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FOREIGN ENTREPRENEURS' INTERCULTURAL SKILLS AND NETWORKING: A FRAMEWORK BASED ON EXPERIENTIAL LEARNING THEORY (ELT), CULTURAL INTELLIGENCE (CQ) AND NETWORKING THEORY

Abstract

Background: In today's VUCA world, foreign entrepreneurs face increasing complexity as globalization creates both opportunities and challenges.

Research purpose: To explore how foreign entrepreneurs develop intercultural skills, build relationships, and achieve synergy through dynamic learning processes.

Methods: The research method is to integrate Experiential Learning Theory (ELT), Cultural Intelligence (CQ), and networking theory in a dynamic framework.

Conclusions: This framework contributes to the development of cross-cultural entrepreneurship literature by shifting the focus from static trait-based approaches to a more dynamic, process-oriented understanding of how intercultural competencies and networks evolve over time. From a practical view, the framework provides insights on foreign entrepreneurs especially those who don't have strong background in local environment who often rely on personal networks and continuous learning to start-up and grow their business in foreign markets.

Keywords: Experiential Learning Theory (ELT), Cultural Intelligence (CQ), networking theory, foreign entrepreneurs, intercultural skills, synergy creation.

JEL classification: F23, L26, M13, Z13

1. Introduction

VUCA, which is a hot topic today reflects the complicated international environment. People are devoted to finding out how to cope with such a difficult situation. The development of globalization brings foreign entrepreneurs' opportunities but also challenges. At the macro level, different policy systems, market incentives, and other factors influence their start-up environment. At the organizational level, foreign

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entrepreneurs need to collaborate and make full use of their networking strategies to get resources. From the micro level, they need to adjust their behavior and communication style to get well embedded in the local environment. As Barmeyer et al.¹ pointed out that individuals need to make micro-level adjustments in such a contradictory environment; meanwhile, firms are pressured to globalize.

Learning from experience is an important aspect for foreign entrepreneur to start-up their business. Experimental Learning Theory (ELT) proposed by Kolb² is widely recognized since it is a holistic theory of learning that identifies learning style differences among different academic specialties, which is not surprising to see that ELT research is highly interdisciplinary, addressing learning and educational issues in several fields.³ Ang et al.⁴ mentioned that Cultural Intelligence (CQ) reflects a person's adaptation to new cultural settings and capability to deal effectively with other people with whom the person does not share a common cultural background and understanding. Schlunze et al.⁵ found CQ could help explain guanxi practices of Chinese expatriates in Japan; Chinese entrepreneurs educated in Japan are highly motivated and adept at accurately interpreting cultural contexts, enabling them to successfully promote their businesses. Schlunze et al.⁶ also showed that international managers' synergy arises from information-sharing networks.

Although each of these dimensions is important for foreign entrepreneurs to cope with complex environments, there remains a lack of research on how these approaches interplay with each other and how to help foreign entrepreneurs create synergy. To better understand their behaviors and strategies to cope with in cross-cultural contexts, it is essential to explore how their CQ and networking develop through practice.

¹ **C. Barmeyer, M. Bausch, U. Mayrhofer**, *Constructive Intercultural Management: Integrating Cultural Differences Successfully*, Palgrave Macmillan, London 2021, pp. 1–256.

² **D.A. Kolb**, *Experiential Learning: Experience as the Source of Learning and Development*, Prentice Hall, Englewood Cliffs, NJ 1984, pp. 21–38.

³ **D.A. Kolb, R.E. Boyatzis, C. Mainemelis**, *Experiential learning theory: Previous research and new directions*, in: **R.J. Sternberg, L.-F. Zhang** (eds.), *Perspectives on Cognitive, Learning, and Thinking Styles*, Cambridge University Press, Cambridge 1999, p. 11.

⁴ **S. Ang, P.C. Earley**, *Cultural Intelligence: Individual Interactions Across Cultures*, Stanford University Press, Stanford, CA 2003, p. 12.

⁵ **R.D. Schlunze et al.**, *Does Chinese Managers' Guanxi Networking Matter to Their Managerial Success? – A Multiple Case Study from Japan*, *Ritsumeikan Business Journal* 2015, pp. 59–60.

⁶ **R.D. Schlunze, W.W. Baber, W. Ji**, *Preferences and Intercultural Networking for Globalizing Practices of Successful Leaders in the Intercultural Workplace*, in: **C.G. Alvstam, H. Dolles, P. Ström** (eds.), *Asian Inward and Outward FDI: New Challenges in the Global Economy*, Palgrave Macmillan, London 2014, pp. 115–136.

To guide this exploration, the following research questions are posed:

- 1) How does foreign entrepreneurs' CQ develop through experimental learning process in cross-cultural contexts?
- 2) Why and how are foreign entrepreneurs' networking developing through experimental learning process in cross-cultural contexts?
- 3) How do ELT, CQ and networking interplay in the cross-cultural contexts to promote synergy creation?

To answer these research questions, this study aims to integrate ELT, CQ and networking theory to explain how foreign entrepreneurs achieve synergy creation.

2. Literature review

2.1. Experimental learning theory (ELT)

2.1.1. Development of ELT

Figure 1 illustrates the chronological development of Experiential Learning Theory (ELT) and its associated assessment tools, based on key publications from Kolb and collaborators. At the initial stage, Kolb developed the Learning Style Inventory (LSI) to identify an individual's learning style in 1971⁷, which is the starting point of ELT. Then, Kolb⁸ proposed the theoretical framework of the Experiential Learning Cycle. Continuously, Kolb & Fry⁹ mentioned that the ELT allows for the recognition and description of individual differences in learning style, which shape behavior not only in traditional educational settings but shape an individual's basic mode of adaptation to the world about him. From 1980 to 2000, there is a theoretical deepening and tool development. Kolb & Wolfe¹⁰ introduced the concept of adaptive flexibility and is associated with the level of ego development. Boyatzis & Kolb¹¹ developed the Adaptive Style Scale (ASI) which further improved the assessment tools. From 2000 to 2010, there is an application expansion and education integration. For example, Kolb, A.Y. & Kolb, D.A.¹² discussed the characteristics of learning spaces, emphasizing the importance of

⁷ D.A. Kolb, *Individual learning styles...*

⁸ D.A. Kolb, *Experiential Learning...*

⁹ D.A. Kolb, R.E. Fry, *Toward an applied theory...*, pp. 33–58.

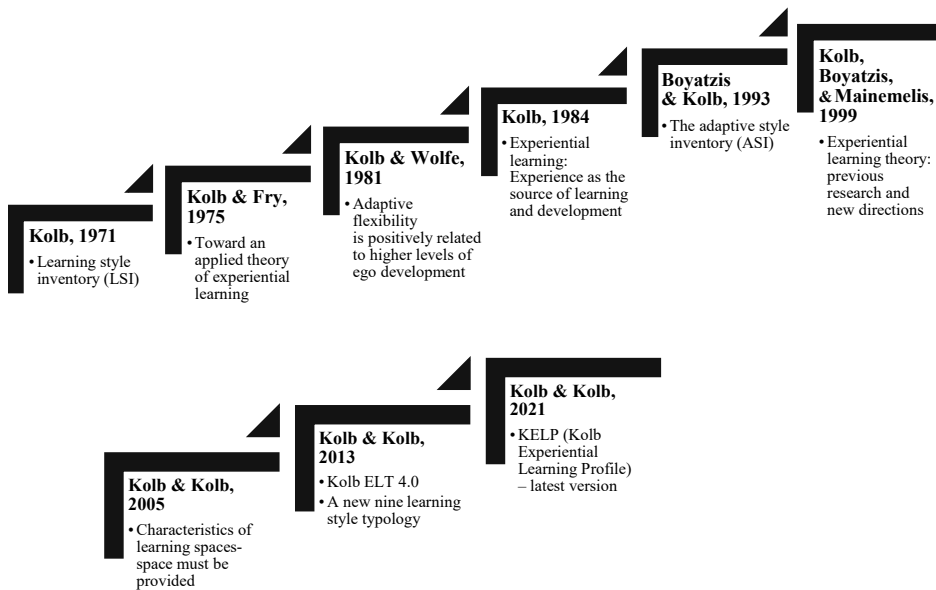
¹⁰ D.A. Kolb, D.M. Wolfe, *Professional Education and Career Development...*, pp. 1–152.

¹¹ R.E. Boyatzis, D.A. Kolb, *Adaptive Style Inventory...*

¹² A.Y. Kolb, D.A. Kolb, *The Kolb Learning Style Inventory – Version 3.1 ...*, pp. 1–71.

creative spaces for learning. Latest developments (2011–2021) show a more mature system development of Kolb’s ELT theory. In 2013, he published LSI 4.0 version which is the latest revision of the Learning Style Scale.¹³ And in 2021, the KELP (Kolb Experiential Learning Profile) has been released.¹⁴ This is a new tool for evaluating learning preferences, which pays more attention to learning performance and style characteristics in practice.

FIGURE 1: *Development timeline of Kolb’s ELT*



Source: author’s own elaboration based on: D.A. Kolb; D.A. Kolb, R.E. Fry; D.A. Kolb, D.M. Wolfe; D.A. Kolb; R.E. Boyatzis, D.A. Kolb; D.A. Kolb, R.E. Boyatzis, C. Mainemelis; A.Y. Kolb, D.A. Kolb, D.A. Kolb.¹⁵

¹³ D.A. Kolb, A.Y. Kolb, *The Kolb Learning Style Inventory 4.0...*, pp. 6–222.

¹⁴ A.Y. Kolb, D.A. Kolb, *The Kolb Experiential Learning Profile...*, pp. 5–135.

¹⁵ D.A. Kolb, *Individual learning styles and the learning process*, Sloan School of Management Working Paper No. 535–71, Massachusetts Institute of Technology, Cambridge, MA 1971; D.A. Kolb, R.E. Fry, *Toward an applied theory of experiential learning*, in: C.L. Cooper (ed.), *Theories of Group Processes*, John Wiley & Sons, New York 1975, pp. 33–58; D.A. Kolb, D.M. Wolfe, *Professional Education and Career Development: A Cross-Sectional Study of Adaptive Competencies in Experiential Learning*, Final Report, NIE Grant No. NIE-G-77-0053, Case Western Reserve University, ERIC Document Reproduction Service No. ED209493, 1981, pp. 1–152; D.A. Kolb, *Experiential Learning: Experience as the Source of Learning and*

This diagram clearly shows the complete development of the ELT theory from its initial proposal → tool development → educational application → modernization update. It indicates that ELT is a constantly evolving theoretical system. Evaluation tools (such as LSI, ASI, KELP) are at the core of the application of ELT theory, gradually expanding from the assessment of a single style to adaptability, environmental factors, *etc.* The influence of ELT has transcended pedagogy and is widely applied in fields such as organizational learning, leadership development, and entrepreneurship education.

2.1.2. Important figures of ELT for analysis of foreign entrepreneurs

As is shown in Figure 2, the Learning Style Inventory (LSI), developed by Kolb in 1971¹⁶, to assess individual learning styles, which identifies four statistically prevalent learning styles: Diverging, assimilating, converging, and accommodating. Based on Kolb's earlier research using the Learning Style Inventory (LSI), Kolb, Boyatzis, and Mainemeli¹⁷ later summarized the basic four learning styles. They identified four statistically prevalent learning styles, each representing a preference for two of the four core learning mode and each style reflects different characteristics and learning preferences. According to Kolb et al. (1999)¹⁸ (shown in Table 1) people with diverging learning style are best at viewing concrete situations from many different points of view. They prefer to work in groups, listening with an open mind and receiving personalized feedback. Assimilating style Individuals makes people less focused on human related things and more interested in ideas and abstract concepts, who prefer readings, lectures, exploring analytical models, and having time to think things through.

Development, Prentice Hall, Englewood Cliffs, NJ 1984, pp. 21–38; **R.E. Boyatzis, D.A. Kolb**, *Adaptive Style Inventory: Self-Scored Inventory and Interpretation Booklet*, Hay Group, Hay Resources Direct, Boston, MA 1993; **D.A. Kolb, R.E., Boyatzis, C. Mainemelis**, *Experiential Learning Theory: Previous Research and New Directions*, in: **R.J. Sternberg, L.-F. Zhang** (eds.), *Perspectives on Cognitive, Learning, and Thinking Styles*, Cambridge University Press, Cambridge 1999, pp. 2–40; **A.Y. Kolb, D.A. Kolb**, *The Kolb Learning Style Inventory – Version 3.1: 2005 Technical Specifications*, Experience Based Learning Systems, Inc., 2005, pp. 1–71; **D.A. Kolb, A.Y. Kolb**, *The Kolb Learning Style Inventory 4.0: Guide to Theory, Psychometrics, Research & Applications*, Experience Based Learning Systems, Inc., 2013, pp. 6–222; **A.Y. Kolb, D.A. Kolb**, *The Kolb Experiential Learning Profile: A Guide to Experiential Learning Theory, KELP Psychometrics and Research on Validity*, Experience Based Learning Systems, LLC, 2021, pp. 5–135.

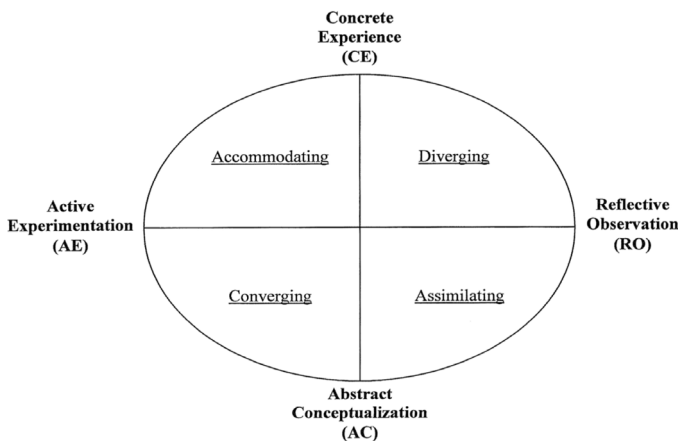
¹⁶ **D.A. Kolb**, *Individual learning styles...*

¹⁷ **D.A. Kolb, R.E., Boyatzis, C. Mainemelis**, *Experiential Learning Theory...*, pp. 2–40.

¹⁸ *Ibidem*.

Individuals with converging learning style are best at finding practical uses for ideas and theories. They have the ability to solve problems and make decisions based on finding solutions to questions or problems, who prefer to deal with technical tasks and problems rather than with social issues and interpersonal issues. Accommodating learning style people enjoy Learning from primarily “Hand-on” experience. In solving problems, individuals they rely more heavily on people for information than on their own technical analysis. Drawing on this theoretical foundation, several keywords are proposed by the author as is shown in Table 1, that capture the essential learning focus of each style in the context of foreign entrepreneurs. People with diverging tend to show their empathy in the learning process, they observe things from their concrete experience and try to reflect it in a deep thinking which help them to listen and understand diverse perspectives. Assimilating learning style helps people to experience sensemaking, which is a concept proposed by Karl Weick, he suggests that it means simply “the making of sense”¹⁹, which enables leaders to have a better grasp of what is going on in their environments, thus facilitating other leadership to build trust and enact cross-cultural collaboration to get more concrete experience for their continuous success. These keywords reflect core competencies relevant to intercultural management, the development of cross-cultural skills and networking building which will be used in my following theoretical building.

FIGURE 2: *Experimental Learning Theory (ELT)*



Source: from **D.A. Kolb**, *Experiential Learning: Experience as the Source of Learning and Development*, Englewood Cliffs, Prentice Hall, NJ 1984.

¹⁹ **K.E. Weick**, *Sensemaking in Organizations*, Sage, Thousand Oaks, CA 1995, p. 4.

TABLE 1: Kolb's Four Learning Styles with Key Learning Processes and Their Implications for Foreign Entrepreneurs

Learning Style	Mode Combination	Keyword (Core Process)	Key Intercultural/Networking Function
Diverging	CE + RO	Empathy	Observing, listening, understanding diverse perspectives
Assimilating	AC + RO	Sensemaking	Interpreting cultural norms, institutional knowledge, market logic
Converging	AC + AE	Adaptation	Applying knowledge to action; solving intercultural challenges
Accommodating	CE + AE	Integration	Building trust, connecting networks, enacting cross-cultural collaboration

Source: based on **D.A. Kolb, R.E. Boyatzis, C. Mainemelis**, *Experiential learning theory: Previous research and new directions*, in: **R.J. Sternberg, L.-F. Zhang** (eds.), *Perspectives on Cognitive, Learning, and Thinking Styles*, Cambridge University Press, Cambridge 1999 with author's own modifications.

2.2. The concept of CQ

As Ang et al.²⁰ pointed out that globalization increases intercultural interactions but also increases the probability of cultural misunderstandings, tensions, and conflicts. So, it's important for us to know why some do but not other individuals easily an effectively adapt their views and behaviors cross-culturally. Earley & Ang²¹ introduced CQ theory which is focuses on the individual-level capability to function effectively in culturally diverse settings. As is shown in Table 2, they conceptualized CQ as four capabilities which are consist of cognitive CQ, metacognitive CQ and behavior CQ. These four dimensions will be used in my following theoretical building for analysis of foreign enterprises' intercultural skills and networking.

²⁰ **L.N.A. Van Dyne, S. Ang, M.L. Tan**, *Cultural Intelligence*, in: **R.J. Sternberg, S.B. Kaufman** (eds.), *The Cambridge Handbook of Intelligence*, Cambridge University Press, Cambridge 2011, pp. 582–602.

²¹ **S. Ang, P.C. Earley**, *Cultural Intelligence: Individual Interactions Across Cultures*, Stanford University Press, Stanford, CA 2003, pp. 198–289.

TABLE 2: *Dimensions of CQ: Definitions and Core Functions*

CQ Dimension	Definition	Core Functions
Metacognitive CQ	Refers to an individual's conscious cultural awareness during cross-cultural interactions.	Involves higher-level cognitive strategies that help individuals develop new heuristics and rules for social interactions in novel cultural environments; promotes deep information processing.
Cognitive CQ	Reflects an individual's knowledge of norms, practices, and conventions in different cultures, acquired through education and experience.	Represents cultural knowledge, including understanding of the cultural environment and self-awareness as embedded within that context.
Motivational CQ	Reflects the capability to direct attention and energy toward learning about and functioning effectively in culturally diverse situations.	Emphasizes interest, drive, and confidence to engage and persist in intercultural interactions.
Behavioral CQ	Involves the capability to act appropriately in cross-cultural contexts through verbal and non-verbal flexibility.	Includes adaptive communication such as speech, tone, gestures, and behavior that align with local cultural norms.

Source: adapted from the CQ framework developed by **S. Ang, L. Van Dyne**.²²

Li (p. 267)²³ argued that people with divergent learning styles have the greatest potential to develop CQ and those with convergent learning styles are least likely to do so. This suggests that cross-cultural experiences can be strategically designed to promote CQ, which is aligned with the logic of ELT. Lim et al.²⁴ found that the essential elements of knowledge, motivation, and behavioral regulation of CQ drive the successful management of technology start-ups. Schlunze et al.²⁵ found that Chinese entrepreneurs educated in Japan have high

²² **S. Ang, L. Van Dyne**, *Conceptualization of Cultural Intelligence: Definition, Distinctiveness, and Nomological Network*, in: **S. Ang, L. Van Dyne** (eds.), *Handbook of Cultural Intelligence: Theory, Measurement, and Applications*, Routledge, New York 2008, pp. 3–15.

²³ **M. Li**, *An Examination of the Role of Experiential Learning in the Development of Cultural Intelligence in Global Leaders*, in: **W.H. Mobley** (ed.), *Advances in Global Leadership*, Emerald Group Publishing, Bingley 2009, pp. 251–272.

²⁴ **L. Lim, S. Siripipatthanakul**, *The Relationship between Cultural Intelligence (CQ), Transformational Leadership, and Employee Job Performance: The Case of Singapore*, Manipal GlobalNxt University 2024, p. 147.

²⁵ **R.D. Schlunze et al.**, *Does Chinese Managers' Guanxi Networking Matter...*, pp. 47–60.

levels of CQ, which influences their guanxi networking positively. Jannesari et al.²⁶ identified motivational CQ as a mediator between social power and international entrepreneurial intention.

Previous research shows that CQ is an important ability for individuals to cope with cultural differences, build networking and gain a better understanding of the complexity of the global world. The individual behavior of foreign entrepreneurs not only contributes to their personal achievements but also significantly impacts organizational performance. Therefore, it is essential to explore how CQ functions in foreign entrepreneurs' cross-cultural behavior.

2.3. Networking theory

The concept of networking has gained increasing attention not only in academic area but only in business management over the past decades, particularly in the context of globalization, where it plays a critical role in shaping cross-border collaboration and entrepreneurial success. Granovetter²⁷ proposed that more people could be reached through weak ties. Weak ties, in his view, are indispensable to individuals' opportunities and to their integration into communities, which are more likely to link members of different, small groups than are strong ones, which tend to be concentrated within groups. Coleman²⁸ found that social capital is defined by its function, which is not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors, whether persons or corporate actors, within the structure. Burt²⁹ proposed structural theory, and social capital was considered as a function of information and opportunity flows within a network.³⁰

²⁶ **M. Jannesari, M. Zolfaghari, S. Torkzadeh**, *Effect of social power, cultural intelligence, and socioeconomic status on students' international entrepreneurial intention*, *Psychology Research and Behavior Management* 2022/15, pp. 1397–1410.

²⁷ **M.S. Granovetter**, *The Strength of Weak Ties*, *American Journal of Sociology* 1973/78/6, pp. 1360–1380.

²⁸ **J.S. Coleman**, *Social Capital in the Creation of Human Capital*, *American Journal of Sociology* 1988/94, Supplement: Organizations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure, pp. S95–S120.

²⁹ **R.S. Burt**, *Structural holes: The Social Structure of Competition*, University of Chicago Booth School of Business; Bocconi University – Department of Management and Technology, 1992, pp. 57–91.

³⁰ **R.S. Burt**, *The Contingent Value of Social Capital*, *Administrative Science Quarterly* 1997/42, pp. 339–365.

Uzzi (p. 28)³¹ suggested that in networks of close ties, motivation is neither purely selfish nor cooperative but an emergent property of the social structure within which actors are embedded and that rationality is neither purely rational nor boundedly rational, but expert. Lin et al. (p. 2)³² found that structural hole theory measures the interpersonal relationships between users in social networks, especially the gains people can derive from their connections. They also pointed out that structural hole theory shows that users occupying bridging positions between communities have advantages because they control key information diffusion paths. These types of users, known as structural hole (SH) spanners, are important for understanding how social networks and user behaviors are assimilated. Guanxi, a Chinese term for networking, has long been an important aspect of Chinese culture. Bian (p. 8)³³ guanxi facilitates favour exchange; A favour in the Chinese context means substantial help that leads to decisive outcomes or influences others to get things done. The essence of guanxi networks and their operating principles continue to be the subject of intensive debate, having given rise to different schools of thought (p. 3)³⁴. Key dimensions of the participants' firm networks were identified as communication quality, the ability to maintain long-term relationships, and satisfaction with those relationships³⁵. Burt et al.³⁶ found that guanxi represents ties that have grown strong through historical interactions, fostering a high level of trust that is independent of the surrounding network. They also observed that guanxi ties often serve as seed relationships, attracting third parties when family members and close friends introduce people they enjoy to one another. Consequently, guanxi may emerge from empathy and mutual assistance between individuals embedded within a family or a group of mutual friends. Schlunze et al. (p. 13)³⁷ mentioned that guanxi plays a crucial role in the performance of Chinese entrepreneurs and managers, especially in

³¹ **B. Uzzi**, *Social Structure and Competition in Interfirm Networks: The Paradox of Embeddedness*, *Administrative Science Quarterly* 1997/42/1, pp. 339–365.

³² **Z.H. Lin et al.**, *Structural Hole Theory in Social Network Analysis: A Review*, *IEEE Transactions on Computational Social Systems* 2022/9/3, pp. 724–739.

³³ **Y. Bian**, *The prevalence and the increasing significance of guanxi*, *The China Quarterly* 2018/235, pp. 597–621.

³⁴ **M. Taube, S. Horak**, *Guanxi and Networking*, in: **M. Taube, S. Horak** (eds.), *Routledge Handbook of Chinese Business and Management*, Routledge, London 2023, pp. 1–23.

³⁵ **L. Zhao, J. Ha-Brookshire**, *Importance of guanxi in Chinese apparel new venture success: A mixed-method approach*, *Journal of Business Research* 2018/85, pp. 282–293.

³⁶ **R.S. Burt, S. Oppen**, *Guanxi and Structural Holes: Strong Bridges from Relational Embedding*, *American Journal of Sociology* 2024/129, pp. 1–52.

³⁷ **R.D. Schlunze et al.**, *Does Chinese Managers' Guanxi Networking Matter ...*, pp. 47–60.

business in Japan. They also found that having a reliable host-country advisor who is well-versed in the local workplace and market is particularly important within the guanxi network of Chinese managers. With advisors who are already well-versed in local knowledge in a foreign country, entrepreneurs can achieve more with less effort and avoid unnecessary detours. Taube et al. (p. 2)³⁸, argued that network structures and guanxi create hidden microcosms that exist beyond, or rather parallel to, markets and hierarchies, and that these microcosms have a profound impact on the structures and dynamics of China and its business sector. The Chinese word, guanxi, describes a kind of relationship that is familiar, consequential for network predictions of performance, and consistent with, but not yet distinguished in, network theory. Tsui et al. (p. 487)³⁹ found that although family connections may be replaced by institutional rules in employment decisions, kinship remains an important source of identity, and therefore, individuals related to oneself are trusted more than others with whom one is not related. Huang et al. (p. 8)⁴⁰ explored the effects of two primary viral communication channels, Direct Messaging (DM) and Broadcasting (BC), on the strength of weak ties theory in the spread of novel information across social networks. Their findings indicate that DM, despite generally involving stronger ties, is more effective at transmitting novel information than BC. The strength of weak ties is apparent in BC, but not in DM, where weaker ties do not show a significantly higher transmission of novel information. The social-relational processes of networking and negotiating are understood as functional for: individual achievement and prominence; making oneself separate from and better than others; and creating social order, that is, world structuring – themes described earlier as central to the dominance model.⁴¹

Previous research focused on the key words related to networking, for example information flow, community integration, function of social structures, information access, opportunity, social embeddedness etc. For foreign entrepreneurs, networking as a way for getting resources is important for them to start-up and continue their business. Those with strong cultural adaptability are better to understand local norms and practices, which helps them to build relationship and expand their social and professional networks in the local environment.

³⁸ **M. Taube, S. Horak**, *Guanxi and Networking*, in: **M. Taube, S. Horak** (eds.), *Routledge Handbook of Chinese Business and Management*, Routledge, London 2023, pp. 1–23.

³⁹ **A.S. Tsui et al.**, *The Influence of Relational Demography and Guanxi: The Chinese Case*, *Organization Science* 2007/9 (4), pp. 471–488.

⁴⁰ **S. Huang, Y. Yuan, Y. Ji**, “*The strength of weak ties*” varies across viral channels, The University of Hong Kong and University of California, Davis 2024, pp. 1–18.

⁴¹ **D.-M. Hosking, H.P. Dachler, K.J. Gergen** (eds.), *Management and Organization: Relational Alternatives to Individualism*, Avebury/Ashgate Publishing Co., Aldershot 1995, p. 15.

3. Synergy creation framework based on experimental learning theory (ELT), CQ and networking theory

Synergy creation is often discussed in meso level to find out how companies can generate plus value through collaboration, integration, and strategic alignment. Recent research has addressed this from diverse perspectives, such as societal co-creation in energy hub development⁴², balancing motivational strategies for diverse value outcomes⁴³, and the role of bidder-target relatedness in M&A synergy realization⁴⁴. However, there is still a lack of micro-level research on how foreign entrepreneurs create synergy through their own experiential learning, cross-cultural competencies, and social networking efforts. Schlunze⁴⁵ found that the bi-cultural competence of international managers was important for creating synergy. Logvynskiy (2024)⁴⁶ points out that synergy often emerges from cooperation aimed at solving shared problems or achieving common goals. Although such effects may not be externally visible, their impact is substantial. Pongpeng et al.⁴⁷ further emphasize that identifying the priority of synergy factors can help managers allocate resources more effectively and formulate better strategies, thereby improving team performance. In the context of cross-border acquisitions, Wang et al.⁴⁸ found that National culture differences are found to have a stronger negative effect than organizational culture differences on synergy realization.

⁴² **T.S.G.H. Rodhouse, E.H.W.J. Cuppen, A.F. Correljé**, *From expectational conflicts to energy synergies: The evolution of societal value co-creation in energy hub development*, Project Leadership and Society 2023, pp. 1–14.

⁴³ **Y.S. Wei**, *How should firms orchestrate intrinsic and extrinsic motivational strategies for diverse value-creation outcomes: Synergy or trade-off effect?* Industrial Marketing Management 2024/122 (8), pp. 48–60.

⁴⁴ **T. Liu, Z. Lu (Gene), F. Wei**, *Unique bidder-target relatedness and synergies creation in mergers and acquisitions*, Journal of Corporate Finance 2022, pp. 1–60.

⁴⁵ **R.D. Schlunze**, “Hybrid” Managers Creating Cross-Cultural Synergy: A Systematic Interview Survey from Japan, in: **R.D. Schlunze, N.O. Agola, W. Baber** (eds.), *Spaces of International Economy and Management*, Palgrave Macmillan, Basingstoke 2012, pp. 24–45.

⁴⁶ **O. Logvynskiy**, *Invisible cooperation benefits: The role of synergy in joint problem-solving*, International Journal of Collaborative Work 2024/8 (1), pp. 1–10.

⁴⁷ **J. Pongpeng, N. Ratanawimol**, *A Common Structure for Factors that Enhance Synergy in Contractor Project Teams: Executive and Practitioner Perspectives*, Buildings 2024/14 (9), pp. 1–19.

⁴⁸ **D. Wang et al.**, *Cultural differences and synergy realization in cross-border acquisitions: The moderating effect of acquisition process*, International Business Review 2020/29 (3), Article No. 101675, pp. 1–27.

Schlunze⁴⁹ mentioned that servant leadership in combination with cultural adjustment and relationship building appears to be an option to create synergy in the intercultural workplace. It was argued that favorable decision making in cross-cultural management centers on the creation of synergy effects, which can be achieved when cross-cultural communication is conducted appropriately, and the actors implement strategies and execute projects efficiently.⁵⁰ Criaco et al.⁵¹ support this view, founding that entrepreneurs and managers with extensive international experience are better equipped to foster internal and external collaboration, thereby promoting synergistic outcomes. As a result, to better understand how foreign entrepreneurs manage their cross-cultural environment on their ways to build intercultural skills and networking strategies, this study aims to integrate several conceptual frameworks as the ELT, CQ and network theory in purpose to explain how foreign entrepreneurs can achieve cultural synergy from the dynamic learning process.

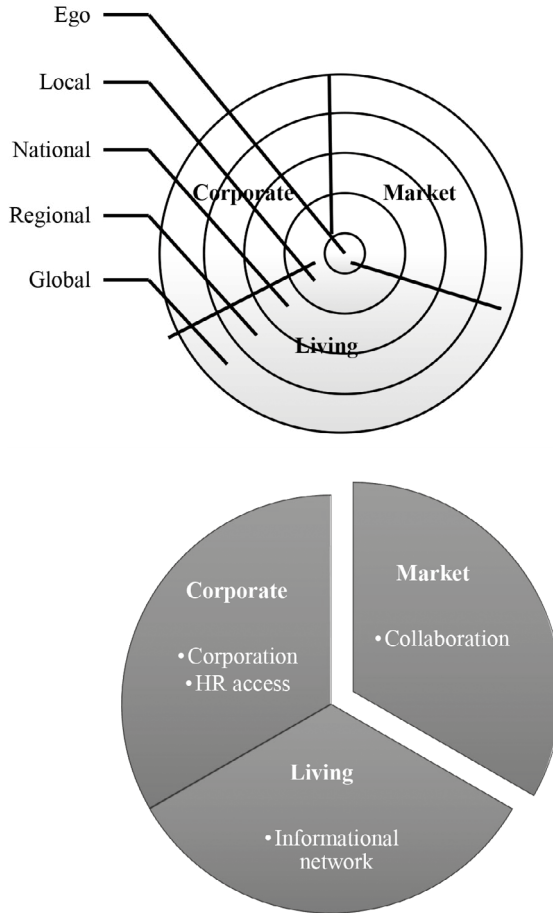
⁴⁹ **R.D. Schlunze**, *What is needed to lead in the Japanese workplace? – Classic assigned expatriates versus hybrid managers' acculturation, networking and leadership*, ManGeo Working Paper Series No. 01, Ritsumeikan University, April 2021, <https://www.mangeo.org>, p. 24; accessed 11.07.2025.

⁵⁰ **R.D. Schlunze, M. Plattner**, *Evaluating international managers' practices and locational preferences in the global city: An analytical framework*, *The Ritsumeikan Business Review* 2007/46 (1), pp. 63–82.

⁵¹ **G. Criaco, L. Naldi, S.A. Zahra**, *Founders' prior shared international experience, time to first foreign market entry, and new venture performance*, *Journal of Management* 2022/48 (8), pp. 1–33.

3.1. Networking analysis using Vennmaker

FIGURE 3: *Attributes and Variables Distinguishing Locational Preferences*



Source: reproduced from Schlunze et al.⁵² with author's modification.

To get full picture of foreign entrepreneurs' networking, this diagram describes a network analysis model developed using Vennmaker, an actor-centered interactive network mapping tool which is designed for the visual representation and

⁵² R.D. Schlunze et al., *Does Chinese Managers' Guanxi Networking Matter...*, pp. 59–60.

analysis of social networks. It allows researchers to digitally map egocentric (ego-based) networks, visualize relational dynamics, and assess social support structures in a highly interactive and user-friendly way. The model is used to explore the different types of relationships foreign entrepreneurs build and how they manage these connections across various spaces from corporate, market and living environment. It also looks at how these relationships operate at different geographic levels, from close personal networks to broader global ties.⁵³ The Figure 3 proposed the corporate-market-living area model adapted from Schlunze et al.⁵⁴ with my modifications, some key contents are mentioned as follows:

- 1) Corporate: corporation; HR access (talents, capital, *etc.*)
- 2) Market: collaborative ties with clients, partners, and institutions.
- 3) Living: informal networks including family, friends, and local community contacts.

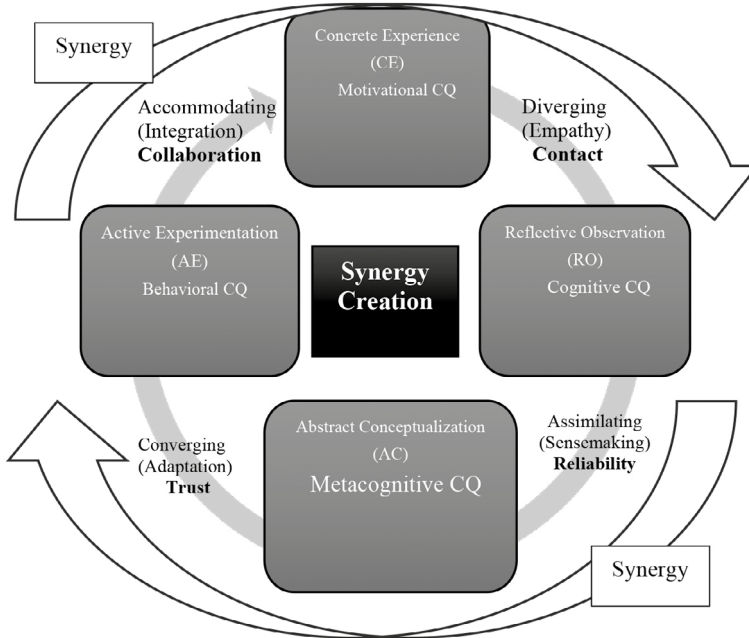
The concentric circles show the location layers (ego, local, national, regional, global), which indicate the spatial scope of the entrepreneur network. Each connection identified in the interview is placed within this structure to visualize how support and resources are embedded in different relationships and geographical environments. This framework can visually and comparatively analyze how foreign entrepreneurs connect people across different spatial dimensions to achieve business success and balance individual efforts with the surrounding social structure.

3.2. Synergy creation framework combining ELT, CQ and networking theory

As is shown in Figure 4, this conceptual framework integrates ELT with the four dimensions of CQ to explain how competencies and trust-building relationships develop through a dynamic learning cycle and contribute to business synergy. The model is structured around Kolb's experiential learning cycle, which comprises four iterative stages. Each stage is closely related to CQ and from this process networking is also built.

⁵³ **Vennmaker** (n.d.), *Software for social network analysis and visualization*, Vennmaker Official Website, <https://www.vennmaker.com>; accessed 18.10.2025.

⁵⁴ **R.D. Schlunze et al.**, *Does Chinese Managers' Guanxi Networking Matter...*, pp. 59–60.

FIGURE 4: *Synergy creation framework Integrating ELT, CQ and networking theory*

Source: author's own elaboration.

In the CE stage, for foreign entrepreneurs, this is usually their first encounter with an unfamiliar cultural environment. At this time, motivational CQ is needed here for them to interact with people from different cultural backgrounds positively. They may gradually engage in cross-cultural contact by participating in local business activities, community exchanges, or establishing initial connections with customers and suppliers. These contact behaviors, accompanied by empathy and an open attitude, are the starting point for cross-cultural learning and lay the foundation for subsequent trust building and relationship deepening. During the RO stage, entrepreneurs start to critically think about the cultural differences and interactive scenarios they observe, gradually understanding the rules and expectations behind the culture. In this process, Cognitive CQ is exerted to help entrepreneurs understand local values, communication habits, communication styles, *etc.* The learning process at this stage corresponds to the assimilating path in the Kolb's learning style, which lies in comprehension, reliability and depth perception based on observation. Entrepreneurs accumulate cultural knowledge

through comparison and reflection, and gradually build a “cognitive map” of cross-cultural behavior. Then comes the stage of AC, where entrepreneurs start to form strategies, frameworks, and action models to explain and deal with cross-cultural experiences. This stage initiates Metacognitive CQ, that is, the ability to plan, monitor and revise one’s own mental model. In this process, entrepreneurs demonstrate Sensemaking, being able to structure their experiences into reusable knowledge and judgment criteria. They have also become more Reliable and sharper. This cognitive path corresponds to the assimilating style, but at its core is the strategic transformation of experience into action guidance. At the AC stage, entrepreneurs apply their previous concepts and strategies to new cross-cultural scenarios and start conducting behavioral experiments and dynamic adjustments. This stage corresponds to the application of Behavioral CQ, making appropriate verbal and non-verbal expressions, such as tone, posture, etiquette, etc., in accordance with cultural norms. At this stage, entrepreneurs deepen their cultural adaptability through actions, gradually achieve more effective communication and cooperation, and establish reliable interpersonal relationships and credibility.

The entire cycle process is closely connected to Kolb’s experimental learning theory and combines four-dimensional CQ to construct the path of Synergy Creation. The green arrows in the figure represent the circularity and accumulation of cross-cultural learning: each round of learning reinforces the intercultural competence of entrepreneurs. It also promoted the gradual achievement of synergy creation to help foreign entrepreneurs to have a continuous output not only in themselves but also their business.

4. Discussion

This study proposes an integrated conceptual framework that combines ELT, CQ and networking theory to explain how foreign entrepreneurs achieve cross-cultural business success. Theoretically, this framework contributes to the development of cross-cultural entrepreneurship literature by shifting the focus from static trait-based approaches to a more dynamic, process-oriented understanding of how intercultural competencies and networks evolve over time. From a practical view, the framework provides insights on foreign entrepreneurs especially those who don’t have strong background in local environment who often rely on personal networks and continuous learning to start-up and grow their business in foreign markets. For future research, this framework needs more empirical testing using qualitative or mixed methods approaches to give more evidence on its feasibility.

Researchers may explore how experimental learning experiences influence CQ development and how these changes help with foreign entrepreneurs' embeddedness utilizing networking to promote the synergy creation. Expanding the framework across different national contexts and entrepreneurial types will further enhance its generalizability and explanatory power.

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**UMIĘJĘTNOŚCI MIĘDZYKULTUROWE ZAGRANICZNYCH PRZEDSIĘBIORCÓW:
ROZWAŻANIA NA PODSTAWIE TEORII UCZENIA SIĘ PRZEZ DOŚWIADCZENIE (ELT),
INTELIGENCJI KULTUROWEJ (CQ) I TEORII SIECI**

Abstrakt

Przedmiot badań: W dzisiejszym świecie VUCA zagraniczni przedsiębiorcy stają w obliczu rosnącej złożoności, ponieważ globalizacja stwarza zarówno możliwości, jak i wyzwania.

Cel badawczy: Zbadanie, w jaki sposób zagraniczni przedsiębiorcy rozwijają umiejętności międzykulturowe, budują relacje i osiągają synergę poprzez dynamiczne procesy uczenia się.

Metoda badawcza: Zastosowana metoda badawcza polega na integracji teorii uczenia się przez doświadczenie (ELT), inteligencji kulturowej (CQ) oraz teorii sieci w dynamicznym modelu ramowym.

Wyniki: Proponowane podejście przyczynia się do rozwoju literatury na temat przedsiębiorczości międzykulturowej, przesuując akcent z podejść opartych na cechach statycznych na bardziej dynamiczne, procesualne rozumienie tego, jak kompetencje międzykulturowe i sieci relacji ewoluują w czasie. Z praktycznego punktu widzenia, ramy te dostarczają wglądu w sytuację zagranicznych przedsiębiorców – zwłaszcza tych, którzy nie mają silnego zaplecza w lokalnym środowisku – którzy często polegają na osobistych sieciach i ciągłym uczeniu się w procesie zakładania i rozwijania działalności gospodarczej na rynkach zagranicznych.

Słowa kluczowe: teoria uczenia się przez doświadczenie (ELT), inteligencja kulturowa (CQ), teoria sieci, zagraniczni przedsiębiorcy, umiejętności międzykulturowe, tworzenie synergii.