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# Developing a Phenomenological understanding of the influence of 'Cultural Survival Mechanisms' as Institutional Artifacts in shaping Indigenous Enterprise Cultures: A Ghanaian Perspective

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## **Abstract**

This article develops a deeper conceptualization of institutionalized adaptive strategies adopted by Indigenous Ghanaian entrepreneurs operating within a web of institutional constraints. The qualitative research demonstrates that Indigenous entrepreneurs adopt three main strategies – breakthrough, circumvent, and destructive, so as to minimize the ability of institutions to provide unanimous answers to their actions. This article further provides evidence of eight breakthrough sub-strategies, four circumventing substrategies, as well as three destructive sub-strategies that could serve as framework for future empirical studies, as well as provide practical tools entrepreneurs can champion to be able to carry out their activities within *formidable* institutional constraints.

Key Words: Phenomenology, Entrepreneurs, Indigenous Entrepreneurs, Adaptive Strategies, Institutions, Circumventing strategies, Breakthrough Strategies, Destructive Strategies

#### 1. Introduction

It is widely accepted that our understanding of how institutions influence enterprise culture is developed from our understanding of Institutions developed in a Western context. Thus Western notions of how Institutions behave may not be directly transferable to developing countries such as Ghana which forms the basis of this study. North (1990) argues that institutions provide the rules of the game that structure human interaction in societies and thus organisations 'play to the tune' of those institutions. As a result, institutions empower and constrain behavior as a consequence of processes associated with three institutional pillars: the regulative, which guides action through coercion and threat of formal sanction; the normative, which guides action through norms of acceptability, morality and ethics; and the cultural-cognitive, which guides action through the very categories and frames by which actors know and interpret their world (Scott, 1995; Garud et al., 2007). The theoretical puzzle as argued by Garud et al., (2007) in such circumstance is that if actors are embedded in an institutional field and subject to regulative, normative and cognitive processes that structure their cognitions, define their interests and produce their identities (Friedland & Alford, 1991; Clemens & Cook, 1999), how are they able to survive when such institutional processes are viewed as being unfavorable to their activities. Indeed, Garud et al., (2007) suggest that, in such circumstances, dominant actors in a given field may have the power to force change but often lack the motivation; while peripheral players may have the incentive to create and champion new practices, but often lack the power to change institutions from within (Maguire, 2007).

An answer to this puzzle lies in the form of 'conceptualizing agency' as being distributed within the structures that actors themselves have created (Garud & Karnøe, 2003; Garud et al., 2007). Embedding structures do not simply generate constraints on agency, instead, they provide a platform for the unfolding of entrepreneurial activities. According to this view, actors are knowledgeable agents with a capacity to reflect and act in ways other than those prescribed by taken-for-granted social rules and technological artifacts (Schutz & Natanson 1973; Giddens, 1984; Mutch, 2007). Conceptualized in this way, institutional structures do not necessarily constrain agency, instead, may also serve as the fabric to be used for the unfolding of entrepreneurial activities (Garud et al., 2007). Hence, entrepreneurs use their "capacity to imagine alternative possibilities... within the contingencies of the moment" (Emirbayer and Mische 1998, p. 963) so as to operationalize their activities. Based on this premise, this paper explores the institutionalized adaptive strategies indigenous entrepreneurs champion to be able to carry out their activities (Garud & Karnøe, 2001; Battilana, 2006) within the web of institutional constraints in a Ghanaian context.

This study is based on the experiences of entrepreneurs and individuals working in institutions that support the activities of entrepreneurs in Ghana. The study notes that understanding a paradigm different from one's own is a difficult task since it requires seeing the world from a new perspective (Thompson et al., 1989, p. 133; Kuhn, 1996). As a means of making this task easier, this study employed a number of assumptions based on phenomenological interpretive paradigm, which may not be put to quantitative empirical test but may be treated as unquestionable givens (Thompson et al., 1989, p. 133; Lakatos, 1970). Phenomenological paradigms have already been used to highlight

assumptions implicit in entrepreneurship studies (Cope, 2001, 2003, 2010; Berglund, 2005; Kovacev, 2008). This study is based on the assumption that individuals cannot abstract themselves from various contexts that influence their choices and meanings of lived experiences (Heidegger, 1962). Hence, Heidegger's phenomenological tradition has been adopted as it highlights assumptions relevant for this study.

The discussions are organized into four sections. First, the core assumptions of Heidegger's phenomenology will be outlined and its relevance to this study. Second, the explanation of the methodology used in uncovering the findings is given. Third, the findings of the interviews are presented. And fourth, discussions of the findings will be given.

# 2. Introducing Heidegger's Phenomenology

There are viable alternate epistemological worldviews for exploring human experiences (Thompson et al., 1989). One such view is Heidegger's phenomenological perspective, which is commonly known as existential-phenomenological perspective, supported by other scholars such as Maurice Merleau-Ponty (1908-1961) and Jean-Paul Sartre (1905-1980). Heidegger's phenomenology operates on the ontological foundations of understanding reached through *being in the world* (Annells, 2006; Heidegger, 1962). Heidegger rejected the notion of consciousness and intentionality developed by Husserl and concentrated on the interconnectedness of human beings to the world, which he called *being-in-the-world* or *being-with-others* (*Dasein*). Heidegger argues that presupposition are not to be eliminated, hence rejected the transcendental approach (Ray, 1994). His concept of *Being-in-the-world* necessitated a view that a person and the world are co-constituted, an indissoluble unity as a person makes sense of the world from within existence and not while detached from it (Annells, 1996: Koch, 1995, 2008). He repudiates science as merely developing what is already known, as not really thinking at

all and focuses on interpretation and reflective thinking by beings on *Being* as the only possible source of knowing (Omery & Mack, 1995). Phenomenologists in this School of Thought describe human experience as both un-reflected and reflected (Pollio, 1982) and traditionally view phenomena as unconscious, in terms of reflected and un-reflected experiences (Pollio, 1982). Thompson et al., (1989) further explain that the relationship between reflected and un-reflected experience is one of figure/ground. Thus, Thompson et al., conclude that reflected meanings and symbols emerge from the ground of un-reflected experiences.

Heidegger applied hermeneutics as a research method found on the ontological thesis that lived experience is an interpretive process (Racher & Robinson, 2002, p. 9). Moran (2000, p. 234) notes that Heidegger considered human experience to be interpretive, in this sense: although human beings may be open to things, the way they relate to things and reveal them is always related to their prejudgments, which are not necessarily always explicitly articulated. Cohen and Omery (1994) highlight that understanding and possibilities are the outcome of interpretations and are linked to cultural norms or what Heidegger (1962) calls historicality - as opposed to Husserl's atemporal, eidetic structures. The person and the world are co-constructed; humans are constructed by the world in which they live and at the same time are constructing this world from their own experiences and background (Koch, 1995, 2008; Racher & Robinson, 2002). Racher and Robinson (2002) further suggest that people are self-interpreting beings, which occur in context involving everyday experience. Thus, the fundamental ontological task of interpreting Being includes working through the apparent self-evidence, i.e. a historicality, of narrow, traditional points of view to the temporality of Being itself (Racher & Robinson, 2002, p. 473). As Heidegger (1962) noted:

"Time must be brought to light—and genuinely conceived—as the horizon for all understanding of Being and for any way of interpreting it. For us to discern this, time needs to be explicated primordially as the horizon for the understanding of Being, and in terms of temporality as the Being of Dasein, which understands Being" (Heidegger, 1962, p. 39).

According to Heidegger (1962), nothing can be encountered without reference to a person's background understanding, and interpretation is based on that background, in its historicality. "But temporality is also the condition which makes historicality possible as a temporal kind of being which Dasein itself possesses, regardless of whether or how Dasein is an entity 'in time" (p. 41). Understanding is a reciprocal activity, and the present may only be understood in terms of the past and the past in terms of the present, i.e. hermeneutic circle. Considering the philosophical tenets of Heidegger's phenomenological perspective, several implications emerged that are relevant to this study.

- 1. The central theme of Heidegger's phenomenology is that the world of live experience does not always correspond with the world of objective description because objectivity tries to explain events separate from its contextual setting (Pollio, 1982; Thompson et al., 1989). Thus, the live-world of human expert systems comprise of their background (tacit) and common sense knowledge (Dreyfus & Hall, 1982; Winograd & Flores, 1986). The implication, as argued by Thompson et al., (1989) is that experts live their knowledge in a way that is not represented by a set of de-contextualized rules and statements (p. 135). Thus, this perspective describes human experiences as it is lived.
- 2. The lived-experience is conceptualized as a dynamic process, which allows certain events in individuals life-world to stand out while others recede to the background, and yet interdependent on each other. Thus, all modes of human experiences thinking, remembering, feeling, knowing, and imagining emerge in a contextual setting and hence, cannot be located "inside" a person as a complete subjectivity nor "outside" the person as a subject-free-objectivity. Hence, experience is understood in the context of person-in-the-world (Thompson et al., 1989, p. 136).
- 3. The memory that is lost is lost only in so far as it belongs to a region of my life that I refuse (Merleau-Ponty, 1996). Individuals are therefore able to develop

patterns in their live-experiences through reflection of the un-reflected experiences.

The main objective of this study is not to provide predictive knowledge through the construction of generalizable laws, which express regular relationship that exist in the world (Cope, 2001). Such a process of "context stripping" (Guba & Lincoln, 1994) is not what this study intends to achieve. Instead, this study aims to build a better understanding of the contextual and subjective nature of the entrepreneurial process and comprehend this phenomenon within the institutional framework of Ghana. As Thompson et al., (1989) explain that the focus on the 'human-being-in-the-world' is essential because the meaning of an experience is always situated in the current experiential context. This is important as it affords sufficient descriptive detail to illustrate how individuals live this experience and provide an experientially based understanding of the phenomenon in question (Thompson et al., 1989; Cope, 2001). More importantly, this study describes the institutionalized adaptive practices adopted by entrepreneurs to accommodate and navigate institutional barriers within the context of small business ownership. In this regard, it is the participants' live-experiences that are retold and interpreted by the researcher.

## 3. Research Methodology

Re-echoing the fundamental view that qualitative inquiry should not be the *special case* within the entrepreneurship domain (Gartner & Birley, 2002; Cope, 2010), this study is based on interpretive phenomenological research with thirty-four respondents. Phenomenological paradigms have been used to undertake research within the entrepreneurship domain (Cope, 2010; Berglund, 2005; Kovacev, 2008; Seymour, 2006), but have yet to be applied to the subject of institutionalized adaptive strategies adopted to survive in a specific context. As Anderson and Jack (2002) succinctly argue, the strength of qualitative research design such as this lies in its capacity to provide situated insights, rich details and thick descriptions. Cope (2010, p. 5), therefore emphasized that richness is provided by paying close attention to both context and process (Hjorth et al., 2008; Steyaert, 2007).

This study is part of a broader research involving interviewees from Ghana, India and UK that aims to detail a hermeneutic phenomenological conceptualization of the *lived experiences* (Thompson et al., 1989) of entrepreneurs and institutions supporting entrepreneurship. As argued by Cope (2010), adopting such approach goes beyond description to enable interpretive accounts that will "not negate the use of a theoretical orientation or conceptual framework as a component of inquiry" (Lopez & Willis, 2004, p. 730). This research aims to provide "theoretical insight" (Mouly & Sankaran, 2004) into the adaptive strategies adopted by entrepreneurs to survive in a specific context, so as to provide a rich conceptual description of what it feels like to be an entrepreneur in a specific context.

#### 3.1 Method

Using a qualitative phenomenological approach for data collection, thirty-four established entrepreneurs and institutions supporting entrepreneurship were purposefully selected from Accra, Kumasi and Sunyani (all in Ghana), and Aberdeen (in Scotland). A qualitative phenomenological approach was used because this study is based on the assumption that humans are interpretive beings that are capable of finding significance and meaning in their own lives (Draucker, 1999), in relation to their culture, social context, political, and historical period in which they live (Campbell, 2001; Geanellos, 2003; Orbanic, 1999). Thus, individuals cannot abstract themselves from various contexts that influence their choices and meanings of lived experiences (Heidegger, 1962). This study does not deal with issues that are quantifiable, rather searching for understanding and meanings behind actions (Hammersley, 1991).

The data was collected through conducting individual face-to-face unstructured in-depth interviews with thirty-four entrepreneurs and individuals working for institutions supporting entrepreneurial activities. The interviews were audio-taped and transcribed verbatim. The interviews were recorded with the consent of the respondents in English, with the exception of one respondent. Each conversation was started by introducing each participant to the research project, before being asked to tell their stories. This ensured participant-led discussions. Specifically, we asked the respondents to share their

experiences with us, as well as their understanding of such experiences in relation to their activities. We used a list of potential probes and prompts (Ryan and Higgins, 2006) which was adopted so as to meet the objective of the study. Thus, we formulated questions as and when required, while employing neutral probing (Sarantakos, 2005); and any additional descriptive questions flowed from the course of the dialogue and not from predetermined path (Thompson et al., 1989, p. 138). Important questions that were not covered in the narratives of the respondents were introduced towards the end of each interview (Cope, 2001). No target sample size was set; instead we collected as many interviews as possible within the limits of resources' – time and financial constraints. This approach was consistent with Robson's (2002, p. 198) suggestion for the concept of flexible research design, which challenge the need to pre-specify numbers for interviews, but notes that between twenty to thirty respondents could be carried out to achieve saturation, in grounded theory studies. Theoretical saturation (Strauss & Corbin, 1998) was therefore important for this study. Thus, at thirty-four respondents, we realised that, any additional respondent would not provide any new or additional information.

The analysis of the data explored themes in the responses of the respondents using the constant comparative method's (Benton, 1991; Morgan, 1993) fundamental ideas, supported by the analytical techniques of Strauss and Corbin (1998), as well as those of Giorgi (2008) and Coalaizzi (1978). While it could be suggested that the respondents are not representative of the Ghanaian entrepreneurial universe, they provided useful data that helped to achieve the objective of this study. The methodological techniques adopted provided adequate depths of data to allow a meaningful analysis of entrepreneurial activities in context, to explore the institutionalized practices entrepreneurs adopt to accommodate and navigate institutional barriers within the context of small business ownership. Illustrative quotes of the respondents are used to provide valuable supplements, to add voice to the text and help categorize the data (Wolcott, 1990; Jack & Anderson, 2002). We made attempts to link interviewees' stories to constraints and adaptive mechanisms to accommodate and navigate those barriers within the context of small business ownership, so as to demonstrate veracity by telling a convincing story (Steyaert, 1997).

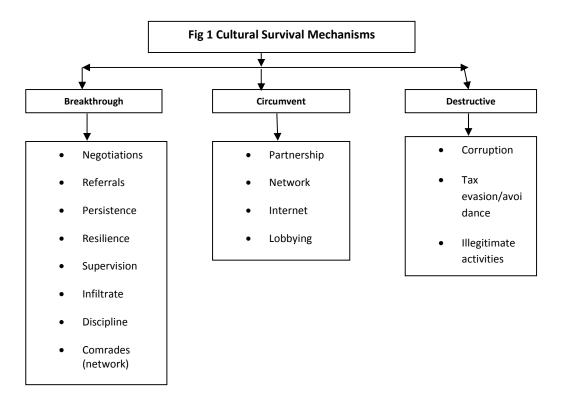
The approach is justified on several grounds. We were concerned for validity and reliability, as they are methodological elements not only for quantitative but also qualitative research (Sarantakos, 2005). This is an echo of Patton's (2002) suggestion that validity and reliability are two factors worth considering by qualitative researchers while designing a study, analyzing results and judging the quality of the study. Sadala and Adorno (2002) argue that phenomenology describes a human experience as it is rather than preset propositions of the natural sciences. It is a particular way of doing science: doing qualitative research by substituting individual descriptions for statistical correlations and interpretations, resulting from the experiences lived for causal connections. Schutz (1967) opines that, all knowledge about the social world is nothing more than interpretations of events, structures and actions. Scientists only need to collate these interpretations from the perspectives of those involved so as to provide understanding of events, structures, actions and phenomenon. We acknowledge that these research techniques have inherent limitations.

# 4. Findings

The following excerpts from the interviews offer examples from a phenomenological perspective of respondents reflecting on what has previously been an un-reflected aspect of their experiences as entrepreneurs. During the interviews, respondents articulated the strategies they adopt to accommodate and navigate the institutional constraints imposed by the institutional framework. Prior to the interviews, the respondents were unaware of the experiential pattern of the strategies they adopt to accommodate and navigate institutional constraints. One respondent reflecting on a specific lived experience allowed three patterns to emerge, which forms the basis of this section:

"...so once the circumstances here are not easy going, it's either you break through the barriers, that's what many entrepreneurs do, or circumvent it. But when it becomes so formidable, what even you can do is, if you have to destroy it, destroy it and I think that is what happens here...in as much as many Ghanaians will like to behave good, because the system is so hot, it's difficult to deal with, hence people tend to be bad..."

The above narrative seems to project three themes pointing to the strategies entrepreneurs adopt in order to operate in *unfriendly* institutional environment – breakthrough the system, circumvent the system and destroy the system – (which for the purpose of this study is captioned – breakthrough mechanisms<sup>1</sup>, circumvent the mechanisms<sup>2</sup> or (and) destructive mechanisms<sup>3</sup> [destructive connotes rent-seeking activities adopted by entrepreneurs to survive in a given context]). Re-reading through the data, there was further evidence that suggests a number of sub-themes that could be grouped under the three main themes, as shown in Figure 1 below. The following analytical data sections therefore explicate the different dimensions of the three strategies adopted by entrepreneurs so as to be able to operate in a specific context.



<sup>&</sup>lt;sup>1</sup> In this context, breakthrough means an act that allows entrepreneurs to overcome or penetrate hurdles.

<sup>&</sup>lt;sup>2</sup> Circumvent in this context describes how entrepreneurs go round or bypass obstacles to their activities.

<sup>&</sup>lt;sup>3</sup> Destroy, in the context of this research describes how entrepreneurs ruin, do away with, evade, render useless or ineffective institutional barriers that inhibit their activities.

## 4.1 Breakthrough mechanisms adopted to overcome institutional barriers

The experiences of the respondents' uncovered eight different strategies Ghanaian entrepreneurs adopt to overcome or penetrate different institutional barriers to their activities – negotiations, referrals, persistence, resilience, supervision, infiltrate, discipline and comrades (networks). The impression created by the respondents was that entrepreneurs adopt strategies appropriate for specific issues at hand. One respondent emphasized "...land is difficult to come by for projects...we negotiated for land through the Nungua Stool (Chief)...". One informant remarked how he accessed contracts through referrals, "...we do referrals which leads to contracts...which help us overcome some of the challenges we face...". There was a discussion of how entrepreneurs access loans, one informant talked of persistence:

"...when I went to Accra, the security man and the manager's secretary refused to let me see him (manager)...And the story of the Lord said because of his persistence the man gave and gave him what he needs. And so haven had that story I said no, I won't give up. Jesus said ask, seek and knock and so I went to a friend's office...this is how I was able to speak to the Manager of Agriculture Development Bank to secure the loan, which became the seed money for the rapid expansion...".

Another respondent admits that business survival depends on ones' resilience, "...I think that business in Ghana is not an event...you have to be resilient...otherwise you will give up". One informant stresses, "...to take care of pilfering by employees...strict supervision is one of the things that has helped me...". There was talk of infiltration of competitors' camp to access information about sources of cheaper goods: "Sometimes

there are situations where my competitors sell goods at prices lower than the market price, I manage to infiltrate their camps through people around them, so as to find out where they got those goods from...so I can be price competitive and stay in business".

Another informant found discipline as a way to overcome the negative effects of culture<sup>4</sup>, ""So really to be successful, what I say is that you have to be disciplined to a fort, where everyone of these institutions (culture) or bodies or relationships discount you and say that you are not good...". One respondent admitted to using comrades (networks) to overcome lengthy legal procedures to retrieve debts, "...you know in Ghana, the court system is very slow...a lot of people prefer to handle things their own way than send to court...difficulty in retrieving money from debtors and have been helped by comrades to retrieve debts. Others (entrepreneurs) have been alerted of potential fraudsters who wanted to either sell stolen goods to them or not credit worthy...". These illustrative quotes infer that participants used different strategies to overcome specific business constraints.

From the foregoing, it appears that there was no common mechanism to *breakthrough* institutional barriers, and hence, entrepreneurs adopted different mechanisms to breakthrough institutional barriers. There were three kinds of outcomes from adopting this approach. First, it enabled access to resources in terms of land, loans, information about suppliers and potential clients. For example, Ghanaian entrepreneurs used strategies such as negotiations and persistence to access land and loans respectively.

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<sup>&</sup>lt;sup>4</sup> Cultural elements defined in terms of extended family and marriage, religion, chieftaincy, funerals.

Secondly, there was evidence of referrals helping entrepreneurs to secure contracts. Finally, firm longevity was also implied by the narratives of the interviewees as a major outcome of using breakthrough strategies. For instance, interviewees commented on how strict supervision, discipline and resilience help prevent pilfering, overcome cultural bottlenecks, and prevent entrepreneurs from abandoning their ideas and projects respectively. All these could have a culminating effect of shortening the life of firms, if the appropriate breakthrough strategies were not adopted.

# 4.2 Cultural Survival Mechanisms adopted to Circumvent Institutional Barriers

Another theme to emerge from the responses was the circumventing mechanisms Ghanaian entrepreneurs adopt to bypass institutional constraints to their activities. These included the use of partnerships, networks, internet, and lobbying. There were discussions of the use of partnership to bypass regulatory constraints, "So now the regulation is affecting me to go down to begin from level one...I can partner those who have the opportunity to mobilize and at the same time lend...I hope they will help me until I raise the capital to register with the Bank of Ghana...". One informant remarked how they bypass the buffer created by bureaucracy through partnership, "...the bureaucracy in Ghana, we partnered with a local firm to look into that through the registration and for environmental protection agency licensing...they actually took that buffer away from us...". Thus, partnership was used to bypass institutional constraints to entrepreneurial activities.

Some informants expressed a network-centered approach to circumventing institutional constraints, as illustrated in Table 1 below. One informant articulated that networks

allowed him to bypass hurdles involved in doing business, "...so networking is very important for me...it helps me to bypass most of the hurdles involved in doing business here...". Another respondent talked of how networks ease the process of acquiring licenses to operate as distributor, "...network, we use it. I think that is even helping some of us into this business. More especially like old boyism...For example, even to become a distributor does not take a day, so friends introduce me to other friends in positions of responsibilities; so as to have access to licenses to operate as a distributor for manufacturing companies...I didn't have to go through a lot of hassles that others experience...". One respondent remarked how she made an erratic deflection from institutional requirements and access resources through networks, ""...networks, is the basis for all our businesses in Ghana here...government bodies, pharmacy council and suppliers are so rigid...we use especially old school mates that happen to work with any of these bodies, so as to swerve the numerous requirements and access essential resources for our business...". Networks appeared to fit respondents' mode of circumventing institutional barriers to their activities.

More so, two respondents reported to have used internet and lobbying as means to circumvent institutional barriers to their activities. One respondent used the internet as a means to bridge the gap between entrepreneurs and information about markets, producers and manufacturers, ""... in Ghana, information about producers, manufacturers, markets are difficult to come by... government institutions are not forthcoming with these information... hence we use the internet to bypass this hurdle... we also reach a lot of overseas markets with our products...". Another respondent highlighted how their organization lobbies the government to design business-friendly policies, "Some of these

activities enabled us to lobby the government to reduce the 7% withholding tax to 5%. This minimized the effects of the withholding tax on their activities...We have started working on the cost of borrowing...so we will hit...until the government accepts it or do something about the cost of borrowing...this way...reduce the cost of borrowing".

It could be inferred from the above that, circumventing mechanisms provided four advantages to entrepreneurs and their activities. First, entrepreneurs were able to bypass regulatory requirements, reduce unnecessary institutional burdens and pressures, and seek favorable regulations for their activities. For instance, through lobbying and network, entrepreneurs were able to get favorable regulations and bypass regulatory requirements respectively. Secondly, Ghanaian entrepreneurs bypass the buffer of bureaucracy through partnership. Thirdly, circumventing mechanisms allow entrepreneurs to access resources — credit facilities, licenses, information, needed for their activities. For example, entrepreneurs access credit facilities and licenses through networks, whereas information about manufacturers and producers were obtained through using the internet. Fourth, there was evidence that entrepreneurs are able to expand their *clientele* or market through the internet.

## 4.3. Destructive Mechanisms adopted to undermine Institutional Barriers

The findings indicate that entrepreneurs adopted three rent-seeking strategies to undermine institutional constraints to their activities – corruption, tax avoidance or evasion, and illegitimate activities, as shown in Table 1 below. There were discussions of how some entrepreneurs use bribery to ensure the longevity of their firms, while blocking entry to competitors "...interestingly some of the players within the industry (business

associations) have links with banks, so if somebody wants to come into the market...they use the banks against us...they want to control the market...to the extent that they will speak to Bank Managers not to give other businesses financing and they pay those people (Bank Managers) cash to ensure that people don't come to the market...they realized that look the only way we can survive in this industry and to survive for a very long time is to make sure that we are able to block further entry into the market". Other respondents commented on how corruption aid quick and easy access to resources, "...the reality is that if you want things done and done quickly, you must pay your way through...".

Another theme that emerged illustrating how entrepreneurs *destroy* institutional structures is tax evasion or avoidance. Four respondents discussed how they either evade or avoid taxes so as to make profit or ensure longevity of their activities, Table 1. The following comments by one of the informants reinforces the notion that some entrepreneurs evade taxes in order to survive, "...every year I have to send my tax returns... What we do is of course we don't declare all the revenue... If we were to pay the actual tax then few businesses will survive". Another informant describes how her business survives, through tax avoidance, "...for the past two years I have not bothered to pay taxes...I need to survive but it's risky too...". There was further evidence that entrepreneurs avoid taxes so as to make profit, "This is what I have observed with the tax payers too. From the onset they are always avoiding taxes...they cheat the government...because the businessmen too want to maximize profit."

Finally, there was an appreciation that some entrepreneurs indulge in illegitimate activities due to regulatory constraints. This is evident in the succinct responses given by

two informants. One respondent noted, ""...we are not happy, for instance, let's take gallamsey (illegal mineral mining), we are all not happy but what can you do? Do you take soldiers there to go and shoot them or what? And then of course there are other things which people do on the black markets and those things...sometimes the regulatory requirements even put them off from formalizing their activities...". Another informant advised that, "...we have seen these people erecting filling stations along streets...to undermine the market. So the fact that the state itself erects barriers against businesses creates entrepreneurs who will do things their own way".

It is evident from the above that, interviewees characterizing how entrepreneurs benefit from destructive mechanisms described three benefits or motives of this strategy. The notion of using corruption and illegitimate activities as tools to deter entry to competitors, as well as entry mode respectively was mentioned by the interviewees. Second, some Ghanaian entrepreneurs adopted corruption and tax evasion or avoidance, as means to ensure the longevity of their firms. Finally, one significant motive identified by the interviewees was the use of tax evasion or avoidance and corruption to optimize profitability of entrepreneurial activities.

Table 1 Circumventing and Destructive Mechanisms adopted by Entrepreneurs

Theme Definition	Informants commented on circumventing and destructive mechanisms
Circumventing Mechanisms	"we have not been able to secure the licensesif you don't have the licenseyou can't enter the industryso we have also been talking to some of them so that we can go into a possible joint-venture with them. Some of them have their licenses expired so we are looking at renewing the license by paying some amount of money so we could

start. So that's also another option we are looking at to enter into the
industryuntil we are able to get our own license"

- "...the **informal network** in Ghana here is very very crucial to your business surviving...being part of a network of traders for example, the traders collectively guarantee access to credit facilities, which could not be obtained without collateral..."
- "...we have the Ghana Employers Association...Ghana Association of Industries. I am a member of all these associations and we have been talking...outlining all these problems before the government...the association advocate on our behalves so as to reduce unnecessary institutional burdens and pressures on us..."
- "...let's take the informal one. You see one of the best business institutions is what we call business associations. One, they provide the opportunity for networking among the members themselves; ability to do referrals which leads to contacts, which leads to contracts and all those kind of things...you can't go through the normal bidding process to get especially government contracts, unless you are part of a business association that has strong political connections..."

# **Destructive**

### **Mechanisms**

- "We have learnt to be **corrupt** because without it (corruption) your business can't thrive"
- "...corruption is institutionalized that you can't do business in Ghana without it"
- "...corruption, it makes accessing things so easy...and it's an effective tool for business in Ghana..."
- "...you have to give **bribes** before someone will go and search for where your application has gone up to or which Office is the next to scrutinize your application..."

"I will never pay the correct tax. Because paying the correct tax means the use of my profit and capital, which would lead to the collapse of my business..."

## 5. Discussion and Conclusion

The focus of this article was on institutionalized adaptive practices indigenous Ghanaian entrepreneurs champion to be able to carry out their activities within the web of institutional constraints. In prior literature, institutional arguments emphasized that

actors' interests are institutionally defined and shaped (Friendland & Alford, 1987; Greenwood et al., 2002). In counter posit, literature on entrepreneurship emphasis how organizational processes and institutions are shaped by creative entrepreneurial forces (Garud et al., 2007). This paper is focused on the latter in that the researcher argues that, embedding structures do not simply generate constraints on agency, but, instead provide a platform for (Garud et al., 2007) actors to act in ways other than those prescribed by the institutional constraints in response to the challenges encountered. Heidegger's existential phenomenology therefore offered the opportunity to have first-hand account of the strategies entrepreneurs adopt to survive within unfavorable institutional frameworks.

This article therefore describes three main mechanisms – breakthrough, circumvent and destructive, by which entrepreneurs reduce the ability of institutions to provide unanimous answers to how agents should act, as well as detailed their effects on entrepreneurs' activities. The study further suggests that through the temporal-relational context of action (Emirbayer & Mische, 1998, p. 970), actors produced diverse alternate actions that are categorized under the three main mechanisms. This paper has offered a framework for the types of alternate actions that are pursued by entrepreneurs so as to accommodate and navigate institutional constraints.

This study has four important implications for institutions and entrepreneurship studies. First, successful entrepreneurial activities need to break away from existing institutions that pose as barriers to business expansion. Second, institutional constraints do not only deter entrepreneurial activities, rather, it allows entrepreneurs to use their imagination and judgment to create alternate ways of doing business. Third, the study also appreciates the importance of context as both a catalyst and inhibitor to entrepreneurial activities. Fourth, the framework can also be used to analyse complex contextual variables that pose as deterrent to entrepreneurial activities.

The empirical framework is a broad representation of the experiences of actors in a specific context. Future researchers could use single elements of the variables for indepth studies of specific actions entrepreneurs take to survive in a given context. For example, researchers in an attempt to understand how the breakthrough mechanisms

work for entrepreneurship could study in detail how elements such as referrals and persistence work for entrepreneurs in a given context. Although this study is based in a developing country - Ghana, future studies could apply the framework to other contexts. Thus, the explanatory framework could provide a useful tool with which researchers can explore varieties of ways entrepreneurs operate in challenging institutional frameworks. Since most of the variables are difficult to measure, qualitative research approach can be adopted, not excluding the use of quantitative research approach.

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