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THREE ESSAYS UNPACKING THE ROLE OF CROSS-CULTURAL EXPERIENCE ON
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“Ask, and you will receive; seek, and you will find; knock, and the door will be upon unto you”
(Matthew, 7:7)

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Abstract

This dissertation comprises three essays probing the underlying mechanisms in the relationship between cross-cultural experience and entrepreneurship. Decades of research across multiple disciplines have provided evidence that various forms of cross-cultural experience can be personally transformative and have constructive implications for both businesspeople and their firms. Only recently, however, has entrepreneurship research started to examine how interactions with different cultures can not only stimulate people to launch firms, but also help people better develop their new ventures. These three essays advance theory in this nascent yet growing area by taking a cognitive lens to delineate what it is about the root phenomena—exposure to different cultures—that can be a potent driver of entrepreneurial activity. In a world of ever growing global connectivity and international mobility, and with increasingly idiosyncratic forms of cross-cultural exposure available to prospective entrepreneurs, my dissertation helps us to understand how we can leverage this influential form of experience to foster innovative entrepreneurship.

In Chapter 1, I develop a conceptual model that addresses the wider process between cross-cultural experiences and the processes that lead to entrepreneurial action. Cross-cultural experience is associated with a range of positive changes for individuals, such as increases in their cognitive complexity, creativity, and strategic decision-making ability. Despite broad consensus that such cultural interactions stimulate innovativeness and dynamism in business contexts, our theoretical understanding of how, why, and when such benefits occur remains limited. In this essay, I integrate image theory with regulatory focus and insights from cross-cultural psychology to develop a model explaining how and when businesspeople process the personal turbulence of cross-cultural exposure in ways that stimulates entrepreneurial action. My principal argument is that a cross-cultural exposure can stimulate self-awareness shock—a meaningful challenge to

one's sense of self that prompts reflection for new possibilities across their core image prototypes. Those who adopt a promotion-oriented regulatory focus to address this shock, are more likely to expand their images by embracing new possibilities, and in the process of enacting them, develop sensing, seizing, and transforming capabilities. In turn, these capabilities can help to initiate entrepreneurial action in any subsequent context. I contribute to the growing literature on the implications of cross-cultural experiences by explaining why some individuals leverage self-awareness shocks to entrepreneurial ends yet others do not, the conditions of exposure most likely to facilitate this process, and why the entrepreneurial effects are germane to a wide range of contexts beyond the initial cultural exposure.

In Chapter 2, I focus on the development of sensing capabilities and conduct an empirical study. Growing evidence suggests that cross-cultural experience can stimulate engagement in entrepreneurial activity. Yet, understanding of the underlying mechanisms that explain this link remains limited. Based on image theory, I put forth self-awareness shock as an intervening variable connecting cross-cultural experience with key competencies for nascent entrepreneurship—sensing capabilities. Across two studies and four samples, my findings provide robust evidence that self-awareness shock (a tendency to become reflective and energized from unusual experiences) mediates the relationship between cross-cultural experience and two types of sensing capabilities; opportunity recognition and creative performance. Further analyses indicates that the effects of cross-cultural experience goes beyond just international exposure; meaningful exposure to different cultures within one's home country can also provide the self-awareness shock influential for generating sensing capabilities. Implications for entrepreneurship research are discussed along with recommendations for future studies.

In Chapter 3, I focus on the emergence of seizing capabilities and take an alternate theoretical perspective to test my model. Innovative breakthroughs are often linked with rebel entrepreneurs who think at the boundaries of convention and disrupt the rules of the game. Despite this enduring archetype, a core question remains unanswered: why are some individuals more likely to start game-changing ventures than others? This essay argues that in the context of initiating new ventures, the ability to mentally contemplate and challenge the boundaries of the status quo may be advantageous in getting unorthodox ventures off the ground. Integrating recent research from cross-cultural psychology, I argue that experiencing other cultures can be influential in developing action-oriented capabilities central to nascent entrepreneurship—the capacity for developing innovative opportunities. Specifically, cross-cultural experience is associated with two key seizing capabilities in particular; rule-breaking and risk-taking. Drawing from attribution theory, I posit that moral relativism plays a key mediating role, such that those who view formal rules and moral codes as culturally fluid and fundamentally subjective become more comfortable in thinking and acting at the edge of business norms. This paper advances theoretical understanding on the notion of entrepreneurs as “rebels with a cause” by delineating how and when capabilities important for seizing new venture opportunities emerge.

Chapter 1: Why Cross-Cultural Experience Stimulates Entrepreneurship: Leveraging Self-Awareness Shocks

“When I first landed in Shanghai and walked out of the airport, it hit me like a ton of bricks. The shocks to the system during my time there forced me to directly confront how I perceived business, myself, and the world. It changed me profoundly...” (Anonymous A)

“My trip to China was a nightmare. My local partners could not have been more frustrating. Now, I spend most of my trips abroad in the hotel bar venting with other Westerners about how business should be done...” (Anonymous B)

1. Introduction

Exposure to a new and unfamiliar culture can be a personally transformative experience. Spending time in a country other than one’s own is perhaps the most distinct example of this. Whether for work, study, business, or travel, being in a foreign country uproots people from their status quo, propelling them into interactions with new people, ideas, and potential resources (Adam et al., 2018). There is continued interest in organizational research on how cross-cultural experiences impact managers, employees, and entrepreneurs (e.g., Daily et al., 2000; Le & Kroll, 2017; Reuber & Fischer, 1997; Vandor & Franke, 2016). Studies suggest that managers with foreign experience are better equipped for making strategic decisions (Dragoni et al., 2014), develop a higher cognitive complexity (Tadmor et al., 2012), and are more innovative (Godart et al., 2015). Moreover, experience overseas has been associated with enhanced creative problem-solving and adaptability (Leung & Chui, 2010; Maddux & Galinsky, 2009; Maddux, Adam, & Galinsky, 2010). Most recently, entrepreneurship research is finding that cross-cultural experiences cultivate intentions to launch new ventures (Dheer & Lenartowicz, 2016), and, even short stints abroad can increase the ability to recognize profitable business opportunities (Vandor & Franke, 2016). In light of this growing body of evidence, a broad consensus has emerged surrounding the general link between cross-cultural exposure and the development of entrepreneurial acumen.

Despite these findings, our theoretical understanding of how, why, and when cross-cultural exposure can lead to such innovative and dynamic advantages among businesspeople is lacking. More precisely, we do not know what it is about personally experiencing different cultures that, for some individuals, stimulates transformative growth and facilitates the development of critical entrepreneurial skillsets—such as opportunity recognition, creativity, and adaptability—but not for others, who at least ostensibly, share similar experiences. To date, theoretical work in this area has helped to make sense of cross-cultural experiences both at the broadest of levels and at the most context-specific of levels, making trade-offs between generalizability and specificity. For example, at the generalizable end, studies adopting purely cognitive perspectives suggest that experience of foreign cultures widens cognitive-schemas, increasing their complexity and the potential for novel combinations of ideas to emerge—a key element in entrepreneurial innovativeness (Godart et al., 2015). However, these perspectives tend to theorize the role of cross-cultural experience in the aggregate, assuming that the more overseas experience one has accrued, the greater the accumulation of stimuli for broadening cognitive-schemas (e.g., Le & Kroll, 2017). As a result, it is difficult to discern precisely why cognitive-maps expand at the level of a single, specific exposure and whether there are substantive differences across contexts (e.g., a stint living in China versus a summer backpacking around Europe). Moreover, there is no mechanism to explain why some individuals seem to achieve this and others do not. Conversely, on the specificity end, studies adopting identity-based perspectives have advanced understanding on the qualitative differences across different types of cross-cultural experience as they pertain to how people view themselves (Adam et al., 2018). For example, acculturation dynamics in corporate expatriates (Black, 1992), cultural assimilation dynamics in immigrants (Achidi Ndofor & Priem, 2011), or learning dynamics in international

returnees (Liu, Wright, & Filatotchev, 2015) draw on distinct identity contexts. However, identity perspectives alone have limited scope for making generalizable predictions about potential entrepreneurial outcomes per se, as most individuals who experience foreign cultures do not fit into these contextual categories. Though we know there is a broad link between forms of cross-cultural experience and entrepreneurial effects, we lack an underlying explanation of how, why, and when.

This is problematic as there is currently no theoretical model that is able to explain the root mechanism—exposure to a different culture—linking any type of cross-cultural experience with entrepreneurial outcomes in general. Though international mobility is at an all-time high (Bozionelos, Ariss, & Porschitz, 2018) and the opportunities for a wide range of overseas experiences are increasingly available and common among those entering the workforce (Shaffer et al., 2012), potentially powerful antecedents to entrepreneurship are routinely overlooked as they do not fit into traditional categories. Thus, we need an updated perspective that takes account of the fluid and idiosyncratic nature of modern cross-cultural experiences. For example, can a recent Australian graduate backpacking across South-East Asia, a self-employed Brit working remotely on their laptop while periodically living with friends in the South of France, or a semi-retired American academic writing a book while road-tripping through Latin America, all tap into a similar internal transformation that sparks entrepreneurial action? As disparate as these examples may appear on the surface, there is compelling evidence to suggest that something universally transformative occurs during the cross-cultural immersion itself, making the “international” in international entrepreneurship as influential an antecedent to entrepreneurship as it is an outcome. However, left unaddressed research is likely to continue in silos, focusing on niche contexts or categories of specific experience, such as "immigrant entrepreneurship"

"corporate expatriation" or "returnee entrepreneurship". While these are all valuable domains of inquiry, they have limited scope for advancing knowledge in mainstream entrepreneurship, as the majority of businesspeople are not immigrants, expatriates, or returnees. In sum, we lack a parsimonious theoretical understanding of how a single case of cross-cultural exposure develops entrepreneurial skillsets, why this happens to some and not others, and, explicates how this leads to action that is applicable to business contexts writ large. Consequently, the big question in the field remains unanswered: what is the mechanism triggering cross-cultural experience to stimulate entrepreneurship?

In this paper, I develop a theoretical framework that addresses each of these needs in both the cross-cultural experience and entrepreneurship literatures simultaneously. I draw from and integrate image theory (Beach & Mitchell, 1987; Lee & Mitchell, 1994) with research on regulatory focus (Higgins, 1998) to explicate the underlying process that transforms cross-cultural experiences into entrepreneurial action. At the core, my central argument is that a single cultural exposure can become a challenge, or a “shock”, to the self-image as one becomes immersed in a new and unfamiliar environment, away from their normative reference-points. When this occurs, tension arises between one’s current self-image and their affiliated images (or prototypes) which prompts reflection of new possibilities in three core areas: value images (i.e., who I am and what I am capable of), trajectory images (i.e., what I aspire to and what is possible), and strategic images (i.e., how I can get to my goals). Those with a promotion focus, process these shocks to their self-image by engaging positively with their new cultural surroundings, expanding and enacting updated images. By doing so, this develops sets of capabilities in three core areas: sensing, seizing, and transforming (Teece, 2012). In turn, these capabilities can stimulate entrepreneurial action in any context, as they endure beyond the

particular cultural exposure that initially helped to cultivate them. Moreover, promotion-oriented people are also more likely to become cognizant of these positive transformative effects and attribute their subsequent entrepreneurial endeavors to their cultural experiences. This creates a feedback mechanism and helps to explain why internationally mobile professionals “get the itch” to seek out more foreign experiences when they feel they are becoming stagnant in their work or personal lives (Osland, 1995). Figure A1 outlines my theoretical model, which I develop in detail over the subsequent sections. In sum, the stimulation of a temporary shock to the self-image is an essential, unifying mechanism linking cross-cultural experience with entrepreneurship.

In advancing my framework, I contribute to the literature on cross-cultural experience and entrepreneurship in several ways. First, and most importantly, I contribute to theory on the role of cross-cultural experiences in the wider management domain. My integrated theory is able to explain and predict; (a) why experience of a foreign culture is beneficial and how it links to entrepreneurial outcomes across contexts, (b) the mechanism that explains when this occurs for some individuals but not for others, and (c) the nature of the experience required to stimulate these positive changes. I am able to build on and integrate both cognitive and identity-based perspectives by drawing on image theory and regulatory focus to specify underlying conditions that need to be present in a cross-cultural exposure for entrepreneurial skillsets to emerge, namely, does it trigger self-awareness shock, and, is it processed through a promotion-focused, rather than a prevention-focused regulatory sensemaking approach. Second, I contribute to the nascent, yet growing literature on individual-level international dynamics in entrepreneurship (e.g., Bolzani and Foo, 2018; Clark et al., 2018; Jones and Casulli, 2014; Morgan, Sui, and Baum, 2018; Williams and Gregoire, 2015; Vandor & Franke, 2016). I do so by making the case that cross-cultural experience, in any form, can be an influential antecedent to entrepreneurial

action in general. This challenges common assumptions in mainstream entrepreneurship research that “international” is a niche context, dealing mainly with cross-border or immigrant activities. My introduction of and focus on self-awareness shocks as a driver of the core entrepreneurial effects of cross-cultural experience advances the conversation beyond types of “international” (e.g., immigrants, expatriates, travelers, or students) to the nature of the cultural experience itself as a reflective image-expanding process—which, potentially applies to anyone engaged in business. Third, and finally, this paper contributes to research on the microfoundations of dynamic entrepreneurial capabilities (e.g., Helfat & Peteraf, 2015; Teece, 2007), answering calls in the strategic management literature to explicate the individual-level antecedents that lead to these skillsets pertinent for initiating new ventures (Teece, 2012). I argue that the specific skillsets developed through transformative cross-cultural experiences feed into Teece’s (1997) three sensing, seizing, and transforming capability groups which are pivotal for entrepreneurial action (Teece, 2014; Zahra, Sapienza, & Davidsson, 2006).

2. Cross-Cultural Experience and its Impact on Businesspeople

Like other transitional experiences, going to a foreign country can be disruptive and unsettling. However, unlike other transitional experiences, going abroad exposes people to an unfamiliar environment characterized by novel and oftentimes vastly different sets of cultural norms, values, and behaviors (Adam et al., 2018). The variety of new information can be challenging, as familiar behavioral and cognitive scripts suddenly do not fit the new environment. In fact, the first encounter with a new culture generates such a flood of information that it is often perceived as overwhelming and stressful (Furnham and Bochner, 1986). Early scholarship investigating these individual effects came from cross-cultural psychology and anthropology, and labeled the broader phenomena “culture shock” (Oberg, 1960; Ward,

Bochner, & Furnham, 2005). Culture shock refers to the staged, linear process of arriving in a new place, feeling initial discomfort, and acclimatizing. At the core, it is direct exposure and interaction with a new and distinct culture, its people, ideas, and resources that drives the transformative impact (Berry, 1997). Though this could feasibly occur within one's own country, it is the physical exposure to another country that creates distinct boundaries for markedly different interactions. Accordingly, whether it is the incremental increases to knowledge or cultural savvy (Earley & Mosakowski, 2004), fundamental shifts in worldview or sense-of-self (Adam et al., 2018), to stimulating "eureka" moments for creative pursuits to emerge (Vandor & Franke, 2016), the way cross-cultural experiences influence businesspeople is of continued interest to organizational scholars.

In business contexts, much of what we know on the individual effects of cross-cultural experiences comes from the expatriation literature. This research domain has advanced knowledge on the acculturation processes of executives and employees in various overseas working assignments, from long-term corporate positions in foreign subsidiaries, to short-term business travelling, and self-initiated expatriation to foreign companies (Shaffer et al., 2012). Though a full review of expatriation literature lies outside the scope and purpose of this study (for a recent systematic review see Baruch, Altman, & Tung, 2016), a central theme in these corporate-related studies is that those who can overcome the discomforts of foreign exposure derive meaningful, and often lasting benefits, not only for themselves, but in their performance at work. Specifically, overcoming the initial shocks to the system helps to develop new or enhanced capabilities. These include, adaptability (Benson et al., 2009), strategic decision making abilities (Dragoni et al., 2014; Lücke, Kostova, & Roth, 2014) and perhaps most prominently, increase cognitive complexity—the level to which one can process and handle complex information

effectively (Maddux et al., 2014; Tadmor et al., 2012). More recent studies on CEOs and senior directors also support these positive effects, finding that their personal cross-cultural experiences also extend to organizational-level performance, impacting firm innovativeness and internationalization performance (Godart et al., 2015), and, suggest that the foreign experiences of businesspeople may play a role in the microfoundations of strategic management.

Studies in cross-cultural psychology also provide a highly informative body of research on the individual effects of foreign experiences as they pertain to business-related capabilities and performance. An overarching theme in these studies is that variations of cross-cultural exposure can enhance creativity and innovative performance. For example, Leung and colleagues have found robust evidence, across multiple studies, for the relationship between engagement with foreign cultures and creativity (see Leung, Chen, & Chiu 2010 for a review). Creative task performance—through enhanced ideational fluency and flexibility—is higher among individuals with foreign experiences than their lesser travelled counterparts (Maddux, Leung, Chiu, & Galinsky, 2009). Openness-to-experience bolsters these relationships by increasing the receptiveness to novel and unfamiliar ideas (Leung & Chiu, 2008). Building on these early studies, experimental research demonstrates that those with prior international experience can also tap into creativity-supporting processes when temporarily exposed to juxtaposed cultural cues—reminding them of two cultures simultaneously, indicating that the creative benefits individuals derive can be sustained over time, beyond the immediate impact of visiting a foreign country (Leung and Chiu, 2010; Maddux, Adam, & Galinsky, 2010). These findings also provide compelling evidence for the causal effects of cross-cultural exposure, responding to endogeneity concerns that creative individuals self-select into foreign experiences. Interestingly, further studies suggest these effects extend to teams and have additive effects when

groups of individuals with experience overseas work together on projects (Tadmor, Satterstrom, Jang, & Polzer, 2012).

Finally, and most recently, entrepreneurship research has started to pay attention to and integrate these two prevalent themes identified in the management and cross-cultural psychology literatures, namely; cross-cultural experience appears to cultivate capabilities central to entrepreneurship, and perhaps most characteristically, generates a creative flair. For example, Vandor and Franke (2016) found that both students and nascent entrepreneurs who had spent time abroad generated stronger opportunity recognition capabilities than their lesser travelled counterparts. Interestingly, although they identify two different pathways that link cross-cultural experience with opportunity recognition—Kirznerian (discovery) arbitrage and Schumpeterian (creation) recombination, they have no explicit theory for why the foreign exposure was so influential to entrepreneurial skillsets. Moreover, and perhaps most revealingly of the broader problems in the entrepreneurship literature, Vandor and Franke frame this as an “immigrant” story, despite hinting that there is something important about the experience in-and-of itself. Indeed, while there is compelling evidence that immigrants are disproportionately more entrepreneurial than the native population, there are well established selection and discrimination effects that economists have examined extensively that explain this disparity (Chiswick, 1999; Constant & Zimmermann, 2006), leaving the deeper question untouched; what is inside the “black box” of cross-cultural experiences, in general, that seems to switch on the entrepreneurial antenna in some but not others? Deeper psychological foundations, therefore, may offer the theoretical explanation needed to understand how exposure to different cultures appear to positively impact potentially anyone, and not just specific groups such as immigrants, returnees, or expatriates.

3. Image Theory and the Sense of Self

Image theory suggests that people are constantly bombarded with new information that could lead to potential behavioral changes (Beach, 1990). Yet oftentimes people remain incognizant of new information because work, home, and family routines prevent individuals from noticing alternative possibilities (Tang, 2016). In addition, people tend to search for, and be sensitive to, evidence that indicates the new information is consistent with their existing knowledge base and normative sense-of-self (Beach & Mitchell, 1987). Although people are more likely to reject new information, they may accept new information or options. Three different types of images; value, strategic, and trajectory images (Beach & Mitchell, 1987) guide such personal change. An image refers to a desired end state which occurs at various levels of abstraction (Hollenbeck, Ilgen, Phillips, & Hedlund, 1994). These exist as hierarchical levels so that the desired end state at a lower level feeds and informs the desired end state at a higher level (Hollenbeck et al., 1994). The self (or value) image reflects an individual's guiding beliefs, principles, and standards that define the individual, and lies at the foundation level. The trajectory image, the second level image, refers to the set of aspiring goals that motivates and directs an individual's behavior. The strategic image captures the individual's strategies and tactics to achieve the goals (Tang, 2016). As individuals create and rely on these images to organize their thinking and direct their actions, in order to accommodate new information or an option, a particular value, goal, or tactic may be dropped, adapted, or added (Beach, 1990). One's normative sense-of-self, their self image, plays an important role in this hierarchical image evaluation process, as it precedes and guides strategic and trajectory images. Thus, the self-image is at the center of personal orientation processes, sensemaking, and decision making,

functioning as the inner arbiter for image (i.e., schema or prototype) content and structure (Beach & Mitchell, 1987).

Traditionally assumed to be a relatively fixed entity disconnected with transitory experiences (Markus & Kunda, 1986), research on the self-image now suggests that it is a complex cognitive structure that is fluid, malleable, and dynamic, as it can experience both short-term, temporary change as well as long-term, lasting transformations (Markus & Wurf, 1987). The latter type of change especially has received sustained research attention for several decades. A person's self-image is the cognitive foundation for their identity; how they perceive themselves in relation to the world around them. Scholars across a variety of sub-disciplines in psychology and organizational behavior have examined how an individual's sense of who they are can undergo major revisions. Adult development researchers, for instance, investigate crucial periods of transition, such as the transition from youth to adulthood (Bynner, 2005; Molgat, 2007) or the transition to parenthood (Ladge, Clair, & Greenberg, 2012). As another example, a large body of research examines the changes in the self-image that follow trauma such as illness, accidents, or bereavement; these studies largely focus on whether such negative events can lead to positive changes in one's sense of self, a phenomenon referred to as post-traumatic growth (e.g., Nolen-Hoeksema & Davis, 2004; Tedeschi & Calhoun, 1995). Organizational researchers are also interested in the self-image changes that accompany career transitions (Adam et al., 2018). For example, research has examined the effects of entering into a new role, to receiving a promotion, changing careers, being laid off, or retiring (e.g., Ashforth, 2001; Ebaugh, 1988; Ibarra, 1999). A key distinction in studies on self-image is between its contents—self-representations, and its structure—the way these self-representations are organized and a person's meta-perceptions about this organization (Campbell et al., 1996; McConnell & Strain,

2007). In sum, situational factors that have the potential to temporarily disrupt the self-image such as cross-cultural experiences, are therefore, inherently interconnected to the images an individual uses for interpretation and behavior.

4. Self-Awareness Shocks from Cross-Cultural Exposure

Cross-cultural scholars researching the proximal and distal consequences of living abroad have converged on the idea that “hitting the road has substantial effects on who we are” (Zimmerman & Neyer, 2013, p. 527), suggesting that the self-image is influential. Studies examining the effects of living abroad on the self-image have primarily focused on changes to the contents rather than the structure of the self (Adam et al., 2018). For example, if people go abroad, they may add self-representations such as “adventurous”, “global cosmopolitan”, or “culturally savvy” to their repertoire (Adam et al., 2018). The acculturation literature in particular has illuminated how expatriates manage the challenge of forging a new sense of self as they navigate the differences in norms, values, and beliefs between the home and host cultures (Phinney, 2003; Schwartz et al., 2010; Ward, 2001). This work has focused on whether individuals hold on to their home culture identity, to their host culture identity, to neither, or to both (Benet-Martínez et al., 2006; Nguyen & Benet-Martínez, 2013). Accordingly, this research has been useful in understanding the role one’s sense of self plays in the experiences of expatriates (Osland, 1995), biculturals (Nguyen & Benet-Martínez, 2013), immigrants (Fuligni & Tsai, 2015), and students enrolled in study abroad programs (Peng, Van Dyne, & Oh, 2015).

Recent research has found robust evidence that aspects of cross-cultural experience—living abroad—also have meaningful impact on key structural aspects of the self-image too, such as its clarity (Adam et al., 2018). Clarity of the self-image refers to the extent to which self-beliefs are clearly and confidently defined, internally consistent, and stable (Campbell et al.,

1996). In general, transitional and disruptive experiences such as getting divorced, losing a job, or leaving a religious organization have been shown to cause confusion and instability for the self (Bennett, 2010; Ruble & Seidman, 1996), and these kinds of experiences can therefore cause a decrease in self clarity (Light & Visser, 2013; Slotter, Gardner, & Finkel, 2010). Intriguingly though, in contrast, Adam and colleagues (2018) found that foreign experience is a unique kind of transitional experience that can actually cause an increase in self-image clarity. They examine self-discerning reflections as a mechanism and find that it helps increase clarity in career decision-making. Though this is not directly relevant to entrepreneurial skillsets or action, it does provide a more rounded body of evidence that the self-image is a central component to the potentially positive transformative effects of cross-cultural experience, and most importantly, suggests that awareness of changes in both content and structure are important. Theory remains limited, though, on how cross-cultural experiences can transform both of these aspects of the self in ways conducive to entrepreneurial pursuits.

I extend this line of research by drawing from image theory and posit that both the content and structure of the self-image can expand through cross-cultural exposure which prompts heightened awareness of it, forming the initial conditions required for entrepreneurial acumen to emerge. Specifically, a cross-cultural exposure—a single instance of experiencing a foreign country (e.g., a study abroad in China), can cause temporary self-awareness shocks which stimulate introspection. Extending previous research, this leads, more specifically, to new stimuli flooding into the other connected images: trajectory and strategic. As is the case with other “shocks to the system” in image theory literature, this shock to the self-image is not necessarily positive or negative per se. However, the cross-cultural immersion itself is unique as it increases the potential for the self-image to be temporarily detached and disorientated from its

normative reference points. It is detachment from one's normative reference points which activates conscious reflection across these three key areas, that would otherwise normally (i.e., in their home/domestic environment) be dismissed out of hand if the new stimuli was incongruent with the standards set by the self-image, or processed heuristically with little awareness. Stated formally:

Proposition 1a: Cross-cultural exposure triggers self-awareness shock.

A cross-cultural exposure, then, can stimulate a self-awareness shock as it increases the chances of interacting with new cultural norms, social interactions, ideas, and even resources in ways which, at least temporarily, pivot an individual's perception of themselves and new possibilities. Moreover, it also increases the chances of new stimuli forming novel combinations of ideas which may also prompt perception of the self in ways previously unconceived of. For example, an underperforming Chinese student may spend a summer studying in England, and after interacting with his British counterparts for the initial weeks, experience a self-awareness shock: He was an "under-performer" and processed feedback in line with this self-image. Now, he is suddenly an "over-performer" and this shock to the system (neither positive nor negative) prompts conscious reflection in how he both perceives himself, and how he adapts his images to make sense of this moving forward. To further illustrate this process, table A1 provides some concrete business-related examples.

As the table indicates, at this stage there is not necessarily any action taken by the individual to accept or enact any of these expanded image possibilities stimulated by their self-awareness shock. Moreover, there is also not anything necessarily entrepreneurial about these reflections yet. I posit that in order for new expansion possibilities in the self, trajectory, and strategic images to be reflected on in a meaningfully different way, the self-awareness shock that

stimulates it must be disruptive enough that allows the new stimuli to arouse tension and novel reflections, yet not too overbearing that it provokes complete rejection of the experience altogether (e.g., operating in an active warzone or being exposed to such abusive or negative environments that it shuts down any proximal reflection). Stated formally:

Proposition 1b: Moderate degrees of self-awareness shock leads to meaningful tensions in three core images; (a) self, (b) trajectories, and (c) strategic, which, prompt reflection of novel possibilities for expansion in each image group.

5. Moderating Influences: Making Sense of a Variety of Cross-Cultural Experiences

There is an expansive range of categories, types, and contexts for cross-cultural experience. As I have argued thus far, a potential reason for the lack of a parsimonious theoretical model on why cross-cultural experiences can be so positive and stimulating for entrepreneurship is that these categories seem, at the surface level, so contextually distinct that they may warrant their own theories (e.g., “Immigrant”, “Expatriate”, or “Returnee” models). However, when viewed through the lens of self-awareness shocks and image expansions, it is possible to filter these seemingly disparate foreign experiences by the degree to which they stimulate self-awareness shocks and the richness of stimuli and reflections they provide across images. Drawing from research on the qualitative differences across different types of foreign experiences, I organize these moderating influences into three groups: micro-contextual factors (i.e., individual-level variables), macro-contextual factors (i.e., country related variables), and the distinct category of cross-cultural experience (i.e., the aggregate of one’s prior cross-cultural exposures).

Research on immigration and acculturation suggests the preparation an individual has before entering the new country can be influential to their adaption process (Caligiuri et al.,

2001). For example, managers who receive formal training on how to best interact with the culture they are about to enter for work assignments tend to experience less turbulence during the initial transition (Waxin & Panaccio, 2005). Moreover, the general knowledge an individual has about a host country prior to entering also influences how effectively they cope with the change (Stahl & Caligiuri, 2005). Thus, the less general preparation (to which knowledge is a component) one has before a cross-cultural exposure, the greater the potential for arousing self-awareness shock. Again, self-awareness shocks are not positive or negative per se, it is the degree of disorientation to the self-image that is the mechanism of interest. Furthermore, the ex-ante salience or personal meaning an individual places on a foreign trip and how it fits into their present life-stage is also an important individual-level factor likely to heighten or attenuate the effect of an cross-cultural exposure on the self-image (Ward, Bochner, & Furnham, 2005). To illustrate this, consider an overseas MBA course (taken, say, over a one-month period in Spain, by an American, as a part of a U.S.-based program). Extant studies would typically assess this experience by its formal category (i.e. study abroad) or by its depth (i.e., duration of time the student spends). However, if self-awareness shock is the underlying driver, then accounting for the prior meaningfulness the students assign to this exposure becomes critical. For instance, a younger MBA student, straight from their bachelors program, may place high expectations on this trip as a way of opening the door to new horizons post-graduation. Conversely, a mature MBA student, with a more concrete career trajectory and purpose may barely register this month in Spain as more than a glorified vacation. Thus, in line with image theory and the shock to one's images:

Proposition 2a: Micro-contextual factors such as (a) degree of preparation prior to exposure, (b) ex-ante meaningfulness, and (c) life stage, moderate the relationship between cross-cultural exposure and self-awareness shock.

Moreover, country-level differences also influence the reactions of individuals in their experience of new cultures (Gelfand et al., 2017). Based on the works of Kluckhohn and Strodtbeck (1960) and Hofstede (1982), cross-cultural organizational scholars have long examined how dimensional differences across nations influence interactions in business contexts (Brockner, 2003; Taras, Kirkman, & Steel, 2010). Cultural distance, in particular, is a common predictor of international decisions and effectiveness as it takes into consideration the total degree of difference—or perceived difference—between an individual's (or firm's) home country dimensions and those of the host nation (Shenkar, 2001; Williams & Grégoire, 2015). Cross-cultural psychology research also places importance on the degree of difference between home and host countries and has found it is important for widening the scope of cognitions for novel combinations to potentially emerge, a critical aspect for creativity (Cheung & Leung, 2013). Though support in organizational research for the validity of national level cultural components ebbs and flows (Gelfand et al., 2017), in light of stimulating a self-awareness shock, it is simply the degree of general difference and likelihood of temporarily removing someone from their normative reference points and image heuristics that is important. Thus, factors such as religion and religiosity (e.g., secular to theocracy), economic disparity (e.g., first-world to third-world), or concepts such as cultural impermeability—ease in which an outsider can access the culture and make friends (Osland, 1995)—are all ways in which this contrast can emerge or be created. Stated formally:

Proposition 2b: Macro-contextual factors, such as cultural distance, moderate the relationship between cross-cultural exposure and self-awareness shock.

Finally, as the focus of this paper is on unveiling the underlying mechanism that transforms any type of cross-cultural experience into entrepreneurial outcomes, conceptual precision at the level of a singular exposure is key. To date, most organizational studies conceptualize or operationalize cross-cultural experience as a summative construct. A common framework for doing so consists of multiple dimensions; depth (i.e., duration of time accumulated), breadth (i.e., frequency of trips or number of countries), and cultural distance or scope (the diversity of countries) (Clark, Li, & Shepherd, 2018; Pidduck et al., 2018). While cross-cultural experience is a prominent construct, it is important, conceptually, to disentangle the effects of a single exposure (i.e., 1 unit that goes toward increasing one's dimensions of cross-cultural experience) from cross-cultural experience in the aggregate. This is important because though my model examines the specific effects and processes of a single exposure, the degree of prior cross-cultural experience an individual has at the time of that exposure is also likely to be influential to the self-awareness shock. Simply put, over time, the more cross-cultural exposures one accumulates, the greater their cross-cultural experience. Consequently, the more experience one has of encountering the transitory turbulence of a foreign environment, the less likely they are to experience a substantial shock to their sense of self as they develop a tolerance to this otherwise stimulating process. As moderate degrees of shock and disorientation in the self are required for new and novel image possibilities to be reflected upon, this cognitive tolerance to cross-cultural exposures plays a negative role. Stated formally;

Proposition 2c: Prior cross-cultural experience negatively moderates the relationship between a cross-cultural exposure and self-awareness shock, such that

more cross-cultural experience attenuates the shock (and subsequent shocks) an individual can receive from a similar exposure.

6. The Entrepreneurial Sensing Trigger: Regulatory Focus and Image Embrace

Thus far, I have explicated the process of how cross-cultural exposures can stimulate reflection on the new and novel possibilities for expanding self, trajectory, and strategic images. The critical feature of this is how the exposure stimulates a self-awareness shock. However, the question now becomes, what leads some people to embrace these potential adaption possibilities to their core images and others to dismiss them? Put another way, where is the entrepreneurial trigger? The following section explains the next critical mechanism that separates those that embrace these possibilities and enact growth in a characteristically entrepreneurial way, from those who reject these possibilities and retain their status quo (a characteristically un-entrepreneurial way).

6.1. Promotion versus Prevention Focus

Regulatory focus theory determines how people engage in self-regulation—the process of bringing oneself into alignment with one’s standards and goals (Crowe & Higgins, 1997; Eitam et al., 2013). At any given point in time, people may engage in self-regulation with a promotion focus or a prevention focus. Promotion and prevention focused self-regulation differ along three dimensions: (1) the underlying motives people are trying to satisfy, (2) the nature of the goals or standards that they are trying to attain, and (3) the types of outcomes that are salient to people (Brockner, Higgins, & Low, 2004). When promotion-focused, people’s growth and advancement needs motivate them to try to bring themselves into alignment with their ideal selves (based on their dreams and aspirations), thereby heightening the salience of potential gains to be attained (felt presence of positive outcomes). When prevention-focused, people’s security and safety

needs prompt them to attempt to bring themselves into alignment with their “ought selves” (based on their sense of duty and responsibility), thereby increasing the salience of potential losses to be avoided (felt absence of negative outcomes).

Regulatory focus has been identified as an influential factor in entrepreneurship (Brockner et al., 2004). Though both focus orientations have been linked to success across different aspects of the entrepreneurial process, being promotion-focused puts one at a general advantage with regards to initiating entrepreneurial activity and in being receptive to the more creativity-dependent nascent stages of forming a new venture (Baron & Hmieleski, 2018). Invention requires considering new possibilities, generating alternatives. Several studies have found that individuals with a promotion focus generate more alternatives than individuals with a prevention focus. Moreover, to be inventive or creative, it is important to be open to change, that is, to be willing to consider new possibilities. Liberman and colleagues (1999) found that people in a promotion focus were more willing than those in a prevention focus to switch to a new activity or to substitute a new object for an object they already possessed. They found, for example, that the “endowment effect” (Thaler, 1980) of preferring what one already possesses over something new was greater for individuals in a prevention than in a promotion focus. Indeed, the endowment effect disappeared for individuals in a promotion focus. In sum, though individuals may oscillate between promotion and prevention focuses, a general orientation toward promotion-focus tends to separate the entrepreneurial from the non-entrepreneurial. This is because a promotion focus is associated with an important part of entrepreneurial alertness—heightened search (Tang et al., 2012), which leads individuals to habitually generate many hypotheses regarding the best ways to attain success (Baron & Hmieleski, 2018).

During a cross-cultural exposure, new stimuli floods existing self, trajectory, and strategic images. To reiterate, with no self-awareness shock, there is no internal disorientation. Thus, new ideas or possibilities that may conflict with the status quo are processed heuristically in line with one's normative images—indeed, serving their purpose as cognitive “shortcuts” for processing complex stimuli (Beach & Mitchell, 1990). However, during self-awareness shock, the new stimuli that floods existing images are not temporarily orientated and processed by the status quo-self as before. As a result, new possibilities are generated in each image and are reflected upon. Regulatory focus, at this point, plays an important role in whether an individual embraces these new possibilities, or rejects them out of hand, preferring to stick with their status quo. Individuals high in promotion focus lean towards moving ahead—they would prefer to take a chance on success and downplay the costs of failure—pursuing an opportunity that does really exist (Baron & Hmieleski, 2018). In contrast, those high in prevention focus would want to minimize potential costs so they would rather overlook a real opportunity than pursue one that does not really exist. Research suggests that the higher an individual's tendency to adopt a promotion focus, the greater the number of entrepreneurial opportunities they discover (Tumasjan & Braun, 2012). Individuals focused on attaining positive outcomes are either more willing, or better at finding new ways to attain those goals than people who are focused, instead, on avoiding negative outcomes. I propose those with a promotion focus, not only generate further possibilities when reflected on the new images from their cross-cultural exposures, but embrace the novelty and change in a positive way. It is this that functions as the entrepreneurial “switchbox” that helps filters out people who leverage these possibilities for entrepreneurial potential, with those who dismiss the disruptions as negative and something to be resisted or avoided.

To provide a more specific, illustrative example, take the two businesspeople in the opening quotes of this paper. Both individuals took part in a similar cross-cultural exposure, spending time in China. This was a shock to their system and generated substantial personal disorientation, which, according to my theoretical model, means they both experienced self-awareness shock. As image theory and research on the self-image suggests, this disorientation is psychologically uncomfortable; thus, they are motivated to reflect on and address the tension in their images. The first person appeared to do this by expanding their images in a positive way and modifying their status quo—embracing the disruption (i.e., accepting the reality that China does things differently and this provides opportunities for me). The second person appeared to do this by trivializing and denying the stimuli flooding their images with new possibilities in a negative way—avoiding the disruption (i.e., believing that China does things wrong and this provides liabilities for me). The individuals experienced the same source of self-awareness shock yet self-regulated in opposing ways, the first with a promotion focus, and the second with a prevention focus. From a psychological perspective, both routes were equally as effective. However, when taking into consideration the context for which their future behaviors were affected (i.e. conducting business with an entrepreneurial flair), one may be substantially more effective than the other.

With that, is it always best to adopt a promotion focus for leveraging the self-awareness shocks from international exposure to entrepreneurial ends? Research in this area would suggest probably not, as latter-stage aspects latter in the entrepreneurial process may suffer as a result of being too gun-hoe (Baron & Hmieleski, 2018). Though a balance is argued to be necessary for entrepreneurship in general, in the case of leveraging the self-awareness shocks of foreign experiences for lasting entrepreneurial acumen, I argue that those with a predominantly

promotion focused orientation, at least during the foreign exposure, are able to best embrace the new possibilities to their images that lead to capability development. Stated formally:

Proposition 3: Regulatory focus orientations influence the acceptance of expanded image possibilities such that those with a promotion focus are more likely to embrace the possibilities, and those with a prevention focus are more likely to dismiss the possibilities.

7. Enacting Expanded Images: Capability Development and Entrepreneurial Action

Thus far, according to my theoretical model, a cross-cultural exposure can stimulate a self-awareness shock in businesspeople and prompt reflection of new possibilities by filling their self, trajectory, and strategic images with new and novel combinations of stimuli. Providing this self-awareness shock is moderately turbulent, it will enable meaningful reflection of these possibilities. Those with a prevention focus, cautious of making mistakes, are more likely to reject these possibilities and thus, less likely to develop entrepreneurial capabilities as a result. However, those with a promotion focus, driven by the potential for success, are more likely to embrace these new possibilities which drive development of new capabilities as a result of enacting them. In this section, I focus on this critical next step: businesspeople who embrace the possibilities, expand their images, these then become the new status quo and are enacted upon in how they subsequently think and act. This links the cognitive with the behavioral and explains how dynamic entrepreneurial capabilities emerge from cross-cultural experience.

7.1. Capability Development

As illustrated in table 1, when self, trajectory, and strategic images expand, they reorient an individual's cognitive maps and sensemaking to include the new possibilities. As this becomes their new status quo and orientation for processing information and thinking, it then

influences behaviors (Beach & Mitchell, 1990, Lee & Mitchell, 1994; Mitchell & Beach, 1990). For example, take the American business person in the first scenario of table A1. His prior values, trajectory, and strategic images were oriented for him to follow the protocol set by his seniors and oversee the subsidiary office launch. However, the self-awareness shock he experienced changed his perceptions through his local Chinese interactions. The last column of table A1 provides a summary of what the image expansions could be. If he possessed a prevention focus, he would reject these and continue with the status quo (the first column). However, if he adopted a promotion focus at this time, he would embrace these possibilities. Because these are now his guiding images for subsequent perceptions and behaviors, they require behaviors to fall in line with images. This results in new skillsets being developed as he enacts these new images. For example, previously, although he was a manager, he did not view himself as a leader in the broader sense. Now, his values have been expanded—he views himself as more ambitious and capable of being a leader when out of his comfort zone. In enacting this new value, he thinks and behaves like a more ambitious leader. Thus, the related skillsets will emerge that would not have occurred when oriented by his old images.

In sum, my theory provides the specific mechanisms missing in extant research on the positive skillsets that emerge from cross-cultural experience. As stated previously, we know that experiences abroad lead to, for example, increased creativity and innovativeness (Godart et al., 2015), adaptability (Ward et al., 2005), strategic decision making ability (Lücke et al., 2014), tenacity (Osland, 1995), communication skills (Shaffer et al., 2012), cognitive complexity (Leung et al., 2008), tolerance (Tadmor et al., 2012), and self-efficacy (Pidduck, Shaffer, Zhang, & Clark, 2019). Moreover, it is also linked with “darker” behaviors, albeit advantageous to entrepreneurs, such as a willingness to bend the rules and operate in moral grey areas (Lu et al.,

2017). Though individually, these may not be particularly “entrepreneurial”, when multiple clusters of these skills develop and are added to a businessperson’s overall toolkit, they form capabilities central to entrepreneurship. These capabilities are inherently entrepreneurial for the following reasons. First, they enable enhanced sensing of new and viable opportunities. Second, they better equip entrepreneurs to seize and put into action new ideas. Finally, they enable an agility and dynamism through adapting to these new and challenging foreign environments. Table A2 below provides a concise review of skills developed through various forms of overseas experience.

Teece, Pisano, and Shuen (1997) argued that the dynamism firms need to survive and innovate in turbulent commercial environments is dependent on a cluster of entrepreneurial capacities called dynamic capabilities. These consist of three components; sensing, seizing, and transforming. Sensing capabilities center on the capacity for identifying and making assessments of the continuously changing business environment and the potential opportunities it affords. Seizing capabilities refer to the mobilization of resources to address an opportunity and to capture value from doing so. Finally, transforming capabilities refer to the capacity to repeatedly renew and strengthen sensing and seizing. A body of research has developed examining the performance outcomes of these capabilities (Fainshmidt et al., 2016; Felin et al., 2012; Salvato & Vassolo, 2017; Teece, 2018). More recently, however, Teece has argued that as these dynamic capabilities exist and operate as an extension of the senior management of organizations, the microfoundational antecedents are important (Teece, 2012). Namely, where do these capabilities come from and how are they cultivated at the level of an individual manager or entrepreneur? I posit that the skillsets individuals develop through cross-cultural experience build dynamic entrepreneurial capabilities. More specifically, though, it is the promotion focus that is crucial for

enacting the new images which lead to the cultivation of sensing, seizing, and transforming capabilities. Stated formally:

Proposition 4: A promotion focus leads to enactment of newly embraced images.

Enacting these expanded value, trajectory, and strategic images develops dynamic entrepreneurial capabilities.

7.2. Entrepreneurial Action

Entrepreneurship requires action (McMullen & Shepherd, 2006). This can be conceptualized as the creation of new products or processes (Schumpeter, 1934), entry into new markets (Lumpkin & Dess, 1996), or the creation of new ventures (Gartner, 1985).

Entrepreneurship encompasses meso-level dynamics in which personal initiative influences system-wide activity and outcomes (McMullen & Shepherd, 2006). Thus, to be an entrepreneur requires taking action, and to take action effectively, requires entrepreneurial capabilities (Busenitz & Arthurs, 2007). Though dynamic capabilities are entrepreneurial, studies on them evolved out of the strategic management literature with an emphasis on entrepreneurial performance in large firms. At their core, they represent the agility and innovativeness essential for both business survival and new business emergence (Teece, 2012).

Though recent studies have called for more research into the microfoundational antecedents (Felin et al., 2012), the outcome of interest—performance—has been predominantly at the firm level. Extending this logic, I argue that as sensing, seizing, and transforming capabilities originate and operate as the capabilities of its senior managers, the entrepreneurial performance outcomes should also apply to its senior managers at the individual level.

Specifically, an individual with dynamic entrepreneurial capabilities cultivated from his/her cross-cultural experiences can apply these skillsets to both starting a new venture, or launching

new entrepreneurial initiatives in an existing one. Table A2 summarizes the skillsets from cross-cultural experience identified in expatriation, international business, entrepreneurship, and cross-cultural psychology literatures. To date, these skillsets have been examined in isolation, and thus, may not directly link to entrepreneurial outcomes. However, when examined together, these skillsets fit within sensing, seizing, and transforming groups established in the strategic management literature as influential to entrepreneurial action.

Proposition 5: Sensing, seizing, and transforming capabilities lead to entrepreneurial action.

8. Feedback Loops: Explaining the Vitality Factor

Qualitative research on self-initiated cross-cultural exposure has consistently found that those with generally positive experiences are both cognizant of the changes in themselves, and, are more likely to want to go abroad again (Osland, 1995). In sum, adventures abroad can provide a meaningful stimulation, or revitalization, to one's life (Osland, 1995). This aligns with recent research applying the self-image perspective as individuals become more self-aware and can make clearer attributions for their values and behaviors (e.g., Adam et al., 2018). This has important implications for those engaged in entrepreneurship. Though the distal outcomes (i.e. new venture performance) of entrepreneurial action lie largely outside the control of the individual entrepreneur, the capabilities they generate through their cross-cultural experiences are within their control. According to my model, if an individual spends a year living abroad in China, for example, providing the exposure stimulates self-awareness shock and they adopt a promotion-oriented regulatory focus, they will expand their images and develop entrepreneurial capabilities as a result. If they subsequently engage in some form of entrepreneurial action

(either in China, at home, or anywhere) the attributions they make for why they engaged in entrepreneurship become influential to subsequent actions.

Drawing on the self-image literature, I theorize that regardless of whether an entrepreneurial action was successful or not, those with cross-cultural experience (that falls under the conditions proposed by my model) will be highly cognizant of the role it had in developing the capabilities they needed to engage in entrepreneurship. For example, “I would not have had the opportunity recognition to spot the gap for my venture if it were not for my time in China.”, or “My time living and working as a freelancer across South East Asia gave me the hardiness and resilience needed to withstand all the negative pushback in my venture’s early days”. Conversely, those with cross-cultural experiences whom adopt a prevention focus, would be less likely to generate the positive personal changes (i.e., image expansion and capability development) and thus not get the positive stimulation effect frequently identified in the expatriation literature. Consequently, I posit that these effects generate a feedback loop for those who do get this vitality factor. This leads them to seek out more cross-cultural experiences in the future and helps to continually develop, or “top-up” entrepreneurial capabilities—making them a more effective entrepreneur in the longer-term.

Proposition 6: Those who complete the process outlined in this theoretical model, by engaging in some form of entrepreneurial action, are more likely to attribute their entrepreneurial actions to their cross-cultural experience. This creates a feedback loop and increases the likelihood of seeking out more cross-cultural experiences to re-vitalize their entrepreneurial acumen.

9. Contributions and Implications for Future Research

In this paper I have addressed the underlying mechanism linking cross-cultural experience with entrepreneurship. Specifically, I provide a model that answers how, why, and when cross-cultural experiences lead to transformative change and its numerous implications for the development of entrepreneurial capabilities and action. In sum, my model suggests that a cross-cultural exposure is most germane to entrepreneurial outcomes if it stimulates self-awareness shock. Drawing on and integrating image theory with regulatory focus theory, I outlined how the self-image is integral in orienting the affiliated trajectory and strategic images toward perceiving stimuli and guiding behaviors. When shocked through cross-cultural exposure, there is temporary disorientation and detachment from one's normative reference points. Providing the shock is not too disorienting, it enables individuals to reflect on the new possibilities across their images. Those with a promotion focus are more likely to embrace these changes, and in the process of enacting them through their behaviors, develop characteristically entrepreneurial skills. This is the entrepreneurial switchbox, separating those who leverage cross-cultural experience to entrepreneurial ends, from those who do not. Consequently, these dynamic entrepreneurial capabilities can lead to entrepreneurial action in any subsequent context. Below, I discuss the contributions this paper makes to research on cross-cultural experience in organizational studies and to entrepreneurship.

9.1. Theory Building on Cross-Cultural Experience

Cross-cultural experience has long been associated with positive outcomes, for both individuals, and the organizations they serve. Multiple streams of literature in corporate expatriation, immigration, and cross-cultural psychology have all unveiled numerous personal advantages and skillsets that one can accrue through a variety of foreign experiences. Though a

consensus has emerged that these advantages are a boon to entrepreneurial activity, theory has remained limited as we are unable to explain a unifying mechanism that links any type of international experience with entrepreneurial outcomes in general. I contribute to the wider organizational literature on cross-cultural experiences by putting forth an integrated theory that is able to explain and predict; (a) why experience in a foreign country is beneficial and how it links to entrepreneurial outcomes across contexts, (2) the mechanism that explains when this occurs for some individuals but not for others, and (3) the nature of the experience required to stimulate these positive changes. This integrates both cognitive and identity-based perspectives by drawing on image theory and regulatory focus to specify underlying conditions that need to be present in a cross-cultural exposure for entrepreneurial skillsets to emerge, namely, does it stimulate self-awareness shock, and, is it processed through a promotion-focused, rather than a prevention-focused regulatory sensemaking approach.

This contribution provides two core implications for future research. First, my model makes propositions at the level of a single cross-cultural exposure, not based on prior cross-cultural experience in the aggregate. This is important as it allows for future empirical studies to refute or confirm each part of the model. This is not possible with much of the extant empirical work in this domain, as most are based on correlational claims, namely, more cross-cultural experience in general is associated with more of X capability. We cannot meaningfully answer why as there is no mechanism to detail what happens at the level of a single exposure. Though the big picture sentiment of this paper—that cross-cultural experience stimulates entrepreneurship, is not a challenge to the broad consensus in the literature, my move to draw focus to an underlying universal mechanism does provide a new perspective. Specifically, self-awareness shocks and regulatory focus help to specify how, when, and why any type of cross-

cultural exposure leads to entrepreneurship in general. Second, building on this first implication, as the arousal of a self-awareness shock is the activating criteria, it can be used to examine a range of seemingly disparate foreign experiences (e.g., study abroad, expatriation, repatriation, immigration). It can do so as it filters any foreign experience through its temporary disorientating effect on the self and related images, not by qualitatively different aspects of that experience itself. Thus, the model is applicable to all streams of research interested in explicating the effects of that cross-cultural experience on entrepreneurially-related outcomes.

9.2. From Niche to Mainstream Relevance: Cross-Cultural Experience and Entrepreneurship

My model also contributes to the growing literature on individual-level international dynamics in entrepreneurship (e.g., Bolzani and Foo, 2017; Clark et al., 2018; Jones and Casulli, 2014; Morgan, Sui, and Baum, 2018; Williams and Gregoire, 2015; Vandor & Franke, 2016). It does so by making the case that cross-cultural experience, in any form, can be an influential antecedent to entrepreneurial action. In the mainstream entrepreneurship literature, this claim challenges common assumptions. I show that “international” or “cross-cultural” is not simply a niche context that focuses chiefly on cross-border outcomes such as internationalization or immigrant activities. My introduction of and focus on self-awareness shocks as a driver of the core entrepreneurial effects of cross-cultural experience advances the conversation beyond types of international (e.g., immigrants, expatriates, travelers, or students) to the nature of the experience itself as a reflective image-expanding process—which, potentially applies to anyone engaged in business.

This challenge has several implications for entrepreneurship research moving forward. First, my paper makes a case for the importance and centrality of cross-cultural experience as a

wide-reaching and influential antecedent to entrepreneurial outcomes writ large. The predominant focus of international-related variables to date has been largely on the proximal contexts for where entrepreneurial activities take place—for example, immigrants that launch firms in their host country or returnees launching firms in their home country. However, this model is focused on explaining how foreign exposures in-and-of themselves can lead to entrepreneurial activity in general. Accordingly, explicating the antecedent process in this way substantially broadens the population of potential individuals whom are engaged in entrepreneurial activity, yet have previously been unaccounted for in entrepreneurship studies. Consequently, it takes account of the fluid and idiosyncratic nature of modern businesspeople’s cross-cultural experiences.

For instance, whereas immigrants make up just 13.5% of the U.S. population, internationally mobile citizens make up 36%¹, and yet the latter are currently excluded entirely from extant studies. This is problematic because all types of cross-cultural experiences, as argued throughout this paper, can be a powerful driver of entrepreneurial capability development and action. Moreover, with passport applications in major economies, such as the United States, at an all-time high—increasing at an average of 8% per year—and a record number of U.S. citizens in 2016 travelling outside of the country (National Travel and Tourism Office, 2017), examining foreign experiences more broadly and their impact on entrepreneurship is timely. Moreover, opportunities to experience and interact with different cultures are becoming increasingly ubiquitous for potential entrepreneurs. According to the Global Business Travel Association, businesspeople in the U.S. take approximately 488 million business trips each year (GBTA, 2015). Thus, shifting from a niche focus on immigrant entrepreneurs, to a theoretically-driven

¹ Internationally mobile citizens are defined as those who possess valid passports. Currently the U.S. has 113 million in circulation (U.S. Department of State, 2017).

approach on cross-cultural exposures in all forms takes this phenomena into the mainstream as anyone who experiences a foreign culture could benefit and channel the effects toward entrepreneurial action.

9.3. Entrepreneurial Capabilities and Leveraging the Stimulation

Finally, this paper contributes to research on the microfoundations of dynamic entrepreneurial capabilities (e.g., Helfat & Peteraf, 2015; Teece, 2007), answering calls in the strategic management literature to explicate the individual-level antecedents that enable these important skillsets to emerge (Teece, 2012). I examined how the specific skillsets developed through transformative cross-cultural experiences fit into Teece's (1997) dynamic capability framework which are influential to entrepreneurial action. Moreover, I contribute to expatriation and self-concept research by arguing that those with cross-cultural experience—which satisfy the theoretical conditions of my model—that do engage in entrepreneurial activity, are more likely to attribute it to their overseas experiences. They do so, if they have a predominantly promotion-oriented regulatory focus and are thus more likely to embrace the excitement and vitality in positive ways, seeking out more experiences like it in the future. Consequently, this helps to make further sense of why cross-cultural experience is influential to entrepreneurial skillsets in the aggregate—because people are cognizant of the positive effects foreign exposures have on them and intentionally seek out more.

These contributions also have numerous implications to entrepreneurial learning and pedagogy literature, both theoretically and practically. First, my model provides a framework for organizing the wide range of positive learning effects of cross-cultural experience identified across a broad range of literatures (see table 2). Typically, these learning outcomes from cross-cultural experience are studied in isolation, and thus by themselves are not necessarily related to

entrepreneurship. However, by organizing these under sensing, seizing, and transforming capabilities, it helps to make sense of how they lead to entrepreneurial outcomes. This provides fruitful avenues for future research in empirically exploring which clusters of these particular capabilities within each category are most effective in leading to specific entrepreneurial outcomes—such as new venture launches or early-stage new venture performance. Moreover, as entrepreneurship education continues to grow in popularity (Fayolle, 2013; Preedy and Jones, 2015), my model has practical implications. Entrepreneurship-focused MBA programs, undergraduate majors in entrepreneurship and conferences specializing in entrepreneurship pedagogy have grown, not only in North America, but also across the world (Preedy and Jones, 2015). Thus, the feedback loop theorized in this paper suggests that while entrepreneurial experiences are important, cross-cultural experiences are important for energizing entrepreneurs, or potential entrepreneurs toward ongoing action.

10. Conclusion

This essay makes the case that cross-cultural experience, in any form, can be a potent driver of entrepreneurship. Studies on cross-cultural experience across multiple literatures have long suggested that exposure to different cultures has benefits for both individuals and the organizations they serve. However, despite the broad consensus that this stimulates innovativeness and dynamism in business contexts, we have lacked specific theoretical mechanisms that explain how, why, and when such benefits occur. In this paper, I have addressed each of these limitations. I integrate image theory with research on regulatory focus to develop a conceptual model that explains how and why businesspeople process the personal turbulence of cross-cultural exposure in ways that lead to entrepreneurial action. In sum, cross-cultural exposure needs to stimulate a self-awareness shock—a meaningful challenge to one's

sense-of-self that prompts reflection for new possibilities across core image prototypes. Those who adopt a promotion-oriented regulatory focus to address this disorientation, are more likely to expand their images by embracing the possibilities, and in the process of enacting them, develop sensing, seizing, and transforming capabilities which are pivotal for entrepreneurial action. As scholars tasked with unveiling the antecedents of entrepreneurial action, this model helps us to understand the specific role of an increasingly ubiquitous, yet often misunderstood experience; cross-cultural exposure. In doing so, this paper brings individual-level cultural experience out of the niches of immigrant entrepreneurship and into the mainstream.

Chapter 2: How Can Cross-Cultural Experience Help Initiate New Ventures? Self-Awareness Shocks and Sensing Capabilities

“Travel and change of place impart new vigor to the mind.” (Seneca)

1. Introduction

Cross-cultural experience refers to exposure to new customs, people, and ideas that derive from cultures other than one’s own. For individuals, going abroad or interacting with foreign cultures can be a personally transformative experience, opening up numerous opportunities (Adam et al., 2018). Extending to the firm-level, foreign exposure can yield advantages by making organizations more dynamic and innovative (Clarke, Tamaschke, & Liesch, 2013). A substantial body of research has emerged examining how employees, managers, and senior executives adapt and grow through a range of cross-cultural interactions. Those embracing cross-cultural experiences often find their skillsets such as enhanced creativity (Leung et al., 2008), innovativeness (Godart et al., 2015), strategic decision-making aptitude (Dragoni et al., 2014), and an increased tolerance of outsiders and unconventional ideas (Tadmor et al., 2012) to be increased. More recently, entrepreneurship research has started to probe the influences of cross-cultural experiences on both aspiring and experienced entrepreneurs. These studies are finding that cross-cultural experiences can enhance opportunity recognition capabilities and bolster intentions to launch new ventures (Dheer & Lenartowicz, 2016; Vandor & Franke, 2016). Indicators are emerging that the experience of immersion in another culture, in itself, has constructive implications for entrepreneurship.

However, perhaps due to the sheer variety of cultural experiences available to potential entrepreneurs, research has tended to focus on specific types, or subsets of cultural experience in isolation (e.g., immigration, expatriates, or returnees). While valuable to an extent, this category-specific perspective has limited our ability to get inside the deeper “black box” of the cross-

cultural experience-entrepreneurship link. As a result, we still do not know what it is about the exposure to different cultures—the root phenomena underpinning all of these experiences—that appears to stimulate characteristically “entrepreneurial” skillsets. This is unfortunate as new and increasingly common types of cross-cultural experience such as self-initiated expatriation, combining travel with freelance work (e.g., nomadic entrepreneurship), opportunities for studying in culturally distant countries, and even extended periods of overseas travel between jobs, are all indicative of the global and idiosyncratic career path of this modern era (Mohammed, 2017; Sisson, 2017). Unfortunately, this focus on the various subsets takes our eyes off of a bigger prize: explaining why these cross-cultural experiences, in general, appear to be influential for those initiating entrepreneurial endeavors.

The purpose of this paper is to delineate an underlying mechanism for understanding why cross-cultural experience can often stimulate nascent entrepreneurship. To that end, I ask how and when does cross-cultural experience develop skillsets essential for initiating new ventures? I posit that such skillsets can best be understood as sensing capabilities. Sensing capabilities refer to a subset of skills salient to the ideation and exploration phase of entrepreneurship (Teece, 2012). To answer this question, I take a cognitive perspective and draw from image theory (Beach & Mitchell, 1987) to examine the role of cross-cultural experiences as “shocks to the system” which can disrupt the self-image in ways particularly conducive to sensing-out entrepreneurial opportunities. Specifically, I introduce the concept of self-awareness shock, a tendency to become reflective and energized from unusual experiences, as a key intervening variable linking experience of different cultures with two core sensing capabilities; opportunity recognition and creative performance. Put another way, I theorize that self-awareness shock is important in transforming potentially any types of cross-cultural experiences into entrepreneurial

sensing capabilities. In turn, by explicating how these capabilities central for launching ventures emerge, this paper helps to better understand specifically why cross-cultural experience can be so conducive to entrepreneurial activity. Moreover, integrating research on regulatory focus in the exploration phase of entrepreneurship (Brockner, Higgins, Murray, & Low, 2004), I argue that those with a promotion focus better leverage their self-awareness shocks to develop these capabilities as they orient towards embracing the shocks for growth and advancement.

This study contributes to the entrepreneurship literature in several ways. First, I advance theory on the role of cross-cultural experience in entrepreneurship by introducing self-awareness shock as an underlying mechanism linking cross-cultural experience with the development of skillsets at the heart of launching ventures. Specifically, by integrating image theory with regulatory focus I am able to offer a more universal explanation for why exposure to foreign cultures stimulates entrepreneurial activity. I find evidence across multiple samples that cross-cultural experiences, in any forms, enhances opportunity recognition and creative performance through arousing self-awareness shock. This also contributes to the growing literature on individual-level dynamics in international entrepreneurship research (e.g., Clark, Li, & Shepherd, 2018; Prashantham & Floyd, 2019; Williams & Grégoire, 2015) by pivoting away from the current focus of the “international” aspect as a contextual outcome (e.g., internationalization or performance in foreign markets) toward how cross-cultural experiences function as a potent antecedent to entrepreneurship in general. Second, in line with Teece’s (2012) conceptualization of sensing, seizing, and transforming capabilities for entrepreneurial contexts, I am the first to explicitly investigate the emergence of sensing capabilities. In doing so, I extend a more nuanced understanding of entrepreneurial capabilities (e.g., Busenitz & Arthurs, 2007; Karra, Phillips, & Tracey, 2008; Phillips, & Tracey, 2007) by explicating antecedents of specific subset of

capabilities salient to the nascent exploration phase of new venture development. Third, this study answers recent calls in the entrepreneurship literature to better contextualize findings as they relate to different parts of the entrepreneurial process (see Shepherd et al., 2019). Precisely, Shepherd et al. (2019) suggest that initiating endeavors (i.e., pre-launch outcomes) are distinct from engaging and performance endeavors (i.e., launch and post-launch outcomes respectively) with regards to boundaries of their implications. In line with this, my study unpacks how a growing experience common among many prospective entrepreneurs stimulates “initiating endeavors” by making them more able and likely to launch innovative new ventures. To that end, I am able to offer more precise theorizing that can distinguish why some become more “entrepreneurial” from their cross-cultural experiences yet others with similar experiences do not.

2. Theory and Hypotheses

2.1. Image Theory and Shocks to the System

Cognitive theories have been helpful for advancing understanding of entrepreneurship because they enable us to examine nuances in how individuals think and how this influences specific parts of the entrepreneurial process (Baron, 1998; Grégoire, Corbett, & McMullen, 2011; Mitchell et al., 2007). In particular, the nascent stages of entrepreneurship, prior to launching a venture, require substantial exploration (Baron, 2007). Research suggests that the cognitive capacities of aspiring entrepreneurs are influential in “connecting the dots” and getting ventures off the ground (Baron, 2006). Cross-cultural psychology research frequently adopts cognitive theories to make sense of unorthodox experiences on individuals. Thus, utilizing a cognitive lens to examine the influence of cross-cultural experience on the nascent exploration phase of entrepreneurship is especially beneficial as it can delineate how such experience

cultivate specific capabilities that we know are associated with the launch of ventures. Moreover, by focusing on the cognitive influence of cross-cultural experience in general, we are able to pivot away from category-specific explanations (such as immigrant, expatriate etc.) and simplify theory for understanding its impact on mainstream entrepreneurship writ large.

Image theory is a particular type of cognitive theory based on the premise that individuals possess numerous forms of schemata which guide their day-to-day thinking and decision-making. Schemata consist of scripts, stereotypes, prototypes, and images. Images, in particular, are influential in that they function as mental blueprints that help to process complex daily stimuli intuitively (Beach & Mitchell, 1987). Images, then, are important as they organize perceptions in line with a person's "default mode" which enable them make decisions coherently and consistently (i.e., on "autopilot"). The foundational and most important image is the self-image which comprises one's deep-seated values and the sense of who they are. Oriented by this, are the trajectory and strategic images which shape goals and plans respectively.

Image theory has been utilized in organizational research to understand how managers or employees make personal decisions—such as the decision to quit a job (e.g., Lee & Mitchell, 1994). Image theory posits that as individuals are constantly bombarded with information in their daily experiences, their images function as a screening mechanism. In practice, most decisions are mundane and do not violate any images. As a result, such decisions are oftentimes heuristically processed or based on intuition (Morrell et al., 2004). However, sometimes an experience is screened as an image violation, and consequently, requires a more deliberative focus to resolve. This is known as a shock to the system (Lee & Mitchell, 1994). The implications of this shock differ according to which image is violated. For example, if the strategic image is violated, then the cognitive adjustments may be minor (e.g., changing aspects

of a plan). However, if the self-image is violated, then the cognitive adjustments are more major (e.g., questioning or adapting who one is as a person). This separates image theory from other decision-making paradigms (such as those based in classical decision theory) as images are unique to an individual and may not necessarily be rational. This also helps to explain how people respond to the same experiences in very different, and seemingly irrational, ways.

With self-image as the foundation guiding the trajectory and strategic images, any shocks to the system that violate the self-image are the most impactful and potentially enduring. When an experience violates the self-image, heuristic-based processing is temporarily interrupted and individuals become cognizant of the content of their self-image. More specifically, for example, the experience of being fired for poor performance may be a major shock to the system for someone who has a self-image grounded in being “a winner” or “a top performer”. Such shocks can prompt deep reflection of the self-image, and subsequently, triggers awareness of the other images that may potentially require adjustment as a result—such as lowering their life goals and tactical approaches for achieving them. However, for another person with a self-image grounded in being “a slacker” or “lazy”, the same experience is not likely to be a major shock to the system that fundamentally violates the self-image and prompts awareness or reflection of it. Such shocks to the system do not necessarily need to be negative experiences, they simply need to be stimulating enough to prompt violation of extant images. For instance, an individual could have a self-image founded on abstinence and eschewing materialism while working for a charity. Suddenly, upon discovering that an unknown relative died and left them with substantial wealth, they experienced a shock to their system. Though the shock is positive, it violates their current self-image and raises self-awareness, as the possibilities for change have to be cognitively

addressed (e.g., “I take pride in living a life of frugality, but I am a millionaire, what does this mean now?”).

Grounded in this theory, and cross-cultural psychology research, I posit that cross-cultural experience can pose a meaningful shock-to-the-system which can stimulate focus on the self-image. Immersion in a foreign culture and detachment from one’s normative reference points, therefore, can arouse self-awareness shock. Though it is possible to have singular instances of self-image stimulation from a “shock to the system” experience, I define self-awareness shock as a general inclination to become self-reflective and stimulated from unusual experiences (in this case, cross-cultural). Accordingly, individuals can vary with regard to extent to which their self-awareness shock is triggered. Those with self-awareness shock tend to embrace these shocks to the system and integrate new perspectives from different cultures into their images as they are more reflective and invigorated by the shocks. Consequently, they become better equipped for “connecting the dots” of their environment in novel ways and sensing unorthodox opportunities. To that end, I theorize that self-awareness shock is important in transforming cross-cultural experiences into entrepreneurial sensing capabilities. Moreover, to establish boundary conditions, I argue that regulatory focus (Higgins, 1998), which I will expand on in the proceeding sections, amplifies the relationship between self-awareness shock and sensing capabilities such that those with a promotion focus embrace their self-awareness shocks more deeply as they are predominantly oriented toward growth and achievement. Figure B1 outlines my model.

2.2. Cross-Cultural Experience and Self-Awareness Shock: The Entrepreneurial Sensing Trigger

Going abroad and immersing oneself in an alien culture and social environment can be a transformational experience (Osland, 1995). There is indeed a long, multidisciplinary history of scholarly investigation into the impact of cross-cultural interaction on individuals (for a review see, Ward, Furnham, & Bochner, 2005). Cross-cultural psychologists first sought to examine the negative effects of this personal turbulence and referred to the general process as culture shock (Oberg, 1960). Building on these early foundations, organizational research has extensively examined the acculturation processes and dynamics of executives when working abroad. Individuals who overcome the temporary disorientation and discomforts associated with adapting to another culture have been associated with a range of positive attributes such as higher levels of creativity (Maddux et al., 2010), cognitive flexibility (Leung et al., 2008), integrative complexity, and higher tolerance for ideas and people from outside of their normative cultures (Tadmor et al., 2012). More recently, research has begun investigating the cognitive outcomes of cross-cultural experiences, finding that even shorter stints abroad can lead to constructive outcomes and a capacity for identifying profitable opportunities (Vandor and Franke, 2016) and also enhance entrepreneurial intentions (Dheer & Lenartowicz, 2016). Intriguingly, these positive outcomes seem to occur across various forms of cross-cultural experience (Maddux et al., 2009). Unfortunately, we still lack a coherent theoretical explanation for why people develop these capabilities across such seemingly disparate contexts.

Particular kinds of cross-cultural experience, such as immigration, have long been associated with higher rates of entrepreneurship and self-employment (Saxenian, 2002). Economic theories tend to explain such disproportionate rates of entrepreneurialism among

migrants compared to their native-born peers, by drawing on discrimination effects (the push factor—they are excluded from the traditional workforce so must create their own employment) and selection effects (the pull factor—bright, open-minded individuals self-select into starting firms because they chose to leave home). Such explanations are only useful to a point in discussing specific forms like immigration with regards to entrepreneurial activity, and then only from a very broad perspective as we are unable to theorize differences among immigrants. This brings us up short in explaining the innovative nature of the entrepreneurship that can often arise from cross-cultural experiences in general. For example, why do entrepreneurs with multicultural backgrounds found over half of the Unicorn Ventures (firms worth over \$1b) in the United States? What is it about exposure to foreign countries and cultures which stimulates entrepreneurial activity with a distinctly dynamic and creative flavor? Moreover, immigration is merely a subset of the wider population of those with cross-cultural experiences. Corporate expatriation is also a dominant categorical focus in organizational research (Shaffer et al., 2012), yet most people who spend time abroad do so in increasingly diverse and idiosyncratic ways. For example, self-initiated stints working abroad are common across Europe and trends that combine freelance work with extended travel—such as digital nomads or “suitcase entrepreneurs”, are growing in popularity (Sisson, 2017). In order to unveil an underlying mechanism that links potentially any form of cross-cultural experience with nascent entrepreneurship, an image theory perspective is helpful for probing what happens to individuals who seem to process these turbulent experiences in constructive ways. Is there something about cross-cultural experience universally that effects the mind in ways conducive to creativeness and the sensing of opportunities?

Drawing on image theory, I posit that cross-cultural experience can be a shock to the system. Unlike the concept of culture-shock, which explains the general process of adapting to a specific foreign culture when physically there (Oberg, 1960), image theory states that if the self-image is violated by an experience, self-awareness is likely aroused (Beach & Mitchell, 1987). This is because it triggers a person into making sense of the violation and its meaning in relation to the constituents of their self-image (values), trajectory image (goals), and strategic image (plans). Therefore, it is the self-awareness shock, in particular, that can potentially open-up an individual to re-evaluate new image possibilities when exposed to foreign cultures. If these possibilities are stimulating to the individual and incorporated into images via the self-image, the changes may have an enduring impact on the way a person thinks, processes subsequent experiences, and sets goals.

A self-awareness shock, then, is a pivotal construct that separates those who process a cross-cultural experience in ways that fundamentally alter their thinking, goal-setting, and plans, from those who are not aroused and go largely untouched by the experience. Though a self-awareness shock from many experiences could feasibly alter the self-image, research suggests that there is something unique about “hitting the road” that can fundamentally change who we are (Adam et al., 2018). Specifically, immersion into radically different belief systems, learning new languages, encountering new social dynamics, even engaging more deeply relationally with those from different cultures, all provide new stimuli, and more importantly, unique combinations of stimuli (Lu et al., 2017). Consequently, cross-cultural experience can shock the self-image and prompt self-awareness in ways that open up novel possibilities for change.

Started formally:

Hypothesis 1: Cross-cultural experience is positively related to self-awareness shock.

As self-awareness shock refers to the tendency to react to unusual experiences in ways that prompt self-awareness and stimulating reflection, it is helpful in delineating those who personally thrive from cross-cultural experience from those who have similar experiences yet remain ambivalent. Though it may be possible to have a particular cross-cultural experience or amass substantial cross-cultural experience through one's life and career, and become a better equipped entrepreneur through simply acquiring more knowledge, it seems unlikely that this would have a significant impact on the way an entrepreneur senses-out opportunities in general. Drawing from image theory, I propose that self-awareness shock holds substantial explanatory power for understanding how cross-cultural experience cultivates entrepreneurial sensing capabilities. Specifically, those prone to self-awareness shock from cross-cultural experience tend to be more deeply impacted insofar as they find the shock-to-the-system of experiencing a foreign culture personally energizing because it triggers reflection of their self-image. In turn, this invigorates their perceptions and assumptions which foster the capacity for "connecting the dots" surrounding potential opportunities and does so in characteristically creative ways. Put another way, self-awareness shock is essential for transforming cross-cultural experience into entrepreneurial sensing capabilities. Stated formally:

Hypothesis 2. Self-awareness shock mediates the relationship between cross-cultural experience and entrepreneurial sensing capabilities: (a) opportunity recognition and (b) creative performance.

2.3 The Moderating Role of Regulatory Focus

Regulatory focus describes how people engage in self-regulation—the process of bringing oneself into alignment with one’s standards and goals (Brockner, Higgins, Murray, & Low, 2004). While image theory is principally concerned with how people organize sets of images to make decisions, regulatory focus is concerned with the predominant ways in which people tend to pivot towards embracing new stimuli or avoiding threats from new stimuli. As such, regulatory focus orientations help to further understand how one might systematically process a certain type of “shock to the system” such as self-awareness shock from cultural experiences.

Individuals can engage in self-regulation with a promotion focus or a prevention focus orientation. When promotion-focused, their growth and advancement needs take charge and prompt them to try to bring themselves into alignment with their ideal selves (Higgins, 1998). This heightens the salience of potential gains to be attained from making changes or adaptation to the self. When prevention-focused, an individual’s security and safety needs take precedence over any potential opportunities and motivate them to try and bring themselves into alignment with their ought selves. This heightens the salience of potential losses or negative outcomes to be avoided. The self, and awareness of it, therefore, is fundamental in guiding regulation of standards and goals. While image theory details the relationship between the self-image and how it can be violated by a shock to the system, regulatory focus orientations can help to establish boundary conditions and explain why some people are more oriented toward embracing these shocks moving forward. I integrate image theory with regulatory focus to argue that promotion focus plays a moderating role.

A predominant orientation towards a promotion focus is highly beneficial to the nascent stages of entrepreneurship (Brockner et al., 2004). The pre-launch phase of entrepreneurship deals chiefly with exploration over exploitation activities. Exploration is the incubation process that requires cultivation of new venture ideas and sculpting them into potentially viable opportunities. Exploitation involves executing plans and studies suggests that a prevention focus is more beneficial for this part of the entrepreneurial process (Brockner et al., 2004). At the pre-launch stage, individuals are yet to become an “entrepreneur” (unless serial entrepreneurs) as they are in the process of sensing-out potentially novel and innovative ideas, and, whether these ideas could feasibly become a commercial opportunity. Research suggests that promotion focus is conducive to sensing and developing new venture opportunities as an individual’s growth and achievement needs regulate how they process information and form new ideas (Tumasjan & Braun, 2012). In sum, their “ideal selves” take charge and tends to guide them into settings that are more risky with unconventional goals. As these goals drive behavior, continual enactment of promotion-orientated thinking develops skillsets that reflect this.

Integrating regulatory focus orientation refines the theoretical rationale for expecting there to be an enduring entrepreneurial outcomes from a self-awareness shock caused by cross-cultural experience. Many experiences in a foreign country may indeed violate the self-image and stimulate awareness and reflection, yet, the process that follows could might not be so conducive to entrepreneurship. For example, the experience of not being able to speak a local language, not knowing the social etiquette, or breaking cultural norms may invoke self-awareness shock but combined with a strong prevention focus, the potential for growth may be attenuated and result in a reduction in goals and plans (e.g., “I am not as open as I thought I was. I just want to do my job and go home!”). Conversely, the same experience could occur and

invoke a self-awareness shock, but combined with a strong promotion focus, prompt excitement and adventure, enhancing goals and plans (e.g., “I like this novelty. I want to get as much out of this as possible!”). I posit that those with a predominate promotion focus will be better placed to leverage their cross-cultural experiences for entrepreneurial sensing capabilities. This is because a promotion focus motivates individuals to embrace the temporary turbulence to their self-image as an opportunity for growth and personal advancement, amplifying the role of self-awareness shock. Stated formally:

Hypothesis 3. Regulatory focus moderates the relationship between self-awareness shock and entrepreneurial sensing capabilities: (a) opportunity recognition and (b) creative performance, such that a high (promotion) regulatory focus strengthens this relationship.

Hypothesis 4. Regulatory focus moderates the indirect relationship between cross-cultural experience and entrepreneurial sensing capabilities: (a) opportunity recognition and (b) creative performance, such that the indirect effects are stronger for people with a high (promotion) regulatory focus.

3. Study 1 Methods

3.1 Samples and Procedure

The goal of Study 1 was to develop and validate the self-awareness shock scale (Samples 1 and 2), and to establish preliminary support for hypotheses 1 and 2 (Sample 3).

Samples 1 and 2: Self-Awareness Shock Scale Development and Validation. I collected two samples of data using Amazon’s Mechanical Turk, a platform assisting researchers to access a wide range of individuals for participation in surveys. I followed best-practice procedures for collecting valid samples of the general public via such online platforms (e.g., Goodman, Cryder,

& Cheema, 2013; Mason & Suri, 2012). First, for Sample 1, I recruited 1,000 people with cross-cultural experiences to write a short reflective essay on how these experiences affected them. These qualitative responses were used as initial data to develop items for the self-awareness shock scale. After removing incomplete responses, I arrived at a sample of 946. Of this sample, 42% were male and the average age was 34.9 (SD=9.84). Second, for Sample 2, participants were asked to provide responses on questions measuring self-discerning reflections, vitality, and self-awareness shock for scale validation. I recruited 151 working individuals. After removing incomplete cases and those who failed the attention check question, I arrived at a sample of 139 respondents. Of this sample, 63.0% were male and the average age was 34.7 (SD=11.13).

Sample 3: Working Adults from the United Kingdom. The sample for this study consisted of working adults from the U.K. As this study seeks to examine the antecedent mechanisms of entrepreneurial sensing capabilities, the population of interest is prospective entrepreneurs. Put another way, my model seeks to explain how potentially any individual with cross-cultural experience develops key “initiating” skillsets pertinent to starting a venture. While prospective entrepreneurs may include those who have previously launched, managed, or owned a venture, a general sample of the working adults is most appropriate as it enables me to better generalize my findings which, based on image theory, should apply to anyone in the nascent stage of new venture development. Moreover, sampling active entrepreneurs who are currently leading new ventures would confound my model as these recent experiences may bias responses and would restrict variance in my dependent variables (Grégoire et al., 2018; Hsu et al., 2015). I recruited participants via the research platform Prolific.ac—a service provider that qualifies and recruits eligible respondents for participation in social science research (van Balen, Tarakci, & Sood, 2019). After removing incomplete responses and those who failed the attention-check

questions, this sample consisted of 153 prospective entrepreneurs. Of this sample, 66% were female and the average age was 36.5 (SD = 25.85).

3.2 Measures

Cross-cultural experience. Cross-culture experience is defined as an individual's exposure to foreign environments through interactions with foreign countries or people (Ward et al., 2005). While it is common in entrepreneurship and management research to operationalize cross-cultural experience using single metrics, such as participation in study-abroad programs (Vandor & Franke, 2016), number of countries visited (Godart et al., 2015), duration of time spent living abroad (Maddux & Galinsky, 2012), or being an immigrant (Lorenz et al., 2018), an important part of this study is to demonstrate that exposure to foreign environments, in general, is influential to nascent entrepreneurship. Building on Pidduck, Cheung, Shaffer, and Yunlu (2019), I operationalized cross-cultural experience using a comprehensive range of metrics that assess physical experiences abroad (such as living, working, and studying), familial, and indirect exposure through social interactions and relationships. The resulting index of cross-cultural experiences which consists of 10-items. Each item was standardized and aggregated to form a formative index measure of cross-cultural experience.

Self-Awareness Shock. Self-awareness shock is defined as a general pattern of reaction to unusual transitory/temporary experiences that prompts heightened self-awareness and stimulation of meaningful reflection about oneself. As there is currently no established scale for self-awareness shock, I developed a scale by drawing from cognitive studies on "shocks to the system" and cross-cultural psychology research and inductive qualitative analyses from the 946 reflective essays in sample 1 (see Appendix A). In total my measure consisted of 12-items with responses on a Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). As stated previously, self-awareness

shock may be stimulated by a range of experiences (i.e. non cross-cultural) and as such may have distinct implications for entrepreneurial outcomes. Thus, each item assesses self-awareness shock in relation to the contextualized scale introduction statement “I have had cross-cultural experiences that...” Sample items include “Temporarily liberated my thinking and helped me to see important life issues more clearly”, “Were sometimes out of my comfort zone yet prompted reflection which felt liberating”, and “Provided some disruption to my routines that raised my self-awareness and provided new vigor to my ideas”. I first validated this scale in sample 2. The Cronbach alpha in sample 2 was .92. In sample 3, I used the scale developed in sample 2. The Cronbach alpha in sample 2 was .93.

Entrepreneurial Sensing Capabilities. Entrepreneurial sensing capabilities refer to skillsets that pertain to initiating new venture opportunities. I operationalized entrepreneurial sensing capabilities using two measures: opportunity recognition and creative performance. Opportunity recognition was assessed using Nicolaou et al’s (2009) 5-item scale. The first 4 items were scored on a Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Sample items include “I frequently identify opportunities to start-up new businesses (even though I may not pursue them)” and “I generally lack ideas that may materialize into profitable enterprises [reverse scored]”. The final item was “How many ideas for new businesses did you think of in the past month?” and was scored using the answer categories “none”, “one”, “two”, “three”, “four or more”, the respective answers were coded from one to five. The Cronbach alpha was .84. Creative performance was assessed using Tang and Baron’s (2008) scale which assesses creativity in professional contexts. Respondents were asked to rate the extent to which they perceived their performance at work involved aspects such as “radical new ideas” and “novel long-term visions or applications”. The Cronbach alpha was .87.

Controls. Entrepreneurship research suggests that gender, age, and prior entrepreneurial experience in particular, are strong predictors of engagement in entrepreneurial activities (Delmar and Davidsson, 2000). Accordingly, I control for the influence of gender (0 = male and 1 = female), age, and entrepreneurial experience (0 = never launched a business and 1 = launched/ing a business). Moreover, cross-cultural studies show that openness-to-experience is a personality trait that correlates highly with both self-selected cultural experiences and creativity-related outcomes (Maddux & Galinsky, 2012). Thus, I control for this using the openness-to-experience items in the BFI-10 scale (Rammstedt & John, 2007).

4. Study 1 Results

4.1 Scale Validation for Self-Awareness Shock (Sample 2)

To validate the self-awareness shock scale, I first conducted an exploratory factor analysis (EFA) of the 12 items generated from a combination of inductive qualitative analysis from the reflection essays in sample 1 and the literature on shocks to the system. Using sample 2, the EFA analysis showed that all items loaded on a single factor above the .40 threshold as theorized (with the exception of the single reverse coded item). Further, inspection of the scree plot confirmed the unidimensionality of the scale with an Eigen Value of the single factor of 7.48 (explaining 62% of the variance). See table B1 for item-loadings.

I then conducted a further series of tests to demonstrate the convergent validity and discriminant validity of the self-awareness shock scale before testing my hypotheses. Convergent validity is established when a measure relates to other measures of that construct or measures of other similar constructs. Discriminant validity is established when the focal measure is distinct from other similar measures or similar constructs (Campbell & Fiske, 1959; Hinkin, 1998). Because there are no existing measures of self-awareness shock, I examined the associations and

differences between self-awareness shock and two theoretically-related yet distinct constructs, self-discerning reflections and vitality. Self-awareness shock refers to the general pattern of reaction to transitory/temporary experiences which manifest as stimulating reflection and self-awareness. Self-discerning reflections, then, is comparable in that it assesses personal introspection about life issues. Similarly, vitality assesses the general energy and stimulation experienced in one's professional life. Therefore, both should correlate positively with self-awareness shock which encompasses these underlying concepts. Self-awareness shock was measured using the 12-item scale mentioned above. To assess self-discerning reflections I used Adam et al's (2018) 5-item scale. Sample items include "I have come to understand which beliefs and assumptions about life define who I am and which ones are just the result of my cultural upbringing" and "I do not know whether the way I play life roles (e.g., father, wife, employee) is influenced by what I believe or by societal expectations" [reverse-coded]. The Cronbach alpha was .91. Vitality was measured using the subscale of Carmeli and Spreitzer's (2009) workplace thriving and energy scale. This consisted of 8-items. A sample item includes "When I am at work I feel vital and alive". The Cronbach alpha was .92.

To test convergent validity, I obtained the correlations between self-awareness shock with these two constructs. The results showed that self-awareness shock was positively and significantly related to self-discerning reflections ($r = .37, p < .01$) and vitality ($r = .28, p < .01$). Therefore, the self-awareness shock scale demonstrated adequate convergent validity.

To establish the discriminant validity of self-awareness shock, I conducted a series of CFAs to assess whether self-awareness shock was distinct from these two constructs. Specifically, following the suggestions of Shaffer, DeGeest, and Li (2016), I compared the fit indices of two models: (1) the unconstrained model in which two latent constructs covary freely

with each other, and (2) the constrained model where the covariance of the two constructs were set to 1. The results of all comparisons supported that the unconstrained model had a better fit than the constrained model: self-discerning reflections ($\Delta\chi^2 [\Delta df=1] = 24.39, p < .01$) and vitality ($\Delta\chi^2 [\Delta df=1] = 20.79, p < .01$). Hence, these results suggested that self-awareness shock had adequate discriminant validity. In summary, through these tests, I established both convergent validity and discriminant validity for self-awareness shock.

4.2. Hypotheses Testing (Sample 3)

Table B2 presents the descriptive statistics and correlations of all variables in the model. Cronbach alphas are on the diagonal in parentheses. Table B3 presents the results of the hypotheses testing.

In Hypothesis 1, I proposed that cross-cultural experience positively relates to self-awareness shock. To test this hypothesis, I conducted a linear regression analysis. The results showed that cross-cultural experience was positively related to self-awareness shock ($\beta = .30, p < .01$). Therefore, Hypothesis 1 was supported.

Hypothesis 2 predicted that self-awareness shock would mediate the relationship between cross-cultural experience and the entrepreneurial sensing capabilities (a) opportunity recognition and (b) creative performance. To test this hypotheses, I conducted a mediation analyses using the bootstrapping approach through PROCESS (Hayes, 2018). Specifically, I tested two separate models, one to test Hypothesis 2a and the other to test Hypothesis 2b. The bootstrapping results of the first model show that self-awareness shock mediated the relationship between cross-cultural experience and opportunity recognition (estimate = .03, SE = .01, 95% CI = [.003, .060]). The results of the second model suggest that self-awareness shock mediated the

relationship between cross-cultural experience and creative performance (estimate = .06, SE = .03, 95% CI = [.015, .115]). Thus, Hypotheses 2a and 2b were supported.

5. Study 2 Methods

5.1 Samples and Procedure

The goal of Study 2 was to replicate the findings for Hypotheses 1 and 2 in Study 1 using alternate measures of opportunity recognition and creativity to assess entrepreneurial sensing capabilities and to test Hypotheses 3 and 4.

Sample: Working Adults from the United States. I employed the Qualtrics Research Services Team to recruit 350 participants. The Qualtrics Services Team has agreements with multiple panel providers that offer access to a large and diverse set of potential survey respondents. Importantly, this enables them to target specific samples using preset categorical quotas through prescreening questions. As the goal of this study is to predict the emergence of key entrepreneurial capabilities for launching ventures, I sought a sample representative of the U.S. adult working population. Moreover, as the opportunity recognition and creative performance measures were task-based and required more substantial time and writing, filters were put in place to ensure quality responses. These included only accepting responses that took a minimum of 11 minutes and filtering out respondents who failed one or more of the three attention check questions. After inspecting and removing cases with incoherent written responses I arrived at a final sample of 342 (48% Female, Mage = 46.4, SD = 16.53).

5.2 Measures

Cross-cultural experience. I used the same measure of cross-cultural experience as Study 1.

Self-awareness shock. I used the same measure of self-awareness shock as Study 1. The Cronbach alpha was .93.

Regulatory focus. Regulatory focus refers to the chronic disposition toward regulating one's behavior through a promotion focus and a prevention focus (Higgins et al., 2001). In line with other entrepreneurship studies (e.g., Hmieleski & Baron, 2008; Tumasjan & Braun, 2012), I used the regulatory focus questionnaire (RFQ; Higgins et al., 2001) to assess the extent to which respondents adopt an orientation toward a promotion or a prevention focus. Sample items include "Compared to most people, I am typically unable to get what I want out of life" and "I often accomplish things that get me "psyched" to work even harder". Following Camacho, Higgins, and Luger (2003) and Cesario and Higgins, (2008) and others, I computed the respondent's predominant focus by subtracting the mean rating for prevention focus items from the mean rating for promotion focus items. This provides a single continuous measure, with positive numbers indicating predominant promotion focus and negative numbers indicating predominant prevention focus. The Cronbach alpha was .78.

Entrepreneurial sensing capabilities. Entrepreneurial sensing capabilities were also operationalized as opportunity recognition and creative performance. However, unlike the scale-based perceptual measures used in Study 1, I assessed both using task-based measures.

Opportunity recognition was measured using Vandor and Franke's (2016) approach, which assessed the ability of participants to identify a viable entrepreneurial opportunity in a given scenario. Specifically, this involved presenting a scenario to participants and asking them to identify and describe a profitable business opportunity via an open unstructured form (cf. Vandor & Franke, 2016). The scenario was presented and asked in a way which ensured that respondents reported the best potential opportunity they could identify for a capable third-person agent to

pursue (i.e. not themselves). This alleviated the potential of conflating first-person with third-person opportunities which may have led to the filtering of ideas on the basis of personal preferences (McMullen and Shepherd, 2006). Following comparable entrepreneurship studies (e.g., Corbett, 2007; Gielnik et al., 2012; Shepherd & DeTienne, 2005) the written responses were then evaluated by subject matter experts blind to the hypotheses of the study who were asked to rate each response on a scale ranging from 1 (not profitable at all) to 5 (highly profitable). Scores among coders were averaged to arrive at the final metric for opportunity recognition. *Creative performance* was measured using the Alternative Uses Task (AUT; Guilford, 1967). Participants have two minutes to generate as many creative uses as they could for a brick. In line with prior studies (e.g., Gino & Wiltermuth, 2014; Tadmor et al., 2012), I assess creative performance on the AUT by coding responses for fluency (i.e., the total number of unique uses); flexibility (i.e., the total number of unique categories of uses), and novelty. Scores on each were standardized and summed to form an index for creative performance.

Controls. I used the same controls as Study 1. Moreover, following prior research using task-based measures of opportunity recognition and creative performance, I also controlled for task confidence, difficulty, effort, likeability, and mood (Maddux, Adam, & Galinsky, 2010).

6. Study 2 Results

6.1 Hypotheses Testing

Table B4 presents the descriptive statistics and correlations of all variables in the model. Cronbach alphas are on the diagonal in parentheses. Table B5 presents the results of the hypotheses testing.

Hypothesis 1 proposes that cross-cultural experience positively relates to self-awareness shock. To test this hypothesis, I conducted a linear regression analysis. The results showed that

cross-cultural experience was positively related to self-awareness shock ($\beta = .24, p < .01$).

Therefore, Hypothesis 1 was supported.

Hypothesis 2 predicts that self-awareness shock will mediate the relationship between cross-cultural experience and the entrepreneurial sensing capabilities (a) opportunity recognition and (b) creative performance. To test this hypothesis, I conducted a mediation analyses using the bootstrapping approach through PROCESS (Hayes, 2018). Specifically, I tested two separate models, one to test Hypothesis 2a and the other to test Hypothesis 2b. The bootstrapping results of the first model show that self-awareness shock mediates the relationship between cross-cultural experience and opportunity recognition (estimate = .05, SE = .02, 95% CI = [.013, .094]). The results of the second model suggest that self-awareness shock mediates the relationship between cross-cultural experience and creative performance (estimate = .02, SE = .01, 95% CI = [.002, .029]). Thus, Hypotheses 2a and 2b were supported.

Hypothesis 3 predicted that regulatory focus would moderate the relationship between self-awareness shock and entrepreneurial sensing capabilities such that a high (promotion) regulatory focus would strengthen the relationship. To test this hypothesis, I conducted two regression analyses—with the product of self-awareness shock and regulatory focus as the interaction term: the first with opportunity recognition as the dependent variable (Hypothesis 3a) and the second with creative performance as the dependent variable (Hypothesis 3b). Both analyses reveal no significant moderating effects of regulatory focus on the relationship between self-awareness shock and entrepreneurial sensing capabilities. Therefore, Hypotheses 3 was not supported.

Hypothesis 4 predicts a moderated mediation such that regulatory focus moderated the indirect effects of cross-cultural experience on entrepreneurial sensing capabilities via self-

awareness shock. To test this hypothesis, I conducted two sets of moderated mediation analyses using the PROCESS macro (one for each of the dependent variables as in Hypotheses 3). The results revealed no significant relationship. Thus, Hypothesis 4 was not supported.

7. Exploratory Post-Hoc Analysis

As the boundary conditions proposed in Hypothesis 3 and 4 sought to provide further evidence for answering the “when” part of the research question, and yielded no significant findings, I explored an additional question. Specifically, I sought to unpack the relative role of various types of cross-cultural experience, asking the a posteriori question: to what extent is each facet of cross-cultural experience stimulating the self-awareness shock important for entrepreneurial sensing capabilities? To test this, I conducted some exploratory post hoc analyses. First, I separated each of the 10-items from the cross-cultural experience index and assessed their individual correlation coefficients against self-awareness shock (see table B6). Intriguingly, though each of the 10 measures were positively and significantly related to self-awareness shock, items 5 and 6 had the largest coefficients. Second, I repeated the same regression analysis for Hypothesis 1 but with each item entered as separate predictors to explore their roles concurrently. The results showed that item 5 ($\beta = .29, p < .01$) and item 6 ($\beta = .34, p < .01$) were the two significant predictors. All variance inflation factors (VIF) were well below the recommended threshold suggesting that collinearity was not problematic (O’Brian, 2007). These results establish an important boundary condition for future research, namely, while all forms of cross-cultural experience can stimulate self-awareness shock and are influential for entrepreneurial sensing capabilities, social interaction with different cultures appears to be particularly impactful. I discuss the implications for this along with the results of both studies in the proceeding sections.

8. Discussion

Cross-cultural experience has constructive implications for entrepreneurial endeavors (Vandor & Franke, 2016). Unfortunately, extant research has been limited in explaining specifically how and when exposure to other cultures relates with higher propensities to pursue entrepreneurship, found innovative start-ups, or becoming self-employed. I advance knowledge in this space by drawing from image theory to introduce self-awareness shock as a valuable explanatory mechanism linking cross-cultural experience with two core capabilities, in particular, that we know to be influential in the initiating phase of entrepreneurship. In finding support for Hypotheses 1 and 2 in Study 1, and replicating these results using alternate measures in Study 2, I provide evidence that helps to delineate the underlying drivers behind why experience of different cultures can help stimulate entrepreneurship. Specifically, cross-cultural experience stimulates entrepreneurship because it can function as a constructive shock to the system in those who tend to become self-aware and energized by exposure to other cultures. Put another way, self-awareness shock is an entrepreneurial sensing trigger. Without this tendency for being invigorated by reflective self-awareness through unusual experiences, the potential benefits for nascent entrepreneurship attenuate or are not realized. Moreover, while integrating regulatory focus theory to test the boundary conditions for this relationship yielded no significant results in the moderation and moderated-mediation tests, my exploratory post-hoc tests helped to further unpack the individual effects of specific forms of cross-cultural experience. This suggests that prospective entrepreneurs can be stimulated by a self-awareness shock through going aboard and by engaging with different cultures within one's own country. Such engagements can yield the same constructive benefits to entrepreneurial sensing capabilities without the need to travel internationally.

8.1 Theoretical Contributions

This paper makes several contributions to entrepreneurship research which holds valuable implications moving forward. First, I advance theory on the constructive links between cross-cultural experience and nascent entrepreneurial activity. Specifically, from an image theory lens, I introduce the concept of self-awareness shock and find support for my theorizing that it mediates the relationship between cross-cultural experience and important sensing capabilities integral to developing entrepreneurial opportunities. This extends the growing cognitions literature in international entrepreneurship research (e.g., Clark, Li, & Shepherd, 2018; Prashantham & Floyd, 2019; Williams & Grégoire, 2015). Most importantly, I extend this stream of research by focusing on the cross-cultural experience as an influential precursor to nascent entrepreneurial activity in general, regardless of how international (or domestic) the subsequent ventures are that arise. This holds meaningful implications for this research stream moving forward. This study shows that the “international” phenomena in international entrepreneurship can, and should, be examined as antecedents to outcomes of interest to all mainstream entrepreneurship scholars—that is, the capacity to recognize viable opportunities and the creative flair for developing them. Although international entrepreneurship is chiefly concerned with examining entrepreneurial activity as it pertains to cross-border outcomes (McDougall & Oviatt, 2000), I delineate how cross-cultural experiences precede and help to initiate entrepreneurial activity in general. This can hopefully lay a foundation for further investigation into the role of cross-cultural experiences in entrepreneurship as I provide evidence that it is not simply a niche contextual outcome but an influential antecedent to entrepreneurship writ large. Building on this study, there are fruitful avenues for more research that unpacks the why, how, when, and who of this important link between exposure to different cultures and entrepreneurship.

Second, I contribute to the entrepreneurial capabilities literature (e.g., Busenitz & Arthurs, 2007; Karra, Phillips, & Tracey, 2008; Phillips, & Tracey, 2007) by focusing on the emergence of a particular subset of capabilities important to the exploration/nascent stage of the entrepreneurial process. Derived from Teece's notion of sensing, seizing, and transforming capabilities pertinent to the dynamic performance of new ventures (Teece, 2012), my study is one of the few to focus exclusively on the sensing category and empirically examine the antecedent mechanisms that explain how they develop. My findings have implications not only for entrepreneurship research focused on nascent or pre-launch activity, but also to corporate entrepreneurship research as cross-cultural experiences are increasingly viewed as essential in the recruiting of executives or employees tasked with initiating entrepreneurial projects in large, multi-national settings (Shaffer et al., 2012). Thus, the mediating role of self-awareness shock can also help to distinguish those who will thrive entrepreneurially in corporate contexts from those with similar experiences yet fail to cultivate the assumed benefits that come from being multicultural.

Third, I respond to recent calls for richer contextualization of the entrepreneurial outcomes we seek to explain in entrepreneurship research (Shepherd, Wennberg, Suddaby, & Wiklund, 2019). Shepherd et al. (2019) note that while some fields tend to coalesce around a single dependent variable (such as "firm performance" in strategy research), the dependent variables for entrepreneurship tend to categorize, as mention earlier, into initiating engaging, and performance outcomes. While this may add to the dynamism that makes entrepreneurship research a growing field, it can also attenuate the rapid accumulation of scientific knowledge as ambiguity in what we are specifically explaining variance in makes extending prior studies to answer important questions difficult. The question of why cross-cultural experience is so

conducive to “entrepreneurship” is a prime example of this problem. Ambiguity in what we mean by “entrepreneurship” when assessing the role of cross-cultural experience may partially explain why this link has largely remained a black-box. For example, research examining this question may look at immigration rates and the registration of new ventures (i.e., an “engaging endeavor” outcome). Alternatively, the same research question may look at ventures led by founders with experience living abroad and firm performance (i.e. a “performance endeavors” outcome). To date, research in this space has failed to explicitly articulate which aspect of entrepreneurship they are explaining, and thus, because these outcomes are so substantively different across studies, we have remained unable to answer in any practical way why cross-cultural experience tends to be so constructive for entrepreneurship.

Thus, my study goes some way in addressing this theoretical stagnation in the cross-cultural experience-entrepreneurship domain by focusing explicitly on explaining variance in the “initiating” context of entrepreneurship. Specifically, I operationalize this initiating outcome as entrepreneurial sensing capabilities and provide evidence for how cross-cultural experience leads to their emergence. This helps to lay a firm foundation moving forward as my findings speak exclusively to the initiating context. While they may have implications for engaging and performance outcomes, my findings can be distilled to a precise answer; cross-cultural experience is conducive to entrepreneurship because it helps to arouse self-awareness shock, which in turn, cultivates capabilities at the heart of initiating ventures. Thus, future studies that seek to extend or challenge my findings would also have to be precise in contextualize their outcomes to initiating endeavors. This, hopefully, helps to speed up the progress of theoretical and empirically findings in this space by being much more explicit about what we mean by “entrepreneurship” as an outcome.

8.2 Limitations and Directions for Future Research

While contextualizing the entrepreneurial outcome to individual-level initiating endeavors may go some way in setting the scope for the empirical implications of this study (i.e., absolving the need, for example, to collect venture-level data), there are limitations to cross-sectional designs. For example, I assess the focal variables at a single-point in time. Though I deduce the role of self-awareness shock from image theory, which suggests that this tendency to leverage cross-cultural experience for opportunity recognition and creative performance should have consistency and stability, I am unable to demonstrate how enduring the effects are. Thus, a reasonable contention could be; though someone scores high on self-awareness shock, is there a recency effect that needs to be to best leverage this for entrepreneurial capabilities? Some of these concerns are alleviated by replication of the scale-based (retrospective) measures of opportunity recognition and creative performance of Study 1 with task-based measures in Study 2 which show that sensing capabilities are current. However, future studies could expand on this with longitudinal designs. Longitudinal studies could help to unpack interesting questions that build on my findings by exploring these temporal dynamics. For instance there is some evidence to suggest that cross-cultural experiences earlier on in one's life may be more impactful than that those at latter stages of life (Ward et al., 2005). This makes for an interesting tension as we know that entrepreneurs, generally, tend to become more capable as they approach middle-age (Lévesque & Minniti, 2011). Thus, are entrepreneurial sensing capabilities greater among those with the bulk of their cross-cultural experience earlier on in their life, or among those with the bulk of their cross-cultural experience more recently in their life?

Another limitation to the generalizability of my findings is that I use samples from the U.K. and U.S., two western countries that differ culturally from other prominent locations that

make up the global population of prospective entrepreneurs. Although image theory is universal in that it assumes people react to types of shock to the system in similar ways, it is reasonable to question whether the self-awareness shock I introduce can be derived from cross-cultural experience, in particular, to the same extent among, say, Chinese entrepreneurs. Gelfund and colleagues (2012) suggest that cultures can be most parsimoniously understood on the tightness-looseness spectrum. Tight cultures tend to have stricter societal norms and punish or shun those who deviate from these norms. Loose cultures, conversely, tend to have fewer and less explicit societal norms and are lax in punishing any deviation. It is possible that those from loose countries may be more open and invigorated by cross-cultural experiences arousing their self-image than those from tight countries. While I expect my model to hold and predict the emergence of entrepreneurial capabilities in any national context, viewed from the tightness-looseness lens, it is possible that the effects may be weaker in those who were raised in tighter countries (e.g., China). While I am explicit in referring to cross-cultural experience as individuals interacting with cultures other than their own, this opens fruitful avenues for future studies in exploring the nuances of cultural heritage on the role of cross-cultural experience in entrepreneurship.

9. Conclusion

The relationship between cross-cultural experience and entrepreneurship is of continued interest among organizational scholars. While valuable evidence has emerged on the edges of this phenomenon, we have lacked a deeper theoretical understanding at the individual-level capable of getting inside the “black box” and explaining why this increasingly prominent form of experience among prospective entrepreneurs is so conducive for the pursuit of new ventures. Moreover, as forms of cross-cultural experience continue to diversify and become ever more

idiosyncratic, theorizing on the implications of cross-cultural experience on narrow subsets such as immigration or corporate expatriation alone fails to yield generalizable explanatory power. This paper addresses this problem and simplifies theory by introducing the concept of self-awareness shock as means of distinguishing who leverages cross-cultural experience to entrepreneurial ends from those with similar experiences who do not.

Chapter 3: Cross-Cultural Rebels: How and When Skillsets For Seizing Innovative Opportunities Emerge

“To undertake new things is difficult...because the environment resists in many ways that vary, according to social conditions...the man who tries to produce it” (Schumpeter,1975: 132).

1. Introduction

An archetype of the entrepreneur is that they embrace unorthodoxy, break with conventions, and tend towards being rebel-like (Arend, 2016; Zhang & Arvey, 2009). Indeed, initiating something truly innovative requires disrupting the status quo and brings with it inherent challenges and resistance (Brenkert, 2009). Those able to adopt novel modes of thinking, and who are willing to endure the inevitable confrontations in departing from business norms, are better placed to seize opportunities dismissed or unconceived of by others. The boundaries of these norms, however, are not always obvious nor interpreted in the same way among entrepreneurs (Harris, Sapienza, & Bowie, 2009). In some cases, the law clearly marks the boundaries. In most cases, though, conventions are tacit and take the form of cultural norms and expectations (Busenitz & Lau, 1996). For instance, the very premise of launching the world’s largest ride-hailing company without owning a single vehicle may have initially seemed bizarre, if not impossible, yet the entrepreneurs behind Uber were willing to flirt with the boundaries of convention by side-stepping existing operators altogether for their game-changing venture to emerge. The seeds of creative destruction, then, can often push entrepreneurs to break, change, or create new “rules of the game”. Those who develop the skills to do this may sometimes overstep the mark or put these aptitudes to nefarious use (Baron, Tang, Tang, & Zhang, 2018), but the same underlying aptitudes may also spark innovative ventures and disrupt entire

industries for the betterment of all (Brenkert, 2009). To that end, entrepreneurs can be “rebels with a cause” (Corbett, Mitchell, Shelton, & Wood, 2018).

While it is clear that entrepreneurs inevitably face pushback in going against the grain in forging new innovations and market pathways, we still do not know why some individuals seem more willing and able to engage in such characteristically groundbreaking activities. This is problematic, as some of the world’s most pressing problems and conundrums require the game-changing innovations that entrepreneurial initiatives are uniquely equipped to solve. To that end, the larger the prize, the greater the resistance and barriers inevitably are for the entrepreneurs behind them seeking to initiate breakthroughs. However, our knowledge remains limited on why or how some individuals can launch into a convention-breaking mindset to seize innovative opportunities. Stated differently, we do not understand how to unleash the ‘rebels’ to take on the challenges that our world faces. This issue is consistent with Schumpeter’s classic observation regarding the barriers to innovation: the capacity for breaking conventions and mobilizing change in the face of fierce pushback (Schumpeter, 1975). Recent studies on entrepreneurs as rebels (e.g., Corbett et al., 2018) suggest that entrepreneurs are nonconformists that bring with them unique sets of experiences, cognitions, and behaviors which can manifest as capabilities. Building on this perspective, I examine which specific experiences, cognitions, and behaviors underpin the seizing capabilities common among rebel-like entrepreneurs.

The purpose of this paper is to advance our understanding of the emergence of the skills and capabilities relevant to rebel entrepreneurs for seizing innovative opportunities. Seizing capabilities refer to the capacity for initiating action and mobilizing resources for entrepreneurial opportunities (Teece, 2012). My research question builds from attribution theory and cross-cultural psychology to ask: how and when do cross-cultural experiences lead to the development

of entrepreneurial seizing capabilities? Research on cross-cultural experience suggests that going abroad exposes people to variety and juxtapositions in norms and expectations (Adam et al., 2018). With increased exposure, people become more adept at processing culturally diverse sets of beliefs, conventions, and behaviors (Cao et al., 2014). Thus, some develop a more morally relative perspective—the belief that ethical rules are subjective and culturally-historically contingent. Recent studies on multiculturalism within individuals have found that cross-cultural experiences such as spending time in foreign countries is associated with not only more flexible attitudes towards rules in general but also engagement in risky behaviors associated with breaking rules (Lu et al., 2017a). Thus, this paper seeks to begin articulating how entrepreneurs develop an underlying mindset that can be advantageous to initiating entrepreneurial opportunities. I contend that cross-cultural experiences for those with entrepreneurial tendencies are more comfortable and adept with the challenges of departing from convention.

This paper contributes to the entrepreneurship literature in two important ways. First, I advance understanding on what Shepherd and colleagues (2019) call initiating entrepreneurial endeavors—the individual-level factors and mechanisms preceding the launch of ventures. Specifically, I develop theory on this nascent-phase of entrepreneurship by integrating research from cross-cultural psychology and testing a model that explains how and when capabilities important for seizing opportunities emerge. In short, those who actively engage with cultural differences become more relativistic in their thinking, which in turn, encourages a departure from the status quo (Gino, 2018). Perhaps most tellingly, these effects increase the stronger one's entrepreneurial intention providing some evidence for answering recent calls to examine entrepreneurs as “rebels with a cause” (Corbett et al., 2018). Second, I extend emerging thought on international experience and multiculturalism (Dheer & Lenartowicz, 2016; Lu et al., 2017b;

Vandor & Franke, 2016). Although some have alluded to the “dark” side of cross-cultural experiences and the moral relativism that can come with it, I contend that leveraging the cognitive dynamics that underpin such experiences may actually be very beneficial for the nascent stages of entrepreneurship. As the boundaries of convention become blurred in an increasingly complex and multicultural business environment, this paper examines how some prospective entrepreneurs become adept at challenging the status quo.

2. Theory and Hypotheses

2.1. Seizing Entrepreneurial Opportunities and Breaking Conventions

Initiating and attempting to implement a change in the status quo invariably brings with it barriers and push-back. Obstacles and challenges can be particularly intense in the earliest stages of launching an innovative venture. In navigating this inherently disruptive process, entrepreneurs encounter resistance from industries, governments, systems and other individuals around them (Brenkert, 2009). Those willing and able to put their non-conforming ways into action are at the microfoundations of creative destruction as they launch ventures that rebel against the existing state of affairs. In both entrepreneurship research and popular press, there is a tradition in framing entrepreneurial innovativeness in terms that emphasize the ways in which an entrepreneur does something that breaks with conventional wisdom and accepted ways of operating (Brenkert, 2009). The capabilities to depart from convention likely require a mindset that is both flexible in embracing unorthodoxy and being comfortable with taking the risks of potential backlash.

While it is widely recognized that entrepreneurs commonly break with convention (Gartner, 2007) investigation of the specific skillsets associated remain limited and somewhat of a taboo. Anita Roddick famously commented that “there is a fine line between the delinquent

mind of an entrepreneur and that of a crazy person” (Roddick, 2001). This is perhaps due to the inherently interconnected moral and ethical dimensions associated with rebelling. Brenkert (2009) argued that understanding this willingness and ability to depart from the status quo by challenging conventions is important for advancing knowledge on the seeds of creative destruction, but, we must examine it with neither moral naiveté nor moral cynicism. To stimulate scholarly discussion, Brenkert asked the question “If entrepreneurs are rule breakers, boundary crossers, when may (or must) such rules be broken, and when not?” (p. 451). Rather than enter an ethical debate on the merits of rule-breaking and its outcomes per se, I advance this conversation by examining cognitive processes that underpin the emergence of rebel-like capabilities that enable entrepreneurs to seize innovative opportunities.

Specifically, I draw from attribution theory (Kelley, 1967) and research in cross-cultural psychology (Adam et al., 2018; Godart et al., 2015; Lu et al., 2017b) to test a model delineating how cross-cultural experience builds entrepreneurial capabilities central to seizing new and innovative opportunities; rule-breaking and risk-taking. I posit that cross-cultural experience cultivates these seizing capabilities through the role of moral relativism. In essence, the more experience with foreign cultures entrepreneurs attain, the more fluid and flexible their attitudes become to established conventions in any given place, opening up their thinking and behaviors to explore challenging norms. In turn, I demonstrate the link between moral relativism and seizing capabilities through tasks to assess both willingness and tendency to break rules and to take the associated risks. Moreover, to establish boundary conditions for my theorizing, I examine the moderating role of entrepreneurial intentions, predicting that those with a more imminent intention to launch a venture leverage their moral relativism for seizing capabilities to

a greater degree than those not planning to launch a venture. Figure C1 outlines my model which I expand on in the proceeding sections.

2.2. Attribution Theory: Culture and Moral Relativity

Attribution theory refers to a body of theories that deal with the processes underlying perceived causation (Kelley & Michela, 1980). Kelley's (1967) Covariation Model of Attribution is a specific theory of attribution which predicts that "an effect is attributed to that condition which is present when the effect is present and which is absent when the effect is absent" (p. 194). This model has been applied to understand how cultural experiences influence perceived causation (Kashima & Triandis, 1986; Rai & Holyoak, 2013). Research on cross-cultural experiences suggests that diversifying experiences (i.e., actively experienced events or situations that are unusual) can disrupt normality, violate cognitive schemas, and promote a thinking style characterized by cognitive flexibility (Ritter et al., 2012). Experiences in foreign countries epitomize such unusual experiences. There is substantial evidence that these cognitive disruptions can fundamentally alter the way in which individuals make attributions. For example, cross-cultural experiences expose people to a much wider range of assumptions, beliefs, values, conventions, and behaviors that may appear at odds with their own (Lu et al., 2017a). This can enable some to integrate multiple perspectives on the same issue which cultivates a flexibility in both thinking about and handling them (Hong, Morris, Chiu, & Benet-Martínez, 2000; Tadmor, Galinsky, & Maddux, 2012). Over time, those who develop a breadth of international experiences can increase their propensity to flexibly draw upon mental schemas and behavioral scripts from different cultures (Leung, Maddux, Galinsky, & Chiu, 2008).

The cognitive flexibility that can arise from foreign experiences is well studied and often examined in conjunction with creative performance (Leung et al., 2008; Leung & Chiu, 2010).

However, the same processes can also lead to thinking and behaving in a morally flexible and relativist manner. Recent studies have found that although international experiences empower people to break mental conventions, they may also dispose people to bend moral rules (Lu et al., 2017a). This can result in an increased tendency to behave in morally flexible ways. As a result, this has recently been thought of as a negative implication of cross-cultural experience (Lu et al., 2017a). However, my central premise is that these same cognitive processes may help to explain how a common experience like spending time immersed in foreign cultures by entrepreneurs can stimulate the fundamental thinking and attitudes underpinning the convention-breaking mindset of entrepreneurial seizing.

Moral absolutism refers to a belief that there is a universal, objective, set of rules (Harman, 1975). Conversely, moral relativism proposes that “right” or “wrong” are inherently relative because moral beliefs are the products of cultural histories (Harman, 1975). For example, while eating pork may be perceived as objectively “wrong” among Saudi entrepreneurs at a business lunch in Riyadh, the same would barely raise an eyebrow among American entrepreneurs in Dallas. Accordingly, morally relativistic thinking involves considering more relaxed standards with regards to “the rules of the game” across various contexts. Moreover, such thinking is associated with a greater leniency toward both one’s own and others’ transgressions (Lu et al., 2017a). The link between moral relativism and immoral behavior has been supported by empirical studies showing that even priming people with moral relativism increases their tendency to bend the established rules (Lu et al., 2017a). For example, participants who read a relativist definition of morality were more likely to cheat in a subsequent task than participants who read an absolutist definition of morality (Rai & Holyoak, 2013). Though cheating is not to be condoned, these studies do provide evidence to suggest that

exposure to foreign cultures can alter the ways in which people make sense of juxtapositions in norms and conventions. As entrepreneurs experience foreign cultures, they may learn to appreciate that different cultures uphold different standards on the same moral issues. This may lead them to construe conventions and principles, more broadly, as culturally relative rather than absolute—and thus, open to challenge. As previously stated, the boundaries of rules and conventions may not always be clear. Thus, I integrate studies on the link between cross-cultural exposure and relativism and posit that entrepreneurs may extend this tendency for cognitively pushing the boundaries of convention to specifically challenge *established business conventions*.

In line with Kelley's (1967) Covariance Model of Attribution, gaining exposure across different foreign contexts is critical for forming generalized attitudes and beliefs. Cao and colleagues (2014) found that generalized trust was higher in those with substantial foreign experience suggesting that although people become exposed to different customs and conventions, they develop a more relaxed meta-view that tolerates a much wider range of norms. Applying this logic to the domain of moral cognitions, the more sets of formal codes, conventions, and "rules of the game" entrepreneurs are exposed to, the more likely they are to develop a generalized, "metaethical" view and become relativistic in their thinking toward rules. Specifically, I predict that cross-cultural experience will shape entrepreneurs to become more flexible in the interpretation of moral rules and principles, and consequently, this extends to their attitudes towards breaking business conventions. Stated formally,

Hypotheses 1. Cross-cultural experience is positively associated with moral relativism.

Hypothesis 2. Moral relativity mediates the relationship between cross-cultural experience and entrepreneurial seizing capabilities: (a) rule-breaking and (b) risk-taking.

Attribution theory infers root psychological mechanisms that apply universally (Kelley & Michela, 1980). Hence, in line with other studies drawing on this lens (Lu et al., 2017a), I also expect that any individual (entrepreneur or otherwise) will become more morally relative through cross-cultural experience. Moreover, as entrepreneurial seizing capabilities—comprised here specifically as rule-breaking and risk-taking, develop and potentially apply to anyone, across multiple contexts, I also expect my model to predict the emergence of these capabilities universally. However, this paper is primarily interested in understanding the cognitive underpinnings of these capabilities as they apply to the initiating and seizing of innovative new ventures. Thus, I contend that the relationship between moral relativity and entrepreneurial seizing capabilities will be more pronounced in those who consider themselves to be entrepreneurial. Those with strong intentions to launch ventures are more likely to leverage their moral relativity to break rules and take risks than those who are not explicitly interested in being an entrepreneur as they are more likely to attribute such capabilities as archetypal to innovative entrepreneurship.

Hypotheses 3. Entrepreneurial intention moderates the indirect effect between cross-cultural experience and entrepreneurial seizing capabilities, such that the indirect effect is stronger for people with high entrepreneurial intentions.

3. Methods

3.1. Overview of Research Design

Cross-cultural research commonly adopts priming experiments to assess the effects of overseas experiences on individuals (e.g., Hong et al., 2000; Maddux and Galinsky, 2009; Vandor & Franke, 2016). This approach is useful as setting up experiments whereby large numbers of subjects are exposed to a physical international exposure along with a control group without the exposure. Priming refers to the temporary activation of mental concepts in order to increase their accessibility (Higgins, 1996). In priming experiments, researchers manipulate whether participants are exposed to a particular memory, word, or image related to a particular construct in order to assess the extent to which the participants' immediate responses are affected by the primed construct (Higgins, 1996). One of the key advantages of this design is that composition of experimental groups can be randomized, allowing researchers to examine cognitive dynamics under clean experimental conditions. This affords high internal validity even if the researched phenomenon itself does not allow strict randomization. By activating the cognitions associated with cross-cultural experience in a sample of those who have had overseas experiences, I am able to temporarily re-create the memories, knowledge, and self-concept which approximate the subjects' actual cross-cultural experience. Priming experiments are commonly utilized in psychology and behavioral economics (e.g. Bargh et al., 1996; Vohs et al., 2006). Recently, entrepreneurship research has seen a rise in between-subjects experimental designs (Hsu et al., 2017; Grégoire, Binder, & Rauch, 2019) and suggested that priming techniques are suitable and effective for investigating entrepreneurial phenomena (cf. Baron & Ward, 2004; Grégoire & Lambert, 2014; Gupta et al., 2014; Walker, 2011; Vandor & Franke, 2016).

Leveraging this approach, I conducted a between-subjects priming experiment to examine the casual mechanisms linking cross-cultural experience with entrepreneurial seizing capabilities.

3.2. Sample

As this study seeks to examine the antecedent mechanisms of entrepreneurial seizing capabilities in general, the population of interest is prospective entrepreneurs. Stated differently, my model explains how potentially any individual with cross-cultural experience develops key “initiating” skillsets (Shepherd et al., 2019) pertinent to starting a venture. While prospective entrepreneurs may include those who have previously launched, managed, or owned a venture, a general sample of the working adults is most appropriate as it enables me to better generalize my findings which, based on attribution theory, should apply to anyone in the nascent stage of new venture development. Moreover, sampling active entrepreneurs (those presently leading new ventures) would confound my model as these current experiences may bias responses and would restrict variance in my dependent variables (Grégoire et al., 2019; Hsu et al., 2015). I recruited 350 individuals via the Qualtrics Services Team. Qualtrics Services is well suited for this study as they have agreements with multiple panel providers that offer access to a large and diverse set of potential survey respondents. Importantly, this enables the targeting of specific samples using preset categorical quotas through prescreening questions. Since this study seeks to predict the emergence of key entrepreneurial capabilities for launching ventures, I sought a sample representative of the U.S. adult working population. Moreover, as the manipulation/control primed-reflection activities, rule-breaking and entrepreneurial risk-taking measures were task-based and required substantial time and writing, filters were put in place to ensure quality responses. For example, only responses that took from 11 to 18 minutes were accepted. I also excluded respondents who failed one of the three attention check questions. Cases involving

individuals who had not had been abroad on at least one substantial foreign trip were also removed. Finally, we removed cases with incoherent or incomplete written responses. This resulted in a final sample of 157 (48% Female, Male = 46.4, SD = 16.53).

3.3. Manipulation of Cross-Cultural Experience (Vs. Non-Cross-Cultural Experiences)

In randomizing assignment to one of two reflection activities in a sample of those who all have overseas experience enables me to rule out alternate explanations that may have arisen using a purely cross-sectional approach; namely, I can rule out potential effects due to nuanced differences between respondents overseas experience (e.g., years living in one place versus lots of short stints in others) and ensure that it is the general reflection on a different culture per se. Most importantly, I am able to better demonstrate my theorized causal argument by showing that it is exposure to other cultures that leads to morality relativity, which in turn predicts entrepreneurial seizing capabilities, and not the reverse (i.e., that those who are morally relative to begin with self-select into having more cross-cultural experiences). In line with prior cross-cultural priming studies (Lu et al., 2017a), I followed best practice in creating reflection activities comprised of images, timed-reflection, and numerous short written responses (see appendix). This involved randomly assigning participants to one of two groups. In the manipulation group, participants were asked to imagine a time when they were in a foreign country and then write some brief answers about what it was like. In the control group—a non-cross-cultural everyday context, participants were asked to imagine a time when they were getting their hair cut and then write some brief answers about what it was like (see appendix). It is important to note that these were not lab “created” primes, but lab “re-created” primes as participants were recalling and writing experiences they have actually had.

3.4. Measures

Cross-cultural experience. As my sample was filtered to include only those who had reported travelling abroad (via the question “have you had an experience of going to a foreign country that you consider to be memorable/impactful?”), I operationalized cross-cultural experience as a binary variable with those who were randomly assigned to the manipulation prime (1 = cross-cultural manipulation group) and those assigned to the control prime (0 = non-cross-cultural control group).

Moral relativity. Moral relativity refers to the appraisal of ethical issues based on personal, individual values and perspectives, rather than universal moral principles (Forsyth, 1980). Put another way, those evaluating ethical scenarios in a morally relativistic way adopt a subjective perspective—built on the assumption that morality has a socio-cultural contextual foundation and is thus fluid by its very nature. This contrasts with evaluating ethical scenarios in a morally objectivistic way which assumes there are objective standards irrespective of context or time. To assess moral relativity, I used the 10-items from Forsyth’s (1980) Ethics Position Questionnaire which make up the moral relativity sub-scale. Sample items include “What is ethical varies from one situation and society to another”, “Moral standards should be seen as being individualistic; what one person considers to be moral may be judged to be immoral by another person”, and “No rule concerning lying can be formulated; whether a lie is permissible or not permissible totally depends upon the situation”. Responses were scored on a Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). The Cronbach alpha was .89.

Entrepreneurial intention. Entrepreneurial intention was assessed using Liñán and Chen’s (2009) widely used 6-item scale. Responses were scored on a Likert scale ranging from 1 (strongly disagree) to 7 (strongly agree). Sample items include “I will make every effort to start

and run my own firm” and “My professional goal is to become an entrepreneur”, and “I am ready to do anything to be an entrepreneur”. The Cronbach alpha was .96.

Entrepreneurial seizing capabilities. Entrepreneurial seizing capabilities were operationalized these via two variables: rule-breaking and risk-tasking. I assessed *rule-breaking* with a measure commonly applied in psychological studies—the anagram task (cf. Kilduff et al., 2016; Lu et al., 2017; Pierce et al., 2013). This involved instructing participants to try to solve four anagrams (“CRKO,” “LABEVE,” “DSLIE,” and “FTOEER”) in two minutes, with the incentive of a \$10 bonus for every anagram they solved correctly. The first and third anagrams are easily solvable as each have two solutions (“ROCK”, “CORK”; “IDLES”, “SLIDE”). However, the second and fourth anagrams had no solution. Thus, in line with previous studies examining rule breaking (Kilduff et al., 2016; Pierce et al., 2013), people who claimed to have solved “LABEVE” or “FTOEER” were coded as being rule-breakers. Participants were debriefed at the end of the study to inform them of this deception and the purpose of the experiment and asked whether their response could still be used. I assessed *risk-taking* by having participants complete a modified version of Tversky and Kahneman’s (1986) Asian Disease Paradigm scenario. Participants read a hypothetical scenario for which they are asked to imagine they are an entrepreneur in a large startup. They are told that as there is economic stagnation and experts warn them their industry is soon finished, they need to do something drastic. They must make major employee cutbacks in order to fund a saving innovation idea. Following Jordan et al (2011), participants then need to make a choice between Plan A, which presents a certainty of saving 2000 jobs, or Plan B, which presents a 1/3 probability that 6000 jobs would be saved, and a 2/3 probability that no jobs would be saved. Although both plans have the same expected value, Plan B has a probabilistic outcome and is therefore considered a more risky option than

Plan A, which has a certain outcome. I then had participants answer a 6-point scale (cf. Anderson & Galinsky, 2006; Lerner & Keltner, 2001) and Lerner and Keltner (2001) to indicate their preferences. This ranges from highly risk averse (1 = “very much prefer Plan A”) to highly risk seeking (6 = “very much prefer Plan B”).

4. Results

Table C1 presents the descriptive statistics and correlations of all variables in the model. Cronbach alphas are on the diagonal in parentheses. Table C2 presents the results of the hypotheses testing.

As this was a between-subjects design and participants were randomly assigned to one of two groups, no control variables were directly incorporated into the models as both groups were assumed to be comparable across potentially confounding demographic, experiential, and trait variables. To test this assumption prior to hypothesis testing I conducted a one-way ANOVA and found no statistically significant differences between the two groups in age ($F(1, 156) = 1.07, p = .30$), gender ($F(1, 156) = .90, p = .34$), prior entrepreneurial experience ($F(1, 156) = .64, p = .42$), or the Big Five personality traits: extraversion ($F(1, 156) = .92, p = .33$), agreeableness ($F(1, 156) = .02, p = .85$), conscientiousness ($F(1, 156) = 1.07, p = .22$), neuroticism ($F(1, 156) = 3.06, p = .10$), and openness to experience ($F(1, 156) = .19, p = .62$). Moreover, to rule out potential concern that my outcome of risk-taking behavior may be due to systematic differences between the two groups in a risk-taking trait, I found no significant differences between groups in risk-taking personality ($F(1, 156) = .01, p = .94$).

In Hypothesis 1, I proposed that cross-cultural experience positively relates to moral relativity. To test this hypothesis, I conducted an independent samples t-test. The results showed that the means between the cross-cultural experience manipulation group ($M = 4.54, SD = 1.16$)

and control group ($M = 4.07$, $SD = 1.26$) were significantly different ($t = .2.4$, $p < .05$).

Therefore, Hypothesis 1 was supported.

Hypothesis 2 predicted that moral relativity would mediate the relationship between cross-cultural experience and the entrepreneurial seizing capabilities (a) rule-breaking and (b) risk-taking. To test this hypotheses, I conducted a mediation analyses using the bootstrapping approach through PROCESS (Hayes, 2018). Specifically, I tested two separate models, one to test hypothesis 2a and the other to test Hypothesis 2b. The bootstrapping results of the first model show that moral relativity mediated the relationship between cross-cultural experience and rule-breaking (estimate = .12, SE = .08, 90% CI = [.010, .290]). Thus, Hypothesis 2a was supported. The results of the second model show that moral relativity did not mediate the relationship between cross-cultural experience and risk-taking (estimate = .06, SE = .04, 90% CI = [-.001, .147]). Thus, Hypothesis 2b not supported. Overall, I found support only for the rule-breaking component of entrepreneurial seizing capabilities.

Hypothesis 3 predicted a moderated mediation such that entrepreneurial intention moderated the indirect effects of cross-cultural experience on entrepreneurial seizing capabilities via moral relativity. To test this hypothesis, I conducted two sets of moderated mediation analyses using the PROCESS macro (one for each of the dependent variables as in Hypotheses 2). The results of the first model showed that entrepreneurial intention did significantly positively moderate the indirect relationship between cross-cultural experience and rule-breaking. As theorized, this effect was only significant at higher levels (+1 SD of the mean) of entrepreneurial intention (estimate = .21, SE = .15, 90% CI = [.024, .520]) and insignificant at average (mean) levels (estimate = .03, SE = .09, 90% CI = [-.105, .191]) and lower (-1 SD of the mean) levels (estimate = -.14, SE = .14, 90% CI = [-.444, .025]). Thus, Hypotheses 3a was

supported. The results of the second model showed that entrepreneurial intention did not significantly positively moderate the indirect relationship between cross-cultural experience and risk-taking. This effect was insignificant across all levels of entrepreneurial intention. Thus, Hypotheses 3b was not supported. Overall, I found support only for the rule-breaking component of entrepreneurial seizing capabilities.

5. Discussion

This study finds evidence to support the perspective of the innovative entrepreneur as a “rebel with a cause” (Corbett et al., 2018); a boundary-breaking risk-taker with little regard for the status quo (Arend, 2016; Zhang & Arvey, 2009). Despite continued interest on what makes entrepreneurs nonconformists, there is little evidence that such a “rebel” mindset exist in the form of any personality traits. To understand how these aptitudes emerge, I take an alternate perspective; that some entrepreneurs are more adept in their cognitive capacities at flirting with the boundaries of convention—mentally exploring the grey-areas that their counterparts may resist, which in turn, cultivates a tendency to break rules. I argue that this can be best understood as entrepreneurial seizing capabilities (measured here as rule-breaking and risk-taking), which are crucial in launching an innovative new venture. Integrating cross-cultural psychology research on the moral relativism derived from experiencing foreign cultures (Lu et al., 2017a), I examine how an increasingly ubiquitous experience among prospective entrepreneurs can cultivate the emergence of seizing capabilities.

This paper put forth an attribution theory model, positioning moral relativity as a key mediating variable linking an individual’s cross-cultural experience with entrepreneurial seizing capabilities. My results (Hypothesis 1) support the consensus in cross-cultural psychology that meaningfully engaging with foreign cultures tends to move people towards becoming more

morally relative. However, while this is often viewed as a “dark” outcome by international experience researchers (e.g., Lu et al., 2017b), by contextualizing this to the nascent entrepreneurship domain, I suggest this can be a constructive outcome of cross-cultural exposure. This can help explain the emergence of the rebel-like aptitudes among prospective entrepreneurs, and as such, may actually be beneficial in the context of new venture development. The results of this study only showed support for the rule-breaking component of seizing capabilities and found no statistically significant evidence that cross-cultural experience or moral relativity leads to risk-taking. While I established that the risk-taking capability assessed was distinct from risk-taking personality, it may be the case that initiating risky entrepreneurial decisions is more context-dependent than the broader tendency for breaking rules. I discuss some implications for this in the proceeding section. Perhaps most intriguingly, though, when testing the boundary conditions of the indirect relationship between cross-cultural experience and rule-breaking, I found support consistent with my theory that high entrepreneurial intention accentuates this relationship. This suggests that there is something distinctly entrepreneurial about leveraging moral relativity to break with convention.

In the proceeding sections, I elaborate on my findings and explain how they advance theory and contribute to the entrepreneurship literature on pre-launch and new venture development contexts. I also discuss the limitations of the study, avenues for future research in this domain, and practical implications.

5.1. Theoretical Contributions and Implications

This paper makes several contributions to entrepreneurship research which holds valuable implications moving forward. First, my chief contribution lies in advancing theoretical understanding on the “rebel entrepreneur” archetype by examining the cognitive processes that

underpin rebel-like capabilities. I contribute to this literature by pivoting away from personality-based explanations and draw from attribution theory to argue that a common experience among entrepreneurs (i.e., cross-cultural experience) increases moral relativity, which in turn, develops the seizing capabilities essential for parting with convention and initiating innovative new ventures. While seizing capabilities may encompass a range of skillsets or tendencies, I find support in this study that rule-breaking, in particular, is a seizing capability cultivated by cross-cultural experience. This core finding has implications for three main areas of research in entrepreneurship.

To date, much of the scholarly conversation surrounding entrepreneurs rebelling has taken place within the contexts of ethics (see Brenkert, 2009 for a review). As stated previously, rules or conventions take numerous forms. At one end, rules can take the form of laws, from which breaking them is objectively illegal. At the other end, rules can take more amorphous forms in the shape of group norms or customs, from which deviating from them may simply result in social eschewal. In practice, those launching or running new ventures are exposed to all types of rules along this spectrum. Rather than enter a debate on whether entrepreneurs who break particular rules are “moral” or “immoral”, or assess the distal implications of breaking those rules, my focus on the cognitive dynamics that precede the rebel mindset in general enable us to better understand the origins of pioneering new ventures that drastically challenge their status quo. Creative destruction by its very nature requires entrepreneurs to creatively counter the norms of their industry. “Destruction” in Schumpeterian terms is an industry-level construct which oftentimes is lauded, in hindsight, as a necessary and positive force for economic development. “Destruction” at the level of an individual actor, however, is largely overlooked and typically only viewed from an ethical lens as a negative force. Other than retrospectively

distinguishing the “game-changing” ventures from the rest, an interesting question persists: *how can we tell ex ante which ventures are more likely to be game-changers?* My model lays a foundation for answering this question by suggesting that if we can distinguish entrepreneurs with a tendency for rebelling from those who tend to “play by the rules”, we may be able to better predict how convention-breaking the ventures they go on to launch will be. Stated simply, the more morally relativistic an entrepreneur is, the more comfortable and able they become to think and act at the boundaries of business convention. This, then, enables them to seize opportunities overlooked or unrealized by others who are not comfortable thinking and acting at these oftentimes ambiguous and risky boundaries.

Second, this study contributes to the emerging literature in entrepreneurship on the role of cross-cultural experiences (Dheer & Lenartowicz, 2016; Lu et al., 2017b; Vandor & Franke, 2016). Cross-cultural experiences can take numerous forms from physically spending time in a foreign country (through living, working, or studying), working in multinational firms with extensive exposure to foreign cultures and people, or more broadly, being exposed to multicultural environments through social interactions (Ward et al., 2005). To date, the individual-level multiculturalism associated with cross-cultural experience is largely thought to be a force for positive outcomes (Benet-Martínez & Hong, 2014). For example, studies find that being exposed to multiple cultures can lead to creative performance and innovations (Godart et al., 2015; Leung et al., 2008), enhance social capital through raising generalized trust (Cao et al., 2014), and lubricate the efficiency of teams by reducing inter-group prejudices and making people more tolerant of outsiders (Tadmor et al., 2012). Recent studies in psychology, however, have started to probe the “dark side” of cross-cultural experience and suggest that it can lead to both increased willingness to break rules and actual engagement in rule-breaking behaviors (Lu

et al., 2017a). I turn this ostensibly negative perspective on its head to bring a constructive perspective on linkages between cross-cultural experience and moral relativism. In the specific context of entrepreneurs pursuing potentially innovative new ventures, I posit that the moral relativism experiences abroad can arouse may actually be beneficial with regard to initiating and launching unorthodox opportunities. While cheating or breaking laws in-and-of themselves is not to be condoned, *the cognitive capacity* that we associate with cross-cultural experience may enable those open to launching ventures to think, and subsequently act, in a way that characteristically discards “rules” as subjective and thus, open to challenge. To that end, my findings hold implications for cross-cultural experience research in entrepreneurship moving forward as I am the first to question the universally “bright” side of multiculturalism yet suggest that some of the seemingly “dark” outcomes may be a double-edged sword with regard to initiating truly innovative ventures.

Finally, these findings also contribute to our understanding of entrepreneurial capabilities (e.g., Busenitz & Arthurs, 2007; Karra, Phillips, & Tracey, 2008; Phillips, & Tracey, 2007). This paper extends knowledge in this space by focusing on a particular subset of capabilities important to the exploration stage of the entrepreneurial process. Based on Teece’s categories of sensing, seizing, and transforming capabilities pertinent to the dynamic performance of new ventures (Teece, 2012), my study is one of the few to focus exclusively on the seizing category and to empirically unpack the antecedent mechanisms that lead to their emergence. My findings have implications not only for new venture development research focused on understanding the pre-launch dynamics of particularly innovative startups, but also to corporate entrepreneurship research as cross-cultural experiences are increasingly viewed as essential in the recruiting of executives or employees tasked with initiating entrepreneurial projects in large, multi-national

settings (Shaffer et al., 2012). Thus, the mediating role of moral relativity can also help to distinguish those who will break boundaries entrepreneurially to innovate in corporate contexts from those with similar experiences who do not leverage these experiences to push the boundaries of convention.

5.2. Limitations and Directions for Future Research

Though there have been recent calls in the entrepreneurship literature for more experimental studies (e.g., Williams, Wood, Mitchell, & Urbig, 2019), my between-subjects design is not without its limitations. First, a common issue in conducting experiments in entrepreneurship surrounds navigating the validity trade-offs (Grégoire et al., 2019). In studying the role of cross-cultural experience on seizing capabilities, my chief goal was to examine the causal effect of cross-cultural experience on rule-breaking and risk-taking capabilities through the role of moral relativity. To that end, my design was set up to maximize internal validity by randomly assigning participants to either a cross-cultural experience reflection activity (i.e., the manipulation) or an everyday experience reflection activity (i.e., the control). As everyone in the sample had been overseas, my random assignment assured that any subsequent effects on moral relativity were due to participants consciously re-creating their cognitive state when they were abroad and not due to extraneous factors. As surveying or interviewing people during a live overseas experience to assess their moral relativity and seizing capabilities is logistically impractical, this lab-based design was an effective way of examining these theorized causal processes. However, a disadvantage of this approach is that external validity, to an extent, was inevitably comprised. Though I followed best practice procedures for designing realistic lab-based primes, a potential critique is that the effects I found for differences in moral relativity between the groups may have partially been down to instrument-induced demand characteristics

(i.e., that my measures themselves, following the primes, may have inflated scores). Though this is a reasonable concern, I do find support for a moderated-mediation in a relatively small sample size, suggesting that there are fruitful avenues for future studies in replicating these core findings using alternate methods. For example, quasi-experimental designs akin to Vandor and Franke's (2016) study on opportunity recognition, could be well placed in examining moral relativity and seizing capabilities using pre and post-tests on entrepreneurs before and after a substantial international experience—and perhaps comparing them to a domestic group with no overseas experience.

A second limitation following the validity trade-offs theme is that I operationalized entrepreneurial seizing capabilities through task-based measures of rule-breaking and risk-taking. In particular, I assessed rule-breaking using the anagram task traditionally used to measure cheating. As I was principally concerned with delineating the cognitive mechanisms that lead entrepreneurs to break rules, this measure, albeit fairly blunt, is an effective test for my attribution theory model as breaking the rules on this minor task is assumed to extend to other forms of rule-breaking. However, this does open opportunities for future studies in testing the generalizability and ecological validity of this assumption. For example, longitudinal designs combining an initial replication of my model with follow up studies at the firm-level could assess whether the ventures the entrepreneurs launched break rules that are explicitly related to business conventions—perhaps reflected by their engagements in legal disputes. This also opens the door for further exploring when rule-breaking capabilities may lead to negative firm-level outcomes by examining the extent to which entrepreneurs may push the “rebel with a cause” mindset too far and actually overstep the line into illegal activity (e.g., by assessing the number of patent or copyright infringements they have committed or by breaking the law in their HR practices).

Moreover, as rule-breaking carries inherent risk, the capacity for taking action on risky decisions explicitly associated with breaking rules is theoretically aligned with my conceptualization of seizing capabilities. Therefore, as no support was found for risk-taking capabilities with my adaption of Tversky and Kahneman's (1986) hypothetical risk scenario, future studies may be well placed in exploring alternate task-based measures of risk-taking.

Finally, combining both conceptualization and operationalization concerns, future studies could assess entrepreneurial seizing capabilities using an altogether different combination of indicators. For instance, in line with the theoretical assumptions of my model, perhaps cross-cultural experience-induced moral relativism could also lead to other capabilities that if contextualized to entrepreneurs could be influential for seizing opportunities; such as opportunism (see Jiang, Cannella, & Jiao, 2018) —e.g., the extent to which entrepreneurs take action on new prospects for short-term gain regardless of its fit within their existing principles, autonomy (see Lumpkin, Cogliser, & Schneider, 2009) —e.g., the extent to which entrepreneurs exercise individual freedom and flexibility to develop and enact entrepreneurial initiatives, or even their impression management (see Nagy, Pollack, Rutherford, & Lohrke, 2012) —e.g., the extent to which entrepreneurs manage or manipulate the perceptions of stakeholders to acquire new venture legitimacy).

5.3. Practical Implications

The findings of this study also have highly actionable implications for entrepreneurs, those tasked with initiating new entrepreneurial initiatives in large organizations, and entrepreneurship educators. The narratives of maverick entrepreneurs such as Mark Zuckerberg's journey breaking the rules at Harvard to launch Facebook or Uber's continual boundary-breaking pursuits in transforming the ride-hailing industry are often used as case studies in the classroom

to teach about the necessary discomforts of challenging the status quo for innovation to emerge. However, to date, it has been difficult to discern how the seeds of this seizing mindset emerge and how this can be deconstructed and taught to prospective entrepreneurs in any practical way. Moreover, attempts to distill best-practices at the level of an individual entrepreneur making a specific “rule-breaking” decision, are typically overshadowed by the potentially contentious ethical issues associated with breaking rules. In short, I argue that this is not the place nor purpose of an entrepreneurship educator in this domain. Rather, in delineating a model one-step removed from this, I am able to offer *recommendations for fostering the seizing mindset that precedes entrepreneurial rule-breaking* to which the ethical concerns or merit of any particular breaking of convention is left for the individual entrepreneur to determine.

Practically speaking, then, investing in meaningful cross-cultural experiences can help to develop stronger entrepreneurial seizing capabilities as they take prospective entrepreneurs out of their standard “box” in terms of what they perceive to be their norms and conventions. When exposed to cultures that take very different stances of these same norms and conventions, a broader, more meta-perspective on rules emerge. This translates into a more relaxed mindset on what the rules are (or “could” be) in relation to the business context. In finding support that the subsequent effects of moral relativity on seizing capabilities are more pronounced among those with high entrepreneurial intentions, my study suggests that cross-cultural experience can be particularly beneficial for those seeking to launch innovative new ventures—which by their very nature, require the ability and willingness to operate at the edge of convention. To that end, I encourage the continued growth of overseas trips in entrepreneurship courses as a means of educating and stimulating innovative entrepreneurs but with the caveat that although this mindset may foster the next Facebook, it could also foster the next Enron.

6. Conclusion

While the instigators of creative destruction are often linked to nonconformists who think at the boundaries of convention and disrupt the rules of the game, we know little to date on the cognitive processes that undergird this important aspect of entrepreneurial innovation. Recent studies on cross-cultural experience provide evidence that exposure to foreign cultures is associated with the cultivation of a more relativistic mindset. I argue that these effects may be particularly beneficial for developing the action-oriented capabilities central to nascent entrepreneurship—the capacity for seizing innovative opportunities. In a between-subjects priming study, I found that cross-cultural experience does lead to a key entrepreneurial seizing capability: rule-breaking. This paper advances knowledge on the initiating endeavors (Shepherd et al., 2019) of the nascent entrepreneurship phenomena by suggesting that, in the context of seizing new opportunities, the ability to flirt with the boundaries of the status quo may actually be advantageous in getting ventures off the ground.

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Appendices


Appendix A: Self-Awareness Shock Scale

I have had cross-cultural/international experiences that...

1. Sometimes prompted deep reflection of who I am which felt stimulating.
2. Led me to re-think approaches to work and life which energized me.
3. Provided an interruption to my life routines that invigorated my thinking.
4. Made me feel vitalized by the temporary disorder.
5. Provided engaging interactions which enabled me to reflect in novel ways.
6. Provided stimulating interactions with people I wouldn't normally converse with which heightened my self-awareness.
7. Made me aware of distinctions between what I actually believe and which beliefs are products of my home environment which felt revitalizing.
8. Were sometimes out of my comfort zone yet prompted reflection which felt liberating.
9. Not once were ever jarring or unusual enough that they stimulated deep self-reflection or awareness. [REVERSE CODED]
10. Sometimes freed me from constraints to my thinking which enabled me to question the status quo.
11. Temporarily liberated my thinking and helped me to see important life issues more clearly.
12. Provided some disruption to my routines that raised my self-awareness and provided new vigor to my ideas.

Appendix B: Experimental Prime Materials

Control group reflection material (non-cross-cultural)




Think of a typical trip to get your hair cut. Which place do you normally attend to get your hair cut or styled?

Imagine yourself at your most recent trip to get your hair cut. Take some time to remember specifically what you had done. What impressions did it make on you as you walked in, was the service good? Were the seats well designed and maintained?

In the box below, briefly write down your memories regarding the questions above...

Manipulation group reflection material (cross-cultural)



Think of a specific time when you were in a foreign country, other than a vacation, that made an impact on you...

Which country were you in?	Write your answer here <input data-bbox="1175 1612 1224 1633" type="text"/> <input data-bbox="1175 1633 1224 1654" type="text"/>
What was the reason you were there?	

Imagine yourself back in that experience. Take some time to remember specifically what it felt like. What was it like being in that different culture? What impressions did it make on you as you walked around, interacting with local people, eating new foods, and taking in the day-to-day differences?

In the box below, briefly write down your memories regarding the questions above...

Tables

Table A1

How Self-Awareness Shock Can Generate New Image Expansion Possibilities

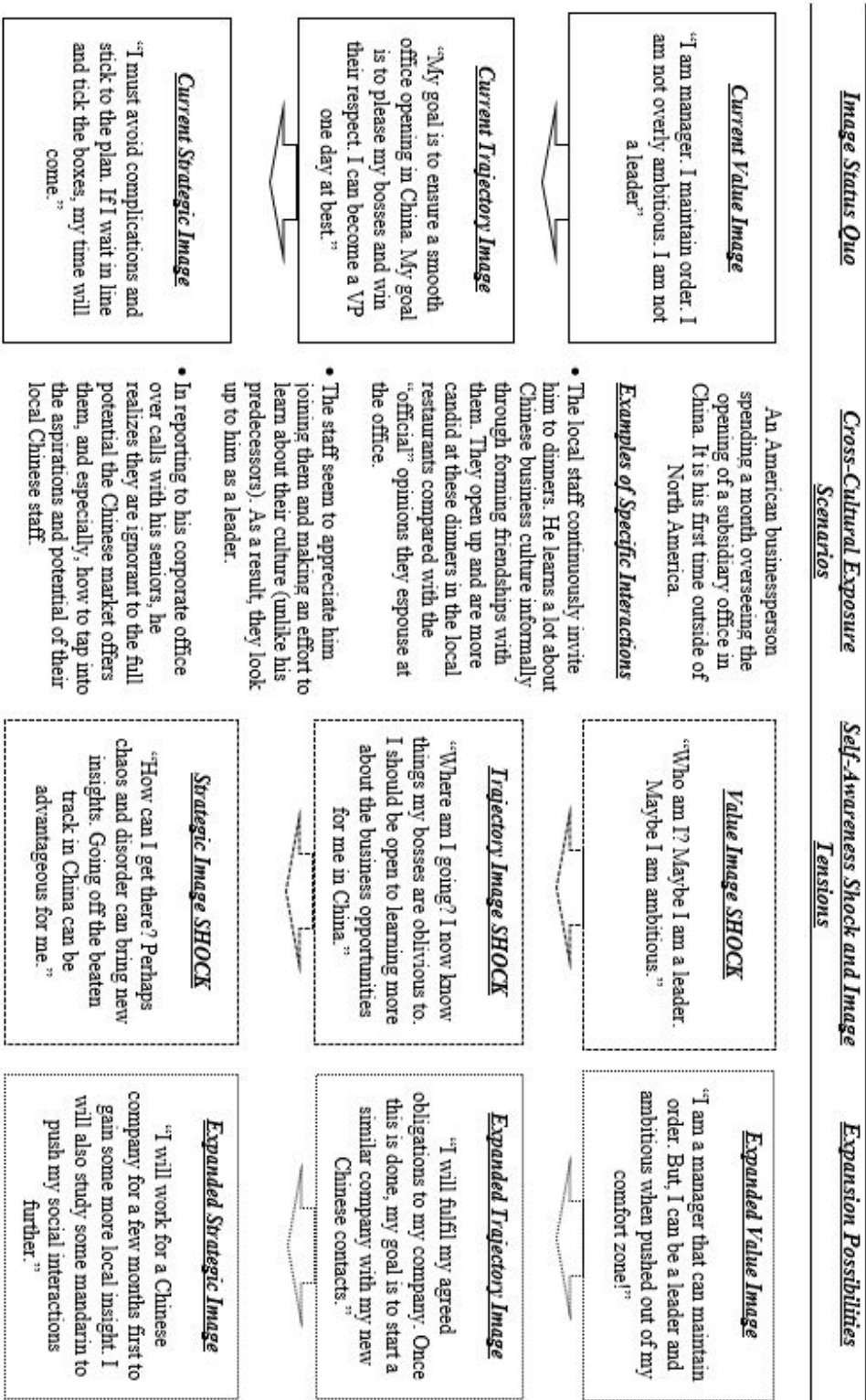


Table A2

A Review and Synthesis of the Skillsets Derived From Cross-Cultural Experience: Formation of Entrepreneurial Capabilities

<u>Capability Sets</u>	Sensing	Seizing	Transforming
<p>Definition</p>	<p><i>The capacity for identifying and making assessments of the continuously changing business environment and the potential opportunities they afford.</i></p>	<p><i>The capacity to mobilize resources to address an opportunity and to capture value from doing so.</i></p>	<p><i>The capacity to repeatedly renew and strengthen sensing and seizing, remaining agile.</i></p>
<p><i>Established skills identified across management, entrepreneurship, Education, and cross-cultural psychology literatures.</i></p> <p><i>Currently examined in isolation.</i></p>	<p><i>Ideational fluency</i> (Saad et al., 2013) <i>Integrative complexity</i> (Tadmor, Galinsky, & Maddux, 2012) <i>Creativity and divergent thinking</i> (Leung et al., 2008; Maddux & Galinsky, 2009; Maddux, Adam, & Galinsky, 2010) <i>Idea (new) receptiveness</i> (Leung & Chin, 2010) <i>Opportunity recognition</i> (Lorenz, Ramsey, & Richey Jr, 2018; Vantor & Franke, 2016; Zahra, Korri, & Yu, 2005) <i>Empathy and perspective taking</i> (Earley & Ang, 2003; Willard-Holt, 2001) <i>Epistemic unfreezing</i> (Tadmor et al., 2012)</p>	<p><i>Adaptability</i> (Benson et al., 2009; Chang, Yuan, & Chuang, 2013; Ward, Furham, & Bochner, 2005) <i>Self-efficacy</i> (Black, Mendenhall, & Oddou, 1991; Milstein, 2005; Pidduck, Shaffer, Zhang, & Clark, 2018) <i>Hardiness</i> (Feldman, 1991; Walton, 1990) <i>Self-confidence</i> (Dickmann & Harris, 2005) <i>Moral relativism—and willingness to bend the rules</i> (Lu et al., 2017a) <i>Innovative performance</i> (Godart et al., 2015; Lu et al., 2017)</p>	<p><i>Tolerance for ambiguity</i> (Caligiuri & Tarique, 2012) <i>Strategic decision making aptitude</i> (Cappellen & Janssens, 2008; Dragoni et al., 2014; Lücke et al., 2014; Sambharya, 1996) <i>Autonomy</i> (Doherty, 2013) <i>Cultural intelligence</i> (Tarique & Takeuchi, 2008) <i>Inter-cultural communication</i> (Williams, 2005) <i>Social capital</i> (Dickmann & Harris, 2005) <i>Entrepreneurial intentions</i> (Dheer & Lenartowicz, 2016)</p>

Table B1. Factor Loadings for Self-Awareness Shock Scale

Items	Factor 1
1. Sometimes prompted deep reflection of who I am which felt stimulating.	.68
2. Led me to re-think approaches to work and life which energized me.	.68
3. Provided an interruption to my life routines that invigorated my thinking.	.63
4. Made me feel vitalized by the temporary disorder.	.61
5. Provided engaging interactions which enabled me to reflect in novel ways.	.77
6. Provided stimulating interactions with people I wouldn't normally converse with which heightened my self-awareness.	.71
7. Made me aware of distinctions between what I actually believe and which beliefs are products of my home environment which felt revitalizing.	.63
8. Were sometimes out of my comfort zone yet prompted reflection which felt liberating.	.70
9. Not once were ever jarring or unusual enough that they stimulated deep self-reflection or awareness. [REVERSE CODED]	.07
10. Sometimes freed me from constraints to my thinking which enabled me to question the status quo.	.63
11. Temporarily liberated my thinking and helped me to see important life issues more clearly.	.66
12. Provided some disruption to my routines that raised my self-awareness and provided new vigor to my ideas.	.64

Table B2. Means, Standard Deviations, Cronbach Alphas, and Correlations for Study 1 (U.K.)

Variables	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8
1. Age	36.58	25.85								
2. Gender	.33	.47	-.09							
3. Entrepreneurial experience	.50	.50	.21**	-.10						
4. Openness-to-experience	3.73	.88	.07	-.12	.31**					
5. Cross-cultural experience	2.43	1.71	.16**	.05	.01	.09				
6. Self-awareness shock	4.64	1.16	.01	-.17*	.11	.21**	.29**	(.93)		
7. Opportunity recognition	2.95	.83	-.01	.07	.29**	.30**	.11	.26**	(.84)	
8. Creative performance	3.47	1.38	-.04	.03	.10	.10	.31**	.32**	.49**	(.87)

Note. Internal consistency values (Cronbach's alphas) appear across the diagonal in parenthesis. $p < .05$, * $p < .01$ (two-tailed), $N = 153$.

Table B3. Hypotheses Testing Results for Study 1 (U.K.)

Predictors	Mediator = Self-Awareness Shock		DV ₁ = Opportunity Recognition		DV ₂ = Creative Performance	
	β	SE $_{\beta}$	β	SE $_{\beta}$	β	SE $_{\beta}$
Intercept	3.60**	.41	1.83**	.29	2.57**	.50
Age	-.00	.00	-.00	.00	-.00	.00
Gender	-.43*	.19	.20	.13	.07	.23
Entrepreneurial experience	.13	.18	.40*	.13	.30	.23
Openness-to-experience	.99	.10	.22*	.07	.08	.12
Cross-cultural experience	.20**	.05	.04	.03	.26**	.06
Direct, indirect, and total effects						
Direct effect of SAS on OR			Effect	LL	UL	
Direct effect of SAS on CP			.17*	[.061	.293]	
Indirect effect of SAS on OR			.30*	[.123	.493]	
Indirect effect of SAS of CP			.03	[.008	.068]	
Indirect effect of SAS of CP			.06	[.018	.114]	

Note. N = 153. Gender was dummy coded (Male = 1, Female = 0). SAS = Self-awareness shock; OR = Opportunity recognition; CR = Creative performance. Lower (LL) and upper (UL) confidence intervals were used at the 95% level using bootstrapping with 5,000 repetitions.

Table B4. Means, Standard Deviations, Cronbach Alphas, and Correlations for Study 2 (U.S.)

Variables	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9
1. Age	46.40	16.53									
2. Gender	.48	.50	-.15**								
3. Entrepreneurial experience	.31	.46	-.01	.22**							
4. Openness-to-experience	3.48	.87	-.07	.00	-.01						
5. Cross-cultural experience	2.09	1.96	-.28**	.17**	.27**	-.09					
6. Self-awareness shock	4.50	1.39	-.30**	.07	.19**	.11**	.48**	(.93)			
7. Regulatory focus	1.24	2.21	-.19**	.16**	.21**	.13*	.33**	.43**	(.77)		
8. Opportunity recognition	2.82	1.05	-.24**	.02	.22**	.19**	.19**	.33**	.33**	.13*	
9. Creative performance	1.07	.47	-.06	-.10	-.03	.07	-.04	.08	.02	.10	-

Note: Internal consistency values (Cronbach's alphas) appear across the diagonal in parenthesis; $p < .05$, ** $p < .01$ (two-tailed), $N = 342$.

Table B5. Hypotheses Testing Results for Study 2 (U.S.)

Predictors	Mediator = Self-Awareness Shock		DV = Opportunity Recognition		DV = Creative Performance	
	β	SE $_{\beta}$	β	SE $_{\beta}$	β	SE $_{\beta}$
Intercept	3.85***	.34	2.46***	.34	1.14**	.14
Age	-.01**	.00	-.01**	.00	-.00	.00
Gender	-.21	.12	-.16	.13	-.10	.05
Entrepreneurial experience	.17	.14	.50*	.14	-.00	.06
Openness-to-experience	.17*	.07	.22*	.07	.03	.03
Regulatory focus	.17**	.03	.02	.03	.01	.01
Cross-cultural experience	.24**	.03	.06	.04	-.01	.01
Direct, indirect, and total effects						
Direct effect of SAS on OR				Effect	LL	UL
Indirect effect of SAS on OR				.23**	[.131	.337]
Conditional indirect of SAS on OR				.10*	[.055	.156]
Direct effect of SAS on CP				-.00	[-.027	.008]
Indirect effect of SAS of CP				.05*	[.007	.100]
Conditional indirect of SAS on OR				.03*	[.006	.073]
				-.00	[-.008	.002]

Note: N = 342. Gender was dummy coded (Male = 1; Female = 0). SAS = Self-awareness shock; OR = Opportunity recognition; CR = Creative performance. Lower (LL) and upper (UL) confidence intervals were used at the 95% level using bootstrapping with 5,000 repetitions.

Table B6. Exploratory Post-Hoc Analysis: Assessing the Relative Importance of Types of Cross-Cultural Experience.

Cross-Cultural Experience Items	Self-Awareness Shock
1. What percentage of your lifetime have you lived outside your home country?	.27**
2. Were you born in a country that is different than where either of your parents were born?	.24**
3. Were you born in a country that is different than where your spouse/partner was born?	.20**
4. Have you studied or received training in a foreign country?	.27**
5. To what extent have you been exposed to a culture other than the culture of your country/cultural background of origin?	.53**
6. a) How frequently do you socialize with people different from yourself in terms of cultural background?	.56**
b) How frequently do you socialize with people different from yourself in terms of nationality?	
c) How frequently do you socialize with people different from yourself in terms of cultural values?	
7. Do you speak a foreign language fluently?	.28**
8. Approximately how many international trips have you taken in your lifetime?	.33**
9. Approximately how many different countries have you visited in your lifetime?	.31**
10. What was the longest duration of time you have spent in a single foreign trip?	.25**

p < .05, ** *p* < .01 (two-tailed), N = 342.

Table C1. Means, Standard Deviations, Cronbach Alphas, and Correlations

Variables	<i>M</i>	<i>SD</i>	1	2	3	4	5
1. Cross-cultural experience	.50	.50					
2. Moral relativty	4.31	1.23	.18*	(.89)			
3. Entrepreneurial intention	3.98	2.01	.11	.43**	(.97)		
4. Rule-breaking	.54	.50	.10	.17*	.28**		
5. Risk-taking	2.23	1.15	-.07	.14	.30**	.15*	-

Note. Internal consistency values (Cronbach's alphas) appear across the diagonal in parenthesis. $p < .05$, ** $p < .01$ (two-tailed), $N = 157$.

Table C2. Hypotheses Testing Results

Predictors	Mediator = Moral Relativity		DV ₁ = Rule-Breaking		DV ₂ = Risk-Taking	
	β	SE $_{\beta}$	Exp(β)	SE $_{\beta}$	β	SE $_{\beta}$
Intercept	3.11**	.20	5.34*	1.36	1.24*	.70
Cross-cultural experience	.34*	.17	1.46	.35	-.13	.18
Entrepreneurial intention	.25**	.04	.58	.33	.26	.16
Moral relativity			.50	.34	.11	.17
EI * MR			1.20**	1.36	-.02	.03
Direct, indirect, and total effects				Effect	LL	UL
Direct effect of MR on RB				.26*	[.042	.496]
Indirect effect of MR on RB				.12*	[.011	.295]
Conditional indirect of MR on RB						
Low EI (-1 SD)				-.14	[-.437	.025]
High EI (+1 SD)				.21**	[.026	.520]
Direct effect of MR on RT				.14*	[.016	.267]
Indirect effect of MR on RT				.06	[-.001	.147]
Conditional indirect of MR on RT						
Low EI (-1 SD)				.03	[-.037	.125]
High EI (+1 SD)				-.00	[-.134	.081]

Note. N = 157. MR = Moral Relativity; EI = Entrepreneurial Intention; RB = Rule-Breaking; RT = Risk-Taking. Lower (LL) and upper (UL) confidence intervals were used at the 90% level using bootstrapping with 5,000 repetitions.

Figures

Figure A1: The Process Transforming Cross-Cultural Experience into Entrepreneurial Action

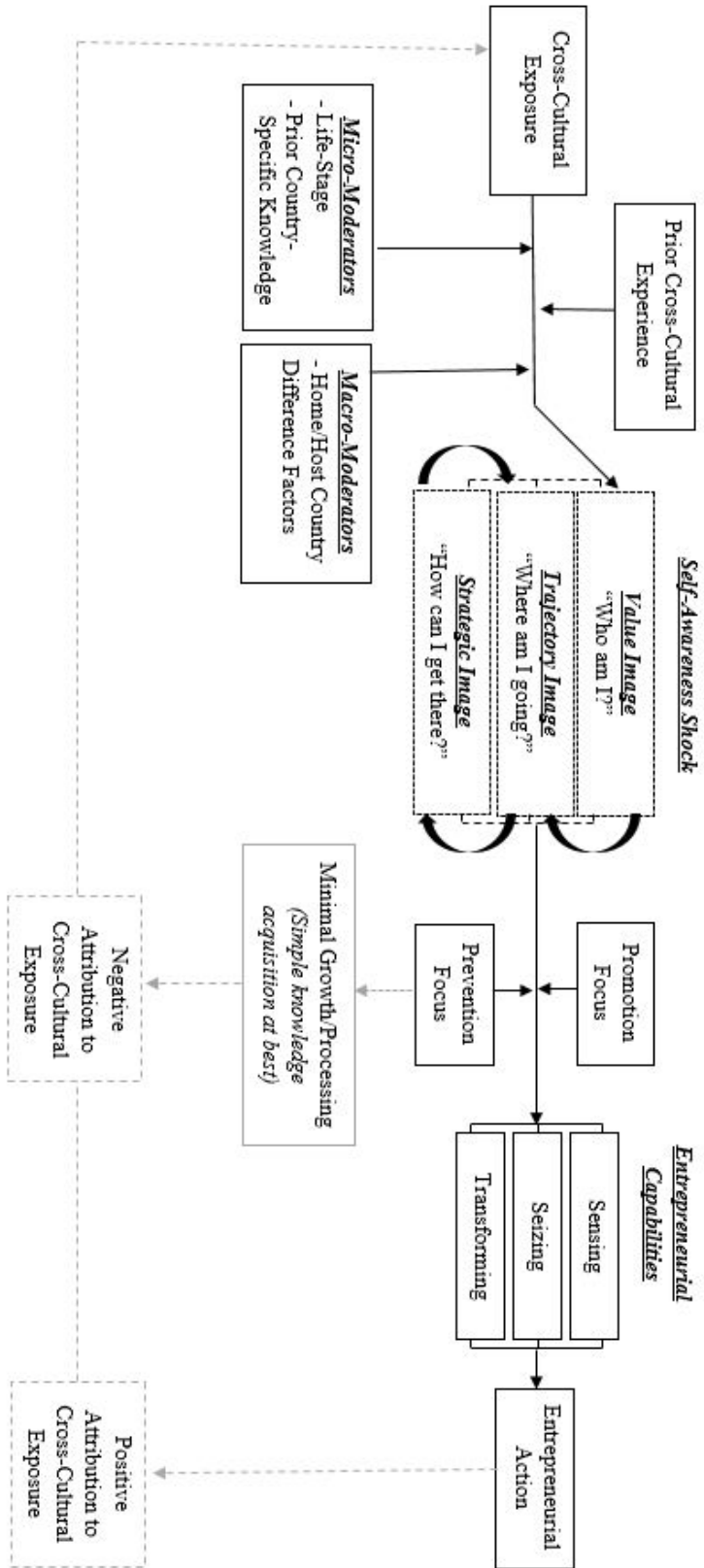


Figure B1. Conceptual Model for Sensing Capabilities

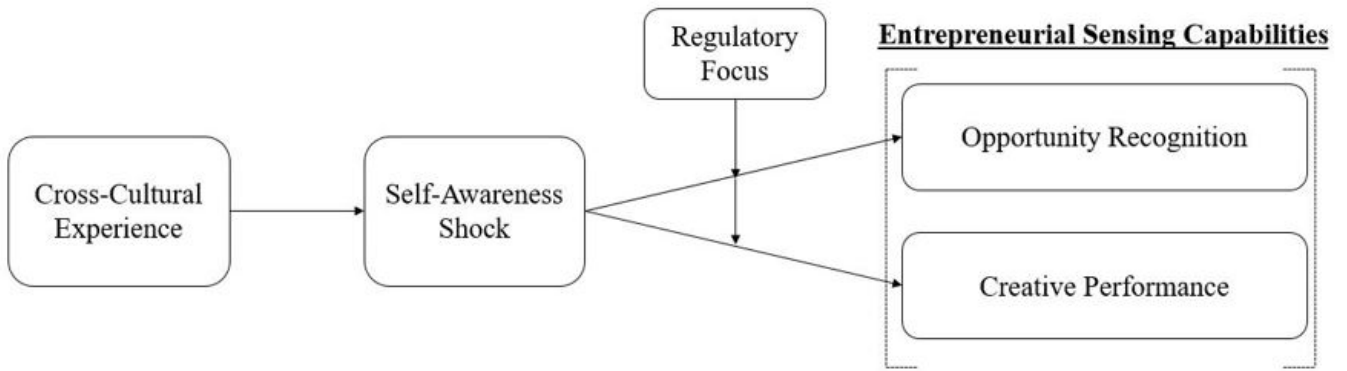


Figure C1. Conceptual Model for Seizing Capabilities

