

# **ETHNIC MIGRANT ENTREPRENEURS' OPPORTUNITY EXPLOITATION AND CULTURAL DISTANCE: A CLASSIFICATION THROUGH A MATRIX OF OPPORTUNITIES**

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## **ABSTRACT**

*This research explores how ethnic migrant entrepreneurs (EMEs) from countries with a range of cultural differences to the host country exploit entrepreneurial opportunities in a single host country. Specifically, this study investigates: (1) the types of opportunities exploited by EMEs, and (2) the way they exploit these entrepreneurial opportunities. This study offers a contextualised insight on the link between entrepreneurial opportunity exploitation and cultural differences (operationalised using cultural distance, or CD). In particular, through highlighting the moderating role of CD, this study has developed a matrix of entrepreneurial opportunities based on cultural differences for EMEs, which can be useful for both EMEs and the host country’s administrative agencies. By accounting for culture in articulating the findings, this research contributes to theory by bridging the institutional-individual divide in entrepreneurship discussion through an institutional lens. A practical implication of this study is a delineation of opportunities according to cultural differences, which is beneficial for entrepreneurs across borders.*

**Keywords:** culture, entrepreneurship, institutions, entrepreneurial opportunities, cultural distance

## INTRODUCTION

The discourse around entrepreneurial opportunities has focused mainly on the individual-opportunity nexus (Davidsson, 2015). However, culture is often overlooked in such discussions (Bruton, Ahlstrom, & Li, 2010), which constitutes the problem underlying our research. This is surprising as theory-wise and practice-wise, understanding entrepreneurial opportunities through culture, especially cultural differences, is imperative given the increasing scale of entrepreneurship activities across borders. We address this issue by introducing culture into the discussion of entrepreneurship through an institutional lens (Bruton et al., 2010; Wicks, 2001).

According to the migrant entrepreneurship literature, there are two main types of entrepreneurial opportunities for ethnic migrant entrepreneurs (EMEs) in a host country, which are in the co-ethnic-based (CEB) market and the non-co-ethnic-based (NCEB) market (Kloosterman, 2010; Kloosterman, van der Leun, & Rath, 1999; Waldinger, Ward, Aldrich, & Stanfield, 1990). The CEB market is largely composed of co-ethnic clients while the NCEB market mainly attracts locals of the host country.

This study examines EMEs' entrepreneurial opportunity exploitation based on their home country's cultural distance (CD) extents to the host country by investigating (1) the type of entrepreneurial opportunities, and (2) the way CD influences the entrepreneurial opportunity exploitation. In this regard, CD is used as a construct to categorise home countries as having a low, moderate, or high degree of cultural differences from the host country. This study focuses on how EMEs from Indonesia (low CD), Pakistan (moderate CD), and South Korea (Korea hereafter; high CD) exploit entrepreneurial opportunities in a single host country, Malaysia. The selection of the home countries is intentional, based on the degree of cultural differences the countries have to the host country, to illustrate cultural differences as positive inducements for entrepreneurial opportunities, rather than viewing them as a constraint (Drogendijk & Zander, 2010; Stahl & Tung, 2015).

Using a qualitative approach and comparative design, the findings were organised into three cases: Indonesian, Pakistani, and Korean EMEs in Kuala Lumpur, Malaysia. Both primary (in the form of 40 interviews) and secondary data were utilised. We focus on the type of entrepreneurial opportunities exploited by EMEs, reflected in the markets (CEB or NCEB) targeted by the EMEs. We subsequently explore the way EMEs exploit these entrepreneurial opportunities (reflected in their strategies), which will inform us on EMEs' strategies in their chosen markets. The main outcome of this research is a matrix of entrepreneurial

opportunity exploitation according to CD, which enhances our understanding in entrepreneurship in international settings as it covers the way EMEs deal with the host country's environment through cultural differences.

This paper begins with a discussion of the two main concepts underlying the study, which are entrepreneurial opportunity exploitation and cultural differences. The research design and methods used in this study are then outlined. A presentation of the findings follows, concluding with theoretical and practical implications of the research.

## **THEORETICAL DEVELOPMENT**

In this study, entrepreneurs are conceptualised as individuals who discover and exploit entrepreneurial opportunities (Shane & Venkataraman, 2000). As the established field of ethnic migrant entrepreneurship concerns both cultural and migration characteristics of the entrepreneur, the principal subjects of this study will be referred to as ethnic migrant entrepreneurs, or EMEs, as they are mostly foreign-born and connected to a particular migrant group (Constant & Zimmermann, 2006; Koning & Verver, 2013).

### **Entrepreneurial Opportunity Exploitation**

According to Roth, Kostova, and Dakhli (2011), cultural misfit can create inefficiencies and comparative advantages for the decision maker across borders. In this study, cultural differences refer to the degree of cultural differences between the host and home countries (depicted using the CD concept), and entrepreneurial opportunity exploitation refers to materialised entrepreneurial ventures (Baker, Gedajlovic, & Lubatkin, 2005; Venkataraman, 1997), reflected in the markets linked to the ventures.

### **Cultural Differences**

National culture is composed of dimensions of aggregated individual values relative to social inequality (power distance), group relations (individualism), gender roles (masculinity), risk (uncertainty avoidance), time horizon (long-term orientation), and gratification (indulgence) (Hofstede, 2015). These values differ across nations, influencing the decision making of individuals (Hofstede, Hofstede, & Minkov, 2010). As this study focuses on overall cultural differences instead of differences in individual values, we use CD as an overall concept of cultural differences, construed using Hofstede's cultural dimensions.

Defined as the degree to which cultural norms in one country differ from those in another country (Kogut & Singh, 1988), CD is used as a construct to illustrate the differences between two countries on the basis that a construct is a “reflection” of an existing phenomenon (Minkov & Hofstede, 2011). This concept is premised on the basis of “difficulties that arise when the foreign environment is ‘further away’ from an individual’s own” (Drogendijk & Zander, 2010), as culturally similar markets are associated with lower business uncertainty. In business and management, the impact of CD is manifested in venture-level situations through decision makers. Especially for EMEs, larger cultural differences are associated with weaker personal and cognitive ties with the locals (Contín-Pilart & Larraza-Kintana, 2015), thus bearing implications towards the exploitation of entrepreneurial opportunities available in the host country.

CD is measured using the following formula introduced by Kogut and Singh (1988), using scores from Hofstede’s (1991) cultural value indices:

$$CD_{jm} = \sum_{d=1}^n \left[ \frac{(i_j^d - i_m^d)^2}{v_d} \right]$$

CD between countries  $j$  and  $m$  is structured as follows:  $i_j^d$  refers to the index value  $i$  of cultural dimension  $d$  for country  $j$ , and  $v_d$  refers to the variance of cultural dimension  $d$ . The values for the variables within the formula are obtained from reported scores on the six dimensions of culture (Hofstede, 1980; Hofstede et al., 2010).

## Opportunities for Ethnic Migrant Entrepreneurs

For this study, entrepreneurial opportunities are defined as “situations in which new goods, services, raw materials, markets and organizing methods can be introduced through the formation of new means, ends, or means-ends relationships” (Eckhardt & Shane, 2003, p. 336). Here, exploited entrepreneurial opportunities are operationalised as an idea that has transformed into the form of business (Anderson, 2000; Ardichvili, Cardozo, & Ray, 2003; Dimov, 2007).

Migrants are portrayed as disadvantaged and marginalised individuals in the ethnic migrant entrepreneurship literature. Earlier research demonstrated that migrants are often found working in low-level sectors and operating businesses in isolated, unprofitable areas of the host country (sometimes called slums or ghettos) (Altinay & Altinay, 2008; Blalock, 1967; Deakins, Smallbone, Ishaq, Whittam, & Wyper, 2009; Waldinger et al., 1990). According to Waldinger et al. (1990),

market opportunities in the host country include the ethnic (CEB) market and the open (NCEB) market. The CEB market represents an ethnic market that is typically unsophisticated and informal, characterised by distinct ethnic identities and located in ethnic enclaves (Baycan-Levent, Masurel, & Nijkamp, 2003; Curci & Mackoy, 2010). This market is largely composed of CEB clients who are generally limited in terms of economic mobility (Curci & Mackoy, 2010), but remain exclusive towards EMEs as this market's demands are largely unmet by native/local entrepreneurs (Ong & Freeman, 2017). The NCEB market, on the other hand, is described as a market with primarily NCEB clients. Strategies in this market include offering predominantly ethnic products and services for NCEB clients (Kloosterman et al., 1999; Phizacklea, 1990). Examples of businesses in this market include real estate agencies, car hire businesses, and ethnic restaurants (Curci & Mackoy, 2010). In this regard, CEB and NCEB markets differ based on the characteristics of EMEs' main clients.

Table 1  
*Cultural distance scores of selected countries*

Cultural dimension	Cultural dimension value of country $j$ , $i_j^d$			
	Malaysia	Indonesia	Pakistan	Korea
Power distance	104	78	55	60
Individualism	26	14	14	18
Masculinity	50	46	50	39
Uncertainty avoidance	36	48	70	85
Long-term orientation	41	62	50	100
Indulgence	57	38	0*	29
Results based on:				
Kogut and Singh (1988)		0.58	2.37	2.78
Morosini, Shane, and Singh (1998)		42.21	83.85	93.74
Kandogan (2012)		1.86	3.77	4.08

*Notes:*

\* The extremely low scores of indulgence for Pakistan can be compared with Egypt, which scores 4 in the dimension. Further information can be found in Minkov and Hofstede (2010).

All of the cultural dimension values  $d$  of Malaysia ( $i_m^d$ ), Indonesia ( $i_i^d$ ), Pakistan ( $i_p^d$ ), and Korea ( $i_k^d$ ) are available at <http://www.geerthofstede.nl/dimension-data-matrix>.

The modified formulas to measure cultural distance between country  $j$  and country  $m$  are as follows:

$$\text{Morosini et al. (1998): } \sqrt{\sum_{d=1}^n (i_j^d - i_m^d)^2}$$

$$\text{Kandogan (2012): } CD_{jm} = \sum_{d=1}^n \left[ \frac{(i_j^d - i_m^d)^2}{v_d} \right] \text{ where } v_d \text{ indicates the population variance of each cultural dimensions}$$

In relation to CD, individuals from a country with similar culture to the host country are likely to be familiar with the host country's environment and have local language and norms knowledge, thus are less likely to face societal exclusion (Kashima & Abu-Rayya, 2014; Vromans, van Engen, & Mol, 2013). As a possible implication, EMEs from a low CD country (more culturally similar to the host country) could fare better in the host country through serving the locals (NCEB clients), while EMEs from a high CD country will survive by focusing on their CEB clients. As past research on ethnic migrant entrepreneurship has generally focused on their demographic characteristics to explain EMEs' reliance on CEB markets and in-group resources (Barrett & Vershinina, 2017), we develop this discussion further by investigating the way cultural differences (as a demographic characteristic sitting between institutional and individual levels of analysis) influence EMEs' entrepreneurial strategies. Here, entrepreneurial strategies are captured through exploring the way EMEs exploit entrepreneurial opportunities (Kashima & Abu-Rayya, 2014; Vromans et al., 2013).

## **METHODOLOGY**

A qualitative research approach is employed in this study, as it aims to understand the research subject and studies a phenomenon in its context (Marschan-Piekkari & Welch, 2004). This research adopted multiple case studies to obtain rich data on unexplored areas addressing the "how" and "why" questions (Edmondson & McManus, 2007). Other than enabling external validity for the study (Eisenhardt, 1989; Yin, 2014), a multiple case study design was used as it provides stronger arguments and enables broader exploration of the research questions (Eisenhardt & Graebner, 2007). As multiple case studies comprise of sub-units occurring in two or more case studies (Yin, 2014), each case is composed of EMEs from the selected home countries in the host country.

Sampling was based on two criteria: (1) EMEs from countries with comparatively least, moderate, and most CD scores to the host country, and (2) EMEs who have experienced operating at least one business venture in the host country. To obtain richness in informing the study, this research remained fairly flexible in recruiting the sample.

Primary sources of data include the EMEs (the principal source), embassy representatives, community leaders, and trade representatives of the three home countries. A total of 40 respondents, including 32 EMEs and 8 supplementary interviewees, participated in the study. The details of the respondents are provided in Table 2. In total, 2,800 minutes of face-to-face interviews were conducted

(40 interview sessions). Secondary data sources were used for cross-checking purposes, through validating the findings from the interviews and gathering further information. Topics of discussion during the interviews include EMEs' (1) main products/service, (2) target market, (3) strategies to attract the target market, and (4) perception of CD and the way it influences their strategies.

**Table 2**  
*List of ethnic migrant entrepreneurs and their ventures*

Case	Entrepreneur	Type of venture
I (ventures owned and operated by EMEs from low CD country)	EI1	Indonesian herbs
	EI2	Logistics
	EI3	Indonesian FMCGs (fast moving consumer goods)
	EI4	Spa services
	EI5	Indonesian FMCGs
	EI6	Logistics
	EI7	Teakwood furniture
	EI8	Indonesian-based food
	EI9	Textile and groceries
	EI10	Indonesian FMCGs
P (ventures owned and operated by EMEs from moderate CD country)	EP1	Carpets and rugs
	EP2	Ethnic food
	EP3	Carpets and rugs
	EP4	Ethnic food
	EP5	Paper, medical instruments
	EP6	Carpets and rugs
	EP7	Ethnic food
	EP8	Security services
	EP9	Cleaning services
	EP10	Surgical supplies
K (ventures owned and operated by EMEs from high CD country)	EK1	Malaysian-based seafood
	EK2	Chinese-based medicine
	EK3	Bakery
	EK4	Bakery
	EK5	Ethnic food
	EK6	Logistics
	EK7	Language centre
	EK8	Travel services
	EK9	Language learning centre
	EK10	Korean-based groceries
	EK11	Language learning centre
	EK12	Takeaway food

The interview transcripts were developed into three main cases: Cases I, P, and K which represent Indonesian, Pakistani, and Korean EMEs in Kuala Lumpur, Malaysia. For each case, the lead researcher extracted the codes based on the themes recurring in the interviews. The codes extracted in this cycle were grouped into two markets for entrepreneurial opportunity exploitation: the CEB market and the NCEB market. The final stage of coding organised the elements of the categories into relevant entrepreneurial opportunity dimensions.

QSR NVivo, a qualitative data analysis software, was used during the data collection and data analysis process. The cross-case analysis revealed that the type of entrepreneurial opportunities exploited and the way EMEs exploit these entrepreneurial opportunities are moderated by the extent of CD between an EME's home country and the host country. A review of entrepreneurial opportunities according to CD produced a matrix of entrepreneurial opportunities.

## **FINDINGS**

This section begins by presenting a summary of the cases, which are Cases I, P, and K which represent EMEs from a country with low, moderate, and high CD to the host country. This is then followed by a cross-case comparison component.

### **Cases I, P, and K**

There are two main markets relevant for EMEs in Case I: the CEB and NCEB markets in the host country. EMEs that have companies targeting the NCEB market do not seem to have a "local" image as it is apparent that the nature of the companies' products and services, suppliers, and conceptual image are influenced by their home country culture, or more specifically their hometowns. EMEs targeting co-ethnics, on the other hand, take advantage of the large number of Indonesian migrants in Malaysia through distinctively shaping their business operations with their home country image and employing co-ethnics as staff. In essence, their products and services are mainly CEB in characteristics, exemplified by Indonesian ethnic food, Balinese spa, or Indonesian teakwood furniture.

EMEs in Case P leveraged their co-ethnic advantage in exploiting opportunities, mainly stemming from their knowledge of their home country (including knowledge on product competitive advantage and inexpensive labour supply). These opportunities were exploited with a focus on the NCEB market. Some offerings are CEB in character (for instance, rugs and carpets from Pakistan or

ethnic Pakistani food), while some are largely NCEB (for example, surgical instruments or cleaning services).

EMEs in Case K perceived co-ethnic advantage (through cultural differences) as entrepreneurial opportunities, as these opportunities were indicated to be more valuable in the host country. Co-ethnics remained as clients although they were not the main target market. The products and services offered are either CEB (examples include Korean ethnic food or Korean-based groceries) or NCEB (which include logistics services or bakeries).

### **The CEB Market**

The cross-case comparisons revealed that entrepreneurial opportunities in the CEB market can be categorised into (1) CEB products and services focusing on CEB main clients, and (2) CEB products and services focusing on NCEB main clients. Indonesian EMEs in this study were mainly found operating in the first dimension of the CEB market: CEB products and services focusing on CEB main clients. Further analysis suggests that in relation to the CD between the host country and EMEs' home countries, entrepreneurial opportunities in this market are enabled by CEB clients' expectations and EMEs' dual-country knowledge. Examples of entrepreneurial ventures under this dimension include logistics services specialising in co-ethnics and travel services. This is exemplified by EI6 and EI12:

Right now, we only have Indonesians as our target market, specifically Indonesian workers in Malaysia... almost all of our clients are Indonesian workers (EI6).

Our business attracts Indonesians. A large chunk of our client base is Indonesian workers here. We also have clients who are expatriates, Indonesian professionals here. We have a strong presence among the Indonesian community in Malaysia ... Although more than half of our workers are Malaysians, the Indonesian workers can be considered as assets for the company as they have more market understanding ... They understand how the terrains are in Indonesia and they also understand the dialects. So it is easier for our clients to communicate with them (EI12).

These quotations show that EMEs who pursue the CEB market in the host country utilise their ethnic identities through fulfilling CEB clients' expectations, in which their ethnic identities attract co-ethnics as the EMEs are generally more familiar in serving the CEB market given their knowledge inherent from their identities.

The second dimension of entrepreneurial opportunities in this market is CEB products and services focusing on NCEB main clients. Ventures under this dimension have distinct CEB characteristics mainly emphasising home country image and resources, primarily to attract NCEB clients. This dimension is occupied by EMEs from Pakistan and Korea, and includes businesses such as carpets and rugs manufactured in the EME's home country and ethnic restaurants. Through leveraging similarities that their home country shares with the host country while addressing gaps in the host country's market, EMEs in this case attempt to fill a perceived gap in the host country market using the knowledge that they have about their home country, as explained by EP1, a carpet seller and EP2, who operates a Pakistani restaurant:

When I first got in this business, they [my customers] are mostly locals. Even initially, I didn't have Pakistanis as my target market. For Pakistanis, the approach is easy; carpets are accessible for them ... for instance, if they want Pakistani carpets they can just go back and buy carpets. For locals, they cannot go abroad just to buy a carpet ... that was the main reason (EP1).

We wanted to cater everyone. We keep our prices low, and we introduce meal deals. Our target market is the medium income earners of the city. The location that we are situated in, it is in the middle of office buildings ... so we have a good crowd of office workers to come here for lunch. In addition, our meals are quite affordable, with a setting that is comfortable and luxurious. We didn't intend to market our restaurants only for Pakistanis (EP2).

This dimension is enabled by formal modifications, while leveraging on the CEB characteristics of the products and services. This is exemplified by two Korean EMEs who applied such modifications in their ethnic-based restaurant:

Our customers are 50% Koreans, 50% Malaysians. We get the ingredients supply from local suppliers ... we only import some ingredients from Korea (EK3).

For the restaurant business, my intention was to grab the Malaysian market, that is why we are certified halal (EK4).

Further, CEB networks, in the form of family relationship, kinship ties, and formal affiliations, are observed to be instrumental in providing Korean EMEs support in their entrepreneurial pursuits, including enabling entrepreneurial opportunities.

## The NCEB Market

The entrepreneurial opportunities in the NCEB market were categorised into (1) NCEB products and services focusing on CEB main clients, and (2) NCEB products and services focusing on NCEB main clients. The first dimension of entrepreneurial opportunities in this market is NCEB products and services focusing on CEB main clients. This dimension is largely occupied by Korean EMEs, mainly facilitated by CEB ties. Examples of ventures in this dimension include traditional health centres and language learning institutes. According to EK2 (a traditional healing centre owner) and EK11 (an entrepreneur in a language institute), their ventures mainly attract CEB clients:

I do have Malaysian clients, although 70% of my clients are Koreans (EK2).

For clients, initially, most of them are Koreans as we provide English language classes. Now, 80% of our clients are Koreans, and 20% are locals (EK11).

Korea's position as a more developed country in comparison to Indonesia, Pakistan, and Malaysia may be influential in Korean EMEs' propensities to be more reliant on CEB resources and clients. EK11 is one of the EMEs who have benefitted from his/her CEB networks:

I ventured this business because I thought opening a language class would be a good avenue for Koreans to meet and learn how to speak ... It was actually owned by another Korean. I knew him because I was one of the students (EK11).

The second dimension of the entrepreneurial opportunities in the NCEB market of the host country is NCEB products and services focusing on NCEB main clients. Examples of products and services under this dimension include industrial supplies and contract-based business-to-business services. EMEs from case Indonesia and Pakistan are largely found in this dimension, where ethnic identity is seen as an enabler. For Indonesian EMEs, ethnic-based identity is less likely to be a barrier (Tsoukatos et al., 2011) as their identification with the majority ethnic Malays of Malaysia could positively influence their ability to venture into the NCEB market. This is explained by EI3, who operates a wholesale company and EI4, who owns and manages a spa business:

The reason why Malaysia was chosen is because of the cultural similarity, distance and also, we have the Indonesians here as our base clients. There is a huge number of Indonesian workers here and they act as our initial clients, but they were not our target clients. We have always targeted Malaysians as our target market (EI3).

Malaysia and Indonesia, we are similar in more ways than one. The food, the language, the culture ... So the process of adapting to a new market was easier because of that (EI4).

The entrepreneurial opportunities dimensions are then classified into four cells: Cell 1 represents CEB products and services focusing on CEB main clients, Cell 2 represents NCEB products and services focusing on CEB main clients, Cell 3 represents CEB products and services focusing on NCEB main clients, and Cell 4 represents NCEB products and services focusing on NCEB main clients. This is shown in Figure 1. The next section discusses the role of cultural similarities in entrepreneurial opportunity exploitation across borders.

		CEB products/services	NCEB products/services
CEB main clients	EMEs from a low CD country (Cells 1 and 3) Entrepreneurial opportunities focusing on CEB products/services	EMEs from a high CD country (Cells 1 and 2) Entrepreneurial opportunities focusing on CEB main clients	
		<b>Cell 1</b> <b>CEB products/services, CEB main clients</b> <ul style="list-style-type: none"><li>Services based on home-host country travel and logistics</li></ul>	<b>Cell 2</b> <b>NCEB products/services, CEB main clients</b> <ul style="list-style-type: none"><li>Import-export</li><li>Language learning services</li></ul>
NCEB main clients	EMEs from a moderate CD country (Cells 3 and 4) Entrepreneurial opportunities focusing on NCEB main clients		
		<b>Cell 3</b> <b>CEB products/services, NCEB main clients</b> <ul style="list-style-type: none"><li>Home country goods</li><li>Ethnic food</li></ul>	<b>Cell 4</b> <b>NCEB products/services, NCEB main clients</b> <ul style="list-style-type: none"><li>Industrial supplies</li><li>Contract-based business-to-business services</li></ul>

*Figure 1. Matrix of entrepreneurial opportunities according to cultural distance*

## **DISCUSSION**

This section discusses the types of specific markets of entrepreneurial opportunities and the way they bridge the institutional-individual gap in the discourse of entrepreneurship through an institutional lens.

### **EMEs under the Institutional Lens**

The institutional approach in entrepreneurship posits that the institutional environment facilitates and constrains entrepreneurial activities (Bruton et al., 2010; Bruton, Ahlstrom, & Obloj, 2008). This study uses this lens to theorise the link between cultural similarities and entrepreneurial opportunity exploitation. This research indicates that (1) a qualitative approach is useful in contextualising the interaction of individuals and institutions, which constitute two levels of analysis, and (2) accounting for culture within a complex phenomenon such as ethnic migrant entrepreneurship will enhance our understanding of the decisions involved in foreign settings. Specifically, the findings of this study are able to bridge the institutional-individual gap in such literature. As cultural differences are a major factor in EMEs' limitation of entrepreneurial opportunities, this study examines the way EMEs from host countries with varying extents of cultural similarity to the host country exploit entrepreneurial opportunities.

### **The Link between Cultural Similarities and Entrepreneurial Opportunity Exploitation**

The evidence shows that the ways in which EMEs exploit entrepreneurial opportunities are moderated by their home country's CD to the host country. The qualitative approach used in this study enabled us to refine the entrepreneurial opportunities into four domains, based on EMEs' market focus and characteristics of the products and services. We then matched the four domains according to EMEs' home countries' CD to the host country. This process resulted in a matrix of entrepreneurial opportunity exploitation shown in Figure 1.

The findings suggest that EMEs' entrepreneurial opportunity exploitation follows the extents of their home countries' CD to the host country. From the data, EMEs from Indonesia (low CD) are able to market to local and Indonesian customers by focusing on CEB products; Pakistani EMEs (moderate CD) are able to serve local customers through CEB and NCEB products while Korean EMEs (high CD) are able to serve Korean customers through CEB and NCEB products. In this aspect, the ability to satisfy the normative-cognitive expectations of local and CEB clients

is illustrated by CD extent. The types of entrepreneurial opportunities delineated in this study illustrate the home and host countries' contextual characteristics, which are permeated by their national culture. For example, it is likely for Korean EMEs to target the CEB market in the host country given their home country's patriotism (Lee, 2004), while to attract Malaysian customers, the emphasis shifts to the importance of the image of the business (Jantan & Kamaruddin, 1999) and culture-based marketing (Butt & de Run, 2012). As such, this study illustrates the ways in which culture can be used strategically, instead of viewed as a constraint (Lounsbury & Glynn, 2001), especially in entrepreneurship research under the institutional lens.

This study's findings show that cultural aspects (as reflected in national culture scores) should be taken into account when discussing international issues such as ethnic migrant entrepreneurship as they can provide indications for product, service, and market focus. Through accounting for cultural aspects collapsed into the CD construct, the findings of this research provide a link in bridging the institutional-individual divide in discussing entrepreneurship through an institutional lens, by illustrating the role of cultural similarities as a moderator, and clarify the types of entrepreneurial opportunities according to CD.

## **CONCLUSION**

This study investigates EMEs' entrepreneurial opportunity exploitation based on their home country's CD extent to the host country by investigating (1) the type of entrepreneurial opportunities, and (2) the way they exploit these entrepreneurial opportunities. EMEs, who represent entrepreneurs across borders, have been documented to have limited resources and restricted access to resources, which confines their ability to pursue entrepreneurial opportunities in the host country (Kloosterman, 2010; Kloosterman et al., 1999; Waldinger et al., 1990; Vromans et al., 2013). In this study, entrepreneurial opportunity exploitation is conceptualised as an idea that has transformed into a business form (Anderson, 2000; Ardichvili et al., 2003; Dimov, 2007). Cultural differences are represented by CD construct (Kogut & Singh, 1988). The migrant entrepreneurship literature suggests that EMEs mainly exploit entrepreneurial opportunities in two focal markets, i.e., CEB and NCEB markets (Kloosterman, 2010; Kloosterman et al., 1999; Waldinger et al., 1990). To study CD and entrepreneurship, we focus on EMEs from Indonesia, Pakistan, and Korea, representing countries with varying degrees of CD to the host nation of Malaysia through a qualitative approach.

This research suggests that relatively high and low extents of cultural similarities can be utilised to attract NCEB clients in the host country. Specifically, there are four markets within which entrepreneurial opportunities can be exploited: (1) CEB products and services focusing on CEB main clients, (2) NCEB products and services focusing on CEB main clients, (3) CEB products and services focusing on NCEB main clients, and (4) NCEB products and services focusing on NCEB main clients. These markets match the CD extents; thus, this research proposes that the way EMEs exploit entrepreneurial opportunities is moderated by the extent of CD of the EME's home country to the host country. Through the matrix produced by this research, this study provides a contextualised perspective linking cultural similarities and entrepreneurial strategies, which is our contribution towards closing the institutional-individual gap in the entrepreneurship discussion using institutional logic (Bruton et al., 2010; Wicks, 2001). Practise-wise, entrepreneurs across borders can use the matrix produced by this study in mapping their strategies in foreign countries.

Although a qualitative approach was useful in examining the subject, the findings are still limited within the context of study. Nevertheless, this research achieved an in-depth view of the findings, which was the goal of adopting the multiple case method. For future research, we encourage examining the phenomenon in different contexts to explore the range of validity of the findings, in order to strengthen the discussion around entrepreneurial opportunities across borders.

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