

# The financial ambidexterity of the immigrant entrepreneurs: a conceptualization

Bryan Malki

*Jönköping International Business School, Jönköping University, Jönköping, Sweden*

## Abstract

**Purpose** – Access to financing has long been identified as a stumbling block for the economic endeavors of immigrant entrepreneurs (IEs) in host countries. Yet, little is known about the internal enablers for the IEs success to overcome their financing barriers in host countries. Accordingly, the purpose of this paper is to introduce the theoretical concept of the financial ambidexterity of IEs as a potential behavioral ability some IEs develop over time to access financing in both host and coethnic contexts.

**Design/methodology/approach** – The paper uses sociopsychological lenses to introduce and discuss the term “financial ambidexterity of IEs” by synthesizing empirical evidence drawn from the different literature on immigrant entrepreneurship, biculturalism, financial literacy and cultural intelligence. This discussion is carefully embedded within the framework of the immigrant entrepreneurship literature.

**Findings** – The study proposes and discusses the role of bicultural identity integration, cultural intelligence and financial literacy in enabling the “financial ambidexterity of IEs.” It further defines the “financial ambidexterity of IEs” as their ability to explore and exploit financing opportunities, either simultaneously across the contexts within which they are embedded, e.g. coethnic and mainstream, or alternately in one context when barriers occur in the other.

**Originality/value** – The paper mainly contributes to the literature on immigrant entrepreneurship by suggesting an explanation for how IEs overcome financing barriers in their host countries, and why some IEs are more successful in that than other peers. Moreover, the paper attempts to advance the understanding of immigrants’ entrepreneurial endeavors using a sociopsychological lens that considers cultural, cognitive and knowledge-related factors.

**Keywords** Immigrant entrepreneurship, Financial ambidexterity, Financial literacy, Bicultural identity integration, Cultural intelligence

**Paper type** Research paper

## Introduction

The immigrant entrepreneurship phenomenon is receiving increased attention from scholars, experts and policymakers worldwide (e.g. Dheer, 2018; Kloosterman and Rath, 2010). The importance of this phenomenon stems from several facts, like, *first*, the immigrant entrepreneurs’ (IEs) substantial contribution to the host economies. Namely, through new business creation (e.g. Dana, 1993), creating job opportunities for skilled labor, contributing to the growth and development of skill-based economic sectors (e.g. Eraydin *et al.*, 2010), and eventually contributing to wealth creation in host economies (Kerr and Kerr, 2016). *Second*,

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the peculiarity and complexity of IEs' sociocultural structures (e.g. Kloosterman *et al.*, 1999a) stem mainly from the increased diversity of their social, cultural, economic and spatial structures in host countries (Rodgers *et al.*, 2019; Yamamura and Lassalle, 2020). *Third*, the barriers those IEs face in accessing the necessary resources for their economic endeavors in host countries (e.g. Assudani, 2009). Among other resources, access to financing has long been identified as one of the most challenging in the IEs' entrepreneurial journey (e.g. Malki *et al.*, 2020). The literature characterizes the IEs' access to the necessary financing in host countries as being highly vulnerable to a multitude of barriers, whether in coethnic or host contexts, that significantly impede their economic survival and growth (e.g. Aldén and Hammarstedt, 2016; Bruder *et al.*, 2011; Carter *et al.*, 2015). A mixed picture of the IEs' success and failure has been shown in the literature (see Bates, 1997; Eraydin *et al.*, 2010; Muchineripi *et al.*, 2019). However, while the IEs' failures in host countries are frequently attributed to various demographic and contextual barriers (see Malki *et al.*, 2020), their business success under the same barriers is still an interesting phenomenon to be explored. Namely, given the IEs' economic contribution to their hosts, it becomes interesting to understand how they overcome the financing barriers that threaten such contribution. Accordingly, the discussion in this paper will be driven by the question of *how IEs overcome financing barriers for the survival and growth of their business in host countries*.

A plethora of studies in the immigrant entrepreneurship literature show evidence about the IEs' access to financing from coethnic and mainstream sources (e.g. Abbasian and Yazdanfar, 2013; Barrett *et al.*, 2002; Smallbone *et al.*, 2003). Yet, discussion about how IEs develop the ability to explore and exploit financing opportunities across multiple contexts, as a response to the financing barriers in host countries is still an obvious gap in the literature (see Malki *et al.*, 2020). Accordingly, this study takes an initiative to fill this gap by introducing the term "*financial ambidexterity of IEs*." The paper defines this term as the IEs' ability to explore and exploit financing opportunities, either simultaneously across the contexts within which they are embedded, e.g. coethnic and mainstream, or alternately in one context when the barriers occur in the other. The paper further proposes that developing such a financially ambidextrous ability enables the IEs to overcome the financing barriers they face in host countries.

In developing the term "*financial ambidexterity of IEs*," the study draws on the following perspectives: *First* is the individual aspect of ambidexterity as per Mom *et al.* (2007) and Levinthal and March (1993), where individuals' exploration is claimed to encompass the sense of learning about and searching for potential opportunities, while exploitation involves the sense of applying and using the accumulated knowledge in the selection of the identified opportunities. *Second*, the contextual aspect of ambidexterity as introduced by Gibson and Birkinshaw (2004), where context is posited to shape the ambidextrous behavior of individuals. In this concern, the paper sees IEs as operating in multiple contexts, e.g. mainstream and coethnic, with major boundaries that incorporate specific situational factors to shape the IEs' behavior or attitude (Johns, 2006). *Third*, the optimal point of ambidexterity is considered to occur, not at the balance between exploration and exploitation *per se* but rather at the point when these activities are effectively performed together across multiple contexts, e.g. coethnic and mainstream, in a manner that leads one to overcome a financing barrier. The paper further argues that for the IEs to survive in multiple contexts in host countries, they need to develop certain levels of behavioral and financial repertoires that enable them to respond in nuanced ways to the cues imposed by these different contexts (Denison *et al.*, 1995). For this, the paper discusses three main enablers for *the financial ambidexterity of IEs*: the IEs' *bicultural identity integration – BII*, *cultural intelligence – CQ* and *financial literacy*. As such, the term not only reflects the IEs' ability to respond to the multitude of financing barriers they face in host countries but also answers the question of why some IEs are more successful in overcoming these barriers than their peers are.

In this study, the focus is mainly shed on the individual level of first-generation IEs. That is, despite the mixed evidence in the literature, this paper follows the stream which argues that second-generation immigrants differ from their first-generation peers in their economic conduct in host countries. Namely, following the evidence that second-generation immigrants show better integrational ability (Chaganti and Greene, 2002; Deakins *et al.*, 2007), lower degree of social identification with their ethnic group (Achidi Ndofor and Priem, 2011) and more resemblance to their native peers' in their business conduct (Efendic *et al.*, 2016; Rusinovic, 2008). Thus, given their migration experience and liability of newness, first-generation IEs are believed to provide a more nuanced discussion of financial barriers and ambidexterity (see Malki *et al.*, 2020; Soydas and Aleti, 2015).

Finally, the paper mainly contributes to the field of immigrant entrepreneurship by introducing and discussing the term "*financial ambidexterity of IEs*" as their ability to overcome the financing barriers in multiple contexts in host countries. Moreover, the paper makes a minor contribution to the literature on *biculturalism*, *cultural intelligence* and *financial literacy*, where the IEs were scarcely addressed as a main unit of analysis in these studies (Xu *et al.*, 2019). Further, the paper discusses three illustrative models that demonstrate the cases of non-financial ambidexterity, simultaneous financial ambidexterity, and alternating financial ambidexterity. Additionally, an overall theoretical model that depicts the proposed relationship between the central term "*financial ambidexterity of IEs*" and the enabling factors is also discussed.

The rest of the paper will be organized as follows, *first* is an introduction to the IEs' financing barriers and context in host countries. *Second*, the paper introduces the term "*financial ambidexterity of IEs*" and discusses its derivation and illustration. *Third*, a discussion of the financial ambidexterity enabling factors, i.e. *bicultural identity integration*, *cultural intelligence* and *financial literacy*, takes place. Finally, the paper concludes its discussion about the proposed term and its limitations and further suggests contributions and future directions.

### The IEs' financing barriers and context

Among the resources that are pivotal for initiating and growing economic ventures, access to financing has always been identified as one of the most important stumbling blocks faced by immigrants in their entrepreneurial journey (e.g. Barrett *et al.*, 2002; Carter *et al.*, 2015). Given their newness in host countries, the IEs' ability to access the necessary financing faces high levels of uncertainty due to resource scarcity and discrimination in access that mostly portray their financing barriers within and outside their coethnic networks (e.g. Assudani, 2009). On the one hand, even though IEs are known for the mobilization of financial resources within their families and coethnic networks, these resources are generally considered to be limited and unstable (e.g. Antoniou *et al.*, 2008). This resource limitation threatens the realization and viability of the IEs' entrepreneurial ventures in host countries (e.g. Tengeh and Nkem, 2017). Moreover, the increasing number of coethnic actors who similarly initiate self-employment as a survival mechanism in host countries intensifies the level of saturation in coethnic opportunity structures (e.g. Jobu, 1988; Ram and Jones, 2008). This situation of high saturation subsequently leads to harsh competition for limited necessary resources, e.g. financial resources, within tight coethnic boundaries (e.g. Kitching *et al.*, 2009), which leads to the potential exclusion of those who fail to access sufficient financing (Kloosterman *et al.*, 1999b). On the other hand, IEs also face social and ethnicity-related barriers that impede their ability to access the necessary financing in host countries, including barriers such as discrimination (Bruder *et al.*, 2011), gender, racial and ethnic prejudices (e.g. Aldén and Hammarstedt, 2016; Carter *et al.*, 2015) and information asymmetry (e.g. Ostrovsky *et al.*, 2019). Studies in the field refer to these barriers as the IEs' liabilities of foreignness and

newness (e.g. Malki *et al.*, 2020), which incorporate low levels of legitimacy and trust relations with mainstream resource providers (e.g. Zott and Huy, 2007). The multitude of financing barriers that IEs face in host countries urges the development of certain abilities that enable them to maneuver around such barriers and survive economically in these countries (e.g. Malki *et al.*, 2020). As such, this study introduces the term “*financial ambidexterity of IEs*” as the ability they develop to overcome the financing barriers they face in multiple contexts, e.g. coethnic and mainstream, in host countries.

Finally, immigrant entrepreneurship has been deemed to be highly dependent on context (Dheer, 2018; Kloosterman and Rath, 2010; Ram *et al.*, 2017). Namely, the IEs are known to pursue economic opportunities over different structures that are situated in the coethnic or in the mainstream boundaries in host countries (Ram *et al.*, 2017). In these structures, the IEs are argued to be prone to multiple factors influencing their activities, with social and institutional factors being the most prominent (Dabić *et al.*, 2020; Dheer, 2018; Jones *et al.*, 2014). Based on the above, the paper forms its view about context based on the following points: *first*, it agrees with Friederike Welters’ view on context (2011) as the boundary that contains the opportunity structures. Accordingly, coethnic and mainstream opportunity structures are considered separate contexts. *Second*, to provide a more nuanced grasp of context, the paper builds on the *omnibus* and *discrete* taxonomy of context as suggested by Gary Johns (2006). In this taxonomy, an omnibus context refers to the overall setting or boundaries where the unit of analysis is active, while the *discrete* context refers to the specific situational factors that shape the behavior or attitude (Johns, 2006). According to this view, the paper sees both, coethnic and mainstream, opportunity structures as two different *omnibus* contexts. In each of these structures, specific sets of social and institutional factors are nested, i.e. *discrete* contexts, to dictate the proper behavior to be followed by the actors, i.e. IEs, for a full access to resources. For simplicity, the paper will use the terms “coethnic and mainstream contexts” as an indication of their *omnibus* and *discrete* aspects. Further, focusing on the first-generation IEs as the main unit of analysis provides a good opportunity to observe the effect of each context on the IEs ambidextrous behavior due to their higher contextual contrast compared to the second-generation IEs.

### The financial ambidexterity of IEs

Given the financing barriers the IEs face in their multiple contexts in host countries, e.g. coethnic and mainstream, the viability of their businesses depends on their ability to effectively access potential financing opportunities that exist in each of these contexts (e.g. Malki *et al.*, 2020). Such a financing behavior could be naturally captured in the IEs’ everyday anecdotes about their entrepreneurial endeavors in the host countries. For instance, in an anecdote of business survival, a 67-year-old first-generation immigrant entrepreneur in Sweden describes his financing journey in the host country as follows:

*So, we, my Iraqi friend and I, both contributed with the capital from our savings, and we bought a dry-cleaning shop. [...] However, when I needed a new machine, the bank refused to finance it, [...] the machinery supplier, who is a Swede, guaranteed me at the bank, and helped me get the financing. [...] When I needed to buy another machine, the supplier asked me to make a small down-payment, which I did not have at that time, so I asked for a loan from my wife’s parents. Then, after the business has grown and prospered, I use bank financing when the business profits are not enough.*

In this shared experience, the entrepreneur seems to rely on a variety of sources to finance the establishment and growth of his business. Interestingly, the observed rotation between the formal and informal financing appears to take place across different contexts, i.e. coethnic and mainstream contexts, according to the resource availability at the time of need. The literature on immigrant entrepreneurship provides a plethora of examples of similar

financing patterns (e.g. [Abbasian and Yazdanfar, 2013](#); [Barrett et al., 2002](#); [Smallbone et al., 2003](#)), yet it does not explicitly explain how the IEs develop the ability to explore and exploit different financing opportunities across multiple contexts (see [Malki et al., 2020](#)). Accordingly, this paper proposes that for the IEs to exhibit such a manifestation of financing, they need to develop cultural and mental abilities through active membership in the contexts of resettlement, e.g. coethnic and mainstream, in host countries (c.f., [Dheer and Lenartowicz, 2018](#); [Gooden et al., 2017](#)).

This knowledge-based approach to opportunity exploration and exploitation corresponds to the individual-based view of ambidexterity. [Good and Michel \(2013\)](#) found a significant relationship between the individuals' cognitive abilities and their conduct of exploration and exploitation activities. According to this view, individuals are claimed to engage in an explorative activity that encompasses learning about the existing opportunities, while correspondingly engaging in an exploitative behavior to apply the acquired knowledge in selecting and refining the discovered opportunities ([Gupta et al., 2006](#); [Levinthal and March, 1993](#); [Mom et al., 2007](#)). Hence, IEs are posited to pursue a financially ambidextrous behavior to overcome the financing barriers imposed by their newness and multicontextuality in host countries ([Malki et al., 2020](#)).

A complementary (e.g. [Ardito et al., 2018](#); [Knott, 2002](#)) rather than a competing (e.g. [March, 1991](#)) function of the exploration and exploitation activities are suggested by this view of ambidexterity. For instance, [Ardito et al. \(2018\)](#) found that ambidexterity results from a complementary process of the exploration and exploitation activities. Moreover, [Gupta et al. \(2006\)](#) and [Kauppila and Tempelaar \(2016\)](#) concluded that individuals' exploration and exploitation are learning-based activities. Accordingly, access to financing is seen to be mainly facilitated through the inseparable *synergic* performance of the accumulation and application of knowledge about existing opportunities in the current context(s) (c.f. [Lichtenthaler and Lichtenthaler, 2009](#)). In other words, to survive their economic endeavors, the IEs need to learn about the potential financing opportunities that exist in the contexts where they are operating, e.g. coethnic and/or mainstream contexts – *exploration* – and then use this knowledge in accessing the identified opportunities – *exploitation*. Despite the potential applicability of this definition to nonimmigrant entrepreneurs, the incorporation of the multicontextual aspect makes it more appropriate for IEs.

According to this view, the contextual aspect plays an essential role in enabling the IEs' ambidextrous ability (e.g. [Gibson and Birkinshaw, 2004](#); [Good and Michel, 2013](#)). That is, the different contexts within which the IEs are embedded, e.g. coethnic and mainstream, constitute alternative "safe havens" that they can turn to when faced with barriers. The importance of the contextual role is also highlighted by [Rogan and Mors \(2014\)](#), who indicate the individuals' reliance on their acquainted networks in exploring and exploiting potential opportunities ([Lassalle and McElwee, 2016](#); [Rodgers et al., 2019](#)). Therefore, being familiar with the particularities of each context, e.g. coethnic and mainstream, is believed to enable the IEs to relocate their exploration and exploitation activities across the opportunity structures that exist in these contexts (cf. [Kloosterman et al., 1999a](#); [Malki et al., 2020](#); [Rusinovic, 2008](#)). Put differently, when faced with a financing barrier in a current opportunity structure, e.g. coethnic or mainstream, the IEs are assumed to temporally suspend exploration and exploitation activities in that structure and to transfer and start them over in another structure. This depiction of financial ambidexterity suggests both simultaneous (e.g. [March, 1991](#)) and alternating (e.g. [Tushman and O'Reilly, 2004](#)) methods to pursue exploration and exploitation activities across different contexts, e.g. coethnic and mainstream. Referencing the contextual aspect of ambidexterity, simultaneity and alternation are thought to take place between contexts and not between exploration and exploitation *per se*. Namely, exploration and exploitation activities might be either performed in both coethnic and mainstream contexts, i.e. in a simultaneous manner, or temporarily relocated from one context to another



according to the circumstances, i.e. in an alternating manner. Thus, *the financial ambidexterity of IEs* can be defined as their ability to explore and exploit financing opportunities, either simultaneously across the contexts within which they are embedded, e.g. coethnic and mainstream, or alternately in one context when barriers arise in the other.

Finally, referencing the balancing function of ambidexterity that is commonly discussed to take place between exploration and exploitation activities (March, 1991), this paper adopts an environmental perspective of this balance (cf. Davis *et al.*, 2009) to characterize the “*financial ambidexterity of IEs*.” For instance, Mammassis and Kostopoulos (2019) found a significant impact of the level of environmental dynamism on the individuals’ ambidextrous ability. According to this perspective, the given circumstances in the surrounding environment, e.g. context, have a decisive impact on pursuing exploration and exploitation activities (e.g. Gibson and Birkinshaw, 2004; Good and Michel, 2013; Guerrero, 2021). Hence, in this paper, the optimal point of ambidexterity is not considered to occur at the balance between exploration and exploitation *per se* but rather at the point when exploration and exploitation are used effectively in response to contextual cues (e.g. Davis *et al.*, 2009; Sidhu *et al.*, 2004). Accordingly, considering the multicontextual nature of IEs, the optimal point of ambidexterity is reached when exploration and exploitation are successfully conducted together across different contexts, e.g. coethnic and mainstream, in a manner that leads to overcoming a financing barrier. Therefore, the balance function of ambidexterity is moved in this paper from the exploration and exploitation level to the contextual level. Therefore, the author suggests that exploration and exploitation constitute one set of complementary activities that are simultaneously and alternatively performed in a balanced manner across the different contexts, e.g. coethnic and mainstream, within which the IEs operate and coexist in their host countries.

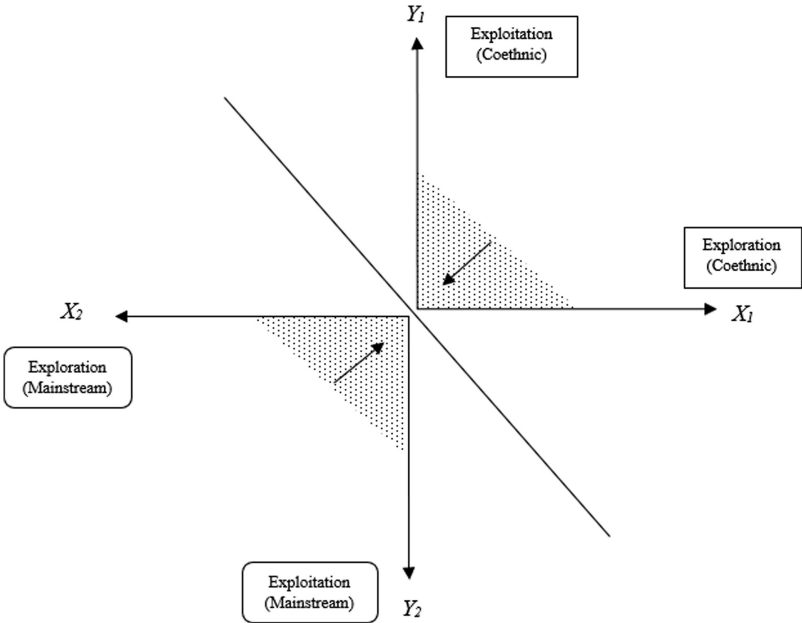
#### *Deriving the financial ambidexterity of IEs*

The above definition of *the financial ambidexterity of IEs* reflects a behavioral manifestation of financing that entails a considerable amount of complexity to meet the contradicting financing requisites that the IEs may face in their multiple opportunity structures in host countries (cf. Ashby, 1952). In other words, to survive in multiple contexts, e.g. coethnic and mainstream, IEs need to develop *behavioral* and *financial* repertoires that enable them to respond in a nuanced way to the contradictions imposed by these different contexts (c.f., Denison *et al.*, 1995; Hooijberg and Quinn, 1992). On the one hand, the behavioral response to multicontextual requisites to access financing requires the IEs’ awareness and internalization of their different cultural contexts, i.e. *bicultural identity integration* (e.g. Benet-Martínez *et al.*, 2002). That is, for the IEs to explore and exploit potential financing opportunities, they need to develop a bicultural meaning system that enables them to perceive and respond to the cultural cues they encounter in both cultural contexts (e.g. Hong *et al.*, 2000). Moreover, to function in culturally diverse settings, IEs must develop a mental ability called *cultural intelligence* (e.g. Ang *et al.*, 2006). Namely, for successful financing exploration and exploitation activities, IEs need to develop appropriate schematic routines that enable them to adopt the appropriate behavior that best matches the context where these opportunities were identified (e.g. Takeuchi *et al.*, 2005). On the other hand, for the IEs to access financing in their multiple contexts, e.g. coethnic and mainstream, in their host countries, they need to be literate about the financing alternatives that are available in the different opportunity structures of these contexts (e.g. Bapat, 2020; Lührmann *et al.*, 2015). Specifically, the IEs should be knowledgeable of and familiar with the different financing systems in these contexts and able to use this knowledge throughout their financing journey (Huston, 2010; Lusardi and Mitchell, 2007). Accordingly, the IEs’ *financial literacy* seems to be aligned with the exploration and exploitation aspects as proposed by Mom *et al.* (2007) and Levinthal and

March (1993) in terms of learning about, searching for and selecting the potential opportunities. Thus, financial literacy is argued to be an essential factor for the activation of the IEs' exploration and exploitation activities across their coethnic and mainstream opportunity structures, and thereby a fundamental determinant of their financial ambidexterity (Figure 4).

*Illustrating financial ambidexterity*

To illustrate how financial ambidexterity is proposed to function, it is useful to start by discussing what exploration and exploitation activities would look like in the case of *no* financial ambidexterity. That is, when IEs are limited to their coethnic networks, their exploration and exploitation activities will be confined to the opportunity structures that exist in these networks. Looking at Figure 1, the upper-right part of the graph depicts the area between  $X_1$  and  $Y_1$  where the IEs' exploration and exploitation activities are located in their coethnic opportunity structures. Thus, facing high saturation and resource limitations in these structures (e.g. Kitching *et al.*, 2009; Ram and Jones, 2008) will disrupt the exploration and exploitation activities due to the scarcity of information about any potential financing opportunity in these structures (e.g. Kitching *et al.*, 2009; Saxenian, 2002). That is, the introduction of any new opportunity in these structures will be briefly consumed by the high competition. Therefore, the denoted area will shrink toward the center of the axis, indicating low/no access to financing in this case. Similarly, the lower-left part of the graph depicts the area between  $X_2$  and  $Y_2$  within which the IEs' exploration and exploitation activities are solely located in the mainstream opportunity structures. Thus, if the IEs are limited to the mainstream market, given their newness to this context, their exploration and exploitation will also be disrupted. Namely, due to social and ethnic-related barriers they face in the mainstream context, such as discrimination (Bruder *et al.*, 2011) and information asymmetry (e.g. Ostrovsky *et al.*, 2019), the IEs will be unable to access any new information about

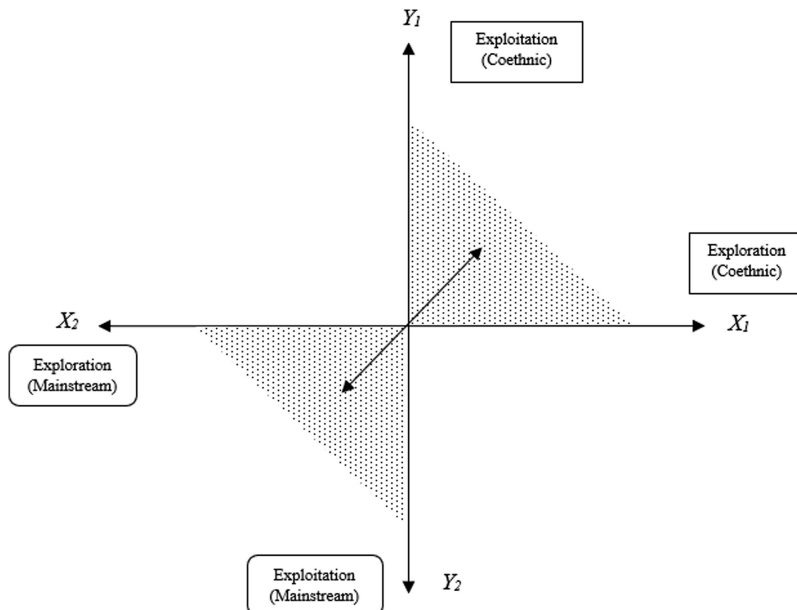


**Figure 1.**  
An illustrative model of  
non-ambidextrous  
behavior in coethnic  
and mainstream  
contexts

potential financing opportunities. Therefore, facing high barriers in mainstream structures will disrupt the exploration and exploitation activities, if any, due to the unfamiliarity with the context and the difficulty of obtaining relevant information about the available financing opportunities. Thus, the denoted area will also shrink toward the center of the axis, indicating low/no access to financing in this case. This leads to the following proposition:

- P1.* Financial ambidexterity is absent when the IEs are limited to some context and lack the flexibility and ability to conduct the exploration and exploitation activities beyond that context.

On the other hand, given the assumption that the IEs are multicontextual in nature (e.g. [Malki et al., 2020](#)), this study proposes the emergence of two types of ambidextrous patterns, as already introduced in the definition of financial ambidexterity. *First*, a simultaneous pursuit of exploration and exploitation in each of the coethnic and mainstream contexts occurs when no/low barriers occur in these contexts. In this case, looking at [Figure 2](#), the depiction of the exploration and exploitation activities takes a complete butterfly shape (the areas between  $X_1, Y_1$  and  $X_2, Y_2$ ), regardless of whether these activities occur more frequently in one context than the other. That is, the IEs might be familiar with both the home and mainstream contexts, where they are less restricted by the barriers in these contexts, and are able to simultaneously conduct exploration and exploitation activities in these contexts in the same period of time (see [Nazareno et al., 2019](#)). Accordingly, simultaneous ambidextrous behavior is posited to take place as per the definition. Finally, some IEs might have more frequent exploration and exploitation activities in one context than in the other due to their better familiarity with that context, however, as long as these activities still occur in both contexts at the same time, the simultaneous ambidextrous behavior is posited to still take place as per the definition.



**Figure 2.**  
An illustrative model of  
simultaneous  
ambidextrous behavior  
across coethnic and  
mainstream contexts

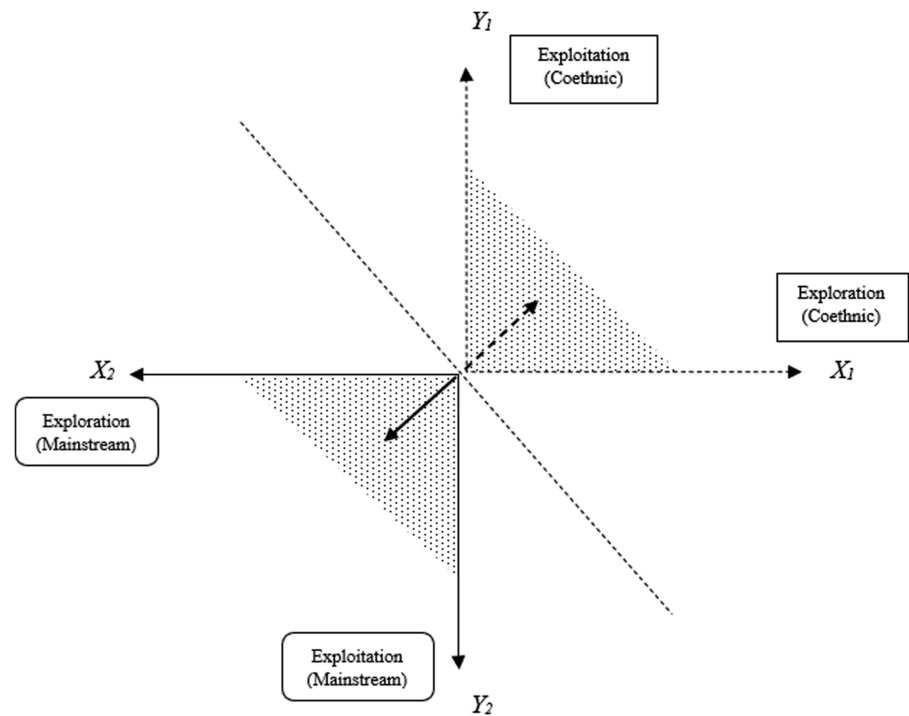


P2. A simultaneous type of financial ambidexterity occurs when the IEs have the ability and flexibility to conduct exploration and exploitation activities in both contexts at the same time.

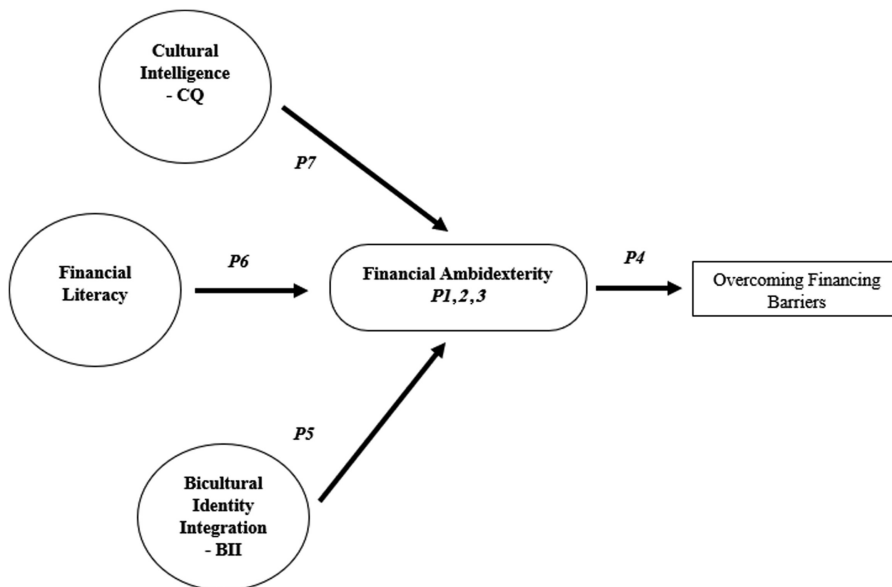
*Second*, alternating ambidextrous behavior occurs where the exploration and exploitation activities are temporarily performed in one context when the financing barriers arise in the other. In other words, when the IEs face compelling barriers that force them to stop their exploration and exploitation activities in one context, e.g. coethnic, they are assumed to temporarily move/concentrate these activities in the other context, e.g. mainstream. Thereafter, when the compelling barriers disappear, e.g. in the coethnic context, and occur in the other context, e.g. mainstream, the IEs are assumed to temporarily reactivate their exploration and exploitation activities in the former context, e.g. coethnic. This alternating pattern is demonstrated in Figure 3, where the dotted area represents the context where the exploration and exploitation activities are stopped, and the solid axis represents the context where these activities are reactivated.

P3. An alternating financial ambidexterity occurs when the IEs have the ability and flexibility to shift the conduct of their exploration and exploitation activities from one context to another when needed.

Consequently, these suggested ambidextrous manifestations are proposed to enable the IEs to maintain their access to the necessary financing by flexibly overcoming the different barriers they may encounter in their different contexts, e.g. coethnic and mainstream, in host countries. Yet it also explains why some IEs are more effective in overcoming these barriers and thus more successful in ensuring business survival than other IEs are.



**Figure 3.**  
An illustrative model of  
alternating  
ambidextrous behavior  
across coethnic and  
mainstream contexts



**Figure 4.** Illustrating the IEs' financial ambidexterity as a function of their bicultural identity integration, cultural intelligences and financial literacy

*P4.* Acquiring the ability to be financially ambidextrous enables the IEs to overcome the financing barriers they face in host countries.

### The bicultural identity integration of IEs

#### *The IEs' breakout, exposure and bicultural identity integration*

Among the different trajectories that discuss the IEs' breakout patterns, the literature on immigrant entrepreneurship provides evidence of the important role of social intermediation in enabling the IEs' integration into the mainstream contexts (e.g. Basu, 2011). This role, played by several actors, such as the government (e.g. Ram and Jones, 2008), the coethnic community (e.g. Price and Chacko, 2009), the mainstream actors (Mwaura *et al.*, 2018), and second- and later-generation immigrants (e.g. Portes and Rumbaut, 2005), is claimed to help initiate new or strengthened channels of reciprocal communication between the IEs and their mainstream peers (Marsden, 1982; Obstfeld *et al.*, 2014). However, for this interaction to be initiated, the mediator should be familiar and trustworthy on both sides (Dauphinée and Martin, 2000). Trustful intermediation would in turn nurture trust between the mediated actors, thereby leading to enhanced interaction and collaboration over time (e.g. Luo, 2005). Namely, opening reciprocal communication channels with the native constituents is argued to enable the IEs to learn the appropriate attitude and behavior in the host mainstream context (Bandura and Walters, 1977; Hofstede *et al.*, 2005). According to Coleman (1988), the density of social networks accelerates the process of internalizing a new identity due to increased communication via multiple social channels. Therefore, repeated and enhanced exposure to the new culture is argued to enable individuals to develop cognitive frameworks that are compatible with the new context (Takeuchi *et al.*, 2005), mainly, with the social and institutional contents (Crowne, 2013; Langley *et al.*, 2019). These developed frameworks will, eventually, enable individuals to exhibit new adaptive responses to the new context (Chen and Isa, 2003; Tadmor *et al.*, 2009). Accordingly, proving proper knowledge, besides cultural and behavioral conformity with the mainstream, is believed to foster trust in the reciprocal

channels between IEs and native actors due to fulfilled expectations and thereby facilitate an efficient circulation of financial advice between them (Deakins *et al.*, 2009; Portes and Sensenbrenner, 1993).

Having internalized knowledge about, and familiarity with the host cultures in juxtaposition with their original culture, IEs are assumed to become bicultural entities by definition (e.g. Hong *et al.*, 2000). Benet-Martínez *et al.* (2002) found that bicultural individuals might feel the tension between their internalized cultural identities. Thus, the scholar and her colleagues (2002) introduced the term “*bicultural identity integration* (BII)” to indicate the degree to which bicultural individuals perceive their home, i.e. ethnic, and mainstream, i.e. host, cultural identities to be “compatible and integrated *vs* oppositional and difficult to integrate.” The empirical evidence shows that individuals with strong BII have high levels of harmony (e.g. Benet-Martínez and Haritatos, 2005; Manzi *et al.*, 2014) and blendedness (Padilla, 1994; Phinney and Devich-Navarro, 1997) between their cultural identities rather than mutual exclusivity and compartmentalization (Benet-Martínez *et al.*, 2002, Benet-Martínez and Haritatos, 2005). Accordingly, such individuals show a strong ability to perceive and respond to the diverse cultural cues they encounter in both cultural contexts, i.e. home and mainstream, due to their development of a bicultural meaning system (e.g. Hong *et al.*, 2000).

In the case of IEs, the more they are biculturally integrated, the more they are able to develop a bicultural meaning system (Hong *et al.*, 2000; Luna *et al.*, 2008) that enables them to effectively show complex cultural representations of their internalized cultural identities (Benet-Martínez and Haritatos, 2005). According to Benet-Martínez *et al.* (2002) and Birman (1994), such representations will be translated, when needed, into complex behavioral exhibitions that are consistent with each of their internalized identities (see also Ozasir Kacar and Essers, 2019). Accordingly, in relation to their financing endeavor, biculturally integrated IEs are proposed to be capable of managing their exploration and exploitation activities across their coethnic and mainstream opportunity structures in host countries. This is supported by the immigrant entrepreneurship literature where IEs with low integration in the mainstream social and cultural systems were proved to experience extreme difficulties in accessing mainstream financing structures (e.g. Bruder *et al.*, 2011; Ram *et al.*, 2003). Hence, the IEs’ ability to successfully manage their financing pursuit across multiple opportunity structures is proposed to be realized through understanding the contradicting social and cultural requisites they may face in these structures (e.g. Ozasir Kacar and Essers, 2019). As such, IEs become able to flexibly respond with the appropriate behavior that best meets these requisites in the contexts where the financing opportunities are identified (e.g. Takeuchi *et al.*, 2005). Hence, altogether, biculturally integrated IEs are proposed to flexibly manage their exploration and exploitation activities either simultaneously across the different contexts where IEs are embedded, e.g. coethnic and mainstream, or alternately in one context when some compelling financing barriers occur in the other (Figures 2 and 3). Consequently, the relationship between BII and the already introduced term *financial ambidexterity of IEs* can be expressed in the following proposition (Figure 4):

- P5. *The more biculturally integrated IEs are in their host countries, the more likely they are to exhibit financially ambidextrous behavior across their coethnic and mainstream contexts.*

It is worth noting that the notion of BII is essentially based on the pluralistic approach to understanding the state of internalizing or assimilating multiple cultures, i.e. multicultural integration (Benet-Martínez *et al.*, 2006; Berry, 1986; LaFromboise *et al.*, 1993). Accordingly, BII should not be understood as an exclusively dual state of mind but rather as a multiple state of mind that enables individuals to flexibly shift from one internalized cultural system to another (e.g. Tadmor and Tetlock, 2006) regardless of how many cultures were internalized.

As such, this paper argues that duality either occurs in dual-cultural or multi-cultural transactions. Namely, in the former, the original or dominant identity is juxtaposed with the other internalized identity, while in the latter, the original identity is juxtaposed with one of the multiple internalized identities – once at a time – in each transaction. This identification of duality is contended to stay valid even with the immigrants' features of *superdiversity* and *transnationality*. Namely, in superdiverse or transnational situations, the IEs' continuous exposure to the new or diverse dimensions of their peers' cultural identities, e.g. ethnicity, country of origin, language, religion, *etc.*, helps them to learn and internalize these identities (e.g. [Tadmor et al., 2009](#)). Thereby, such multicultural IEs would be able to juxtapose their original/dominant cultural identity with any diverse or newly internalized identities, separately, on a one-to-one basis in each transaction, i.e. duality basis.

### Cultural intelligence

Given the multicontextual nature of IEs, their ability to effectively engage with culturally diverse systems is believed to be essential for the success of their financially ambidextrous pursuit in host countries. In this vein, [Earley \(2002\)](#) and [Earley and Ang \(2003\)](#) introduce the term “*cultural intelligence*” (CQ) as the individuals' mental ability to successfully function in culturally diverse settings. This definition of CQ aligns with Sternberg and Detterman's framework of multiple loci of intelligence (1986). Namely, the representation of CQ transcends the possession of cultural grasping and reasoning, i.e. cognitive abilities, to further incorporate the motivation to behave effectively in multicultural settings ([Ang et al., 2007](#); [Earley and Ang, 2003](#)). According to the literature, CQ is a malleable ability that can be developed as individuals increase their exposure to and interaction with different ecological, i.e. cultural, contexts ([Ang et al., 2015](#); [Brislin et al., 2006](#)). [Ang et al. \(2006, 2007\)](#) and [Ang and Van Dyne \(2008\)](#) develop a multifaceted construct of CQ. The construct includes four fundamental CQ factors that, together, are believed to play a significant role in enabling the IEs' financially ambidextrous pursuit; namely, the *cognitive CQ*, *metacognitive CQ*, *motivational CQ* and *behavioral CQ*.

The literature on CQ defines *cognitive CQ* as the individuals' general and specific knowledge about culture and cultural differences in the environments where they exist ([Ang et al., 2006](#); [Van Dyne et al., 2012](#)). For instance, evidence from [Triandis \(1994, \(2006\)\)](#) and [Van Dyne et al. \(2012\)](#) shows that *cognitive CQ* includes knowledge about the different cultural systems, i.e. economic, legal, social, religious, and the associated differences in the cultural practices, norms, customs and language in these systems. Thus, according to the *cognitive CQ* hypothesis, acquiring a general understanding of the different financing norms and practices in host and original contexts enables IEs to develop thinking schemas that allow them to identify potential financing opportunities that exist in these different contexts (see [Dheer and Lenartowicz, 2019](#)). Moreover, having further developed their knowledge about the specific characteristics of these contexts, e.g. coethnic and mainstream, IEs become able to exhibit appropriate and effective responses to the identified financing opportunities (see [Triandis, 1994](#)). Therefore, developing a higher *cognitive CQ* is posited to enhance the IEs' ability to discover – *explore* – and appropriately respond to – *exploit* – the financing opportunities that occur in their multiple contexts, e.g. coethnic and mainstream.

Yet for the acquired knowledge to be useful, it should be properly controlled and processed to produce an appropriate behavior in the new context (e.g. [Chua et al., 2012](#); [Gooden et al., 2017](#)). Evidence from the CQ literature suggests that the *metacognitive CQ* was introduced as a self-regulated mental system (e.g. [Van Dyne et al., 2012](#)) that uses deep information processing (see [Flavell, 1979](#)) to enable individuals to develop effective coping mechanisms (e.g. [Triandis, 2006](#)). This is achieved through the three subdimensions of *metacognitive CQ*: planning, awareness and checking ([Van Dyne et al., 2012](#)). Namely, IEs

high in *metacognitive CQ* are believed to (1) plan in advance for their engagement with multicontextual financiers, i.e. planning (c.f., [Endsley, 1995](#)), (2) be aware of and able to choose the appropriate cultural behavior that meets the expectations of these financiers (c.f., [Ang et al., 2007](#); [Rockstuhl and Van Dyne, 2018](#)). Moreover, (3) to be more willing to adjust their thinking and behavior, i.e. checking, to properly fit with their multicontextual financiers in each of their coethnic and mainstream contexts (c.f., [Chua et al., 2012](#); [Mor et al., 2013](#)). Accordingly, this study posits that the higher the *metacognitive CQ* of IEs, the greater their ability to appropriately plan and adjust their explorative and exploitative activities to fit their multiple financing opportunity structures, e.g. coethnic and mainstream, in host countries.

Having developed a high-level understanding and awareness of the essential aspects of other cultures, individuals are claimed to have accumulated complex cognitive abilities that enable them to think in different and opposing ways in a multicultural setting (e.g. [Bieri, 1968](#); [Streufert and Swezey, 1986](#)). However, cognitive complexity is also known for allowing the possession of a repertoire of behaviors, i.e. a portfolio of actions, which enable individuals to take multiple courses of action in response to complex situations (e.g. [Denison et al., 1995](#); [Hooijberg, 1996](#)). The literature confirms that behaviorally complex individuals develop a remarkable ability to effectively respond to complex and contradicting situations ([Earley and Ang, 2003](#); [Van Dyne et al., 2008](#)). As such, individuals are said to be behaviorally intelligent if they are able to situationally switch their behavior when dealing with people in multicultural settings ([Van Dyne et al., 2012](#)). Thus, by acquiring *behavioral CQ*, IEs are believed to be able to condition their exploration and exploitation activities flexibly and properly across their multicontextual financiers, e.g. coethnic and mainstream, while pursuing financing in their host countries. As such, IEs with high *behavioral CQ* could exhibit a complex behavioral ability in simultaneously or temporarily locating and relocating their exploration and exploitation activities across the financing opportunity structures that exist in their multiple contexts, e.g. coethnic and mainstream, in host countries.

Given that *cognitive, metacognitive* and *behavioral CQ* were developed over time, the literature claims that actual engagement in multicultural settings does not take place unless individuals are motivated to direct and sustain energy for such engagement (e.g. [Ang et al., 2015](#); [Ceci, 1996](#)). For IEs, their economic endeavors in host countries are believed to be threatened by contextual-related financing barriers, which make it an urgent motivation for them to develop appropriate mechanisms to overcome these barriers for survival (see [Malki et al., 2020](#)). The literature provides evidence that people with high *motivational CQ* have a greater inclination to invest in learning new norms, processes and behaviors that would facilitate their adjustment ([Chen et al., 2010](#)), adaptation (e.g. [Ward et al., 2011](#)) and engagement in multicultural settings ([Rockstuhl and Van Dyne, 2018](#); [Xu and Chen, 2017](#)). Accordingly, IEs with higher *motivational CQ* are believed to heavily invest in developing their multicultural abilities for a more effective application of the exploration and exploitation activities in multiple opportunity structures, e.g. coethnic and mainstream, in host countries.

In sum, by virtue of their acquired repertoires of cognitive, behavioral and motivational intelligence components, the IEs' CQ is believed to activate an ambidextrous behavior that best matches the contexts where the exploration and exploitation activities are performed (e.g. [Van Dyne et al., 2012](#)) ([Figure 1](#)). The literature on immigrant entrepreneurship provides implicit evidence about the role of CQ in enabling the IEs' ambidextrous access to financing in host countries. For instance, in their study about Indian female IEs in Australia, [Azmat and Fujimoto \(2016\)](#) found that these IEs, motivated by autonomy, they achieve better access to multiple financing as they assimilate and adjust themselves to the cultures of these contexts. The scholars claim that the cultural adjustment of these IEs enables them to subsequently adjust their behavior according to the context within which they operate. As such, this study argues that developing higher CQ in host countries enables IEs to effectively conduct

exploration and exploitation activities across their financing opportunity structures, e.g. coethnic and mainstream, in host countries. This leads to the following proposition:

- P6. *The higher the IEs' cultural intelligence is, the greater their financial ambidexterity across their multiple contexts in host countries.*

### Financial literacy of the immigrant entrepreneurs

An essential requirement for an effective realization of *the financial ambidexterity of IEs* is their acquisition of a considerable amount of knowledge about financing in each of their contexts in host countries. In this regard, [Huston \(2010\)](#) and [Lusardi and Mitchell \(2007\)](#) introduce the term financial literacy as the individuals' understanding and knowledge of basic financial concepts, and the use of this knowledge in drawing reasonable financial choices. The literature addresses financial literacy as an essential tool for individuals to (a) make reasonable financial decisions in complex environments (e.g. [Atkinson and Messy, 2012](#); [Lusardi and Mitchell, 2017](#)) and (b) to improve their ability to access appropriate and affordable financing resources (e.g. [Bongomin et al., 2017](#); [Lusardi and Mitchell, 2014](#)). Accordingly, for the IEs to be able to simultaneously or alternatively explore and exploit financing opportunities across their multiple contexts, e.g. coethnic and mainstream, they need to be financially literate about the financing alternatives that are available in these contexts, and the proper methods to access these alternatives. The role of financial literacy in the IEs' financing, although implicitly indicated, is often emphasized by various studies in the emigrant entrepreneurship literature. Studies show that the IEs' access to financing is usually hampered by their lack of knowledge and awareness of the available mainstream financing alternatives and programs in host countries ([Muchineripi et al., 2019](#); [Ostrovsky et al., 2019](#)). The empirical evidence further indicates that the IEs show higher ability to access mainstream financing as they become more financially skilled and sophisticated overtime ([Hussain and Matlay, 2007](#); [Shinnar et al., 2009](#)).

Given the above definition and empirical examples of financial literacy, the term seems to be exclusively shaped by financial knowledge. However, further empirical research confirms the insufficiency of the singular role of *financial knowledge* in deriving an effective financial decision (e.g. [Fernandes et al., 2014](#); [Willis, 2011](#)) and urges an association with other financial factors, such as *financial attitudes* and *financial behavior* (e.g. [Agarwalla et al., 2015](#); [Atkinson and Messy, 2012](#)). Namely, the empirical evidence also suggests the significant role of *financial attitude* in activating financing ambidexterity. The literature indicates that individuals develop their *financial attitude*, i.e. financial preferences, desire or tendency (e.g. [Aydin and Selcuk, 2019](#)) throughout a continuous socialization process (e.g. [Ajzen, 1991](#); [Gudmunson and Danes, 2011](#)). For IEs, the contexts in which they are active are believed to shape their financial preferences, i.e. attitude, in host countries (e.g. [Wittenbrink et al., 2001](#)). Two contextual components are suggested to influence the IEs' financial attitude: the original cultural beliefs and the social interaction with the mainstream actors. *First*, their original cultural and religious imperatives, besides family financial culture, are proved to significantly shape their financing preferences, i.e. attitude (e.g. [Ekanem, 2013](#); [Masuo et al., 2004](#)). *Second*, given their multicontextuality ([Malki et al., 2020](#)), IEs are assumed to have higher exposure to mainstream actors, from whom they learn about and become familiarized with the financing norms that are practiced in the mainstream opportunity structures (c.f., [Bandura, 2002](#); [Bandura and Walters, 1977](#)). In this vein, the mainstream suppliers have been argued to play a considerable role in developing the IEs' understanding and awareness of the existing alternatives in the mainstream opportunity structures (see [Mwaura et al., 2018](#)). According to this view, finance suppliers, in the mainstream formal and informal sectors, could play a positive role in the IEs' pursuit of the necessary financing. This role contradicts the traditional negative image the mainstream financiers were stigmatized for in their



transactions with the IEs (Aldén and Hammarstedt, 2016; Zhang *et al.*, 2016). Thus, the positive contribution of the mainstream finance suppliers could be seen in channeling proper financial information and advice to the existing and potential IEs (Deakins *et al.*, 2009; Mwaura *et al.*, 2018). As such, mainstream financiers help reduce the IEs' exposure to the financing information asymmetry and thereby improving their financial knowledge and awareness about the available financing alternatives in the mainstream market (Malki *et al.*, 2020; Mwaura *et al.*, 2018). Accordingly, social interaction with the mainstream actors is proposed to enable IEs to form and adjust their financing awareness and preferences, i.e. attitude, to suit their multiple contexts, e.g. coethnic and mainstream, in host countries (e.g. Goyal and Kumar, 2021).

Based on the above, a behavioral manifestation of the individuals' financial literacy seems to result from the interaction between their financial knowledge and financial attitude (e.g. Bapat, 2020; Chen and Volpe, 1998). That is, for an effective financial behavior to take place, i.e. access to financing, individuals need to have considerable knowledge about the specific financial situation and an appropriate approach to assessing that situation. Accordingly, the IEs' financial literacy status is proposed to have direct implications for the exploration and exploitation aspects of their financial ambidexterity in host countries. *First*, they can better assess their financing situation in host countries. *Second*, they realize their multicontextual status in host countries and, therefore, the complexity, diversity and riskiness of the corresponding financing tools. *Third*, they become aware of the appropriate financing alternatives that are available in their multiple contexts. *Fourth*, they can simultaneously or alternatively approach the most feasible financing alternatives that either exist in one or both of their multiple contexts, e.g. coethnic and mainstream, in host countries. Consequently, the relationship between the IEs' financial literacy and ambidexterity can be proposed as follows:

*P7. The higher the IEs' financial literacy is, the greater their financial ambidexterity across their multiple contexts in host countries.*

## Discussion and conclusion

This paper contributes to the field of immigrant entrepreneurship by theoretically answering the question of *how IEs overcome financing barriers in host countries?* In doing so, the paper uses sociopsychological lenses to introduce and discuss the term “*financial ambidexterity of IEs*” by synthesizing empirical evidence drawn from the different literature on immigrant entrepreneurship, biculturalism, financial literacy and cultural intelligence. The paper defines the term “*financial ambidexterity of IEs*” as their ability to simultaneously or alternatively explore and exploit financing opportunities across the contexts within which they are embedded, e.g. coethnic and mainstream, in host countries. To allow a better understanding of the term, the paper provides a visualized depiction of how a financially ambidextrous (Figures 2 and 3) *versus* non-ambidextrous behaviors (Figure 1) should look like. Namely, the figures propose that a financially ambidextrous behavior occurs when IEs are limited to either co-ethnic or mainstream context and fail to explore and exploit financing opportunities beyond that context, i.e. *P1*. On the other hand, IEs are proposed to be financially ambidextrous if they acquire the ability to explore and exploit financing opportunities either simultaneously (Figure 2) i.e. *P2*, or alternatively (Figure 3) i.e. *P3*, across both contexts. This definition is anchored to the individual and knowledge-based perspectives of the ambidexterity notion (Levinthal and March, 1993; Mom *et al.*, 2007) and focuses on first-generation IEs whose liability of newness is believed to notably affect their financing journey. Further, the definition builds on the central aspect of the IEs' multicontextuality in host countries (c.f., Hall, 2021; Malki *et al.*, 2020) and adopts an omnibus and discrete view for a more nuanced grasp of context (c.f., Johns, 2006; Welter, 2011). Namely, the paper sees IEs as operating in multiple opportunity structures, i.e. coethnic

and mainstream (omnibus contexts), where a set of social and institutional factors dictate their behavior (discrete contexts).

For a better understanding of how the term “*financial ambidexterity of IEs*” works, the paper introduces a general model (Figure 4) that describes the overall mechanism for acquiring and using an ambidextrous ability to overcome potential financing barriers in host countries. For instance, based on empirical evidence from the literature on biculturalism (Benet-Martínez and Haritatos, 2005; Hong *et al.*, 2000; Tadmor and Tetlock, 2006; Takeuchi *et al.*, 2005), the paper argues that the more biculturally skilled the IEs are in the host, the more they become able to flexibly respond to the financing requisites they face across their opportunity structures, i.e. P5. Moreover, given that IEs usually operate in culturally diverse settings (Rodgers *et al.*, 2019; Yamamura and Lassalle, 2020), the paper bases on evidence from the cultural intelligence literature to contend that motivated IEs tend to develop diverse repertoires of behavior to effectively deal with multicultural settings (Earley and Ang, 2003; Van Dyne *et al.*, 2008, 2012). Accordingly, the paper proposes that culturally intelligent IEs develop ability to effectively navigate their financing exploration and exploitation activities across multiple contexts in the host, i.e. P6. Yet, given the dedicated focus on the IEs’ financing pursuit in host countries, the paper draws on studies on financial literacy as an essential requirement for the realization of an effective ambidextrous ability. That is, acquiring financial knowledge and understanding in specific situations is proved to enable individuals to make appropriate and affordable choices in complex settings (Atkinson and Messy, 2012; Bongomin *et al.*, 2017; Huston, 2010; Lusardi and Mitchell, 2017). Accordingly, IEs with higher financial literacy are proposed to have a greater awareness of the available financing alternatives in the host, and thereby higher ability to, simultaneously or alternatively, approach the most feasible of these alternatives, i.e. P7. Altogether, the paper proposes that one way for the IEs to overcome their financing barriers in the host is to become financially ambidextrous. Moreover, one way to achieve financial ambidexterity is through bicultural identity integration, cultural intelligence and financial literacy. Finally, despite the “causative” form of the general model presented in Figure 4, yet it is believed to offer the potential to unfold a detailed description of the overall mechanism of the “*financial ambidexterity of IEs*.”

## Contribution and practical implications

### *Contribution*

By answering the practical and academic question of how IEs overcome financing barriers in host countries (c.f., Malki *et al.*, 2020), the paper mainly contributes to the literature on immigrant entrepreneurship. Specifically, the paper suggests developing a financially ambidextrous ability as an alternative solution for the IEs to overcome the difficulties they face in accessing necessary financing in host countries. Moreover, the paper suggests a minor contribution to the literature on bicultural identity integration, cultural intelligence and financial literacy, where IEs were scarcely addressed as a main unit of analysis in these studies (Xu *et al.*, 2019). For instance, most studies that have jointly used BII and CQ undertook topics such as innovation and work behavior (e.g. Korzilius *et al.*, 2017), attitudes toward diversity (e.g. Wagstaff *et al.*, 2020) and intercultural effectiveness (e.g. Thomas *et al.*, 2010). Thus, little or no attention has been explicitly given to topics about IEs and/or financing, which makes it a clear contribution of this paper to this literature.

### *Practical implications*

This paper enhances our understanding of the IEs’ ability to overcome financing barriers in host countries. It, therefore, suggests some practical implications for the main role-players in the IEs’ financing journey: *first*, given the IEs’ substantial economic contribution to their host

countries (see [Kerr and Kerr, 2020](#)), the paper informs policymakers about the importance of developing policies and support-programs (e.g. [Mwaura et al., 2018](#); [Ram et al., 2003](#)) that are dedicated to facilitate and improve communication and interaction between the IEs and the mainstream financiers. This is believed to promote the financial ambidexterity of the IEs through encouraging direct engagement with their potential financial suppliers, thus providing the opportunity to learn more about the financing systems and opportunity structures of the host. Such engagement is also suggested to decrease distrust and prejudices between IEs and mainstream financiers (see [Aldén and Hammarstedt, 2016](#)) and to eventually improve the IEs' financial transactions and economic contribution. *Second*, for the finance practitioners – *supply side*, understanding the ambidextrous ability of the IEs is believed to enable them to develop more flexible and rewarding financing products. For instance, developing financing products that consider the IEs' cultural and religious (see [Gait and Worthington, 2008](#)). In so doing, it might become more convenient for the IEs to approach mainstream financiers, while maintaining other altruistic financings from coethnics. Finally, this paper informs the IEs about the need to develop an ambidextrous ability that enables them to overcome financing barriers, survive and grow and eventually contribute to their host economies.

## Limitations and future research

### *Limitations*

It is worth mentioning that the paper neither claims financial ambidexterity to be an exclusive explanation for how IEs overcome financing barriers, nor restricts the exhibition of ambidextrous behavior to the exact enablers suggested in the model. Therefore, given the embryonic stage of this term, the paper recognizes several limitations in the conceptualization of the term “*financial ambidexterity of IEs*”. *First* is the overly “causative” form of the suggested model. That is, despite its potential to unveil ample description of the ambidexterity mechanism, it might lack further depiction of the logics emanating from the multicontextual nature of the IEs. *Second*, the model is a one-way depiction of the financial ambidexterity mechanism. A potential interaction between the enabling factors, i.e. CQ, BII and FL could be further depicted and discussed in a more extended model. Moreover, two-way relational mechanisms could take place based on the fact of becoming more ambidextrous. For instance, becoming more financially ambidextrous enhances the IEs' financial literacy, *etc.* *Third*, given that the paper illustrates financial ambidexterity as an ability, a further categorization of this ability could have contributed to further understanding of the term. For instance, there is a high similarity between how the paper defines ambidexterity and how the literature on intelligence defines general cognitive ability. For instance, [Neisser et al. \(1996\)](#) define the latter as the “ability to understand complex ideas, to adapt effectively to the environment, to learn from experience, to engage in various forms of reasoning, to overcome obstacles by taking thought” (p. 77). On the other hand, the specific ability is mostly defined as a noncognitive ability like the social ability, which together with the cognitive ability has positive impact on entrepreneurial activities ([Hartog et al., 2010](#)). Accordingly, taken together in comparison to the term financial ambidexterity, one could say that financial ambidexterity is a combination of general cognitive and specific social abilities. Future research might be interested in understanding *how* and *what* mixture of such abilities could improve the IEs' access to financing in host countries. *Fourth*, due to its embryonic stage, the development of the term “*financial ambidexterity*” is mainly limited to the specific case of IEs in this paper. Thus, a promising application of the term to a wider spectrum of actors, contexts and financial behavior is still to be unpacked.

### *Future research*

An urgent assignment for future research is to empirically investigate the term “*financial ambidexterity of IEs*,” either to test and confirm the theoretical construct of this study or to

explore further enablers, manifestations or mechanisms for this term. For the latter purpose, the use of qualitative methodologies, specifically grounded theory (Charmaz, 2006, 2014; Glaser and Strauss, 2017), would be enormously promising since it allows a direct engagement in the IEs' financing phenomenon from the role-players' perspectives (Gioia et al., 2013). Further, given the novelty of the term "financial ambidexterity of IEs," the use of qualitative research is expected to allow a deeper exploration, theorization and understanding of the term and phenomenon and thereby to a further contribution to the field (Gioia, 2021). Accordingly, the above-discussed limitations concerning the model, and the categorization of the IEs' financing abilities, are all argued to be best addressed using qualitative methodologies. Finally, a considerable contribution concerning the applicability of the term "financial ambidexterity" could be provided by qualitative studies. That is, using qualitative comparative methods, future research might explore the differences between various categories of entrepreneurs (e.g. natives vs IEs, settled IEs vs transnational IEs, ethnic A vs ethnic B IEs, etc.) in terms of exhibiting a financial ambidextrous behavior, and the different mechanisms underlying such behavior.

On the other hand, future research could limit its focus to testing the theoretical construct of this study. That is, due to the difficulty of directly measuring the term, future studies may resort to combining measurements of each of its components: *bicultural identity integration-BII*, *bicultural intelligence-CQ* and *financial literacy*. For instance, future studies may use the 17-item BII Scale-Version 2 (BIIS-2) developed by Huynh et al. (2018). Moreover, for *cultural intelligence-CQ*, future studies could use the 20-item CQ scale developed by Ang et al. (2007). Finally, for financial literature, the six-item scale called the "Ćumurović-Lusardi scale (CL)" and developed by Rieger (2020) could be used in future research. Ultimately, when taken together, the above scales should be used in relation to the main goal of overcoming the financing barriers in host countries.

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**Corresponding author**

Bryan Malki can be contacted at: [bryan.malki@ju.se](mailto:bryan.malki@ju.se)