors that play a role when it comes to transnational business development in cases of vast cultural distance. Moreover, the role of context could be illuminated in more detail. Before moving towards more exploitative research and larger numbers of research objects, construct refinement is an issue.

Future research can also target more focused issues. While at this point in time the wider range of factors impacting business development stood at the fore, the role of single concepts could be subject to research. Among them, constructs that address the transcultural dimension like the ‘transnational footprint’, the discrimination issue, as well as hope and resilience could stand at the fore.

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