# Understanding entrepreneurial resilience development within institutional constraints: A case of Ghana

**Armstrong Abebrese**

**PhD 2015**

# Understanding entrepreneurial resilience development within institutional constraints: A case of Ghana

**Armstrong Abebrese**

A thesis submitted in partial fulfilment of the requirements of the Robert Gordon University for the degree of Doctor of Philosophy

**April, 2015**

## Declaration

I confirm that this thesis has been composed in its entirety by the researcher.

I confirm that this thesis has not been accepted in any previous application for a degree.

I confirm that all sources of information utilised in this thesis have been acknowledged.

Armstrong Abebrese

April, 2015.

**Acknowledgements**

I wish to express my sincere appreciation to the participants who participated in this research. Their experiences serve as eye-opener into how entrepreneurs see and understand their business world. For this, I am very grateful.

A research study of this magnitude requires the assistance and support of others. I am therefore eternally grateful to my supervisors, Robert Smith and Alistair Anderson, for their constant support, patience, support, creative insights and enthusiasm.

The research would not have been possible without the exceptional understanding, love, and support of my beautiful wife, Eugenia Anim Otoo. I would like to thank my children, Michelle, Raphael and Dorit for their understanding when I had to be away from home most of the time. Also, the encouragement and support of my mum, Martha, is greatly appreciated. Many thanks to Jan and Dorit Hagener who gave me the foundation on which this effort is built. I appreciate my in-laws, Mathew and Antoinnette, for their support and prayers.

I would like to say a big thank you to all my friends, especially, Andrews, Samuel, Charles, Hilda and Daniel. I wish to convey my gratitude to all members and Pastors (Eric Agyei-Gyan and Frederick Appartaim) of Lighthouse Chapel International, Aberdeen and Nashville. I am proud to be part of this wonderful family.

Above all, to God Almighty, the author and finisher of all good works in my life be all glory, honour and power forevermore for keeping to His promise.

## Dedication

This thesis is dedicated to my wife, Eugenia Anim Otoo and my children, Michelle Hagener Abebrese, Raphael Boakye-Yiadom and Dorit Boakye-Yiadom for their faithfulness to this course. God richly bless you.

# Table of Contents

**Lists of Tables**



**Lists of Figures**



**Appendices**

**Abbreviations**

**ADB** Agricultural Development Bank

**AFDB** African Development Bank

**AGOA** African Growth and Opportunity Act

**BoG** Bank of Ghana

**CEPA** Centre for Policy Analysis

**CPP** Convention Peoples Party

**DANIDA** Danish International Development Agency

**ERP** Economic Recovery Programme

**EU** European Union

**FDIs** Foreign Direct Investments

**FDIs** Foreign Direct Investments

**GDP** Gross Domestic Product

**GoG** Government of Ghana

**GSS** Ghana Statistical Service

**HIPC** Highly Indebted Poor Countries

**IMF** International Monetary Fund

**IRS** Internal Revenue Service

**ISSER** Institute of Statistical, Social, and Economic Research

**KMA** Kumasi Metropolitan Assembly

**KNUST** Kwame Nkrumah University of Science and Technology

**LDC** Less Developed Countries

**NAO** Native Administration Ordinance

**NBSSI** National Board for Small Scale Industries

**NDC** National Democratic Congress

**NLC** National Liberation Council

**NPP** National Patriotic Party

**OECD** Organisation for Economic Cooperation and Development

**PNDC** Provisional National Defense Council

**PP** Progress Party

**SAP** Structural Adjustment Programme

**SMEs** Small and Medium Enterprises

SMECorp Small and Medium Enterprises Corporation Malaysia

**UDS** University of Development Studies

**UNDP** United Nations Development Project

**UNHDI** United Nations Human Development Index

**VAT** Value Added Tax

## Abstract

This thesis contributes towards understanding the dynamic phenomenon of entrepreneurship by exploring how entrepreneurs developed resilience within institutional constraints at the lived experience level. This is a qualitative research based on several assumptions of the phenomenological paradigm. The research describes the experiences of thirty-four participants - twenty-three practising entrepreneurs, and eleven Directors whose institutions support entrepreneurship, particularly the dimensions of the institutional profile, as well as how they developed resilience within institutional constraints. The study proposes that entrepreneurial resilience development is dynamic reflecting the context in which it arises.

Institutions determine the rule of the game for entrepreneurs, in that entrepreneurs fit within the limitations provided by the institutional framework (North, 1990). The institutions shape opportunity fields for entrepreneurship, determine the ease and transaction cost of entrepreneurship, determine the stability and certainty of the environment, guide the strategic activities of entrepreneurs, confer legitimacy on entrepreneurs, (re)allocate entrepreneurship, and counter market failures for entrepreneurs. The experiences of the individuals indicate such constraint limits what the entrepreneurs are capable of doing.

The research therefore focuses on how the entrepreneurs survived within such constraints, especially operating within underdeveloped institutions. In particular, the participants described how they were able to survive within such institutional constraints. The term 'resilience' can sometimes be trivialized to mean 'ego-resilience', which basically talks about certain characteristics that individuals' exhibit to show their resilience. Instead, apart from individuals exhibiting certain characteristics, there are several contextual activities that must be put in place to ensure survival or recovery within institutional constraints. These activities represent the resilience strategies that the entrepreneurs designed and implemented so as to survive institutional constraints - breakthrough, circumvent, destructive, and other strategies.

The study concludes that entrepreneurial resilience strategy occupies a central role within three complex, interactive and interdependent processes - institutions, entrepreneurship, and resilience. Furthermore, entrepreneurship is engulfed in institutions, which act as the "determinant", "promoter", and "inhibitor" of entrepreneurial activities. Hence, entrepreneurs need to develop resilience through preventative, reactive or agility strategies, so as to be able to survive the institutional arrangements. The research therefore works towards a more integrated perspective of entrepreneurship development.

***Key Words: Phenomenology, Entrepreneurship in Ghana, Resilience Strategies, Institutional Constraints, Husserl, Heidegger***

# Chapter One: An introduction to the study

## 1 Introduction

This thesis investigates and reports on how entrepreneurs develop resilience within institutional constraints in Ghana. The chapter begins with an introduction to the background of the study. It discusses the various research questions to be addressed, and provides a justification for the study. The research objective and the position of the study in relation to previous studies are presented.

### *1.2 Background to the study*

Entrepreneurship is a set of practices involving the creation or discovery of opportunities and their enactment (Gartner, 1988). In this sense, entrepreneurship is seen as an engine that drives innovation and promotes economic development (Busenitz et al., 2000). For instance, countries such as Great Britain and the United States industrialised fairly rapidly because entrepreneurial skills were allowed to proliferate (Storey, 1994). Likewise, Rosell & Viladomiu (2002) describe the increasing demand and interest in placing new business formation as key element within the development and revitalisation process of lagging European countries. Similarly, in Ghana, the current government has launched a Private Sector Development Strategy (PSDS II, 2010 to 2015), which aims to boost entrepreneurship in Ghana, so as to create jobs and enhance the livelihood of all.

Entrepreneurship has also been described as a complex process (Jack & Anderson, 2002), a contextual event and outcome of many influences (Gartner, 1988). Olson (1996) argues that institutions such as political, legal and cultural directly influence entrepreneur's activities and hence economic development. In view of this, Anderson & Jack, and Anderson (2000) argue for the need to move away from seeing the entrepreneur in isolation and look at the entrepreneurial process. Jack & Anderson (2002) further posit that entrepreneurship is not merely an economic process rather an embedded socio-economic process. The fact that entrepreneurship is an embedded phenomenon suggests that its practices, processes and nature are often reflections or responses to the "rules, beliefs, and conventions built into the wider environment"

(Powell, 2007, p. 1). In addition to that, other scholars argue that institutions and institutional artefacts such as national and local politics (Buame, 1996); militarism, family, society, and culture (Dia, 1996); taxation, security of property rights, regulation of trade, and commercial activities (Kiggundu, 2002); socio-cultural factors (Robson & Obeng, 2008); bureaucracy and corruption (Ninsin, 1989) and high interest rates, high rates of inflation and high depreciation rates (Wolf, 2004; Robson & Obeng, 2008), affect entrepreneurship. It could therefore be argued that variations in entrepreneurship across regions, localities and countries may be partly explained by variations in the quality and conduciveness of the organisational context (Buame, 1996).

In view of the influences of institutions on the social processes such as entrepreneurship, a number of disciplines within the social sciences have been from this perspective (Dawson, 1989; Buame, 1996). For instance, Kuada (1994) analysed the influences of the African macro and sub-cultures on managerial behavior in Kenya and Ghana. Kuada concludes that the managerial behaviour of Ghanaian entrepreneurs is strongly influenced by the local culture such that theories and principles of management based on Western cultures may not be significant in the Ghanaian context. Another study of significance to this thesis was undertaken by Buame (1996), who examines how the environment (historic, economic, political and socio-cultural) impact on entrepreneurship. Buame concludes that context becomes ends and means for the enactment of any kind of entrepreneurial activities in a particular locality. Apart from these studies, there are other studies undertaken in Ghana on entrepreneurship in the institutional context. For instance, Ninsin (1989) argues that the development of small-scale businesses in Ghana had been hindered by political interference, bureaucracy, and corruption to the extent that schemes developed by the government to promote the growth of small firms ended up benefiting large-scale firms. Moreover, Wolf (2004) in examination of the main business obstacles in Ghana finds that interest rates, access to credit, depreciation and inflation were the four most important business obstacles in Ghana (Robson & Obeng, 2008). Similar studies attribute the slow growth of entrepreneurship in Ghana to socio-cultural factors (Takyi-Asiedu, 1993); government policies (Ninsin, 1989); as well as lack of human and financial capital (McGrath & King, 1999).

It can be deduced from the aforementioned discussions that institutions determine the rules of the game for entrepreneurship, implying that entrepreneurship fits within the limitations provided through the institutional framework of a specific context (North, 1990). Thus, 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; Abebrese, 2014). 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 thrive or survive when such institutional processes are hostile to their activities. In this context, the major driving force of this thesis is how entrepreneurs develop resilience within institutional constraints. Resilience is conceptualised and adapted to the business world in several ways (Pal, 2013). Some scholars focus on corporate attributes that yield resilience by understanding its drivers and how to sustain it through positive adjustments (Weick & Sutcliffe, 2001, 2007); others expanded the concept in the field of supply chain management and designing (Sheffi, 2007; Falasca et al., 2008; Petit et al., 2010); while other researchers look at resilience from customer-centric perspective (Gulati, 2010).

Different schools of thought view the concept of resilience as a company's or individual's ability to either continuously anticipate or react deeply to the changes and/or turbulences from diverse perspectives, either by focusing on the resource-based view (RBV), organizational assets and dynamic capabilities (Barney, 1991; Teece et al., 1997) and how they can be adapted to yield resilience (McManus et al., 2007; Vogus & Sutcliffe, 2007); Lengnick-Hall et al., 2011); business models and strategic initiatives (Starr et al., 2003; Vogus & Sutcliffe, 2007) or from the organizational dynamics perspective (Fiksel, 2003; Smith & Fischbacher, 2009). In the business and management research, resilience is also associated with established activities like risk management (Starr et al., 2003) and crisis management (Herbane, 2010; Preble, 1997); and business continuity planning (Herbane *et al*,. 2004) allowing newer perspectives and insights into the conditions for doing business.

Mainstream perspectives of resilience have mostly been related to organisational adaptation and change (Miles & Cameron, 1977; Miles & Snow, 1978) to capture how firms respond to diverse kinds of market turbulence to ensure long term survival and growth (Pal, 2013). Several scholars in this area have suggested organisational routines for developing adaptive fits for diverse environmental conditions (Chakravarthy, 1982); some introduced the concept of abrupt and temporary jolts (Meyer & Rowan, 1982). Boisot & Child (1999) propose ways to deal with environmental complexities, while Eisenhardt & Martin (2000) have tried to suggest various organisational routines to match different environmental conditions. Lengnick-Hall & Beck (2005), Lengnick-Hall & Beck (2009) further propose that organisations should undertake *robust transformations* besides *adaptive fits* to dealing with market turbulence. In the field of entrepreneurship, Bullough & Renko (2013) mention that self-efficacy enable entrepreneurs to be resilient through difficult situations. They further talk about how entrepreneurs build self-efficacy and resilience, through (1) engage in business development training to build their belief in their entrepreneurial ability (i.e., *entrepreneurial self-efficacy*); (2) seek out networking events, special lectures, and mentoring opportunities to learn by modeling others who have been resilient through challenging times; and (3) be active in their entrepreneurial pursuits, practice business acumen, and seek feedback from those who can be objective, critical, and encouraging. Sun et al., (2011) further link entrepreneurial resilience to self-efficacy, need for achievement and aspiration, creativity and innovation, flexibility, and knowledge seeking. Sun et al identified two ways by which entrepreneurs build resilience, through their social network and skills. Tanski et al's., (2010) research analysed the resilience behaviours and characteristics of these behaviours and styles of fighting adversity. Tanski et al identified several behaviours and characteristics exhibited by the resilient entrepreneur to be self affirmation, affiliation, self-observation, anticipation, pro-activity, perseverance, and humour.

It is evident that (i) most of these studies place the study of entrepreneurship within the context of institutional arrangements (ii) most of these studies are based on how organisational resilience development unfolds within environmental turbulence, instead of entrepreneurial resilience development (iii) most of these studies prescribe strict interaction between organisational routines and environmental conditions for sustainability (iv) most of these studies are based on the ego-resilience of individuals, emphasising on the characteristics of the individual that make them resilient against environmental turbulence, instead of the strategies they adopt to develop resilience. However, (a) a few studies have investigated the broader roles of institutions in entrepreneurship (Harbi & Anderson, 2010; Estrin & Mickiewicz, 2010) (b) Meyer & Peng (2005) and Bevan et al., (2003) argue that how institutions matter and which institutions matter for entrepreneurship is under-researched, especially in the developing country context (c) most of the studies on resilience do not always capture the full range of firms' responses to diverse environmental conditions, through dynamic orchestration of their organisational capabilities and also along a multi-strategic initiative highlighting diverse facets of resilience development (through anticipation, preparedness, adaptation, responsiveness and recovery as highlighted by Madni & Jackson (2009). Thus, it is expedient for businessmen, businesswomen or entrepreneurs to understand how to create a multi-strategy response repertoire developed along a disaster cycle of pre-disaster, disaster and post-disaster phases (Ghandour & Benwell, 2012; Pal, 2013). This study therefore reports on how entrepreneurs respond strategically to become resilient to institutional problems.

### *1.3 Statement of the problem*

Entrepreneurship involves the discovery, evaluation, and exploitation of opportunities within the framework of individual-opportunity nexus (Shane, 2003). Entrepreneurship leads to the creation of new businesses, and new businesses create jobs, intensify competition, and may even increase productivity through technological change (Acs, 2006). Schumpeter (1934, p.4) argues that entrepreneurship causes economic growth by allowing the means of production in a society to be used in newer and more efficient combinations. Kielbach & Audretsch (2004) further opine that entrepreneurs convert general knowledge into economic knowledge, which they exploit to start a business and it is this economic knowledge that drives economic growth. Bednarzick (2000) argues for a positive relationship between entrepreneurship and economic growth. Entrepreneurship is a foundation of economic growth, in that entrepreneurial insights lay the ground for additional entrepreneurial insights, which drive economic growth. Thus, the acts of entrepreneurship create environment within which innovations build on themselves, leading to continuously increasing productivity (Holcombe, 1998). Entrepreneurship is not only seen as valuable in economic terms, but rather, it is politically and socially valuable to social actors (Alvarez, 1993, p. 32).

In spite of the potential contributions of entrepreneurship to the economic development of societies, there is the apparent lack of impact of indigenous entrepreneurs on the socioeconomic development of Ghana. This may be attributed to several obstacles, among them institutional constraints. It is obvious that constraints can serve as barriers to entry, survival and growth of entrepreneurship activities (Desai et al., 2003), and consequently affect the scope, likelihood and speed at which potential entrepreneurs enter into a market (Shepherd, 1979). A consistent message from several scholars is that limited access to financial capital affects the entrepreneurship (McGrath & King, 1999; Mensah-Bonsu & Jell 2011; Abor & Quartey, 2010); the development of entrepreneurship (Wolf, 2004); firm growth opportunities (Goedhuy & Sleuwaegen, 1997); related to individual's choice to become an entrepreneur (Evans & Leighton, 1989). For instance, Mensah-Bonsu & Jell (2011) report that in Ghana 35% of all Bank branches are located in the capital Accra, and formal banks reach only 5% of Ghana's inhabitants (Buchs & Mathiesen, 2008). In addition to the difficulty in securing loans, the higher interests rates makes it difficult to access affordable loans that will impact productively on entrepreneurship, and hence prevents private enterprise access to affordable financing (African Development Bank, 2005). At an interest rate of 33%, the private sector is crowded out (Buchs & Mathiesen, 2008).

Further, the work of Kotsios (2010) add tax structure (height of a state's taxation, income tax, property tax, profit tax, and value added tax increase) to the constraints on entrepreneurship, as it raises firm's costs and can have a negative impact on the viability and profitability of companies that enter a new geographic area (Nkya, 2003). Furthermore, Mauro (1995) finds that higher levels of corruption significantly decrease both investment and economic growth (Heckelman & Powell, 2008; Gyimah-Brempong, 2002). However, Brunetti et al., (1997) find inconclusive results and Wedeman (1997) finds that many corrupt countries have rapid growth rates; Osei-Hwedie & Ose-Hwedie (2000) reports corruption to be catastrophic for investment and growth (Szeftel, 2000; Ninsin, 1989; Kiggundu, 2002). Killick (1978) reports of crony capitalism in Ghana based on privileged access to public resources, rather than entrepreneurial talent and risk taking. Fosu & Aryeetey's (2008) study shows that 75% of Ghanaians saw corruption as a major problem facing entrepreneurs. Consequently, the World Bank's rankings by governance, using the 'corruption criteria', moved Ghana from the 48th percentile in 1998 to the 60th percentile in 2009 (Kaufmann et al., 2010).

Krueger & Brazeal (1994) reports that the attitudes of people to start their own businesses are influenced by education; Goedhuys & Sleuwaegen (1998) find that firms with entrepreneurs of higher levels of education grow more successfully; Ramachandra & Shah (1999) argue that inadequate formal education and business skills may account for negative growth of entrepreneurship among indigenous African people. Oyelaran-Oyeyinka & Barclay (2003) acknowledge the importance of human capital formation in business development in South East Asian. However, in Ghana, 31% of the adult population has never been to school. Nevertheless, school attendance amongst Ghana’s youth is quite high - 97 % of Ghanaian males between the ages of six and 25, and 95.5 % of females in the same age group in Accra, Ghana’s capital, attend school. But the current educational structure in Africa seems to be inappropriate for industrialisation due to the colonial inheritance (Oyelaran-Oyeyinka & Barclay 2003, p. 96).

Within the socio-cultural theoretical framework, Kuada's (2009) study suggests that collectivist African family system is hardly translated into collective responsibility, especially where members of a kin are employed by an entrepreneur. In such circumstance, work productivity may be below standard and business opportunities may go unnoticed (Himbara, 1993; Kuada, 2009). Other scholars also see kinship as a cost (Stewart, 2003) to entrepreneurship. For instance, community leadership roles performed by entrepreneurs cause their businesses to suffer due to neglect, extended social and family obligations and extra firm demands (Dia, 1996; Kiggundu, 2002); traditional socio-cultural ties results in entrepreneurial deficiencies (Malecki, 1997; Chamlee-Wright, 1997); create economic dependency on the few by turning family enterprises into relief organisations for family members and friends (Kuada, 2009; Sorensen, 2003), as well as impeding entrepreneurial initiatives and efforts by discouraging savings and cause entrepreneurs to make bad decisions about whom to employ, where to purchase suppliers and extend credit (Bauer & Yamey, 1957). Hence, Buame (1996) argues that social and family ties are detrimental to entrepreneurship activities in West Africa (Kallon, 1990), as it is a drag on effort (Lewis, 1955).

Additional theoretical contribution has proffered that government actions, in the form of policies and regulations, affect entrepreneurial (Bruton et al., 2010). El-Namaki (1988) have shown that the major business hurdle was unsympathetic or (and) badly implemented public policies. Reaching beyond public policy, constraints to entrepreneurship activities has been driven to some extent by regulations (Bitzenis, 2009), which are important barriers to entry of new competitors (Church & Ware, 2000); cause new entrants to grow slowly (Klapper et al., 2006; Ardagna & Lusardi, 2008; Aidis & Sauka, 2005). Aside those arguments, other scholars see regulations as devices that protect the private interests of industry incumbents (Smith, 1905; Olsen, 1965; Stigler, 1971) or the regulators (Bhagwati, 1989; Kruegger, 1974; Shleifer & Vishny, 1997; Djankov et al., 2002), and hence restrict full market participation by all entrepreneurs.

Other constraints to the development of entrepreneurship are land and infrastructure development. Ghana, by tradition, has no private land ownership, and that land is a public domain and controlled by local chiefs (Mensah-Bonsu & Jell, 2011). The difficulty in initiating change stem from the fact that there is legal and judicial recognition of such customary claims to land and community membership tend to reproduce layered claims to land and recurring disputes over custom and historical precedent (Berry 2009, p. 1351). Mensah-Bonsu & Jell (2011) talks about the difficulty and risk involved in owning a land, as the property might be sold to more than one person. Hence, entrepreneurs whose activities depend on investment in manufacturing that requires investment in machinery and construction of permanent structures face the risk of losing their investments (Mensah-Bonsu & Jell. 2011). In consequence, the World Bank's Doing Business Analysis 2011 ranks Ghana 151st out of 183 countries when it comes to ease of dealing with construction permits (World

Bank, 2010). Furthermore, Mensah-Bonsu & Jell (2011) argue that the main problem areas in terms of public capital to entrepreneurship are inadequate electricity and road network. In view of this, companies such as high tech companies, as well as manufacturing firms whose activities depend mostly on constant supply of electricity may not thrive in this environment. In this wise, for example, VALCO, a company that could have processed bauxite mined in Ghana, has to import the raw materials from Jamaica for its activities. They further argue that, the road network is so bad that most of the productive parts of the country are not connected by pliable roads, and hence increase the cost of transporting goods by 15% (Mensah-Bonsu & Jell, 2011).

Within this contextual background, several questions crop up, as per the following: (i) how are entrepreneurs in Ghana able to surmount the institutional challenges to their activities? (ii) how are the entrepreneurs able to ensure firm sustainability and in some cases opened up avenues for expansion in regions beyond the borders of Ghana to compete head-to-head for the same markets with companies from developed economies? Abebrese (2014) argues that these entrepreneurial firms are able to sustain, expand and grow their activities, and become competitive due to a strategic mindset formed and adapted to the business environment, that is non-linear, unpredictable, constantly emerging, fluctuating, and in a state of constant chaotic flux. So what strategies do entrepreneurs in a developing country context implement to establish themselves and sustain their activities amid institutional constraints. Therefore, this research explore (i) the institutional dimensions that affect entrepreneurs (ii) the roles institutions play to enable or constrain entrepreneurship in the Ghanaian context and (iii) if and how entrepreneurs develop resilience to survive and prevail within institutional constraints.

### *1.4 Research questions*

In light of the comprehensive review conducted through chapters three to six, and the important research issues generated, the following questions emerged.

**(1) What are the institutional arrangements that affect entrepreneurship?**

This question aims to explore the dimensions of the institutional arrangements from a phenomenological perspective, i.e. the level of lived experience. This question reflects

Bevan et al.'s (2004) important assertion that which institutions matter is an under-researched topic, the aim is to elicit rich, contextual, descriptive narratives of the institutional dimensions that confront entrepreneurship, from the perspective of the entrepreneur. The objective therefore is to obtain reflective accounts of what entrepreneurs perceive are the institutional arrangements that confront their activities. It is from these rich, contextual accounts that the research will work towards an emergent, bottom-top conceptualisation of the institutional profile of a developing country.

**(2) What are the roles of institutions in entrepreneurship?**

This question progresses from the first question in that the aim is to build a grounded understanding of how institutions constrain the activities of entrepreneurs. Thus, it explores the challenges faced by entrepreneurs by exploring the roles of institutions within entrepreneurship. This question arises from the perceived need to develop an interpretive, conceptual understanding of institutions as the rule of the game within entrepreneurship, based on a phenomenological inquiry of the *lived experiences of entrepreneurs*. This question is not driven by any theoretical preconceptions in that it is not intended to falsify or confirm theories surrounding entrepreneurship and institutions. Instead, it explores the extent to which institutions become the rule of the game for entrepreneurship. In view of this, the words of Meyer & Peng (2005) most closely resembles the theoretical assumptions behind this question, when they indicate that how institutions matter to entrepreneurship is still a topic under-researched, especially in the developing country context.

**(3) How do entrepreneurs develop resilience within institutional constraints?**

The aim of this question is to explore how entrepreneurs develop resilience within institutional constraints, from the lived experiences of entrepreneurs. This question is similar to Akande's (1994) important research on how entrepreneurs overcome constraints and successfully start and manage their businesses by overcoming constraints to their activities. In this sense, the objective is not to try and explore and introduce extant theories of resilience, instead, the research aims to interpret the elicit rich, contextual and descriptive narratives of how entrepreneurs operate their businesses within institutional constraints, and particularly, how they develop resilience to start, and manage their businesses within challenges posed by institutions. The purpose of this question is to explore how entrepreneurs think about and give meaning to their experiences. Specifically, it is important to understand how entrepreneurs responded to the institutional challenges they faced. In effect, the objective is to obtain reflective accounts of how participants survive institutional constraints, practical mechanisms they designed and implemented to prevent or recover from institutional constraints posed to their activities. These rich, contextual accounts will work towards emergent bottom-top conceptualisations of entrepreneurial resilience strategies within institutional constraints.

**(4) What are the relationships between institutions, entrepreneurship and resilience?**

This is an interpretive, theory-building question, and it is based on the insights developed based on the first three questions. It aims to work towards developing, reconciling and integrating the theories of institutions, entrepreneurship and resilience.

### *1.5 Research methodology*

To answer the four research questions, the author adopted a qualitative research design, informed by the phenomenological approach, as detailed in Chapter 6. This study attempts to draw meaning from the experiences, perceptions, expectations and memories of individuals in their real life experiences. This study neither intends to test any existing theory, nor use hypothesis or experiments. Instead it will use an extensive literature and qualitative data such as unstructured open in-depth interviews so as to drill down into the nature and effect of the phenomenon as understood by the respondents. The interviews were guided by an interview protocol and a case study was created for each entrepreneur, to increase the robustness of the research. The data was manually coded, and multiple analytical techniques were adopted, using constant comparative analysis (Benton 1991; Morgan 1993), supported by the analytical techniques outlined by Strauss & Corbin (1998), as well as those of Giorgi (2008) and Colaizzi (1978). This is consistent with Colaizzi's (1978) view that steps in analysing phenomenological data should be viewed flexibly and freely, as this maintains the robustness of the analysis.

Regarding the sampling selection, the whole study is based on a sample of thirty-four (34) respondents. The study mainly used purposive sampling to recruit respondents. Respondents were chosen from the three major cities of Ghana, Accra, Kumasi, and Sunyani. These areas were chosen because traditionally they have a high density of entrepreneurial activities. Other respondents were chosen from Aberdeen, UK, and an Indian who have established businesses in Ghana, to triangulate the data with those of the indigenous entrepreneurs. The major unit of study is the entrepreneur as a founder in three contexts, within a new firm, an established firm as well as an embryonic firm. The cases were drawn from different industries and cities. Some of the respondents have been successful entrepreneurs, others were novice, a few have incubated their ideas and yet to launch, while the rest had both tried and failed or tried and failed but were trying again. The resulting sampling showed relative heterogeneity in terms of nationality, industry and location of business.

### *1.6 Summary and outline of this study*

This thesis is designed to work towards an integrated conceptualisation of entrepreneurial resilience strategies within institutional constraints. The first part of the thesis developed the literature review and the methodological approach.

Chapter Two situates the study in the context of the study, i.e. Ghana. It creates awareness and understanding of the socio-economic, as well as the entrepreneurial environment of Ghana.

Chapter Three examines two of the three analytical concepts of the study – entrepreneurship and institutions. Thus, the chapter examined the focal topic of this thesis, the entrepreneurship concept and further aligns the entrepreneurship concept with institutional theory, which forms the basis of analysis in this study. Emphasis was mostly placed on North and Scott’s perspectives of institutions. The chapter therefore grouped the elements of these perspectives under Scott’s (1995) three institutional structures – regulatory, normative and cultural-cognitive institutional structures, which laid the foundation for the review of the relevant literature. Thus, Chapter Three provides a guide and the basis to the researcher in the relevant literature review sections in Chapters Four and Five.

Chapters Four and Five comprise the literature review. Chapter Four discusses the roles of institutions in entrepreneurs and suggests seven ways by which institutions become the rule of the game for entrepreneurship. The chapter creates the impression that institutions are the embodiment of entrepreneurship, and as such entrepreneurship cannot thrive without institutions. Chapter Five therefore examines how entrepreneurs develop resilience when faced with adversity, such as institutional constraints. The chapter enumerated several strategies that entrepreneurs may adopt to either prevent or rebound from constraints. The argument suggests that although institutions exert a strong influence on entrepreneurship, entrepreneurs are able to design mechanisms to mitigate the effects of institutional constraints on their activities. Chapter Six gives an account of the ontological and epistemological stance taken in this study, which underlies the phenomenological approach taken for this study. The chapter further outlines the methodology and research design, setting out how the phenomenological interpretive approach adopted will be applied. It explains and justifies the phenomenological methods and techniques used in collecting and analysing data. The chapter concludes with a section on the critical reflection of the methodological approach, as well as the ethical issues considered in this research.

Chapter seven reports the data as well as the analysis of the interview data. It sets out the initial categorisations of the institutional arrangements that confronts entrepreneurs in the context of the study – regulatory, normative and cognitive-cultural institutional structures - that emerged from the interview transcripts before moving on to explore the roles of the institutional dimensions in entrepreneurship in chapter eight. Thus, while chapter seven presents the institutional profile of Ghana, chapter eight presents the roles of institutions in entrepreneurship.

Chapter nine suggests entrepreneurs adopt several strategies to develop resilience within institutional constraints. The chapter concludes that entrepreneurs either adopt preventive or reactive strategies to develop resilience against institutional constraints.

Chapter ten brings together the primary issues and conclusions drawn during the research into an integrated fashion, thereby working towards a conceptualisation of entrepreneurial resilience strategies within institutional constraints. The chapter focused on the institutional profile of Ghana for entrepreneurs, as well as the roles of institutions in entrepreneurship and then vied into the resilience strategies developed to mitigate institutional constraints. Research issues that may require further theoretical development and additional field research are indicated, as well as several managerial and policy implications.

### *1.7 Defining the quest*

This study was born out of the researchers experience as the son of an entrepreneur and a member of a family-owned business, whose sustainability was threatened by the institutional framework of Ghana. The researcher recollects how his father had to pay bribes before getting government contracts; how his father was denied government contracts because he was not part of an existing political party; how his father had to ran away from home for so many days because he was wanted for arrest by the Bureau of National Investigation for being an entrepreneur; how government contracts were taken from his father without any compensation or recourse for due process of law; how payments for government contracts were not honoured on time, which eventually ended in their landed property being taken over by the Bank; and how eventually the unfavourable and unsupportive institutional environment led to the collapse of the family business. Consequently, the researcher is consciously aware of the experiences of entrepreneurs within the developing country context and how the institutional framework shapes their activities. The questions on the researcher's mind, what are the institutions that affect entrepreneurship in Ghana; what roles do these institutions play in entrepreneurship; and how do entrepreneurs survive and still manage to grow their businesses within this hostile environment?

It could however be that the researcher's father's experience could be only a retold story of the observations made by the researcher, which may not be a true representation of how the institutional framework influence the activities of entrepreneurs or it could be that other entrepreneurs who have lived within the same institutional context in different parts of Ghana would have a different experience than that of the researcher's father. Obviously researcher bias was a major risk that had to be taken into account and overcome, notwithstanding the significance of the research questions. Thus, pains were taken to remain open minded and to be as objective as the subjective methodology allowed. This is why the phenomenological methodology was adopted, as the researcher wanted to make sure that the live experiences of entrepreneurs are captured. It was however a daunting tasks, as there were no clues whether respondents' stories would shed any light on the research questions that drove this inquiry. The fundamental issue was whether any theoretical appreciation of entrepreneurial resilience development strategies would emerge from the data. This issue was addressed by adopting a middle line between the informal conversational interview and general interview guide approaches suggested by Patton (2002). This ensured that relevant empirical data was produced by the respondents' stories, anecdotes and narratives. Ultimately, the rich and detailed data obtained has been very useful in achieving the aim of this research. The use of open-ended unstructured interviews helped to capture the perspective of the participants to achieve the objectives of this study.

# Chapter Two: Ghana as the context of study

## 2 Introduction

The purpose of this chapter is to situate and describe Ghana as the context of the study. Context is important because it is context that shapes, even determines the nature and processes of national institutions. The chapter is organised as follows: First, Section 2.1 examines Ghana before liberalisation, liberalisation of the economy, as well as the growth of the Ghanaian economy. Sections 2.2 and 2.3 examine the sectoral composition of Ghana's economy and the structure of employment respectively. Sections 2.4 and 2.5 then move the focus to private sector growth and competitiveness, as well as describing the nature of SMEs and the motivations of entrepreneurs respectively. Section 2.6 provides the summary of this chapter.

### *2.1 Brief profile of Ghana*

As shown in Figure 2.1, Ghana is located in West Africa, bordered by Ivory Coast to the West, Burkina Fasso to the North, the Gulf of Guinea to the South and Togo to the East. The name Ghana means “Warrior King” (Jackson & Rashidi, 2001, p. 201), derived from the Ancient Ghana Empire. The country of Ghana comprises of a total land area of 238,538 $km^2$, made up of ten (10) regions and 138 districts. While English is the official language, there are 9 other government sponsored languages[1]. Life expectancy is about 60 years for men and 62 years for women. The main export products are gold, cocoa, timber, tuna, bauxite, aluminium, manganes ore and diamonds. Christianity is the largest religion, and is mostly concentrated in the Southern areas and part of the Northern regions, whereas Islam is widespread in the North. A declining percentage of the population practice traditional African religions (International Religious Freedom Report, 2009).

[1] English is the country’s official language and predominates in government and business affairs. It is the standard language used for educational instruction. Nine other native languages have the status of government-sponsored languages – Akan, Ewe, Dagomba, Dangme, Dagaare, Ga, Gonja, Kasem, and Nzema. It should be noted that, ehnic groups from the South-East of the Volta Region, the *Ewe* speaking tribes have high levels of literacy but are mostly employed by government, while the Ashantis with comparatively low level of literacy are mostly self-employed.

Ghana was the first place in sub-Saharan Africa where Europeans arrived to trade in gold and later in slaves. Ghana was also the first colonial territory in the Sub-Saharan Africa to achieve political independence from British Colonial rule on 6$^{th}$ March, 1957, and became a republic on 1$^{st}$ July, 1960. Ghana is a constitutional democracy, with a unitary system of government, with Accra as the administrative capital. In spite of independence from Britain, Ghana has had a checkered political history, in that its early years of political independence was beset with one-party system through political instability, but has drifted towards a multiparty system in recent years. Ghana is a multi-party democracy, with a unitary system of government and a parliamentary constituency under the 4$^{th}$ Republic Constitution, since 1992. Since 1992, there have been a number of democratic changes, which make Ghana the first African country to transfer political power to the opposition, following peaceful elections (Teng-Zeng, 2009).

**Figure 2.1 Map of Ghana**


Base 803137AI (G00183) 5-07

### 2.1.1 Ghana prior to liberalisation

Ghana, prior to the adoption of liberalisation policies in 1983 witnessed poor economic growth performance. Although the highest economic growth performance (after independence in March 1957 and before liberalisation policies in 1983) of 7.2% occurred in 1970, economic growth performance for most periods was poor. For example, the years 1964 to 1966, 1968, 1972 to 1973, 1975 to 1976, and 1979 to 1983, saw Ghana with negative real GDP per capita growth with the lowest of -14.5% occurring in 1975. This result was mainly due to the adoption of Import Substitution Industrialisation (ISI) policies coupled with successive political instability, disinvestment, total factor productivity slowdown, and the deep economic crisis that occurred in the mid-1970s. Moreover, there were conflicts in policy objectives and a number of trade control regimes and instruments (high tariffs, stringent quota restrictions, export restrictions, foreign-exchange restrictions, and high black-market premium) that resulted in exchange rate and balance of payment problems. For instance, it was expected that a policy to expand the manufacturing base through ISI would automatically be accompanied by an increase in manufactured exports (and therefore a diversification of export) supported by an effective export promotion package (Aryeetey et al., 2000). Unfortunately, the export incentive package was ineffective resulting in drastic decline in export performance. The conclusion drawn from the poor performance of the economy during the greater part of the pre-liberalisation period is that, the policies that were implemented were inappropriate and inadequate (Sakyi, 2010). The need for alternative policies that could turn the economy of Ghana around became evident, as in particular the ability of developing countries to receive financial assistance from the World Bank, IMF and other bilateral and multilateral institutions routinely became conditional upon the adoption of liberalisation policies (Edwards, 1993; World Bank, 1998; Remmer, 2004). For these reasons, Ghana undertook a broad range of economic reforms (Rodrik, 1999) launched on the basis of liberalised policy regime that began with the World Bank and IMF sponsored Structural Adjustment Programme in 1983.

### 2.1.2 Liberalisation of the Ghanaian economy

The liberalisation process saw the removal of distortions in the foreign exchange market, trade restrictions and corrected structural and macroeconomic imbalances, which were believed to have caused the economic decline (Sakyi, 2010). The continued liberalisation of markets and the abolishing of trade barriers changed the competitive environment for indigenous firms wherein the barriers that segmented national and international markets have been broken down (Etemad, 2004). Included in the liberalization were policies to open up the economy to increase competition, narrow the gap between the official and parallel exchange rate to provide foreign exchange to ease import strangulation with the objective of increasing output, particularly in the export sector, abolish quantitative trade restrictions, adjustment and overhaul of the tariff system, abolish non-traditional exporters foreign-exchange receipts to the Bank of Ghana. Further, the policy reforms moved to deregulate and cut the size of the public sector, and privatise many public enterprises through divestiture and other institutional reforms (Awal, 2012).

### 2.1.3 Growth of the Ghanaian Economy

After initiating the comprehensive structural adjustment program in close cooperation with the World Bank and IMF in 1983, the Ghanaian economy reached a relatively stable economic growth with a GDP growth rate of 4 - 4.5% per annum in the mid-1990s. Ghana emerged during the 1990s as a model of free-market innovation in Africa (Dordunoo & Dogney, 2002 ). However, in the early 2000, the statistics pointed to an economy, and was “well within the category of the Highly Indebted Poor Countries (HIPC) as defined by the World Bank” (Hutchful, 2002, p. 217; Killick, 2001). The resurgence of patronage politics and the challenging uncertainties and difficulties in macroeconomic policy management that marked much of the Rawlings NDC governance (Gyimah-Boadi, 2001) created many economic distortions, rigidities, and imbalances. Dordunoo and Dogney (2002) attribute this to the failure of the private sector to take over the functions previously carried out by government and parastatal enterprises. Consequently, the economy, in the words of Frimpong-Ansah (1996, p. 12):

> *"…has fallen predatory to a coalition of ever-enlarging revenue-hungry government, political adventurers, profit-seeking pseudo-political business persons, price conscious consumers and politically oriented Non Governmental Organizations (NGOs) …[who] have had little understanding of, or sympathy for, the structural handicaps inherent in an unproductive and fragmented developing economy such as Ghana's and have demanded excessive rents to finance the interests of the coalition under many guises, such as development, national interest, security, education, etc"*.

This capture of the economy, and the accompanying fiscal expansionary policies, demand pressures, and the unfavorable external economic environment (Youngblood & Franklin, 2008) combined to create by the year 2000 an economy that marginally sustained a growth rate of 3.7% - the lowest since 1991; inflation in excess of 40%; a fiscal gap of 9% of GDP; interest rate in excess of 50%; total debt stock in excess of 190% of GDP; and a less than one month external reserve standing (GoG, 2001; ISSER, 2001; CEPA, 2010). However, by the end of 2004, a certain measured level of stability and recovery had been restored (ISSER, 2005). The Finance Minister (2004), *"… the target we set ourselves over the period, were in the main achieved, and have led to a stable economic environment, with reduced inflation, lower interest rate, a relatively stable currency and a strong external reserve position"* (GoG, 2005). For instance, there was a higher recovery rate in GDP growth rate; 5.8% in 2004 as against the 3.7% recorded in 2000 (GoG, 2005; ISSER, 2005). The significance of this recovery – relative to the years preceding 2001- was the fact that, it appeared to represent a sector wide improvement (Sakyi, 2010).

This moderately spectacular recovery and achievements, gained through commitment to structural reform, prudent economic policy management, aided by increased foreign remittance and the fiscal space generated by debt relief, - under the HIPC initiative - placed Ghana, on the path to more accelerated growth and poverty reduction. The economy generally, by the close of 2004 appeared, in the main, robust, and ready for a take-off (ISSER, 2005). With the HIPC initiative, Ghana attained a B+ sovereign credit rating, a beneficiary country by the US Millennium Challenge Account Corporation and the Chinese government also stepped in to provide low-interest and concessionary financing possibilities for the government. For example, by the close of 2007, Ghana was able to *"…secure the financing for its $ 622 million Bui hydroelectric dam from China, with China providing a $292 million buyers credit facility from the Export-Import Bank and a $ 270 million concessionary loan and the Ghanaian government contributing the remaining $60 million*" (Whitfield & Jones, 2009, p. 212).

Further, on the basis of the emerging qualifying improvements in macroeconomic fundamentals, the government in 2007, issued Ghana's first ever sovereign credit bond in the London Stock Exchange – the first post-HIPC country to access the international capital market (Whitfield & Jones, 2009, p. 211), which was oversubscribed in excess of $3 billion (GoG, 2008). Consequently, the economy accelerated to a growth rate in excess of 6.2%, by 2007, and by the close of 2008, the economy was reported to have expanded to 7.3% (CEPA, 2007; IMF, 2009). In real nominal GDP terms, the economy expanded to US$16.3 billion from its low of US$3.9 billion in 2000 (Bob-Milliar & Bob-Milliar, 2010; ISSER, 2010).

With a GDP per-capita around US$1200, Ghana appeared to be on a new growth plateau. This recent expansion of an economy that was in the death throes of a profound fiscal and economic crisis by 2000 was historic and significant. Such a historic acceleration of growth, it is argued *"must bring with it fundamental changes to the structure of the economy and institutions"* (World Bank, 1993, p 1). For sure, noticeably the Ghanaian economic recovery, by the close of 2008, appeared to have extended beyond the growth of the economy. Indeed, infrastructural developments, public and private capital investments, and a relatively effective emerging regulatory framework have become visible pillars of the 'new' economy (Awal, 2012). However, in spite of these positive developments, the Ghana economy also faced and recorded some challenges and major reversals. By the end of 2008, the challenges of the global slowdown and fiscal laxity, caused the economy to record a historic fiscal deficit of 14.5% of GDP; a national debt stock of 52% of GDP; inflation rising to 20%; a 50% depreciation of the national currency against the Dollar; and a little over two (2) month gross reserve cover from its high of four months in 2005 (GoG, 2009; CEPA, 2010; IMF, 2009). On this fiscal and macroeconomic deterioration, ISSER (2009, p. 2) notes that, *"Ghana is obviously still struggling with how to get the best out of public expenditures in order to achieve sustained growth without jeopardizing macro-*

*economic stability".* Several scholars attribute this to macroeconomic reversals and fiscal challenges, which result from growing indebtedness resulting from the contracting of commercial loans in the international credit market, and local-currency government denominated bonds, raised Ghana's public debt sustainability profile to very worrying levels (CEPA, 2009). This worrying trend presented Ghana as an emerging post HIPC country "…that is fallowing a path back to high indebtedness soon after having the bulk of its original debt cancelled" (CEPA, 2009, p.5). This called into question the government's capacity for sustainable economic management.

Hence, according to AFDB (2014), Ghana's growth in 2013 decelerated to 4.4%, lower than the growth of 7.9% in 2012. Furthermore, following an expenditure overrun in 2012, budget deficit was around 12% of G.D.P, which run through 2013. The Government's objective to reduce the fiscal deficit to 5% of GPD was missed by a significant margin. Thus, the overall fiscal balance (including grants) in 2013 shows a lower deficit (10.1% of GDP) than for 2012 (12% of GDP), which is the worst ever (ISSER, 2012). It is also worth noting the rise in public debt from 43% of GDP in 2011 to 48% in 2012, and further to 53.5% in September 2013, resulting from a widened budget deficit. Tax revenue, as a percentage of G.D.P decreased from 17.37% in 2011 to 17.24% in 2012.The end-of-inflation rate in 2013 was 13.5% compared to 8.8%in 2012, and the Cedi depreciated by over 20% (ISSER 2012).

### *2.2 Sectoral composition in Ghana's economy*

Ghana's sectoral structure after independence was typical of many postcolonial countries. A small proportion of the population was involved in the higher-productivity formal sector, with the majority of the population in low-productivity agricultural or informal nonagricultural activities (Andrae, 1981). Agriculture dominated the economy in terms of contributions to GDP and employment. Exports were typically primary agricultural or mining products, and most nonagricultural consumer goods were imported (Andrae, 1981). While agriculture typically contributed between 40 and 50 percent of GDP in the early postcolonial period, it rose in importance in the late 1970s and early 1980s, reflecting the decline of Ghana's industry sector during this period.

During the sustained growth that followed the Structural Adjustment Programme and the Economic Recovery Programme, the contribution of the industry sector recovered from a low of 7 percent, but its contribution to GDP did not exceed 26 percent. Recently, the share of the industrial sector has fallen from 20.8 percent in 2006 to 18.6 percent in 2010. The contribution of mining and of electricity and water has remained fairly constant at around 21 percent and 10 percent of industry GDP, respectively. Although in most countries, manufacturing growth has led structural transformation, in Ghana the share of manufacturing in its industrial GDP has declined from more than 36 percent to less than 30 percent. The most dynamic and largest subsector in Ghana's industrial sector is construction, which is generally non-traded and has much weaker linkages with the rest of the economy than manufacturing. Construction growth has been driven primarily by an urban housing boom and infrastructure developments (Kolavalli et al., 2012).

Manufacturing in Ghana is dominated by agriculture-related activities, including food and wood processing and textiles, which accounted for more than 60 percent of manufacturing GDP in 2007 (Breisinger et al., 2011). The average annual growth rate in manufacturing has been only 3.2 percent between 1994 and 2010, the lowest among Ghana's industry subsectors. Many factors have contributed to the poor performance of Ghana's manufacturing subsector, including high labor costs, high costs of electricity and raw materials, and both imported and domestically produced obsolete machinery (Yusof, 2010).

With recovery in the nonagricultural sectors after 1983, the contribution of agriculture to GDP has gradually declined to about 30 percent between 2006 and 2009. The contribution of the service sector to GDP was relatively stable in the entire postcolonial period, accounting for 50% of GDP in 2006. Between 1994 and 2010, the service sector grew most rapidly in GDP, with an annual growth rate of 5.9 percent as compared with 5.0 percent and 4.4 percent for industry and agriculture, respectively (GSS, 2011). Indeed, service is a rapidly growing sector for Africa as a whole, at 2.2 percent per year between 1980 and 1999, compared with overall GDP growth of 2 percent (Yumkella et al., 1999). Ghana's recent growth has increasingly concentrated in the non-tradable part of the economy, including non-tradable industrial sectors such as energy and construction, a warning symptom of the Dutch disease and real exchange appreciation (World Bank, 2009).

Between 2006 and 2010, the share of Agriculture and Industry sectors to GDP declined by 18.1% and 12.8% respectively, whilst the contribution of the Services sector climbed by 32.4%. However, in 2011 the structure of the economy changed with the significant growth of the industrial sector from 5.6% in 2010 to 36.2% largely due to commercial oil production. The contribution of the Oil sector to this significant growth was 41.2% whilst the Non-Oil sector contributed 58.8%. Electricity production is projected to grow at 13.7% and Construction at 17.0%. The Manufacturing subsector which is key for job creation has declined in performance and is projected to grow at a slow pace of 1.7% as a result of competition from imported goods without any corresponding tax incentives for locally manufactured goods (Kolavalli et al., 2012).

### *2.3 Structure of employment*

Despite relatively rapid agricultural labor exit rates, Ghana's employment is still dominated by the agricultural and rural sectors (World Bank n.d). It is true that most employment data in Sub Saharan African countries are questionable, given that agricultural production is often not a full-time job, and small-scale self-employment in nonagricultural activities is unlikely to be covered by employment statistics. Nevertheless, a gradual but steady decline in agricultural employment is apparent, as well as a corresponding increase in employment in services from 22 percent in the 1960s to just over 30 percent between 2000 and 2006. Employment in industry has been fairly constant, fluctuating between a low of 10 percent between 1994 and 2000 and a high of 17 percent between 1973 and 1983. It is currently around 14 percent, reflecting the relatively small and fluctuating role of industry in GDP (Kollavalli et al., 2012).

Nonagricultural self-employment is difficult to estimate. According to Ghana Statistical Service (GSS, 2007), 34 and 38 percent of households had income from nonagricultural self-employment in 1998/99 and 2005/06, respectively. Considering rural households only, the shares were 30 and 34 percent, respectively, in these two time periods. Except for in large cities such as Accra and Kumasi, where 40 and 49 percent of households, respectively, have wage income from employment in the formal sector (private or public), opportunities for participating in formal-sector economic activities are small. Overall in the country, the share of the informal sector in total employment is estimated to be around 80 percent and is characterised by relatively high labor market flexibility and high employment insecurity (World Bank n.d.). This is a pattern common to many countries in Sub-Saharan Africa (Kingdon et al., 2006).

Between the 1980s and 1990s, Ghana experienced a sharp decline in public-sector employment and an increase in informal-sector employment. The decline in public-sector employment can be explained by structural adjustment that resulted in public-sector retrenchment and withdrawal of subsidies to loss-making public enterprises, while increases in informal-sector employment are linked to lack of job creation by formal industrial sectors. In common with other Sub-Saharan African countries, employment in Ghana has lagged behind growth in the working population: between 1984 and 2000, the labor force grew by 5.8 percent per year, economic growth averaged 4.5 percent per year, and employment in the formal sector grew at 3.1 percent (World Bank, n.d). Ghana's informal sector has absorbed much of the increase in labor supply such that recorded rates of unemployment are low (Kingdon et al., 2006). The unemployment rate has, however, increased from a low of 0.8 percent in 1988/89 to 10.4 percent in 2000; and self-employment rate has increased from 62.7% to 73.5% (ISSER, 2006). Unemployment rates were highest in Accra, at 16.6 percent. In contrast, unemployment in rural areas is much lower, at 5.5 percent. Ghana's relatively high level of unemployment among its most skilled labor force supports other evidence that Ghana does not have a relative skills shortage (Lejarra, 2010). Between 1984 and 2000, the total labor force participation rate dropped from 82.5 percent to 74.7 percent, reflecting an increase in the share of economically inactive population. In part, this change may be due to people continuing into higher education, as educational institutions offer free board and lodging in addition to free education, suggesting that individuals are being pushed into education because of a lack of economic opportunities (Aryeetey & Baah-Boateng, 2007).

### *2.4 Private Sector growth and competiveness*

The role of the private sector is crucial to the national development agenda to accelerate the growth and transformation of the economy. The Ghana Government adopted a Private Sector Development Strategy document in January 2004 to address the numerous constraints facing the sector and to support it to serve as the true engine of growth of the economy. Analysis of enterprise characteristics in the private sector indicate that micro-enterprises constitute 55 per cent of all manufacturing businesses in Ghana and employ only 15 per cent of the persons engaged in the sector. Small scale enterprises, including micro-enterprises comprise 96 per cent of all manufacturing businesses in Ghana and employ 53 per cent of persons engaged in the sector. Medium-scale enterprises constitute only 3 percent of manufacturing businesses but employ 13 per cent of persons engaged in the sector. Large-scale enterprises constitute only 1 per cent but employ 34 per cent of all persons engaged in the sector. Most businesses in Ghana are registered as sole proprietorships (World Bank, n.d).

Critical bottlenecks which hamper private sector competitiveness and accelerated growth include complexity and non-transparency of the regulatory environment, limited access to long-term credit facilities, inadequate physical infrastructure, ineffective capacity of businesses, inefficient business support services and non-accrual of benefits of private sector development initiatives to micro enterprises and informal sector. Macroeconomic policies regarding taxes and levies, trade and exchange rates, interest rates, and pricing have significant impact on private sector competitiveness both locally and internationally. However, the removal of constraints in these areas and enhancing the capacity of private businesses to take advantage of the national and global trade and investment opportunities continue to remain major challenges for the economy (Dzisi, 2008).

### *2.5 SMEs in Ghana*

Generally, there is no accepted worldwide definition of SMEs (Hooi, 2006; Omer & Ismail, 2009). For instance, in Malaysia, the definition of SMEs is mainly based on annual sales turnover and total number of full time employees (Hashim & Abdullah, 2000). According to SMECORP, enterprises that employ between 50-150 full time employees are considered as medium while those that employ between 5-50 are called small and less than 5 are considered as microenterprises. In the European Union, SME is made up of enterprises which employ fewer than 250 persons (micro 1-9; small 10-49, medium 50-249) and which have an annual turnover not exceeding 50 million Euro, and/or an annual balance sheet total not exceeding 43 million Euro (EU, 2005)[2]. While in the USA, the employment size threshold is 500 people, with small firms employing 100 people (SBA, 2009)[3]. However, in Ghana, the National Board for Small Scale Industries (NBSSI) defines a small-scale enterprise as a firm with not more than 9 workers and has a plant and machinery (excluding land, buildings, and vehicles) not exceeding 10 million Ghanaian Cedis in value. The Ghana Statistics Service (GSS) considers firms with fewer than 10 employees as small-scale enterprises and their counterparts with more than 10 employees as medium and large-sized enterprises. SMEs and micro-businesses constitute the vast majority of businesses in Ghana. For example, 85% of manufacturing enterprises are in the category of 0-9 employees and a further 11% in the category of 10-29 employees. Another perspective is that 68% of the labour force consists of self-employed with no employees and 5% self-employed with employees. Further, the informal sector is estimated to employ 80% of the total workforce. Hence, most jobs and businesses are in the one-person self-employed businesses with no employees. This structure may act as a growth constraint on the economy since it is highly unlikely that growth oriented firms will emerge from the informal one-person business, mainly concentrated in sectors such as small-scale manufacturing, distributive trades, and farming.

A high proportion of SMEs are female-owned businesses and mostly home-based. The informal nature of most businesses affects their chances of accessing financial resources or schemes, and potential growth of these businesses. The primary sources of funds for these businesses are informal sources, family and friends, and micro-credit schemes operating in Ghana. Further, even small-scale registered firms find it

[2] See http://ec.europa.eu/enterprise/policies/sme/facts-figures-analysis/sme-definition/index_en.htm for a discussion of the EU definition and its implementation.

[3] See http://www.sba.gov/advo/research/sb_econ2009.pdf for a discussion of SMEs in the USA and a discussion of latest developments

difficult to access financial schemes, due to high interest rates of over 28%, and collateral of 2 to 3 times the money borrowed.

Moreover, most surveys indicate that many registered SMEs in Ghana suffer from low levels of management capacity in planning, strategy, human resource development, financial management, international awareness, quality standards, and the ability to compete for public contracts. There is also the difficulty in building the basic infrastructure for business development because of problems in accessing suitable land, affordable premises, and reliable electricity supply, telecommunications and internet connections, appropriate machinery, and suitable trained and qualified labor, source of information, know-how and R&D. Other constraints include the dominance of the distribution channels by a few channel players, and the prevalence of corruption and red tape within the trade related infrastructure (Mensah-Bonsu & Jell, 2011). In spite of these constraints, many Ghanaian entrepreneurs are still motivated to start their own businesses.

### *2.6 Motivation of entrepreneurs*

Benzing et al., (2009) in their study of entrepreneurs in Turkey, presented a comparative result of extant research on entrepreneurs' motivating factors in different countries. For example, they stated that Swierczek & Ha (2003) in their study of Vietnamese small business owners found that challenge and achievement were more significant motivators than necessity and security. In Romania, income and job security needs were stronger motivators than self-satisfaction and personal needs (Benzing et al., 2005). On the other hand, entrepreneurs in India were most strongly motivated by the desire for autonomy and then to increase their income (Benzing & Chu, 2005). In Turkey, entrepreneurs are motivated to start their own business so they could provide security for themselves and their family and to increase income (Ozsoy et al., 2001). Benzing et al., (2009) also presented research results from African countries. Ugandan entrepreneurs are motivated by "making money" (Bewayo, 1995). A study of entrepreneurs in Kenya and Ghana (Chu et al., 2007) found that the strongest two motivators were to increase income and to provide employment for themselves. Roy & Wheeler (2006) found that microenterprise owners in West Africa were motivated by a desire to satisfy basic psychological needs - food and shelter.

### *2.7 Summary*

This chapter provided a description of Ghanaian context within which to address the research problem enumerated in chapter 1. The nature and the evolution of the Ghanaian economy were introduced and this was followed by a brief overview of the private sector growth, competiveness and constraints to private sector growth. The characteristics of SMEs, the criteria used to classify businesses as SMEs, from developing countries to developed countries, were identified. The chapter also highlighted the typical characteristics of entrepreneurship as a one-person business, before discussing motivation. The Chapter highlighted the conditions of pre-liberalisation Ghana and the liberalisation of the Ghanaian economy. This was preceded by a detailed description of the growth of the Ghanaian economy post liberalisation. The sectoral composition of the Ghanaian economy was reviewed, and the chapter highlighted the shift in the structure of the employment and economy from agrarian to the services sector. This context sets the stage for understanding the role of institutions in entrepreneurship, and how they are understood by entrepreneurs in Ghana.

# Chapter Three: Developing the theoretical framework of this study

## 3 Introduction

This chapter reviews the extant literature on the entrepreneurship concept and institutional theory, which form the analytical foundations of this thesis. Section 3.1 discusses the entrepreneur and entrepreneurship, while section 3.2 discusses entrepreneurial behaviour and opportunity recognition. Section 3.3 reviews the literature on the institutional theory, while section 3.4 presents the meaning of institutions as well as North and Scott's perspectives on institutions. Chapter 5 will cover the concept of resilience and the development of entrepreneurial resilience. The summary of this chapter is presented in section 3.5.

### *3.1 Entrepreneurs and Entrepreneurship*

The term *entreprennoure* is a French word whose use in the 18$^{th}$ Century corroborated by an entry in *Savary's Dictionnaire Universel del Commerce,* which meant a person who undertakes a project; a manufacturer; and a master builder (Hebert & Link, 2006). Contrary, Hoselitz (1960) argues that an earlier form of the word *entrepredeur* appeared as early as the 14$^{th}$ Century. Hebert & Link (2006) further report that in the sixteenth and seventeenth centuries, the term was used to represent government contractor, usually of military fortification or public works. However, according to Hebert & Link (2006), the frequent and obtrusive use of the term in its current form was by Richard Cantillon (1680-1734), an Irish-born French economist. Cantillon associated an entrepreneur with risk bearing, and hence engagement in economic activities, while Binks & Vale (1990) and other scholars associate the concept with a person, often as a business organizer, innovator and a profit seeker. However, the argument has been raised by Gartner (1989) that until the 21st Century Jean Baptiste Say's description of an entrepreneur was the only classic definition that had survived the test of time. Say described the entrepreneur as:

> *"an agent who unites all means of production and who finds in the value of the products…..the re-establishment of the entire capital he employs and the value of wages, the interest and the rent which he pays as well as the profits belonging to himself…..he thus, shifts economic resources out of an area of low productivity to an area of higher productivity* (Gartner, 1989, p. 57).

Bryant (2006) however reports of different perspectives of who should be regarded as an entrepreneur due to the ongoing debate about the nature of entrepreneurship. Brockhaus & Horwitz (1985) echo this view when they point out that the literature appears not to support any generic definition of an entrepreneur (Casrud et al., 1985; Sexton & Smilor, 1985; Wortman, 1985). In spite of the difficulty in finding a common definition of an entrepreneur, several characteristics have been used to describe the entrepreneur.

First, Schumpeter (1934) sees the entrepreneur as innovator. Schumpeter's perspective is embedded in the classical economists' theories' perspectives of Say and Marshall. Schumpeter saw the entrepreneur as the source of dynamic change in the economy, the *persona causa* of economic development (Herbert & Link, 2006). Schumpeter disputed the neoclassical economists' view of a perfectly competitive market by arguing that the market is a dynamic process driven by creative destruction caused by the entrepreneur's role as a destructive, disequilibrating force in the market. The dynamic market process was associated with *new combinations,* and therefore economic development and progress to innovation and distinguished the entrepreneur as the prime innovator (Coyne & Boettke, 2003). Several scholars perceive innovation as a functional characteristic of entrepreneurs (Brockhaus, 1982; Gartner, 1990; Hornady & Aboud, 1971; McClelland, 1961; Timmons, 1978). Nevertheless, the illustration of innovation as a necessary entrepreneurship element may not sufficiently circumscribe entrepreneurial behavior because of the broader parameters of the function (Dzisi, 2008). However, Carland et al., (1984) insist that the entrepreneur is distinguished with innovative behavior.

The second characteristic of an entrepreneur is the risk taking propensity. The first of these characteristics of an entrepreneur is the propensity for risk taking, the earliest identified trait. Richard Cantillon (1755) stressed the importance of the entrepreneur as an arbitrageur, who conducts all exchanges and bears risk as a result of buying at certain prices and selling at uncertain ones. Cantillon's entrepreneur is perceptive, intelligent and willing to take risks: his role is to bring the two sides of the market together, bearing all the risks involved in this process. Risk-taking propensity remains a key aspect of the entrepreneurial psyche as visualized by American researchers (Carland et al., 1995). To these researchers, risk-taking is a primary element of entrepreneurship. Hence, Liles (1974) for instance, suggests that entrepreneurs risk career opportunities, family relations, financial well-being and psychic-wellbeing. However, some studies have indicated no significant differences in risk-taking propensities for entrepreneurs as compared to the general population (Brockhaus 1980; Sexton & Bowman, 1983), but others have discovered a higher propensity for risk-taking among entrepreneurs (Carland et al., 1995).

The third characteristic of entrepreneurs is strong need for achievement (McClelland, 1961; McClelland & Winter, 1971). McClelland's (1961) study concludes that a high need for achievement would influence the self selection of an entrepreneurial position, defined as a salesman, management consultant or a business owner. Several subsequent studies have shown a positive relationship between achievement motivation and entrepreneurship (Begley & Boyd, 1986; Davidsson, 1989; Hornady & Aboud, 1971; Lachman, 1980). However, other scholars argue against the use of personality characteristics to predict who an entrepreneur or successful entrepreneur is (Gartner, 1988; Aldrich & Zimmer, 1986; Low & Macmillan, 1988). Accordingly, Low & MacMillan (1988, p.148) stress that entrepreneurs defy aggregation and the nature of their differences from non-entrepreneurs are unpredictable. In consequence, Okhomina (2010) assert that any attempt to profile entrepreneurs solely along the personality characteristics may be overly simplistic. Hence, other studies show that need for achievement is not the most important variable for predicting the likelihood of starting a business (Hull et al., 1980); and point out a connection between culture and the drive to achieve (Chell et al., 1991). To this end, Rauch & Frese (2000) point out that each enterprise is nested in either or all of the three specific environments - complexity, dynamic and munificence, which could aid or inhibit entrepreneurship.

Another perspective of an entrepreneur is that of a manager. Smith (1905) perceived the 'capitalist' as an owner-manager who combined basic resources – land, labour, and capital – into a successful industrial enterprise. Smith described how capitalists were essential ingredients to the growth and distribution of wealth in society (Dzisi, 2008). The general 'managerial capabilities' were required for success as an entrepreneur in the midst of the industrial revolution (Say, 1967 in Long, 1983, p.55), since there was no middle management in organizations and the entrepreneur had to fulfill these roles alone (Long, 1983). Leibenstein (1968) supports the idea that the entrepreneur must also be a manager. However, early economists' views such as those of Knight (1921) and Penrose (1959) argue that a manager and an entrepreneur differ, and a manager cannot become an entrepreneur until there is liability of error on the part of the manager (Long, 1983).

In addition to the above characteristics of entrepreneurs, many researchers (Baron & Shane, 2005; Birley & Muzyka, 2000; Buame, 2000; Butler, 2003; Jennings, 1994; Swedberg, 2000; Zimmer & Scarborough, 2005), in an attempt to explain who entrepreneurs are, have identified their following distinctive features. Entrepreneurs are individuals who make a difference (Baron & Shane 2005; Birley & Muzyka, 2000; Buame, 2000). They transform a simple, ill-defined idea into something that works. They have their own ways of dealing with opportunities, setbacks and uncertainties to '*creatively create*' new products, new services, new organisations and new ways of satisfying customers or doing business (Birley & Muzyka, 2000).

Importantly, entrepreneurs are the central figures in entrepreneurship, which has been described as an "intellectual onion": when you start to peel it apart, you are left with nothing and come away in tears. Seen thus, entrepreneurship is broad and wide ranging: the boundaries are fuzzy and may incorporate a number of disciplinary approaches (Anderson & Starnawska, 2008, p.1). In spite of this criticism, an attempt has been made to coin a broad and sweeping definition of entrepreneurship as the creation and extraction of value from an environment (Anderson, 2000), which is also criticized as too broad as to be almost undefined (Anderson & Starnawska, 2008). Thompson (1999) also describes the process of entrepreneurship as a managerial behaviour that consistently exploits opportunities to deliver results beyond one's own capabilities, although nobody agrees on what entrepreneurship is about (Thompson, 1999). Consequently, Anderson & Starnawska (2008) opine that the struggle in grasping the entrepreneurship phenomenon may be due to the different levels of analysis, purposes, theoretical perspectives and time approaches that have been employed in entrepreneurship research.

That notwithstanding, McElwee et al., (2006) argue that there is an enormous diversity in definitions in ways that people understand and use the notion of entrepreneurship. Shapero (1975) suggests that all the definitions and descriptions of entrepreneurship appear to include any human attempt to try something new (Jennings, 1994). Vanderwerf & Brush (1989) in their review of twenty-five definitions of entrepreneurship, point out that entrepreneurship has been defined as a business activity that consist of the intersection of the following human behaviours: first, creation, which is the establishment of a new business unit; second, general management, which is the managerial direction of or resource allocation for a business; third, innovation, which is the commercial exploitation of some new product, process, market, material or organisation; fourth, risk bearance, which is the acceptance of uncommonly high risk from potential losses or failure of business unit; fifth, performance intention, which is the intent to realise high levels of growth and (or) failure of a business unit; fifth, performance intention, which is the intent to realise high levels of growth and (or) profit through a business unit. In effect, Jaaskelainen (2000) comments that existing definitions of entrepreneurship relate to the functional roles of entrepreneurs, which include coordination, innovation, uncertainty bearing, capital supply, decision making, ownership, and resource allocation. Others such as Carree & Thurik (2005) indicate that entrepreneurship is a behavioural characteristic of a person which is exhibited at a certain phase of their career or only with regards to certain activities (Wennekers & Thurik, 1999). Drucker (1985) notes entrepreneurship as the process of extracting profits from new, unique and valuable combinations of resources in an uncertain and ambiguous environment. Further, Zahra & George (2002) define entrepreneurship as the act and process by which individuals, groups, societies, regions and (or) organisations identify and pursue business opportunities to create wealth.

It could be deduced from the above review of literature on the conceptualisation of the entrepreneur and entrepreneurship that entrepreneurship is essentially a behavioural characteristics of persons (entrepreneurs), which requires entrepreneurial skills and qualities on one hand, and the participation in a competitive process on the other hand. The implication is that entrepreneurship is not an occupation, but rather an exhibition of entrepreneurial behaviour in a given circumstance. This contention was intensified by Gartner (1989, p. 64) who explained that ‘the entrepreneur is not a fixed state of existence; rather entrepreneurship is a role that individuals undertake to create organizations’, through opportunity recognition (which is the catalyst for entrepreneurship).

### *3.2 Entrepreneurial Behavior and Opportunity Recognition*

Research on opportunity recognition - how opportunity recognition occurs, and how specific persons identify opportunities - focus on two categories, access to information (differences in search behavior) and cognition (differences in pattern recognition abilities and alertness) (Dyer et al., 2008). Prior research suggests that individuals may recognise opportunities to start businesses because they have superior access to information due to differentiated search behavior or social network. Thus, the more time one spends searching for and assimilating information, the greater the probability one discovers a new opportunity (Dyer et al., 2008). Kaish & Gilad (1991) find that entrepreneurs spend significantly more time searching for information through nonverbal scanning and in their off hours. However, there is a divergent research which argues that access to information may not explain thoroughly why some people are able to discover innovative new business opportunities, because, according to Shane & Eckhardt (2003, p.175) ‘opportunities are identified only when people formulate a new means-ends framework in response to that information.’ This view is contrary to the social network theorists' argument that the structure of one’s social relationships determines the quantity of information, the quality of information, and how rapidly people can acquire the information necessary to discover entrepreneurial opportunities (Aldrich & Zimmer, 1986; Marsden, 1983). Entrepreneurs may have superior access to information because they have larger and more diverse social network that provide the conduit for information, thereby allowing them to recognize opportunities (Dyer et al., 2008). However, Stuart & Sorenson (2007, p. 218) offer a caution with regard to interpreting a casual relationship between diverse social networks and opportunity recognition by saying, 'we should note that most studies of egocentric network structure and entrepreneurial activity examine aggregate data in which the researcher cannot distinguish the network effect on opportunity identification from its influence on resource mobilization...we consider the evidence to fall short of establishing stylized fact the idea that diverse networks...enhance opportunity recognition". Others including Anderson (2012) argue that it is actually the process of connecting matters, even creating the opportunity rather than just recognizing an existing opportunity.

But how does opportunity recognition occurs in the minds of entrepreneurs? First, Baron (2007) attributes pattern recognition to opportunity recognition in the field of entrepreneurship. Baron (2006, p. 171) builds on prior psychological research ( Sternberg & Davidson, 1995) by noting that pattern recognition involves 'noticing meaningful patterns in complex events, trends, or changes and includes: (1) recognising links between trends, changes, and events that appear, at first glance to be unconnected; (2) noticing that these connections form an identifiable pattern. However, there is difficulty in measuring pattern recognition capabilities in individual entrepreneurs, and secondly, there is little understanding of why some individuals have superior pattern recognition capabilities or the catalyst for pattern recognition (Dyer et al., 2008).

Secondly, Dyer et al.,'s (2008) study on entrepreneurial behavior and opportunity recognition suggests that entrepreneurs are more likely to recognise opportunities for new businesses because they are more likely to engage in observing and experimenting behaviors, and questioning when combined with any one of the three innovative behaviours (observing, experimenting, and idea networking). They further argue that these are all information-seeking behaviours that appear to give entrepreneurs superior access to information, a factor that is central to opportunity recognition. Baron (2004) reveals that opportunity recognition is an important part of entrepreneurship as it involves the use of entrepreneurs' cognition to perceive and imagine new markets and product than others (Katz, 2001; Kirzner, 1998).

Further, Endres & Woods (2003) argue that opportunity discovery is conditioned by the entrepreneur's "idiosyncratic prior knowledge". This view is supported by Shane (2000) who argues that:

*"Prior information, whether developed from work experience, education or other means, influences the entrepreneur's ability to comprehend, extrapolate, interpret and apply new information in ways that those lacking prior information cannot replicate" (p. 452)*

Lastly, Morrison (2000) comments that, considering the social action perspective, most human beings do not see the world through the same rational, ordered form as policy makers and academics. Weber (1976) argue that their world is intuitively shaped and interpreted through their own attitudes, attributes, behaviour and values at the interpersonal level (Parket et al., 1972). Hence people may behave differently in relation to the cultural levels, layers and context to which they belong (Hofstede, 1996).

Hence, the argument that entrepreneur's economic behaviour is embedded in the social context (Gartner, 1985; Zimmer & Aldrich, 1986). Accordingly, Buame (1996) asserts that the choices and decisions of entrepreneurs are made within social contexts. A view supporting Schumpeter's (1961) proposition that entrepreneurs would have to adapt to their institutional environment:

*"…the field of individual choice is always, though in very different ways and very different degrees, fenced in by social habits or conventions and the likes: it still remains broadly true that, within the circular flow, everyone adapts himself to his environment so as to best satisfy given wants….as best he can", (p.91*).

Schumpeter (1976) therefore explicates that potential entrepreneurial activities is everywhere; however the ability for entrepreneurs to exploit the opportunity is a function of the socioeconomic environment. Thus, over-regulation of any socio-economic system inhibits entrepreneurial activities. Coyne & Boettke (2003, p.5) therefore argue that the Schumpeterian entrepreneur will fail to carry out his functions without the appropriate framework to pursue the activities of innovation and leadership. This underscores Ayres theory of human nature which posits that man is a social product; hence man's beliefs, attitudes, and wants reflect the impact of the cultural environment and the social forces at work within the environment. Scott (2003) furthers this school of thought by highlighting that social behaviour and associated resources are anchored in rule systems and cultural schema (p.9). Hence, to develop a sound understanding of the entrepreneurship concept, it will be appropriate to combine "context and action". This calls for a theoretical orientation that broadens out unit of understanding, so that both theoretical and empirical studies are grounded in shared understanding (Anderson & Starnawska, 2008, p.11). Thus, the author proposes that the institutional theory offers the appropriate mechanisms in the study of both formal and informal institutional factors that affect entrepreneurship. The next section examines the institutional theory.

### *3.3 Institutional theory*

Institutional theory has been accorded prime attention in major disciplines- anthropology, economics, political science, psychology and sociology (Scott 1994, p. 55). Traditionally, institutional theory is concerned about explaining how some groups and organisations better secure their positions and legitimacy by conforming to the rules and norms of the institutional environment (Meyer & Rowan, 1991; Scott, 2008). Institutional theory is therefore about formal rule sets (North, 1990), *ex ante* agreements (Shepsle & Bonchek, 1997), less formal shared interaction sequences (Jepperson, 1991), and taken-for-granted assumptions (Meyer & Rowan, 1991) that organisations and individuals are expected to follow. These are derived from rules such as regulatory structures, governmental agencies, laws, courts, professions, but informally from scripts and societal and cultural practices that exert conformance pressures (DiMaggio & Powell, 1991). These institutions create expectations that determine appropriate actions for organisations (Meyer & Rowan, 1991), and also form the logic by which laws, rules and taken-for-granted behavioral expectations appear natural and abiding (Zucker, 1977).

Institutional theory is also concerned with clusters of moral beliefs (varies from society to society) that configure power. This broad concept is derived from Ayers's observations that institutions commonly share the attribute of designating authority, usually in a rank order or hierarchical system. Ayres further highlights that this authority is backed by sheer force, custom and (or) a cluster of morals (Ayres, 1952, p. 43). However, institutional theory is not only about cluster of morals, rather, as Veblen writes, institutional theory is concerned with "a usage which has become axiomatic and indispensable by habituation and general acceptance" (Veblen, 1967, p. 101). Institutional theory also deals with deeper and more resilient aspects of social structure, which includes processes by which structures, such as routines, norms, schemes, and rules become established as authoritative guidelines for social behavior (Scott, 2003).

Institutional theory is thus concerned with regulatory, social, and cultural influences that promote survival and legitimacy of an organisation rather than focusing solely on efficiency-seeking behavior (Roy, 1997), implying that institutional norms are not always economically logical. These institutional forces are identified in multiple works from sociology (DiMaggio & Powell, 1983, 1991; Roy, 1997) and organisational theory (Meyer & Rowan, 1991) to political science (Shepsle & Bonchek, 1997), and economics (North, 1990). The multidisciplinary perspectives of institutions give rise to different meanings of institutions to different scholars. Therefore, the fundamental question of what institutions represent is answered in the next section.

### *3.4 Meaning of institutions*

DiMaggio and Powell (1991) argue that institutions have disparate meanings in different disciplines- economics, politics, and sociology and even within organizational theory. Therefore, institutional theorists differ in their definitions of institutions. Hence, DiMaggio & Powell (1991) describe institutionalism from different perspectives. For example, with behaviourist institutionalism, institutions are viewed as *epiphenomenal*- the sum of individual level properties. The political-economic view of institutions (March & Olsen, 1989, p. 1) focused on the mechanisms that serve as a channel for social and economic actions to occur. The functionalists (Selznick, 1949) stressed on the interconnections between the polity, the economy and the society.

Furthermore, the economists view institutions in two ways (Harbi & Anderson, 2009), exogenously (North, 1990) or as endogenously (Aoki, 2011; Greif, 1994). Organisational economists such as North (1988), argue that institutions reduce uncertainty through the provision of dependable and efficient framework that enhances socio-economic exchange. Also, the new institutional economics consist largely of transaction cost analysis of property rights, contracts and organisations (Veciana & Urbano, 2008), which reduce the transaction cost of doing business. To the interactionist, institutions are viewed as emergent forms for coordinating human interaction. In addition, in macro-sociology, social history and cultural and organisational studies, institutions are taken as the basic building blocks of socio-economic life (DiMaggio & Powell, 1991). More so, the sociological perspective asserts that institutional forces including beliefs, values, policies, norms and laws, shape actors' preferences and their categories of thought (Buame, 1996).

Regardless of these diverse perspectives of institutions, this study draws mainly on the work of North (1990) as well as Scott (1995). This choice has been taken by the *logic of appropriateness* (March & Olsen 1989, p. 23) in that these institutional perspectives provide authoritative sources of the different constituents of institutions that are relevant to this study. They contain prescriptive accounts of different elements of institutions that are academically appreciated as *true, right or good* that guide human actions. In consequence, the researcher acted appropriately in this study by proceeding according to the views of well acclaimed institutional theorists, based on mutual and often tacit understanding of *what is true, reasonable, natural right and good*. This carries with it a connotation of essence, such that appropriate elements of formal and informal institutions that are essential, without which the study would not be able to achieve its intended purpose, can be captured (March & Olsen, 1989). Therefore, this study adopts the North and Scott's perspectives in studying entrepreneurship in Ghana due to their greatest explanatory power and reach in the study of both formal and informal factors that play roles in entrepreneurship development. More so, the objectives of this project, the socio-political climate of Ghana as well as the socially embedded nature of entrepreneurship are other factors that influenced this decision.

### 3.4.1 North's perspective of Institutions

According to North (1991, p. 97), institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both formal rules (property rights, constitutions, economic rules, contracts and laws) and informal constraints (norms, taboos, customs, codes of conduct, values, traditions, and sanctions). Through history, institutions have been devised by human beings to create order and reduce uncertainty in exchange. Together with standard constraints of economics, they define the choice set and therefore determine production and transaction cost and hence the feasibility and profitability of engaging in economic activity. They evolve incrementally, connecting the past with the present and the future; history in consequence is largely a story of institutional evolution in which the historical performance of economies can only be understood as a part of a sequential story. Institutions provide the incentive structure of an economy; as that structure evolves, it shapes the direction of economic change towards growth, stagnation, or decline (North, 1991, p. 97) through the allocation or (and) reallocation mechanism. Moreover, North (1981) notes that the institutional framework of society include operating rules and normative behavioural codes and constitutional rules. In addition, institutions define what is appropriate in an objective sense, and thus render other actions unacceptable or even beyond consideration (DiMaggio & Powell, 1991). Hence, institutions create the constraining process that forces one unit in a society to resemble other units since they are made to face the same environmental conditions (DiMaggio & Powell, 1983). Thus, the behaviour of individuals may be modified to conform to the dictates of the prevailing institutions.

Harper (1998) further explains that whereas informal institutions are tacit rules that cannot always be articulated, formal institutions are written down. Moreover, Harbi & Anderson (2010) suggest that informal institutions are the implicit codified attitudes embedded in a society and work to provide cues for shaping individual behaviour. Helmke & Lentsky (2003) further highlight a growing body of research in Latin America, Africa, Asia and postcommunist EuroAsia suggest that the many rules of the game that structure *individual behaviour* are informal - created, communicated and enforced outside of officially sanctioned channels. Helmke and Lentsky further highlight earlier studies of moral economies, legal pluralism, prismatic societies, economics of affection, corruption, clientelism, government business relationships in Japan, *blat* in the Soviet Union, and the "folkways" of the US Senate, highlight the importance of informal institutions. Helmke & Lensky, in giving more insights into informal institutions, describe how informal institutions have been applied to array of phenomena - clans and mafias, personal network, traditional culture, clientelism, corruption, civil society, and a variety of legislative, bureaucratic and judicial norms. In linking informal institutions to entrepreneurship however, Etzioni (1987) argues that informal institutions signal entrepreneurial opportunities by deciding what behaviour is to be tolerated and thus legitimised as entrepreneurship in a society. To this view, other authors such as Jack & Anderson (2002) and Anderson & Smith (2007) argue that entrepreneurship resonates with the socially approved moral dimension, where creating and operating enterprises should be congruent with socially approved behaviours. Thus, this study investigates the lived experiences of individuals within a specific Ghanaian context.

### 3.4.2 Scott's perspective of Institutions

According to Scott (1995), institutional theory is about the influence of systems surrounding organisations that shape organisational and social behaviour. Based on the reviews of the developments in institutional theory and research since the 1970s, Scott (1995, p. 48), developed an omnibus conception of institutions, as per the following:

- Institutions are social structures that have attained a high degree of resilience;
- Institutions are composed of regulatory, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life;
- Institutions are transmitted by various types of carriers, including relational systems, routines, symbolic systems, and artefacts;
- Institutions operate at multiple levels of jurisdiction, from the world system to localised interpersonal relationships;
- Institutions, by definition, connote stability but are subjected to change processes, both discontinuous and incremental.

Scott argues that from this conceptualisation, institutions are multifaceted, durable social structures, made up of symbolic elements, social activities and material resources. He extends his argument by suggesting that institutions exhibit some distinctive features – they are relatively resistant to change (Jepperson, 1991); and they are transmitted across generations, to be maintained and reproduced (Zucker, 1977). Giddens (1984) concurs when he indicates that institutions are the more enduring features of social life, which gives solidarity to social systems across time and space. To this view, Scott (1995) argues that institutions exhibit these features because of the processes set in motion by the cognitive, normative and regulatory elements, which are the building blocks of institutional structures providing the elastic fibres that resist change. Scott stresses that although the central ingredients of institutions are norms, rules and cultural beliefs, the concept should encompass material resources and human behavior, since there is the need to attend to the activities that produce and reproduce the symbolic aspects of social life. The other reason is that rules, meanings and norms arise in interaction and are modified and preserved by human behavior. As Geertz (1973a) cautions:

> *"Locking cultural analysis away from its proper object, the informal logic of actual life…..Behaviour must be attended to, and with more exactness, because it is through the flow of behaviour – or, more precisely, social action – that cultural forms find articulation….Whatever, or whenever, symbol systems "in their own terms" may be, we gain empirical access to them by inspecting events, not by arranging abstracted entities into unified patterns". (p. 17).*

Drawing mainly on the work of North (1990) and Scott (1995), in the context of this study, the institutional environment within which entrepreneurs operate will be the set of all relevant institutions, regulatory, normative and cultural-cognitive, established over time, operating within a country (Kostova, 1997) and affect entrepreneurial activities. Uniting the perspectives elaborated above, it is evident that institutions can be grouped into three – regulatory, normative and cultural-cognitive structures, as suggested by Scott (1995, p.33; 2001, p. 48). In this regard the ensuing sections discuss the three institutional structures, identifying the various variables within these structures that may affect entrepreneurship development in Ghana.

**Regulatory institutions**

According to Veciana & Urbano (2008), regulatory institutions consist of government policies, regulations, laws and rules in a particular national environment which promotes certain types of behavior and restricts others. They add that regulatory processes consist of rule-setting, monitoring, and sanctioning activities or punishment in an attempt to influence behavior (Grewal & Dharwadkar, 2002). Moreover, a consistent message from certain theorists highlights key contributions to existing debate on the regulatory institutional elements that affect entrepreneurship, as highlighted in Table 3.1 below.

**Table 3.1 Elements of Regulatory Institutional Framework that affect entrepreneurship**

| Author | Institutional elements |
|---|---|
| Boettke & Coyne (2002) | Property rights and rule of law |
| Harbi & Anderson (2009) | Political and economic freedoms |
| McMillan & Woodruff (1999, 2002); Djankov et al., (2003); Chu (2007) | Commercial code, legal enforcement, administrative barriers, extra-legal payments and market-support institutions |
| Kiggundu (2002); Johnson et al., (1998); Shleifer & Vishney (1994); De Soto (1989, 2000) | Government, police and (or) judiciary, taxation and (or) regulation, monetary and fiscal policy |
| Gnyawali & Fogel (1994) | Government policies and procedures, restrictions on imports and exports, provision of bankruptcy laws, entry barriers, procedural requirement for registration and licensing, technical and business education, financial assistance and non-financial assistance |
| Foster (1986) | Market incentives and the availability of capital |
| Estrin & Mickiewicz, (2010) | Welfare and tax system and the quality of financial institutions |
| De Soto (2002) | Well-defined and efficient system of registering |
| Acemoglu & Johnson, (2005) | Market economy, economic and political institutions |
| Hall & Jones (1999) | Economic institutions, which include tax codes, social insurance systems, labour market legislation, competition policy, trade policies, and capital market regulation, enforcement of contracts, and law and order |
| Persson & Tabellini (2006); | Voting systems, the degree of centralisation and federalism |

| | |
|---|---|
| Kanniainen & Vesala (2005) | Labour market regulations |

However, there is no clear consensus on the institutional framework that matters for entrepreneurship development in a society (Redek & Susjan, 2005). Different countries such as US, France, Japan and Germany operate under different institutional frameworks which work for them. To this end, Redek & Susjan (2005, p.1000) propose that "a system with clearly stated rules and a supporting state, enabling agents to pursue their interest" seems to characterise an efficient institutional framework. For instance, Redek & Susjan (2005) in studying about the importance of institutional quality on economic development in transitional economies found that a developed institutional framework has the following characteristics- well-defined property rights; economies without excessive government intervention; steady financial markets; incorrupt legal system; sound monetary policies; stable prices and low fiscal burden. Consequently, Henisz (2009) argues that better institutional framework that include fostering the development of a strong and independent press (Dyck & Zingales, 2001), an improvement in the availability and efficiency in public goods (Boix, 2001; Roller & Waverman, 2001), curtailment of corruption possibly through better monitoring and enforcement (Johnson, 1997; Tanzi & Davoddi, 1997), better rather than more stable or predictable economic policies (Ahn & Hemmings, 2000; Collier & Gunning, 1999), and financial market development (Bekaert et al., 2001; Levine et al., 2000), may lead to more favourable policy outcomes that may counter market failures by promoting competitive practices and behaviours (Rodrik, 1999). The implication is that these favourable outcomes could be beneficial to entrepreneurship.

Other aspects of regulatory institutions that have implications for entrepreneurship are regulatory legitimacy and how it is operationalised (Section 4.2.5 contains detail discussions on this subject).

**Normative institutions**

The normative institutional environment comprises of social norms, beliefs, values, and assumptions about human behaviour and human nature that are socially shared and carried by individuals (Veciana & Urbano, 2008). In this case the normative systems define goals or objectives [example, winning the game or making a profit] but also designate appropriate ways to pursue those goals [conceptions of fair business practices] (Veciana & Urbano, 2008). Scott (2001, p. 54-55) writes that norms contain the notion of "how things should be done". In addition, Bruton et al., (2010) argue that normative institutions represents actions that firms and individuals ought to take that are in line with the standards of behaviour and commercial conventions of different professions, occupations and organisational fields. Similarly, Manolova et al., (2008) argue that normative institutions are typically manifest in standards and commercial conventions such as those established by professional associations, business groups and trade associations. DiMaggio & Powell (1983) in echoing this view suggest that firms do not have to only apply generalised societal norms but also a variety of standards that have originated in different professional fields. Hence, Zimmerman & Zeitz (2002) argue that firms need to address the norms and values of organisations and individuals who control resources needed for growth. The implication could be that entrepreneurial firms that fail to address these norms and values may not have access to resources, which could aid their activities. Thus, entrepreneurs who fail to comply with tacit rules and customs may be excluded, even from trade (Anderson & Smith, 2007).

Other scholars such as Scott (1995, p. 37) argue that the normative component of the entrepreneur's environment places emphasis on "normative rules that introduce a prescriptive, evaluative and obligatory dimension into social life". He extends his argument by saying that, normative institutions are well-accepted, non-statutory authority systems that guide the actions of organisations and individuals (Scott, 1995). For instance, Ahlstrom & Bruton (2002) argue that in developed economies, professions and industry groups primarily generate normative authority systems, which guide behaviour (Scott, 1995, 2001) and help to build legitimacy for the participants in those domains (Ahlstrom & Bruton, 2001; Freidson, 1986; Suchman, 1995). However, transitional economies have yet to develop many well-established normative institutions. Therefore, entrepreneurs must seek to develop favourable norms as well as professional standards that will help legitimise their activities (Ahlstrom & Bruton, 2002).

More so, the issue of legitimacy is addressed by the normative institutional framework of a country (Section 4.2.5 gives detailed discussions of normative legitimacy).

**Cultural-cognitive institutions**

Within any country, particular knowledge sets become institutionalised and certain knowledge becomes part of a shared social understanding (Zucker, 1991; Berger & Luckman, 2007). Hence, cultural-cognitive institutions refer to the invisible, base-level institutional processes in which actions that are repeated become cast into a particular pattern that then can be reproduced with minimal effort and is recognised by performers as the particular pattern (Berger & Luckman, 2007). Habitualising behaviour makes constituents less dependent on articulated structures and processes and more dependent on a psychological contract (Zucker, 1983). For instance within certain countries, particular issues and knowledge sets become institutionalised and certain information become a part of a shared social knowledge (Busenitz & Barney, 1997; Lau & Woodman, 1995). For example, in societies characterised by ineffective governments and insecurity, extended kinship systems is institutionalised, such that entrepreneurs rely on it as a major source of resources - access to suppliers, customers, financiers, and authorities in government establishments, for their activities (Takyi-Asiedu, 1983; Adeya, 2006). However, the society places social obligation on the *'haves'* to take care of the '*havenots'*, even at the expense of business development, which may be detrimental to entrepreneurial activities (Takyi-Asiedu, 1983; Buame, 1996; Adeya, 2006).

Veciana & Urbano (2008) argue that, cognitive institutions reflect the cognitive structures and social knowledge shared by people in a given social context. The cognitive elements are the rules that constitute the nature of reality and the frames through which meaning is made. Although individuals continuously negotiate social reality in everyday life, they do so within the context of wider, pre-existing cultural systems: symbolic frameworks, perceived to be both objective and external, that provide orientation and guidance (Goffman, 2005). As Kostova (1997) suggests, these cognitive structures strongly influence individual behaviour by providing schemas and inferential sets which people use when selecting and interpreting information.

Cognitive structures affect the cognitive programs, i.e., schemata, frames and inferential sets, which people use when selecting and interpreting information (Markus & Zajonc 1985). In addition, Munir's (2002) suggestion on the cognitive framework stresses the importance of social identities: our conception of who we are and what ways of action make sense for us in a given situation. Thus, cognitive institutions give rise to 'reflex' action, which is deeply ingrained in individuals and difficult to transcend (Munir, 2002). Anderson & Warren (2011) suggest that the distinctive presence of entrepreneurs in a society is shaped by cultural norms and expectations. Anderson & Warren therefore imply that the entrepreneurial identity - what and who they are, may be shaped by cultural norms and expectations. Thus, Anderson & Warren (2011) go further, arguing that the entrepreneur's engagement with the cultural-world as knowledgeable and committed participants (Holland et al., 1998) is important because being identified as entrepreneurial enables specific forms of actions: it acts as a license to challenge the status quo and bring about entrepreneurial change. This implies that the behaviour of individuals as well as their decision patterns may be affected by cultural norms and expectations.

Moreover, Li et al., (2008) describe the cultural-cognitive aspects of institutions to embody the signs, symbols, gestures, words, and the cultural rules and framework that guide the understanding of the nature of reality and the frames through which meaning is developed (Scott, 2001). Organisations will often abide by them unconsciously (Zucker, 1983), and these institutional aspects form a culturally supported and conceptually correct basis of legitimacy that becomes unquestioned (Hoffman, 1999). However, Osland et al., (2000) warn that cultural stereotyping may cause researchers and managers to overlook important complexities within a culture. They suggest that understanding the specific contexts under which different values may be more or less salient can shed light on apparent paradoxes, such as the empirical inconsistencies. Gomez & Spencer (2004) concur by saying that focusing on broader cultural values may cause researchers to inadvertently ignore complexities inherent in the cultural context. This study nonetheless intends to identify cultural-cognitive institutional elements affecting entrepreneurship development in Ghana.

It could also be argued that, discussing the different elements of cognitive institutions may be incomplete, without addressing one of the most important aspects of the cognitive dimensions, cognitive legitimacy, as discussed in section 4.2.5.

### *3.5 Summary*

The objective of this chapter was to examine two analytical concepts - the entrepreneurship and institutional theory that will inform the development of the next chapter. This was achieved by, on one hand, examining the development definitions, works and theories of entrepreneurship from America, Europe and other western cultures. On the other hand, this chapter reviewed the literature on the institutional theory and justified the use of North (1990) and Scott's (1995), whose works presented an integrated framework that contain the institutional factors that could help in the development of the relevant literature review section of this thesis. It should however be pointed out that these institutional perspectives envisage the model of Western institutions that relate to entrepreneurship. However, institutions could be context-specific, (Kostova, 1997; Busenitz et al., 2000), hence the institutional framework of the West that effect entrepreneurship could be different from that of Ghana. It is for this reason that this study intends to use the Western institutional model to uncover the constituents of institutions that relate to entrepreneurship at Ghana’s level.

In relation to the concept of entrepreneurship, the analysis in this chapter shows the diversity and complexity of the entrepreneurship concept. The central idea of this chapter is that entrepreneurship is difficult to define, but nonetheless can be explained, in spite of the doubts on the coherency and integrity of entrepreneurship as a field of study. The review of the literature shows that the different ways ascribed to explaining the entrepreneurship concept vary due to different empirical studies, fieldworks, observations and culture, which implies that the concept and any definitional attempt of the entrepreneurship concept is context-bound. This raises the question of whether a concept that has been developed based on *developed* countries ideas could be employed in undertaking studies in a developing country, such as Ghana. It is however realised that, the importance of the insights into the concept of entrepreneurship, from this chapter, could aid and support entrepreneurship research in any part of the world. Thus, the insights provide the knowledge on entrepreneurship that can be applied in undertaking research in developing countries, i.e. Ghana.

In terms of the institutional theory, this chapter further concentrates on three institutional structures - regulatory, normative and cultural-cognitive institutional structures, which affect entrepreneurship. It is further evident from the Chapter that institutions affect institutions in several ways - shape opportunity field for entrepreneurship, determine the transaction cost of doing business, ensure stability of the entrepreneurial environment, guide the strategic choice of entrepreneurs, confer legitimacy on entrepreneurship, aid in the allocation or (and) reallocation of entrepreneurship, and counter market failures. Thus, this chapter is important for this thesis since (i) it presents the dimensions of the three institutional structures worth consideration and (ii) highlights the roles of institutions in entrepreneurship. However, it should be highlighted that institutions may be the rules of the game, but may not determine how the game is played. Thus the interpretation, the understanding, and the experiences of entrepreneurs - the phenomenology, will go some way to appreciating how they operate in entrepreneurial practice. The next chapter covers the roles of institutions in entrepreneurship.

# Chapter Four: Assessing the Roles of Institutions in Shaping Entrepreneurial Activities

## 4 Introduction

Chapter three provided a critical review of the extant literature on the analytical realms of this study - entrepreneurship concept and institutional theory. Uniting the literature on entrepreneurship and the institutional theory, these concepts focus attention on Research Questions (i) and (ii) of this study, *what are the institutions that affect entrepreneurship in Ghana, and What roles do these institutions play in entrepreneurship development in Ghana,* respectively. Therefore, this chapter will investigate how institutions influence entrepreneurship. Section 4.1 through to section 4.1.7 critically reviews the literature on the roles of institutions in entrepreneurship; section 4.2 focuses on a model that depicts the institutions relevant to this study, while section 4.3 contains the summary of this chapter.

## *4.1 Understanding the roles of institutions in entrepreneurship*

As highlighted in Chapter 3, previous work has identified a number of mechanisms and proposed several arguments as to how institutional elements affect entrepreneurship. The ensuing sections examine in detail the institutional influences in entrepreneurship.

### 4.1.1 How institutions shape opportunity fields for entrepreneurship

Scott et al., (1997) define entrepreneurship as a creative process of extracting social and economic value from the environment. However, Fry (1993) argues that the entrepreneurship route to success is not just creative, but also opportunity-driven (Timmons & Spinelli, 1999). Hence, Kodithuwakku and Rosa (2002) assert that without opportunities, entrepreneurship is likely to fail. Thompson (2004) reechoes that argument by saying that more entrepreneurs "come out of the woodwork" when given the right conditions and opportunities. In effect, Gnyawali and Fogel (1994) argue that the availability of opportunities influence an entrepreneur’s propensity and ability to enterprise. In this vein, Thompson (1999) asserts that entrepreneurship is about spotting and exploiting opportunities. Nevertheless, according to Manolova et al., (2008, p. 205) *"for newly forming organizations, the institutional environment defines, creates, and limits entrepreneurial opportunities and thus affect the speed and scope of entrepreneurial entry rates"* (Aldrich, 1990; Hwang & Powell, 2005). Therefore, North (1990) argues that institutions provide the rules of the game, hence entrepreneurship fits into the opportunities and limitations provided through the institutional framework (North, 1994). Consequently, the concern for this study is how institutions shape the formation and exploitation of entrepreneurial opportunities. The thesis further investigates how entrepreneurs develop resilience in the face of unfavourable institutional constraints.

Eckhardt & Shane (2003) in their study of the role of opportunities in the entrepreneurship recognise that several dimensions of opportunities result from exogenous shifts of information[4]. They argue that exogenous shocks are triggered by three main factors - those spurred by the government, those triggered by demographic changes and those generated by the creation of new knowledge. They point out that governments exercise power through regulations to influence the volume, distribution, and types of opportunities available. El-Namaki (1988), for instance, notes that entrepreneurial opportunities are higher in deregulated economies, where market mechanisms operate freely and entrepreneurs face few barriers (Storey, 1999). The implication could be that regulatory interventions by governments could alter the structure of industries to create opportunities for new entrants. Fuduric (2008) however argues that deregulation could ensure that only the fittest business remains in the market due to competitive pressure. Nevertheless, Fuduric posits that such environments may allow individuals to reallocate resources to new uses in ways that are more profitable or redistribute wealth, hence creating new entrepreneurial opportunities and consequently could lead to new firm formation or firm growth.

For example, Winston (1998) notes that, the anti-trust and deregulation of industries by the United States government created opportunities in industries such as telecommunications, airlines, trucking, railroads, banking and natural gas, for

[4] Changes in technology, regulation, and other factors generate new information about how resources might be used differently. This information changes the price for resources, thereby allowing economic actors who have early access to the new information to purchase resources at low prices, use the information to create products or services and sell them at an entrepreneurial profit (Schumpteter, 1934; Shane & Venkataraman, 2000).

incumbent firms and new entrants; whereas Sine et al., (2001) highlight that government actions created a variety and amount of entrepreneurial opportunities in the electric power industries. This supports Gioia's (1989) argument that federal regulations changed the market structure in electric power industry and created markets through the establishment of purchasing guidelines for alternate power producers (Sine et al., 2001). A similar situation happened in transition economies of Europe, where the deregulation of key sectors such as telecommunications led to increase in Foreign Direct Investment (Bitzenis, 2009). As further argued by Gnyawali & Fogel (1994), government policies and procedures affect business opportunities.

In contrast, Taylor (2007) and Handley (2008) opine that there is no collaboration between African governments and business; hence the latter has no influence on economic policy-making. Nevertheless, the World Bank and IMF report that in Africa institutions exist, but what is lacking are correct set of policies (Stone et al., 1996), because governments in such states lack the willingness to promote economic development (Guglielmetti, 2010). In this regard, Stigler's (1971) theory of regulatory rapture challenges regulation as being designed and operated to benefit industry. Thus, regulation may protect the private interests of industry incumbents (Smith, 1905; Stigler, 1971) or the regulators (Bhagwati, 1989; Kruegger, 1974; McChesney, 1997; Djankov et al., 2002). This implies that regulation could create opportunities but could also serve as a barrier to exploiting those opportunities. This thesis investigates the strategies entrepreneurs adopt to develop resilience within institutional constraints.

Opoku (2010) commenting on the impact of government actions on creating and enacting entrepreneurial culture, think that government actions could create hostility between government and entrepreneurs. He talks about the persistent persecution of opposition aligned-entrepreneurs, who are denied grants, lucrative contracts and other schemes to accumulate wealth and had their assets confiscated. Consequently, such environments could create an anti-enterprise culture and associate entrepreneurship with fear and intimidation. The effect is that entrepreneurs' alertness to opportunities could be switched off. As noted by Kirzner (2009, p. 151):

> *" … it does seem intuitively obvious that alertness can be "switched off" by the conviction that external intervention will confiscate (wholly or in part) whatever one might notice ... public policies that to any degree deaden the excitement inspired by the prospect of pure entrepreneurial profit must surely lower the level of entrepreneurial alertness." Therefore, paradoxically governments often destroy enterprises with one hand, while trying to assist them with the other.*

Welter & Smallbone (2011) argue that a focus on institutional change is helpful when seeking to identify institutional influence on entrepreneurship. They describe institutional change as part of the process of market reforms where an economy changes from centrally planned institutional framework to one more appropriate to facilitating market development. For instance, Welter & Smallbone (2009) note that institutional change can positively influence the development of entrepreneurship, when it removes or lowers barriers to entry and (or) exit, thus creating opportunity fields for entrepreneurs. An example includes the initial reforms in the former Soviet countries that made it legally possible for non-state owned enterprises to exist. A relevant Ghanaian example is the institutional reforms, during the Rawlings era in 1983, ushered in the Structural Adjustment Program (SAP) and the Economic Recovery Program (ERP), which allowed non-state firms to freely operate. Steel & Webster's (1991) study in Ghana imply that such market reforms created opportunity fields for entrepreneurs, which led to investments in small enterprises. However, other studies in Ghana show that market reforms such as exchange rates and capital controls led to the depreciation in exchange rates, which negatively affect imports needed for the manufacturing sector (Aryeetey et al., 1994). Consequently, institutional changes can exert a constraining influence (Welter & Smallbone, 2011) on entrepreneurship. In the case of Ghana, Quartey (2001) argues that such reforms produced unintended consequences by stifling the local production sector, due to the increased imports of local substitutes. The resultant effect could be that such policies may result in firm exit or stifle growth.

More so, Welter & Smallbone (2011) argue that uncertainties in institutional rules associated with institutional change can provide opportunities, which could be exploited by entrepreneurs. In identifying institutional holes, Yang (2004) draws on

Burt's concept of structural holes, which are said to exist when gaps in information flow mean that complementary resources remain poorly connected (Burt, 1995). Yang (2004) sees institutional holes as structural gaps that exist between persons or organisations that are located in different institutional fields. Welter and Smallbone (2011) posit that these institutional holes may be considered a distinctive characteristic of economies in transition. Welter & Smallbone further argue that the shift from one set of institutional arrangements to another, which is integral to the transition process, is likely to involve institutional disjunctions and the creation of transient niches by virtue of the extent of the changes occurring and their inherent lumpiness (p.7). Thus, Welter & Smallbone suggest that just as entrepreneurial opportunities arise from gaps in the market, which entrepreneurs may seek to address by creating new ventures, entrepreneurial opportunities can arise from institutional holes, although entrepreneurs vary in their ability to identify and exploit them. They therefore conclude that formal institutions may create opportunity fields for entrepreneurship (Welter & Smallbone, 2011), which may lead to market entry or firm growth. Given the above discussions, it is expected that institutions shape the opportunity fields for entrepreneurs in Ghana.

From this argument, it could be appreciated that institutional dimensions such as regulations, deregulations, policies, as well as institutional reforms could shape opportunity fields for entrepreneurial exploration and exploitation, which could consequently lead to new firm formation or (and) firm growth and expansion. Nevertheless, it should be mentioned that in developing economies such as Ghana, under-developed institutions may create barriers for the exploration and exploitation of entrepreneurial opportunities, which consequently may lead to start-up failures, firm exit or firm survival (failure to grow). Hence, the ease and the cost that institutions place on exploiting opportunities is important to entrepreneurship development, as discussed in Section 4.2.2.

### 4.1.2 How institutions determine the transaction cost of entrepreneurship

Acemoglu & Johnson (2005), commenting on the work of North (1981) distinguish between *contract theory* and *predatory theory* of the state. They argue that in the contract theory, the state and associated institutions provide a legal framework to enable private contracts, which facilitate economic transactions (reduce transaction costs), whereas in the predatory theory, the state act as an instrument for resources transfer from one group to another. The contract theory literature underscores the importance of contracting institutions, hence theorist argue that organisations and societies are able to work better depending on what type of contracts can be written and enforced (Grossman & Hart, 1986; Hart & Moore, 1990). Contract enforcement institutions such as legal institutions are essential for impersonal transactions (Lee et al., 2007; Williamson, 1991). However an argument has been raised that judicial inefficiency causes high transaction costs for litigations and deters potentially valuable impersonal exchanges (Peng & Zhou, 2005). Hence, Zhou et al., (2008) argue that a weak legal system favors strong personal ties and relational contracting as viable substitutes for formal legal contracts, which may restrict business opportunities and weaken competition. For example, empirical studies of manufacturing firms in Africa demonstrate that the absence of effective legal institutions in enforcing contracts has limited trade and market development (Collier & Gunning, 1999). An effective judicial system increases confidence in the likelihood of exchange partners' fulfilling legal obligations, thus enhancing the willingness to reach out to new exchange partners (Johnson et al., 2002). Hence, other scholars opine that credible assurance from effective legal institutions can foster confidence over exchanges with strangers (Johnson et al., 2002), and make firms willing to explore new exchange opportunities outside relational networks (Zhou & Peng, 2010). The implication could be that under such circumstances, individual may face fewer barriers in becoming self-employed, and existing firms may have the opportunity to access resources required for the expansion of their businesses.

Other authors emphasise the importance of private property rights, especially their protection against government expropriation (Jones, 1981; De Long & Shleifer, 1993). Acemoglu and Johnson (2003. p. 4) argue that contracting institutions affect private transactions and create ex-post transfers between parties. They further argue that although private contracts or other reputation-based mechanisms can be used to alleviate these problems, yet in societies where it is more difficult for lenders to collect on their loans, interest rates increase, hence increasing the transaction cost of doing business. In contrast, protection of private property rights relates to the relationship between the state and the citizens. When there are few checks on the state, on politicians, and on elites, private citizens do not have the security of property rights necessary for investment. In this case, they are also unable to enter into private arrangements to circumvent these problems; it is impossible to write credible contracts with the state to prevent future expropriation, since the state, with its monopoly of legitimate violence, is the ultimate arbiter of contracts (Acemoglu & Johnson, 2005, p. 4). This perception could serve as a barrier to the entrepreneurial process; and consequently result in start-up failures, and inadequate firm growth. As Lippman & Rumelt (2003, p. 924) argue, entrepreneurial energy is starkly biased towards the creation of those surpluses which can be appropriated by the innovator. Since in such situations, there may be no safeguards protecting contracting party from expropriation (Williamson, 1991), which may de-motivate individuals from investing.

Nkya's (2003, p. 17) highlights three main elements of transaction cost: cost of measuring the valuable attributes of the object of exchange arising from information asymmetry between exchanging individuals; cost of monitoring and protecting property rights; and cost of enforcing agreements. The magnitude of measurement and enforcement costs can be figured in institutional arrangements such as guarantees, warranties, bonding of agents, trademarks, arbitration, mediation and judicial system. Enforcement can come from second party retaliation, internally enforced codes of conduct, societal sanctions, or a coercive third party (the state) (North, 1990, p. 31-33). Djankov et al.'s, (2003) suggest that countries with greater legal formalism have higher costs of enforcing simple contracts, longer delays in courts, and lower perceived fairness and efficiency of the judiciary system. Also, Narayanan & Fahey (2005) argue that transaction costs in emerging economies are too high because of inadequate or lack of formal institutional structures and enforcement mechanisms that underpin efficient markets. For example, Nkya notes that institutional structures in countries like Tanzania lack effective formal institutional structures and enforcement, which are important for markets to be efficient by creating an enabling environment for entrepreneurs. Consequently, transaction cost per exchange in such economies is higher than in developed economies (Nkya, 2003). Therefore, it could be said that depending on the nature of institutions in a specific context, transaction cost of entrepreneurship may be higher or lower. To wit, higher transaction cost of entrepreneurship may potentially pose a threat to firm entry and growth. This will be one of the investigatory themes of this research.

Moreover, Hoskisson et al. (2005) argue that under-developed capital market institutions result in high transaction costs in emerging economies. However, it has been argued that in developed capital markets, the institutional framework contain rules, which improve credit-worthiness, rules effecting credit-transactions (payments on account) and capital-transfers (loans). It has also been argued that the legal framework that supports and enables borrowing depends primarily on reliable authorities who provide subjects with legal security. The implication could be that capital market is closely connected with legal security. Therefore capital transfers beyond the small circle of friends and relatives clearly require a legal framework supported by institutions, in particular government institutions. Thus, the development of the capital market is closely connected to state-formation. Consequently, when authorities take an interest in the capital market and improve the institutional framework, information costs and transaction costs on the capital market will be lower, thus allowing interest rates to drop (Zuijderduijn, 2005). Therefore, the improvement of legal protection for transactions and availability of capital to the local firms lead to the decline of overall transaction costs (Hoskisson et al., 2005), for entrepreneurship.

In deepening understanding between institutions, the capital market and transaction cost for entrepreneurship, Pagano (1993) argues that in modern economies, economic growth hinges on an efficient financial sector that pools domestic savings and mobilises foreign capital for productive investments. Nevertheless, the challenge has been that underdeveloped or poorly functioning capital markets, which are typically of developing economies, are typically illiquid and expensive, hence deters investors. Pagano further argues that there are three main ways[5] by which capital markets and economic growth are linked, through whose compliance the capital markets link net savers (households) to net investors (entrepreneurs). The effect is a reduction in the

[5] Firstly, capital market development increases the proportion of savings that is funnelled to investments. Secondly, capital market development may change the savings rate and hence, affect investments; Third, capital market development increases the efficiency of capital allocation (Pagano, 1993).

transactions costs associated with funneling savings, making the household savings highly liquid, enabling selection of efficient investments by gathering information on investment returns efficiently and providing markets for diversification of risks by households and corporate (Mishra et al., 2010). The implications could be that, in the presence of inefficient financial institutions, productive projects may remain unexploited, while productive investments will be taxed, (Bekaert & Harvey, 1998), increasing the transaction cost for entrepreneurship and limiting enterprise.

Furthermore, Blewett & Farley (1998) argues that in developing economies, transaction cost of entrepreneurship is high because of poor infrastructure, high cost of screening, monitoring and enforcement problems of potential customers for credit facilities. In addition, Khanna & Palepu (2000) argue that an institutional void makes accessibility to information very difficult hence imposing high costs for firms unless they overcome this through their networks. North (1990) argues that institutional infrastructure facilitate economic exchange, the absence of which increases the cost per exchange. In effect, Peng (2003) notes that institutional complexity[6] increases the occurrence of arms length transactions, which Okun (1981) suggests as very costly because the other firm or party may become opportunistic and try to capture all the gains from investment or entrepreneurship may be subjected to the other party's hold-up problems (Kulakowski & Chronister, 2006). The effects of arms length transactions and second party hold-up could decrease the speed with which for instance entrepreneurs access resources (meaning it will require more efforts and resources before accessing resources), as well as increasing the cost of accessing such resources. Consequently, such situations could affect the transaction cost of entrepreneurship, which could eventually suppress entrepreneurship.

While institutions have been considered as a means to create the structure necessary for reducing transaction cost, Olson (2000) argues that formal institutions are created by people with their own private interest in play, but not necessarily the interest of social well-being. Similarly, Johnson et al., (1997) writing about politics and entrepreneurship in transition economies give account of the use of certain rights by politicians over firms. The politicians rights include rights over the use of land and

[6] Underdeveloped institutional infrastructure as well as the changing dynamics of institutions (Peng, 2003).

real estate that businesses occupy, regulatory powers over privatised and private firms, rights over determination and collection of taxes that businesses pay, the ability to regulate and restrict entry, rights of inspection and closure if regulations are violated, rights to control international trade that firms engage in as well as foreign exchange transactions (Johnson et al., 1997). Shleifer & Vishny (1993) point out that, politicians may use those rights to pursue political goals such as support of politically friendly and punishment of politically unfriendly entrepreneurs as well as enrich themselves by offering firms relief from regulations in exchange for bribes. To this end, Johnson et al., (1997) argue that the generic effect is to reduce profitability of doing business, which adversely influence entrepreneurship and economic growth.

Drawing on the above, an argument seems to emerge that in societies with underdeveloped institutions or institutional void, transaction cost of entrepreneurship is high while in societies with developed institutions, transaction cost is low. Transaction cost economists view economic activities as ongoing process of discovery, in which agents' (entrepreneurs) plans are based on incomplete, imperfect, and subjectively held knowledge about the plans of other agents (O'Driscoll et al., 1985; Littlechild, 1986; Foss & Foss, 2006). Nonetheless, institutions have been argued as assisting in reducing uncertainty by providing stability for entrepreneurship, as discussed in section 4.2.3.

### 4.1.3 How institutions assist in reducing uncertainty by creating stability for entrepreneurship

According to North (1991), institutions are humanly devised constraints that structure political, economic and social interaction. The effect is that, these constraints ensure stability, order and continuity in society, (Arndt, 1979; Kelman, 1987), and establish trust and reduce uncertainty (Harper, 1998) by establishing a structure for human interaction (Veciana et al., 2002), which allow agents (entrepreneurs) to transact and interact in a market (Harper (1998). Accordingly, Harper (1998) notes that institutional framework of a society consist of legal and operating codes that provide predictability, constitutional rules as well as operating rules and normative behavioural codes (Frank, 2002). Hence, Schumpeter (1934) and Kirzner (1973) argue that in societies where institutions function properly, risks are primarily limited to factors associated with the nature of ventures and the characteristics of individuals in societies. Consequently, appropriate institutions provide a stable framework, which serve as an incentive to engage in risk-taking activities (Harper, 1998; Kasper & Streit, 1998).

In extending the notion of creation of socioeconomic and political stability for entrepreneurship, Buchanan (1975) argues that unlike formal institutions, informal institutions account for a larger proportion of social, political and economic stability experienced in societies (Hayek, 1973; North, 1990). In that regard, Powell (1990) and Peng (1994) note that even in volatile and uncertain environments, institutions stabilise economic activities by having members engage in reciprocal, preferential and mutually supportive action. For instance, Daft & Lengel (1986) note that in uncertain times, information acquired through networks of reliable sources are trustworthy, richer and more useful (Daft & Lengel, 1986), save costs and allow members to make informed decisions. Nevertheless, North (1990) argues that institutional change is incremental and seldom continuous, and lock-in occurs because of the symbiotic relationship between existing institutions and the organisations that result from the incentive structure provided by those institutions. Hence, although formal rules may change and informal practices become outdated, yet those who will lose their comparative advantage under new informal practices will indulge in detrimental informal practices to retain their position of power (Aidis et al., 2009). Drawing on the work of DiMaggio & Powell (1983), it could be argued that lock-in could also occur through institutional isomorphism - coercive isomorphism, which stems from political influence and the problem of legitimacy; mimetic isomorphism resulting from standard responses to uncertainty; and normative isomorphism, associated with professionalisation. Consequently, the entrepreneurs compete for political power, social as well as economic fitness (DiMaggio & Powell, 1983, 2003).

However, in studying the effect of regulations and institutional quality on productivity distribution, Oviedo (2005) finds that firms often perceive regulations as a source of uncertainty. Moreover, it has been argued that the dynamic nature of regulations (fast-changing, unpredictable and complex) is a major source of risk for businesses (EIU, 2005). For instance, in many developing countries regulatory risk is seen by executives as the most significant threat to business, ahead of country risk, market and credit risk, IT and people risks, or terrorism and natural disasters (EIU, 2005). The implication may be that the uncertainty caused by stringent regulation is likely to be particularly high in countries with poor institutional quality, as regulation tends to be more stringent in countries with widespread corruption, lack of a transparent and independent judiciary system, and political instability (Loayza et al., 2004). Loayza et al., (2004) argue that transparent judicial system can enhance the institutional quality of countries (Loayza et al., 2004), and therefore can create a stable environment necessary for entrepreneurship.

For instance, Opoku (2010) suggests that the institutional precondition – transparent judiciary, necessary for entrepreneurship is underdeveloped in Ghana. In support, Owusu (2008) argues that the judicial process in Ghana is slow and saddled with corruption. An article by Awoonor (1999, p. 101) records the frustration of respondents seeking justice at the law courts in respect of debt recovery. Consequently, Fafchamps' (2004) study in Ghana finds that fewer than 10% of respondents would go to court following a dispute with a supplier or client. This suggests that the necessary conditions that could provide surety for exchange relationship for economic actors (entrepreneurs) may be inexistent or minimal. Therefore, entrepreneurial risk taking may be adversely affected, which is a subject of investigation in this study.

Alternatively, fluctuation in the political arena generates great deal of uncertainty for the business community (Beamish & Spiess, 1991). Tan & Litschert's (1994) survey of Chinese managers' report among other constraints the state regulatory regime as most influential, complex and least predictable, hence negatively impact on firms. Similar results have been reported in Eastern Europe and former Soviet republics, where ownership issue is a political minefield despite the removal of ideological barrier for privatisation (Fischer & Gelb, 1991; Kornai, 1992; Puffer et al., 1994). This implies that depending on the perception of the institutional framework, the entrepreneurial spirit may be negatively affected. Callaghy (1988) argues that, African leaders live with a phobia of emerging capitalist, who may be seen as threat to their rule. Hence, the opportunities for capital accumulation is sometimes monopolised and channeled to themselves and their clients, limiting the independent avenue for capital accumulation (Callaghy, 1988). Consequently, Africans may lack the political process for capitalism (Opoku, 2010), which could mark a high degree of unpredictability (Opoku, 2010), which may not work to benefit entrepreneurship.

It could be inferred from the argument raised above that strong institutions constrain the range of acceptable actions and spells out the rules of the game for entrepreneurial engagement. Thereby create stable framework, which create trust, order and certainty, that could serve as incentive to invest in socially profitable enterprises (North, 1990), whereas in weak institutions, different set of rules apply to different agents', hence could not create the stable framework, which serve as a disincentive to invest in socially profitable ventures (North, 1990). Following the arguments raised above, it could be argued that institutional framework of a specific context could influence the strategic activities of entrepreneurs, as discussed in the next section.

### 4.1.4 How institutions guide the strategic activities of entrepreneurial firms

According to Scott (1987, p. 507), until the introduction of institutional conceptions, organisations were viewed primarily as exchange and (or) production systems, and their structures were viewed as being shaped largely by their transactions, their technologies, or the power-dependency relations growing out of such interdependencies. Environments were conceived of as task environments: as sources of information, loci of competitors and exchange partners or stocks of resources. While such views are not wrong, they are clearly incomplete. Institutional theorists have directed attention to the importance of symbolic aspects of organisations and their environments. They reflect and advance a growing awareness that no entrepreneurial firm is just a technical system and that many firms are not primarily technical systems. All social systems, hence all organisations exist in an institutional environment that defines and delimits social reality. Further, just as with technical environments, institutional environments are multiple, enormously diverse, and variable over time. To neglect their presence and power is to ignore significant causal factors shaping firm structures and practices: to overlook these variables is to *misspecify* the causal models (Scott, 1987, p. 507-508).

Consequently, DiMaggio (1988, p. 4-5) argues that institutional theory tends to "defocalize" interests in the explanation of human behavior. Rather than assuming the common utilitarian position that actors attempt to pursue their interests, he suggests, institutional arguments emphasise (1) factors such as norms or taken-for-granted assumptions "that make actors (entrepreneurs) unlikely to recognise or to act upon their interests" and (2) circumstances such as behavioural constraints or cognitive limitations "that cause actors who do recognise and try to act upon their interests to be unable to do so effectively." Hence, Oliver (1991) believes that institutional theory is capable of explaining non-choice behaviour in the context of taken-for-granted norms and beliefs (p. 148).

For instance, an argument can be raised that institutional factors in a particular setting could affect entrepreneurs' strategic choice motives, which may be defined in terms of desire for autonomy, nature of work, self-actualisation, power and affiliation (Arguelles, 2004) as well as entrepreneurs' strategic actions that include organising or reorganising of social economic mechanisms to turn resources and situations to practical account, initiative taking, and the acceptance of risk of failure (Shapero, 1975). Further, entrepreneurs' strategic activities, comprising of entrepreneurial culture and leadership (where innovation and creativity are expected), entrepreneurial mindset (defined in terms of insight, alertness and flexibility to use appropriate resources), strategic management of resources (including financial, human and social capital), and applying creativity to develop innovations (radical and incremental) (Ireland et al., 2003) could perhaps be shaped by institutions. Furthermore, institutions might affect entrepreneurs strategic actions, which embodies resources, entrepreneur's external networks and alliances, and organisational learning, innovation and internationalisation (Hit et al., 2001), and entrepreneurs' vital strategic activity that includes product and process innovations (Davidsson, 2006; Schumpeter, 1934). This study intends to investigate institutional roles in entrepreneurs' actions, choice or activities and entrepreneurial resilience development to counter institutional constraints.

Nevertheless, institutional rules have been criticised as being incoherent, often in conflict with each other and are even contradictory (Beckert, 1999). He therefore concludes that institutional rules do not provide unanimous answers to how agents (entrepreneurs) should act. Accordingly, Scott (1994, p. 76) posits that the recognition of multiple, in some instances competing institutional frameworks curbs the tendency of analysts to embrace deterministic explanations and opens up the opportunity for a development of a more *voluntaristic* perspective[7] of social action and structure. However, this conclusion has been challenged on the assumption of a relative autonomy of institutional rules at different levels (DiMaggio, 1991) in that there is a process of evolutionary adaptation, without actor reference, in which the uncertainty created by institutional contradiction is eliminated overtime (Hannan et al., 1993). That change is caused by exogenous shocks to which organisations adapt (Fligstein, 1991), and hence change is primarily a process of erosion stemming from pressures from the organisation's environment (Oliver, 1992; Beckert, 1999). Hence, this study investigates how entrepreneurs adapt to their ever-changing environment.

Moreover, from institutional theory perspective, organisational choice is limited by a variety of external pressures (Friendland & Alford, 1991; Meyer et al., 1983; Pfeffer & Salancik, 1978) and organisations must be responsive to external demands and expectations in order to survive (Meyer & Rowan, 1977; Pfeffer & Salancik, 1978). In describing the exogenous factors that exert pressures on organisation's (entrepreneurial) choice, Scott (1987, p. 498) suggests that the institutional pressures that exert pressures and expectations includes not only the state (government agencies, laws, regulatory structures, and courts) and professions, as institutions but also interest groups and public opinion (Scott, 1987, p. 114). Organisations are predicted to conform to institutionalised beliefs or practices when these beliefs and practices are externally validated and accepted by organisations as to be invisible to the actors they influence (DiMaggio, 1988; Oliver, 1991) or when their social fact quality renders them the only conceivable, "obvious" or "natural" way to conduct organisational activity (Berger & Luckmann, 2007; Zucker, 1987).

For example, business organisations may define and structure their activities around particular functions – sales, finance and production – that reflect institutionalised and prefabricated classifications of appropriate structure (Meyer & Rowan, 1977). Moreover, Oliver (1991, p. 148) argues that when external norms and practices obtain the status of a social fact, organisations may engage in activities that are not so much calculative and self-interested as obvious or proper. He further gives examples that

[7] Voluntaristic theories assume that managerial decisions and actions are a substantial cause of the outcomes of firms' activities and not at the mercy of forces beyond their control (Philips, 2011) i.e. it talks of the degree of strategic freedom within constraining environments (Bourgeois, 1984).

corporate social responsibility and the maintenance of sound organisational ethics may not be reducible to strategic behaviours induced by the anticipation of organisational gain. Thus, organisations may act ethically or responsibly not because of any direct link to organisational outcome but merely because it will be unthinkable to do otherwise. In this way, organisational behaviour may not be driven by processes of interest mobilisation (DiMaggio, 1988), but by preconscious acceptance of institutionalised values or practices. Hence, it may be assumed that entrepreneurial choice is possible within the context of institutional constraints, hence this study.

Institutional theory draws attention to the causal impact of state, societal and cultural pressures, as opposed to market forces and resource scarcity on organisational (entrepreneurial) behaviour, and to the effects of history, rules and consensual understanding of organisational conformity to environmental constraints (Oliver, 1991). This could explain how myths, meanings and values, rather than efficiency, autonomy and exchange, may drive and determine organisational behaviour, in the context of external pressures (Oliver, 1991, p. 151). Myths, meanings and values are subjective, and can mostly be understood through the *lived experiences* of individuals, hence the use of the phenomenological approach to understand the subjective experiences of entrepreneurs within a specific context. Furthermore, from the institutional theory perspective, the imitation or reproduction of organisational structures, activities and routines are in response to state pressures, the expectation of professions, or collective norms of the institutional environment (DiMaggio & Powell, 1983; Zucker, 1977). Several studies, for example, have demonstrated how institutional features become transmitted, sustained and resistant to change overtime as a result of conformity to institutional rules or expectations (Tolbert, 1985; Tolbert & Zucker, 1983). Thus, the institutional explanation of reproduction and isomorphism emphasise the role of conformity, habit and convention, rather than organisational power and control in contributing to stability, and power tends to be attributed to institutional environment instead of the organisation (DiMaggio & Powell, 1983). Therefore, it could be that the motives and activities of entrepreneurs may be shaped by the institutional environment.

However, entrepreneurial firms could avoid institutional rules and requirements by reducing the degree to which they are scrutinised by regulatory agencies (i.e.

buffering) or by establishing ritualistic procedures to promote the appearance of compliance to specified rules and requirements (i.e. concealment). It has also been argued that active defiance and manipulation are likely to occur when the degree of legal coercion is low; when sanctions for non-compliance with laws and regulations are minimal; and when mechanisms for enforcing compliance are weak or infrequently applied, the anticipated consequence of non-conforming behaviour may not constitute a sufficient deterrent to organisational resistance. The implication may be that entrepreneurial firms do not invariably conform to the myth, rules, or expectations of their institutional environment (Oliver, 1991, p. 168).

This study is interested in understanding (i) how institutions guide the choice set, motives and activities of entrepreneurs in Ghana and (ii) the resilience strategies entrepreneurs adopted to operate in a developing country such as Ghana. This can mostly be captured through the use of the phenomenological inquiry, as adopted in this study. Moreover, juxtaposing the arguments made by Oliver (1991, p. 168) to those made by, for example, DiMaggio & Powell (1983), it is evident how entrepreneurial firms strive to establish congruence between their activities and the expectations of the institutional environment. The question however remains as to why entrepreneurial firms allow their activities, choice set and motives to be influenced by the institutional framework. Thus, discussions in section 4.2.5 will examine why entrepreneurial firms strive to establish congruence between institutional arrangements and their activities.

### 4.1.5 How institutions confer legitimacy upon entrepreneurial activities

According to Suchman (1995, p. 573), entrepreneurial firms seek to establish congruence between social values associated with their activities and the norms of acceptable behaviour in the larger social system of which they are part of. In so far as these two value system are congruent we can speak of organisational legitimacy. When an actual or a potential disparity exists between the two value systems, there exist threats to organisational legitimacy. These threats take the form of legal, economic and other social sanctions (Dowling & Pfeffer, 1975, p. 122). Part of the cultural congruence captured by the term legitimacy involves the existence of a credible collective accounts or rational explaining what the organisation is doing and why (Jepperson, 1991). As Meyer & Rowan (1991, p.50) put it "organizations that....lack acceptable legitimated accounts of their activities....are more vulnerable to claims that they are negligent, irrational and unnecessary". It is this that causes entrepreneurs to seek legitimisation and shape expectations.

Furthermore, sociological perspectives on institutional theory emphasise how institutional arrangements confer legitimacy (Suchman, 1995, p. 574). Hence, some actions within a particular institutional field come to be seen as legitimate (Meyer & Rowan, 1977) and may even be "prescribed", making it difficult for actors to deviate from them (Garud et al., 2007). Entrepreneurs strive to obtain legitimacy (DiMaggio, 1988; DiMaggio & Powell, 1983; Dowling & Pfeffer, 1975), for the purposes of demonstrating social worthiness and mobilising resources (Oliver, 1991); to ensure the organisations' survival (Covalesh & Dirsmith, 1988); as well as increase prestige, stability, social support, attraction of personnel, fit into administrative categories, survival capabilities and acceptance into professions (DiMaggio, 1988; DiMaggio & Powell, 1983; Meyer & Rowan, 1983; Meyer & Rowan, 1977). For example, an entrepreneur may comply with external pressures because the approbation of external constituents or society enhances legitimacy, increases stability or sustains the logic of confidence necessary to conduct entrepreneurial activities in good faith (Meyer & Rowan, 1983). Also, compliance may reduce an organisation's vulnerability to negative assessment of conduct, product and services. For instance, an organisation's compliance with variety of procedures specified by the Environmental Protection Agency elevates its legitimacy and protects it from public criticism and the financial penalties of non-compliance (Oliver, 1991).

However, legitimacy is a perception or assumption, in that it represents a reaction of observers to the organisations as they see it: thus legitimacy is possessed objectively, yet created subjectively, hence the use of the phenomenological approach to understand the experiences of the participants. An organisation may diverge from societal norms, yet retain legitimacy because the divergence goes unnoticed. Therefore, legitimacy is socially constructed in that it reflects congruence between the behaviours of the legitimated entity and the shared belief of some social group. Thus, legitimacy is dependent on a collective audience, yet independent of particular observers. An organisation may deviate from individual's values yet retain legitimacy because the deviation draws no public disapproval (Suchman, 1995, p. 574).

Institutional legitimisation of entrepreneurship is essential for the activities of entrepreneurship, as it enables entrepreneurs to select favourable geographic location for their activities (Zimmerman & Zeitz, 2002). They further highlight that new ventures that are located in an area where organisations address similar models, rules, scripts, values, and norms provide legitimacy for their activities. It has also been argued that new ventures may select an environment in which conformance is easy (Zimmerman & Zeitz, 2002). New ventures may further attempt to take action that will increase the amount of legitimacy accorded them by external actors who control entrepreneurial resources (Zimmerman & Zeitz, 2002). As the failure to acquire regulatory legitimacy may prevent new ventures, temporarily or permanently, from operating legally and may limit or preclude their access to resources (Zimmerman & Zeitz, 2002).

Grewal & Dharwadkar's (2002) suggest that institutions determine the types of legitimacy conferred on entrepreneurial endeavours. Within the existing literature, one can discern three broad types of legitimacy conferred on entrepreneurship. Legitimacy can be categorised into three - socio-political regulatory, socio-political normative and cognitive (Hunt & Aldrich, 1996); regulatory, normative and cognitive as outlined (Scott, 1995). Suchman (1995, p. 577) suggest that all three types involve an assumption or perception that organisational activities are desirable, proper or appropriate within some socially constructed systems of beliefs, norms, definitions, and values. He however argues that each type of legitimacy rest on a somewhat different behavioural dynamics (p. 577).

Socio-political regulatory legitimacy (Hunt & Aldrich, 1996) or regulatory legitimacy (Scott, 1995) is derived from regulations, rules, standards and expectations created by governments, credentialing associations, professional bodies and even powerful organisations [such as those manufacturing companies that require their suppliers to have some sort of quality certification] (Zimmerman & Zeitz, 2002, p. 418). They further suggest that regulatory systems usually involve sanctions that can be used to ensure that organisations address standards, regulations, rules, and expectations.

Addressing these provides legitimacy to the organisation among a wide variety of stakeholders (Deephouse, 1996; Scott, 1995; Singh et al., 1991). Regulatory legitimacy require a venture to operate according to the letter and the spirit of laws and regulations - a recognition that the firm is a *good citizen* (Zimmerman & Zeitz, 2002). Regulatory legitimacy can be operationised by consistency with regulatory standards, rules and laws, which by definition have a formal character filing of articles of incorporation, registration with and obtaining professional certification with regulatory bodies [governments, trade associations, professional organizations] (Zimmerman & Zeitz, 2002; Scott, 2003). These regulatory bodies set the “explicit regulative processes” (Scott, 1995, p. 35), which include rules, monitoring and sanctions in case of non conformity (Scott, 1995, p. 35; Zimmerman & Zeitz, 2002) and they operate at different levels – regional, local, national and international (Ruef and Scott, 1998; Baum & Oliver 1991), within a society.

Socio-political normative legitimacy (Hunt & Aldrich, 1996) or normative legitimacy (Scott, 1995) is derived from the norms and values of society or from the level of societal environment relevant to the entrepreneur (Zimmerman & Zeitz, 2002). There are different levels of the societal environment that may be relevant to entrepreneurship. At the industry specific level, normative regulatory legitimacy refers to consistency with the norms and values regarding various practices and employee attitudes that further specify those of the larger society. Also, professional norms arise within each professional specialty, such as norms pertaining to personal behaviour and group affiliation (DiMaggio & Powell, 1983). At the broadest level, normative legitimacy refers to consistency with such societal values as individual initiative and fairness in treating employees and customers (Zimmerman & Zeitz, 2002, p. 419). Selznick (1984) suggests that an organisation can acquire normative legitimacy by addressing societal norms and values; operationalised through endorsement - endorsing organisation's legitimacy spills over to the recipient firm and is especially beneficial to new firms (Starr & MacMillan, 2009; Stinchcombe, 2000); and obtained through networks (Aldrich & Fiol, 1994; D'Aveni & Kesner, 1993; Deeds et al., 1997; Zimmerman & Deeds, 1997), in which case the new venture "piggybacks" on the legitimacy of the established firms (Starr & MacMillan, 2009).

Cognitive legitimacy is derived from addressing "widely held beliefs and taken-for-granted assumptions that provide a framework for everyday routines, as well as the more specialised, explicit and codified knowledge and belief systems promulgated by various professional and scientific bodies" (Scott, 1994, p. 81; Castellano &Ivanova, 2010; Westphal et al., 1997). In the cognitive view, Scott highlights that social systems include roles and rules of action that constitute what the system is and that specify what it means to be an actor in such a system. Actors (entrepreneurs) learn both who they are and what is expected of them. The identities and roles preselect the types of actions considered appropriate, as well as instrumentally effective (Zimmerman & Zeitz, 2002, p. 420). Meyer & Scott (1983) mirror this opinion when they argue that a cognitive evaluation of legitimacy concerns the congruence between an organisation and its cultural environment. Scott (1995) points out that firms seek cognitive legitimacy through the adoption of common frames of references regarding situations and events. Hence firms demonstrate legitimacy by endorsing and implementing practices, methods, knowledge, models, ideas, assumptions and reality that are widely accepted, useful and desirable in one or more of the domains in which it operates (Aldrich & Fiol, 1994; Hunt & Aldrich, 1996; Scott, 1995; Suchman, 1995); through mimetic isomorphism, that is, by mimicking the most prominent and secure entities in the field (DiMaggio & Powell, 1983; Tolbert & Zucker, 1983); and by conforming to prevailing 'heuristics" - legitimacy through formalisation, that is, by codifying informal procedures (Zucker, 1988); bringing previously marginal activities under official control (Zucker, 1991, p. 86); and pursue professionalisation, thereby linking their activities to external definitions of authority and confidence (Scott, 1991).

Following from the discussions of how institutionalised legitimacy is important to entrepreneurship, this study also intends to identify the allocation of entrepreneurship into productive, unproductive and destructive activities. This forms the basis of discussions of how institutional dimensions aid in the allocation and reallocation of entrepreneurship in Ghana, as introduced and explored in the next section, section 4.2.6.

### 4.1.6 How institutions allocate and reallocate entrepreneurship

Baumol (1990), using extensive historical illustrations concludes that there is little evidence to suggest that entrepreneurial spirit differs across regions, rather regional differences in entrepreneurship result from different institutional arrangements across regions. He indicates that contrary to the conventional notion of the entrepreneur being innovative and constructive, entrepreneurs' actions and outcomes of their actions depend on the rules of the game- the reward structure in the economy- that happened to prevail. For instance, Baumol (1993) explains that in environments where the benefits and rewards of rent seeking activities outweigh their cost, unproductive entrepreneurship (entrepreneurship that benefits the entrepreneur, not the economy as a whole) will flourish. If the benefits and rewards of engaging in illegal entrepreneurship outweigh their cost, entrepreneurs are inclined to engage in destructive entrepreneurship (entrepreneurship that is detrimental to economic development). Conversely, if the benefits and rewards for engaging in legal entrepreneurship outweigh their cost, then productive entrepreneurship (activities that contribute positively to economic growth) will prevail. Accordingly, Baumol suggests that entrepreneurs weigh the incentive structures, both in the form of regulations (formal rules) as well as the prevailing cultural values and norms (informal rules) present. The effect is that this assessment will guide individuals and lead them into a particular form of entrepreneurship.

Moreover, Sanders et al., (2010) suggest that entrepreneurship is widely recognised as a force for good in market economies; however, global capital markets show that institutions are important in channeling this force. They further argue that entrepreneurs have the choice of choosing between productive ventures that increase total welfare and redistributive practices in which they appropriate a share of their profits. They call this situation a rent-seeking behaviour and indicate that such situation reduces the incentive to engage in productive ventures; hence have negative impact on aggregate economic activities. Other scholars call such situations "stateless society", a situation in which entrepreneurial talent will be allocated between productive and truly destructive activities, such as stealing and raiding productive inputs (Desai et al., 2010). Rent seeking can also be in the form of lobbying, litigation, tax avoidance and evasion, takeovers, use of illegal systems, acquiring monopoly, illegal and shadow activities (drug dealing, blackmailing, prostitution, illegal drugs, granting of exclusive licenses, racketeering, enactment of laws by which productive process is affected, various forms of corruption, and stealing), as well as abusive judicial compensation with the purpose of limiting economic competition and promoting particular interest (Sauka, 2008; Dejardin, 2011; Baumol, 1993; Sauka & Welter, 2007).

Institutions set the rules of the game (North, 1990) in an economy, structure incentive structures and hence affect resource allocation and growth. The institutional impact on growth depends on whether productive activities are rewarded, which create wealth, or unproductive activities are rewarded, which redistribute wealth away from its creators. In the latter scenario, resources which could otherwise have been invested for productive purposes are consumed, and thereby suppress the incentive to engage in productive activities, due to the reduction in the effective returns to such efforts (Natkhov & Polischuk, 2012). Other damaging effects of the allocation of talents to rent-seeking include their expansion to absorb labour and other resources, hence reduce income; secondly, tax imposed by rent-seeking sector on productive sector reduces incentive to produce and therefore reduce income; as well as the abilities of entrepreneurs is lowered if entrepreneurs become rent-seekers, hence the rate of technological progress and growth is likely to be lower. Thus, pure entrepreneurship (productive entrepreneurship) uses resources more efficiently and contributes to growth since technology is improved, income is raised and profits are taken away from competitors (Murphy et al., 1991). Olson's (1982) idea on rent-seeking and growth rest on the idea that rent-seeking creates cumulative distortions and therefore reduces growth. To this end, Mehlum et al., (2003) argue that good institutions offer generous reward for entrepreneurs, and thus massively generate innovations, whereas poor institutions drag daring and creative individuals into rent-seeking, and consequently stifle productivity growth. In this study, the researcher aims to identify the nature of the institutional framework of Ghana, how that effects the (re)allocation process, and the resilience strategies to operate in such institutional arrangements.

Acemoglu (1995) argue that rents that entrepreneurs pay and the profitability of their activities is dependent on the number of rent-seekers, hence societies with more rent-seekers reduce the returns to entrepreneurship and rent-seeking. In respect of this, Murphy et al., (1991) suggest that occupational choice depends on the returns on ability. Hence, Murphy et al argue that people choose occupations that offer them highest returns of their abilities. Murphy et al., further describes the compensation contract – how much of rents on their talent a superstar can capture – determines the sector's attractiveness to talent. Thus, sectors where people are able to organise their activities and keep the profit become attractive to talent. Moreover, in some countries, talented people join specific activities because these activities offer the best prize. For instance, talented people in some countries would rather join government bureaucracy, army, organised religion and other rent-seeking (Tullock, 1967; Krueger, 1974) activities because these activities offer the best prize (Murphy et al., 1991). For example, in Latin America and parts of Africa, the most talented people may join the army so as to access resources from their countries (Murphy et al., 1991). Hence, Murphy et al., highlight that the allocation of talents to rent-seeking may account for stagnation in much of Africa and for the success of newly industrialising nations where rent-seeking is minimal. Nevertheless, there appear to be no consensus on which activities can be classified as productive, unproductive, or destructive (Sauka & Welter, 2007). Baumol (1993) argues that rent-seeking cannot in every case be regarded as unproductive. Moreover, unlike the perspective of Murphy et al., in transition countries, several studies show that legal and illegal activities coexist and most new and small firms are involved in productive and rent seeking activities at the same time (Glinkina, 2003; Rehn & Taalas, 2004). In view of this, in developing countries such as Ghana where legislation and rules are still emerging, rent seeking activities such as tax avoidance can be necessary for the survival and growth of firms, thus making some contributions to economic development (Smallbone & Welter, 2006).

However, according to the entrepreneurship literature, there is no consensus on what determines productive, unproductive and destructive entrepreneurship. For example, several authors argue that the separation between rent-seeking and productive activities is not always watertight (Bhagwati, 1982; Acemoglu & Vedier, 2001). Leff (1964) therefore argues that in practical terms rent-seeking does not need to be entirely unproductive. Acemoglu (1995) therefore indicate that when rent-seeking takes the form of trying to exploit monopoly rents accruing to another party, it may have productive aspects as well. Davidsson & Wiklund (2001) opine that in reality a few activities among, for example rent-seeking, make absolutely no contributions to economic output (Davidsson, 2004). Moreover, Baumol (1993) argues that activities tarnished by, for example, rent-seeking, cannot in every case be regarded as unproductive. Furthermore, in relation to the transition context, several studies show that legal and illegal activities co-exist and most new and small firms are involved in productive and rent-seeking activities at the same time (Glinkina, 2003; Rehn & Taalas, 2004; Smallbone & Welter, 2001). Smallbone & Welter (2006) therefore pointed out that in transition economies, with weaker institutions, rent-seeking activities such as tax avoidance can be necessary to ensure the survival and growth of their enterprises, hence making contribution to economic development.

Davidsson (2004) therefore posit that unproductive entrepreneurship can lead to some positive output at both the venture and societal levels, while productive entrepreneurship will not necessarily lead to a successful firm performance or contribute to society. Fairlie (2002) further concludes that illegal activities such as drug dealing experience have a large, positive and statistically significant effect on the probability of self-employment. Aidis & Van Praag (2007) report that in the former Soviet Union, illegitimate activities in colonies such as Lithuania, may become socially acceptable due to the benefit they provide to the general population by offering goods and services that were unavailable through the inadequacies of central planning. In this regards, several scholars pointed to the need to consider the output of SME activities, when productive, unproductive and destructive entrepreneurship is addressed at the conceptual level (Davidsson & Wiklund, 2001; Baumol. 1993). Consequently, Sauka & Welter (2007) assert that negative activities such as rent-seeking or tax avoidance that created positive output should not be regarded as unproductive, whereas productive activities such as innovation that make no contributions at venture and societal levels, should not be regarded as productive. Taking cognisance of this, this study will find out how rent-seeking affects the outcome of entrepreneurship.

Other strands of literature deal with institutions as reallocation[8] device of entrepreneurship. Oviedo (2006) builds on Hopenhayn's (1992) and Hopenhayn & Rogerson's (1993) industry equilibrium model by studying the role of institutions in the reallocation process, where "institutions" refer to the amount of regulation, but also to the environment in which regulation is implemented (for instance, the presence of corruption, uneven law enforcement, and lack of accountability). He argues that in the presence of uncertain regulation, caused by a poor institutional environment, the "creative destruction" process can lead to high observed reallocation, but low productivity. Specifically, his study focuses on the entry and exit decisions of firms, their innovative behaviour and subsequent industry evolution. The results indicate that, a more uncertain regulation environment leads to higher reallocation, but lower average productivity, size and innovative investments. Thus, in addition to the level of regulation, unpredictability of regulation is an important source of inefficiency in the reallocation process. Similarly, a study by Loayza et al., (2005) find that reallocation of resources contribute positively to aggregate productivity growth across countries, yet the contribution is smaller in countries with an excessive regulatory burden. In addition, Oviedo (2005) argues that institutional failures can cause inefficiencies in reallocation process by creating barriers to reallocation that distort firms' optimal adjustment behaviour and by creating uncertainty about the cost faced by the firm. The implication could be that inefficient institutions can prevent entrepreneurial firms from optimising the exploration and exploitation of opportunities. Against this background, the case of entrepreneurship in Ghana will be understood through the lived experiences of the participants.

Aside from the study exploring the role of institutions as an allocation and reallocation devices for entrepreneurship, this study will attempt to understand how institutions may counter market failures by creating opportunities for individuals to participate in existing markets or new markets. Previous research regarding how institutions prevent anticompetitive practices to ensure equal participation by individuals in a society is highlighted. The review will shed more light on how institutions may counter anticompetitive practices in the developed world (as

[8] Relocation means the diversion of assets, resources and capabilities into less "productive" areas because of a lack of, or the wrong type, of institutional structure.

discussed in the next section), which would later be adapted to the Ghanaian situation, in Chapter Eight.

### 4.1.7 How institutions counter market failures to enhance entrepreneurship

Rodrik's (1999) study of the type of institutions that allow markets to perform adequately suggests that regulatory instruments counter market failures. He argues that markets fail when participants within a society engage in fraudulent or anticompetitive practices or behaviour. The implication, according to the public interest theory of regulation holds that unregulated markets exhibit frequent failures, ranging from monopoly to externalities (Pigou, 1938). Hence, Rodrik (1999) opines that successful market economies are overseen by a range of regulatory institutions, which regulate conduct in goods, services, labour, assets and financial markets. Rodrik however argues that market freedom requires regulatory vigilance, as Asian experience has taught us. For example, in South Korea and Thailand, as in many developing countries, financial liberalisation and capital-account opening led to financial crisis due to inadequate prudential regulation and supervision (Rodrik, 1999). A further example is that, the current crisis in Europe and America may be due to a similar process (Simpson, 2010). That notwithstanding, some studies consider regulatory instruments as barriers to the entry of new competitors (Geroski, 1991; Parker & Stead, 1991; Bitzenis, 2009), as they are created by governments and have the backing of the law for its applications (Kotsios, 2011). Thus, hostile regulatory institutions may place regulatory barriers that may dissuade the rise of the entrepreneurial spirit that is characteristic of certain cultures (Bruton et al., 2010; Spencer & Gomez, 2004).

Johnson & Shleifer (1999) stress that, for instance in developing countries regulatory institutions should go beyond the standard list covering anti-trust, financial supervision, securities regulation to embrace government interventions. The reasons been that, firstly, market failures may be pervasive and the requisite market regulations are more under-developed in developing countries; and secondly, strategic government interventions are required to get out of low-level traps[9] and elicit

[9] Low-level trap is a concept in economics developed by Richard Nelson, which connotes that at low levels of per capita income people are too poor to save and invest and this low level of income results in low growth rate in

desirable private investment responses. In this regards, Rodrik (1995) argues that in the 1960s and 1970s, governments in South Korea and Taiwan undertook extensive subsidisation and coordination to encourage private investment drives, which played crucial roles in setting the stage for self-sustaining growth. However, he argues that such institutional arrangements are not easy to replicate hence many developing countries have tried and failed. The reason is that desirable institutional arrangements vary within and across countries, hence what works in one country or region may not necessarily work in the other (Rodrik, 1995). By implication, governments may have a role to play by creating the appropriate atmosphere that would elicit private sector development.

However, one concern that could be of interest to this study is related to what happens if the state, and for that matter the government, is not able to create and develop strong and efficient social institutions (Fligstein, 1991; Hooks, 1990; Mair & Marti, 2009). As in the case of developing countries, where the rules of the game and the economic conditions under which actors (entrepreneurs) organise, compete, or cooperate tend to favour some actors over others (Mair & Marti, 2009; Khanna & Palepu, 2000b; Shleifer & Vishny, 1998). Several studies suggest that in such environments, instead of small-scale enterprises, bureaucrats and politicians benefit from regulations (McChesney, 1987; De Soto, 1990; Shleifer & Vishny, 1998; Callaghy, 1988). Djankov et al., (2002) extend this view by arguing that regulations create rents which are extracted through campaign contributions, votes and bribes by politicians. Shleifer & Vishny (1993, p. 601) also expressed doubt on the essence of government actions when they said: *"An important reason why many of these permits and regulations exist is probably to give officials the power to deny them and to collect bribes in return for providing the permits"*. Stigler (1971) further argues that regulation is acquired by industry and designed and operated to benefit it. A view supported by Djankov et al., (2002) who emphasises that industry incumbents are able to acquire regulations that create rent for themselves, hence keeping out competitors

national income. According to Nelson the malady of underdeveloped economies can be diagnosed as a stable equilibrium level of per capita income at or close to subsistence requirements. At this low stable equilibrium level, both the rate of investment and saving are low. If per capita income is increased above the minimum subsistence level, it encourages growth in population. The population growth in turn pushes down per capita income again to subsistence level . Thus the economy is caught in low level equilibrium trap. Getting out of the trap requires increasing the rate of growth of income to the levels higher than the rate of increase in population (Nelson, 1956).

and raising incumbents profits. These types of conditions may not provide useful support mechanism for existing and incoming enterprises.

Furthermore, other scholars have elaborated on institutions such as property rights, governance structures, and conceptions of control; rules of exchange, money and autonomy as preconditions for markets to exist (Campbell & Lindberg, 1990; McMillan, 2002). Markets are viewed as specialised social structures and important exchange mechanisms that require specific institutions and rules in order to come into existence and function well (Fligstein, 2001; North, 1990). Hence, economists argue that institutional voids prevent markets from functioning efficiently (Leff, 1978; Khanna & Palepu, 2000). Similarly, Mair & Marti (2008) note that the building of markets has been hindered by weaker institutions (Woodruff, 1998; Polanyi, 1944) and pervasiveness of legacy institutions (Banfield, 1958; Geertz, 1973). This study therefore intends to understand the lived experiences of entrepreneurs in relation to their perceptions about their ability to participate in markets easily.

Conversely, while the existing literature is primarily focused on institutions required for the existence and functioning of markets, professionals in the field of development suggest that the existence and functioning of markets might not be enough and what is really needed is to enable the poor to participate in markets (Narayan et al., 2002; Suchman, 1995; Yunus, 2010; World Bank, 2002). The question is why developing economies have not been able to establish a fully functioning market economy that supports development and growth. Easterly (2006) argues that the nature of the institutional arrangements that should support markets are either weak or absent and often the pervasiveness of the institutions impede full market participation. As argued by Polanyi (1944), market access and activity are affected by the social, cultural, and political institutions in which they are embedded. In support, Mair & Marti (2009) argue that institutional void has hindered market functioning, existence and participation. In summing these arguments, Estrin et al., (2007) argue that understanding how institutions enable and constrain market existence, participation and functioning, as well as the role of actors (entrepreneurs) in shaping and transforming them is a central research and political theme. Due to the apparent lack of studies in Ghana on how institutions operate, research into this important area in Ghana has the potential to shed more understanding on which institutional dimensions promote or inhibit competitiveness in the market place. Hence, this study will contribute to knowledge in this context of study by shedding more understanding on how the institutional dimensions contribute or discriminate against unduly restricted access to existing or new markets.

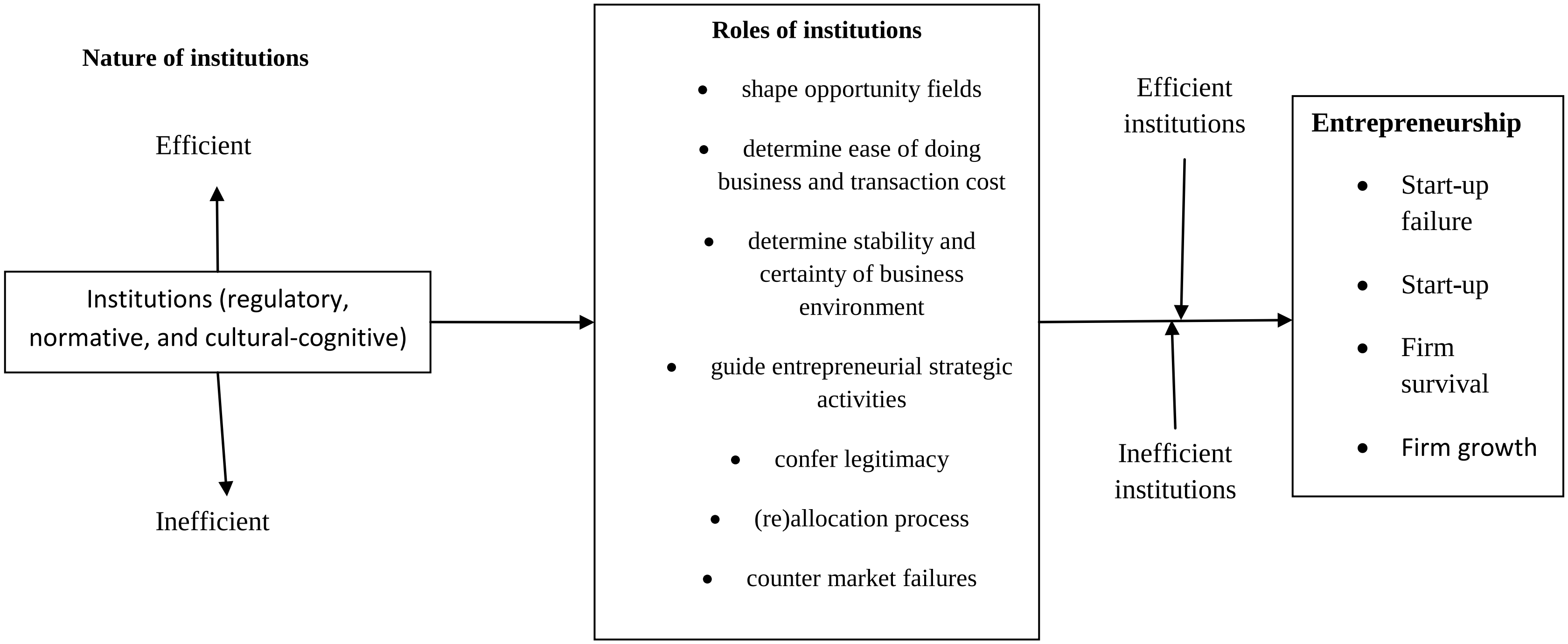
### *4.2 Modeling the institutional elements relevant to this study*

Figure 4.1 below pulls together the main themes in the extant literature so far into a unified framework and connects the influences that institutions exert on entrepreneurship. Taking stock of the extant literature, it seems that (a) institutions arrangements can be categorised into three - regulatory, cultural-cognitive and normative (b) irrespective of the nature of institutions, institutions play several roles, which determine, inhibit, or (and) promote entrepreneurship (c) depending on the nature of institutions, start-ups fail, or emerge, firms survive or grow. Thus, Figure 4.1 sets forth the working model of this thesis: evidently, institutional influences on entrepreneurship have much to do with the nature of institutions, and there seems to be the lack of a holistic framework depicting the roles institutions play in entrepreneurship.

The institutional classification of Scott (1995) as well as the application of the construct of institutional profile by Kostova (1997) and Busenitz et al., (2000) conceptualise a country's institutional profile into three - regulatory, normative and cultural-cognitive. These institutional dimensions play several roles in entrepreneurship development. As evidence in the literature, institutions shape opportunity fields for entrepreneurship (North, 1990); institutions determine the transaction cost of entrepreneurship (Acemoglu & Johnson, 2005); institutions create stability for entrepreneurship (Kelman, 1987); institutions guide the strategic activities of entrepreneurial firms (Scott, 1995); institutions confer legitimacy upon entrepreneurship (Suchman, 1995); institutions (re)allocate entrepreneurship (Baumol, 1990); and institutions counter market failures (Rodrik, 1999). In spite of the potential roles the institutional dimensions will play in entrepreneurship, the nature of institutions, whether efficient or inefficient, may determine the impact on entrepreneurial action. For instance, from the institutional perspective, while entrepreneurs operating within a framework of efficient institutions can easily exploit opportunity fields to start and (or) grow their businesses, that may not be the case for entrepreneurs operating within inefficient institutional framework, as depicted in Figure 4.1.

The model basically outlines what the literature says about institutional dimensions and their influences upon entrepreneurship. This will guide this study's investigation to unearth the dimensions as well as the influences of institutional dimensions in entrepreneurship in Ghana. But the question still remains as to what entrepreneurs do when the institutional framework poses a challenge to their activities. The next Chapter attempts to address this issue.

**Figure 4.1 Roles of Institutions in Entrepreneurship**



### *4.3 Summary*

Institutional theorists agree that institutions determine the rules of the game, however the exact nature of the institutional influences and the extent to which institutions matter for entrepreneurship may not be well conceptualised. In view of this, although there have been extensive studies focused on the interactions between institutions and entrepreneurship, most of the literature relating to the roles that institutions play in entrepreneurship have been studied in isolation. It may indicate that whilst there have been some research in this area, a few studies have gone beyond the 'what' of basic comparisons, to ask the 'how' and 'why' questions to advance theory.

This chapter has attempted to synthesise how institutions influence entrepreneurship by investigating the roles of institutions in shaping entrepreneurship. As shown in Figure 4.1, institutions shape the opportunity fields for entrepreneurship; institutions facilitate exchange and reduce transaction cost; institutions reduce uncertainty of social interaction; institutions counter market failures; institutions guide entrepreneurial firm's strategic activities; institutions confer legitimacy on entrepreneurship; and institutions influence the allocation and reallocation of entrepreneurship.

Although institutions seem to be fundamental in entrepreneurship, the notion of institutions determining the rules of the game is problematic because it alludes to the classic debate that actors (entrepreneurs) are somehow unable to disengage from institutional framework and act to suit their interest. This relates to the “paradox of embedded agency” (Holm, 1995; Seo & Creed, 2002), which alludes to the tension between institutional determinism ((Leca et al., 2008) and entrepreneurs: How can entrepreneurs' act if their beliefs and actions are determined by the institutional environment within which they operate? Resolving this paradox is a key challenge to the formulation of theoretical foundations for the study of institutions and entrepreneurship. The review of the literature suggests that whereas early institutional studies considered mainly the constraints' institutions impose on entrepreneurs, other works on institutions and entrepreneurship aimed to build a theory of action  suggests that actors (entrepreneurs) are knowledgeable agents with a capacity to reflect and act in ways other than those prescribed by taken-for-granted social rules, technological artifacts and other institutions (Schutz & Natanson, 1973; Giddens, 1984; Mutch, 2007; Abebrese, 2014). Conceptualized in this way, institutional structures do not necessarily constrain entrepreneurs, instead, may also serve as the fabric to be used for the unfolding of entrepreneurship (Garud et al., 2007). Hence, entrepreneurs use their "capacity to imagine alternative possibilities…within the contingencies of the moment" (Emirbayer & Mische 1998, p. 963) so as to operationalise their activities. Based on this premise, the next chapter explores the resilient strategies entrepreneurs champion so as to be able to carry out their activities (Garud & Karnøe, 2001; Battilana, 2006; Abebrese, 2014) within constraints.

# Chapter Five: Assessing entrepreneurial resilient strategies in dealing with Institutional Constraints

## 5 Introduction

Chapter Four examined the roles that institutions play in entrepreneurship. This Chapter reviews the resilience concept and resilience strategies entrepreneurs adopt to overcome institutional constraints. The Chapter commences with a review of the Concept of Resilience, transposes the concept of resilience to entrepreneurs, and branches into the resilience strategies entrepreneurs adopt to overcome institutional constraints. Section 5.1 deals with the concept of resilience, while Section 5.2 contains the resilience strategies entrepreneurs adopt to overcome or mitigate adversity. The Chapter is summarised in Section 5.3.

### *5.1 Entrepreneurial resilient strategies*

#### 5.1.1 Concept of resilience

Resilience has increasingly become a multi-dimensional and multi-disciplinary concept (Ponomarov & Holcombe 2009), however still inadequately theorised (Sutcliffe & Vogus 2003). The concept of resilience has its genesis in individual psychology and the science of child behavior (Coutu, 2002; Reinmoeller & van Baardwijk, 2005), has been actively taken up in the social–ecological literature (Walker & Salt, 2006), and more recently brought into the business literature (Coutu, 2002; Hamel & Välikangas, 2003; Reinmoeller& van Baardwijk, 2005). Madni (2007) comments that resilience has become a semantically overloaded term, meaning somewhat different things in different fields (Madni & Jackson, 2009). Fundamentally, the concept of resilience is closely related with the ability of an element or system to return to a stable state after a disruption (Gunderson, 2000). Some authors have focused on the corporate attributes that yield resilience, understanding its drivers and how to sustain it like Weick & Sutcliffe (2007), while some have aimed at expanding the concept as done by Falasca et al. (2008) and Pettit et al. (2010). Furthermore, some have incorporated this concept in supply chain designing like Sheffi (2007) or looked into its customer-centric perspectives (Gulati, 2010).

Different schools of thought have looked into resilience as a company's ability to either continuously anticipate or react fast to the trends and turbulences. To provide a holistic view of these diverse and inter-disciplinary viewpoints, yet identify the conceptual content of the field, Table 5.1 is adopted. It classifies various schools of thought related to multiple facets of resilience into two broad divisions (Pal, 2013): (i) resilience as a super material, corroborating the abilities to absorb and recover (Meyer, 1982; Wildavsky, 1988) theorising organisational adjustments by developing protective or reactive factors and processes, and (ii) resilience as the capacity for adaptability (Levinthal & March, 1981; Levinthal & March 1993; Weick et al. 1999; Eisenhardt & Martin 2000), positive functioning (Luthar et al., 2000) or competence (Weick et al., 1999) required for proactive anticipation and/or adaptation (Sutcliffe & Vogus 2003).

| Table 5.1 : Diverse perspectives of resilience | | |
|---|---|---|
| **Diverse facets: (i) super material (ii) developmental perspective - adaptability, positive functioning, competence (iii) ability to absorb or withstand (iv) ability to recover.** | | |
| **Authors** | **Definitions** | **Diverse Facets of resilience** |
| Hamel & Välikangas (2003) | Strategic resilience: Ability to dynamically reinvent business model and strategies as circumstances change. | Developmental perspective: adaptability, positive functioning, competence |
| Lengnick-Hall & Beck (2005) | Resilience capacity: Unique blend of cognitive, behavioural, and contextual properties that increase a firm's ability to understand its current situation and to develop a customized response | Developmental perspective: adaptability, positive functioning, competence |
| Sutcliffe & Vogus (2003) | Resilience refers to the maintenance of positive adjustment under challenging conditions | Developmental perspective: adaptability, positive functioning, competence |
| Madni & Jackson (2009) | The many faces of Resilience: Avoid (Anticipate) Withstand (Absorption), Adapt to (Reconfiguration), Recover from (Restoration), | As a super material, Developmental perspective: adaptability, positive functioning, competence, Ability to absorb/withstand, Ability to recover |
| Woods (2006) | Resilience is how well a system recognizes and adapts to handle unanticipated perturbations | Developmental perspective: adaptability, positive functioning, competence |
| Starr et al. (2003) | Enterprise Resilience is the capacity or ability to withstand system discontinuities and adapt to new risk environments | Developmental perspective: adaptability, positive functioning, competence, Ability to absorb/withstand |
| Hale & Heijer (2006) | Resilience is flexibility, ability to cope with unexpected and unplanned situations | Developmental perspective: adaptability, positive functioning, competence |
| Westrum (2006) | Resilience is to (i) prevent something bad from happening (ii) prevent something bad from becoming worse (iii) recover from something bad once it has happened | As a super material Developmental perspective: adaptability, positive functioning, competence |
| Walker et al. (2006) | The amount of disturbance a system can absorb without shifting into an alternate regime | Ability to absorb/withstand |
| Jackson (2007) | System Resilience is the ability of organizational, hardware, and | As a super material Developmental perspective: |

| | | |
|---|---|---|
| | software systems to mitigate the severity and likelihood of failures or losses, to adapt to changing conditions, and to respond appropriately after the fact. Resilience is the ability to survive disruptions without a breakdown in performance. | adaptability, positive functioning, competence. Ability to absorb/withstand |
| Nathanael & Marmaras (2006) | Resilience engineering aims to enhance the ability of a complex socio-technical system to adapt or absorb disturbance, disruption, and change. | Ability to absorb/withstand. Developmental perspective: adaptability, positive functioning, competence |
| Kendra & Wachtendorf (2003) | Ability to sustain a shock without completely deteriorating; that is, most conceptions of resilience involve some idea of adapting to and 'bouncing back' from a disruption | Developmental perspective: adaptability, positive functioning, competence. Ability to recover |
| Axelband & Valerdi (2007) | The attribute of a system of systems that makes it less likely to experience failure, and more likely to recover from failure | Ability to recover |
| Pariès (2006) | Intrinsic capacity of an organization to recover to a stable state (initial or new), allowing it to continue operations after a major mishap or in presence of continuous stress□ | Ability to recover |
| Grote (2006) | Resilience is an adequate balance between stability and flexibility that allows for adaptations without losing control | Developmental perspective: adaptability, positive functioning, competence |
| McDonald (2006), Pavard et al. (2006) | Resilience is "capacity of an organizational system to anticipate and manage risk effectively, through appropriate adaptation of its actions, systems, and processes, so as to ensure that its core functions are carried out in a stable and effective relationship with the environment" | Developmental perspective: adaptability, positive functioning, competence |
| Sundström & Hollnagel (2006)<br><br>Hollnagel (2006) | Resilience is an organization's ability to adjust effectively to the multifaceted impact of internal and external events over a significant time period and to deal with unexpected and disruptive events and understand their long term impact.<br><br>An organization's ability to efficiently adjust to harmful influences | Developmental perspective: adaptability, positive functioning, competence |

| | | |
|---|---|---|
| | rather than to shun or resist them | |
| Fiksel (2003, 2006) | Resilience can be defined as the capacity of a system to tolerate disturbances while retaining its structure and function. More specifically, in the business context, enterprise resilience is defined as the capacity for an enterprise to survive, adapt, and grow in the face of turbulent change | Developmental perspective: adaptability, positive functioning, competence |
| Gaddum (2004),<br>Rohmeyer & Ben-Zvi (2009) | Resilience is the ability of an organization's business operations to rapidly adapt and respond to internal or external dynamic changes... and continue operations with limited impact to the business | Developmental perspective: adaptability, positive functioning, competence |

**Adopted from Pal (2013)**

A consistent theme among the different definitions, in Table 5.1 above, is a sense of prevention, coping, recovery and rebounding in the phase of adversity or change. Most of these perspectives highlight one or more of these facets of resilience. The lack of holistic view on the concept of resilience makes it even more difficult to define entrepreneurial resilience. However, several scholars have attempted to define organisational resilience. The literature offers three differing perspectives on what organisational resilience means. Some see organisational resilience as simply an ability to rebound from unexpected, stressful, adverse situations and to pick up where they left off (Balu, 2001; Dutton et al., 2002; Gittell et al., 2006; Horne & Orr, 1998; Robb, 2000; Sutcliffe & Vogus, 2003). This view is similar to definitions of resilience in the physical sciences in which a material is resilient if it is able to regain its original shape and characteristics after being stretched or pounded. When organisational resilience is seen as bouncing back, the emphasis is generally on coping strategies and a quick ability to resume expected performance levels. Organisational efforts are designed to reestablish a strong fit between the firm and a new reality while simultaneously avoiding or limiting dysfunctional or regressive behaviors. This perspective on organisational resilience is rebound-oriented and is often tied to hardiness (an ability to react to stressful events with adaptive interpretations and actions (Kobasa et al., 1982).

A second perspective of organisational resilience looks beyond restoration to include the development of new capabilities and an expanded ability to keep pace with and even create new opportunities (Coutu, 2002; Freeman et al., 2004; Guidimann, 2002). In this second view, organisational resilience is seen as thriving because of the ability to capitalize on unexpected challenges and change. This second perspective goes beyond returning to established benchmarks to see organisational resilience as an important factor enabling a firm to leverage its resources and capabilities not only to resolve current dilemmas but to exploit opportunities and build a successful future. Consequently, organisational resilience is tied to dynamic competition, and a firm's ability to absorb complexity and emerge from a challenging situation stronger and with a greater repertoire of actions to draw from than were available before the disruptive event (Ponis, 2012).

It is evident from the above discussions that resilience - as a concept or applied to organisations highlights four facets of resilience - preventive, which is the avoidance aspects of resilience based on anticipation; survival, which is withstanding aspect of resilience; emergent aspect, which is the flexibility aspect of resilience; and rebounding, which is the recovery aspect of resilience (Pal, 2013). Madni & Jackson (2009) describe the different facets from three perspectives (i) avoidance – preventive aspects of resilience based on anticipation, (ii) survival – ability to withstand or adapt to disruptive events both passively and actively, and (iii) recovery – ability to survive major disturbances with reduced performance. Along similar lines, Gibson & Tarrant (2010) illustrate the four facets of resilience strategies - *resistance* strategies aim at improving robustness of organisations to withstand disturbances, *reliability* strategies aim at recovering from disturbances, *redundancy* strategies are usually designed to manage foreseeable volatilities (similar to anticipating and avoiding disturbances), while the *flexibility* strategies enable the organisations to adapt to extreme circumstances. These constructs of organisational resilience framework can be re-categorised into two facets - proactive resilience (redundancy/avoidance/preventive, resistance), which is the capacity to anticipate constraints and prevent something bad from happening; and reactive resilience (survival, flexibility/emergent, reliability, rebounding/recovery), which is the failure to perceive a problem but develop means to prevent something bad from becoming worse and (or) recover from something bad once it happens (adapted from Westrum, 2006).

According to Pal (2013), reactive approaches to turbulences are usually adopted by SMEs due to higher flexibility, adaptation and responsiveness that characterise such firms. This is owed to rapid decision-making, capacity for fast learning, little bureaucracy, shorter decision chains, and rapid and effective internal communications (Vossen, 1998; Stokes 2002). Anthony et al. (2008) further highlights that SMEs adapt to changes in market demands through a close knit relationship with customers, partners and shareholders. Anthony et al., however, argue that SMEs lack the proactive strategies during the decision-making process, and consequently limits their ability to reactively curtail constraints they may face. A view reinforced by Sullivan-Taylor & Branicki (2011) in their study which shows that SMEs usually take reactive actions rather than proactive approach which makes them less prepared for unforeseen situations. Bergman et al., (2006) describe this approach as a fire fighting approach, arguing that SMEs do not pursue long term proactive and strategic changes to foster resilience (Trim & Lee, 2008), and consequently lack 'resilience readiness' (Ismail et al., 2011). This becomes a serious setback on their activities in spite of their ability to create knowledge (Levy et al., 2003) and innovative products and services. To mitigate the shortcomings of the two approaches, a third perspective, agility-oriented perspective or resilience-readiness perspective, which is a combination of both the proactive and reactive approaches considered.

Agility-oriented perspective or resilience-readiness perspective, which is a combination of both proactive and reactive approaches, is able to create resilience for entrepreneurs. This perspective asserts that entrepreneurs are able to develop resilience by engaging in strategic thinking (reactive approach) and planning (proactive approach) (Pal, 2013), and hence build 'strategic readiness' (Ismail et al., 2011) to deal with constraints before and (or) as and when they arrive. Adopting the agility perspective by entrepreneurs can render substantial proactiveness and develop more structured strategic and predictive behaviours that could make entrepreneurs more resilience. The emphasis of this perspective is adopting adaptation and planned resilience developed through planned and emergent strategies, and thus forms the basis of entrepreneurial resilience strategies (Sullivan-Taylor & Branicki, 2011; Vargo & Seville, 2011).

For this study, entrepreneurial resilience is defined as the ability or capacity to anticipate institutional constraints and prevent something bad from happening; and (or) the failure to perceive institutional constraints, but develop and implement means to prevent something bad from becoming worse and (or) recover from something bad once it happens (adapted from Westrum, 2006). According to Agency Theorists, actors (entrepreneurs) 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, 1973; Giddens, 1984; Mutch, 2007); embedding structures provide a platform for agents to use their “capacity to imagine alternative possibilities…within the contingencies of the moment” (Emirbayer & Mische 1998, p. 963). These ways or alternate possibilities imagined or developed and implemented by entrepreneurs within the contingencies of the moment so as to prevent, cope, adapt, rebound and recover in the phase of institutional constraints are what is termed as entrepreneurial resilience strategies. Therefore, the next section details the entrepreneurial strategies used to develop resilience against constraints.

### *5.2 Entrepreneurial resilience strategies in the face of institutional constraints*

According to Bolton (1971) and Storey (1994), operational contexts of entrepreneurs are fundamentally different; and the nature of the environment determines the level of entrepreneurship in specific contexts (El-Namaki, 1988; Segura, 1988). Furthermore, the need for conducive environments is greater for entrepreneurial firms, compared to large scale enterprises, because such enterprises may have little control over the environment in which they operate (Pfeffer & Salancik, 1978). These enterprises may lack the resources such as financial, technological and human resources, which hinder their resilience development (Kirchhoff 1994; Vossen, 1998; Van Gils, 2005; Sullivan-Taylor & Branicki, 2011). Ghobadian & Gallear (1997) also highlighted factors like lack of investment, insufficient forward planning, cash flow, lack of business experience and innovation to be limiting entrepreneurial success and are considered to be prime reasons for low entrepreneurial survival rate (Storey, 1994). Furthermore, available evidence shows that prohibitive costs deter entry to potential entrepreneurs or drive them into the informal sector, which hamper their ability to grow due to lack of access to legal, social and business infrastructure (Djankov et al., 2002). Kotsios (2011) reports that the height of a state's taxation, income tax, property tax, profit tax, and value added tax increase operating costs, and hence impact on the entry, viability and profitability of SMEs; multiplicity of taxes, duties and fees discourage entrepreneurship (Nkya, 2003), and hence the growth of small firms (Aidis & Sauka, 2006).

Entrepreneurial success may depend upon several factors like (1) Government policies and restrictions (restrictions on imports, provision of bankruptcy laws, entry barriers, procedural requirements for registration and licensing, number of institutions for entrepreneurs to report to, rules and regulations governing entrepreneurial activities, and laws to protect property rights) (2) Socioeconomic conditions (public attitude towards entrepreneurship, presence of experienced entrepreneurs, successful role models, existence of persons with entrepreneurial characteristics, recognition of exemplary entrepreneurial performance, proportions of small firms in the population of firms, diversity of economic activities, and extent of economic growth); (3) Entrepreneurial and business skills (technical and vocational education, business education, entrepreneurial training programs, technical and vocational training, availability of information);

(4) Financial assistance (venture capital, alternative sources of funding, low cost loans, willingness of financial institutions to finance small entrepreneurs, credit guarantee program for start-up enterprises, and competition among financial institutions); (5) Non-financial assistance (counselling and support services, entrepreneurial networks, incubator facilities, government procurement program for small businesses, government support for research and development, tax incentives and exemptions, local and international information networks, and modern transport and communication facilities) (Gnyawali & Fogel, 1994). It should be noted that these institutional factors may shape enterprise but they may not determine the success or failure of enterprise. But in the event where entrepreneurs find themselves engulf in such institutional constraints, the question that crops up is, how do they build resilience to be able to stay relevant in their markets of operation? This opens up the discussions on entrepreneurial resilience strategies envisaged as the practical steps entrepreneurs adopt to develop resilience within institutional constraints, as shown in the ensuing sections.

Entrepreneurs may either continuously anticipate or opportunistically react quickly to unplanned and unexpected institutional constraints, through the development of multiple strategies, as discussed below. These strategic perspectives could either be related to firm entry, firm survival, and (or) firm growth potentials or ensuring strategic and operational continuities to counter the effects of institutional constraints on entrepreneurship (Herbane et al., 2004; Pal, 2013). The implementation of these multiple strategies together could lead to entrepreneurial resilience development.

### 5.2.1 Access to resources strategies

Resource mobilisation plays a fundamental role in the process of entrepreneurship (Shane & Venkatraman, 2000; Shane, 2003; Hsu, 2008; Baumol, 2010). The success of entrepreneurs depends to a larger extent on their access to, and skills in leveraging scarce and critical resources (Lawrence et al., 2005). Kristiansen (2004) describe entrepreneurial resources to include motivation, ideas, information, capital, market access, training and skill, and bureaucratic goodwill. For instance, for an entrepreneurial venture, access to resources can play a large part in firm emergence (Brush et al., 2008), product development (Plambeck, 2011), firm growth (Villanueva et al., 2012; Wadhwa & Basu, 2012), and competitive advantage (Clarysse et al., 2011). However, macro-environmental forces such as the demographic, social, economic, political and technological patterns and movements in a venture's geographical area (Castrogiovanni, 1991) are likely to affect resources available to the venture (Brittain et al., 1980; Tushman & Anderson, 1986).

There are four major theoretical perspectives on practical steps entrepreneurs use to access resources needed for their activities. Firstly, the *self-propelling perspective* relates to situations where (i) entrepreneurs meet their financial resources needs through personal savings. For instance, several authors argue that entrepreneurs initially finance their ventures out of their own savings, personal capital or personal wealth (Aldrich, 2000; Holtz-Eakin et al., 1994; Aryeetey et al., 1994; Beck et al., 2005). This gives entrepreneurs the ability to overcome the difficulty in accessing funds from financial institutions, which may not be forthcoming because of the high cost in processing and supervising loans (Gynawali & Fogel, 1994); banks lack of experience and capability to understand and respond to the special needs of especially small entrepreneurs (Vesper, 1983); as well as factors in the financial market - information gaps or inability to contract on outcomes of venture (Myers, 1977; Townsend, 1979; Stiglitz & Weiss, 1981; Desai et al., 2003); and (ii) entrepreneurs meet their knowledge gap needs through personally accessing knowledge and exposing themselves to related areas of experience, and developing additional areas of expertise through education - training, previous experience and (or) professional background. Thus, entrepreneurs are able to survive or prevent knowledge gap and its effects on their activities through acquiring the technical and business skills, and knowledge needed for their activities through educational, short-term training and apprenticeship (McClelland et al., 1969; Oyelaran-Oyeyinka & Barclay, 2004). Gynawali & Fogel (1994) argue that entrepreneurs' technical and business skills help them to overcome problems at different stages of their business development, and hence stress the need for training programs in countries where very limited assistance is available, market imperfections exist, large industries dominate the bureaucratic sector, government policies do not support small businesses and beset with hurdles before permission is granted to start a business.

The second strategy to accessing entrepreneurial resources is related to the network-based perspective, based on the intangible assets embodied in entrepreneurs interpersonal ties or firms' inter-organisational relationships with various players (Powell, 2003). Gadde et al.,'s (2003) views on the implications of strategising offered by the network perspective discover that entrepreneurs' relationships connect them to the rest of the network of which they may not be part, and helps combine the physical and organisational resources of their firms with those of their counterparts. Their final argument was that entrepreneurial firms depend on resources beyond their control, and such relationships and networks help access entrepreneurial resources. Particularly, Manning et al., (1989) emphasise four essential ingredients networks provide to entrepreneurship - support and motivation; expert opinion and counselling, examples and role models, and access to opportunities, information and resources. Several scholars mention resources entrepreneurs' access through their network crucial to include motivation, ideas, labour, information, capital, market access, and bureaucratic goodwill (Kristiansen, 2004; Overa, 2000; Stewart, 2003).

The third perspective is based on the socio-cultural approach, i.e. the kinship system of specific contexts. For instance, Adeya (2006) notes that entrepreneurs in Ghana use family links and connections as a strategy to access suppliers, customers, financiers and authorities in government establishments (Buame, 1996); and apprenticeship training and start-up finance were received from family members (Adeya, 2006; Robson & Obeng, 2008). Stewart (2003) lists the benefits of kin-based network ties to include commitment, extensive tacit knowledge, and access to information, reliability and willingness to make sacrifices in terms of money, time and effort. Overa's (2000) study in Ghana reports that collective actions by family units give entrepreneurs access to labour and market for their produce. This strategy helps entrepreneurs mitigate the effects of the depletion of existing resources that are required for the success of their activities.

Lastly, the Optimization-Bricolage perspective proposes a different strategic option of accessing entrepreneurial resources (Desa & Basu, 2012). Optimization involves entrepreneurs acquiring standard resources that have proven capabilities for the specific application for which the resource is intended (Oliver, 1997; Garud & Karnoe 2003); goal-directed resource acquisition (Desa & Basu, 2012). For instance, entrepreneurs purchase standardised of-the-shelf materials, hire salaried employees, and acquire professional skills to create innovative products and services so as to accomplish and achieve set goals. Thus, entrepreneurs search for the best sources of required resources and pay market prices for them (Desa & Basu, 2012). The ability of entrepreneurs to optimize in mobilising resources helps fulfill their planned mission and enhance their reputations (Haugh, 2005; Waddock & Post, 1991; Zahra et al., 2009; Novogratz, 2005). Contrary, Bricolage is “making do by applying combinations of resources already at hand” (Baker & Nelson, 2005: 33). Whereas optimization focuses on goal-directed resource-acquisition, bricoleurs focus on addressing opportunities and problems with existing undervalued, slack, or discarded resources that are often available for free or cheaply. Entrepreneurs may engage in bricolage out of necessity because they cannot afford the costs of more standard resources. Therefore, the process of “necessity-based” bricolage is satisfying in nature (Duymedjian & Ruling, 2012, p. 140; Simon, 1957) in that it focuses on acceptable goals that can be realised with the resources at hand. (Desa & Basu, 2012). Bricolage may thus be used as a design philosophy (Louridas, 2010; Duymedjian & Ruling, 2004; Kumar et al., 2012), with firms intentionally using discarded resources to develop new products and ideas. Such bricolage is ideational (Mair & Marti, 2009; Carstensen, 2011; Seelos et al., 2010) since it is driven by the recognition of perceived advantages rather than by necessity. In effect, entrepreneurs mitigate conditions of resource constraint but also occasionally enables the venture to recognise new opportunities to scale up operations and (or) extend its mission (DiDomenico et al., 2010) through this approach.

### 5.2.2 Entry Strategies

*"The essential act of entrepreneurship is new entry. New entry can be accomplished by entering new or established markets with new or existing goods or services" (Lumpkin & Dess, 1996, p. 136).* But several institutional barriers could deter new entrants. This section explores four approaches entrepreneurs adopt to develop resilience when faced with entry barriers.

First, *individualistic perspective*, is a situation where entrepreneurs bring their own resources to establish their presence without partnerships and without acquiring another firm. Individualistic strategy is effective when entrepreneurs have enough financial resources to overcome financial institutional entry barriers. Thus, several scholars argue that individuals amass personal capital before making the strategic choice of self employment (Holtz-Eakin et al., 1994; Parker, 2004), and consequently finance their ventures out of their savings (Aryeetey et al., 1994). In effect, entrepreneurs overcome credit or liquidity constraints and the price of capital, which are critical factors in market entry (Evans & Jovanovic, 1989).

Second, attention has been drawn to the relationship that exists between network and entrepreneurship (Dodd et al., 2002). For example, *network strategy* is used to birth new businesses (Aldrich et al., 1987). As Johannison (2000, p. 37) argues, the birth of a new venture is the institutionalisation of a part of the entrepreneur's personal network into the venture. The adoption of this strategy, especially in developing countries, aid entrepreneurs to mitigate 'prohibitive cost' (Djankov et al., 2002) created by several bureaucratic hurdles, which deter entry to potential entrepreneurs or drive them into the informal sector. Thus, prohibitive costs in terms of business cost of meeting regulatory and procedural requirements (Ho & Wong, 2007), and administrative complexities that hinder the willingness to become self-employed are overcome (Grilo & Irigoyen, 2005). Hence, Aidis & Adachi (2005) argue that networks between entrepreneurs and government officials help circumvent these requirements in business start-ups (Barr, 2000; Acquaah, 2011).

Third, *partnership or joint-venture perspective*, is where entrepreneurs find business, community, or government partners in the new market, and enter into joint venture with them before they are able to enter into new markets or already existing markets. While local partnership provides the tools to overcome social and institutional entry barriers, non-local partnership may address economic and institutional entry barriers but not social entry barriers to a particular market (Robinson, n.d). JVs provide a means to access resources held by local firms that may help to counteract idiosyncrasies of a weak institutional context (Delios & Beamish, 1999). However, the need for a partner may decline with the strengthening of the institutional framework (Meyer, 2001; Peng, 2003)

Further, *arch incumbency perspective*, which is about incumbents (whose activities are supported by existing institutional framework) using retaliatory strategies to deter entry, is being argued to be beneficial to new entrants (Fan, 2010), since it leads to the acceptance of entry from other incumbents. Fan (2010) argues that under this perspective entrepreneurs adopt two potential strategies to escape from incumbents retaliatory strategies, and thus increase their chances of entry and survival. First, entrepreneurs *adopt different market positioning* from the arch incumbent which will likely lead to the chance of “going under the radar” and decreasing the possibility that the incumbent would consider it worthwhile to defend their position in the market. For example, entrepreneurs may decide to focus on a *market niche, provide differentiation or adopt a low-cost strategy* in opposition to the arch incumbent’s strategy to outwit the threat of being stifled out of business. The second potential strategy would be an *aggressive large scale entry*. Entrepreneurs through this strategy signal to the incumbent that they have sufficient resources to fight back, implicating that the cost for any retaliatory actions would be high for the incumbents, and hence deterring the arch incumbents to fight against their entry (Asikainen, 2012). Thus, the entrepreneur is left with little power over the barriers to entry and in most instances can only hope to be able to jump over some of the barriers through formulating innovative strategies and ways of doing things that would catch the current industry status quo off guard, many times referred to as radical innovations that would change the industry structure and conduct (Chandy & Tellis 2000). Incumbents rarely are responsible for the industry changing innovations, strongly related to their unwillingness to cannibalise their own investments (Chandy & Tellis 1998) and their lack of strategic agility (Friedman & Taylor 2011). Adopting these strategies will help entrepreneurs develop resilience that have the potential to affect the structural barriers to entry (Pehrsson, 2009).

### 5.2.3 Growth Strategy

Networking strategy is argued to be a strategic choice (Peng & Heath, 1996; Contractor & Lorange, 1988; Powell, 2003; Williamson, 1991; Barr, 2000) used by entrepreneurs to overcome institutional constraints to firm growth. Network-based relationship takes on various forms, such as strategic alliances, joint-ventures, hybrid organisations, partnerships, corporate groups and research consortia (Johansson & Mattsson, 1991; Jarillo, 1988). Organisations enter into these relations to share risks, and gain access to new technologies and markets, scale economies and complementary skills (Kogut, 1988; Oliver, 1990). Adopting the network growth strategy reflects a firm's inability to possess all the necessary resources to undertake generic expansion alone than to merge and (or) acquire other firms. Rather such a strategy for growth represents a firm's efforts to reduce institutional burdens through the development of inter-organisational relationships (Salancik & Pfeffer, 1978). Hence, Barr (2000) stresses that entrepreneurs with diverse forms of contacts have more productive enterprises - enterprise performance, endogenous growth and facilitate the flow of knowledge between enterprises. Harris & Wheeler (2005) for instance comment on how entrepreneurs' network are used to fulfil marketing activities through accessing further contacts as well as sharing specific knowledge of other markets with the entrepreneur, which help to increase its commitment to the new market, and hence business growth. Similarly, Aidis & Adachi (2005) comment that networks between enterprises and officials are significant for business survival and growth, so new businesses without such connections are more likely to fail. Acquaah (2011) further posits that, social networking relationship with community leaders and government bureaucratic officials enhance the performance of family businesses. As Yang (2008) reports that in the Chinese context, entrepreneurs must engage with the State to access contracts, bank loans, favourable tax incentives, valuable market information, and exemption from troublesome laws and regulations (Sun et al., 2011). Hence, other scholars also have indicated that the entrepreneur's guanxi or social networking is the key to resilience development (Gibb & Li, 2003; Pun et al., 2000). These networks provide access to resources and information needed by firms to adapt to institutional constraints. Collaboration and sharing with others may result in sharing of tacit knowledge, which accelerates learning (Sun et al., 2011), and may enable entrepreneurs to circumvent institutional constraints.

Li & Tang (2004) describe three strategies entrepreneurs can adopt in growing their companies within institutional constraints. First, Breadth-on-top-of-Depth perspective is where firms seek to place their developing expertise in a broad context. Developing depth, be it in a technical/research area, is essential to business success. Developing breadth means increasing their knowledge and exposure to related areas or developing additional areas of expertise. Thus, entrepreneurial firms can capitalise on their reputation in an industry niche and expand to a variety of related industries; entrepreneurial firms can also draw on their competence (knowledge and experience gained) in the area of operations to focus on the future; and entrepreneurs can develop additional expertise on top of their core business. Fundamentally, entrepreneurs knowledge of what is going on in related areas increase the opportunities for business, which increase entrepreneurs' resilience against adversity such as institutional constraints. Consequently, entrepreneurial firms that are attracted to a larger clientelle (market or customers);

attract further business opportunities when they widen their product or services range (Pal, 2013).

The second perspective is transformation strategy. Firms adopting this strategy think ahead, and to some degree act ahead of the stage they are currently occupying. Here, entrepreneurs expand the boundaries of their firms by engaging in acquisitions of various business subsidiaries or transforming existing business model (Penrose, 1959; Penrose, 1995; Li et al., 2011). Entrepreneurs adopt this strategy when they fully employ under-utilised resources and even gain excess capacity (Pal, 2013). For example, ACER adopted a business model of having a few large MNCs as customer at the early stage of its development. It then grew very fast in size and acquired technology from its MNC partner (or customers). The model prepared Acer to face the challenge of meeting global quality standards, and consumer expectations, before offering its own products and engaging into the international market. Gradually, it began building up brand name and shifting its customer base from a few large MNCs to large and diverse individual customers (Li & Tan, 2004).

The third growth perspective is related to diversification through expansion of product range and production capabilities based on the entrepreneurial firms core competencies. Consequently, entrepreneurs are able to access complementary assets which help reduce the impacts of institutional constraints in operating environments (Pal, 2013). Several scholars argue that such developmental growth processes require complementary capabilities, inter-partner cooperation, and resource dependence (Salancik & Pfeffer, 1976; Stuart, 2000; Das & Teng, 2002; Ireland et al., 2002) so as to overcome or survive institutional constraints to growth.

### 5.2.3 Other approaches

In this section four other approaches to developing entrepreneurial resilience is discussed briefly via (i) use of tangible assets (ii) seek activities directed at boosting resilience

The use of tangible perspective focuses on how entrepreneurs use their tangible assets such as financial resources to develop resilience in two main ways: First, *bribery and lobbying*, entrepreneurial assets such as financial assets are used to bypass and override the negative cost of institutional sanctions that are likely to impact on their activities (Greenwood et al., 2002;

Greenwood & Suddaby, 2006). For instance, entrepreneurs may either bribe law makers to make decisions to favour their activities or sponsor political parties to get their people elected so that laws passed could be in their favour. For example, The Koch Brothers in the United States spent US$ 45 million in 2010 to support Charitable Organisations who would lobby and help elect politicians inclined towards free societies and free market principles. Moreover, according to Fries et al., (2003), entrepreneurs pay bribes in the form of cash with the aim of influencing the actions of public officials. It is an investment entrepreneurs need to make in order to operate successfully in an institutionally weak transition economy (Peng & Heath, 1996), where government controls bank loans, business formation, investment size, and finance. In using their financial resources, entrepreneurs may become administratively or bureaucratically corrupt[10], meaning paying bribes for services concerning the implementation of regulations, and state capture, where firms try to influence the formulation of laws and other government policies to their own advantage through illicit or non-transparent means (Fries et al., 2003).

Corruption, measured as bribes and indirect tax payments, are argued to have positive and statistical significance on individual plant growth (Vial & Hanoteau, 2010). Huntington (1968) argues that corruption is used to outwit rigid and over centralised administration, excessive regulatory barriers or poorly efficient and weakly competent bureaucracies. For instance, Svenssen (2003) reports that firms pay bribes when dealing with public officials whose actions directly affect their operations, and conclude that bribe payments are positively correlated with firm growth in Uganda. A similar assertion was made by Bliss & Di Tella (1997) when they comment on how bureaucrats extract money from firms under their control so as to drive the most inefficient firms out of business, and hence enhance the profitability of remaining firms which in turn makes it possible to demand larger bribes (Bliss & Di Tella, 1997). But Ayaydin & Hayaloglu (2014) posit that such strategy aid in the short term growth of firms, while deterring economic growth at the macro-level (Svensson, 2003). Nevertheless, Wang & You (2012)

[10] Administrative corruption involves regular payments of relatively small amounts of money by small-and-medium-sized organisations to officials, while bureaucratic corruption includes relatively large amounts infrequently paid by, in particular large organizations to political leaders (Fries et al., 2003).

emphasised that corrupt practices may also be involved in firms' day-to-day operations, which can take many forms and shapes - illegal payment to persuade tax inspectors, bribery to obtain and (or) speed up the compulsory licenses (or permits) during production or for future production, entertainment spending to smooth relationships or build networks.

Second, *political activism*, entrepreneurs use their financial assets to build a coalition with other players to defeat policies they perceive as constraints to their activities. For example, The Koch Brothers for their strong conservative politics built a coalition of network of foundations, think tanks, and political front groups to oppose the Obama administration's policies, starting from health-care reforms to economic stimulus (Mayer, 2010); and Garud et al. (2002) show how Sun was able to convince systems assemblers, software firms, and computer manufacturers to contribute to the network-centric approach to computing that it proposed to oppose Microsoft Windows. Sun provided free access to Java instead of charging for that resource to encourage support for its project among systems assemblers, software firms and computer manufacturers (Leca et al., 2008). Thus, entrepreneurs use financial resources to pressure important stakeholders to favor their agenda (Demil & Bensédrine, 2005), which help them develop resilience against institutional adversity to their activities.

Another way to develop entrepreneurial resilience is to seek activities directed at boosting resilience (Bullough and Renko, 2013). They mentioned two activities through which entrepreneurs may develop resileince within institutional constraints. *First*, entrepreneurs and aspiring entrepreneurs can benefit from business development training (Wilson et al. 2007), which is important for resilience development. Thus, entrepreneurs with business-related education and training, such as seminars, undergraduate and graduate business degrees, short-term workshops, and executive education courses, have been found to possess the ability to develop resilience (Lent & Brown, 1996) so long as the education they receive does not leave them overwhelmed by the complexities of starting a business rather than armed with the right tools and understanding (Wilson et al., 2007) to develop resilience. Sun et al., (2011) reports that high level of resilience development in skilled based entrepreneurs, which may be due to the depth and breadth of their product experience, which provides the knowledge, learning and insights to further business opportunities to outwit institutional constraints. As reported in other research that management, marketing and financial skills influence business success, especially at the start-up phase (Ibrahim & Goodwin, 1986). *Second*, entrepreneurs build resilience through mentoring and swapping stories with other entrepreneurs who have succeeded in down times (Bandura, 1997; McMillen, 1999; Meyer, 1982). Successful entrepreneurs and business leaders who have steered through adversity and launched businesses and new initiatives despite negative realities have been shown to be powerful motivators for potential entrepreneurs. Entrepreneurs and potential entrepreneurs can learn by modeling others who have successfully navigated businesses through turbulent times (Bullough and Renko, 2013). They further argue that entrepreneurs or potential entrepreneurs can find these models by reading business journals and magazines. *Entrepreneur* magazine has abundant examples of entrepreneurs who have launched new businesses or pursued new business extensions in turbulent times. Also, profiled in magazines such as *Forbes*, *Fortune*, and *Bloomberg Business Week*, are stories of new businesses and industries and new ways of structuring businesses or targeting new client markets, and there are even stories of business disasters from which readers can learn what not to do. From these stories of turmoil or adversity, creative individuals can find opportunities to exploit and offer solutions to new customer bases (Bullough and Renko, 2013, p. 348). Real-life examples of how entrepreneurs survive institutional constraints can also be found through public-speaking engagements and networking. For example, business leaders and aspiring entrepreneurs can find great value in joining their local chamber of commerce and industry-related organisations, such as the American Marketing Association for marketing professionals, the British Chamber of Commerce or the Ghana Chamber of Commerce. The networking potential from simply meeting new people and having interesting conversations at these events can often spark novel ideas and new connections (Bullough and Renko, 2013) that could help entrepreneurs overcome institutional constraints to their activities. Entrepreneurs could learn new things which they can implement to deal with institutional constraints they face.

The above review identifies the following conceptual content. First, it classifies the various schools of thought related to the multiple facets of entrepreneurial resilience strategies into three broad divisions, (i) Reactive resilience strategies, corroborating the design and adoption of measures that enable entrepreneurs to react to institutional constraints to re-establish a strong fit between the firm and the new reality, while at the same time avoiding and limiting dysfunctional or regressive behaviours (Kobasa et al., 1982) (ii) Proactive resilience strategies, corroborate pre-emptive strategies usually designed to manage institutional constraints (similar to anticipating and avoiding disturbances). (iii) Agility resilience strategy combines both the proactive (planning) and reactive approaches (strategic thinking or emergent) to build strategic readiness (Ismail et al., 2011) to contain institutional constraints. Second, it identifies several constructs related to entrepreneurial resilience and business success, as per the following, (i) access to resources strategy through personal savings, and personal initiatives to access knowledge; network; family links or connections; and bricolage and optimization (ii) entry strategies through personal resources, network, partnership or joint-venture, adopt different market positioning, and aggressive large scale entry, (iii) growth strategies through network, breadth-on-top-of-depth (increase knowledge and additional expertise), expand boundaries through mergers and acquisitions, and (iv) diversification through expansion of product range through complimentary capabilities, inter-partner cooperation, and resource dependence, and (v) other approaches as exemplified by the use of corruption (bribery) and lobbying, political activism, networking through strategic alliances, joint-venture, hybrid organisations, partnership, corporate group, and research consortia, and seeking activities directed at boosting resilience such as business development training, and mentoring and swapping stories.

It is evident from the above review that entrepreneurial resilience strategies fall under three main categories - Proactive, Reactive and Agility. It is however evident that among the existing researches or literature there is the lack of a holistic framework dealing with entrepreneurial resilience strategies. This poses the problem in coining a concise definition of entrepreneurial resilience strategies, as well as conceptualising entrepreneurial resilience strategic framework. Hence, the researcher incorporated literature from disparate sources in developing the view towards entrepreneurial resilience strategies. From the literature, entrepreneurial resilience strategies deals with a stream of actions pertinent to practices, which could either be planned or emergent, adopted to prevent, cope or (and) recover from institutional constraints.

### *5.3 Summary*

Important issues arising from this chapter are the attempt to transpose the concept of resilience in the entrepreneurship arena, and to coin the definition of entrepreneurial resilience strategy around this concept. Discussions were centred upon several disparate literatures on the concept of resilience, identifying the different perspectives of resilience before attempting to transpose such perspectives in the field of entrepreneurship. The Chapter implies that entrepreneurial resilience is not only ego-centric, but rather contextually influenced. The thrust of the argument is that entrepreneurial resilience can be viewed from several angles, which can be categorised into three - proactive, reactive and agility resilience. This categorisation is important as it focuses the attention of diverse entrepreneurial resilience strategies into these three realms, as depicted in Figure 5.1, which contains different practical strategies that boost entrepreneurial resilience, as shown in Table 5.1. Another importance of this categorisation is it focuses the attention of the study on the topic as well as the objective of this research. TThis chapter continued to develop an appreciation of how entrepreneurs prevent, adapt or recover from the influences of institutional constraints.

The issue is most of the literatures covered are based on Western notion of the concept of resilience, but the strategies adopted to develop entrepreneurial resilience within institutional constraints may not be context-bound as in Western or developing country context. The insights gained from reviewing the literature, especially on resilience strategies would be adopted to understand how the entrepreneurs develop resilience in the Ghanaian context. This will be an attempt to have a contextual understanding of resilience development for the entrepreneurs in the specific context.

Chapters 3 dealt with two analytical realms of this study - entrepreneurship concept and institutional theory. In chapter 4, we saw the institutional influences in entrepreneurship as the rules of the game. This chapter continued with the third part of the analytical framework of the research, resilience, by exploring how entrepreneurs develop resilience within constraints. The review of literature in chapters 3, 4 and 5 pertaining to the different levels of institutional influence in entrepreneurship and resilience strategies will be helpful in providing empirical support to the findings sections of the study in chapters 7 through 9. These insights will be useful to this thesis by contributing to the knowledge on how and which institutions matter to entrepreneurship development, as well as the resilience strategies entrepreneurs adopt within institutional constraints in Ghana. The next deals with the methodology adopted to achieve this study's objectives.

# Chapter Six: Research Methodology

## 6 Introduction

The literature reviews sections presented in chapters three through five illustrate how institutional arrangements influence entrepreneurship and the resilience strategies designed to overcome constraints to entrepreneurship. On that presupposition, it is essential to consider how one can study the interactions between institutions, resilience, and entrepreneurship. This chapter will therefore address how the research was designed, which include the research questions guiding the inquiry and the sampling frameworks constructed. The chapter also touches on the fieldwork strategies adopted to collect the primary data as well as discussions on how the data was analysed and interpreted.

### *6.1 Philosophical approach*

According to Creswell (2009), although philosophical ideas are hidden in research (Slife & Williams, 1995), they still influence the practice of research and need to be identified. Hence, individuals undertaking research should explicitly make known the philosophical ideas they espouse, since this helps to explain the reason for a chosen method (Creswell, 2009). To this end, in writing about world views, this thesis includes sections to address:

1. The philosophical worldview informing this study;
2. An account of basic considerations of that worldview; and
3. How the worldview shaped the researcher's approach to the research.

Accordingly, adopting a philosophical approach for this study is of paramount importance since they underpin entrepreneurship studies. As Burrel & Morgan (1994, p.1) stress "*All social scientist approach their subject via explicit or implicit assumptions about the nature of the social world and the way in which it may be investigated*". Following this, the next section addresses the worldviews in entrepreneurship research.

### *6.2 Inquiry Paradigm: Worldviews in entrepreneurship research*

Paradigms are set of ideas, values and beliefs that predispose how we look at the world, the questions we ask about it and the methods felt appropriate to find answers to those questions (Robson, 2002). Guba & Lincoln (1994) argue that inquiry paradigms define for inquirers what is it they are about, and what falls within and outside of legitimate inquiry (p. 108). They further argue that the basic beliefs that define inquiry paradigms can be thrown into three fundamental and interrelated questions - ontological, epistemological and methodological questions (Heron & Reason, 1997). The ontological question deals with the form and the nature of reality, and therefore what is there that can be known about it (Guba & Lincoln, 1994). Thus, ontology is the science of being and reality (Lincoln & Guba, 2003), and relates to the assumptions of being, meaning and identity, which inform the researcher's definition of reality: what really exist or what a person thinks exist (Goodson & Phillimore, 2004; Hollinshead, 2004).

The epistemology question deals with knowing how you can know (Hatch & Cunliffe, 2006), and relates to the assumption made about the nature and construction of knowledge: what is knowledge and what are the sources and limits of knowledge (Eriksson & Kovalainen, 2008). A researcher's epistemology is what the researcher counts as knowledge and depends on what they want to know about (Guthrie, 2007, p.13). Consequently, this will determine the researcher's method of collecting that knowledge (Goodson & Phillimore, 2004; Eriksson & Kovalainen, 2008). The importance of this section lies in the fact that it demonstrates the philosophical stance of the researcher and how this has been used in reviewing the existing literature on entrepreneurship, resilience, and institutions, adopt approaches that comply with the nature and aim of this research as well as expose or reduce the biases imbued in this research. The methodological questions deal with how the inquirer (would-be knower) goes about finding out whatever is believed can be known. Methodological questions cannot be reduced to a question of methods; methods must be fitted into a predetermined methodology (see section 6.5 for details).

According to Guba & Lincoln (1994), there are four paradigms that compete for acceptance as the paradigms of choice in informing and guiding inquiry, especially qualitative inquiry - positivism, post positivism, critical theory and related ideological positions and constructivism (p. 105). Positivism is based on values of reason, truth and validity and focus purely on facts gathered through observation and experience and measured empirically using quantitative methods (Eriksson & Kovalainen, 2008). Positivism is based on the assumption that science quantitatively measures independent facts about a single apprehensible reality. That is, data and its analysis are value free and data do not change because they are being observed (Healy & Perry, 2000; Kraus, 2005). Post positivism believe that truth exist but can only be partially comprehended (Riley & Love, 2000). Post-positivism is based on the assumption that knowledge can be acquired through less stringent scientific methodology, which engages quantitative with some qualitative methodology (Yee-lee et al., 2011). Social science researchers have however adopted the traditional, scientific approach on a number of reasons (Denzin & Lincoln, 1998; Guba & Lincoln, 1998; Lee & Fielding, 1996; Miles & Huberman, 1994). The natural scientific inquiry is characterised by observation and description of a phenomena, formulation of hypothesis to explain a phenomena, predict the existence of other phenomena using hypothesis or predict the results of a new observation, and conduct experimental tests of the prediction by several independent experimenters who use proper experimental methods (Michael, 2002). However, the scientific or positivist approach relies on the fundamental principle mandating a rigorous separation of facts and values, the principle of the fact-value dichotomy (Bernstein, 1976; Proctor, 1991). By this, empirical research proceeds independently of normative contexts and implications. Thus, social scientists are instructed to assume a "value-neutral" orientation and to limit their research investigations to empirical or factual phenomena (Fischer, 2005); takes no account of the meanings and purposes attached by human beings to their behaviour or of the context in which the behaviour takes place (Guthrie, 2007, p. 22). More so, the focus of proving or disproving hypothesis place little or no value or discussion on the process through which hypotheses are developed (Guthrie, 2007, p. 22).

However, the post positivist approach and its argument that the explanation of the behaviour of a particle depends in significant part on the vantage from which it is observed (Galison, 1997); in explaining the physical world, where you stand can influence what you see (Fischer, 2005); use qualitative data to give richer insights into the context and meaning of human behaviour in studies (Guba & Lincoln, 1998), address some of these criticisms. Nevertheless, they further criticise the positivist and post positivist approaches on three grounds (1998, p. 199):

- Facts are not independent of theories. This undermines objectivity because facts can be seen in the context of a particular theoretical framework. Similarly, facts are not independent of values;
- One set of facts can support several theoretical frameworks. This means that if a researcher has a theory, they can deduce what facts ought to exist. However, they cannot arrive at one single theory from a given set of facts. The example most commonly given is that the existence of one black swan disproves the hypothesis that all swans are white[11];
- Developments in the physical sciences brought into question the assumption that the researcher has no effect on the phenomena he or she is observing. Social scientist now argue that it is more accurate to recognise that there is inevitably some form of interaction between the researcher and the subject, and that knowledge or findings are created out of this interaction.

It has also been argued that many qualitative researchers operate under different epistemological assumptions from quantitative researchers. They see all quantification as limited in nature and believe that the best way to understand a phenomenon is to view from its context (Kraus, 2005b). Accordingly, Guba & Lincoln (1998) propose that constructivism and critical theory symbolises a shift away from the belief in objective reality to the view that the macro context of social, political, cultural, gender values (critical theory) and (or) micro context of individual, local or specific values (constructivism) shape reality. Cope (2001, p. 123) argue that the crucial differences at the ontological level make the constructionist perspective different from its post positivist counterpart. He further suggests that, instead of realism, it is subjectivism that shapes constructivist thinking (Guba & Lincoln, 1994). Cope (2001, p. 123) extends that argument by highlighting that there is no unique, independent real world; reality is a product of perspective, subjective and created by context, from the constructivist perspective. This ontological stance

[11] An explanation of such situations was offered by Popper who argues that the criteria of a scientific status of a theory are its falsifiability, or refutability, or testability. He further argues that it is easy to obtain confirmations, or verifications, for nearly every theory, if we look for confirmations. Every test of a theory is an attempt to falsify it, or refute it. Testability if falsifiability, but there are degrees of testability: some theories are more testable than others, more exposed to refutation, than others. Some genuinely testable theories, when found to be false are still held by their admirers. (Popper, 1919/20).

resembles the researcher's personal beliefs more closely than that of positivism. The reason being that it acknowledges that human beings have personal and subjective view of what have meaning in their lives and therefore, what can be "real" (Cope, 2001). Therefore, it appears that what Schwandt (1994, p. 118) suggests is applicable when he suggest that particular actors in particular places, at particular times, fashion meaning out of events and phenomena through prolonged, complex processes of social interaction involving history, language and action.

Qualitative research has its root in anthropology, sociology and philosophy and was first used by anthropologists (Malinowski, 1922; Mead, 1973) and sociologists (Parke & Burgess, 1984), as a method of inquiry. Researchers using this approach do not always use the term qualitative research; they adopt different labels, albeit fitting into the label of qualitative enigma. Some call it naturalistic inquiry (Lincoln & Guba, 1985), field research (Burgess, 1984), case study approaches (Stake, 1995; Travers, 2001), interpretive research (Bryman, 2012) and ethnography (Hammersley, 1995). Notwithstanding, there is an understanding that researches that proceed from the natural scientific perspective is grouped under the generic term, quantitative research approach, while qualitative is used to denote the research approaches that do not proceed from natural scientific perspective. A further discussion of this debate is in the next section.

### *6.3 Interpretive paradigm in entrepreneurship research*

Entrepreneurship critics still argue that entrepreneurship as a field of study is still emerging (Busenitz et al., 2003); still searching for identity (Low, 2001; Binks & Vale, 1990; Khanka, 1990; Kilby, 1971); doubt entrepreneurship as a field of study (Shane & Venkataraman, 2000; Zahra & Dess, 2001); absence of consistent and agreed definitions, boundaries and processes (Bryant, 2006); and theoretical and conceptual approaches are built on a variety of disciplines such as economics, sociology, psychology, strategic management and organisational behaviour (Wennekers et al., 2005, Vecchio, 2003). Coupled with the argument that entrepreneurship is an embedded phenomenon, it seems there is an apparent difficulty in choosing an inquiry paradigm within the field of entrepreneurship research.

It could also be argued that entrepreneurs' experience may vary in relation to context. Thus, entrepreneurs' experiences and perspectives (thoughts, expectations, and memories) within a specific context may be unique. It may depend on the macro context of social, political, cultural, gender values and (or) micro context of individual, local or specific values that shape reality. It could also depend on entrepreneurs' expectations, motivation, perception and reaction to the context within which they are embedded. In this respect, Hatch & Cunliffe's (2006) suggestion is a plausible one, when they propose that all knowledge is relative to the knower hence the need to work with others as they make sense of, draw meaning from and create realities in order to understand their point of view. Therefore, it may be appropriate for researchers to gain an intimate view of events from the perspective of the one who has experienced them himself or herself and who may have different premises about the world than we have (Bogdan & Taylor, 1975, p. 7).

To wit, a prime objective of this study is to ensure that it is the participants' stories and narratives that are retold and interpreted by the researcher and readers. In this regards, several authors have called for the use of interpretivist approaches for the better understanding of various phenomena, i.e. entrepreneurship (Cope, 2001; Chell & Pittaway, 1998; Costello, 1996; Rae & Carswell, 2000). Nevertheless, entrepreneurship still lacks methodological diversity (Neergard & Ulhoi, 2007; Wiklund et al., 2011). Therefore, McDonald et al., (2004) suggest that most studies in entrepreneurship use the quantitative techniques (Churchill & Lewis, 1986; Aldrich, 1991). Consequently, the non-positivist approaches and associated qualitative designs are under-represented in entrepreneurship research (Hindle, 2004, p. 577). Welter (2011) therefore makes the argument for a shift from the predominant assumption that entrepreneurship research will benefit from one overarching theory, concept or methodology.

Anderson et al., (2012) further argue that the use of the non-positivist approach place emphasis on a range of entrepreneurship dimensions and the interplays between the dimensions, which offer the opportunity to examine the subtleties of the entrepreneurship phenomena. Patton (2002) emphasises that the use of the non-positivist approach in research develop constructs, concepts and theories that enhance understanding of social phenomena, i.e. entrepreneurship, in natural settings, with due emphasis on the experiences, views, and understanding of all participants, and hence contribute to the advancement of entrepreneurship research (Anderson et al., 2012). Anderson et al., (2012) acknowledge that certain questions and (or) *objectives*, can only be addressed by qualitative work rooted in the non-positivist research paradigm. This is because qualitative research seeks to understand a phenomenon, i.e. entrepreneurship, from the perspective of those who have experienced it, exploring the meanings and explanations that individuals attribute to their experiences (Guba & Lincoln, 1994) by continually striving for *Vestehen* Cope (2001). Cope (2001) raises the issue of how qualitative research makes sense of the complex, subjective world of lived experience that confronts academic communities. In this regard, Van Maanen (1983) provides a description of the qualitative method.

> *"It is at best an umbrella term covering an array of interpretive techniques which seek to describe, decode, translate, and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world" (p. 9).*

This study intends to make sense of the world of Ghanaian entrepreneurs through their lived experiences, memories and expectations. In this vein, Goodson and Phillimore (2004, p. 30) doubt whether positivism and quantification were fully equipped to explore the questions of meaning and understanding. Cope (2001, p. 134) also argues that to understand the personal and subjective processes by which individuals make sense of their world requires the adoption of a stance that places central importance on comprehending phenomena from the perspective of the individuals who experience it. Phenomenology offers the suitable approach that could provide understanding and meaning to the development of entrepreneurship in Ghana. The ensuing section therefore works towards a phenomenological understanding of entrepreneurship in Ghana. The next section will discuss phenomenology, as a philosophy, a methodology and a research method.

### *6.4 Phenomenological understanding of entrepreneurship*

Phenomenological inquiry is widely used in the social sciences to describe a distinct research perspective to a more positive form of inquiry (Bogdan & Taylor, 1975). Burrell & Morgan (1997) argue that phenomenology is located within a broad interpretive paradigm (Holsteim & Gubrium, 1994). Spiegelberg (1982) suggests that phenomenology is a moving philosophy with a dynamic momentum, determined by its intrinsic principles and the structure of the territory it encounters, composed of several parallel currents, related but not homogenous, with a common point of departure but not a definite and predictable joint destination. Omery (1983) describes phenomenology as a philosophy, an approach and a research method (Oiler, 1986; Ray, 1994). Patton (1990, p. 68) highlights the confusion in the meaning of phenomenology[12]. He notes that phenomenology could be viewed as a paradigm, as a philosophy or perspective, and sometimes synonymous with qualitative methods or naturalistic inquiry. The implications of the above statement could be that phenomenology may have different meanings and connotations, at both the epistemological and methodological levels (Cope, 2001). It is therefore necessary to be clear about the phenomenological commitments underpinning this study.

Phenomenology, as a philosophical tradition was first introduced by Edmund Husserl (1859-1938) and later developed by Alfred Schutz (1899-1959), as well as by existential-phenomenologist such as Martin Heidegger (1899-1976), Maurice Merleau-Ponty (1908-1961) and Jean-Paul Sartre (1905-1980). The ensuing discussions touch on phenomenology as a philosophy and then as a research approach. The discussions on phenomenology as a philosophy will be based on the work of Husserl and Heidegger.

### 6.4.1 Husserl's phenomenology

Husserl is generally considered as the founder of phenomenology (Beyer, 2007; Crotty, 1996; Moran, 2005; Sokolowski, 1999), in that he sought to forge a path that will ground and confirm objectivity of human consciousness as it relates to the life world (Kerney, 1995). As Racher & Robinson (2003) notes, he rejected the extreme idealist position (the mind creates the world) and the extreme empiricist position (reality exist apart from the passive mind). Racher & Robinson further argue that Husserl notes that the world existed prior to consciousness and his phenomenology encompasses notion of pure consciousness:

[12] It is not actually confusion but a reflection of different aspects of phenomenology – it is a philosophy and method.

*"...it is then to this world. The world in which I find myself, which is also my world-about-me, that the complex form of my manifold and shifting spontaneities of consciousness stand related" (p. 103).*

Husserl's goals were strongly epistemological, as he considered experience the fundamental source of meaning, of knowledge. Three concepts of Husserlian phenomenology are essences, intentionality, and phenomenological reduction. He stated that phenomenology should return *to the things themselves*, the essences that constitute the consciousness and perception of the human world, the very nature of a phenomenon that makes something what it is, without which it could not be what it is (Husserl, 1913, 1952). In his transcendental approach, he believes that the mind is directed towards objects, consciousness was to be the consciousness of something, which he called directedness intentionality (Koch, 2008). Sokolowski (1999) explains that phenomenology's portrayal of consciousness as intentional is another way of saying that consciousness is always directed towards an object. Moran (2000) uses the word "aboutness" to characterise the intentionality of conscious experience - every act of loving is loving of something, every act of seeing is seeing of something (p. 16). As noted by Cope (2003), the implication of Husserl's intentionality of consciousness is that an attempt to describe an external, "objective" reality is futile without pertaining to the inner, subjective world of private experience. As noted by Burrell & Morgan (1975):

*"Ontologically, the world constitutes a stream of consciousness: it is experiential: the subjective is the source of all objectivities" (p. 233).*

Husserl devises phenomenological bracketing or reduction technique to hold subjective, private perspectives and theoretical constructs in abeyance and allow the essence of the phenomena to develop (Racher & Robinson, 2002). Husserl characterises natural attitude as being the naïve state in which human beings view objects and situations from within the perspective of a variety of taken for granted assumptions arising from history, culture, tradition or education. This natural attitude must be laid aside, or bracketed, in order to examine consciousness as it appears, as a pure phenomenon (West et al., 1996). Petit (1969) notes that the cornerstone of Husserlian phenomenology is the rejection of all presuppositions concerning the nature of the real, where any judgment of such matters should be suspended until found in a more certain basis. Husserl's phenomenological position can be viewed from the epistemological level, in that the task of phenomenology is to reveal the essential types and structures of experiences (Burrell & Morgan, 1979), which could be done after suspending all prior scientific, philosophical, cultural and everyday assumptions and judgment (Moran, 2000). It is only through this process that one can perceive the things themselves as they are in themselves and independently of any prejudices (Kockelmans, 1994, p. 14). In Husserlian terms, such intuition is not a mystical sympathy with the object of knowledge, but the highest stage of knowledge, as hard won as mathematical insights (Moran, 2000; Guthrie, 2007).

Moreover, Husserl argue for the need to suspend the "natural attitude" and move to a "philosophical attitude" (Cope, 2003); phenomenological attitude or transcendental attitude (Sokolowski, 2000). Stewart & Mickunas (1974) offer a succinct explanation of the 'natural attitude':

> *'[The] prephilosophical attitude toward the world Husserl called the "natural attitude" or "natural standpoint". The man who plants his crops and reaps his harvest is not dealing with the world in any philosophical sense. It never occurs to him to question the reality of the world in which he lives or to inquire into its rational basis. In fact, the essential attitude of human life is this natural standpoint. Whenever one is conscious, he is always related to this natural world which includes matters of fact, processes, practical aspects, values, other persons, cultural creations...The natural standpoint constitutes the most basic web of all human relationships to the world and to other persons' (p24).*

This stepping aside from the natural attitude and concentration on essences has given rise to Husserl's phenomenology being categorised as transcendental (van Manen, 1990). As Sokolowski (2000) explains:

> *'When we move into the phenomenological attitude, we become something like detached observers of the passing scene or like spectators at a game. We become onlookers. We contemplate the involvements we have with the world and with things in it, and we contemplate the world in its human involvement. We are no longer simply participants in*

*the world; we contemplate what it is to be a participant in the world and its manifestations' (p. 48).*

In fact, Husserl did not suggest that there is only one objective reality; rather that each phenomenon should be approached in as open a manner as possible in order to gain insights of the highest order (Guthrie, 2007). As Moran notes, there are two simultaneous but apparently opposite directions in Husserl's exposition of phenomenological reduction: towards the self which can transcend the natural attitude and towards the way in which consciousness is always caught up in a world (2000, p.12). Husserl did not deny the scientific world-view in which the world of ordinary experience consists of things which obey laws of nature and physics. He argues, however, that even before human beings rationalise or think about the world, they simply experience it in a pre-given form which he called the life-world.

Husserlian phenomenological tenets have several implications for this study. Firstly, preconceptions about a phenomena being investigated are "bracketed" by being identified and put aside (Baker et al., 2006). Secondly, there could be deliberate examination of researcher's own belief about a phenomena and the temporary suspension of these, and it involves deliberately seeing the other side of arguments, allowing thoughts to wonder, to be confused and uncertain, and seeking the opinion of others (Rose et al., 2008; Jasper, 1994). Thirdly, researcher' look at an experience naively, without the preconditions, the prejudices, and the biases that one usually brings to any description (Cohen & Omery, 1994). Fourth, in understanding the participants natural attitude (Giorgi, 2008), the researcher remains void of any preconceptions by isolating a phenomena from what the researcher already knows about the phenomena (Streubert & Carpenter, 2010). Fifth, all personal knowledge derived from readings or other secondary sources as well as one's personal experiences with the phenomena are to be excluded (Giorgi, 2008). Lastly, the meaning of lived experiences may be unraveled only through one-on-one transactions between the researcher and the objects of research (Wojnar & Swanson, 2007. P. 173).The culmination effects of these implications as noticed by Koch (1995) who commenting on Husserl's bracketing, highlights that Husserian phenomenology through the process of bracketing, defends the validity and objectivity of interpretations against the self-interest of the researcher (Paley, 1997). Moreover, the descriptions to be analysed are obtained from others, who remain within the natural attitude, but the researcher assumes the phenomenological reduction (Giorgi, 2008, p. 65). Lastly, the starting point of a phenomenology is with the things themselves, which Husserl saw as the true example of what phenomena was. Husserl further argues that phenomena cannot be separated from the experience of them; therefore the way to access the phenomena is through pre-reflective descriptions of it, in the person's own words (Paley, 1997). In this study, the emerged themes were based "in the persons' own words", and illustrative quotes that support the theme are provided (see details in the next chapter).

### 6.4.2 Heidegger's phenomenology

Heidegger shifts from the epistemological views of Husserl to emphasise on the ontological foundations of understanding reached through "being in the world" (Annells, 2006; Heidegger, 1962; Spiegelberg, 1982). He rejects 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*). He 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, 2006: Koch, 2008). He perceives phenomenology as a method or mode of approaching the objects of philosophical research (Cohen & Omery, 1994). 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).

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 & 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, 2008; Racher & Robinson, 2002). Racher & Robinson (2002) further suggest that people are self-interpreting beings, which occur in context involving everyday experience. Consequently, the fundamental ontological task of interpreting Being includes working through the apparent self-evidence, i.e. ahistoricality, of narrow, traditional points of view to the temporality of *Being* itself (Racher & Robinson, 2002, p. 473). As Heidegger (1927/1962) 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).*

Racher & Robinson (2002) underscore the need for researchers to become conscious, methodologically, of historical (including cultural) constraints on them and other interpretations or lived experiences. 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. The part and the whole are similarly understood through a reciprocal relationship. Heidegger devised the concept "hermeneutic circle" as a metaphor to illustrate this reciprocal undertaking (Koch, 2008). Interpreters participate in creating data because the hermeneutic circle cannot be avoided; co-constitution demands that primary data be regarded as contextualised life events with the individual's and the researcher's perspectives specified (Koch, 2008). Heidegger is commonly believed to have rejected phenomenological reduction or bracketing (Ray, 1994); however, historicality and the hermeneutic circle may be perceived as a revision of that reduction (Racher & Robinson, 2002, p. 473).

Heidegger's phenomenology has several implications for this study. First, the relations of the individual to his lifeworld should be the focus of phenomenological inquiry. Secondly, presuppositions and expert knowledge on the part of the researcher are valuable guides to inquiry. Third, co-constitutionality, the meanings that researchers arrive at in interpretive research is a blend of meanings articulated by participants and researchers within the focus of the study. Fourth, subjects to be studied are self-interpreting beings. Moreover, the belief that the contexts of culture, practice, social context or historical period are important in interpreting and understanding phenomena. Again, interpretation is a solution to a problem, question, concern and breakdown in understanding that motivated inquiry. Further, although Heidegger rejected phenomenological reduction (Ray, 1994), however, historicality and hermeneutic circle may be perceived as revision of that reduction (Racher & Robinson, 2002, p. 473).

Considering the different philosophical tenets of phenomenology – Husserl and Heidegger, it may be evident that the major theme of phenomenology they seem to agree on is the lived-world, which represents the world of ordinary, immediate experience that form the background for all human endeavours and the concrete context for all experience (Cope, 2003). This is important in methodological terms, 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. Berglund, (2007, p. 81) also enumerate several common ideological convergence that have implications for this study. For instance, they reject 'natural science' approaches and propose a 'human science' model of understanding human experiences. In doing so they acknowledge that as researchers our privileged access to meaning lies not in measures and numbers but in our capacity to understand and find meaning in other people's stories and experiences (von Eckartsberg, 1986). They also share a radical bottom–up approach to understanding reality which emphasises the role of 'the things themselves' as they present themselves as meaningful to individuals in everyday experiences. Berglund (2007, p. 81) therefore suggest an important goal of entrepreneurial research should be to capture and communicate the meaning of entrepreneurs' experiences in everyday life (Berglund, 2007, p. 81), as done in this study.

The importance of the phenomenological approach in this research is that the focus is firmly on the participants and what they have learned from their experience in the entrepreneurial process. In methodological terms, Thompson et al., (1989) argue that a phenomenological approach is important because it affords sufficient descriptive detail to illustrate how individuals live this experience and provide an experientially based understanding of the phenomenon in question (Cope, 2001). The main objective of this study is not to provide predictive knowledge through the construction of generalisable 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 entrepreneurship and comprehend this phenomenon within the institutional framework of Ghana. More importantly, this study describes the institutional influences in entrepreneurship development and entrepreneurial resilience development through the live experiences of entrepreneurs, within the context of small business ownership. In this regard, it is the participants' stories, anecdotes and narratives that are retold and interpreted by the researcher and readers.

Moreover, a phenomenological focus naturally compliments a commitment to the constructivist paradigm. As noted by Schwandt (1994):

> *'Proponents of these [constructivist, interpretivist] persuasions share the goal of understanding the complex world of lived experience from the point of view of those who live it...for understanding meaning, for grasping the actor's definition of the situation, for Verstehen' (Schwandt, 1994, p. 118).*

As the above statement by Schwandt (1994) highlights the finer nuances that exist within the constructivist paradigm. Cope (2001, p. 137) commenting on Schwandt's argument emphasises that the raison d'etre of philosophical hermeneutics is different to that of phenomenology in that it seeks to go beyond a phenomenological concern with capturing the actor's point of view, by continually offering interpretations of the lived experience of the researched.

### 6.4.3 Adopting an interpretive stance

The primary aim of this thesis goes beyond simple description and works towards an explanation that will help account for the phenomenon in question (Reason & Rowan, 1981), which in this instance is, *understanding entrepreneurial resilience development within institutional constraints.* This explanation will be based on the subjective nature of what people experience and how they experience what they experience (Patton, 1990, p. 14). The methodological focus on lived experience is that an individual's interpretation of an experience is an essential part of the experience itself (Patton, 1990). Bogdan & Taylor (1975) summarise this phenomenological stance:

> *"The phenomenologist view human behaviour - what people say and do - as a product of how people interpret their world. The task of the phenomenologist, and for us, the qualitative methodologists, is to capture this process of interpretation....In order to grasp the meanings of a person's behaviour, the phenomenologist attempts to see things from that person's point of view" (p. 14).*

Accordingly, Cope (2003) argues that the desire to understand an actor's definition of a situation and the meaning attributed to experience locates phenomenological inquiry within a long established interpretive tradition (Burrell & Morgan, 1979; Holstein & Gubrium, 1994) reflecting Heidegger's acknowledgement that all description involves interpretation (Moran, 2000). Hammond et al., (1991) however argue that phenomenology is often described as a programme of description. Nevertheless, Holstein and Gubrium (1994, p. 264) opine that phenomenological inquiry is an uncompromising interpretive enterprise.

Cope (2003) emphasises that in spite of the existence of the interpretive tradition within the social sciences, the use of the interpretive research in entrepreneurship is still emerging (Bouchikhi, 1993; Costello, 1996; Hines & Thorpe, 1995). Grant & Perrin (2002) however assert that small business and entrepreneurship research is dominated by objectivist, functionalist approaches. They argue for a greater paradigmatic experimentation, engagement and debate required to move beyond this single, "paradigmatic cage", and thereby develop new perspectives of entrepreneurship. Phenomenological inquiry offers an alternate approach (Cope, 2003, p. 10).

The discussions of the (lived) phenomenological method place this research in the use of the qualitative approach to explore the *live experience* of entrepreneurs in Ghana. The aim of this study is to provide rich description, contextual understandings and emergent interpretations of the phenomena in question (Cope, 2001). Bogdan & Taylor (1975) suggest that only qualitative research methods enable researchers to develop such a phenomenological understanding of social phenomena. The next section sheds more light on the qualitative method and how it applies to this study.

### 6.4.4 Utilising a qualitative approach

In phenomenological inquiry, the emphasis is on understanding a person's experience of the world and their situation and therefore qualitative method is regularly employed as a research method (Wilson, 2002). Guba & Lincoln (1994) argue that qualitative research seeks to understand phenomena from the perspective of those who experience it, exploring the meanings and explanations that individuals ascribe to their experiences. Thompson et al., (1989) opine that the world of "lived experience" does not always match with the world of objective description since objectivity tries to explain an event or experience, as separate from its contextual setting (Cope, 2003). Post positivists have incorporated qualitative methods as a preliminary stage to derive respondent generated lists of attributes and factors (Echtner & Ritchie, 1993; Reilly, 1990). Others have moved further towards constructivist, interpretivist approach to research (Bouchikhi, 1993; Chell & Pittaway, 1998; Costello, 1996). But the issue is how qualitative research begins to make sense of the complex, subjective world of lived experience that confronts academic communities (Cope, 2003). Van Mannen (1983) provides a description of the qualitative method that resonates with the objectives of phenomenology inquiry:

> *"It is at best an umbrella term covering an array of interpretive techniques which seek to describe, decode, translate and otherwise come to terms with the meaning, not the frequency, of certain more or less naturally occurring phenomena in the social world" (p. 9).*

Nevertheless, McDonald et al., (2004) conclude from the review of methods used in 2234 articles between 1985 and 2004 that entrepreneurship research is dominated by positivist approach and data collection methods. Meyer et al., (2002) attempted to characterise the field of entrepreneurship in terms of a number of research design elements and found an increasing reliance on firm-level analyses fuelled by archival datasets, regression-based analysis techniques and a focus on performance. Kyrö & Kansikas (2005) also made a methodological survey of the field and found the dominance of statistical methods of analysis in their survey of 337 articles from entrepreneurship & management journals in 1999-2000. Several studies in entrepreneurship have made recommendations about how the future should look, based on their surveys of the past (Aldrich & Baker, 1997). Others have made assessments about the maturity (or otherwise) of the field (Low & MacMillan, 1988) and still others have used their data in order to make calls for specific kinds of research, such as ethnographic (Borch & Arthur, 1995; Hill & McGowan, 1999; Dana & Dana, 2005; de Bruin et al., 2007) or longitudinal (Bygrave, 1989; Hofer & Bygrave, 1992; Hill & McGowan, 1999; Chandler & Lyon, 2001) or more sophisticated techniques of analysis (Wortman, 1987; Chandler & Lyon 2001) or higher research quality (Chandler and Lyon, 2001). Some studies have set out to identify areas not already tackled by the extant literature or in need of development (Wortman, 1987; Brush, 1992). MacDonald et al., (2004) emphasise that irrespective of the methods or purpose used in these studies, the outcome is unequivocal: quantitative techniques are predominant (Churchill & Lewis, 1986; Aldrich, 1991; Huse & Landström, 1997).

Furthermore, in terms of methodology, European research has been characterised as distinct from North American research (Gartner, 2008) in several ways, including: having more methodological openness (Aldrich, 2000, Huse & Landström 1997; Welter & Lasch 2008); employing a broader range of methods, and their use of qualitative approaches specifically (Aldrich 2000; Huse & Landström, 1997; Gartner & Birley 2002). In fact part of this heterogeneity may come from the amalgamation of a number of country-specific research traditions (Welter & Lasch, 2008). However, despite these observations, there have been little in the way of systematic empirical evidence to support these claims (Aldrich, 2000). In the field of entrepreneurship, one notable exception is Huse and Landström (1997) who compare the research questions and research designs of the European and US authors of 106 articles published in 5 top journals in 1994. They found that in terms of methods, European scholars showed less reliance on questionnaires and surveys but also that they were less likely to demonstrate the development of extant theories or models. More recently, Brush et al (2008) studied 389 articles published in two North American journals and two European journals over a three year period and found that there were some methodological differences in these two groups of articles with qualitative techniques still in the minority, but more common in the European journals.

Perhaps, one of the criticisms of choosing qualitative method may be partly because journals that concentrate on research might feel uncomfortable in drawing bottom line implications and impacts from qualitative research (Riley & Love, 2000). Cope (2001) argues that one of the challenges of choosing qualitative method is the perception that such research is not a "good science". Rather several authors judge it to be a "sloppy" pseudo-science requiring substantiation using empirical methods so as to have any real significance and make a genuine contribution to knowledge (Lincoln & Guba, 1985; Calder & Tybout, 1987). In spite of these criticisms, Fletcher (1997) underlines the fact that the choice of methodology should reflect a particular epistemological stance, rather than the mere application of data collection technique. This is important because, “the procedures and techniques we use to study social phenomena influence the substantive questions we ask, the information we obtain, and the answers we are willing to accept” (Stokes & Miller 1985, p. 546). Pittaway (2003) and Ogbor (2000) note that entrepreneurship research often fails to recognise the implications of the underlying philosophy. Grant and Perrin (2002, p. 201) call for more discussions of epistemological issues in entrepreneurship research so that each study starts from, ‘a thoughtfully articulated philosophical position’. Gartner, (2001, p. 28) in discussing the plurality of entrepreneurship theory, argues that we need to recognise the very significant differences in the beliefs we hold about entrepreneurship. It seems therefore that there is a general agreement that the enquiry methods and techniques should be appropriate to the subject matter and that ontological and epistemological issues should precede any methodological decisions (Hollinshead, 2004b; Seale, 1999; Silverman, 2001). As evident in the above discussions, the ontological and epistemological stance taken in this study make the qualitative approach more appropriate for this research.

Consequently, the call to move towards a more plural tradition of data gathering, and the growth in qualitative approaches to entrepreneurship problems has been welcomed by many (Bygrave, 1989; Hofer & Bygrave, 1992; Huse & Landström, 1997; Covellio & Jones, 2004; Saravathy 1999; Gartner, 2001; Gartner and Birley, 2002; Cope, 2003; Dana & Dana, 2005), though by no means all (Guth, 1995). Every method has its own strengths and limitations (Smith et al., 1989); it is in a sense a way of looking at the world. Any field which favours a single approach to data collection is privileging one empirical perspective to the point where the limitations of that method become the limitations of a whole field of enquiry (McDonald et al., 2004). Moreover, Bowen (2001, p. 33) argues that each methodology has its strengths and weaknesses and Silverman (2001, p. 4) posit that methodologies cannot be true or false, only less or more useful. Dann & Philips (2001) therefore argue that qualitative methods are particularly suitable to areas of research, which is concerned with understanding behaviour and experience, as they allow theory to emerge rather than being imposed on a topic and allowing participants to speak with their own voice provide greater richness and depth of data (Guthrie, 2007).

Moreover, one of the core criticisms of the qualitative research method has been its inability to produce objective, truthful findings, which can be generalised across time and space (Cope, 2001, p. 145). Cope (2001) further argues that a perceived subjectivity and *unreliability* of qualitative methods is a reflection of the clear ontological differences highlighted in this chapter. This study, however, works on the assumption that "the possibility of attaining objectivity and truth in any absolute sense has become an untenable position" (Patton, 1990, p. 167). Qualitative proponents such as Patton (1990) and Lincoln & Guba (1985) have responded to this challenge. Lincoln & Guba (1985) argue that because different paradigms make different knowledge claims, it is important to develop new evaluative criteria for assessing what is significant knowledge within qualitative research - "alternatives that stand in a more logical and derivative relation to the naturalistic axioms" (p. 301).

Volmerg (1983, p. 124) argues that in qualitative research, validity can be achieved through the construction of appropriate methods of data collection and analysis or through specific measures such as communicative, cumulative, ecological or argumentative validity (Koeckeis-Stangl, 1980). Miles & Huberman (1984) suggest the use of *other tactics* to test or confirm findings. Bogumil & Immerfall (1985, p. 71) recommend the consideration of options such as coherence (the extent to which methods meet the goals), openness (the degree to which otherwise suitable methods are allowed to be used) and discourse (the extent to which researchers are allowed to discuss the researched data and interpret them together and evaluate the consequences of the findings), as the means to ensure validity and reliability. It is also evident from the extant literature of the development of validity and reliability criteria based on *trustworthiness* of the research process[13] (Lincoln, 2001; Creswell & Miller, 2000; Eisenhardt & Howe, 1992). In supporting the trustworthiness concept, Shank (2002, p. 92) argues that "validity deals with the notion that what you say you have observed is, in fact, what really happened". Lincoln & Guba (1985) postulate four alternative measures as the conventional criteria for assessment for establishing how trustworthy any piece of research may be - credibility, transferability, dependability and confirmability, are offered as equivalents to the positivist demands.

This comment highlights the complementarities and interconnectedness of many of the issues discussed in this chapter. In more practical terms, both Patton (1990) and Lincoln & Guba (1985) argue that there are a number of techniques that can be employed to ensure that such trustworthiness and credibility is established. Three important procedures will be utilised within this research to ensure a trustworthy account of the development of entrepreneurship in Ghana. In terms of "methods triangulation" (Lincoln & Guba, 1985), "thick description" and "member checks" (Erlandson et al., 1993) are seen as vitally important in ensuring that this is a credible piece of research.

> *'Thick description does more than record what a person is doing. It goes beyond mere fact and surface appearances. It presents detail, context, emotion, and the webs of social relationships that join persons to one another. Thick description evokes emotionality and self-feelings. It inserts history into experience. It establishes the significance of an experience, or the sequence of events, for the person or persons in question. In thick description, the voices, feelings, actions and meanings of interacting individuals are heard' (Denzin, 1989, p. 83; Patton, 1990, p. 430).*

[13] Since validity and reliability is commonly used in quantative research, Lincoln (2001) designed corresponding measures used to test the quality, rigour, and trustworthiness of qualitative research. For example, validity coreespond with credibility, while reliability correspond with dependability.

As Patton (1990) argues, description is thus balanced by analysis and interpretation. An important aim of this research, however, is to keep emergent interpretations generated from the data as close as possible to the participants' experiences, so that this academic account remains authentic and identifiable to the participants. Presenting interpretations and analyses back to the participants is therefore seen as crucial (Cope, 2001, p. 146).

> *"The member check, whereby data, analytic categories, interpretations, and conclusions are tested with members of the stakeholding groups from whom the data were originally collected is the most crucial technique for establishing credibility. If the investigator is to be able to purport that his or her reconstructions are recognisable to audience members as adequate representation of their own realities, it is essential that they be given the opportunity to react to them" (Lincoln & Guba, 1985, p. 314).*

Marschan-Piekkari & Welch (2004, p.8) argue that qualitative research "takes a more holistic approach to the research object and studies a phenomenon in its context". Further, Marschan-Piekkari & Welch (2004) posit that qualitative methods go beyond the measurement of observable behaviour (i.e. the what) and tries to understand the meanings and beliefs underlying the observable behaviour (i.e. the why and how). The benefits of using a qualitative design are emphasised by Miles & Huberman (1994, p.10) who posit that a particular strength of qualitative data is that it focuses on "naturally occurring, ordinary events in natural settings". In addition, Silverman (2000, p.8) argues that qualitative research "can provide a deeper understanding of social phenomena than would be obtained from purely quantitative data". Miles & Huberman (1994, p.10) argue that qualitative data is seen to have "richness and holism" which provides "thick descriptions that are vivid, nested in a real context, and have a ring of truth that has a strong impact on the reader". A qualitative research design is also seen to be flexible in that the method and time of data collection can be altered as the study progresses (Miles & Huberman, 1994).

### 6.4.5 Role of Intuition and empathy in phenomenological Inquiry

According to Cope (2001, p. 141), in phenomenological inquiry, the researcher must act and think differently to their positivistic counterparts. Hirschman (1986) further posit that in qualitative research, researchers employ two processes - intuition and empathy, which is not common in positivist methodology (Bogdan & Taylor, 1975; Cope, 2001). Cherian & Harris (1990) argue that to understand the individual from the individual's own context entails empathy, intuition and translation (Hirschman, 1986). He further argue that empathy is required because the investigator must be able to learn the others reality - understand how they feel, think and believe (p. 240), in order to study and gain understanding of a phenomenon from a participants frame of reference (Bodgan & Taylor, 1975). Intuition enables the researcher to translate comprehension of the phenomenon into knowledge that can be transferred to the targeted audience (Geertz, 1973), although this is a difficult position that is not fully achievable. In the current study, understanding entrepreneurial resilience development within institutional constraints, intuition and empathy is required so as to have a credible representation of the materials generated in the research context (Cope, 2001). Consequently, the researcher takes the role of an empathetic participant translator (Hirschman, 1986, 240). Cherian and Harris therefore conclude that this methodology does not lead to predictive power, rather the focus is shifted to one of understanding the problem at hand (Lincoln & Guba, 1985), that is what this study is about, understand how entrepreneurs develop resilience within institutional constraints. Conscious of the fact that empathy could lead to biases, the researcher made sure to give empathy based on the stories participants told (Lathar, 2009), listened without the mutuality of presumed by empathy "sameness" (Lathar, 2009, p. 20), to get empathetic understanding of the lived experiences of participants (Neuman, 2006).

### 6.4.6 Photographic Image

Cope (2003) describes the complexity involved in inquiring into the lived experience of individuals and points out that in phenomenological inquiry, the researcher's ability to translate interpretive accounts of participants' experiences is a major issue. As noted by Denzin & Lincoln (1994):

> *"Subjects, or individuals are seldom able to give full explanations of their actions or intentions; all they can offer are accounts, or stories, about what they did and why. No single method can grasp the subtle variations in ongoing human experience" (p. 12).*

Cope (2003) highlights that, what differentiate phenomenological inquiry from the positivists' and the functionalists' methods is that any explanation given of a phenomenon represents a photographic slice of the *experience-near* [Concept used by people being observed to describe themselves, their lives, and their values] (Geertz, 1973), that in the next instant might represent a different aspect (Lincoln & Guba, 1985, p. 155). Cope (2003) therefore argues that depending on the time and context, individuals may interpret things differently. Hence, Bogdan & Taylor (1975) note that time and context may change individuals' perspective about an experience and event. Thompson et al., (1989) further conceptualise experience as a dynamic process, which at any given moment, certain events stand out, whereas others become background for the experience (Eccles et al., 1999). Again, Cope (2001) suggests that an individual's experience or event is not independent of its ground, hence, Thompson et al., (1989) note:

> *"...experience emerge in a contextual setting, and, therefore, cannot be located "inside" the person as a complete subjectivity nor "outside" the person as a subject-free objectivity" (p. 136).*

It could be argued that the meaning that participants attribute to their experiences may change over time, so participants' narratives may represent the subjective reconstruction of their experiences. It is therefore important to mention that this research was undertaken at a particular time in a particular context. This study works on the assumption that, the entrepreneur's experience may change overtime, due to the dynamism and complexity of the institutional environment, hence the entrepreneur's perception of the entrepreneurial process within the Ghanaian context, may be seen differently. This study therefore represents an interpretive *picture* of the participants' perception. But it should be pointed out that the use of photographic slice does not mean a static experience of the entrepreneurs, instead the dynamic process associated with narratives may cause the picture to change with time. To be able to gather the required data and develop fair and credible representations of the data requires a research design, which is discussed in the next section.

### *6.5 Research design considerations*

After placing this study in its ontological and epistemological perspectives, which form the basis for exploring entrepreneurial resilience development within institutional constraints, this section explains the practical aspects of the research design. The section begins by outlining the research issues to be addressed in this study.

### 6.5.1 Research Issues

An extensive review of the literature in Chapters four and five led to the emergence of four broad questions, which are the guiding questions of this study:

1. What are the institutional arrangements that affect entrepreneurship?
2. What are the roles of institutions in entrepreneurship?
3. How do entrepreneurs develop resilience within institutional constraints?
4. What are the relationships between institutions, entrepreneurship, and resilience?

This study aims to gain understanding of how entrepreneurs develop resilience within institutional constraints. A phenomenological approach was used to try and capture the lived experience of entrepreneurs in Ghana. Thus, this study aims to elicit rich, contextual, descriptive narratives, stories and anecdotes of what it means to be an entrepreneur, from the entrepreneurs' perspective, within the institutional framework of Ghana. It is important to understand the participants' perception about their institutional arrangements and how they mitigate these institutional constraints. Padgett and Allen propose that we make sense of our experience through narrative, as people have a natural propensity to organise information in a story format, and that narrative can be viewed as "*the primary form through which people communicate and comprehend experience*" (1997, p.56). Goossens (2000) also considers that mentally reliving experience is an important part of making sense of it. Van Mannen (1990, p.227-228) recommends the phenomenological researcher to "*gather and reflect upon stories, anecdotes and recollections of live experience*". Patton agrees that phenomenological enquiry requires "*carefully and thoroughly capturing and describing how people experience some phenomenon*" (2002, p.104). Such experience is understood in retrospect; at the time, we simply live it (van

Mannen, 1990, p.35-36). Listening to the stories and narratives of entrepreneurs and representatives of institutions supporting entrepreneurship in open unstructured interviews could offer understanding of entrepreneurs' experience within the institutional framework of Ghana. The phenomenological data will be analysed and interpreted with the extant literature on the interactions between institutions, entrepreneurial resilience, and entrepreneurship. Such a theory-building process may contribute to the understanding of this complex phenomenon.

### 6.5.2 Unit of analysis

This section outlines what the units of analysis are in this study. The unit of analysis in this study is the experiences of the individual entrepreneur and the research focus is how they interpret both what and how the institutional framework of Ghana affects their activities, and how they develop resilience within these constraints. As noted by Patton (1990):

> *"Sometimes individual people....are the unit of analysis. This means that the primary focus of the data collection will be on what is happening to individuals in a setting and how individuals are affected by the setting" (p.166/7).*

### 6.5.3 Selection of respondents

Patton (2002, p. 227-228) highlights the difference between the depth of detail, nuance and context afforded by qualitative research, and the breadth of response available using quantitative instruments. Patton (1990) suggests that quantitative research depends on larger cases, while qualitative research focuses in-depth on small samples purposefully selected (Miles & Huberman, 1994). Creswell (1998) suggests up to ten (10) respondents work well in qualitative research (Eisenhardt, 1989). Nevertheless, Patton (2002, p.245) suggests that the validity, meaningfulness and insights that emerge from qualitative research depend largely on the observational and (or) analytical capabilities of the researcher as well as the information richness of the cases selected, rather than with the sample size. Eisenhardt (1989) proposes that in choosing cases in qualitative research, the researcher should continue adding until the incremental improvement is minimal. Gibbs (2002) argues that qualitative research has no intent to generalise results to a population, hence data collection and analysis continue until the same themes and issues recur continually, when data saturation is reached (Strauss & Corbin, 1998) or the researcher realises that their description of a phenomenon "resonates with our sense of lived life" (van Mannen, 1990, p. 27). The concept of saturation was adopted by the researcher, in that at thirty-four, the researcher realised that incremental improvement in new information was very minimal.

As this research intends to understand the resilience strategies of entrepreneurs within institutional constraints, no target sample size was set, instead the researcher collected as many interviews as possible within the limits of resources', time and financial, constraints, as well as adopting the concept of theoretical saturation. Robson (2002, p. 198) highlighting the concept of flexible research design challenge the need to pre-specify numbers of interviews, but notes that between twenty to thirty respondents could be carried out to achieve saturation, in grounded theory studies. Patton (2002, p. 227/8) talks about trade-offs between breadth and depth of interviews; while larger number of shorter, less in-depth interviews may be required to reach saturation, the same richness of data and saturation can be reached in a smaller number of more in-depth interviews. Thus, theoretical saturation is more important than the numerical size of the sample. Therefore, the aim of sampling should be geared towards having insights about a phenomenon, not empirical generalisation from a sample to a population (Patton, 2002, p. 240). This study is based on thirty-four respondents (entrepreneurs and Directors of institutions supporting entrepreneurship).

Another issue fundamental to both qualitative and quantitative research is how cases, i.e. individuals, were chosen, i.e. specific techniques used to construct the sample. Qualitative research has been criticised for not providing theory-rich generalisations (Lincoln & Guba, 1985). In view of this, Patton & Applebaum (2003) argue that in qualitative research, researchers choose cases that are likely to be relevant to replicate or extend theory. Eisenhardt and Graebner (2007) propose that qualitative samples may be purposive with the aim of developing theory rather than testing theory. Moreover, Patton (1990) introduces purposive sampling in qualitative research, as an alternate to those used in quantitative sampling (random probability sampling, stratified sampling, and cluster sampling). Patton further argues that purposive sampling is used to select cases that are information rich[14]. Schatzman & Strauss (1973) note that the choice of purposive sampling is a practical necessity that is "shaped by the time the researcher has available to him, by his framework, by his starting and developing interests and by restrictions placed upon his observation by his hosts (p. 39).

There are several strategies for purposefully selecting information rich cases and the logic of each strategy serves a particular evaluation purpose (Patton, 1990, p. 169). This study used purposive sampling and used a number of strategies within the sampling framework to recruit respondents, as discussed below.

This research purposefully sampled the respondents and extended the sample opportunistically as interesting cases were encountered. This involves on the spot decisions about sampling, to take advantage of new opportunities during actual data collection (Patton, 1990, p. 179). On this basis, twelve (12) cases were obtained through referrals. The sample included female entrepreneurs, a recent start-up, well-educated entrepreneurs, indigenous institutions supporting entrepreneurship, serial or parallel entrepreneurs[15], and entrepreneurs with great deal of sector experience. On this basis it could be argued that stratified purposeful sampling, which aims to capture major variations rather than identify a common core, was used as cases were chosen to fill some theoretical categories apparent within the entrepreneurship domain (Eisenhardt, 1989; Cope, 2001).

Similarly, the study used a small pool of initial informants to nominate, through their social networks, other respondents who meet the eligibility criteria and could contribute to achieving the aim of the study. For instance, at the beginning of the fieldwork, the researcher had a draft of respondents to be interviewed; these respondents were asked for more contacts of people who

---

[14] Information rich cases are those from which one can learn a great deal about issues of central importance to the purpose of research (Patton, 1990, p. 169).

[15] A 'habitual' entrepreneur is used here to refer to an individual who has opened or managed more than one small business at the same time. A serial entrepreneur refers to an individual who has opened more than one small business sequentially (Cope, 2001). Vesper (1990) refers to this as 'sequential' entrepreneurship. It fairly frequently happens that one entrepreneur will start a venture, possibly succeeding in it, possibly not, and regardless of whether it succeeds or not, go on to start a second venture, a third, and so on, building an entire career of entrepreneuring' (Vesper, 1990, p. 89).

could be good examples to study, and good interview subjects (Patton, 1990, p. 176). Consequently, most of the sample was chosen from the personal networks of some Ghanaian entrepreneurs, Directors of indigenous institutions supporting entrepreneurship as well as Directors of institutions in the UK that support British entrepreneurs to do business in Ghana. As Hartley (1994, p. 216) suggests, using contacts in industry, academia and friendship can be helpful to establish what the population is of organisations you might draw the case study from and how to choose the cases.

In order to give a Ghanaian context to the research and to discover whether common themes may arise in more than one area of study, this study was concentrated in three areas within three Regions in Ghana. Consequently, Accra, Kumasi, and Sunyani were chosen. These three towns were chosen for the following reasons: limited resources (time and financial); and traditionally, these areas have high density of entrepreneurial activities. Moreover, the choice of expatriate respondents was made since their views could expand upon the experiences of the indigenous entrepreneurs.

### 6.5.4 Voice of the respondents

In all thirty-four interviews were conducted and recorded across four research sites - Accra, Kumasi and Sunyani (Ghana) as well as Aberdeen (UK). A summary of respondents' profile is found below:

**Respondents' profile**

**<u>Indigenous entrepreneurs</u>**

**Quartey and Issachar:** They are in their late thirties and co-founded a venture, a downstream petroleum company that trades in refined petroleum. Immediately prior to starting their business, Quartey worked in a Bank, as Information Systems Director, while Issachar, worked as a District Chief Executive in one of the municipalities in Ghana. Although the firm is registered as a limited liability firm, with a good business model and plan, they have not been able to obtain the required license to commence operations.

**Akoto:** Akoto is in his late forties and has a Master's degree in environmental science. He works in the public sector, as well as established a printing press, that deals in the printing of all manner of materials for both public and private consumption. His company has now folded because could not obtain the needed capital to establish permanent structures for operations. His firm was established about twelve years ago. The firm used to employ about ten (10) people.

**Appau:** Appau is in his early fifties, works as a science teacher in a High school and partnered with his wife to found two hardware retail firms that specialises in the buying and selling of building accessories (materials). His firm employs about ten (10) people.

**Manu:** Manu is in his late thirties and started his first venture, a Cement retail shop in 1997. Since then he has added three other areas - hardware retail division, transportation and farming to his ventures. He employs about hundred people.

**Kwaku:** Kwaku is thirty-five years old, a University graduate and started Used electronic gadgets retail shop over six years ago. He has one other employee, who works as and when he is needed. He started his firm immediately he finished the University. Before starting his own business, he worked in a Used goods shop, repairing gadgets.

**Akua:** Akua is the heiress of a private school that was established in 1966. Before inheriting her father's estates, she worked as a teacher in the school. The student population of the school stands at 600 and the school has different streams - creche, kindergarten, lower primary and Junior High School. It employs about sixty people. She is in her middle forties.

**Kofi:** Kofi is about thirty-five years old and started a fashion firm - design and sewing. He later handed over the fashion firm to his wife and started used electronic gadgets retail shop.

**Opoku:** Opoku is in his mid-thirties and partnered with his wife to start a retail stationary firm. They deal in computer accessories and other generic stationary products. They have had this firm for the past eight years, but have no employees.

**Koranteng:** Koranteng is in his mid-fifties and started a financial services firm in 1997 that has grown into different sectors with branches in three other countries, including Europe, and has a total workforce of 1000 employees.

**Dartey:** Dartey started this firm with his wife about twenty-one years ago. Its core business is real estate development and operates in three different countries in Africa. They are now in partnership with a foreign firm.

**Effah:** He is the founder of a commercial media group in Ghana, since 1995. He currently owns six of Ghana's leading radio stations, six online media sites, a multi-channel digital television service and a marketing and events management division. He has a workforce of about 430 people.

**Agyeiwaa:** She is the Founder of a private school, with a student population of 120 pupils. She founded the school in 1995 and employs ten (10) people. She founded the school out of a passion for children. She is in her mid-seventies. The school has two streams - creche and kindergarten.

**Frimpong:** Frimpong is seventy years old and is an entrepreneur, a minister of religion and a politician. He founded an agro-based industry. In the 1980s, his firm employed about 600 people but at the moment the firm employs about 60 people.

**Sarfo:** Sarfo is in his early forties and started a Pharmaceutical retail shop in 1995. He works in a government hospital as a Pharmacist. He employs six (6) people. He founded the firm after working in the pharmaceutical department of a government hospital.

**Akosua:** Akosua is in her mid-fifties and owns an aluminium manufacturing firm as well as a four-star hotel. She started as a petty trader plying the West African route in 1987, diverted into the production and bailing of used clothing in 1994, before starting the manufacturing of aluminium products in 1997 and the Hotel in 2009. She employs 100 people.

**Araba:** She is in her late thirties, works in the public sector as a pharmacist and operates a pharmaceutical retail shop. She has had this shop for the past nine years and employs three other people.

**Mensah:** Mensah is in his mid-twenties, and a Diploma graduate in business studies. He started a microfinance firm in 2010 and employs about 10 people. Before starting his own firm, he worked part-time in his brother's microfinance firm for five years.

**Kusi:** Kusi is seventy-three years old and is widely known in Ghana as a renowned entrepreneur, business magnate and a philanthropist. He ventured into private business in 1975, partnering with some overseas firms in the transport industry – air, sea and land. He and his partners have more than 140 branches of their company opened globally, which creates over 500,000 jobs, directly and indirectly.

**Armstee:** Armstee is in his early thirties, used to have a retail shop that sold computers on University campuses. He now operates a new firm with his mother, making and selling baby products. He also works as the operation manager of a government funded programme supporting entrepreneurship activities.

**Indigenous Institutions supporting entrepreneurship**

**Oppong and Odartey:** They are Directors at a government agency responsible for encouraging, promoting and facilitating investments in all sectors of the economy, except mining and petroleum. Their organisation supports both local and foreign investments in both the manufacturing and services sector.

**Yaw:** Yaw is in his mid-fifties and is the Director in charge of a Centre that coordinates Micro and Small Enterprises Projects by the Government of Ghana and the World Bank. The project is designed to support and provide assistance, starting from access to finance, access to markets, access to information, capacity building and trade facilitation infrastructure.

**Suleiman:** Suleiman is a Director, in one of the regional capitals, of a government scheme aimed at disbursing micro and small loans to the poor in the various sectors of the Ghanaian economy, targeted at reducing poverty, creating jobs and wealth. It also provides business advisory services, training and capacity building for small and medium enterprises. It was established in 2006.

**Kumaka:** Kumaka is the Head of SMEs in an indigenous Bank that provide financial and advisory services to entrepreneurs in Ghana. He worked with microfinance companies in Ghana for ten years before joining the bank.

**Alhaji:** Alhaji is the CEO of a collaborative project between the government of Ghana and the UNDP. The project intends to build high-quality growth oriented and highly competitive entrepreneurs through training, advice and access to resources such as finance and technology. He has had more than twenty years experience in designing projects and programs to help entrepreneurial activities in Ghana.

**Oduro:** Oduro is in his fifties and the CEO of one of the oldest institutions in Ghana. The aim of this quasi-governmental organisation is to help promote entrepreneurial growth and promote the interest of organisations and companies involved in investment, trade, commerce, agriculture and manufacturing in Ghana. He has operated his own entrepreneurial firms since 1984. He is into the hospitality and retails or commercial sectors of the economy.

**Bono:** Bono is in his mid-fifties and an entrepreneurship expert in one of the Universities in Ghana. He has worked in this University for more than sixteen years. His research interests include entrepreneurship, international business and private sector development.

**Expatriate entrepreneurs**

**Francis:** Francis is in his mid-forties and works as the West African Business Development Manager for an onshore and offshore waste management company based in Aberdeen, UK. The firm has been in Ghana for only a year but he has eighteen years of experience working in the West African sub-region.

**Singh:** Singh is an expatriate from India as well as one of the Founders of a telecommunication services firm. He is also the Managing Director of the firm, which aims to provide broadband services, data hosting as well as internet cafes to both the private and government sectors. It employs about 100 people and was started in 2001.

**Frederick:** Frederick is in his fifties, lives in Aberdeen and is the International Business Development Director of an offshore drilling exploration firm. He has had twenty-eight years of working at the international level in the same industry. The firm employs 75 people and more technologically driven, outsourcing most of its activities.

**Institutions that support entrepreneurship in the UK**

**Koomson:** Koomson is in his late sixties and a Managing Director of an institution in Aberdeen, UK, that supports British who would like to invest in Africa.

All the interviews were conducted at the convenience of the respondents, in their offices, where the researcher and the respondents' were seated for the interviews. The interviews lasted 60 minutes on the average and were digitally recorded for subsequent transcription, coding and analysis. With the exception of two interviewees, Kusi and Koomson, all the other interviews were recorded (with the approval of the respondents) so as to provide accurate rendition (Yin, 2003). Using a digital recorder also allowed the researcher to pay attention to the body language and the facial expression of the respondents. The researcher also took time to make notes of observations in the field log after each interview. The researcher transcribed the interviews as soon as possible after each interview. With the exception of two respondents, Manu and Kofi, all the interviews were done in the English Language.

Preliminary contacts were made with some of the respondents and interview dates were secured through telephone and emails. Before each interview, all participants were given an introductory letter (Appendix A) obtained from the University. This was assumed to boost the credibility of the researcher, give legitimacy to the project as well as minimise all forms of mistrust and suspicion. The researcher reinforced what was in the introduction letter by reiterating what the objectives of the project were, explaining the rights of the respondents as well as addressing issues of confidentiality and anonymity. Participants were assured that their real names will not appear in the thesis. All respondents gave their agreement for the interviews to be recorded and were made to sign a letter of consent (Appendix B) to that effect.

### 6.5.5 Interview technique

Patton (2002, p. 349) suggests four different approaches to collecting qualitative data through interviews - informal conversational interview, the general interview guide approach, standardised open-ended interview and close, fixed response interview (Table 6.1 below).

**Table 6.1 Variations in Interview Instrumentations**

| Type | Characteristics | Strengths | Weakness |
|---|---|---|---|
| Informal conversational Interview | It relies entirely on the spontaneous generation of questions in the natural flow of interaction, often as part of ongoing participant observation fieldwork. No predetermined set of questions or topics. | Increases salience and relevance of questions; interviews are built on and emerge from observations; interviews can be matched to individuals and circumstances. | Different information collected from different people with different questions; Less systematic and comprehensive if certain questions do not arise naturally; Data organisation and analysis can be quite difficult. |
| General interview guide approach | Topics and issues to be covered are specified in advance in outline; interviewer decides sequence and wording in the course of interview. | The outline increases the comprehensiveness of data; data collection is more systematic for each respondent; logic gap in data can be anticipated and closed; interviews remain fairly conversational and situational. | Important and salient points may be inadvertently omitted; interviewer flexibility in sequencing and wording questions can result in substantially different responses from different perspectives, leading to reduced comparability of responses. |
| Standardised open-ended interview | Exact wording and sequence of questions determined in advance; all interviewers ask same basic questions in the same order; questions worded in completely open-ended format. | Respondents answer the same questions, increasing comparability in responses; data are complete for each person on topics addressed in the interview; reduces interviewer effects and bias where several interviewers used; permits evaluation users to see and review the instrumentation used in evaluation; facilitates organisation and analysis of data. | Little flexibility in relating interview to particular individuals and circumstances; standardised wording of questions may constrain/limit naturalness and relevance of questions and answers. |
| Close, fixed | Questions and response categories determined in advance; responses fixed; respondents' chooses from among these fixed responses. | Data analysis is simple; responses can be directly compared and easily aggregated; many questions can be asked in short time. | Respondents must fit their experiences and feelings to the researcher's categories; may be perceived as impersonal, irrelevant and mechanistic; can distort what respondents really mean or experienced by limiting response choices. |

Source: Patton (2002, p. 349)

In this study, the probability of a follow-up in-depth interview was very unlikely, due to the busy schedule of most of the respondents interviewed and limited resources - time and financial, hence it was essential to cover the same general areas with each interviewee. Hence, the researcher adopted an approach between completely informal conversation and general interview guide. The interviews were allowed to develop as conversation with the aim of covering three major areas, as shown in Table 6.2 below. Each conversation with the entrepreneurs was started by asking them to tell their stories. Moreover, each conversation with representatives of institutions supporting entrepreneurship started by asking them to tell their stories in relation to their activities in Ghana. In addition, each conversation with the expatriates was started by asking them to describe their experiences in investing in Ghana. The researcher however kept in mind a list of potential probes and prompts (Ryan & Cave, 2005; Ryan & Higgins, 2006) which could be adopted so as to meet the objective of this study (Table 6.2 below). Thus, the researcher 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). In doing so the key areas of this research that could lead to answering the research questions and achieving the objective of this research were covered, while minimising the robotic and mechanical nature of the process of eliciting information.

**Table 6.2 Interview Guide**

| Themes | Understanding Sought |
|---|---|
| Institutional profile of Ghana | What are the elements of the institutional profile of Ghana? Further questioning elicited what interviewees perceive as the components of their regulatory, normative and cultural-cognitive dimensions. |
| Institutional roles in entrepreneurship | Understanding sought on how institutions become the rule of the game for entrepreneurship. |
| Entrepreneurial resilience development | Understanding sought on how entrepreneurs are able to operate within weaker institutional constraints. |

Riley (1996, p.27) notes that in interviews topic focus should be provided by the interviewer, whiles the respondent controls the direction of conversation and subject matter. Gubrium and Holstein (1998) argue that narratives, and storytelling are shaped to suit a particular audience. Robson (2002) therefore argues that in narratives, the researcher collaborates as well as exerts influence on the interviewee since the interviewee may seek to satisfy the perceived needs of the researcher. To minimise the researcher's influence, open-ended questions were asked as much as possible, as well as avoiding dichotomous response questions (Patton, 1990). More so, Patton (1990) and Thompson et al's (1989) warning to prevent the use of "why" was heeded to as much as possible, so as to avoid eliciting cause and effect responses. Nevertheless, this mode of question could have been unconsciously used, although it did not have any effect on the flow of the conversation (Cope, 2001).

## *6.6 Data analysis*

All qualitative data analysis methods involve coding data into themes, then categories, to form conclusions (Jasper, 1994). This study used constant comparative analysis (Benton, 1991; Morgan, 1993), supported by the analytical techniques outlined by Strauss & Corbin (1998), as well as those of Giorgi (2008) and Colaizzi (1978). In this study, all the interviews, with the exception of two (2), were audio recorded. The researcher adopted the following steps in analysing the data.

### 6.6.1 Get to know the data

The first stage of analysing the data was to get to know the data better. Here, the researcher listened to the tape recordings over and over again, as well as read and re-read all fields notes thoroughly. This activity was intended to get a sense of the whole, *gestalt* (Giorgi, 2008), acquire a feeling of them and make sense of them (Colaizzi, 1978), as well as consider the quality of the data and identify the limitations of the data, vis-a-vis the objective of this study. After listening to the interviews on several occasions, the researcher transcribed the interviews personally, which leads to the next stage of the data analysis process.

### 6.6.2 Transcription of data

At the second stage of the analysis, the researcher transcribed all the audio interviews personally, after series of listening and re-listening, a process that proved to be difficult, tiring and time consuming. This was important as it allowed the researcher to listen attentively to what the interviewees had to say concerning the phenomenon under study. During the transcription, no notes were made and the researcher did not intend to identify any significant trends or issues that could address the research questions of this study.

### 6.6.3 Focus the analysis

The third stage of the analysis involved reading and re-reading of the transcribed transcripts. Thus, the researcher attentively read the stories, and narratives of the *lived experience of interviewees, putting aside all pre-existing assumptions by being open to the phenomenon as it is being described; identifying significant or meaningful statements in individual accounts and then discovering themes or patterns arising across several accounts; from these, developing a rich description of the phenomenon and then considering the core structure which offers an explanation of the behaviour or processes at work* (Guthrie, 2007, p. 103). This stage also reviewed the data thoroughly and evaluated the data in relation to the research questions, objectives, and topic of this study. The questions asked in this stage were: Do the data answer the research questions? Do the data meet the research objective? Do the data satisfy the requirements of the topic of the research? Moreover, at this stage, notes were made along the margins of the printed interview transcripts, giving an initial focus on potentially significant issues, which became useful at the next stage. This was not a planned activity but it became a natural process, as the stage tried to focus the data on the research objectives, research questions, as well as the topic of this study. Sentences were written outlining what interviewees seem to be saying and the importance of those comments to meeting the objective of this study.

### 6.6.4 Coding the data

At this stage, the researcher read the interview scripts again in detail, looking for patterns and core consistencies, which were coded descriptively for all the interview scripts. The researcher assessed the descriptive categories to look at how they can be clustered or grouped together. It emerged that the descriptive categories addressed the profile of the respondents, the first research question of this thesis, *what are the institutions that affect entrepreneurship in Ghana*, as summarised in Table 6.3 below.

**Table 6.3 Broad themes that Reflect Interviewees Responses (Descriptive category)**

| Themes | Understanding Sought |
|---|---|
| Regulatory institutions | Researcher coded sub-themes that reflect the regulatory institutional dimensions. |
| Normative institutions | Researcher coded sub-themes that reflect the normative institutional dimensions. |
| Cultural-cognitive institutions | Researcher coded sub-themes that reflect the cultural-cognitive institutional dimensions |

Moreover, based upon further in-depth reading and re-reading of interview scripts, the researcher moved from descriptive coding to analytical coding, establishing the interplay between the institutional dimensions and the experiences of interviewees. The analytical categories were clustered around three institutional structures – regulatory, normative and cultural-cognitive institutional dimensions, which made plain and comprehensible the phenomenon under study. It emerged that the analytical categories addressed the second research question, *what are the roles of institutions in entrepreneurship*, as well as how entrepreneurs develop resilience within institutional constraints, as depicted in Table 6.4 below. Thus, this is where the researcher captured how interviewees gave meaning to their experiences in relation to the institutional dimensions.

**Table 6.4 Broad themes that Reflect Interviewees Responses (Analytical category)**

| Themes | Understanding sought |
|---|---|
| Institutional arrangements | Researcher coded cluster of information on what participants perceive as the institutional dimensions that entrepreneurs confront. |
| Entrepreneurial resilience | Researcher coded group of interviewees' accounts on how entrepreneurs conduct business to develop resilience in spite of the institutional constraints. |

Similar to the position of Strauss & Corbin (1998), the analysis yielded categories, cluster of categories and sub-cluster of categories, which are related to each other. The relationship brought up are interactional, relational and most notably consequential (Strauss & Corbin, 1998). All of them relate to the core theme of entrepreneurial resilience strategy within institutional constraints.

In line with the work of Lamnek (1989, p. 104-6) who described four (4) main steps of qualitative analysis in specific contexts, the researcher put in place some form of control by studying the transcripts again and even going back to the audio tape to verify the information and details. Creswell (1998) calls this process, *analytical spiral*, where he/she circles from the parts to the whole to the parts and back again, each time gaining a deeper understanding, until the parts are integrated with and comprehended as the whole (Guthrie, 2009, p. 103). The reason was to make sure that the emerged themes 'fit' the data. In spite of the differences among the thirty-four respondents, in terms of educational levels and type of industry, some reoccurring themes emerged from the data. The researcher traced these themes back to the individual scripts, noting commonalities upon which to build a conceptual base (Cater III, 2012), which shed more light on the entrepreneurial resilience strategies within institutional constraints. Lamnek (1989) call this the control phase, while Strauss & Corbin (1998) call it testing the themes level.

It should be noted that the descriptive and the analytical categories were cut, using the computer mouse, by the researcher and pasted in the interview coding file (Appendix C). These tasks could be done using the Nvivo software, but the researcher decided to perform them manually. This is consistent with unitising methods described by Glaser & Strauss (1967). Lincoln & Guba (1985) highlighted this method using stacks of note cards, while Carter III (2011) uses this method, using slips of paper in different folder. The researcher followed their guidelines, apart from pasting the illustrated quotes in MS word file document on the desktop, using the computer mouse.

### 6.6.5 Interpreting data

At this stage, the researcher made sense of the data collected. The stage involves purposefully slow reading of the scripts, with a primary focus of attempting to understand what each interviewee said and the perceived significance of certain events and experiences for them. The goal of hermeneutic inquiry, as applied in this study, is to identify the participants’ meanings from the blend of the researcher’s understanding of the phenomenon, participant-generated information, and data obtained from other relevant sources. In explaining the value of interpretation in research, Packer & Addison (1989) argue that true interpretation uncovers solutions to problems, confusion, questions, concerns, and the breakdown in understanding what motivated an inquiry in the first place. In Heidegger’s view a good interpretation will not provide validated knowledge, or timeless truth, but instead an answer to the practical or existential concern that motivated our inquiry (Packer & Addison, 1989, p. 275-292). Giorgi (2007) suggests that the outcome of interpretive inquiry is a description of what was discovered. Since how the results are presented is pretty open ended, one can describe the results with whatever degree of complexity is required. Basically, the outcome of the interpretation tries to uncover what was covered over by the reports of the participants (Giorgi, 2007, p. 69). This study therefore uncovered what was covered up by the respondents, and provided responses to series of queries that motivated this study, as enumerated by Packer & Addison (1989). A theoretical model therefore merged from the interpretation to shed more understanding on how entrepreneurs develop resilience within institutional constraints.

## 6.7 Using the phenomenological approach: limitations

Qualitative research methodology is presumed to lack reliability and validity of its findings. Criticisms concern the reactive effects of the observer's or the interviewer's presence on the situation or phenomenon under study and selective perception or bias of the researcher (McCall & Simons, 1969; Schaffir & Stebbins, 1991). In the case of this research, these issues were addressed through the use of member checks (transcribed interviews were sent to informants to consider whether their words match what they actually intended to say); peer debriefing among supervisory team; reflexive journals; purposive sampling; use of archives and the researcher's log

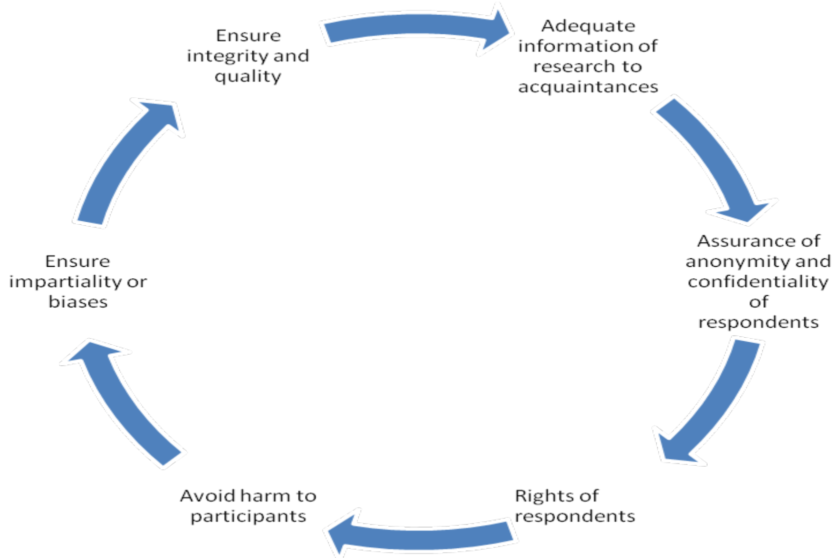
(Appendix D); and the use of folders - coding techniques template, interview log, transcribed interviews, audio files.

Grocke (1999) argues that the major challenge of the phenomenology research design is to remain focused, since phenomenology requires the researcher to be immersed in the data. He further argues that, the difficulty really does not lie with immersion, rather keeping the intention of the immersion clear, especially when dealing with large amounts of data. In this study, using reflexive journals helped the researcher to be conscious of potential biases, when dealing with the data.

### 6.7.1 Ethical clearance

Ethical issues were considered when undertaking this research, both during interactions and analysis of data. Ruane (2004) argues that an ethical research should not cause any harm to its respondents. Hence, Tharenou (2000) suggests that all respondents must be treated fairly and ethically in social research. He explained himself by saying that the fair and ethical treatment involves respecting the personality, rights, beliefs, wishes, consent and freedom of respondents. In qualitative research (Stake, 2000) comments that qualitative researchers must adhere to strict code of ethics because they are guests in the private spaces of the world. Hence, the ethical standards of this study conformed to the Economic and Social Research Council (2005), as per Figure 6.1 below. This study also received ethical clearance from the Ethics Review Committee of Robert Gordon University.

**Figure 6.1: Ethical Considerations of this Study**




**Source: Author**

Furthermore, all participants were made aware that participating in this research was purely voluntary, and had the right to opt out of the process at anytime. All the respondents were provided with a consent form prior to the interview and interviews were conducted and recorded after the consent form had been signed. During the interview only two respondents objected to recording the interview, which was adhered to. To protect the identity of the individuals as well as their firms, as part of the provision of confidentiality, all firms and individuals names have been changed. In addition, apart from the researcher, the data was accessed by only the two supervisors involved in the research. To ensure the ethicality of the research, all the transcriptions were done solely by the researcher.

### *6.8 Summary*

This has been a complex chapter that examined how the methodology adopted to explore the phenomenon of entrepreneurial resilience development within institutional constraints. The chapter sets out the philosophical approach, the methodological approach of this research, as well as the research issues identified through the literature review Chapters of this study. This Chapter touched on the debate surrounding the use of qualitative research methods in entrepreneurship research, as well as gave a brief account of the largely used quantitative methods in entrepreneurship research. The chapter, however, pointed out the use of qualitative approaches as the most probable means to draw meaning and understand a phenomenon. The chapter had a rhetorical discourse of the phenomenological approach, which was followed by examining the phenomenological methods and techniques to be used in collecting and analysing data. Details about the specific locations of the respondents, the sample size, as well as interview style were examined. The place of intuition and empathy was also described in the Chapter. The Chapter also examined the analytical approach adopted for this study, as well as a reflective statement of the methodological approach adopted in this study. Finally, the research design, and ethical issues considered for this research were also addressed in this Chapter.

This chapter therefore represents the end of an important phase of this study, as the ensuing chapters will provide the theoretical and interpretive analysis of the empirical data obtained in this research.

# Chapter Seven: Exploring country-specific institutional arrangements

## 7 Introduction

This research aims to achieve a phenomenological understanding of the resilience strategies of entrepreneurs within institutional constraints, from the perspectives of the individuals who experienced them. It is therefore important to explore the context-bound institutional environment within which the entrepreneurs operate, especially, the specific institutional dimensions that affect the entrepreneurs' activities. Although the precise dimensions of all institutions that influence entrepreneurship may be beyond the scope of any one study (Scherer et al., 1989), this chapter aims to contribute towards understanding the constructs of a country's institutional profile (Kostova, 1997; Busenitz et al., 2002; Spencer & Gomez, 2002). Hence, this chapter works towards understanding such the context-bound institutional dimensions through the conceptualisation of the regulatory, normative and cultural-cognitive structures, from the lived experiences of the participants in this study.

### *7.1 Understanding the institutional framework for entrepreneurship in Ghana*

The section develops clearer insights into the three institutional structures - regulatory, normative, and cultural-cognitive (Scott, 1995, p. 33; 2001, p.48), from the context of the research, based on the respondent's views of institutions and their dimensions. In essence, to develop a better understanding of the institutional profile of a developing country context such as Ghana, within which entrepreneurs operate.

#### 7.1.1 Exploring the regulatory institutional dimensions for entrepreneurship

One of the most important and common themes that emerge throughout the 34 cases is that all the participants commented on six dimensions of regulatory institutions - political, government, legal, financial, regulatory legitimacy, and tax institutions, that affect their activities. In a similar fashion to the regulatory institutional framework, which is characterised by government policies, regulations, laws and rules (Veciano & Urbano, 2008); political institutions, police, voting systems, degree of centralisation and federalism, and political freedoms (Acemoglu & Johnson, 2005; Harbi & Anderson, 2009; Kiggundu, 2002); legal institutions (Nkya, 2003; Djankov et al., 2003); financial institutions (Estrin & Mickiewicz, 2010) , and taxation (Hall & Jones, 1999; Estrin & Mickiewicz, 2010; Kotsios, 2011; Nkya, 2003); regulatory legitimacy (Hunt & Aldrich, 1996; Scott, 1995), comparative analysis of the data indicates that individuals are mostly challenged by the contextual regulatory institutions. The research therefore introduces the regulatory aspect of the institutional framework, since participants experiences suggest they are being confronted with regulatory institutional dimensions (details will be discussed in chapter 8). Comparative analysis shows that all 34 participants were conscious of the regulatory institutional dimensions, particularly, in terms of the effects on their activities and how they are able to outwit those institutional constraints.

### 7.1.2 The perceived dimensions of the normative institutional framework

The study suggests another important theme, normative institutional dimensions, which affect the entrepreneurs' activities. Scott (1995, p. 7) argues that the normative component of institutional framework emphasises normative rules that introduce a prescriptive, evaluative or obligatory dimensions into social life. He further describes normative institutions as well-accepted, non-statutory authority systems that guide the actions of organisations and individuals. The participants' experiences suggest the authority that professional associations exert on their activities, and hence influence their activities. The participants perceive four different non-statutory authority systems that have specified actions that individuals have to take in conforming to the standards of behaviour or conventions of their professions and organisational fields.

Comparative analysis demonstrates that the six entrepreneurs were conscious of the need for normative legitimacy and pursued it. This form of experience was pertinent to Akoto, (an experienced entrepreneur), who needed the endorsement of the printing press association before starting his business. By implication, he could not start his business without their backing. As Akoto remarks, *"...am a member of a small scale industry association, in the printing industry, you need pour drinks 'pay dues' to them before they give you their backing to start your own* *printing press"*. Such experience is recognised by Akua, Sarfo, Araba, Agyeiwaa, and Mensah as being beneficial to the operation of their businesses. Akua, (an heiress) comments, *"...am...with the Association (Private Schools Association)...we pay our dues and other charges otherwise they won't recognise you...and hence can't operate"*. Agyeiwaa, (an experienced entrepreneur), echoed Akua's experience with a similar account (See quote in section 8.1.6). In essence, it could be argued that normative institutional structures could impose punitive actions on entrepreneurs who do not comply (Anderson & Smith, 2007), hence the entrepreneurs' quest to be in sync with their professional norms. This perception is reinforced by Sarfo, (an experienced entrepreneur), who implies that the power of the professional associations compel him to comply with its norms, *"...we are being regulated by the Pharmacy Council...I have to pay professional dues yearly to be able to operate as a Certified Pharmacist...I pay Pharmacy Council dues for the shop...the Council can ban anyone who refuses to pay all the required dues"*. It is evident that Sarfo had to comply with the norms of the professional association through certification to honouring of all dues before being allowed to operate his business. Araba's, (an experienced entrepreneur), experience reaffirms Sarfo's assertions (See quote in section 8.1.6, para. 5). This study therefore suggests that those entrepreneurs, whose activities are linked to professional or business associations, need to conform to the norms of those associations before being able to operate their firms. As argued by Ahlstrom & Bruton (2002) that entrepreneurs must seek to develop favourable norms by conforming to professional standards that will help legitimise their activities The implication is that entrepreneurs who fail to address these norms and values may not be allowed to operate their businesses (Anderson & Smith, 2007). Ahlstrom and Bruton (2002) further mentions that professions and industry groups generate normative authority systems, which guide behaviour (Scott, 2002), and helps to build legitimacy for the participants in those domains (Suchman, 1995) (See Chapter 8, section 8.1.6 for details on normative legitimacy).

### 7.1.3 Understanding the issue of cultural-cognitive institutional dimensions

The study suggests another important institutional dimension, cognitive dimension, which often affects entrepreneurship. It seems that majority of the respondents experienced the impact of the cognitive institutional dimensions, which contributed to them devising means to survive within such constraints. Nineteen respondents expressed concern about other aspects of the cognitive institutional dimensions on entrepreneurship. The data highlights operating rules and normative behavioural codes that are embedded in the society, indicating several practices and expectations that are not defined and supported by the regulatory structures and requirements, but have become norms in the business environment.

As these participants began to recount their experiences, corruption and networking seemed to be the normal way of doing business, while bureaucracy was an expected hurdle for entrepreneurs in Ghana. The candidates further talked about the importance of normative legitimacy to entrepreneurship in the specific context. For Koranteng corruption in the form of bribery is an indispensable part of the business environment, as he recognises that he had to pay his way through to get things done. On reflection, it is evident that Koranteng had to bribe his way through before establishing his business empire. As Koranteng (a serial entrepreneur) states:

> *"...you must pay to get anything done...it's corruption...it's institutionalised...you can't do business without it (corruption) in Ghana..."*

The above example is reminiscent of the actions that firms or entrepreneurs ought to take so as to comply with tacit rules and customs of a specific society (Anderson & Smith, 2007), and conform with a well-accepted, non-authority systems that guide entrepreneurial actions (Scott, 1995). As Frimpong, Akosua and Araba (an experienced entrepreneur) comment on how corruption affects their business. Akosua (a serial entrepreneur) talks about paying to get her services paid for by government, *"…the government owes you…they ask you for some percentage, even to the detriment of your business"*. For Araba (an experienced entrepreneur), corruption in the form of bribes speed up the process of doing business in Ghana, *"…you have to put something under the table, i.e. bribe your way through to get things done in a speedy fashion…"*. Similarly, for Issachar, (an embryonic entrepreneur), corruption in the form of bribery is part of the Ghanaian business culture, as he comments, *"...corruption is real...endemic and institutionalised corruption...if you want things done and done quickly, you must always pay your way through..."*. Further, Alhaji, (the CEO of a government institution that collaborate projects between Ghana and UNDP), describes the endemic nature of corruption in the Ghanaian business culture, *"...the tax collectors...are corrupt and the businessmen are too..."to get things done..."*.

The above comments demonstrate a common theme within the data among serial, experienced and embryonic entrepreneurs, and reinforced by the Director of government institution. It underscores the institutionalisation of corruption in the business environment of Ghana, from the participants' perspective. On reflection, it presupposes that, corruption lubricates the business environment for entrepreneurs to operate smoothly, which characterises emerging economies with immature institutions. As Meon and Wall (2010) report that corruption is less detrimental to efficiency in countries with less effective institutions, and may be positively associated with efficiency in countries with extremely ineffective institutions.

In addition, network emerged as one of the normative dimensions, which characterises a way of doing business. Dartey's (a serial entrepreneur) comments on how organisational strategic goals are fundamentally influenced by networks, *"Networks also played a vital role in our strategic direction..."*. Similarly, Akoto (an experienced entrepreneur) could not conduct business without networking, *"Networks are important for me...you can't operate a business without..."* The experiences of the serial and experienced entrepreneurs are reinforced by Yaw, (the Director of a Center that coordinates MSEs Projects for the Ghana Government and World Bank), who emphasised political networking as something required for the success of all businesses. As he remarks, *"Political connections has become the order of the day...depend on government to develop your activities"*. These perspectives are shared by an embryonic entrepreneur, Quartey, who said that, *"...network in Ghana...crucial to your business..."*. This view was echoed by another serial entrepreneur, Effah, when he remarks, *"Networking is important for businesses in Ghana..."*. For the participants, networks is not only part of their normative institutional environment, but more importantly the responses indicate that networking aid the survival of firms (Ostgaard & Birley, 1996; Westhead & Smallbone, 1995), and underscores the perception that networks between enterprises and officials are significant for business survival and growth (Aidis & Adachi, 2005). Acquaah (2011) mirrored this view when he posits that networking relationship with community leaders and government bureaucratic officials enhance family business performance.

The research further suggests that entrepreneurs are subjected to bureaucratic constraints. More specifically, bureaucracy was perceived as an expected hurdle when doing business in Ghana. As Akoto, (an experienced entrepreneur) comments, *"...bureaucracy is an entrenched practice in the public sector...every businessman faces it in one way or the other"*. To explain, Akoto sees bureaucracy as firmly and securely established in Ghana's business environment, which every businessman is certain to encounter. Interpretation suggests that Akoto experienced what Ninsin (1989) describes as bureaucratic maze that affect the development of entrepreneurship; and bureaucratic ethos (Opoku, 2010) that characterise the institutional environment of entrepreneurs in Ghana. The experience of Akoto shared by Frimpong and Araba, are also demonstrative of the institutionalisation of bureaucracy at the public sector. As Frimpong (an experienced entrepreneur) says, *"...bureaucracy within the government sector...the payment approval goes through different desks..."*, and Araba (an experienced entrepreneur) points out, *"...you want something approved for you...we have a lot of bureaucratic hurdles before something is approved"*. In consistence with the experiences of the three experienced entrepreneurs, Singh, (an expatriate entrepreneur) spoke about bureaucracy as part of the process of doing business in Ghana, when he said, *"...everything is highly bureaucratic when doing business...it's expected"*. Francis, (an expatriate entrepreneur) shared Singh's assessment of the business environment in Ghana. Francis sounded frustrated about his experience with the bureaucratic hurdles in Ghana, especially the length of time it takes to get things done in Ghana. As Francis states, *"...things take a fair bit of time within Ghana...sometimes, things don't happen as quickly as you would expect them...a lot of bureaucracy there...there is always such a long chain of people, before you actually find what you are actually getting to...what can we do..."*. Issachar, (an embryonic entrepreneur), shared a similar experience, when he states, *"...all decisions are taken by the central government in Accra...it takes such a long time to get things approved...it is expected by every businessman though..."*, which is what Opoku (an experienced entrepreneur) talks about as the centralisation of bureaucracy in Ghana. The unifying factors in these experiences are that all the six respondents at different levels of entrepreneurship recognise the existence of bureaucracy, seem to appreciate the challenge it poses to them, while accepting it as part of the process of doing business in Ghana. As the World Bank Doing Business Survey (2005) reports that business in poor countries face three times the administrative cost and twice as many bureaucratic procedures and associated delays, which may not foster entrepreneurship.

In addition to the cognitive dimensions, the research suggests that irrespective of the type of business that the entrepreneur is involved in or wants to involve in, there may be context-bound cultural dimensions that can be encountered notwithstanding the state of the entrepreneurial endeavour. The most prominent and common aspects of the participants' context-specific attributes have been discussed in this section.

**Understanding the dimensions of the national culture**

Scott (1994) comments that social systems include roles and rules of action that constitute what the system is and specifies what it means to be an actor in such a system. Actors learn both who they are and what is expected of them in such a system. The identities and roles preselect the types of actions considered appropriate (Zimmerman & Zeitz, 2002, p. 420). Meyer et al., (1983) reinforce this argument by indicating that cognitive evaluation concerns the congruence between organisations and their cultural environment. The research suggests that majority of the participants reproduced certain aspects of the Ghanaian culture with minimal efforts and recognise them as the pattern most businessmen follow.

As already indicated, the research suggests that within the social system of Ghana, the participants commented on diverse aspects of the national culture - religion, social customs (funeral, marriage and extended family, and chieftaincy), and survival mentality, which they confront when conducting their businesses. A consideration of the respondents' experiences was somewhat paradoxical to previous research. Thus, on the one hand, previous research describe cognitive dimensions to consist of skills and knowledge possessed by people in a country pertaining to establishing and operating new firms, for instance, knowledge about how to found new businesses (Busenitz et al., 1996; Busenitz et al., 2000). However, unlike this study, most researches do not talk about the cultural (social custom) dimensions of this facet of the cultural-cognitive institutional structure.

In the case of most of the indigenous respondents the cultural-cognitive framework indicates what the game is and thus socially constructs reality for entrepreneurs (Zimmerman & Zeitz, 2002). Hence, entrepreneurs implement practices, knowledge, and reality that are widely accepted useful, and desirable in the domains they operate (Aldrich & Fiol, 1994). Mensah, (a novice entrepreneur), highlights his success and attributes the success to God, when he says, *"...by the Grace of God I have ten employees, from graduates to diploma holders..."*. Consequently, interpretation suggests that he could not be successful without the help of God. Mensah could be likened to a person who constructs his reality within the socially acceptable norms, as religion seems to be a revered aspect of the national culture. In consent, Kwaku, (a novice entrepreneur), attributes his entry into business to God, *"...so God willing I got this place to start my business..."*. Kwaku's experience is even more interesting since it points to two important factors (i) the entry into business rest on the will of God, meaning he is able to start his business if God approves or allows, implying that without God's approval he would not start his business. (ii) when God approves of one's desire, God opens the door to access the needed resources that could help one start doing business, implying that he would not be able to access needed resources if God does not approve his intents. The study further suggests that, even the experienced entrepreneurs build their business philosophies around religion, their belief in God. Frimpong (an experienced entrepreneur), for example, built a personal philosophy and work ethics around his religious beliefs. His experience reflects his belief that an entrepreneur should earn success through hard work, hard work is an obligation, obeying God to work hard is a learning process for the entrepreneur, and that God will reward hard work with success, which reinforces what Paul said in 2 Thessalonians 3:6-13. As he remarks, *"...obeying God's word, I was rather learning how to do a better job...the Bible says laziness brings poverty, hard work brings profit. It is a principle, God has said it and you can't run away from it..."*. Faith in God is become part of the entrepreneurial culture in Ghana, such that even, Alhaji, (the CEO of a collaborative project between the Government of Ghana and UNDP), attributes the computerisation of business registration to God, *"...previously, it took a long time to register companies, but by the Grace of God we were able to get the Registrar General computerised..."*.

In contrast, for Koranteng, (a serial entrepreneur), religion, have detrimental effects on entrepreneurship, as it takes over the functions of one's business and clouds the judgment and decisions of entrepreneurs in the running of their businesses. Koranteng (a serial entrepreneur) remarks suggests religion introduces favouritism, biases and (or) nepotism into the entrepreneur's decision-making process. As he articulates, *"...if you have a Pastor, and your Church members, they take over the functions of your business. They won't let you employ the right people, because you have to employ them, you won't award contracts to the right people, you have to award it to them"*. In spite of the divergent views, the research suggests that participants' recognise religion as part of the institutional dimension, and hence related to their activities.

Another important social custom that confronts entrepreneurship is funeral. It is a dimension of the cultural-cognitive institutions whose relationship with entrepreneurship is woefully under researched. The research illustrates that six of the respondents had a very clear idea of how funerals relate to their activities. Thus, the participants' experiences indicate that funeral is a cost to entrepreneurship, in terms of competition for the limited entrepreneurial resources such as time and financial resources. A comment by Koranteng, (a serial entrepreneur) emphasises, *"...something like funeral takes away so much time...and money...there are Founders...Managers and MDs who can be away for weeks because of funerals...what happens to your business..."*. This view was shared by Manu, (a serial entrepreneur), who remarks, *"...when people in the community see that you have shops all over, they expect you to attend their funerals and pay money...sometimes you attend different funerals...wasting money and time..."*. In effect, the interpretation suggests that funerals could (i) deny the participants the opportunity to devote much time into planning, executing and monitoring the progress of their businesses (ii) reduce the ability of the participants to invest financially into growing their businesses. The Directors' responses mirror the grave concerns expressed by Koranteng and Manu. Oppong and Quartey, (Directors of government institution that facilitate investments in Ghana), explain, *"...when you come to this part of the world, he (entrepreneur) jump in the car going to some funeral. He comes...ok am going to this funeral. I need 10,000 Cedis. He hasn't equated the income for the day...the money is not going to be recorded...he (entrepreneur) can be away for weeks..."*. An interpretation of Oppong and Quartey's experiences with Ghanaian entrepreneurs suggests that in addition to financial and time resources, funerals may account for accounting and managerial problems that the entrepreneurs faced.. This can create fundamental problems and can significantly impede the growth of the business, as Kumaka, (Head of SMEs of a Bank), states, *"...business owners can just dip their hands into their sales for the day...without even recording what they have taken...they take this money for funerals of people they may not be related* *to...you can't grow your business like this...no bookkeeping...nothing...".* A similar perspective, which has implications for firm growth was told by Oduro, (CEO of a quasi-government institution that promote entrepreneurship), "*...funerals waste time...instead of spending time to plan, lead and develop their firms...they would rather be at funerals wasting time and money...chasing girls...no businessman can work line this and be successful...*".

It is evident that most of the respondents in this section were serial entrepreneurs, and Directors, which could imply that (i) these entrepreneurs have discovered a barrier and dealt with it, and hence successful, or (ii) those who did not talk about funerals might not have recognised that it is a problem that needs to be dealt with. While this interpretation is debatable, it underscores the need for further research into further understanding entrepreneurial experiences with honouring social customs such as funerals, and how that affect their activities.

An extremely important issue that permeates ten cases and forms part of the cultural-cognitive institutional dimensions is the complicated relationship between the entrepreneur, their spouses and the extended family. Manu, (a serial entrepreneur) summarises the idea:

> *"I didn't have any money to start the business...my mother helped me...collected money from my Dad...my wife is the backbone of the business now since I started...when you reach a certain level, the members of the family (extended) do not help at all...all my family issues are addressed to me...they don't think of how these gestures are going to affect your business...people even take things from the shop without telling you...because my mother gave me her room...to start my business...she expects a payback from me. So I have to pay her every month, although she does not need the money...meanwhile those monies could be used to stock my shop, which would increase my profit margin...drag business behind".*

It is evident from Manu's experience that there are different levels at which the institution of the family impacts on entrepreneurship. First, at the start-up phase, Manu needed financial resources from his parents to be able to start the business. This relates to the literature in two ways, (i) the availability of financial resources are a major predictor of the frequency of new business start-ups (Pennings, 1982) (ii) extended family systems could serve as a major source of financial resources for entrepreneurship (Takyi-Asiedu, 1993). Comparative analysis of the data illustrates that other participants share the views of Manu, as depicted in the remarks of Mensah (a novice entrepreneur), *"...I use to have a brother...I was getting money...to start the business with...was able to raise 10 million Cedis...I use most of the money I got from my brother to buy printer, computer...other accessories needed to start the business..."*. However, Agyeiwaa's, (an experienced entrepreneur) accounts illustrates that there is the tendency for founders to access start-up capital from their spouses, instead of the extended family, *"I decided to retire from active service to start the day care centre...the decision had already been discussed with my late husband, who offered to give me a piece of land to build the school..."*. Second, at the takeoff phase, Manu needed his wife to help stabilise and grow the business. During this phase of business, according to the participants, nuclear family members, such as spouses, play fundamental roles in the development of participants businesses. As Dartey, Appau and Opoku (experienced entrepreneurs) explain how their wives have been the major sustaining factors in their businesses, through their support, sacrifices and encouragements, as summarised in the account of Dartey ( a serial entrepreneur), *"My wife has really been a backbone for me, encouraging me in tough times, sacrificing a lot for the family...the support...which give me the peace of mind to focus on this firm..."*. Participants' experiences reaffirms what the literature says about entrepreneurs accessing affective resources from their social capital (Kanter, 1983), as well as sacrifice in terms of time, money and effort from their family members (Stewart, 2003). Third, Manu (a serial entrepreneur) expresses growing frustration about the payback period and the impact that phase has on his activities, in terms of business growth, caused by misappropriation of financial resources. Manu's experience depicts the local culture where the society places social obligations on the 'haves' to take care of the 'havenots', even at the expense of their businesses (Takyi-Asiedu, 1983; Buame, 1996; Adeya, 2006). This can create fundamental problems and can significantly impede the growth of small businesses (Araba, Kumaka, Sarfo, and Koranteng). Araba (an experienced entrepreneur) has issues with the extended family, since she had to supply medications free of charge, and felt that it was negative for growth, *"...big family...your husband's family becomes your family...I find myself treating...in-laws...for free...I even have to send medicine free of charge to my in-laws outside (abroad)...you can imagine...in terms of monetary values, there is a negative effect...you can't* *expand...but in terms of relationships, there is a positive effect...we also need that positive relationship to survive in our marriages...that's our system...".* Thus, at this phase, businesses of the participants become like relief organisations for family members and friends (Kuada, 2009; Sorensen, 2003). By implication, the research suggests that the entrepreneurs' extended relations would create economic dependency (Kuada, 2009), which could lead to firm exit. As articulated by Sarfo (an experienced entrepreneur):

> *"...in this country, when people see that you have a business running...we have nieces and cousins that we have to take care of...even come to you asking for their children's school fees from you, which is absurdity...so all these factors have negative effects on businesses...to the extent that sometimes businesses collapse as a result of that or the best case scenario, businesses become stunted or dwarfed...".*

The research also suggests the potential impact of the extended family on business decisions, particularly, when it comes to who the entrepreneur should employ. Koranteng's (an experienced entrepreneur) experience indicate that extended family members could easily take over certain important decisions entrepreneurs may make, particularly deciding on who to employ. As he remarks, *"...I have problem with our culture...extended family...they all want a bit of you...over the functions of your business...deciding on who to be employed...".* Kumaka (Head of SMEs of a Bank), shares a similar observation about a client who took a loan to invest in the growth of his firm, but rather, used the loan to build a house in the village for his relatives, so as to payback for their support in starting his business, even at the expense of his business. Kumaka states, *"...there was a client who could not pay his loans...used the money for a different thing, building a house in his home town...to appease the relative...relatives helped him with funds and other resources to start business...he ended up losing all that he had built and worked for..".* Kumaka further sums up other observations that shows that the African collectivist family system is not translated to collective responsibility, especially when kin is employed (Kuada, 2009). Hence, work productivity may be below standard and business opportunities go unnoticed (Himbara, 1993; Kuada, 1993). Kumaka's observation recounts several traits - lack of seriousness, indifference, no sense of urgency, no commitment, exhibited by nepotism employed by entrepreneurs, which work against business growth. Kumaka states,

*"...massive involvements of family members or relations are not good at all...these relations and nepotism are mostly devoid of seriousness...they behave like they co-own the business so there is no urgency...see indifference all over their faces...and then it brings a whole lot of complications. There is no sense of commitment to make the business grow, rather they only depend on the firm for personal gratification or survival..."*

Another social custom that characterises the entrepreneurial institutional environment is the experience participants had with the Chiefs that had control over land in Ghana. The research indicates that chieftaincy is an important part of the entrepreneurs' experiences, especially those whose activities primarily depend on using land. Berry (2009) comments that the landlessness of Ghana makes it vulnerable to the dictates of the chiefs, to the extent that some chiefs fight entrepreneurs that have been given the right to start businesses, especially those in the mining and timber industries. Hence, Campion and Acheampong (2014) report that 80% of the land in Ghana is under the control of the chiefs, with government possessing only 10% for public development. Most of the participants' comments show negative feelings about the chieftaincy institution. For Oduro, (CEO of a quasi-governmental institution that promote entrepreneurship), land is vested in the chiefs, and hence entrepreneurs have to go through middlemen before accessing lands for entrepreneurial activities (for quote, see 8.1.7, para. 5). Yaw, (Director of a Center Coordinating MSE projects between Ghana Government and the World Bank), highlights the problems that accessing land through the Chiefs pose to entrepreneurship (See section 8.1.7, para. 6). A view shared by Oppong and Odartey, (Directors of a Government Institution that facilitate investments in Ghana) who called the Chiefs *greedy* because of the way they administer the lands (See section 8.1.7, parag. 6). The perceptions of several entrepreneurs were along the same line of thinking as those expressed by the Directors of institutions supporting entrepreneurship. For instance, the land that was sold to Dartey's, (a serial entrepreneur) for his real estate development was sold to more than one person (See case 5, section 8.1.2). On reflection on the menace that Chieftaincy causes to entrepreneurship in Ghana, Koranteng (a serial entrepreneur), comments, *"....if you are involved in chieftaincy, you are dead..."*. In contrast, Mensah, seemed to have enjoyed what he perceives to be the benevolence of Chieftaincy. Mensah, (a novice entrepreneur), seems to hold the Chief who gave him plots of land in high esteem, *"I bought eight acres of land...in fact it was the chief...who gave me the piece of land..."*. For Manu (a serial entrepreneur), being the son of a chief comes at a price, *"...you know, as the son of the Chief of this city, people think that my father is using the wealth of the stool to support my shop...hence they think that am obliged to them...*". Manu's experience echoes the negative perception that most of the participants have about chieftaincy and its relationship to entrepreneurship in Ghana.

Another dimension of the national culture that has implications for entrepreneurship is survival mentality, which means any experiences that relate to participants starting their own businesses to meet daily needs. Although such mentality has pushed many participants into starting their own businesses, such mentality can be detrimental to the growth or (and) longevity of small businesses. Hence, survival mentality, desire to satisfy basic psychological needs - food and shelter (Roy & Wheeler, 2006), can be bad for entrepreneurship, even if it pushes several people into self-employment. The primary reason why Sarfo (an experienced entrepreneur) started his business was to make some extra money to meet physical needs. On reflection, it seems that Sarfo saw nothing wrong with the motive with which he entered into business, *"I am in business because I can at least get some money to buy food to feed my family and myself…I am not seeking to make anything big...I like my business as it is..."*. In essence, it could be argued that Sarfo has to radically reshape his myopic, short-sighted and self-centred motivation to doing business, which may account for his inability to grow his business. This somewhat entrepreneur's unwillingness to grow businesses is recognised by Arronsson (1991), whose research of 535 Swedish firms finds that the proclivity to expand was slow because the Founders lacked the motivation to do so due to unfriendly taxes. In relation to Sarfo, the motivation for non-expansion seems to be an intentional decision not to expand beyond certain limits.

It seems that Sarfo is not alone operating with this type of mentality. Armstee (a novice entrepreneur) also started his business with the aim to meet ends meet. But in Armstee's case, he recognises a problem with his motivation, and seems to appreciate the impact that could have on his business, *"I started a business on campus...the vision was just to feed myself on campus…The vision was all about just survival, feeding myself…Look at such...short sightedness...can't progress..."*. Both the experienced and novice participants seem to share similar motivations for starting businesses, as the previous accounts are reinforced by Akoto and Opoku. Akoto (an experienced entrepreneur) coined his philosophy of doing business around survival mentality, when he said, "*My philosophy is that if you have something that will bring in something small every month or every year. It does not have to be big but something small you will be ok"*. Further remarks by Opoku (an experienced entrepreneur) support such assertion *"I am doing this so I can get some money to pay my children's fees and feed my family…I don't need anything big and be so ambitious…once I can feed my family, I'm ok..."*. The interesting and most alarming issue is the extent to which this mentality might have permeated the entrepreneurial circles in Ghana, since the comments made by several Directors whose activities support entrepreneurship fall along the same line of thinking. For Oppong and Quartey, (Directors of Government institution that facilitate investment in Ghana), the motivation for self-employment is to meet basic psychological needs. They further imply that such motivation prevents strategic thinking and planning, which ultimately impede the growth of small businesses.

> *"…people indulge in all sorts of activities because people must survive; people must pay fees; people must eat...they remain in the same kiosk for years without any improvement because they don't have the mind to improve their business…"*

Alhaji (CEO of an institution that collaborate projects between Ghana and UNDP), comments on the survival mentality, and even goes further to highlight the effects of survival mentality in businesses as lack of originality, creativity and innovation, and hence no growth for such small businesses, "*"People do things because we feel that everybody is doing it so we have to do it, so you realise that there is no differentiation...it becomes a survival thing…their market share is affected…they can't compete and grow…"*. Kumaka (the Head of SMEs of a Bank) recognises the syndrome among most of the customers he deals with, and agrees with the others of the impact of such mentality on small business growth, *"...when you ask most of the clients i deal with to tell you why they are in business...mostly the response you get is, i need to pay my children's fees, feed them...we think within a box. It is like someone is running a business but the person doesn't think that the business can grow...they think that there are some basic things that...I can sell this, at least I will get money to be able to buy basic things that I need..."*. Similar account is given by Yaw (Director of a Centre coordinating MSE projects between the

Government of Ghana and the World Bank), who sums up the nature of entrepreneurs operating with the survival mentality - lack of strategic thinking, lack of strategic planning, short-sightedness, self-centredness, no differentiation, myopic perspective of doing business, and consequently, inability to grow businesses.

> *"...they just get up one day and say they want to go into business...but they don't even know why they are into business...they don't know why they must set goals...the goals they have are their personal goals, which is not the best...Am doing it because I must survive. So once am able to survive that is it...this is they are all doing the same things...nobody stands out..."*

This research however contrast the findings of Chu et al., (2007) which reports that increase in income and provision of employment are the two main reasons entrepreneurs in Ghana found businesses. The research further suggests that while the risk taking propensities of the participants are high, the participants need for achievement beyond their current levels was lacking. This implies that the participants may not spend time thinking to create a clearer vision on how to take their businesses forward. Instead, the survival mentality that manifests in myopic and self-centred perspectives of owning business inhibits them to differentiate their activities that could deter firm growth.

**Understanding the behavioural patterns of entrepreneurs and government institutions**

A recurring theme within the participants responses point to specific actions that are repeated and become cast into particular patterns that can be reproduced with minimal effort and is recognised by the participants as the particular pattern (Berger & Luckman, 2007), which is ingrained in the business culture. These actions, which manifests as behaviours, form part of the social reality in the entrepreneurs' everyday life, which seems to provide orientation and guidance (Goffman, 2005) that the participants use when selecting and interpreting information (Markus & Zajonc, 1985. This cognitive framework may affect the social identities of the participants: their conception of who they are and what ways of actions make sense to them in a given situation (Munir, 2002). These behavioural patterns may be context-specific, and hence there is not much entrepreneurship research done to identify these patterns and how they relate to entrepreneurship.

Through the experiences of participants shared with the author, two levels of behavioural patterns that seem to be more pronounced, both at the institutional and entrepreneurial levels were identified. Moreover, these behaviours have implications for the activities of entrepreneurs. In particular, governmental institutions were more likely to exhibit behavioural patterns that involved: (i) debt-payment or the propensity of government institutions not to pay entrepreneurs for their services or products supplied on time (ii) piece-meal approach or the lack of or inadequacy of comprehensive support structures for entrepreneurship (iii) institutional gratification or the extent to which government is prepared to give incentives to attract foreign investments at the expense of indigenous entrepreneurs (iv) political particularism or the idea of government discriminating and victimising entrepreneurs who do not share their ideologies or support their parties. (v) sit-on-my-brother or the extent to which government restrain entrepreneurs from being entrepreneurial (vi) laid-back or the extent to which governmental institutions that are supposed to help entrepreneurs, rather become complacent, apathetic towards entrepreneurs. Further, author identified four entrepreneurial-level behavioural patterns (i) Debt-repayment or the situation where entrepreneurs are not motivated or feel reluctant to repay loans taken (ii) lack of sharing or the extent to which entrepreneurs reject joint ventures or refuse to provide mentorship to others (iii) Bigmanism or the situation where entrepreneurs live lives beyond their means (iv) Jack-of-all-trades-and-master-of-none or the situation to which entrepreneurs do variety of jobs, but not acceptably well, that have implications for entrepreneurship.

***The power of government institutional behavioural patterns***

A subject that is not fully understood in entrepreneurship literature, and yet has proved to be an important issue within this research is governmental institutions that do business with entrepreneurs. These institutions intentionally fail to honor their obligation to pay entrepreneurs for products or services rendered, *debt payment*. Many studies underscore the importance of adequate financial resources for small business longevity and growth (Green et al., 2002; Mensah-Bonsu & Jell, 2011; Wolf, 2004), yet little exploration is made as to what governments do to starve small businesses that depend on government contracts. The research suggests that although government contracts create lucrative opportunities for entrepreneurs, government reluctance in paying for work done on time end up limiting the growth of these small businesses. Comparative analysis indicates that participants who had government projects, initially thought they would be lucrative and a means to grow their businesses. But these expectations change when it comes to payment for products or services rendered. As Araba and Sarfo explains, they were both given the opportunity to supply medication to the government and people on the new Health Insurance Scheme, and thought that that was a golden opportunity for them to make wealth and expand their businesses. But rather, these might have deterred the growth of their businesses, and hence cause them to withdraw from the opportunity that the scheme could have contributed to the growth of their businesses. As Sarfo (an experienced entrepreneur) states:

> *"initially when I was approved to supply medication under the Health Insurance Scheme...I knew that I had hit the jackpot and that was the beginning of good things to happen to my business...they were not paying me...for six months we supplied but they were not paying...for some time we could not raise enough funds to restock our shop...we can't do well under this situation...I had no option than to opt out when I got my money...the money even lost value..."*

This perception is reinforced by the experience of Akosua (a serial entrepreneur), who provided her conference centre and other hotel facilities for government functions, but the government agency refused to pay on time. Instead they requested to be bribed before they would pay the debt. This affects the financial resources of Akosua, and hence could affect her ability to invest for the expansion of her businesses, *"...the government has been having conferences at my hotel...we give them invoice and they pay later...when the government owes you, they will not pay...if even they want to they will ask you for some percentage, even to the detriment of your business...the money meant for my business get locked-up...this does not help us to grow at all..."*.

Furthermore, the piece-meal approach was mentioned as one of the ways government deals with entrepreneurship. As Alhaji (CEO of an institution that coordinates projects between Ghana and UNDP) remarks, *“I think we do have very good and innovative entrepreneurs down there but just that we don’t have a system that really…support innovativeness...we have been use to this piece meal approach, instead of having a comprehensive range of support. We always ensure that we don’t touch all the problems, we only touch a section of the problems...there is lack of information about markets, about prices, availability of materials and resources for entrepreneurs...facilitation infrastructure…business growth is not as expected…individuals have eventually stopped their activities…how can entrepreneurship thrive in this environment…”*

Manu (a serial entrepreneur) attributes the demise of entrepreneurship to the inadequate or inexistent institutional structures that could support entrepreneurship development. Hence, Manu mentions the use of trial and error approach before they get to do things right, by which time they might have wasted a lot of resource. This affects the growth and longevity of small businesses.

*"...the government does not help businesses to go on because the government does not have any direct plan to help businesses…someone starts a business and needs to know the basics of business such as book keeping, business planning, division of financial resources between personal and company resources, savings, there is no agency that offers such advice or assistance…so if businesses always operate at the micro-level, you need to understand some of these things…it takes you more time to experiment before you get the basics of doing business…there are no institutional support structures for businesses…sometime you succeed, sometimes you don’t..."*

Araba (an experienced entrepreneur) shares a similar account:

*“…the government’s way of helping us is woefully inadequate and fragmented…at the moment institutional support is split across different agencies – governmental and NGOs…nobody is in charge for the big picture…there is no national unit in charge to coordinate support systems for entrepreneurs…if entrepreneurs are to get the support they need, these fragmented units must be joined up in a coherent approach…if someone is given a loan and has no basic skills on financial management, how can he*

*operate effectively…if someone in the construction industry has pieces of land and has no funds to start projects, how can he enter… either you can't grow or you will not start at all…"*

As indicated above, the piece-meal approach denies the institutional support that entrepreneurs need to grow their firms.

Furthermore, government institutions seem to give incentives to foreign investors at the expense of the indigenous entrepreneurs, i.e. institutional gratification. Of course, both entrepreneurs and other executives claim that the government of Ghana perpetually attempts to give incentives to foreign firms that want to invest in Ghana while the locals are not given such benefits. Such behaviour denies the local entrepreneurs access to incentives that would help them compete with the foreign competitors The effects are that, indigenous entrepreneurs become uncompetitive, especially with pricing of their goods and services, which mostly results in small business exit or stagnation. Suleiman (Director of a government Institution that provides microfinance to entrepreneurs) comments on how such behaviour put the indigenous entrepreneurs at a disadvantage, even to the point of survival or business exit. Suleiman states,

*"...you know the government gives all these free stuff to foreigners, without consideration to Ghanaians who own businesses…all in the name of attracting foreign investor…at the end of the day the local people are not able to compete…they are there trying to make ends meet or stop their activities…you know the local businessmen do not have access to incentives that could help them thrive and do well…that's what we find ourselves in…"*

Yaw (Director of a centre that coordinates MSE projects between the Ghana government and the World Bank) commenting on *institutional gratification* describes how foreign investors are given waivers for their imports, which is a cost to local entrepreneurs. The implication as articulated by the respondents is that competition becomes tough for the local entrepreneurs, who have no choice than to either exit or unable to grow their firms.

*"…the government is so desperate wanting foreign investments, hence foreign investors have a lot of incentives at the expense of the locals...they (expatriates) import cheaply*

*because they have waivers but the Ghanaians (indigenous entrepreneurs) do not have, so already cost have been affected so we (indigenous entrepreneurs) can't charge the same rate...you can't be competitive in Ghana…you are there but making nothing…"*

Certainly for Quartey (an embryonic entrepreneur) the feelings of government's refusal to provide a plain level platform for both local and foreign entrepreneurs, is a de-motivational factor. As he states,

*"...the Ghana government is very keen on investments but their approach is so much towards foreign investments. There is so much in terms of coming in as a foreign investor, the GIPC is there, the Ghana Free Zone Board is there, there is also the Ministry of Information and Trade and Industry...They (Government) will give you (expatriates) that support but you go in as a Ghanaian entrepreneur and solicit that support, you will not be supported in anyway...this is de-motivational...they don't help the local business..."*

The following statement by Akosua (a serial entrepreneur) highlights how entrepreneurs felt unappreciated and frustrated by their own government for investing in Ghana. Coupled with the experiences of Suleiman, Yaw, Quartey and Akosua, it is evident that institutional gratification increases the financial cost of doing business, hence unable to compete in such environment. This has implications for firm growth and longevity.

*"...the government is prepared to give the Freezone facilities to the expatriates...they give them (expatriates) VAT deferments, they (government) give them grace period, but if you are a Ghanaian, you do not enjoy those benefits...you try and invest here (Ghana), they (government) frustrate you...so our production cost is so high...so competing with them (expatriates) becomes so difficult...sometimes I want to sell everything and invest in stocks..."*

Comparative analysis shows that the circumstances surrounding Singh, Francis and Frederick's entry to establish businesses in Ghana is owed to the generosity of the Ghana government. It is however unclear whether they were aware of the alleged bias against the indigenous entrepreneurs. For Francis (expatriate entrepreneur), it was feasible business opportunities in the

Oil and Gas industry that drew their attention to Ghana. This potential to do business in Ghana stimulated for research about the business environment of Ghana. Francis went on to conduct substantial market research, which involved talking to key players in the industry and assessing the support and legal structures. This in turn increased Francis confidence, especially after he discovered the incentives and structures government put in place to attract foreign businesses to Ghana.

> *"...we are in the oil industry...when we heard of oil in Ghana...we explored Ivory Coast as well...But the situation in Ghana is far better...I had to convince my Bosses after coming to Ghana twice to do preliminary research...the country was good to invest...the legal system is the similar to Britain...we feel welcome by the government institutions...the investment policies are also friendly to our type of business...tax breaks for equipments shipped...the GNPC and GNIPC were supportive...".*

A similar process can be observed about the circumstances surrounding Singh's company's entry into Ghana, as business incentives were offered to entice them to Ghana, *"....we were able to have some incentives...tax breaks....we had tax exempt for all the equipments brought in....from the onset we were up to a good start...".* Singh's (an expatriate entrepreneur) comments were reinforced by Frederick, International Business Director for an Oil and Gas Company, who cites the conducive business environment created by government support and policies, as the reason for entering into Ghana. As Frederick articulates:

> *"...we considered investing in Africa...then we heard of the Oil discovery in Ghana. We begun to do some research on Ghana to learn more about the business conditions in Ghana, especially the legal system...we were more concern with intellectual property rights since we deal in a niche...We finally decided to invest in Ghana...equipments are duty free...tax free for some years...several institutions...GNPC, GNIPC, Ministry of Information, and Trade and Industry assisted us all the way...Information is easily accessible through these institutions..."*

In contrast, when Oppong and Odartey (Directors of a government institution that support and facilitate investments in Ghana, were asked about the alleged gratification of foreign investors, they state,

> *"...there is nothing like one party being favoured more than the other...the business field is a level plain ground...one law for every body...the laws are applicable to everybody..."*

Dartey's ( a serial entrepreneur) experience counter the perception of Oppong and Odartey, when he describes the bias of government towards them in terms of tax exemptions or relief, even in difficult times, like the economic crunch period. He states.

> *"you see everybody knows that at the end of the day you have to pay tax. I must say my experience with Ghanaian taxes is that the inland revenues and the other tax authorities are pretty much good in terms of collecting their taxes but they don't give reliefs or concessions when times are hard, and these are the kind of things that you need to encourage those who are still digging in for them to go through these difficulties. Am sure back where you came from there are always tax reliefs for individuals, whether it's income tax, whether it's company's relief for the acquisition of machinery, whether is somebody who have two or three kids. You know just to cushion the effects. But here they call it one size fit all, the rules are the rules, no bend, no curve. So to me it's not so much the taxes, but rate of taxes, whether it's GST, VAT, IRS, CORPORATE TAX etc. but for me it's how do you meet the struggling businessman along the way for you to cushion his burden, when he is trying to maintain jobs, he is trying to stay in business during these difficult times. For me that are the initiatives that tax authorities might not be coming up with...the irony is that when foreigners come, they are given these incentives...we end up not being able to compete..."*

Dartey's experience was reinforced by Akosua, who talked about the impact of institutional gratification on her activities, to include high cost of production because of high import duties..

> *"You can have expatriate companies producing the same type of goods am producing here...and then the governmental position is so sad at times, the government is prepared*

*to give the Freezone facilities to the expatriates but if you are a Ghanaian, you do not enjoy those benefits... they give them VAT deferments, they give them grace period, they give them so many things...I export to Burkina Fasso, Mali, Niger, but it has been very difficult in recent times...You know when we import the raw materials, initially I was taking raw materials from Aluworks, which was a local company but it had to fold up at a point in time because of the lack of raw materials. In fact they were getting supplies from VALCO, but at a point in time VALCO, folded up so they had to import. And of course we had to pay for them to import and what we use is aluminum circus and those companies process the aluminum circus to the various sizes that we use at our end...but now import duties and other taxes hype our production cost...compared to expatriates who pay nothing in the import duties..."*

These accounts suggest two opposing perceptions of institutional gratification in Ghana. Nevertheless, most of the respondents had a negative view about the support structures, and the business policies designed to support entrepreneurship. It could be seen that most participants who hold negative perception of institutional gratification are both indigenous entrepreneurs or institutions whose activities are directly related to indigenous entrepreneurship, while Oppong and Odartey deals directly with foreign investors than the local entrepreneurs.

In addition to the aforementioned behavioral patterns, several participants recognised political particularism existed to negatively affect their activities (Bono, Koranteng, Kusi, Oduro, and Armstee). For example, Bono (an entrepreneurship scholar) made a comment that denotes that political life span of a particular party determines the life span of businesses in Ghana. Bono attribute this to the fact that entrepreneurs' ability to access resources and contracts depends on their political affiliation, as well as whether the entrepreneur's party is in power or not. Consequently, small businesses which otherwise could do well end up exiting from business or stagnate firm growth. As Bono remarks,

*"…right now in Ghana...even though we claim multiparty democracy, we behave like if you are not part of me, then you are against me…Hence the ups and downs of government is the same determination for the ups and downs of economic activities…you must belong to this particular organisation (political party) before you*

*can climb or operate as an entrepreneur…access to contracts and resources are not forthcoming…you can't do well…your business will die…"*

Like Bono, Koranteng (a serial entrepreneur), made an observation about the nature of the political system and business, and hence decided not to be involved in any partisan politics, which implies that exercising ones right can result in firm closer.

*"I have decided not to be part of any political party...leaders in government target the opposition companies, run them down...your business is crippled...a lot of businesses are gone because of this..."*

Kusi (a serial entrepreneur) also comments that political affiliation is a key to being successful in Ghana. He further pointed out that there is an intertwined relationship between politics and business but denounce the absence of fairness on the part of the government in dealing with different entrepreneurial factions of diverse parties:

*"…in this country, government is the player and at the same time the referee...without political affiliations entrepreneurs can never be successful...opposition firms are penalised by the government for being in the opposition…they are denied contracts and resources that could let them grow…no business grows…businessmen stop their activities or operate underground for this…"*

Oduro (CEO of a quasi-governmental institution that promotes entrepreneurship in Ghana), supports Kusi's assertion of the government partiality in dealing with entrepreneurs, when he highlights government biases towards political opponents in accessing resources vital to entrepreneurship:

*"…because of politics…sometimes some of the assistance we could have given SMEs, which needed the assistance to grow will not be given...because they do not have any political connections; sometimes the assistance we needed to give to potential starters will be given to people who are not capable of starting anything, because they have people in position of influence in government..."*

In conceptualising the link between entrepreneurship and political particularism, the study suggests that the rules of the game under which the entrepreneurs organise, compete or cooperate tend to favour some entrepreneurs than others (Mair and Marti, 2009; Khanna and Palepu, 2000; Shleifer and Vishny, 1998). Since politicians pursue political goals such as providing support to politically friendly and punishing politically unfriendly entrepreneurs (Shleifer and Vishny, 1993). Secondly, the link suggests a paradox for entrepreneurs, in that entrepreneurs have to be part of a political party before succeeding, but when that political party loses power, the entrepreneur is pushed to the back bench, and begins to see their businesses crumble down. This is summed up in Akosua's (a serial entrepreneur) account:

> *"...a change in government leads to enmity and backbiting, which kills people's businesses...a change in government means entrepreneurs are denied the opportunity to own and develop their businesses…"*

Kusi's (a serial entrepreneur) remark is even more disturbing and shows the mental state and the motivation level of Ghanaian entrepreneurs. This perception of government dislike for entrepreneurs has the potential of hindering the development of entrepreneurship in Ghana.

> *"I don't think government like entrepreneurs in this country...they try to stifle you…they are always undercutting you…I feel like am under bondage sometimes…now I have no intention of diversifying and expand my firm… "*

By implication, entrepreneurs in this kind of environment will find themselves in a situation where they are always pulling each other down, and hence business growth will be difficult to attain.

Another institutional behavioural pattern that emerged from the interviews was the perception of the lack of freedom and independence to operate as an entrepreneur, what Bono calls *'sit-on-my-brother', "…some people (governments) come and destroy entrepreneurs…we always think that we are trying to sit on my brother. God has given everybody a measure of knowledge, something he can do that you can't do. Why don't you encourage him to do it better so that we can all benefit, instead of marginalising entrepreneurs and crippling their firms…"* This perception encapsulates the absence of freedom and independence to operate as an entrepreneur, lack of trust, disbelief towards policy makers' intentions, and the underutilisation of the entrepreneurs' capabilities. Like Bono (an entrepreneurship scholar), Frimpong's (an experienced entrepreneur) confidence in the institutional environment to promote entrepreneurship is inexistent, and hence there seems to be no trust. It is clear that both Bono and Frimpong feel that entrepreneurs are not being allowed to optimise their potentials. This fundamental challenge to the entrepreneurs could affect their behaviour towards expanding their businesses or potential entrepreneurs from starting businesses and even lead to firm exit. As North (1990) argues, weak level of institutional trust may reduce the level of entrepreneurial activities and firm growth (North, 1990). The interpretation may be that the entrepreneurs do not present the readiness to depend on the government in any circumstance, which implies that even information obtained from governments will be treated with suspicion, and may not be used to advance entrepreneurship or entrepreneurs may feel reluctant to even approach government officials for any type of information, which could have been beneficial to the growth of their activities. Thus, the entrepreneurs do not have the predisposition to trust the government, which will decrease the value of the relational exchange to government. As Frimpong comments,

> *"True economy, when people are free they are able to work but when you restrict people, you have tied their hands…because if you take dominion over people, the person who will work you have already taken dominion over him so they can't work…many people can't start their own firms…firms are dying as a result…people have lost interest in starting their own businesses…"*

Another behavioural pattern identified was laid back attitudes from governmental institutions that are supposed to provide assistance and support to entrepreneurship. Such laid back attitude ranges from lack of the sense of urgency (e.g. Francis, expatriate entrepreneur), to indifference (e.g. Frimpong, an experienced entrepreneur), and then apathy (Bono, an entrepreneurship scholar). Thus, Francis describes how he perceives the cultural acceptance of delay cause people to behave as such. The significance of Francis' assertion lies in the fact that he attributes this to the culture, meaning that he might have encountered such attitude on several occasions at several places. This further becomes alarming when he compared the situation to attitudes in the UK, and describes his frustration because his expectations were not met. As he remarks,

> *"…things take a fair bit of time within Ghana…there is a frustration there…the people. They are bit laid back and their expectation of things to happen are probably a lot less than us in the UK…I think there is a cultural acceptance that things may not happen to plan…From my experience, there has been frustration between myself and expectation…delay opportunity for people to access resources needed to start their own firms..."*

Regarding the cause of the problem, Bono (an entrepreneurship scholar) seems to think along the same line as Francis (expatriate entrepreneur), when he talked about culture as the root cause of such attitude, and describes the frustration such condition pose to entrepreneurs in Ghana. As he states,

> *"…so consciousness of time, timeliness, fastness is not here and it boils down to the general attitude, which is again a cultural problem. The way people go about things become the norm, slow, apathetic…they constitute a very harsh environment for the entrepreneur…therefore if even an entrepreneur has a sincere desire and inner motivation to do something, he is actually frustrated…there is no promptness of actions...lot of opportunities go unnoticed or ungrabbed…unable to expand their firms…unable to start their firms…"*

However, Frimpong, did not explicitly describe such attitude as cultural, yet the tone of his frustration sounded like laid-back culture is endemic and deeply rooted in the Ghanaian society, when he said,

> *"…the lackadaisical service you are giving. People come and they want something done, it takes them one week – the young man is not there, he sits there on phone while there is something to be done…people need documentations, information…but they are delayed or denied…I needed some documents to apply for contract but couldn't get it on time…people need information about markets, but can't access it on time…delay! delay…how do you start or grow a business... "*

It can be deduced from the participants' responses that the common effects of this attitude are start-up failures, inability to exploit opportunities, and hence lack of growth. It also underscores that fact that time and speed is of essence in business. Thus, since entrepreneurship involves creation, and growth of businesses, the time and speed at which entrepreneur discover an opportunity, integrate resources and add value to the opportunity or exploit the opportunity becomes crucial to start-ups and growth of small businesses.

***Understanding the behavioural patterns at the individual entrepreneur's level***

Interviews with the participants revealed that self-inflicted constraints are other behavioural patterns the entrepreneurs engage in more frequently. An analysis of the data indicates that debt repayment, culture of I-want-my-own, bigmanism, and jack-of-all-trades-and-master-of-none behavioural patterns are often exhibited by the entrepreneurs. These observations appear to be engrained in the Ghanaian entrepreneurs' culture since the participants that fall under this category are individuals that have extensive interactions with entrepreneurs. According to the participants (Singh, Suleiman, and Kumaka), the average Ghanaian entrepreneur may find difficulty accessing financial resources, either to start or grow businesses, and inconsequence affects start-ups, growth and longevity. This is due to the perception that individuals (entrepreneurs) are entitled to the money they get as loans for their businesses, and hence are not supposed to be repaid. Singh, (an expatriate entrepreneur), mentions the lack of commitment to repaying loans received from financial institutions as a hindrance to entrepreneurs accessing financial help to implement their ideas. In effect, he points out that such attitude may result in start-up failures or exploitation of ideas. As he states,

> **"***…people have to be committed to loans taken…people have this attitude if the money is coming it is free money…this is why in this part of the world, you may have a brilliant idea but nobody will support you until you provide a huge collateral… can't access credit facilities…a lot of ideas go unrealised…"*

What is more disturbing is the experienced shared by Suleiman (Director of a government institution that provides microfinance to small businesses), when he supports Singh's observation that Ghanaian entrepreneurs perceive loans as free lunches that are not supposed to be repaid. Suleiman also points to the effect on the entrepreneur's ability to access financing which end up affecting innocent entrepreneurs who otherwise would repay their loans. In effect, genuine entrepreneurs may not be able to raise the financial resources to either start or expand their businesses, and hence could result in firm exit. As he states,

*"...if you take in the loan I don't think you should think that it's free but when you contact them they will tell you that in fact this money we did not know that it was to be repaid....They will get it and then relax on the payment…So it's like attitude, it's the norm…so nobody wants to give out loans to them (entrepreneurs)…a lot of innocent and more capable people have been denied loans because of this behaviour…can't raise enough money to start businesses or expand their firms…ultimately people lose their businesses for this reason…"*

Kumaka (the Head of SMEs of a Bank) describe the perception of entrepreneurs he deals with along the same line described by Suleiman and Singh:

*"We all know those of us from Ghana…if the government gives me loan, I won't pay. Why should I pay it…now all avenues for cheaper loans are closed…can't get enough money to take advantage of opportunities that could help us buy at lower prices and sell at higher prices so as to make profit...none of us is able to grow our activities beyond where we are…what even saddens me are the new entrants…they don't have the capital to start anything…they die with their dreams…"*

The common effects of this behavioural pattern as highlighted by the participants are start-up failures, inability to growth firms, and firm exit. In a similar fashion to the importance of finance to entrepreneurship, which is characterised by firm entry and development (Green et al., 2002; Hurst & Lusardi, 2004; Mensah-Bonsu & Jell, 2011), analysis of the data, as already indicated shows that entrepreneurs inability to access financial resources may inhibit firm entry and growth.

The study further suggests another reason why individuals find it difficult accessing entrepreneurial resources such as financial and ideas. Individual entrepreneurs are more conscious of taking charge and control of their businesses without any interference from outsiders, hence develop the behavioural pattern of not sharing business or experience with others, *lack-of-sharing*. There are two dimensions to this kind of behaviour. First, once a person starts a business, that person wants to be in charge and control and hence feels threatened when another person wants to invest in that business. Second, once a person has succeeded in business, that person would not share any experience with another person who may be trying to start a business or has already started a business. As Yaw (Director of a Centre coordinating MSE projects between the Ghana government and the World Bank) highlights, entrepreneurs reject the idea of soliciting outside sources of funding for their ideas and projects because of an inherent perception that such agreements would cause them to lose control, and not be in charge of their firms. Yaw acknowledges that such behaviour leads to start-up failures, and firm stagnation. The following comment illustrates Yaw's perception of the culture-of-lack-sharing and the significant impacts it has on entrepreneurship,

> *"…their (entrepreneurs) understanding of team work, partnership and helping each other was not there. I think it is because of the culture, the culture of 'i-want-my-own'…people come with brilliant ideas, you want to help them. I try to get some other people to bring their money, they (entrepreneurs) vehemently refuse the idea…the government has set up a venture capital fund, but everybody wants a loan. They don't want equity so it tells you the challenge and the difficulty we are facing…they end up killing their own dreams…they are not able to reach the height they could have reached because they lack the funds and ideas…you know two heads are better than one but these people don't understand it that way…"*

In extending Yaw's comments, Akoto (an experienced entrepreneur) explains that Ghanaian entrepreneurial role models are not prepared to mentor others and share their experiences with them. Akoto therefore points out that he had to engage in some form of experimentation to be able to survive in business, and that such behaviour can account for small businesses' inability to grow,

> *"…the early industrialist who made it big…they kept to themselves how they became successful and did not share their experiences with the up and coming…we are not able to build on the experiences of these ones…it's pathetic sometimes…people can't build businesses because they have no one to look up to…none of these entrepreneurs (early industrialists) helped me when I started so had to struggle to stand on my feet…at a*

*point I wanted to stop…this explains why you can't point to any successful business in Ghana...all of us are surviving..."*

Armstee (a novice entrepreneur) shares a similar experience pointing to the lack of the spirit to share ideas, information and resources, as a cause for small businesses' inability to grow:

*"…most of the entrepreneurs are selfish…they lack the spirit to share, be part of…mentor individuals…instead they crave for large market share and dominate the market…instead of trying to share ideas, information and other resources that could help others coming up or already in the market…you asked me why firms do not grow…this is one of the reasons…"*

Aside lack-of-sharing, the interviews with the participants further reveal that *bigmanism,* is another behavioural pattern entrepreneurs engage in more frequently. Such behavioural pattern influences the management of entrepreneurs' financial resources, which ultimately affect their businesses. In this respect the present conceptualisation of bigmanism encapsulates wasteful or extravagant lives of entrepreneurs, which shapes small businesses or entrepreneur's ability to grow small businesses. One of the participants, Kumaka (Head of SMEs of a Bank) tries to explain bigmanism and the effect on entrepreneurship, when he states,

*"…there is this culture of bigmanism, you have to be a big man, and how do you become a big man. If you have a big house and then put a gate there and then put a watchman (security man) there, so that when somebody is coming he has to talk to the watchman before talking to you. You have to have a good car…So I think it is culturally-based, creating an impression of something which do not exist…some of them have a certain taste, he hasn't reached a point where he must ride in the latest Mercedes…but he wants to acquire that…such behaviours do not help their activities at all…it leads to wasteful spending…you can't do well with this kind of mindset…"*

Alhaji (CEO of an institution that collaborates projects between Ghana government and UNDP) gives similar insights into the nature of bigmanism and the effect on entrepreneurial financial resources and activities, which reflects the types of businesses entrepreneurs have in the context of the research, *"Monkeys play in sizes but for Ghanaian entrepreneurs we don't want to play in sizes. Hence, we end up biting more than we can chew. They heap up debts and eat into their capital and complain that governments do not help them financially…how can such entrepreneurs do better…"*

Like Kumaka, Koranteng (a serial entrepreneur) gives a vivid description of bigmanism highlighting different dimensions to bigmanism, especially emphasising on how businesses become relief organisations. He further traces this behaviour to the polygamous Ghanaian culture. Such businesses become bankrupt and are unable to meet their financial commitments, which lead to their inability to grow their businesses. As he states,

*"…a lot of businessmen live ostentatiously…they marry two or more wives because they have thriving firms…i know of a hotel owner who got himself three wives and several girlfriends…ask me how the hotel is doing...not well…he is borrowing all over the place, can't pay his workers because each of these wives and girlfriends enjoy free things at the expense of the hotel…he doesn't have enough funds to pay salaries, restock different departments of the hotel and pay his suppliers…all because he is living above his means…this has been the problem with many entrepreneurs in this country, it's like a norm, which need to be addressed...most of them are bankrupt…can't grow or expand their businesses…"*

This study therefore suggests that entrepreneurs' behavioural pattern of bigmanism affects, especially the financial resources of small businesses, and hence reduces the entrepreneur's ability to invest adequate funds to grow businesses. The study therefore reinforces the argument that capital constraints induced by institutional factors impact a firm's ability to transition and grow. Contrary to other financial crises that arise as a result of entrepreneur's inability to borrow funds, this study shows that entrepreneur's financial crisis may be self-induced or self-inflicted, resulting from the entrepreneur's mismanagement of financial resources. The findings is similar to Bamford et al's., (2004) school of thought that the sufficiency and size of capital boost the survival, growth and longevity of firms.

Apart from *bigmanism*, the participants in the study further express jack-of-all-trades-and-master-of-none as one of the behavioural patterns exhibited by entrepreneurs. Jack-of-all-trades-and-master-of-none is used generally to mean (i) any experience where the entrepreneur does everything in the firm by himself without employing any other person or seeking the help of others and (ii) any experience where entrepreneurs do most of the activities in their firms without employing others to help. Such experiences highlight how entrepreneurial freedom and independence can be detrimental to the growth of their activities. Hence, entrepreneurial economic freedom and independence without checks and balances can be a barrier to entrepreneurship. Thus, economic freedom may channel entrepreneurial spirits into productive activities (Wiseman & Young, 2011), yet the abuse of the freedom may hinder firm growth and development, as illustrated in this study. A reflection of Yaw's (Director of a Centre coordinating MSE projects between Ghana government and World Bank) remarks highlights how entrepreneurial autonomy and independence hinder access to knowhow, which could contribute to the development of entrepreneurship.

> *"…it (entrepreneurship) is man and wife and they won't even bring in any other person…somebody put me on his board, when we began raising questions he did not call Board meetings anymore. So people (entrepreneurs), their thinking is that it is my business, who are you to come and control me. Don't tell me what to do, I want to spend money, but you are trying to tell me not to…they take charge of every aspect of their firm's activities and ruin it in the long run…I will say these are some of the challenges that prevent entrepreneurial development in this country…"*

Oppong and Odartey (Directors of a government institution that facilitates investments in Ghana) further point out to several characteristics of this behaviour to include lack of division of labour, one-person firm, inappropriate financial mismanagement, lack of monitoring mechanisms, and lack of checks and balances.

> *"…when they come into business…He being the main responsible person…He places himself to be the manager…the salesman…the store keeper…the book keeper…the accountant…he takes the overall responsibility…the owner is the Boss…In such kind of situations before you realised he has even over spent into the capital he started the*

*business with. He would not see growth because there is nobody monitoring the business…have poor financial management…people eat into their capital, they consume their credit before they receive it…eventually close down their businesses…"*

Similarly, Effah (a serial entrepreneur) notes the short comings in one-person business as financial mismanagement, and cites his sister's business as an example.

*"My own sister…I gave her a capital to start something…she did not see the business grow. What she started doing was, oh today there is an outdooring, she attends it. So one day I asked her, how are you financing all these activities? She said oh, I buy all these stuff myself…few months along the line, she had eaten the core money, and even into the profit…She is now trying to salvage the business…Before she used to pay for the goods before selling them but now she takes the goods, sell them before she pays her creditors…"*

Quartey and Issachar (embryonic entrepreneurs) point out that entrepreneurs hide behind the need for autonomy, independence and control to mismanage their financial assets. They comment that entrepreneurs with this behaviour fail to differentiate between personal and firm finances as the major cause of financial mismanagement. Quartey and Issachar remarks:

*"…at the end I am the Boss, if I put in the capital, we don't differentiate between the capital and the profit, so the Boss can always sign a check or withdraw money from the business…So they always remain most of the time at the micro-level where they have complete control…they want to have control, autonomy, independence and exercise them negatively by mismanaging the affairs of their businesses…hence can't perform well…"*

Akoto (an experienced entrepreneur) makes a similar proposition,

*"...they (entrepreneurs) want to be their own Bosses, and take money when they can and that kind of thing...they don't want others to monitor or dictate for them...meanwhile they are not capable of doing what is right…this hurt their activities…"*

As can be deduced from the responses, the common effects across the respondents exhibiting this behavioural pattern may be "cash trapped" which results in business exit or firms inability to grow, as the study suggests. This study therefore mirrors Liedholm et al.'s (1994) research which finds that half of cash trapped firms exit businesses. It should however be pointed out that, the interpretations as reported are based on the researchers' understanding of the narratives, rather than implying them as facts.

### *7.2 Summary*

In summary, this chapter developed an understanding of the entrepreneurial environment relevant to business activities (Gnyawali & Fogel, 1994) from the institutional theory perspective by illustrating the diverse dimensions of the country's institutional framework affecting entrepreneurship. This discussion has also demonstrated the range of issues that the institutional profile can bring to bear on entrepreneurship. In particular, it has highlighted how the institutional framework impacts on firm entry, firm growth and (or) firm exit. An important finding that emerged is the significance of the different levels of behavioural patterns, and the rarely researched cultural-cognitive dimensions, and the perception that, they do have major impacts on entrepreneurship. This offers a greater understanding of contextual institutional dimensions that will help entrepreneurship researchers, would be entrepreneurs, potential investors and policy makers who want to revitalise national economies (Busenitz et al., 2000).

This chapter has highlighted that entrepreneurs are embedded in a country-specific institutional arrangement, which is a complex phenomenon that affect entrepreneurship in diverse ways. The following chapter will develop a better understanding of the diverse ways by which institutional arrangements affect entrepreneurship.

# Chapter Eight: Understanding the roles of institutional arrangements in entrepreneurship

## 8 Introduction

The preceding chapter worked towards understanding the institutional arrangements that confront entrepreneurs as they start and manage their businesses. More importantly, chapter 7 has introduced important dimensions of the domain-specific institutions within which entrepreneurs operate. But before moving on to the analysis of entrepreneurial resilience strategies within institutional constraints, it is important to develop a clearer understanding of the roles institutional arrangements play in entrepreneurship. With this in mind, this chapter will begin to explore the diverse ways by which institutional arrangements impact on entrepreneurship, highlighting several important roles that these institutional arrangements possibly play in entrepreneurship. The next chapter will present the findings on how the entrepreneurs develop resilience within institutional constraints.

This chapter shed more understanding on the second research question, *what are the roles of institutions in entrepreneurship?* The chapter contains comments and interpretation of the findings since the interpretive approach is adopted for this analysis. The chapter contains illustrative examples which will tell a story of what the participant concerned might have experienced with the institutional arrangements, and makes accessible to the reader all the information necessary to understand the participants (Patton, 1987). Secondly, the selection of illustrative examples enabled the researcher to tell the story of each participant in a more manageable way. This section is therefore structured around seven main themes - *'opportunity fields', 'stability and certainty', 'market failures', 'strategic activities', 'allocate and reallocate', 'legitimise', and 'ease exchange and transaction cost'*. Hycner (1985) describes this process as delineating units of general meaning. These headings either arose directly from the data or implied from the data, as the participants discuss their experiences during the interview. Several reasons account for the inclusion of the detailed description in this chapter. Firstly, it will provide significant phenomenological depth to ensure the interpretive analysis stays as close as possible to the lived experiences of the participants (Thompson et al., 1989). Second, the illustrative quotes chosen will be used to illustrate any theoretical propositions put forward during the analysis. Third, the case examples will describe some of the illustrations briefly mentioned in the previous chapter in-depth.

### *8.1 Exploring the roles of institutions in entrepreneurship*

This section is based on how the participants enacted their activities in relation to the institutional framework, and extracted cues that provided a point of reference for linking institutions to their activities. All the stories, narratives, and anecdotes told by the participants provide a means to relate the institutional framework to the activities of the entrepreneurs, as analysed below.

#### 8.1.1 Understanding how institutions shape opportunity fields for entrepreneurship

In terms of conceptualising the complex relationship between institutions and entrepreneurship, certain dimensions of institutional arrangements shape the opportunity fields that lead to firm entry or firm expansion or growth. This type of institutional dimensions can be government policies, (de)regulations, and laws, which are enacted to create several opportunities that can be exploited by individuals. This is synonymous with Winston's (1998) notion that deregulations of industries create opportunities; and Sine et al's., (2001) argument that government actions create a variety and amount of entrepreneurial opportunities,. It is however argued that institutions such as governments have the power to limit the scope of entrepreneurial entry rates (Manolova et al., 2008, p. 205). This is an institutional role that is clearly evident in the experiences of ten participants (Frimpong, Effah, Koranteng, Issachar and Quartey, Oppong and Odartey, Yaw, Singh, Sarfo, Kusi, and Akoto). This is, however, more visible in the circumstances surrounding how Effah (a serial entrepreneur) entered into the media industry, as well as being restricted in expanding his media empire. The circumstances of which are explained in the following case example.

**Case Example 1 - Institutions shape opportunity fields for entrepreneurship**

**Effah's entry into the media industry**

The case of Effah illustrates the complexity of the functioning of the institutional framework by demonstrating that institutions create and restrict opportunity exploitation. Effah's case is an example of a critical period in the history of Ghana, which is perceived as very important for private sector participation in the Ghana economy. To elucidate, Effah's business is in the media sector, and the 1992 constitution and deregulation of the airwaves allowed him and other private citizens to own media houses. Thus, deregulation of the airwaves created the opportunity field that was exploited by Effah.

Nevertheless, Effah perceives the current policy situation as detrimental to competition, and expansion of his media empire. Effah felt that the broadcasting bill will restrict the exploitation of opportunities in the media sector, and consequently the industry. Such restrictions will inhibit the Ghana media houses from competing favourably with their counterparts from South Africa.

More fundamentally, it is clear that the underlying factor for Effah's entry into the media sector was the institutional framework. But Effah was becoming increasingly frustrated with the government policy to restrict the number of media outlets an individual could have. What is clear is that the institutional dimensions of constitution, democracy and deregulation not only presented an opportunity, but rather the government through its constitutional power to make policies restricted the exploitation of opportunities. As Effah (a serial entrepreneur) states,

> *"…every organisation operates under the rules of a jurisdiction…affected by these rules and so their activities are to a large extent impacted by the governing structures that are available. For example, before the 1992 constitution, would it have been feasible for anybody to set up a private radio station? That is a governance issue. It's a regulatory issue…so the 1992 constitution and the return to democratic rule…deregulation of the airwaves…created the opportunity for the private sector to operate private media outlets...this period help a lot of businesses to spring up...Currently the policy situation in terms of media business is in something of a flux...for example there is a broadcasting bill that is being put together, in that*

*bill there are attempts to restrict the number of media outlets that a particular person or business can own. Now, in my view that is restrictive, anti-competition and honestly downgrading…Policies like that will tend not just to restrict the media business from exploiting opportunities but ultimately kill it...we can't compete with especially South Africans who are our major competitors for the West African Market...".*

The cases of Frimpong, Koranteng, Issachar and Quartey, Oppong and Odartey, Yaw, Singh, Kusi and Akoto are all important examples of the institutional environment shaping and restricting the opportunity fields for entrepreneurship. These cases support the experiences of Effah. Frimpong (an experienced entrepreneur) describes how he discovered the opportunity to start his own business due to the socioeconomic hardship created by government policy. Frimpong however points out that government closes the door of opportunities to the private sector when government contracts are awarded to South Korean contractors to build 300000 units of houses. Frimpong articulates,

*"“Busia’s policy was to open up the economy…it was during that period, very difficult period, there was no food, no jobs, the cost of living had gone high because we were not producing. And so I saw that food became so vital, for the first time I saw that food had become so vital and therefore there was the need for us, in the meat production, egg production...so we entered the field…But...there is this government policy…the government give a contract to contractors in South Korea to build 300000 houses, while the indigenous private sector is there. By this the government closes the door of opportunities to the private sector and virtually cripples them..."*

In other instances, (i) deregulation of the oil and gas sector as commented by Issachar and Quartey (embryonic entrepreneurs), Oppong and Odartey (Directors of government institution that facilitate investments in Ghana) created the chance for individuals to own their businesses. Oppong and Odartey (Directors of a government institution that facilitates investment in Ghana) comments, *"...the previous government adopted business-friendly policies that made them take advantage of the AGOA, passed by the US Congress in 2000…resulted in the discovery of oil on the shores of Ghana by Cosmos Energy…..a lot of market opportunities opened….different Oil* *and Gas companies have invested in the country…several companies...local and foreign companies have invested in the country...the sector is highly regulated...".* Issachar and Quartey, however, highlight that government policy requires new entrants to obtain licenses before operating, and hence such measures pose a great barrier to entry,

> *"…if you think of Ghana, the deregulation of the petroleum industry and the number of oil marketing or oil trading companies that exist in Ghana today, it didn't exist before…So the institutions create the atmosphere but when the atmosphere is created, the same institutions pose severe limitations for whoever wanted to enter that market…gaining entry into the (O&G) market, as a new player is very difficult…because of regulatory constraints… we have not been able to secure the licenses, because the government placed a temporary ban on issuing of licenses…hence we have not been able to enter the market..."*

(ii) deregulation of the telecommunication sector saw the emergence of several businesses, as exploited by Singh (an expatriate entrepreneur). Singh emphasis,

> *"…I think our entry into Ghana to do business is due to the government's deregulation of the telecommunication sector..."*

(iii) the government's introduction of the SAP and ERP, cited by Yaw (Director of a Centre that coordinates MSE projects by the Ghana government and the World Bank) led to the emergence of several small businesses. The paradox of the institutional influences is, however, pointed out by Yaw, who argues that the nature of the institutional framework places limits on individual's ability to exploit available opportunities.

> *"…the introduction of the SAP and ERP...allowed people to own businesses without intimidation as well as the introduction of democratic rule with established constitutions and laws gave people the confidence to start their own businesses without any fears or intimidation…there is no institutionalised system to support innovativeness and hence opportunity exploitation is very limited"*

### 8.1.2 Understanding how institutions determine stability and certainty for entrepreneurship

The preceding discussion has highlighted the importance of institutional dimensions such as (de) regulations, policies, government's constitutional authority and democracy in shaping and constraining the exploitation of opportunity fields. A significant theme that runs through ten cases is that there is a paradoxical perception of the role institutional arrangements play in determining the stability and certainty to promote entrepreneurship. Participants reported 'stable country...solid judiciary' (Issachar and Quartey), 'political stability' (Singh), 'settled country' (Francis), 'difficult to trust' (Effah), 'injunction of land' (Dartey), 'military coup' (Frimpong), 'things unpredictable' (Akosua), 'land litigation' (Oduro), 'maltreating entrepreneurs' (Appau), and 'trade and fight with foreigners' (Oppong and Odartey) were used. As Arndt (1979) explains appropriate institutions create stability, order and continuity in society (Kelman, 1987), which are ingredients for transaction and interaction in the market (Harper, 1998). Contrary, Beamish and Spiess (1991) argue that fluctuations in the political arena generate a great deal of uncertainty for business community.

The research suggests that the legal, government and democratic dimensions of institutions are fundamental in enhancing stability and certainty to entrepreneurship. A fundamental element of the legal institution like the judiciary, is its ability to be transparent and impartial in terms of arbitration of disputes between business partners. The following case example, and the supporting cases illustrate the confidence that participants expressed in the institutions that create stability and certainty for their activities.

**Case example 2 - Institutions as a stablising force for entrepreneurship**

**Francis' company's entry into Ghana**

The challenge that confronted Francis (expatriate entrepreneur) and his company when they decided to invest in Africa was finding a stable and secured environment for their investments. Francis and his company were aware of the political complications, and instability and uncertainty created by these institutions. Hence, the important underlying antecedent that Francis was looking for so as to convince his company of the investor readiness of Ghana was a legal system in Africa similar to that of the UK, a stable and secured political environment. Further, the emotional dimension of his decision was the perceived calmness and comfort of the country, which gave him the assurance that Ghana was good to do business. As he states,

> *Ghana has a similar legal system to that of the UK…the judiciary has a good record...You would rather go somewhere where you will feel comfortable…On my initial visit, it was evident that it was a very settled country...the separation of powers between the judiciary, executive and legislature...It was very easier to do business in. So that was an overriding factor because we had looked at Nigerian as well and we can appreciate the difficulty in doing business there…it (Ghana) has a feel of calmness and security for us...We feel comfortable…It's not the same barriers as in other countries…Things are pretty much stable…We will think twice about operating there and we are comfortable operating any work there from Ghana. So that's how confident we think there is a future for Ghana"*

Like Francis, the interesting aspect is that Singh's (an expatriate entrepreneur) decision to start a business in Ghana was also based on his perception of a stable political climate, created by government institutions and democracy that would ensure that his business is not expropriated.

> *"So the conditions that helped us take the decision was the stable environment created by government institutions, democracy and political stability that this country has enjoyed for so many years...you see...you are not afraid that someone will get up one day and take your business from you..."*

Other explanations emerge as to why FDI are investing in the country. One reason is especially the perception of the people or investors about legal institutions like the judiciary, which tend to have a significant impact on the investment climate. Evidence of this is shown in the account of Issachar (embryonic entrepreneur). They point out that the judiciary is very important since it establishes clarity in the rules of engagement, it establishes the perception of separation of powers among the three arms of government, and create confidence because of its impartiality and transparency, and hence create certainty and stability in the business environment. A finding echoed in the work of Frank (2000), who argues that legal codes provide predictability needed for doing business. The irony is that Issachar and Quartey have not been able to secure the license that would allow them to start their business, yet they have confidence in the institution of the judiciary. As Issachar and Quartey remarks,

> *"…in terms of business we have a solid judiciary that can handle situations, in terms of arbitration or any sort of commercial problems…ones the courts are there I think that it makes it a good place to do business…it is very clear how to open a company, it is very clear how you run a company, it is very clear the taxation, it is very clear the arbitration, it is very clear how much profit you can transfer to foreign accounts, it is very clear, so it is very clear in terms of business. There is transparency, so rules in terms of the legislature, the judiciary and how much the executive likes to promote business in Ghana, it is very transparent. Hence a lot of companies want to come and invest…by and large, I think if you look at the African countries, I think Ghana has got a certain niche in spite of setbacks, as a place that you can do business. That is not to say that there are no difficulties but if you look at the inflow of FDI that are coming into the country. It tells you that among Ghana's peers, especially in West Africa, Ghana provides a stable environment for businesses... because we have a very good judiciary…there is a lot of confidence in the institution of the judiciary…So the institution of the judiciary in Ghana help create stability since they are opened, they are transparent, and they will treat all manner of people equally. It is one of the institutions which in my view has been able to withstand the test of time..."*

However, in conveying the finer nuances surrounding the institutional framework, institutional dimensions can also have a slightly different role to play within entrepreneurship. Thus, institutional dimensions can create instability and uncertainty for entrepreneurship. The data suggests seven participants (Effah, Dartey, Frimpong, Akosua, Oduro, Oppong and Odartey, and Appau) had different perceptions about institutional arrangements creating stability and certainty, which is contrary to the perception of Francis, Issachar and Quartey, and Singh. Thus, institutional arrangements were perceived to have created instability and uncertainty to deter entrepreneurship. A good illustration of this theoretical proposition is the impact of the political history of Ghana and how it has shaped the behaviour of entrepreneurs, as articulated by Effah (a serial entrepreneur).

**Case 3 - Institutions as stabilising force within entrepreneurship**

**Effah on the hunting ghost of political history**

Effah commented on the recent history of Ghana, highlighting the position of former political regimes on private business ownership. Effah talked about how rich people (businessmen) were victimised by governments. Effah further highlights the effects of such perception on the willingness of individuals to become entrepreneurial. Effah's comments imply that those bad days are no more there but the scars of those days are still fresh in the minds of individuals, who may have the ability to be entrepreneurial. It could therefore be interpreted that Effah does not totally trust the political system as being stable to create the atmosphere for small businesses development. Eventually, those who could have done more in terms of start-ups, expansion of growth, may withhold their investments. As he states,

> *"It has been fluid overtime and I am old enough to be able to tell you that there was a period in our recent history where there was an institutional and governmental position that tended to frown on people in business. I can recall the AFR/PNDC period. People were victimized merely because they were rich. The residual effect of that is that in some people's minds it's not worthwhile to go through the suffering that turns people into rich men...This is the result of a very specific, deliberate government policies of an unfortunate period of ours. It is my hope that that situation will change because other than that it will be difficult to get all the people who could possibly become entrepreneurs to become entrepreneurs…people find it difficult to trust the system, even though we are in a democratic era…there is this kind of fear of the unknown…" Why should anybody go through the risk to become rich while he is afraid that one day someone will just come and turn him into a tree and shoot him?"*

A similar perception about the institutional arrangements that destablises entrepreneurship environment and create uncertainty to businesses was made by Frimpong (an experienced entrepreneur). With respect to the political system pendulum, as Frimpong states, *"Kwame Nkrumah was overthrown in a military coup...Afrifah came to power and later handed over power to Busia through elections...Acheampong's coup was 1971...Rawlings coup was in 1979 and 1981 took over...entrepreneurs' assets were seized, political opponents who had businesses were victimized…the fear that creates prevents individuals from investing their monies, time in this country...".* What must be emphasised is that these incidents give illustrative examples of the fluctuations in the political arena, to support the remarks of Effah (a serial entrepreneur) which create uncertainty for the business community, a finding supported by Beamish & Spiess (1991). Another important issue that must be emphasised to illustrate the suspicion of an inextricable link between the old political dispensation and the ideals it stood for in relation to entrepreneurship, as recounted by Effah and Frimpong (an experienced entrepreneur) and the new political dispensation, was expressed by Akosua (a serial entrepreneur). Akosua describes the uncertainty created by the political system in Ghana for businesses. She indicates that politicians enjoy absolute power, and they are corrupted by this power which they use to harass entrepreneurs of different political divide from their own. She concludes that such a situation creates unpredictability for entrepreneurs, and hence may de-motive individuals from investing in the country. She says, *"...politicians can do whatever they want when they are in power... businesses suspected to have links with an opposite political divide can be in trouble for their political affiliations...you never know what will happen to you the next day...there are no institutional structures to seek speedy redress...really affect our motivation to own businesses...or expand...".* This perception is supported by Appau (an experienced entrepreneur) when he said,

> *"…In Ghana…when this political party comes they say they go by their manifesto so what their manifesto says that's what they do…Sometimes you don't know what will happen to your business. This kind of situation and considering our history of maltreating entrepreneurs and seizing their hard-earned assets make me think twice sometimes before committing a lot of resources into my business. There is a lot I could have done but I have always my reservations about doing business in Ghana, although I am a Ghanaian"*

The evidence provided is torn between the perception that the participants have about the institutional environment and what they have experienced themselves. It could also be that these participants have experienced what they talked about, and they are only relating their experiences to what happened in history. This perception of the political system working against entrepreneurship seems to be creating fear and anxiety among the participants. In consequence, the participants do not trust the institutions, and that seems to affect their business activities. It therefore implies that, given a conducive environment, these entrepreneurs could have done better than what they have done so far.

In an attempt to differentiate between different institutional dimensions, the distinctive cases described below should serve as additional illustrative examples by which institutional arrangements create uncertainty and instability for small businesses. Such institutional dimensions are apparent in the remarks made by Akosua and Frimpong. One of the most obvious dimensions is the macroeconomic policies of the government. The most obvious example of macroeconomic policies creating unpredictability, and hence hindering entrepreneurship is the devaluation of the currency, as described by Frimpong (an experienced entrepreneur).

**Case 4 - Institutions creating unpredictability and uncertainty**

**Frimpong on the macroeconomic policies of the government**

> Frimpong's business depended on foreign loans hence any fluctuation to the value of the local currency really affected the financial standing of his business, and hence health of his business. The case of Frimpong illustrates the impact of unstable macroeconomic policies on the business climate and operations. At the level of the business climate, inflation may increase the cost of doing business, and reduces the ability of businesses to borrow at current levels for reinvestment in their businesses, using current assets. Second, at the operations level, businesses were not able to make returns on investments, and hence were virtually making no profit. For instance, between 1979 and 1981, the currency devalued from \$1 to C2.75 to \$1 to C6,000.00. Frimpong (an experienced entrepreneur) articulates,

*…the government following the directives of the IMF devalued our currency…from 2.75, we went to C6.00 to a dollar, we went to C12 to a dollar; we went to C30 to a dollar, we went to C60 to a dollar…it came to a time that the Cedi came to a level of C6000, 10000 to the $...Look at how we went all the way and inflation went all the roof by 50% inflation and killed the economy…we all didn't know what will happen next…by the time you are aware your assets have devalued to the base that you literally lost all that you have accumulated. That is why we sunk all the way… It really had effect on all of us and that is why you couldn't point out a real successful business group in this country. We were all there, we were still working but we could not make anything because inflation had destroyed all our assets…"*

Similarly, Akosua (a serial entrepreneur) emphasises how exchange rate inconsistencies created uncertainty for her business, *"...following the government's macroeconomic policies…the cost of the galloping inflation...exchange rate inconsistencies...high interest rates from the banking loan facilities...make things unpredictable for us...".*

Another important institutional dimension that creates uncertainty and instability in the business environment is Chieftaincy. Within the entrepreneurship literature, it is clear that chieftaincy institution has not been acknowledged to any great extent, although it has clear impact on the business environment within entrepreneurship. The cases of Dartey, Oduro and Oppong and Odartey are all extremely important examples of how Chieftaincy creates uncertainty, which affect entrepreneurship. However, this is particularly visible in the circumstances surrounding the injunction placed on the land acquired by Dartey's company for estates construction, which has been in the courts for 7-8 years, the circumstances of which are explained in the following case example.

**Case Example 5 - Institutions as destabilising factor**

**Dartey on the role of Chieftaincy in land disputes**

The case of Dartey explains the complexity surrounding how entrepreneurs, especially those in the real estate development acquire land for their activities and how such approach create uncertainty for business. Dartey's case is an example of how land is acquired by businesses in Ghana, through the Chiefs. The case further demonstrates the corruption within the chieftaincy institution, and how such situation affects entrepreneurship development. This kind of situation generates fear and unpredictability since the businesses whose activities are dependent on land may not know what they are getting themselves into. As Dartey reflects, he realises that matters concerning the chiefs are even beyond the reach of the government, which shows the sensitivity of matters involving the Chiefs. As Dartey (a serial entrepreneur) states,

> *"We were investing in a land in an area in Accra, we negotiated for the land through the Nungua stool[16], and we want to face out our projects. Later somebody came out and said I have the title to that land under the Teshie stool and you go to court, there is an injunction on the land for the past 7-8 years, and you have paid your money to buy the land, the man has also paid his money, we are going to court, we spend some money, and the government per say can't come in and say look this is it. This is your land; you share the land and let's move forward in the interest of development...now accessing land has become such a scary thing that it is slowing down our activities…we can't trust the Chiefs again…becoming problematic for us…we thread carefully…this is affecting what we do as well…"*

Similarly, Oduro describes how the double standards of the Chiefs who are custodian of most of the land in Ghana result in land litigation. He further highlights how such situations have implications for entrepreneurship development in Ghana. Oduro (CEO of a quasi-government institution promoting entrepreneurship in Ghana) states, *"...before you can set up an industry you need land but because in Ghana the land has been entrusted into these chiefs. One major problem that these entrepreneurs face, either local or foreigner, is land litigation...Because the chiefs can sell a parcel of land to more than one person at a time...sometimes the chiefs use middlemen who end up taking money from multiple people for the same parcel of land...all these things create tension and reduce the trust that the public has in the chiefs as the custodian of the land...a lot of entrepreneurs have lost their monies through this...it is driving a lot of foreigners*

[16] In the Ghanaian culture, stools represent chieftaincy and the power of chieftaincy.

*away as well as stopping some indigenous activities to progress"*. What even compounds the situation, as pointed out by Oduro, seems to be the inability of the courts to address these issues speedily, creating another suspense, which is in itself a destabilising factor for the business environment, "*...a lot of court cases are pending unsolved...with our court system, no one knows when these cases will be resolved...there seem to be no end in sight to these kind of problems..."*. Akosua (a serial entrepreneur) echoes Oduro's observation, "*...you can go to court but you can go to court for 10 years and the case will never be settled, and you will get tired along the line. So there is no confidence in seeking redress through the court system that we have in Ghana as well..."*. Thus, the weaker or underdeveloped legal institution rather ends up undermining the activities of entrepreneurs (Opoku, 2010; Owusu, 2000).

Further, Oppong and Odartey (Directors of government institution that facilitate investments in Ghana) seem to be frustrated with the land issues since it paints the investment scene as unstable, due to the complications associated with land issues, as explained above. It shows how frustrated people are with the status quo without any end in sight. They say,

> *"…well the main factor of production, which is the land is a huge problem now... So as for land issues, I don't know how we can resolve it. We need to recapitalize the lands... It's all about land. Government has to reclaim the land then my brother nobody is running to trade and fight with foreigners on it...it is really tarnishing the image of Ghana, as a quite, stable place to do business"*

The argument above put the views of the participants under two perspectives - those who have a positive view about the institutional arrangements as enhancing stability and predictability, and those whose negative views inclined towards the institutional arrangements having negative effects on entrepreneurship through the destabilisation effect. It emerged that those who expressed positive views were either expatriate entrepreneurs (Singh and Francis), and joint-venture between an expatriate and indigenous entrepreneur (Issachar and Odartey). The difference in opinion could be due to the privileges granted to expatriate entrepreneurs, as opposed to the indigenous entrepreneur (See section 7.1.3.2, parag. 10 on institutional gratification).

### 8.1.3 Understanding how institutions counter market failures to ensure unhindered access to markets

The preceding section demonstrated the role of institutional arrangements as a (de)stabilising force for entrepreneurship. One other common theme that runs through most of the data is that institutional arrangements enact barriers to prevent unfettered access to participate in all sectors of the economy. In particular, government institutions place barriers on certain sectors of the economy, while other sectors have open access. Seven participants expressed concern in this direction (Appau, Akoto, Quartey, Issachar, Kusi, Oppong and Odartey). Two of these participants had contradictory views about the opportunity to participate in markets (Quartey and Akoto). The most obvious example that illustrates institutional arrangements creating market failures is the circumstances surrounding Issachar and Quartey's inability to obtain license to start their operations.

**Case 6 - Institutions determine market failures**

**Issachar and Quartey and their entry into the oil and gas market**

> Issachar and Quartey (embryonic entrepreneurs) are into a joint-venture. They have registered to start a business in the oil and gas industry but they have not been able to obtain the license needed to start operations. The government has frozen issuing permits for entrepreneurs to operate. This is due to segmentation of the available entrepreneurial opportunities into different markets. Thus, certain sectors such as the banking and oil and gas sectors are heavily regulated such that one needs a permit before operating. They, however raise the point that although the market is heavily regulated, political connections can aid individuals to access needed licenses. This interpreted to mean that entrepreneurs without the necessary political contacts are denied the opportunity to access the needed resources that can cause them to start their businesses. They state,
>
> *"…If you want to, for example have a poultry farm, I mean the market is there you can just come in and acquire a land, you can acquire the technology so easily to do your business. But for example, if you want to come as a bank…there is heavy market capitalization that you need…in terms of permits, they have put a freeze on*

*permits as we speak. They have put a freeze on permits for anybody who wants to go into Oil import and export trading….However, Ghana is an open liberalized market...but the bigger your business gets, the more frustration you going to get depending on the colour of you political shirt...we have not been able to get the bank that will give us the necessary LC…the financial institutions support their cronies to the detriment of others like us...interestingly some of the players within the industry have links with banks gang-up against you…they will frustrate you deliberately so you don't enter the market…they want to control the market…If you speak to them(the industry players) they will tell you that they have had push from politicians, who created the environment for them and they are working for them. So it depends on…which people you are connected to and are associated with. But…there is deficit because…the institutions incentivize others to the detriment of others…"(See additional quotes in chapter 8, section 8.1.1, paragraph 5).*

It is evident from the above experiences that (i) Ghana is a liberalised economy (ii) institutions such as government, political networks, and business networks can restrict access to certain sectors of the economy (iii) government uses its regulatory powers to push other entrepreneurs out of a specific sector, while at the same time pulling others into specific sectors. A similar account was given by Akoto (an experienced entrepreneur) when he says, *"…now some of these institutions are working well…Hence, entrepreneurs are free to participate in any markets they choose to, and can hold shares in any business that is listed on the Ghana Stock Market…Ghana Stock Market is now operating fully with secured shareholder rights…The only problems we have is sometimes some sectors are regularised such that if you don't have political contacts, you will not be able to even have licenses to operate"*. However, Kusi's (a serial entrepreneur) comments were one-sided in that it highlights how political institutions create barriers preventing indigenous entrepreneurs from exploiting resources for the economic development of the country.

*"Resources in this country are mostly foreign-owned, sidelining the indigenous people…The institutions do not allow the indigenous people to participate in the economic development of the country…The institutions are controlled by government*

> *hence bureaucracy and the political system mall the opportunity for the indigenous people to equally participate in the exploitation of the resources of this country…The government has brought people from abroad to rule the country….commerce is controlled by the Lebanese…"*

For Oppong and Odartey (Directors of a government institution that facilitate investments in Ghana), inadequate institutional enforcement of the law against foreign entrepreneurs operating illegally in Ghana limits the indigenous entrepreneurs' access to the retail market, which by law gives exclusive rights to indigenous entrepreneurs, *"...people under the guise of coming into the manufacturing sector...decide to bring a cheaper one from India...so he is undercutting the market...immigration is supposed to go to the scene, arrest all those operating illegally in the country, and prosecute them in court...they (immigration officials) have failed to do it...hence indigenous entrepreneurs'*. Further, Appau (an experienced entrepreneur) comments that monopoly is created by the government for the Cement production industry, allowing only one expatriate company to produce cement in the country, *"Only GHACEM supplies cement in the country…So monopoly is one area that is killing us…the government will not allow any other investor to invest in the cement production industry...you (government) don't allow any locals to compete in that area...you won't even be allowed to import and sell..."*.

As the above comments demonstrate, a common theme within the data is that government institutions are very instrumental in determining the level of access to a sector of the economy. Comparative analysis shows that entrepreneurs from different spectrum, as well as participants representing institutions tend to view the institutions as playing a dual role or allowing and deterring access through government regulations or (and) weaker institutions. This assertion meant that (i) monopolistic tendencies are created for certain aspects of the economy, (ii) certain sectors are regulated to ensure that only entrepreneurs within a certain network gain access to those markets (iii) weaker enforcement of the law gives advantage to one agent over the other, hindering the weaker agent from entering into the market of choice (iv) superficially, all sectors of the economy is a level plain field where any entrepreneur can enter and start a business.

### 8.1.4 Understanding how institutions shape entrepreneurs' strategic activities

In understanding how institutions shape the strategic activities of entrepreneurs, the research illustrates that several strategic decisions - entry decisions, mode of entry strategies, firm expansion decisions, new product or services development, and firm exit - were influenced by institutional arrangements (Issachar and Quartey, Sarfo, Akosua, Manu, Koranteng, Kwaku and Akoto). The circumstances surrounding Issachar and Quartey's decision to enter into joint-venture with other local partners gives a vivid illustration of how entrepreneurs' strategic choices are shaped by the institutional arrangements.

**Case 7 - Institutions shaping entrepreneurs' strategic activities**

**Issachar and Odartey's mode of entry into the oil and gas industry**

> Issachar and Odartey (embryonic entrepreneurs) registered their company in January 2011 but had not been able to obtain the license to be able to start operations, as of the time of the interview, October, 2011. This is due to the government regulation which requires all entrants to obtain a license before operating. They had not been able to obtain the license and so they were looking at the possibility of entry through adding a third partner who already had the license but had not started operating. What is important here is that this decision was shaped by the restrictions placed on the industry by government policy. They state,
>
> > *"…we started this almost from the beginning of January (2011) but we have not been able to secure licenses...We are also looking at other means because there are people who also have the license but they are dormant. So we have also been talking to some of them so that we can go into a possible joint venture with them…"(See chapter 8, section 8.1.1, paragraph 5; chapter 8, section 8.1.3, case 6 for additional quotes to support this assertion)*

Furthermore, Koranteng's (a serial entrepreneur) overseas expansion decisions were shaped by local culture of the recipient countries, as well as the local regulations. He adapts the company's culture to the culture of the recipient countries, and regulations of the recipient countries influenced their choice of country to invest in, "…*in entering those countries, we were very careful to factor the local culture in our decision-making process...we adapted out culture to those of the recipient countries…we consider countries whose economies and regulations are similar to that of Ghana's...that's what guide our decision..."*. Similarly, in the case of Kwaku (a novice entrepreneur), government regulation purported to have stopped hiring of teachers shape his behaviour into starting his own business, as he explains, *"…I decided to start my own business because when I completed my University, the government passed a law that no government institution would be employing fresh graduates. The only option left to me at that time was to start my own business and forget about working as a teacher for the government. So that's why I changed course..."*. In another twist, Sarfo's (an experienced entrepreneur) faced a difficult challenge of expanding his business to Accra (the capital of Ghana), in that the Pharmacy Council denied his application for license to open a new retail Pharmacy in Accra. He ended up abandoning the expansion decision because the Pharmacy Council denied him the license. Thus, Sarfo choice to expand the business was hindered by external pressures (professional association) (Friendland & Alford, 1991).

Moreover, Akoto's (an experienced entrepreneur) experience illustrates that financial institutions can shape the decisions of entrepreneurs. As Akoto experienced, his decision to close down his business was precipitated by the Bank's refusal to grant him loans. As he states, *"...the financial institutions in this country are not supportive of entrepreneurs…I have applied for loans to the banks for a loan to develop a permanent structure for my printing press, but for two and a half years, they have not gotten back to me...I tried several banks but was not granted the needed funds...when I discussed with the managers, they told me that as part of their policy, I needed to provide a collateral, which I did not have...the only option I had was to close down my printing press. So that account for my decision to close down the printing press…"*. As in the case of Manu (a serial entrepreneur), as part of his strategic decisions to expand his business, he built several collaterals, in the form of landed properties, and uses them to secure loans from Banks. As he explains, this decision was prompted by the financial institutions' policy requiring collateral before granting loans, *"I need money to expand my business yet the government banks request for a guarantee…all the financial institutions...they look at collateral. So this kind of situation compel me to use part of the money to develop collaterals…such as buildings…so you* *take money from your capital to build a house so as to be able to get loans from the bank. It may not be your intention to build a house at that time...but because of the collateral you have to take part of the money. It drags your business down...now what I do is I use the same projects to take several loans from different banks…that are what we do…"*.

For some of the participants like Akosua (a serial entrepreneur), her business has evolved through four phases, (i) phase 1 - when she was a petty trader (ii) phase 2 - she diversified from a petty trader into Used Cloth seller (iii) diversified into manufacturing (iv) diversified into the hospitality industry (hotels). The relevant aspect of her experience was that the decision to diversify businesses was moved by the macroeconomic policies of government. As she explains, *"I started as a petty trader…but the macroeconomic policies of the governments, the cost of the galloping inflation and inconsistencies in the exchange rates made me to divert my business, so I decided to divert into that (bailing used cloths)…Used Clothing…then still with the exchange rate inconsistencies, I decided that I will go into manufacturing…so I have been in manufacturing since the 1997"*.

In mapping the role of institutional arrangements in entrepreneurs' strategic activities using the experiences of the participants, the research suggests that at different stages of entrepreneurship, pre-entry, entry, expansion or growth, and exit, decisions made by entrepreneurs were shaped or motivated by the institutional arrangements.

### 8.1.5 Understanding how institutions allocate and reallocate entrepreneurship

In understanding the allocation and reallocation process in entrepreneurship from the participants' perspectives, the research illustrates that institutional dimensions such as government, financial institutions, and legal institutions, allocate entrepreneurs into either productive (or) and unproductive entrepreneurship, as well as reallocate entrepreneurs from one activity to the other (Yaw, Issachar and Quartey, Frimpong, Manu, Sarfo, Araba, Dartey, Kusi, and Oduro). Frimpong's account gives an illustrative description of the allocation and reallocation process.

**Case 8 - Institutions as allocation and reallocation device in entrepreneurship**

**Frimpong and the black market**

The case of Frimpong (an experienced entrepreneur) illustrates a dark period in the history of Ghana where there were series of coup d'états. This period saw the black market reaping more rewards than operating in the normal market. Thus, the benefits and rewards of rent seeking in the black market outweighed the cost, hence entrepreneurs operated in the shadow market (black market). Part of the reasons was (i) artificial shortages were created by the government hence it was more profitable to operate in the black market instead of formalising businesses. (ii) government devalued the currency, resulting in high inflation. The manufacturing sector became unattractive to entrepreneurs because the cost as compared to the benefits and rewards was too much. Most of the manufacturing entrepreneurs were reallocated to the merchant or import sector, since it was more rewarding to import goods and sell. As Frimpong states,

> *"….Rawlings came back through another coup…in 1981…another blow again that had come, from civilian rule again back to military rule…the Cedi started devaluing…dollar became so scarce and black market became profitable…a lot of people took interest in the black market and hoarding…Rawlings take SAP and ERP that were given by the IMF…the economy became so slow, the private sector were really in dire need and then the Cedi started devaluing…inflation went all the roof by 50% inflation and killed the economy…and therefore we could see that only merchants, people who could go and buy and sell, manufacturers started dying…your cost is so high, that when they import it is cheaper…"*

It can be deduced that the impact of these events was significant in the allocation and reallocation process of entrepreneurship. Another interesting issue that arose during the analysis of the data is the notion that the state erect barriers towards entrepreneurs who otherwise would have operated in a more transparent fashion (Issachar and Odartey). And it is these barriers that push individuals into unproductive entrepreneurship. An example of this proposition is perceived barriers to entry expressed by Issachar and Quartey (embryonic entrepreneurs) when they state,

*"…we have not been able to secure the licenses…it's a regulatory requirement…but 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…the 1980s, the shock and awe environment created shortages which drove a lot of people into the black market…If those people decide today to engage in the formal sector… if individuals go to the Central Bank to acquire a license and have a recognizable office and start the business, they will not even get the license easily…the state…erect barriers against businesses push people to operate illegally…Sometimes the state is aware of the entrepreneurs operating illegally…"*

Aside the reasons given above for this phenomenon, Yaw (Director of a Centre coordinating MSEs projects between Ghana government and the World Bank), realises that some entrepreneurs operate in unproductive entrepreneurship because of weaker enforcement, and higher cost of compliance with the existing laws. This pushes individuals to rather operate in activities that do not promote economic development. As he states,

*"…the compliance aspect is a bit weak and the cost of compliance also tells you about the difficulties…You know every market has its standards and requirements…but you find out that people are able to enter the market without meeting the standards of the market…there is a cost in meeting standards…people come in through the back door and indulge in all sorts of activities, which work against the Ghanaian economy. They do so, so as to be able to sell at lower prices and by so doing undercut you…*

Another reason that pushes people into unproductive entrepreneurship is participants' perception of the tax system. With regard to the tax system, the participants articulate that they avoid taxes to be competitive in their markets of operation (Manu, Sarfo and Araba). Fundamentally, this is clearly a rent seeking activity, but it pays off for them so they would rather continue to indulge in that. As Manu (a serial entrepreneur) states, *"…I know that I have to pay tax…but…businessmen who don't pay tax get a lot of customers because…sell at cheaper price. But those who add the tax elements sell goods at higher price…so…competing with such a person is unfair…you have to manoeuvre and dodge from the payment of tax…Because doing the right thing like the payment of tax will lead to the collapse of your business…it will really affect the growth of* *businesses…".* Sarfo's (an experienced entrepreneur) echoes Manu's argument when he said, *"…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…".* Like Manu, Araba (an experienced entrepreneur) shares the same opinion on tax avoidance to ensure firm longevity, *"…the percentage (of taxes) is too much…for the past two years I have not also bothered to pay taxes…I need to survive but it's risky too…".*

Most of the narratives discussed relate to the allocation function of institutions. Nevertheless, aside Issachar and Quartey, and Frimpong other participants expressed concern as to how the institutional arrangements has reallocated the economy from the indigenous entrepreneurs to the expatriates. Dartey (a serial entrepreneur) laments about how weaker enforcement of the law has caused foreigners to take control of Ghana's economy. As Dartey states,

> *"…in Ghana two-thirds of the economy…is owned by foreigners…all the money in the retail sector is owned by foreigners - Lebanese, Indians, South Africans, Chinese…meanwhile there are laws which ban these things…You can't come and take a shop and compete…What is government doing about it, nothing because a Chinese man has corrupted an official who is supposed to implement the law. The policies are there but the implementation is not done…this result in foreigners taking control of the economy in Ghana…"*

Similar perceptions are held by Oduro (CEO of a quasi-governmental institution that promotes entrepreneurship), who attribute the reallocation process to government's policy to provide incentives to expatriate entrepreneurs, at the expense of indigenous entrepreneurs. As Oduro states, *"…they (the foreign investors) import cheaply because they have waivers but Ghanaians do not have, so already cost has been affected so we can't charge the same price…this has shifted the economic power of the country into the hands of foreigners…most businesses are controlled by foreigners…".* The implication is that the Ghana economy is gradually shifted into the hands of expatriates, while gradually phasing out the indigenous ownership of businesses.

In conclusion, It is evident that institutional arrangements such as government and its policies and regulations aid the (re)allocation process. However, policies and regulations alone cannot do the job for entrepreneurs, hence stronger enforcement should accompany these institutional elements that are meant to promote entrepreneurship. Weaker enforcement may not be the only problem, but rather partiality of government laws and policies. It is therefore vital that policies and regulations should be impartial and have stronger mechanisms for their enforcement so as to make them too costly for an entrepreneur if not in compliance.

### 8.1.6 Understanding how institutions legitimise entrepreneurship

Although the (re)allocation roles of institutional arrangements discussed above portray entrepreneurs as attempting to survive by indulging in activities that are not in line with the dictates of the institutional arrangements, yet there were instances where entrepreneurs needed to be legitimised by the institutional arrangements to be able to operate. The events described below demonstrate how and why the entrepreneurs seek conformity with their institutional arrangements. The case of Agyeiwaa (an experienced entrepreneur) is a good illustration of the reasons and the means to secure regulatory and normative legitimacy.

**Case 9 - Institutions legitimisation role within entrepreneurship**

**Agyeiwaa and registration of her private school with regulatory structures and professional authorities.**

> Agyeiwaa founded a private school, as she enjoys being with children. But before the school became operational, she needed to comply with the regulatory requirements of registering with the government institution in charge of approving, issuing licenses and accrediting private schools, Ghana Education Service and Ghana Social Welfare. As a private school, registering with the regulatory body is the first step of two before the school becomes operational. Thus, the second step was to register with the Private Schools Association of Ghana, who would also visit the school to inspect and validate whether the school meets set standards. So to be operational, Agyeiwaa (an experienced entrepreneur) needed both an approval notice from the government and professional regulatory bodies. As regulatory legitimacy is derived from regulations, rules, standards, and expectations created by governments, credentialing associations, professional bodies (Zimmerman & Zeitz, 2002). Agyeiwaa states,

> *"I had to register before I was allowed to operate...I registered with the Ghana Education Service and the Social Welfare…I am a member of the Private Schools Association…they will have to give you approval...we have to pay dues every month and they have to accept you before you can be in business…there are certain standards that we have to meet and they can just come to your school unannounced to make sure that we comply with the expected standards…".*

A similar personal experience by Mensah (a novice entrepreneur) reinforces Agyeiwaa's experience, in that Mensah needed to be endorsed by the regulatory body of the District where he has his business. Secondly, to boost his credibility among his clients he needed the backing of the Microfinance Institute. To this vein, he registered with both the regulatory and professional bodies responsible for regulating their activities. As Mensah explains,

> *“"…I did all the registration with the District Assembly...I made them aware of my existence...my presence within that neighbourhood was endorsed by the regulatory structures within that neighbourhood”…my firm is registered with the Ghana Microfinance Institutions Network (GHAMFIN…being a member if important for me because it gives me the credibility before the local officials…am able to operate in this business and also work in the location, where am working…you know in this world, sometimes you need to be introduced and need the backing of well-established institutions like GHAMFIN, so as to access certain resources…”*

Several other participants commented on the need for either regulatory or normative legitimacy. As indicated by Koranteng (a serial entrepreneur), who spoke in reference to how they started their firm, and how certain laws passed made it possible to legitimise their activities. As he remarks, *"...becoming a financial institution is as a result of PNDC Law 382...established non-banking financial institution...even though we were doing this on the quite, the law gave us the strength to really establish ourselves as what we are today..."*. Also, Quartey and Issachar's (embryonic entrepreneurs) remarks highlights the importance of regulatory legitimacy. They even went further to distinct between activities that needed regulatory legitimacy to operate and those that can operate without such legitimacy. From ethnographic perspective, their perspective is a reflection of what really happens in practice in Ghana. As the comment, *"...where you can* *import products and sell, that is heavily regulated, in the sense that you need a permit, you need a license, you know these kind of formal structures...you can't operate without the license...it is a regulatory requirement"*. A similar perspective and distinction was made by Bono (an entrepreneurship scholar), when he said, *"…the requirement of licenses for this, the licenses for that, certificate for this, certificate for that...a limited liability company need to be registered at the Registrar-General's Department..."*. This distinction underscores the point that not all individuals require regulatory legitimacy before starting their businesses.

Akoto's (an experienced entrepreneur) experience illustrate that entrepreneurs whose market niche has strong professional associations need the approval and endorsement of these associations before starting their businesses. Thus, this experience is typical of firms that have strong and influential associations (For quotes see section 7.1.2 parag 6). He articulates, *"...right now am a member of a small scale industry association, in the printing industry, you need pour drinks to them before they give you their backing to start your own printing press…"*. Interpreting this event, this is Akoto's personal experience. The impact of this event was however significant, in that it allowed him to start his business, without the fear of intimidation and harassment from industry association. Further, participants in the retail pharmacy market shared similar experiences of the need for normative legitimacy (Sarfo and Araba). Sarfo (an experienced entrepreneur) highlights the need to meet normative requirements of professional associations before given the permission to start his business (See chapter 7, section 7.1.2, paragraph 1 for quotes). Araba (an experienced entrepreneur) echoed this perspective when she said, *"I will say the rules and regulations of the Pharmacy Council has had an effect..you have to be a registered pharmacist before you can even apply to the council..."*.

The examination of the responses indicate that respondents in the education, microfinance, and pharmacy sectors needed to meet certain regulatory or (and) professional requirements before they were able to operate their businesses, re-echoing DiMaggio and Powell's (1983) institutional isomorphism concept.

### 8.1.7 Understanding how institutions ease exchange and determine the transaction cost of entrepreneurship

One of the most fundamental elements that entrepreneurs confront as they start their businesses is how to reduce transaction cost. The study demonstrates that institutional arrangements determine the ease of exchange and transaction cost of doing business. For the participants, this is particularly evident in terms of bureaucracy and corruption, chieftaincy, judiciary and financial institutions, which tend to impact on entrepreneurship.

In making sense of the role of institutional arrangements in determining the ease and transaction cost of doing business, the research suggests that bureaucracy and corruption influence the ease and transaction cost of doing business in Ghana. Araba's (an experienced entrepreneur) experience gives a vivid description of the role of institutions in determining transaction cost of doing business.

**Case 10 - Institutions and transaction cost of doing business**

**Araba and the cost of bureaucracy and corruption**

Araba (an experienced entrepreneur) has a retail pharmacy and is confronted with several bureaucratic hurdles. Araba explains how bureaucracy becomes a springboard for bribery. She comments that bureaucracy and corruption affects the time taken to get an activity done, the amount of effort needed for an activity to be done and the extra cost in getting things done. She however underscores the importance of bribery in the environment in which she operates as bribery aids in timely exploitation of opportunities. The paradox of Araba's experience is that, on the one hand bribery is a tax and an additional cost to doing business, while on the other hand, the cost of not paying bribe to her business may be higher than the cost of paying bribe.

*"You have a lot of bureaucratic hurdles before something is approved for you. Sometimes you have to put something under the table, i.e. bribe your way through to get things done in a speedy fashion otherwise you will have to wait…till eternity. And you know the effect of waiting – opportunities missed, increase cost….because the*

*inflation rate in this country is such that time delayed in grabbing an opportunity means you will pay more to get similar opportunities the next time…but this is a covert way of taxing us, which is expected but add cost to our business…"*

Such nature of bureaucracy and corruption is also apparent in Akoto's (an experienced entrepreneur) case, particularly as bureaucracy becomes a precursor for bribery, as well as a tax on business. She asserts, *"Bureaucracy begins from home...it takes quadruple as much effort to get anything done in this country due to bureaucracy…time wasting…waiting in queue for long hours…so the terrific traffic situation in Ghana shows how bureaucracy affect the cost of doing business…and need to bribe your way through to get things done…"*. Issachar and Quartey (embryonic entrepreneurs) seem to support such propositions, and even went further to express the endemic nature of corruption as a norm, when they said, *"Corruption is the way of doing business in Ghana. But it is very clandestine so you will sit down for about three months for something that is supposed to take about a week to do…if you don't go and see this person quietly (pay bribe) you will not get things done…you are unofficially taxed and it is painful to pay extra…it is like paying a commission on something you are entitled to…"*. Similarly, Akoto (an experienced entrepreneur) shared the view of Araba describing the nature of bureaucracy and the effects on the cost of doing business. Both Araba, Akoto and Issachar and Quartey feel that bureaucracy and corruption increase the transaction cost of doing business. Concomitant with this perception, both respondents have become increasingly confident in the use of bribery as a way of doing business (Details will be discussed in the next chapter).

The research further suggests that chieftaincy affects the ease and transaction cost of doing business. Dartey for example has recognised the role of chieftaincy in the ease and transaction cost of doing business (see quote in case 5). Dartey highlights the difficulty they go through before accessing the vital resource for their activities, i.e. land. The significance of Dartey's experience is the time or speed factor, thus, they seem to waste a lot of time before accessing the resources needed to undertake projects, and even that the dishonesty of the chiefs cause them to incur extra cost in legal battles, without deriving any commercial benefits from their investments, *"...and we paid money to buy the land, but are not deriving any commercial benefits from the land. Instead we are going to court, we spend money, we waste time and other* *resources...".* Oduro underscores the role of chieftaincy in entrepreneurship. He further highlights how entrepreneurs have to use middlemen to be able to access the chiefs for the entrepreneurial resource, i.e. land. He emphasises that the nature of land ownership results in land litigation, which pose a high transaction cost, in terms of time and investable capital. He therefore describes three main dimensions that affect the ease and transaction cost of doing business - use of middlemen, abandoning of already started projects, legal issues which attract extra legal cost and time. Oduro (CEO of a quasi-government institution that promote entrepreneurship) further articulates,

> *"...before you get the land, you have to work through the kinsmen, who may be fake or non-existent, yet they are paid for their services. Hence, if you are not lucky you will end up buying a parcel of land that had already being sold to more than one person... is land litigation in the courts that drags on for years…it waste time and drives costs of doing business high…sometimes when you start to build, some people will come, bring land guards to stop you from building. And sometimes if you are not careful, they can take your life…".*

Similarly, Yaw (Director of a centre coordinating MSE projects between Ghana government and the World Bank) talks about land litigation as a problem caused by the chiefs, and the effects on the cost of doing business in Ghana - time, opportunities, profits and money. As Yaw remarks, *"…Land litigation alone deters you. I know of this estate company, they acquired a whole chunk of land from the Teshie Stool but all of a sudden there was a court injunction because somebody was claiming and others were counter claiming…they spend additional money to get the land back…that is the money they could have used in the operations. So in effect they waste time, money, opportunities and lose projected profits…".* Oppong and Odartey (Directors of government institution that facilitate investments in Ghana) attribute the situation to greed and the absence of institutional mechanisms to check the excesses of the Chiefs, …*these things happen because of the greed of the Chiefs who are custodians of the land…the government has no mechanisms in place to stop the excesses of the chiefs…".*

Another dimension of the institutional profile that affect the ease and transaction cost of doing business is the difficulty and the cost entrepreneurs incur when soliciting loans from the financial institutions.

**Case 11 - Institutions and transaction cost of doing business**

**Sarfo and the process to secure credit facilities**

> When Sarfo (an experienced entrepreneur) needed an overdraft from the Bank, there were two main obstacles he faced, administrative delays and the cost of securing the overdraft. For instance, he used his house as collateral, and paid about Cedis 4 million as administrative and other charges before overdraft was approved. The high interest rate on the overdraft was about 30% was attributed to the lack of oversight from the Bank of Ghana and institutional void.
>
> *"I wanted to get an overdraft from the bank but my bank was tossing me up and down, go and come today…the next day…stressing me…the process to get an overdraft was difficult…the overdraft they gave me, if I tell you how much I have spent on them…I have this big property which they used as a collateral but even that before they accepted it they said they had to do some checks and documents on it…with that they said they paid this amount here that amount there…they went to lands to do some valuation, another C3 million. So within a year what I spent on the work that they did on that papers cost me more than C1 million and besides that the interest rates was about 30%...The lack of institutional infrastructure makes interest rates very high...the Bank of Ghana is not regulating the interest rate policies of the financial institutions...hence the hype administrative cost and interest rates..."*

Akosua's (a serial entrepreneur) experience resonates with Sarfo's experience, when she highlights the administrative procedures, the administrative cost and other cost of contracting loans. She explained further that such unsolicited cost makes them price uncompetitive, which is not good for business.

> *"...the financial market is underdeveloped in this nation...Banks find it difficult mobilising savings. This makes it difficult to get a long term loans at cheaper rates...this is the norm...you either take it or leave it…to get a loan facility from the Bank too, you have to go through hell. Like if you are taking about $1million dollars, you have to pay 1.5% processing fee, 1.5% facility fees…And that one you have to pay it upfront, and then the interest rate is about 34%. So it makes the cost of contracting loans very expensive and there is no alternate so we end up taking it...I solicited some loan from the Bank at an interest rate of 42%. Which is not very helpful because it make us uncompetitive...this may sound like a bad decision, but all the banks charge at almost the same rate...no choice..."*

Like Akosua, Dartey (a serial entrepreneur) comments that the high cost of credit increases production cost, which makes them uncompetitive, *"…the cost of capital, i.e. interest rates, for borrowing is very high in Ghana…cost of production is high…"*. Kumaka (Head of SMEs of a Bank) attributes this situation to the underdevelopment of the capital market in Ghana. He attributes the high costs of accessing credit facilities to difficulty in mobilising savings, which stem from the underdeveloped capital market. Kumaka states, *"…the capital market is not fully developed in Ghana…our ability to mobilize savings is increasingly becoming difficult…the money market is not fully developed to take care of the needs of SMEs…the cost of accessing credit facilities in this country is very high…"*. Effah (a serial entrepreneur) recognises that the problem of the cost of capital was related to the absence of financial market, which makes accessing capital very difficult, as well as the cost of capital very high. As Effah indicates,

> *"…there is no financial market actually…accessibility of capital…it is extremely difficult because…little idle capital in the system…there is no venture capitalists…if you have an idea and you don't have money, you don't have a business…access to loans is so expensive that sometimes it becomes practically impossible to access funds…can you imagine that it cost 19-23% for a well-established business to access loans in this country compared to 3.5% in other countries…"*

Another dimension of the institutional arrangements that affect the ease and transaction cost of doing business is poor infrastructure. This reinforces Blewett & Farley's (1998) similar assertion, where transaction cost is high in developing countries because of poor infrastructure. For Frimpong (an experienced entrepreneur), the number of administrative efforts that goes into deploring resources due to the man-hours lost to traffic drives transaction cost to unimaginable heights. As Frimpong states, "*…to deplore resources to be able to grant loans…just driving to town alone talks about the kind of infrastructure we have in this country…imagine the number of man-hours that you will waste….actually it drives transaction cost to unimaginable limits"*. Yaw (Director of centre coordinating MSE projects between Ghana government and the World Bank) highlights the difficulty in accessing information about markets, prices, materials, and resources, when he said, *"…what surprises me is that in this country there is no comprehensive range of support for entrepreneurs…especially access information about markets…how do we provide information…to make sure that information is made available to our entrepreneurs about the markets, about the prices, availability of materials and resources and all these things…but the information is there…it takes a lot of efforts and resources to be able to access information in this country…"*. Similarly, Koranteng (a serial entrepreneur) articulates, *"…the absence of the needed institutional framework drives information cost and transaction costs to unimaginable limits, both for us and our clients…"*.

### *8.2 Summary*

The purpose of this chapter has been to develop a deeper understanding of the roles institutional arrangements play in entrepreneurship. The research has found the complex and multifaceted institutional dimensions that affect entrepreneurship, and the roles they play in entrepreneurship. What roles institutional arrangements play in entrepreneurship may be subjected to several interpretations, the conclusion being that the three institutional structures - regulatory, normative and cultural-cognitive, may have diverse elements. It is also important to recognise that both the researched and the researcher are engaged in defining the roles of institutional arrangements in entrepreneurship. In this thesis, the researcher's evaluation of the roles of institutions has been influenced by three perspectives - the institutional arrangements as a "determinator", "inhibitor", and "promoter" of entrepreneurship.

Building on the work of Scott (1995), Kostova (1997), Busenitz et al., (2000), the different dimensions of institutional arrangements introduced are important step in working towards a theoretical appreciation of the complex relationship between institutions and entrepreneurship. These broad roles are by no means definitive, neither are they absolute institutional roles in entrepreneurship, but rather, they illustrate some of the more obvious relationships that institutional arrangements have with entrepreneurship.

In understanding the interaction between the entrepreneurship and the institutional environment, this analysis illustrates that institutional arrangements (i) may be context-bound (ii) may have the capacity to affect the development or underdevelopment of small businesses. The institutional roles discussed in this chapter has begun to unravel the complex developmental or under developmental impact of institutional arrangements in entrepreneurship.

A common theme that runs throughout the data is how entrepreneurs develop resilience to many of the constraints posed by the institutional arrangements. The next chapter will develop a deeper understanding of the resilience strategies entrepreneurs adopt to survive institutional constraints.

# Chapter Nine: Understanding the entrepreneurial resilience strategies within institutional constraints

## 9 Introduction

As the preceding chapter has illustrated, each participant brings a rich and diverse experience describing the roles institutional arrangements play in entrepreneurship. These experiences highlights institutional roles that can be developmental, meaning aiding entrepreneurship, or (and) under developmental, meaning constraining entrepreneurship. These cumulative experiences suggest that entrepreneurship may be at the mercy of contextual institutional arrangements. Thus, entrepreneurship fits into the rules of the game (North, 1990) dictated by the institutional arrangements. Consequently, the purpose of this chapter is to develop a grounded understanding of how resilience is developed within institutional constraints. Of particular importance is the need to understand the resilience development perspectives applicable to the context, as narrated by the participants.

To capture the lived experiences of the participants and their perspectives, the chapter will attempt to provide sufficient phenomenological in-depth by illustrating the entrepreneurial resilience strategies in the respondents' own experiences and responses. This chapter excludes the extant theoretical literature so as to maintain the spirit of phenomenological research by allowing the participants voices to be heard. This will allow the descriptive stories, and experiences of the participants to be expressed unhindered. This chapter will, however, go beyond mere description to provide cross-participant interpretations from an emergent resilience strategies perspective.

### *9.1 The entrepreneur preventing, accommodating and (or) re-bounding within institutional constraints*

The previous two chapters have demonstrated the various dimensions of institutional arrangements as well as the roles and the effects of institutional dimensions within entrepreneurship. One comment that was made by Issachar (embryonic entrepreneur) as a way to deal with the challenges faced by entrepreneurs in context, was the need for entrepreneurs to be resilient, *"...I think that business development in Ghana is not an event, you have to be resilient...otherwise you will give up"*. This implies that entrepreneurs should adopt certain strategic approach(es) to ensure resilience building within their context of operation. How entrepreneurs develop resilience within institutional constraints seems to fall under four main themes - breakthrough the institutional constraints, circumvent the institutional constraints, destroy the institutional constraints (which for the purpose of this research is captioned as destructive mechanism connoting rent seeking activities adopted by entrepreneurs within institutional constraints, and it is a term adopted from Baumol, 1990), as well as other strategic approaches. In a simple generic sense, Yaw (Director of a centre coordinating MSEs projects between Ghana government and the World Bank), talked about the nature of the entrepreneur's environment and emphasised three strategies - breakthrough[17], circumvent[18], and destroy (destructive)[19], by which entrepreneurs accommodate or navigate institutional constraints. As Yaw comments,

> *"…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, that 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…"*

Based on the three categorisations, there was further evidence in the data that suggested that these strategies were connected with particular practices that have impact on either firm entry, growth or (and) survival, as detailed below.

[17] In the context of this study, breakthrough means activities that entrepreneurs adopt to overcome or penetrate institutional hurdles. Hence, words such as "overcome" or "penetrate" were used for the categorisation.

[18] Circumvent in the context of this study means non-rentseeking activities entrepreneurs adopted to bypass institutional constraints. Hence, the term "prevent", "evade", "bypass" were used for the categorisation.

[19] Destroy or destructive in the context of this study is used to denote rent-seeking activities entrepreneurs adopted to survive within institutional constraints. Hence, terms such as "bribery", "tax evasion or avoidance", "illegitimate activities or black market" were used for the categorisation.

### 9.1.1 Resilience development as 'breakthrough' strategy

Several participants openly recognise that developing resilience within institutional constraints was more of a breakthrough approach; a doing strategy adopted by entrepreneurs to overcome or penetrate institutional constraints, as indicated below.

#### Kinship approach

Manu (a serial entrepreneur) faced the decision to either start or abandon the quest to start his own business due to the underdeveloped capital market and other institutions, which lack the desire and capability to help starters. He overcame this problem by seeking financial and other credit facilities from his parents. As indicated, *"...when I decided to start my business...the banks were not willing to help me financially because they said they did not have enough savings...they needed collateral...I tried other government agencies but they could not help me either...I determined to overcome this..."* (section 7.1.3.1, paragraph 6 for additional quotes). Mensah recalls how he was able to raise money from his brother to overcome similar financial constraints, *"...over here, you go through hell to get money to start a business...the banks won't help...the government won't help...so if you don't have relatives whom you can rely on, then, you can't do anything..."* (section 7.1.3.1, paragraph 6, p.164, for additional quotes). Further, the comments by Agyeiwaa, *"...the issue is, it's so difficult to get funding from the bank...the decision by my late husband to help me was very instrumental in helping realise the vision to start my own day care...what the government and the banks failed to realise was that I can start without them anyway..."* (section 7.1.3.1, paragraph 6, p.164) regarding how she started underscores the importance of the kinship approach to overcoming financial constraints, which is mostly created by underdeveloped financial markets, a characteristic of underdeveloped countries.

#### Network approach

Comparative analysis, however, suggests that the kinship approach is not the only approach adopted to secure credit facilities to start businesses, instead, the network approach was adopted by some participants to overcome credit constraints created by the financial institutions for start-ups. Rather than quit his ambition to start his own business, Opoku (an experienced entrepreneur) overcame the bottlenecks created by the banks refusal to assist him start his business. highlights that the loan he received from his friend helped him to start his business, *"when I had plans to start my own business, I remember been frustrated by the banks and other financial institutions...they wouldn't give me financial support because I could not provide collateral to meet their lending policy...it was a loan from someone I went to the same high school (friend)...I discuss my frustration with the banks with him...surprisingly he offered to give me a loan...that was how I overcame this terrible constraint...I couldn't start without the loan..."*. Like, Opoku, Sarfo (an experienced entrepreneur) faced the financial institutions hurdle to provide collateral to secure loans. Rather than recoil, he joined the Pharmacy Credit Union, which granted loans that enable him to start his business, *"...I needed some money to startup...the government banks and other private lenders, as usual, would not lend me money, unless I guarantee the loan with a landed property...but I didn't have any...so I join up with our Pharmacy Credit Union...so I took a loan of about Cedis 12 million and was able to buy most of the products to start my shop...we are sick of the way the bank and government treat start-ups...I think that for start-ups the government should guarantee loans for us...but no, we have to devise means to overcome such barrier...frustrating..."*.

Araba and Akosua are great examples of entrepreneurs who used the network strategy to overcome credit constraints, endemic in the under-developed economies. As Araba (an experienced entrepreneur) reflects, *"Ghana is not like Europe or America where the capital market is developed...you don't have venture capitalists and others who will support startups...It took me a long time to start, although I had the intention and the plan...when I started, the first stock I had was through an old school mate...gave the drugs to me on credit for about three months. If I had not met this person, starting the business would have been a problem...I was beginning to give up but through his help I rose above the challenge..."*. For Akosua (a serial entrepreneur), it was the friends she made at a Fair that aided her access resources needed to start her manufacturing company, *"I went to the Ambient Fair in Germany...I made a lot of friends of some Italian companies...which supplied me different types of aluminum moulds...on credit...help me start the manufacturing firm...the situation in Ghana would not have permitted me to start this line of business...this involves the use of huge capital, which the Banks will not be prepared to sponsor...the idea would be dead if not the support I had from these Italians...I took the opportunity knowing that the banks in Ghana won't help me"*. The following comments by Alhaji

(CEO of an institution that collaborates projects between Ghana government and UNDP) reinforces the importance of networks in overcoming financial institutions' policies, especially the collateral, that deny several people the opportunity to be self-employed, *"...in this country one of the major deterrents to self-employment is inadequate sources of credit facilities...you know the capital market is not developed in this country...it has become a norm for banks to just refuse especially start-ups because they assume higher risks...and they (banks) request for huge collaterals which these individuals cannot provide...most of these become part of different associations, which serve as a collateral for loans for its members...guarantee access to credit facilities so they can start their businesses...they help these members to overcome these regulatory requirements...".*

The research further illustrates that entrepreneurs' network was used to overcome information gap created by institutional constraints to growth (Effah, Issachar and Quartey, Sarfo, Manu, Kusi, Yaw). For Effah (a serial entrepreneur), networks help expand the horizon of business through its rippling effect of being part of the networks of others, who are part of his network. Networks are used to overcome issues concerning accessibility to markets to sell products or services. Effah states,*"...building a network helps you expand the horizon of your business...pull of people that you can do business with. Because somebody within your network has another network of which you are a member...the hindrances we face are such that you need to be connected...we were unable to get information about markets, suppliers, from anywhere...It's amazing that government departments that are supposed to make this information public keep them on the shelves...we are able to penetrate these offices through our networks...access the information needed...".* Issachar's (embryonic entrepreneur) perspective highlights the importance of networks to firm startup, and sustenance, "*Network is very important in entrepreneurial activities in Ghana. For example, if you have a business in Ghana, your first client, second clients and third clients are most especially your own network...they could buy things of you...networks in Ghana are very crucial...so what will keep your business going is the extent of your business relationships because that is what will determine the growth of your business...those who are able to have access to people in positions of power...they get all the information and assistance needed to start and grow their businesses".* The importance of political networks to small businesses is re-echoed by Kusi (a serial entrepreneur), who sees politics as institutional blockage to entrepreneurship development, which can be overcome through penetrating the circles using ones network. He further implies that one's ability to penetrate will determine ones business success, *"In Ghana, to be successful, you must have a strong political connection...everything is bureaucratic...and bureaucracy is controlled by the politics of the nation...hurdles are overcome when you are part of the inner circles...or when you have a friend who is part of the political inner circles..I remember, I had to use my network to penetrate the political circles before I was added to the business delegation to Turkey....there was institutional blockage to sideline all of us..."*. What is also clear from the transcripts is how Manu (a serial entrepreneur) infiltrate rival firms, through his network, to access information about competitors' pricing and sources of supplier so as to stay competitive and grow. He adopts this approach because there is no reliable infrastructure to obtain information about the market, *"...it's survival for the fitters...businessmen are able to make good decisions when you have reliable information, but all the government institutions either do not have the information or they have it and won't give it out to us...we need to overcome this problem...I use a lot of strategies to access information. I always try to make friends with all the people that do the same business as I do. For example, I compare prices all the time, hence I track my competitors prices so I can price my goods without losing my customers...those friends also help me to find cheaper suppliers...these guys give me information about my competitors sources of goods...I do this so I can compete and grow..."*. For Yaw (Director of Centre coordinating MSE projects between Ghana government and the World Bank), the members of entrepreneurs' network refer them for contracts, which helps them to overcome growth challenges, *"...there is a lot of whom you know out there...if you don't contribute to the political party in power then that means your business is finished..but if you are part of a network that knows somebody in power (government)....we do referrals which leads to contacts, which leads to contracts...help entrepreneurs overcome some of the institutional challenges they face"*.

## Personal development approach

Another theme that runs through the data is that training, previous experience and formal education was either consciously or unconsciously used to overcome knowledge gap or information gap, created by institutional void or underdeveloped institutions. As Frimpong (an experienced entrepreneur) states, it was his experience and educational background that gave him the confidence to start his own business, *"...in those days, there were no government or private infrastructure to give information about starting businesses, constraints and how to overcome...you know those basic but important things to know...in fact I was blessed that I had the opportunity to be trained in Israel...My major area was animal science and poultry became one of the areas I specialized…I worked for the government for a year and after that I worked for my step father who was also a pioneer of poultry farming in this country…I knew the experience of starting a chicken farm…I had enough rich background it really helped me to overcome several challenges created by the system...nowhere to get information...".* For Issachar (embryonic entrepreneur), formal education proved to be a factor that gave him the information needed, which helped him identify opportunities in the Oil and Gas sector, leading to starting his businesses, *"...you know Ghana, it is whom you know...when this whole idea of oil exploration started...the GIPC and GNIPC shelf information about the part the locals can play in terms of starting oil and gas-related businesses...I think that one of the key things that have driven me to do business (self-employment), in spite of my political background, is...my learning of strategy, with concentration in the Oil and Gas sector...it has really helped me because I did not know anything in the Oil and Gas sector...so I think that the mindset and training that we get are very important in our decision to be self-employed"*. The following comments by Agyeiwaa (an experienced entrepreneur) demonstrates how training helped to acquire the information that helped in opportunity identification and then start-up,*"...although the government policy then allowed private citizens to own Day Care Centers, the Ghana Education Service shelved the information on that initiative...this is how they behave...they always sit on information that is for public consumption...I was a teacher by profession...We had the opportunity of attending a day care training program in Accra (capital of Ghana) for three months. It was during this training that I realised that government allows private individuals to start Day Cares, and that was when I conceived the idea to build a day care...and then started one..."*.

## Negotiation approach

Aside the above-mentioned approaches, comparative analysis of participants' experiences suggest that the entrepreneurs adopted negotiation to overcome institutional constraints to their activities. Dartey (a serial entrepreneur) recognised the importance of *negotiations* to acquire lands for the expansion of their activities (see case 5, chapter 8), from the chiefs, who are the custodians of the land in Ghana. Other participants who made similar comments include Oduro, Yaw, Oppong and Odartey (See section 8.1.7, parag. 5 & 6).

## Bricolage approach

Further, Frimpong (an experienced entrepreneur) used the bricolage approach by combining resources that were already at hand, used undervalued and discarded resources, to address opportunities, and overcome resource constraints, created by the institutional framework. The crucial difference this strategy made to his business was that he was able to reap a profit level of 400% through cost reduction. As he states,

> *"...the CPP government adopted the communists way of governing, but was overthrown...when the Busia government came to power, he tried to change things to market economies...that was when the problem started...It created shortages of food and other things needed for our sustenance...there were a whole lot of shortages of grain and everything...I had to find a way to overcome those shortages otherwise all my chickens will die of hunger...that means I'll lose everything I had worked for...that was the period that I was able to expand...those days there were other ingredients that they throw them away. You go to where fish is harvested, they were throwing a lot of fish away. Those days people did not know that the fish meal for the chicken were made from the same type of fish that were being thrown away so I will just go buy them and prepare the feed myself... And then I used to go to the corn mill, picked up the waste they had thrown away, i.e. the bran, and others which has the corn eye, which is a high source of protein. And the bran they threw them away but because I had done poultry nutrition, professionally I knew that they were so important. And so it made my cost of production so low and the prices were so high on the market so I was making nearly 400% from my work. Because I used professionally the byproducts that were being thrown away, I got them free, and then I was able to make a better production from them. And so my turnover was so good and my profit margin was so good".*

## Discipline to the fort approach

Several participants talked about the negative effects of the kinship system to entrepreneurship (Kumaka, Araba, Manu) (see section 7.1.3.1, parag. 6). In agreeing with these participants, Koranteng highlights the approach that can be used to overcome the influence that kinship system has over small businesses, *discipline to the fort* (consciously resisting all attempts to mingle business with kinship). As he states,

> *"we have the culture where we have the extended family... you employ one, two, three people, and then you have what I call the pull factors. They want to pull you away from success...This is from your mother, your father, your brother, your sister, your wife, your closest friends, your relatives...we need to overcome such recurring cultural issue...So really to be successful what I say is that you have to be discipline to a fort, where everyone of these institutions or bodies or relationships discount you and say that you are not good or you don't serve their course. Then you are unto a possible way of success and it is so difficult. It's not easy. So I look at the young men and I say to them you don't have what it takes to stay and be successful in business. It's not that they are not disciplined, they are disciplined, they mean well but they are not discipline to a fort".*

## Building organisational structures approach

In an extraordinary situation, Koranteng (a serial entrepreneur) built several organisational structures to overcome institutional void that was detrimental to his activities, especially in the banking sector. By interpretation, this represents how Koranteng devises innovative ways to create value, and overcome constraints that have crippled the banking industry. Adopting this approach has even resulted in different companies established to ensure the longevity of the parent firm, the Bank. As he states,

> *"as a matter of fact we have grown because of the lack of institutions and rules...That is precisely how come we grew. Now, we were in the business of lending money but in our bid to lend and lend efficiently, we had to find somebody in house to do valuation and manage properties because we could not have professionals to do it because it will take*

*too much time...there is no address and numbering system...So by default we now have OY properties; in the same way because it was difficult to finance goods and services at the port, by default we had to create our own institutions to deal with that so we have OY Logistics; the we have OY collectors because we were very effective in debt collection and others wanted us to collect their loans for them; now we have OY Life...no credit check systems...ineffective judicial system...nobody goes to court when there is loan default...; OY private security. These companies were created not because we wanted to expand into those fields but because we wanted to expand our cores business of lending. That is the difference between us and other people. They will say oh here is the opportunity for us to go, no we say we need to go into these areas to be able to survive and expand our core business. So our growth was the results of the presence of inefficient institutions or better still the absence of certain core institutions needed in any economy".*

## Persistence approach

Frimpong (an experienced entrepreneur) wanted to expand his business but did not have the financial resources to implement his plans. Frimpong encountered a lot of resistance in an attempt to meet the Bank Manager who was supposed to approve his request, but through persistence he was able to overcome institutionalised bureaucracy to secure the loan, which was needed for firm growth. As he states,

*"I needed to increase my stock because I saw the eggs coming and I increase my stock from 900 to 2000 chickens. Whilst doing that I saw that I needed to get some money to feed the flock...I needed to have some support, so I went to the Agricultural Development Bank (ADB) and at that time interest rate was quite reasonable.... So I needed about C5000.00 so that I could feed the flock and at the same time build some structures that will make the work easier for me...but there was institutionalised bureaucracy...had to travel to Accra to speak with the Area Manager...the Security Man did not want me to see the Area Manager...But I did not give up...had to attempt three times before I spoke to the Area Manager...in other words I did what we call persistence...".*

### Experimentation approach

Manu (a serial entrepreneur) points out the use of experimentation of ideas or ways and means of doing businesses as a way of overcoming knowledge gap required for the development of his business (see section 7.1.3.2, parag. 5). Manu's approach to firm longevity and growth was adopted by Akoto (an experienced entrepreneur) who also complains of the fact that lack of mentors pushed him to experiment ideas before getting on the right track of running his business (see section7.1.3.3, parag. 5).

**9.1.2 Resilience development as 'circumvent' strategy**

The discussion, so far, has focused primarily on the strategies participants adopt to breakthrough constraints to their activities. Comparative analysis of the experiences further suggests that entrepreneurs adopt a strategy to prevent, avoid or bypass institutional constraints to their activities. The discussions will illustrate different practical measures the entrepreneurs adopted to circumvent institutional constraints. For the participants, three practical steps were adopted to circumvent institutional constraints (Mensah, Francis, Issachar and Quartey, Akoto, Akosua, Araba, Appau, Sarfo, Suleiman, Yaw, Oduro). Comparing the responses show that nine of them were entrepreneurs (Mensah, Francis, Issachar and Quartey, Akoto, Akosua, Araba, Appau, and Sarfo, Koranteng), while two were Directors of institutions supporting entrepreneurship (Suleiman and Oduro).

### Partnership or joint-venture approach

For Mensah and Issachar, it was stringent regulatory burdens that made them decide to partner with other firms so as to be able to operate their firms. Mensah (novice entrepreneur) decided to partner with other like-minded firms that satisfy BoG regulatory requirements so as to survive in business. Thus, Mensah adopted this strategy in the face of new regulatory developments, otherwise his firm would have to exit from the market. As he states, *"So now the (BoG) regulation is affecting me to go down to begin from level one. Am now coming down to start everything all over again…I can partner those who have the opportunity to mobilize and at the same time lend…otherwise I will have to close down...I hope they will help me to bypass this regulation...until I raise the capital to register with the BoG…"*.The following comment by Issachar (embryonic entrepreneur) demonstrates how Issachar adopts joint-venture strategy to access the license needed to start his businesses, *"…we have not been able to secure the licenses…if you don't have the license…you can't enter the industry…so 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 industry…until we are able to get our own license…"*. Aside using partnership to outwit regulatory constraints, Francis (an expatriate entrepreneur) deliberately partnered with a local company to bypass bureaucracy, *"…the bureaucracy in Ghana, we partnered with a local firm to look into that through the GIPC registration and for environmental protection agency licensing…they actually took that buffer away from us…".*

## Network approach

Although for Mensah and Issachar, partnership and (or) joint-venture was a way to bypass the regulatory constraints on their activities, for Appau and Araba, the network strategy was adopted to bypass regulatory constraints on their activities. As Appau (an experienced entrepreneur) reflects, *"…network, we use it to bypass several hurdles, especially those posed by the government...government officials have influence in several firms and they try to make sure that the connect people that are close to them, neglecting us...we rely on the people within our network who have contacts with these companies...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…"*. Appau's experiences presuppose that his difficulty to operate as a distributor for manufacturing company was solved through the network of old school boys, who linked him up with other members of his network. For Araba (an experienced entrepreneur), networks is used as a means to avoid rigid bureaucracies, so as to swerve business requirements and access essential resources, *"…networks, is the basis for all our businesses in Ghana…government bodies, pharmacy council…are so rigid and set several rules that are to be followed. Some of these policies may kick us out of business…to prevent their influences, 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…".*

In reinforcing the importance of adopting the network strategy, Akosua and Akoto recognise that being part of a network help reduce institutional burdens and hurdles. As Akosua (a serial entrepreneur) indicates, *"…we have the Ghana Employers Association…Ghana Association of Industries. I am a member of all these associations…the association advocate on our behalves so as to reduce unnecessary institutional burdens and pressures on us…".* Akoto (experienced entrepreneur) in a similar fashion comments that networks help entrepreneurs bypass institutional hurdles involved in doing business. As he comments, *"...so networks... it helps me to bypass most of the institutional hurdles involved in doing business here…these associations sever as pressure groups on the government...pressures governments to pass laws that will benefit us"* . For instance, the tax burdens of the government were cited as an institutional burden, but entrepreneurs used their professional associations to lobby the government to design tax policies that favour their activities (Oduro). Oduro (CEO of a quasi-governmental institution that promotes entrepreneurship) highlights how they lobby the government for the members of their group who face burdensome taxes, *"Some of these activities enabled us to lobby the government to reduce the 7% withholding tax to 5%. This minimised the effects of the withholding tax on their activities…We have started working on the cost of borrowing…so we will hit hit hit until the government accepts it or do something about the cost of borrowing…our members may be relieved from high burdensome taxes...thus, our leverage to an extent prevents the government from passing laws that affect business development...it's a huge task but we do it one at a time..."*. A second institutional hurdle was obtaining the collateral needed to guarantee credit facilities from financial institutions. Once again, Quartey (embryonic entrepreneur) comments that informal networks provide the collateral needed to secure credit facilities needed for entrepreneurship, *"…the informal network in Ghana is 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…"*.

## Technology approach

Another strategy that the participants used to bypass the difficulty in accessing information about markets and suppliers was technology. For Sarfo and Suleiman, the internet was instrumental in aiding entrepreneurs' access information about markets, suppliers, manufacturers, which otherwise the existing government institutions may not be prepared to provide to entrepreneurs.

Sarfo (an experienced entrepreneur) described how he used the internet to bypass the hurdle of information scarcity about suppliers and producers. Sarfo states, *"…in Ghana, government institutions refuse to give information about producers, manufacturers, markets...we use the internet to bypass this hurdle…you check from the net to see that this business is moving. We contact them to see if we can become distributors for them. In fact just last week, I talked to one big company. They have taken my profile and will come and inspect to see if they can work with me. In fact, last five years, a company from China came to inspect my area. I talked to them and they are also supplying me. So we do that"*. For Suleiman (Director of government institution that provides soft loans to entrepreneurs), the obstacles entrepreneurs face from government institutions when attempting to access information can be bypassed by using the internet, *"...over here, people sit on information that is supposed to be for public consumption...and refuse to give them to entrepreneurs...you go to the Ghana Export Promotion Council for information of foreign markets and how to enter...they won't give you...we use the internet a lot these days...with the help of the mobile phone, you can easily browse information about foreign markets..."*.

### 9.1.3 Resilience development as 'destructive' strategy

Comparative analysis of the participants' experiences suggests three rent seeking activities that the entrepreneurs engaged in to develop resilience within institutional constraints. Their motivations however varies, ranging from an attempt to dominate and survive in the market (Issachar), survive (Sarfo, Manu), market entry (Quartey), access information (Araba), easy access to resources (Issachar and Quartey), and way of doing business (Koranteng).

## Corruption and bribery approach

Issachar (embryonic entrepreneur) needed credit facilities from the banks so as to startup a firm, but other entrepreneurs within the Oil and Gas industry pose a barrier to entry. These first movers in that industry bribed bank managers so they will deny other competitors who submit business plans loans to start businesses in the Oil and Gas industry. This strategy is adopted by industry incumbents to ensure longevity and large market share. They state,

> *"…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 realised 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...these incumbents are even further strengthened by the political institutions...whom they contribute to the election...their networks in parliament pass laws to favour them...and the extent of their political connections put fear in the Bank Managers..."*

Quartey further emphasised how corruption ease the way of doing business in Ghana, *"…the reality is that if you want things done and done quickly, you must pay your way through…corruption, it makes accessing things so easy...and it's an effective tool for business in Ghana…especially when dealing with government establishments*...". By implication, it can be suggested that those who have the money to bribe individuals that have access to resources tend to have things done easily for them, while others who do not have the money to bribe their way through institutional difficulties, may have difficulty accessing certain resources. Similarly, for instance, Araba (experienced entrepreneur) highlights how corruption facilitates easy access to information, *"…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..."*. In consequence, Koranteng (a serial entrepreneur) points to corruption as a way of doing business in Ghana, *"...corruption is institutionalised that you can't do business in Ghana without it"*.

## Tax evasion or avoidance approach

In contrast to corruption as a destructive strategy in developing entrepreneurial resilience, other participants commented on the use of tax evasion or avoidance as a mechanism for business survival (Araba, Sarfo, and Manu). For Sarfo ( an experienced entrepreneur), business survival means tax evasion, when he articulates, *"…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"* . In echoing that strategy, Manu ( a serial entrepreneur) comments that paying the correct taxes will lead to business exits, *"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...".* Araba (an experienced entrepreneur) has also avoided tax payment for two years, and perceives that strategy as a way to survive in business, "*...for the past two years I have also not bothered to pay taxes…I need to survive but it's risky too…"*. The behaviour of these entrepreneurs was reaffirmed by Alhaji (Director of government institution that gives soft loans to entrepreneurs) when he said, *"This is what I have observed with the tax payers too. From the onset they are always avoiding taxes, so when these collection officers come round, what they do is, they always try to find something for them and that is that, case closed…they cheat the government together…Because the tax collectors themselves are corrupt and the businessmen too want to maximise profit."*

## Illegitimate activities approach

In addition, the pressure of institutional constraints, especially regulatory constraints cause entrepreneurs to adopt illegal activities as a strategy of entry and development of their activities (Yaw, Quartey). Quartey (embryonic entrepreneur), for instance, articulates that regulatory constraints leave individuals with no choice but to operate underground, even in the Oil and Gas sector, *"...and there are people who operate their activities underground because the government regulatory requirements restrict entry...so people take the law into their own hands and start businesses that are even regulated, example, starting a filing station..."* . A similar assertion was made by Dartey (Director of a government institution that facilitates investments in Ghana), when they point out how, even in a highly regulated sector like Mining, regulatory barriers push individuals into illegal mining activities. They state,*"…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…"*.

### 9.1.4 Resilience development as 'diversification of product or service range' strategy

The participants comment that entrepreneurs develop resilience through related or unrelated diversification of products or services range (Koranteng, Darkwah, Akosua and Manu) within institutional constraints. For instance, Koranteng (a serial entrepreneur) describes how they transformed their business model by creating diverse firms that are synergistic in nature to the parent company, OY Financial Services, which later became OY Bank. Thus, the firm diversified through expansion of existing products that were unrelated but were integrated to the parent business, and which resulted in firm growth. As he states,

> *"As a matter of fact we have grown because of the lack of institutions...OY Bank has grown into different wings but the financial services branch grew to become a bank....after needs assessments of our people, we realized that they require certain services as well. So we decided to create branches that deliver those services that are needed by our clients. So...we have OY Logistics which takes care of freight services, commodity trading, collateral management and warehousing for our clients...We also have OY collections which helps other companies as well as OY to collect bad debts from customers...you know Ghana we have serious issues with addresses...we realised that we have to assess people's collateral and other documentations to be able to deliver within 48hrs...So...we set up OY properties... We have a number of institutions, including banks and non-banks to help them collect their debts so I think we must be doing something good on that...we established OY Collections...negotiate and design new terms of payments for the clients so they can pay back the loans...the court system is not good so we negotiate and get our loans back...with time as we go along we also said that we do payments for people and we need insurance scheme, so we partnered with an insurance company and now we have OY Life Ltd....then we also have the OY private security because...we think that providing security is not just about having guys around but we talk of security with intelligence...Because we realised that when our customers get money, even to cash the money became an issue, so we had to find a way of solving that problem for our clients...is what culminated into the establishment of the OY bank...So our growth was the results of the presence of inefficient institutions or better still the absence of certain core institutions needed in any economy".*

Similarly, Frimpong (an experienced entrepreneur) seem to survive the impact of policy changes through related diversification of products. In effect, Frimpong grew his business in spite of institutional constraints through this related diversification. He states,

> *"when Busia took over as Prime Minister...he decided to liberalise the market...there were shortages of everything...we used to buy the baby chicks and food from overseas...but we could not import because of the change in the political climate...we needed to survive too...so I said I am going to have my own hatchery. It was unheard of... I wanted to make the feed with technology, to buy a better equipment so that we can produce feed and sell some to farmers...I had gone further up into processing of feed and hatching chickens as well. So I started producing animal feed for myself and for my neighbor farmers...So they stopped mixing their own feed so I expanded my feed mill so I can reach out to more farmers. Then I started the hatchery, because I was a farmer I had the experience, and using the technology to mix the proper feed, at the same time hatching baby chicks for them I became more like a strategic farmer...we were able to produce these locally reducing the dependency on foreign imports..."*

He further talked about the hardships created by the unstable political system, and how he sustained and grew his business through related diversification. Specifically, he mentioned that the government's microeconomic policies led to high inflation and devaluation but was able to survive that period through related diversification,

> *"Acheampong's coup was 1971, when Acheampong's coup came...The whole world stood against us...It became a tough year...we could not import anything because the exchange rate started galloping...So at that time even though it was a tough time I was able to expand...in 1979 when Rawlings took over, the three months was hell...Rawlings came back again in 1981...That was the period very difficult year but, the Cedi had then been devalued to the extent that it was C2.75 to $1.00. and that was a heavy devaluation because dollar used to be 90 cents to 1 cedi, but now 2.75 Cedis to a dollar, you can imagine the percentage increase, about 200% increase...it became so tough for us that our business started coming down because the economy had gone...It was real crisis period but because we had invested in the various disciplines within the poultry*

*industry – feed mill, hatchery, the farm and of course we had then put in a small processing plant, where we could raise the birds and de-feather them with the processing plant and sell the whole birds because those days, and then had a blast freezer...So I had already added another sector to it so within that I became more like self-sufficient...I bought about 1000 acres of land to begin to grow my own corn, that was to make sure that I could get my own corn at a reasonable price to feed the chicken...we started importing drugs and selling to other farmers and some to ourselves. So it made us, even though our margins were small from every area we were still able to stand in the gap and apparently, I believe that by 1989/90, our staff strength had gone up to 600, because of the added sections...to the company".*

Comparing the data also shows that Manu (a serial entrepreneur) operate a similar model to that of Koranteng, through unrelated product diversification. Manu highlights that he diversified his business so as to be able to withstand regulatory uncertainty created by governments, when he said,

*"...when governments come and go, they change their regulations all the time and this affects the market...the way the things are here (Ghana) you don't have to put your eggs in one basket...what about if something happens to the basket...you see I have shops (hardware) all over Sunyani...I have also invested in plantations, and timber...the gold mining company here also uses my trucks...I have acquired a land near Abesim where I have began work on a hotel...you never know how the future will be in the type of environment we work in...I have bought several plots of land near Fiapre...planning to go into the estates business...if you don't do things like this you will fail..."*

For Akosua (a serial entrepreneur), unrelated diversification is a way to overcome institutional constraints such as unfriendly macroeconomic policies, which led to firm expansion and growth.

*"...the government makes policies based on IMF and World Bank pressure...this affects the macroeconomic policies, especially the inflation and monetary policies...institutions like the Bank of Ghana is not able to stabilise the currency against the dollar...we need to think twice so we can survive and sustain our business...started as a petty trader. In*

*fact I was actually plying the West African routes and the later on I started international trading, buying goods from the USA, UK, Germany and other places. And then along the line I saw that the cost of the galloping inflation that we had at that time was too much, that was around 1987. I had to divert...I started buying used clothing in bails from the UK and USA and during these times I realized that a lot of people were bringing in the prepared bails...So I decided that in Ghana we don't have any company which actually bails the used clothing so I decided to divert into that. So in 1994, I actually decided that I must start bailing in Ghana. I bought the bailer, the bailing machine, which is the hydraulic machine from the USA, built a big warehouse and started the bailing. So through that I caught the eyes of the BBC so I did the BBC documentary program, dubbed Used Clothing in Africa, to capture how I actually do the bailing...So through that I got a proposal from one company in Germany to attend the Ambient Fair...During the fair I made so many friends with some Italian companies so I decided to go into the Aluminum processing company... And then coming to the Hotel, I said oh let me just go into the social/hospitality sector because you can't put all your eggs in one basket...".*

### 9.1.5 Resilience development as "international expansion" strategy

Another growth strategy that Koranteng (a serial entrepreneur) used within the institutional constraints was expanding the boundaries of the firm through international acquisitions and joint-ventures. Koranteng articulates, "*We have also replicated the OY story in Nigeria so we have OY Service in Nigeria. We have OY Services in Germany and we also have OY Services in South Africa...IN 2008 we acquired majority shares in SMP Bank Ltd and took over the operations and management of the bank...in 2010 OY Financial Services issues 91 million shares to acquire OY Bank and merge to operate under the universal name, OY Bank...2011, OY entered the South African market through joint-venture with WAEC and SWOP, with OY holding majority shares of 78%...we adopt this approach in response to government interventions in the economy through liberalised foreign trade and foreign direct investments...we expand abroad especially in South Africa, Germany, where the capital market is more developed...we increase our capital or financial base and compete favourably...".* A similar strategy was adopted by Kusi (a serial entrepreneur) who has partnered with several companies in the transport industry overseas, and hence has expanded to over 140 countries, *"...started as a partner with some firms in the UK...I started my business when there was political turmoil in Ghana...I knew that the unstable political scene came with asset confiscations...my partnership with British companies could secure my investments...with time we acquired several companies....we are on every continent of the world, operating in about 140 countries..."*. Dartey (a serial entrepreneur) is no exception in this strategy, since he also expanded beyond the borders of Ghana to Liberia, Tanzania, and Sierra Leone to survive and grow within institutional constraints. He states,

> *"...the capital market institutions in this country are underdeveloped...not a lot of disposable income...long term loans for us or our customers...we planned to expand our market share and base through international expansions, starting with the sub-Saharan regions...we have set up MVP in Liberia...we also went as far as setting up one in Tanzania...we are investing heavily in Sierra Leone and we are doing similar outfits like the ones we do in Ghana...this is how we grow and expand....you don't need to stay at one location...you never know what will happen there....you know we face several hostilities from governments...you need to be careful...we invest in all these areas to attract the emerging middle class within those countries...what prompted us was the Ghana government's decision to contract South Korean company to roll out 300,000 apartments at subsidised prices..."*

### 9.1.6 Resilience development as "Adopting a different market position" strategy

It is evident in the data that some participants adopted different market position to overcome the potential of been kicked out of business by arch incumbents who have political and other governmental connections. Some participants' experiences point to the fact that differentiating activities from competitors is a way to develop resilience against constraints to small business (Koranteng, Dartey). Koranteng (a serial entrepreneur) explains how he differentiated his way of banking from all the others. First, he talks about the philosophy of the firm, not to run away from challenges, but to confront them and address them, *"I would have folded for the fact that we embraced challenges and said that we must find ways and means to go round it. so instead of succumbing and running away from what we wanted to do and become a normal bank, we* *started by challenging the status quo, the pattern of banking in this country...we realised the institutionalised pattern of doing business was crippling the industry...but this incumbents will not let you enter...they do everything within their power to stop us...we decided to do things differently...."* Koranteng adopted three contextual strategies that distinguished the way he does business from all the other firms within the banking industry. First, he developed the capacity of his firm to assess, grant and issue loans to businesses within 48 hours, which is unprecedented in the Ghanaian context. He emphasises, *"if an SME person needs money now and you give it to them tomorrow or a week later, you have wasted that business…we were giving loans less than 48 hours…that is unprecedented in this part of the world…that is our unique selling point...If we give the money to you after a month, you may not need the money and that is when the bad debt issue comes in, because by then it become more difficult to repay because you may not have used the money for the intended purpose."*

Second, Koranteng adopted the "open access" approach to managing businesses, where he has publicly displayed his personal number such that individuals or prospective clients can call him directly if they have any issues they want to discuss with him, and also talks about the advantage of that approach as stated*"…the situation where customers have easy access to the CEO work for our good on three fronts…it places psychological weight on employees to treat clients in a professional way…it breaks the barrier of bureaucracy in fixing appointment to see the CEO, who is readily available to respond to customers calls and request…there is this psychological contract that make our clients see themselves as stakeholders in the firm…and hence speak to their friends about us…".*

Third, on realising the importance of giving out loans to the health of the bank, Koranteng instituted that customers who need loans should be referred to designated Managers, who assess and decide the merits of their cases. This is unlike the status quo where Bank clerks handle loan applications and has to go through several bureaucratic hurdles. He states, *"...and you know most of the financial institutions when you want a loan, you go to the Secretary, they will give you to the Clerk or the Project person who will then decide that, ok, you I will go and see the manager for you and let you know. But in OY, we turned it the other day round. If you come to OY and you* *want a loan, the first person you have to contact is the manager, then the manager will assess you, if you qualify then he will bring you to the lower people to take care of you".*

Dartey (a serial entrepreneur) further highlights how he revolutionised the real estate development sector through adopting a different approach to doing business from the institutionalised practices of that industry. This has given him the advantage over his compatriots despite several constraints. As he states,

> *"This company was started from a container in Cantonment. We started building houses till we had the vision and the foresight to move away from that way of doing things...the pattern had been building houses and selling them on individual basis...we tried to revolutionise our focus in terms of getting bigger parcels of land. I won't go to the economies of scale advantages of going bigger but we wanted something different...we just don't build single houses on different plots, we have expand of land and we roll out houses. When we started this about 20 yrs ago it was a novelty. The only way you could see similar ones is because we started it....For example in one of our estates we have about 520 houses within the same locality and in fact there are 38 more we are doing and by the time we finish the other face we are going to do about 200 apartments so you can see we are talking about communities. And from our experience over the years we are now going to build towns....presently our flagship project is..., it's after the...municipality and we have acquired about 1200 acres of land and we planning by the end of the project we hope to get about 17,000 homes. So we started from small clusters to communities and now we are talking about towns and hopefully we might start building cities when our grand children take over from us...we are registered in the mind of the people and the government...it makes things comparatively easier for us to operate and access facilities...".*

## *9.2 Observations*

From the research, it is evident that, First, (i) entrepreneurs operate like open systems that dynamically interact with themselves or their environment to so as to achieve their business goals (Bertalanffy, 1952); (ii) entrepreneurs makes timely effective recoveries to bounce back after being (Sutcliff and Vogus, 2003) affected by institutional constraints (iii) entrepreneurs who are not able to successfully interact with their institutional arrangements may enter into a slippage stage, where they either exit from business or unable to grow their businesses.

Second, the entrepreneurs adopted four main strategies to develop resilience within institutional constraints - breakthrough, circumvent, destructive and other strategies. It is also observed that the entrepreneurs adopted several activities that target at boosting their resilience to the constraints posed by the institutional dimensions. The entrepreneurs benefited from breakthrough strategies, where they benefited from activities which aimed at overcoming or penetrating institutional constraints. The entrepreneurs benefitted from adopting approaches such as the kinship, network, personal development, negotiation, bricolage, discipline to the fort, building organisational structures, persistence, and experimentation, aimed at developing resilience. Another way the entrepreneurs developed resilience was to adopt the circumvent strategy, where they benefited from that aimed at preventing, evading or bypassing constraints posed by institutional dimensions, but rent-seeking activities are excluded in this strategy. The entrepreneurs steered through institutional constraints by adopting partnership or joint-venture, network, and technology approaches. Furthermore, the importance of the destructive strategy cannot be overlooked, as the entrepreneurs used as a rent-seeking activities to evade or bypass constraints posed by institutional dimensions. In this vein, the entrepreneurs were able to develop resilience through corruption and bribery, tax evasion and avoidance, and illegitimate activities. Moreover, resilience was developed from other strategies. The research shows that, the entrepreneurs survived institutional constraints through product diversification, international expansion, and adopting different market position.

Third, a five-step resilience development process framework seems to emerge from the discussions above as follows:

- **Reconnaissance** - this is where the entrepreneurs identify the dimensions of the institutional constraints that affect their activities;
- **Assess the impact of the constraints** - this is where the entrepreneurs identify the impact that the identified constraints may have on their activities;

- **Devise a strategy** - this is where the entrepreneurs design strategies they can use to prevent, mitigate or recover from they identified constraints; and

- **Design a plan** - this is where the entrepreneurs come up with practical activities that fall under the broad strategies, which when implemented can help them prevent, mitigate or recover from the effects of institutional constraints; and

- **Implement a plan** - this involves the implementation of the practical steps designed to either prevent or mitigate the effects of institutional constraints on their activities.

### *9.3 Summary*

The question of whether entrepreneurial resilience development is a way to operate within institutional constraints is addressed by the cases cited in this chapter, in different ways. The research found that entrepreneurs, as well as individuals whose activities support the activities of entrepreneurs highlight several strategies by which entrepreneurs adopt to develop resilience, within institutional constraints. In this thesis, the researcher's evaluation of entrepreneurial resilience strategies encapsulates diverse complexity of contextual strategies that individuals design to develop resilience in the face of adversity. Such strategies directly influence not only the entrepreneur's ability to enter into entrepreneurship, but also define the firms' ability to grow and survive beyond certain threshold. In this respect, the present conceptualisation of entrepreneurial resilience strategy relates to the concept of resilience, which is the ability or capacity to anticipate constraints and prevent something bad from happening; and (or) the failure to perceive a problem but develop means to prevent something bad from becoming worse and (or) recover from something bad once it happens (Westrum, 2006). Such theoretical focus attempts to address the recognition of a limited examination of how entrepreneurs develop resilience within institutional constraints. It is in light of this assertions that the research conceptualises entrepreneurial resilience strategies as comprising six strategies - resilience development as 'breakthrough' strategy, resilience development as 'circumvent' strategy, resilience development as 'destructive' strategy, resilience development as 'diversification of product or service range' strategy, resilience development as 'intra-national and (or) international expansion', and resilience development as 'adopting a different market position' strategy, which enumerate how the entrepreneurs develop resilience within institutional constraints. What must be stressed is the immense diversity of the micro approaches adopted by the entrepreneurs to enforce those strategies.

The next chapter will work towards a conceptualisation of entrepreneurial resilience development within institutional constraints.

# Chapter Ten: Towards a conceptualisation of entrepreneurial resilience development within institutional constraints

## 10 Introduction

This chapter brings together the issues raised during the research, thereby contributing towards a conceptualisation of entrepreneurial resilience development within institutional constraints. The discussions will focus on the contextual institutional arrangements and resilience within three interactive and interdependent elements explored during the study - the entrepreneurship, institutional dimensions and resilience strategies. This synthesis will argue that the entrepreneurship discipline needs to move away from the dominance of Western-centric approach to studying the individual to a more context-bound perspective of the entrepreneur and entrepreneurship. In working towards a more integrated conceptualisation that encompasses the entirety of the entrepreneurial experience within a specific context, this chapter will extend the conclusions from the research to include issues that may require further theoretical development and additional research. This chapter will also raise suggestions for practice.

### *10.1 Conceptualising the institutional arrangements for entrepreneurship*

In responding to the first research question of this inquiry (see section 1.4), an understanding of the nature of the institutional arrangements driving entrepreneurship has been developed at the *lived experiences* (Thompson et al., 1989) level. The lived experiences served as the rich and detail base from which to explore the broad and complex (Cope, 2001) institutional arrangements from a theoretical perspective. The research has emphasised the importance of appreciating entrepreneurship from the institutional perspective because it captures the entirety of the contextual elements confronting entrepreneurs as they go about their duties. One of the key contributions of the research is the joining together of the three interactive and interdependent elements explored during the study - by building an integrative understanding of entrepreneurship and entrepreneurial resilience strategies within the context of institutional arrangements.

### 10.1.1 The regulatory dimensions of institutional arrangements

To develop some insights into the first research question outlined in section 1.4 and to contribute towards a theoretical appreciation of entrepreneurship within institutional context, concepts such as regulatory institutional arrangement was adopted to help make sense of the participants' experiences. The research suggests that participants, especially the entrepreneurs, face unique and contextual regulatory institutional structures (Scott, 1995; Kostova, 1997) that affect their activities, the precise dimensions of which are mostly shaped by government. Chapter 7 presented a phenomenological understanding of the regulatory structures, illustrating the broad dimensions of this institutional structure that entrepreneurs deal with as they try to be entrepreneurial. This involves entrepreneurs having to deal with political institutions, government institutions, legal institutions, financial institutions, tax institutions, as well as regulatory legitimacy.

These regulatory institutional dimensions seem to provide the rules of the game that structure human interactions, and thus, entrepreneurs play to the tune of those dimensions (North, 1990). To appreciate how these regulatory dimensions affect entrepreneurship, chapter 8 demonstrates the roles regulatory institutions play in entrepreneurship. The research emphasises dimensions of regulatory institutional arrangements of the country's institutional profile to include government policies, voting system, degree of centralisation, and political freedoms (Acemoglu & Johnson, 2005); legal institutions (Nkya, 2003); financial institutions (Estrin & Mickiewicz, 2010); taxation (Hall and Jones, 1999); regulatory legitimacy (Hunt & Aldrich, 1996), which shapes entrepreneurship. The research therefore builds on Busenitz et al., (2000) work, by reconceptualising regulatory institutional dimensions as a reflection of an aspect of a country's institutional profile that influences entrepreneurship (Kostova, 1997).

Entrepreneurship encompasses more than the entrepreneurs traits and cognitive abilities. An important conclusion to arise is that there are other elements to entrepreneurship, contextual factors, both of which are important to understanding entrepreneurship. Interpretation of the data therefore suggests that entrepreneurship is a contextual activity, where the entrepreneur operates within the constraints provided by the regulatory institutions (See chapter 8 for details).

### 10.1.2 The normative dimensions of institutional arrangements

The experiences of the participants demonstrate that entrepreneurship is not only embedded within regulatory institutional dimensions, instead entrepreneurs are also confronted by the challenges posed by the normative institutional dimensions. The research does demonstrate that professional and business associations exercise enormous authority over its members such that members have to comply or conform to certain laid down procedures.

Thus, an another important conclusion that arises and one that may require further theoretical development in the context of the study, is the recognition that the entrepreneurs needed to go through the normative legitimisation process before they were able to operate their activities. This is apparent especially in relation to entrepreneurs whose activities are dependent on strong professional associations. Given that the context for the research has a lot of entrepreneurial activities in the informal sector, it would be advisable to undertake further studies as to the importance of normative legitimacy to entrepreneurship. An important contribution, especially in the context of the study, is the recognition of the importance of normative legitimacy to entrepreneurship.

### 10.1.3 The cultural-cognitive dimensions of institutional arrangements

The experiences of the participants further demonstrate cultural-cognitive dimensions as part of the institutional arrangements. The research suggests three dimensions of the cultural-cognitive dimensions that are relevant to entrepreneurship in the context of the study - operating rules and behavioural codes, national culture and behavioural patterns.

In terms of wider conclusions, the findings that stands out clearly is that developing and operating a business in Ghana means entrepreneurs may encounter one or all of these cognitive dimensions. Many aspects of the entrepreneurs' activities (i) may be beset with prohibitive administrative cost in meeting regulatory requirements (Ho & Wong, 2007) due to the nature of the institutional environment (ii) may be affected by corruption in the form of bribery (Vial & Hanoteau, 2010) (iii) may be aided by entrepreneurial network (Aidis & Adachi, 2005).Thus, one of the core arguments of the thesis which will be expanded upon shortly is that corruption and networks are used to develop resilience for business entry or (and) growth. Such approaches are often used to overcome institutional constraints such bureaucracy and its effects.

The findings further makes it clear that entrepreneurs in Ghana are affected by the national culture, examples being survival mentality, funerals, marriage and extended family, religion and chieftaincy, which have implications for entrepreneurship. Secondly, the findings suggests the dimensions of the behavioural patterns (i) at the institutional level to include debt payment, piece-meal approach, institutional gratification, political particularism, sit-on-my-brother, laid-back culture and (ii) at the individual entrepreneur's level to include debt repayment, lack-of-sharing, bigmanism, and jack-of-all-trades-and-a-master-of-none. These behavioural patterns appear to have detrimental effects on entrepreneurship in Ghana. It should, however, be pointed out that this aspect of the institutional dimension requires further theoretical research, since most of these aspects are underplayed within the entrepreneurship literature. Nevertheless, the identification of cultural-cognitive institutional dimensions such as chieftaincy, survival mentality, and funerals form an important theoretical contribution towards the study of entrepreneurship in the Ghanaian context.

### 10.1.5 Reflections

The study makes three important contributions to the literature on entrepreneurship and institutions. First, although two of the most important studies on institutional profile mainly focused on regulatory, normative and cognitive dimensions of the institutional profile (Kostova, 1997; Busenitz et al., 2000), but the cognitive-cultural dimensions of the institutional profile may mostly reflect that of the Western notion of institutions. This study therefore extends the previous studies to give additional understanding of other context-bound institutional elements such as chieftaincy, survival mentality, and funerals that may be part of the cultural-cognitive dimensions of institutions.

Secondly, this study highlights the uniqueness of the properties of institutional structures for entrepreneurship, underscoring the importance of context-specific institutional profiles, instead of adopting a generic view of the properties of institutional profile. This reinforces Kostova’s (1997) argument that countries institutional profile loses meaning when they are generalised across a broad set of issues, hence should be measured with regard to specific domain. In the future, stakeholders – policy makers, traditional rulers, churches – should assess their inputs to the entrepreneurship and devise strategies for improving the domestic institutional environment for entrepreneurship.

Third, given that the institutional profile is context-specific, it provides the opportunity to evaluate the weaknesses and strengths of each element. These elements may help researchers understand the elements that tend to influence business activities, as narrated by the participants. An understanding of a country's institutional profile may help foreign direct investors identify barriers they may need to overcome before entry into new markets. In future research, researchers should probe in detail the extent to which the institutional profile motivates particular forms of entrepreneurship. Future research should also be focused on how the nature of institutional profile motivates entrepreneurs to adopt specific strategies for survival.

Future researchers could use single elements of the institutional dimensions for in-depth studies of specific impacts on entrepreneurship. For example, researchers in an attempt to understand the country's cultural-cognitive environments for entrepreneurship could study in detail how elements such as chieftaincy and funerals impact on entrepreneurship.

### *10.2 The role of institutional arrangements within entrepreneurship*

In terms of theory building, many aspects of the roles of institutions in entrepreneurship is still under researched (Harbi and Anderson, 2010), especially in the developing countries, and as will be demonstrated in this chapter there are many avenues for further research. The key theoretical contribution of the research is to build an interpretive understanding of the fundamental roles of institutions within entrepreneurship, particularly how institutions determine the rules of the game (North, 1990) and hence entrepreneurship fits within the framework created by the institutional arrangements. In developing some answers to the second research question (see section 1.4 ), the research works towards a theoretical appreciation of how the participants perceived institutions matter to entrepreneurship, and more specifically, their perception of the impact of the institutional arrangements, in terms of firm entry, firm growth and firm exit. Figure 10.1 outlines the key contributions of the research, and the interactive relationship between institutional arrangements, entrepreneurial resilience and entrepreneurship development.

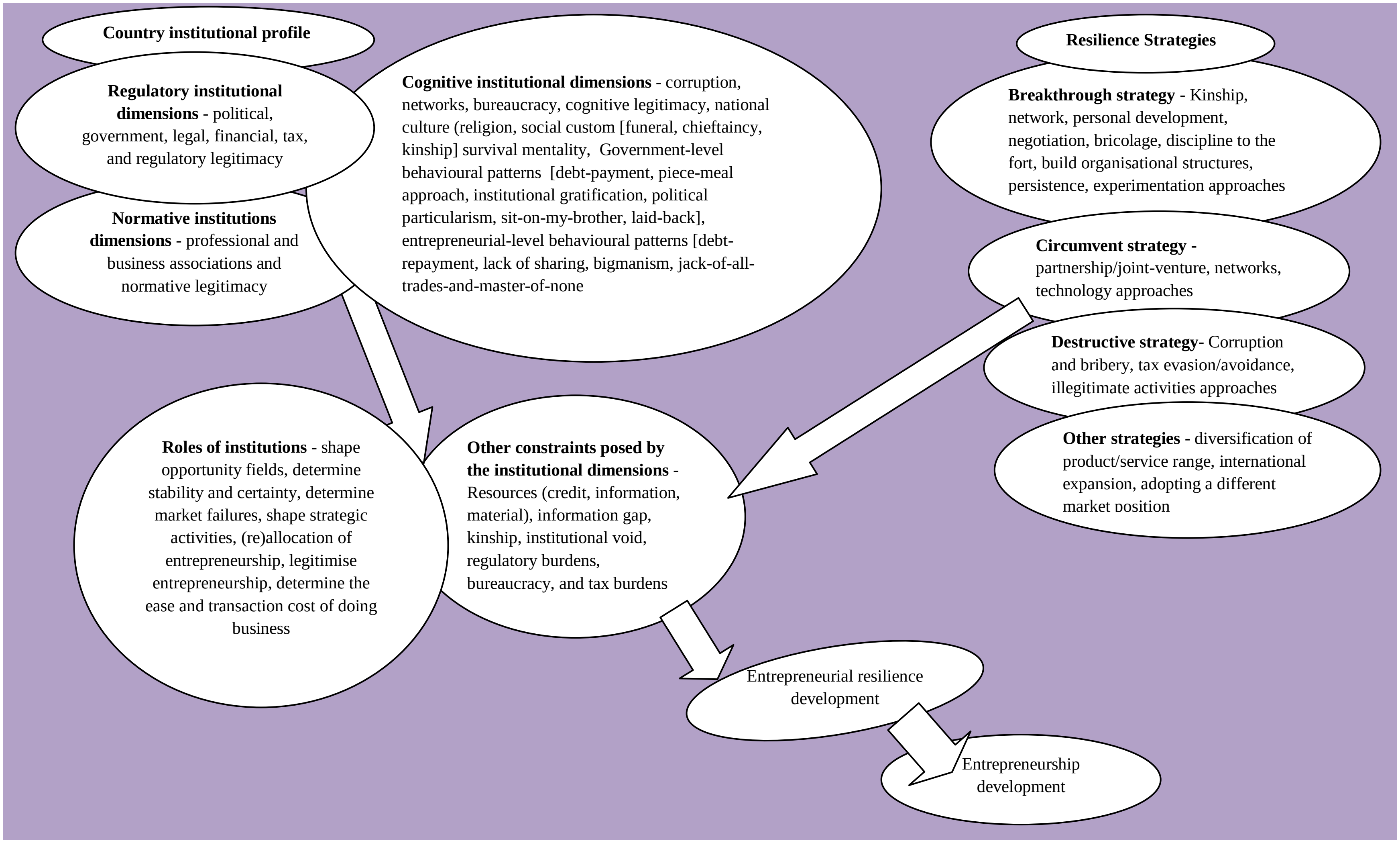



**Figure 10.1 Conceptual framework to understand the key contributions of the research**

### 10.2.1 Institutions shape opportunity fields for entrepreneurship

Juxtaposing institutional arrangements with entrepreneurship, it is suggested that an important paradoxical relationship exist between institutional dimensions such as government (policies, regulations and deregulations), emergence of political systems such as democracy and open market, and the opportunity fields available to entrepreneurs. Thus, those dimensions of the institutional arrangements (i) changed the market structure that led to creating several opportunities for the emergence and growth of the private sector. This conclusion reflects Winston's (1998) assertion that deregulation of industries create opportunities for industries; as well as government actions creating variety of entrepreneurial opportunities (Sine et al., 2001) (ii) legal institutions such as constitution and laws, financial institutions such as banks, as well as institutional reforms shape opportunity fields for opportunity exploration and exploitation (iii) institutional reforms such as market reforms through the introduction of SAP and ERP created opportunity fields for entrepreneurs that led to private sector investments (Steel & Webster, 1991).

Accepting that institutional arrangements shape opportunity fields for entrepreneurship, the study suggests that designing entrepreneurial friendly policies, and (de)regulations could have significant outcomes for business startups and growth. More specifically, the research reinforces the argument that, in developing countries, institutions exits, but getting the right institutions that promote entrepreneurship may be what is lacking. This argument raises another paradox in relation to institutions in developing countries. Thus, while certain elements of the institutional arrangements may boost entrepreneurship, the same set of institutions, such as regulatory requirements and government policies may place restrictions on entry into exploiting specific opportunities created by the same institutional dimensions. As revealed by the research, in the case of Frimpong, and Issachar, government regulations restricted entry into the housing and oil and gas industries. This has impacted on the entrepreneurs, in that although opportunities have been identified, yet, regulatory requirements restrict the exploitation of the identified opportunities. Thus, the experiences described in the research reflect Eckhardt & Shane's (2003) argument that government exercises power to influence the volume, distribution and types of opportunities available.

An interesting proposition is that, the fact that the institutional arrangements shape opportunity fields and determine who exploit the opportunities suggest that for newly forming organisations, and even existing organisations that want to diversify or expand, the institutional arrangements define, create and limit entrepreneurial opportunities, and hence affect the speed and scope of entrepreneurial entry and growth. As section 8.1.1 illustrates, institutional arrangements created opportunities in the oil and gas, banking, telecommunication, health care and the media industries, and saw the emergence of several firms in these sectors, but regulated entry into these sectors. In developing a conceptual link between institutional arrangements such as policies, and (de)regulations and entrepreneurial opportunities, an important issue to explore further in Ghana is how the deregulation of the airwaves, telecommunication, banking, microfinance and the Oil and Gas sectors stimulate entrepreneurial activities.

### 10.2.2 Institutions determine stability and certainty for entrepreneurship

The literature on institutions and entrepreneurship has established that appropriate institutions create stability, order and continuity in society (Arndt, 1979; Kelman, 1987), which are ingredients for transaction and interaction in the market (Harper, 1998). As illustrated in section 8.1.2, Juxtaposing institutions with entrepreneurship, it emerged that institutions affect the stability and certainty needed for the entrepreneurship. This study on one hand indicates that legal institutions (judiciary), government (democracy, division of powers), politics (political stability) as well as explicit rules and operating codes, not only contribute to creating stable and certain environments, but it gave entrepreneurs the confidence and assurance to invest their resources in the country. This perception was mostly held by either expatriate manager entrepreneurs or indigenous entrepreneurs in partnership with expatriate firms, which opens the door for further research into the reasons behind the different perceptions of the institutional environment.

In terms of the institutional arrangements, as a destabilising factor, as section 8.1.2 illustrates, politics, weak judicial system, inconsistent macroeconomic policies, and chieftaincy. For example, such institutional dimensions create uncertainty in the business environment, and hence not creating the atmosphere that facilitates transactions and interaction in the market. The profound influence of politics in creating uncertainty in the minds of these participants resonates with Beamish & Spiess' (1991) findings that fluctuations in the political arena generate a great deal of uncertainty for business community, and consequently reduces the motivation to start new firms or reinvest for the growth of existing firms. The instances of weak or underdeveloped judicial system undermining the quest to invest and reinvest in the country reinforces Opoku's (2010) findings.

One main contribution of the study is the emergence of chieftaincy as a cultural-cognitive institutional dimension and the effect it has on entrepreneurship in Ghana. In understanding how chieftaincy affects entrepreneurship, the research highlights the lack of trust between chiefs and the entrepreneurs, which affect the stability of the business environment for entrepreneurship development. Thus, as illustrated in section 8.1.2, case 5, chiefs sold land to more than one person, which created several legal issues and financial losses for entrepreneurs. An important conclusion that arises is that such attitudes could create situations that would potentially deter investments and possibly firm growth. This conclusion reflects the deep mistrust for chiefs by the participants, which worsens the perception of a stable business environment, as illustrated in section 8.1.2. By introducing chieftaincy as an institutional element that may affect entrepreneurship, may redirect future research in Ghana to the role of social customs such as chieftaincy in entrepreneurship.

### 10.2.3 Institutions counter market failures to determine equal access to markets

Rodrik (1999) argues that regulatory institutions counter market failures. He further argues that markets fail when participants (entrepreneurs) engage in anticompetitive practices or behaviour. This study suggests that institutions such as government encourage monopolistic behaviour and deter entry and competitive behaviours in certain sectors of the economy. In effect, institutions such as governments in this part of the world seemed not to counter market failures so as to ensure equal participation in all sectors of the economy. Appau, for example, talked about how government promotes anticompetitive behaviour by preventing other entrepreneurs from investing in cement production. Moreover, this study recognises the politicisation of the entrepreneurship, such that government intervention through regulations favours political cronies by denying political opponents equal access and participation in markets. As highlighted by some of the respondents (Akoto, Quartey), political connections are a precondition to alleviating regulatory barriers to entry. This is consistent with the argument that in developing countries, rules of the game and economic conditions under which economic actors (entrepreneurs) organise, compete or cooperate tend to favour some actors over others (Mair & Marti, 2008; Khanna & Palepu, 2000; Shleifer & Vishny, 1998); bureaucrats and politicians benefit from regulations (McChesney, 1987; De Soto, 1990; Callaghy, 1988).

Some studies consider regulatory instruments as barriers to the entry of new competitors (Geroski, 1991; Parker & Stead, 1991; Bitzenis, 2009). This is reaffirmed in that this study uncovered regulatory requirements as well as regulatory instruments (government, politics and bureaucracy) pose as entry barriers in the exploitation of resources. For example, Akoto and Quartey talked about how regulatory requirements deter entry into some sectors of the economy. Kusi highlighted that government's effort to attract private sector investments, in this case FDIs, do not create equal opportunities for indigenous participation in the exploitation of resources in Ghana. Mair and Marti (2008) argue that weaker institutions hinder the building of markets (Woodruff, 1999; Polanyi, 1944). Easterly (2006) argues that in developing countries the nature of institutional arrangements that should support markets is weak or absent hence impede full market participation. This was certainly true with some of the interviewees as Oppong and Odartey described how indigenous entrepreneurs' access to the retail market was severely limited due to weaker monitoring and enforcement of the rules of the game by the immigration department.

### 10.2.4 Institutions shape entrepreneurs' strategic activities

Institutional framework influences decision making by signaling the acceptable choice and determining which norms and behaviours are socialised into individuals in a given society (Peng & Heath, 1996). Hence, institutions influence the entrepreneur's strategic choice motive (Arguelles, 2004); and entrepreneur's strategic actions [initiative taking] (Shapero, 1975). For example, Kwaku's decision to start his own business was influenced by government regulation to halt the hiring of fresh graduates into the teaching profession. Kwaku's action resonates with institutional theorists' argument that interests are institutionally defined and shaped (Friedland & Alford, 1987; Hinnings & Greenwood, 1998; Scott, 1987). More so, Akosua's entrepreneurial vital strategic activity [novelty in products and processes] (Davidsson, 2006) was influenced by the institutional framework. Thus, Akosua diversified her core business three times because of unfavourable macroeconomic policies. In another instance, Issachar's *strategic action to use alliances* (Hitt et al., 2001) as entry mode because of government regulatory barriers placed on the industry of interest.

Organisations (entrepreneurial firms) are predicted to conform to institutionalised practices and beliefs that are externally validated and accepted by organisations (DiMaggio, 1988; Oliver, 1991) or when their social fact renders them the only conceivable, "obvious", "natural" way to conduct organisational (entrepreneurial firm's) activity (Zucker, 1987). This is evident in this study in that, for instance, the only way Sarfo could expand his business was to obtain license and permission from the Pharmacy Council (externally validated practice seen as the natural way to conduct business); as well as Issachar could only enter into the Oil and Gas industry after securing a license to operate. Thus, Sarfo and Issachar's choices to expand and start-up respectively were limited by a variety of external pressures [professional association and regulatory institutions] respectively (Friendland & Alford, 1991). Further, the institutional explanation of reproduction and isomorphism emphasis the role of conformity rather than organisational power and control in contributing to stability and power tend to be attributed to institutional environment instead of the organisation (DiMaggio & Powell, 1983 – coercive isomorphism). The experience of, for example Koranteng played into that argument in that he had to conform to the culture of the countries in which he made investment so as to be able to operate. Thus, while it may not be generalised, the experiences of the interviewees in this study suggest a contrary view to the argument that institutional rules do not provide unanimous answers to how agents (entrepreneurs) should act (Bekert, 1999) as well as the notion of a more voluntaristic perspective of social action and structure (Scott, 1994, p.76).

### 10.2.5 Institutions allocate and reallocate entrepreneurship

The incentive structure, i.e. laws, regulatory requirements, politics, the cost of compliance, the cost of enforcement, policies and taxes, are major factors that allocate the activities of entrepreneurs into either productive, unproductive or destructive stage in the entrepreneurship continuum. Thus, the cost of compliance that entrepreneurs incur, as a result of playing by the rules, will determine their behaviour (playing by the rules or playing against the rules), hence the type of entrepreneurship. For example, the cost of compliance to set standards and requirements was not rewarding and hence entrepreneurs made the decision to operate illegitimate activities (Yaw). This is consistent with Baumol (1993) who argues that if the benefits and rewards of engaging in illegitimate activities outweigh their cost, entrepreneurs are inclined to engage in destructive activities. Moreover, Sarfo and Araba weighed the cost of evading taxes and decided that tax evasion is more rewarding to honouring their taxes; Issachar and Quartey commented on how state regulatory requirements in the form of licenses pose as barrier to entry hence individuals are inclined to indulge in illegitimate activities. Baumol (1993) suggests that entrepreneurs weigh the incentive structures, both in the form of regulations (formal rules) as well as the prevailing cultural values and norms (informal rules) present, and decide whether to indulge in productive, unproductive and destructive activities. Baumol (1993) explains that in environments where the benefits of rent seeking activities outweigh their cost, unproductive entrepreneurship will flourish. This was evident in the case of Frimpong who highlighted that political instability and the devaluation of the Cedi made black market and hoarding more profitable than operating in the formal market, hence a lot of people were driven into that sector.

Another key theme that emerged from the interviewees was how institutions reallocated entrepreneurship from indigenous entrepreneurs to foreigners, as well as from the manufacturing sector into the merchant sector. North (1991) writes that institutions provide the incentive structure of an economy and hence shape the direction of an economy and hence shape the direction of economic change towards growth, stagnation or decline. The findings of this study show that the reward structure provided by the government for foreign investors, at the expense of indigenous entrepreneurs has shaped the direction of the economy in the hands of foreigners (Dartey; Kusi; Oduro; Issachar). The influence of the incentive structure has been noted by a number of authors (Murphy et al., 1991; Acemoglu, 1995; Sauka & Welter, 2007; Douhan & Henrekson, 2008; Sauka, 2008). Moreover, Frimpong’s comments that institutional reforms, which ushered in the SAP and ERP, affected the macroeconomic situation of the country, such that manufacturing firms begun to collapse, hence many people became involved in the buying and selling business. This is similar to Hopenhayn & Rogerson (1993) suggesting that institutions, i.e. regulations, could reallocate entrepreneurship.

### 10.2.6 Institutions confer legitimacy on entrepreneurship

In the context of this study, the experiences of the interviewees denote four main themes - types of legitimacy, sources of legitimacy, how to be legitimised and the need for legitimacy. Although the elements of institutions and legitimacy are the same, different interviewees made sense of and presented the experience in different ways. Hunt & Aldrich (1996) provide a framework that includes three types of legitimacy – socio-political regulatory (regulatory), socio-political normative (normative) and cognitive legitimacies (Scott, 1995). Two of these types – regulatory and normative legitimacy were complimented by the experiences of the interviewees in this study. More so, the literature talks about how socio-regulatory legitimacy (Hunt & Aldrich, 1996) or regulatory legitimacy (Scott, 1995) is derived from regulations, rules, standards and expectations created by governments, credentialing associations, professional bodies and powerful organisations [such as those manufacturing companies that require clients to have some sort of quality certification] (Zimmerman & Zeitz, 2002, p. 418). In this study, the interviewees mentioned how they derived legitimacy from regulatory structures as well as professional bodies. For instance, among the regulatory structures were the Registrar-General, Ghana Education Service, Internal Revenue Service, VAT Office, Social Welfare Office as well as the District Assembly. Furthermore, examples of professional bodies included the Pharmacy Council, Small Scale Industry Association, Private Schools Association and Ghana Microfinance Institutions Network.

Aside the identification of the types and sources of legitimacy, the interviewees talked about how and the need to be legitimised. It emerged from the experiences of the interviewees that entrepreneurs who did not register with the appropriate regulatory structures and (or) the professional body were not able to access needed resources required for their activities, start their businesses or (and) operate their activity. The findings in this study is consistent with Scott's (2003) suggestion that firms obtain legitimacy by registering with and obtaining professional certification with regulatory bodies [governments, trade associations, professional organisations] (Zimmerman & Zeitz, 2002). For example, Alhaji talked about registering with the Registrar-General; Agyeiwaa commented about registering with the Ghana Education Services and the Department of Social Welfare; while Sarfo talked about registering with the Pharmacy Council.

The differences in the way legitmisation of their activities meant for the interviewees was clear in that, for example, Bono, Quartey, Issachar and Frimpong commented that they needed to be legitimised so as to access resources such as licenses that were essential for their activities. This is similar to the argument raised by Zimmerman & Zietz (2002) that entrepreneurs who fail to acquire legitimacy may be precluded from accessing resources. Other interviewees highlighted that obtaining legitimacy allowed them to start their own businesses (Akoto), and gave them the credibility they needed to start their own business (Mensah) or *logic of confidence necessary to conduct organisational activities* (Meyer & Rowan, 1977). Also, legitimacy enabled them to operate their businesses (Akua; Agyeiwaa), and acceptance into professions [Sarfo and Araba] (Meyer & Rowan, 1977). The experiences of the interviewees in this study also showed five ways by which entrepreneurs obtain legitimacy – registration of their activities with appropriate regulatory structures; membership of professional associations; payment of dues to professional associations; compliance and conformance to rules, values and norms of regulatory bodies; as well as endorsement by professional associations.

### 10.2.7 Institutions ease exchange and determine the transaction cost of entrepreneurship

Accepting that institutions determine the ease and the transaction cost of entrepreneurship, this study suggests that bureaucracy, corruption, chieftaincy, judiciary, financial institutions are part of the institutional dimensions that influence the ease and transaction cost of doing business. More specifically, some interviewees commented that bureaucracy wastes time when trying to get things done, as well as cause entrepreneurs to miss opportunities that could have been beneficial to their activities (Araba; Akoto). Further, other interviewees are of the opinion that although corruption is a means of doing business, it is an unofficial tax or a commission (Araba; Issachar). Consequently, the ease of doing business is reduce when there is a lot of bureaucracy, whereas unofficial tax, commissions and delays in transacting business increase the transaction cost of doing business.

Narayanan & Fahey (2005) identify transaction cost in developing countries to be too high because of inadequate or lack of formal structures and enforcement mechanisms that underpin efficient markets. Nkya (2002) notes that, the absence of effective formal institutional structures and enforcement make transaction cost per exchange higher. For example, in this study, the absence of effective government structures to oversee the activities of chiefs results in chiefs selling a piece of land to more than a person at a time. Consequently, entrepreneurs acquiring such resources become highly prone to land litigation, which waste entrepreneurial resources such as time, money and projected profit. In other examples, Oduro detailed the complexities in informal institution, i.e. chieftaincy and the fact that land is vested in chiefs, hence to access land one has to work through middlemen. Consequently, land litigation has become the order of the day, which result in waste of time, waste of investable capital and hence drives up the cost of doing business.

The literature identifies institutions to provide legal framework to enable private contracts, which facilitate economic transactions [reduce transaction cost] (Acemoglu & Johnson, 2005). Legal institutions are essential for impersonal transactions (Lee et al., 2007; Williamson, 1991). However, judicial inefficiency causes high transaction costs for litigations and deters potentially valuable impersonal exchanges (Peng & Zhou, 2005). The evidence provided by the interviewees shows that even though the legal institutions are there, enforcement of the law is slow, which consequently affect the ease and transaction cost of doing business. For example, the slow judicial process involved in mediating land litigation cases and the impact on transaction cost in doing business was described by Oduro and Dartey.

Zuijderduij (2005) argues that the legal framework that supports and enables borrowing depends on reliable authorities who provide subjects with legal security. He further suggests that when authorities take interest in the capital market and improve the institutional framework, information costs and transaction costs on the capital market will be low, and thus interest rates drop. In this study, interviewees talked about the lack of institutional support for the activities of financial institutions, hence the high cost of interest on loans. For example, Frimpong talked about how the underdeveloped or inefficient institutions such as weak police force, weak judiciary, underdeveloped infrastructure – numbering system and good transportation network, as well as inefficient political support, increase the administration and information cost, which consequently increase cost of loans. Moreover, Kumaka also talked about how underdeveloped and weak institutional framework poses a lot of risk to their lending activities, and therefore hedge the risk involved in lending with high interest rates. This partly resonates with Belwett & Farley's (1998) argument that transaction cost is high in developing economies because of poor infrastructure, and potential monitoring and enforcement problems.

Pagano (1993) suggests that capital market development increases the proportion of savings that is funneled into investments, and changes the savings rate and thus affects investments; and increases the efficiency of capital allocation, which has the effect of reducing the transaction cost associated with funneling savings. Contrary views were expressed by the interviewees who commented on the underdevelopment of the capital market in Ghana, such that it is difficult to mobilise savings, the delays and high administrative cost in processing loans, affect the interest rates, which increase the transaction cost of doing business. For example, Kumaka related the difficulty in mobilising savings to the high cost of accessing credit. Akosua described how the administrative cost, the loan processing period coupled with the high interest rates increase the production cost of her activities. The findings is however consistent with Pagano's (1993) view that developing economies are characterised by underdeveloped or poorly functioning capital markets, which are typically illiquid and expensive, and consequently increases transaction cost (Hoskisson et al., 2005).

Moreover, Hayek (1945) and Akerlof (1970) have long advocated that countries should invest in building up information institutions to reduce the transaction costs for the whole society. Information institutions are laws, regulations, and organisations that define corporate and product information disclosures and certifications (Zhou & Peng, 2009). In this study, the absence of information institutions increase the transaction cost of doing business. For example, Yaw commented about the absence of information institutions associated with business information availability – prices, markets, materials, and other resources, needed for the activities of entrepreneurs. He further talked about how such situation create the need to use middlemen to access needed information or takes a lot of efforts and resources – time and financial, which consequently decreases the ease and increase the transaction cost of doing business. The use of intermediaries to access information coupled with the cost and the time involved is a form of arms length transactions (Peng, 2003), which Okun (1981) suggests as very costly because the other party may be opportunistic and try to capture gains from an investment or the activity may be subjected to the other party's hold-up problems (Kulakowski & Chronister, 2006), which increase transaction cost.

In conclusion, it is argued that a better theoretical grasp of how and which institutions matter is vitally important (Meyer & Peng, 2005; Bevan et al., 2004), as it is through this approach that we can develop new and synthesised approach to studying entrepreneurship (Busenitz et al., 2003). What can be highlighted is that, since entrepreneurship is an embedded phenomenon, the development of entrepreneurship may be synonymous to institutional arrangements. Thus, entrepreneurship development is engulfed within institutional arrangements (Olson, 1996; Jack & Anderson, 2002). As highlighted in chapter three, the ability of entrepreneurs to be entrepreneurial is a function of the socioeconomic environment, and that the Schumpeterian entrepreneur may fail without the appropriate framework (Schumpeter, 1976; Coyne & Boettke, 2003). But what must be stressed, however, is that entrepreneurship development may not be constrained by the institutional arrangements, as argued in chapter four of the study. The theory of action asserts that entrepreneurs are knowledgeable agents that act in ways other than those prescribed by the institutional arrangements (Schutz, 1973; Abebrese, 2014). To reiterate a point raised in chapter four, institutional arrangements cause entrepreneurs to use their "capacity to imagine alternative possibilities within the contingencies of the moment" (Emirbayer & Mische 1998, p. 963) so as to be operational. The ensuing sections will therefore discuss the third theoretical aim of the research, which works towards understanding how entrepreneurs develop resilience within institutional constraints.

## *10.3 Towards an understanding of entrepreneurial resilience strategy development*

The most important contribution to rise in relation to research question three outlined in section 1.4 is how entrepreneurs develop resilience in the face of institutional constraints. This demonstrates that although entrepreneurship is an embedded phenomenon, and constrained by the institutional arrangements, yet entrepreneurs devise proactive or reactive ways and means to stay in business. In studying entrepreneurial resilience, it is necessary to understand the strategies individuals design in order to anticipate and (or) prevent something bad from happening, or the failure of individuals to perceive a problem but design means to prevent something bad from becoming worse and (or) recover from something bad once it happens (Westrum, 2006). The above discussion therefore works towards a theoretical understanding of entrepreneurial resilience development.

### 10.3.1 Resilience development as 'breakthrough' strategy

The question of whether the entrepreneurs are able to develop resilience to overcome institutional constraints is addressed in section 9.1.1. The data collected indicates (i) what the entrepreneurs faced as constraints to their activities - the constraints the entrepreneurs face that could have ended their businesses, at the entry phase of business, as well as after they had started their businesses (growth constraints) (ii) how the entrepreneurs overcame those constraints - the practical mechanisms the entrepreneurs devised to overcome these institutional constraints.

Extensive work has been done on the impact of financial resources on the activities of entrepreneurs. For instance, Green et al., (2002) describe finance as the 'glue' that holds together all the diverse aspects involved in small business start-ups and development. Hurst and Lusardi (2004) further argue that entrepreneurs need financial resources to establish and run new firms. The logic is that the inaccessibility and unavailability of financial resources could pose as obstacle to small business start-ups as well as the development of those small firms, as illustrated in the data. The extant literature, however, suggests three main ways by which new entrants overcome this constraint to entry (i) entrepreneurs meet their financial resources needs through personal savings (Aldrich, 1999) (ii) entrepreneurs access resources through their networks into other networks of which they may not be part of (Gadde et al., 2003) (iii) entrepreneurs obtain resources through the kinship system (Adeya, 2006). The importance of these approaches in the entrepreneur's resilience development is that they go a long way to provide the financial resources needed by entrepreneurs to start their businesses, as experienced by some participants (as described in sections 9.1.1). In conclusion, it seems that some participants accessed start-up capitals from their extended family, and the networks of professional associations of which they were members. Further, being part of business associations provided the entrepreneurs with the collateral they needed to secure financial assistance they needed to start their businesses. Other credit facilities that were obtained to enhance business startups were entrepreneurs using networks to obtain goods on credit to aid in the start-up process.

Secondly, Vaillant & Lafuente (2010) argue that individuals with higher levels of education are more likely to be entrepreneurially active. Krueger & Brazeal (1994) further suggest that the attitude of people to start their own businesses is influenced by education. This perception is echoed by Oyelaran-Oyeyinka & Barclay (2003) who point out that many entrepreneurs acquire the skills and knowledge needed for their activities through education or apprenticeship. It therefore underscores Gnyawali & Fogel's (1994) findings that entrepreneurs need technical and business skills to be able to overcome problems at different stages of their business development. The issue is that low level of technical and business skills may prevent motivated entrepreneurs from starting their new ventures (Davidsson, 1991; Vesper, 1990). Working towards an understanding of how the entrepreneurs develop resilience to overcome knowledge gap that could impede business startups, the findings, as presented in section 9.1.1 suggest that the entrepreneurial entry was aided by formal education and previous professional experience and training. Thus, the entrepreneurs identified and exploited opportunities through education. Such conclusions have implications for understanding how the entrepreneurs overcome knowledge gap to start their own businesses. The research, therefore, suggests that the entrepreneurs develop resilience against the effects of knowledge gap on their activities through formal education, training and previous professional experience.

In understanding how the entrepreneurs developed resilience to overcome growth constraints to their activities, chapter 9 illustrates these approaches. The participants listed several constraints to growth, which include resource constraints (material, knowledge and financial), market access, the kin system and institutional void. Entrepreneurs need entrepreneurial resources, which are assets entrepreneurs need so as to establish and grow businesses, and these include informational, material or affective (Kanter, 1983). For instance, Cabral & Mata (2003) opine that businesses can be small because they are financially constrained, and that insufficient lending leads to excessive failure of cash-starved businesses (Evans & Jovanovic, 1989), especially for firms that are dependent on external funding (Rajan & Zingales, 1998). But accessing funds from banks, which have profound effects for the activities of entrepreneurs are not forthcoming (Gnyawali & Fogel, 1994). The outcome of this situation is that even positive net value projects may be unrealised (Desai et al., 2003). But, it is found in this research that the entrepreneurs overcame the difficulty through *persistence*, which Cromie & John (1983) identified as one of the successful general business characteristics of entrepreneurs, and the way to achieve goals (Demascus, 2013). As Demascus (2013) said, "Persistence is the name of the game in entrepreneurship. Those that do not push will never achieve. You simply cannot give in".

Secondly, in the context of the research, the entrepreneurs were able to overcome resource constraint such as land, through *negotiations* with the owners of the resource, which helped them to expand their business. As indicated by Artinger et al., (2013), negotiation is central aspect of entrepreneurs' daily business and directly influences companies profits (p.3) and it contributes to explaining why some people are more successful in exploiting opportunities than others (Shane & Venkataraman, 2000). It could therefore be deduced that negotiation, as a strategy, may aid entrepreneur's access to needed resources that could help grow their businesses. But the study is not intended to capture the detail negotiation behaviour of entrepreneurs such as persuasiveness, expressiveness, adaptability, and information asymmetries (Artinger et al., 2013), hence propose a future research into the nuances of entrepreneurs negotiation behaviour, since not much attention has been given so far to the entrepreneurship literature (Hellman & Wasserman, 2010).

According to Dyer et al., (2008), entrepreneurs generate novel knowledge through active experimentation. They further point out that such experimentation ranges from mental explorations to physical explorations, to tinkering with things as children and adults. *Experimentation*, therefore, is a way the entrepreneurs generated 'novel' knowledge, to fill the knowledge gap that was suitable for the growth of their activities. Dyer et al., (2008) argue that entrepreneurs in their study rarely invented something entirely new, instead they combined existing ideas in new ways, which allowed them to offer something new to the market. In this study, the entrepreneurs experimented with trial and error managerial skills until they develop new ways of running their businesses, so as to grow their businesses. Further research is required on how entrepreneurs in the context of the study experiment to develop new ideas.

In addition to using experimentation to develop resilience against knowledge gap, networks were also used by the entrepreneurs to fill knowledge gap. Thus, the research complements Hills et al's (1997) argument that the role of networks in the entrepreneurship is accessing resources such as knowledge, and information; know-how and markets of other organisations (Harigan, 1986);

used to fulfill the firm's marketing activities by providing further contacts in new markets as well as sharing specific knowledge of other markets with the entrepreneur (Harris & Wheeler, 2005). Consequently, Barr's (2000) argument that entrepreneurs with diverse forms of contacts have more productive enterprises - facilitate the flow of knowledge between enterprises and hence firm growth. An important theoretical contribution is that entrepreneurial resilience development is a dynamic developmental process, instead of ego-resiliency (Luthar et al., 2000, p.546).

Stewart (2003) considers the benefits and costs of the role of kinship in entrepreneurship. Stewart lists the benefits to include commitment, extensive tacit knowledge, and access to information, reliability and willingness to sacrifice in terms of money, time and effort. Nevertheless, Kuada (2009) suggests that collectivist African family system is hardly translated into collective responsibility, especially where members of a kin are employed by an entrepreneur. And in such circumstances, work productivity may be below standard and business opportunities may go unnoticed (Himbara, 1993; Kuada, 2009). It seems that the participants who experienced the pressure to offer employment to their kins and to use their firms as relief organisations, mitigate against such pressures through being *discipline as a fort*. The conclusion is that the entrepreneurs discount all relations, separating business from family, so as to override the influence that the kin has on their activities. Consequently, entrepreneurs are able to stay focused and use resources that could have been diverted to support other family members to grow their businesses.

Several scholars from diverse disciplines argue that institutions are preconditions for markets to exist (Fligstein, 2001), and for markets to function well (La Porta et al., 1998). In view of this, the absence of institutions implies the nonexistence of a sort of institutional vacuum (Bunce & Csanadi, 1992). It also means the absence of institutions that support markets in the contexts that are already rich in other institutional arrangements (Mair & Marti, 2008). Institutional void prevents the efficient functioning of markets (Leff, 1998) by increasing the cost if transaction (Mair & Marti, 2008). A growing body of literature, however, portray that business groups step in to fill the void if governments fail to build institutions that are needed for market functioning and existence (Mair & Marti, 2008). The study mirrors this perception and extend it to include the suggestion that the activities of entrepreneurs in filling the institutional void intends to create and capture economic value (Mair & Marti, 2008); entrepreneurs embark on opportunities to fill "voids left by the missing institutions that normally underpin the efficient functioning of product, capital and labor markets" (Khanna & Rivkin, 2001, p. 46-47) as long as it is profitable to do so (Mair & Marti, 2008). The conclusion is that, the entrepreneurs built organisational structures intended to overcome institutional voids, but in so doing expanded their firms beyond the current limits so as to be profitable (See section 8.1.1 for details).

### 10.3.2 Resilience development as 'circumvent' strategy

As postulated by Robinson (n.d), local partnership provides the tools to bypass social and institutional entry barriers, while non local partners may address economic and institutional barriers but not social entry barriers. Particularly, the participants bypassed regulatory requirements to business entry and sustenance through joint-ventures and partnership. Further, the individuals adopted the network strategy to (i) access licenses which enabled them to distribute products for companies, and hence expand their firms (ii) provided the collateral which gave them access credit facilities needed for firm entry (iii) lobby politicians for favourable policies that help their firms. The importance of using the network strategy is that it enabled the individuals to develop resilience against institutional hurdles that could have derailed their dreams of starting and growing their businesses. An important conclusion to arise is that individuals develop resilience against institutional hurdles that could inhibit their entrepreneurial endeavours through networks.

The research further shows that the participants developed resilience against the effects of information gap through the use of technology. Thus, information about markets, suppliers, manufacturers that have the potential of aiding the entry and growth of firms was accessed through the internet and telephone, to combat the negative effects of the information gap. This is an important contribution to advancement of the entrepreneurship literature, especially in the context of the study, as it lays the ground for in-depth future studies on how entrepreneurs develop resilience through information and telecommunication technologies. To understand the full impact of technology on entrepreneurship in Ghana, and similar environment, the research proposes a further research in that area. Similar studies have been done by Tirupati (2008) in India and Gajjala (2006) who studied about the role of information and communication technologies, via offering services through the telephone and internet, upon entrepreneurship in the Indian software industries.

### 10.3.3 Resilience development as a "destructive" strategy

In understanding the role of destructive strategy in developing resilience within the entrepreneurship, chapter nine had illustrated that the individuals uses approaches such as corruption, tax evasion or avoidance, and illegal activities, to develop resilience against entry and growth barriers. Corruption, therefore, is an extremely important approach the entrepreneurs adopted for several reasons (i) to ensure firm longevity and high market share by blocking entry to new entrants (ii) as an effective tool to easily access resources needed for entrepreneurship. As indicated by Vial & Hanoteau (2010), corruption, measured as bribes and indirect tax payments has a positive and statistical significant effect on entrepreneurship. The study is also consistent with Huntington's (1968) findings that corruption is used to outwit rigid and over centralised administration, excessive regulatory barriers or poorly efficient and weakly competent bureaucracies. An important finding of the study, which needs further theoretical research is how network of entrepreneurs bribe people responsible for financial resources, i.e. Bank Managers, so as to influence their decisions to refuse new entrants financial capital, in order to prevent them from entering into a particular market niche. It should be noted, however, that adopting bribery as a strategy to develop resilience may aid growth in the short term, but rather, in the ,long term it deters economic growth at the macro-level (Svensson, 2003).

The research further compliments Carroll et al's (2000) important work on the effect of taxes on the growth of small businesses. Carroll et al. find that tax payment affects the growth of small firms' receipts. This is also consistent with Michaelas et al's., (1999) argument that taxes levied on small business profits were likely to lead to a lower growth rates, since there will not be much retained profits for reinvestments. The study shows a paradox, in that, while on one hand firms whose sustenance felt threatened by the tax structure, avoided or evaded taxes to develop resilience. On the other hand, the study finds that correct payment of taxes confers legitimacy on entrepreneurship, which (i) ensures firm longevity and (ii) access to resources such as business licenses needed for entrepreneurship. Contrary, a similar study in Ghana reports that entrepreneurs perceived taxes as overburdening their activities (NBSSI, 2002). Thus, on the one side, the study finds that entrepreneurs develop resilience through avoiding or evading taxes, while others develop resilience against hostile political institutions through the payment of correct taxes.

The popular belief that many entrepreneurs are shady characters who have the tendency to flout the rule book (Williams & Nadin, 2010) is captured in the research. It is evident in the study that individuals engage in the production of goods and services that are legitimate besides the fact that they operate without the required license, and hence fail to pay taxes. Thus, the illicit aspects of their activities are that (i) their activities require registration and licenses from regulatory authorities, yet they fail to meet those requirements mainly due to regulatory constraints. Hence, they decide to operate illegally since that is the only way of entry into such businesses, and (ii) in consequence, may not pay taxes to regulatory authorities. The conclusion is that illegitimate means of operation is used as entry strategy to outwit regulatory constraints to entry.

### 10.3.4 Resilience development as "diversification of product or service range"

Making sense of developing resilience through product and service diversification, the study identifies how the entrepreneurs sustained their firms through that approach. Essentially, entrepreneurs can grow their firms through diversification of product and service ranges, using the core competencies of their firms. Entrepreneurs therefore attempt to access complimentary assets that help reduce the impacts of constraints from their operating environments (Pal, 2013). Equating this concept to the study, it seems evident from section 9.1.4 that the entrepreneurs moved from operating only one firm to growing several branches that in some cases were synergistic to the parent companies (somewhat vertical integration approach), but in other cases the entrepreneurs diversified into different products and services that may have little connection to each other. The gradual shift from dependence on a single firm to multiple firms led to firm expansion and growth, but primarily causes them to overcome issues that threaten the existence of their firms. This research therefore compliments Pal's (2013) assertion of this strategy as a means to reduce the impact of constraints on firms.

### 10.3.5 Resilience development as "international expansion" strategy

An interesting theoretical proposition that emerges out of this study is that the entrepreneurs developed resilience through international expansion. In particular, several participants described in the research tend to develop resilience through international joint-ventures and (or) acquisitions. Secondly, the participants survived in hostile environments through intra-national endogenous expansion of their activities, through starting firms in the same business in different parts of the country. This enabled them to increase their market share through shifting their customer base from a few locations to larger and diverse individuals, and hence survived constraints. As section 5.3.6 illustrates expanding firm boundaries through acquisitions transform business models (Penrose, 1959), which leads to firm growth. Thus, this approach allows the entrepreneurs to face the challenge of meeting the threats posed by the institutional constraints.

### 10.3.6 Resilience development as "adopting a different market position" strategy

One of the major contributions of the study is the exploration of how the entrepreneurs develop resilience through adopting differentiation, i.e. adopting different market position, in terms of the product and services offered to their customers. The work of Fan (2010) talks about how arch incumbent use retaliatory strategies to deter entry, and thus prevent growth of other firms. Fan (2010) goes on to suggests that, entrepreneurs adopt different market position from the arch incumbents, which increases the possibility of entry and growth. An important conclusion arises from this illustration of resilience development as *differentiation*, used as a way to enter and grow businesses. Section 9.1.6 highlights how the entrepreneurs differentiate their products and services from the incumbents, so as to survive and grow in the environment in which they operate. This reinforces the argument about the superiority of differentiation strategy help in firm growth (Davis & Schul, 1993; Hall, 1980; White, 1986), and also extends this strategy as an entry strategy.

## 10.4 Exploring the link between the concepts of institutional arrangements, entrepreneurship, and entrepreneurial resilience strategies

In working towards a conceptual link between institutional arrangements and entrepreneurial resilience strategies, one of the main contributions of the research that builds on institutional roles theorising is the suggestion of the framework that depicts the significant impact of institutional arrangements on the entrepreneur, and the business. In developing an understanding of the roles of certain institutional dimensions, chapter 8 makes an important new contribution by introducing a framework that depicts institutional arrangements primarily as "determinants", an "inhibitors" and "promoters". As explained in chapter 8, institutional arrangements such as these can have significant outcomes, for the small business and the entrepreneur.

It is, however, important to note that the perception of institutional arrangements as "determinants", "inhibitors" and "promoters", does not mean institutional arrangements have negative impacts, instead these manifestations of institutions can present positive developmental impacts on entrepreneurship. Thus, there is a paradoxical effect of institutional arrangements on entrepreneurship development. As chapter 7 and 8 have illustrated, the participants experiences suggest that institutional dimensions that entrepreneurs confront in the course of their activities, can either have a positive or negative impact on small business development, an important conclusion that appreciates the paradoxical effects of institutional arrangements upon entrepreneurship.

Relating entrepreneurial resilience to institutional constraints, the study suggests that entrepreneurial resilience (i) can be related to rebound-oriented theorists such as Sutcliffe and Vogus (2003) as simply an ability to rebound from unexpected, stressful, adverse situations and to pick up where they left off (ii) can be related to proactive-oriented theorists such as Freeman et al., (2004) as the development of new capabilities and an expanded ability to keep pace with and even create new opportunities (iii) can be related to agility-perspective or resilience-readiness perspective, which is a combination of both proactive and reactive approaches. The emphasis of this perspective is adopting adaptation and planned resilience developed through planned and emergent strategies, and thus forms the basis of entrepreneurial resilience strategies (Sullivan-Taylor & Branicki 2011, Vargo & Seville 2011) in the research. This conclusion has important implications for how theorists understand what entrepreneurial resilience represents, as the term resilience tend to trivialise the proactive aspect of resilience.

The experiences of the participants demonstrate that entrepreneurs develop resilience through designing specific practical actions, which help them to prevent or rebound from constraints. An important conclusion in *entrepreneurial resilience development terms* is that the concept of resilience, as described by Westrum (2006), relates to the ability or capacity to anticipate constraints and prevent something bad from happening; and (or) the failure to perceive a problem but develop means to prevent something bad from becoming worse and (or) recover from something bad once it happens. This ability can be built throughout the life cycle of small businesses - entry, growth, and exit.

In terms of broader conclusions, the research reaffirms that the concept of *resilience* is extremely important in describing the dynamics between entrepreneurs and their institutional arrangements. Just as small business development is at the mercy of institutional arrangements, so entrepreneurial resilience can turn the tides against institutional arrangements, such that specific practical steps, *entrepreneurial resilience strategies*, can de designed and implemented as preventive or reactive approach to institutional constraints.

There is clearly a complex interaction at work between entrepreneurs and their institutional environment. A more integrated understanding is needed of the tensions, paradoxical, reciprocal and mutual relationship between entrepreneurship, institutional arrangements and entrepreneurial resilience. The implication of this relationship is that the onus rest on the entrepreneur to determine to start, grow or whether or to exit from business. Generally, in building on the present study, it is important for future research to explore this interaction further, especially in the specific context of this study.

It is evident that more work needs to be done on the nature of institutional arrangements and their roles in entrepreneurship, and their interaction with entrepreneurial resilience development. First, it must be recognised that the different dimensions of institutional arrangements, especially, the cognitive-cultural institutional dimensions introduced in section 7.1.3 require further development, as additional research may reveal the finer distinctions or completely new dimensions of the cultural-cognitive dimensions within that entrepreneurs are exposed. These elements of the institutional arrangements, survival mentality, behavioural patterns, funeral, and chieftaincy introduce new dimensions into understanding the institutional arrangements of a specific domain. Further research is needed on the entrepreneurial outcomes of the impact of those institutional elements, reflecting Kostova (1997) assertion that country's institutional profiles lose meaning when they are generalised across a broad set of issues. Rather, institutional profile must be measured with regard to specific domains. As cognitive psychologists research has shown that cognitive and normative categories are domain-specific (Abelson & Black, 1986), which would help in explaining the different levels of entrepreneurship across countries.

Secondly, entrepreneurial resilience and the strategies to develop resilience, especially in the context of the study and similar environments have been under-researched, hence an important issue worthy of further research.

Third, as already stated, research on country institutional framework for entrepreneurship has been mostly based on Western-Anglo-American-European context. This is one of the initial studies undertaken to design a framework of context-bound institutional arrangements that affect entrepreneurship in an African context. Future studies can apply the framework to other countries of similar nature, so as to explore variety of issues that pertain to entrepreneurship.

Lastly, the relationship between institutional arrangements, entrepreneurship and entrepreneurial resilience is an important issue worthy of further research, as this is a complex link that has important implications for entrepreneurship.

### *10.5 Reflections on the methodological approach*

An important part of this research has been to build a rich, and descriptive understanding of *lived experience* of entrepreneurs from the perspective of the people who lived them, so as to work towards a conceptual understanding of entrepreneurial resilience development within institutional constraints. This study attempted to allow the stories, and experiences of the participants to speak for themselves and to form the basis of any theoretical proposition put forward in this thesis. It was regarded as important to allow the voices of the interviewees to be heard during the interpretation and representation of the interview data (Cope, 2001; Eccles, 2000). As Moustakas (1994) commented, gathering the lived experiences as material to obtain a description and explanation is a way to understand the characteristics of a phenomenon (Hardwick, 2010). The reflection upon the lived experience, identification of the themes and disclosure of the structure help us to understand the meaning attached to that experience (Van Manen, 1990, p.29; Hardwick, 2010). Adopting the phenomenological approach therefore led the researcher to capture the experiences of the individuals who experienced the phenomena, examine the richness and illustrate the structure, nature and significance of their experiences, and therefore, gain deeper understanding of the phenomena (Van Manen, 1990, p.38; Hardwick, 2010), that resonates with our sense of lived experiences (Van Manen, 1990, p. 27).

In respect of the cases chosen and analysed for this study, thirty-four cases provided an extremely rich picture of the entrepreneurial experiences. Eisendarht (1989) recommends between four and ten cases work well in this type of study. In the present study, the use of thirty-four cases was not easily manageable. The volume of data generated during the fieldwork process and the time involved in analysing all these data was tiring and time consuming. The initial stage of data analysis was so difficult, since it was challenging to imagine how almost six hundred pages of transcripts could be developed into themes, subthemes and link them to the conceptual basis of this research. This was the most difficult, challenging and demanding phase of the research, although it has equipped the researcher with the necessary skills to tackle similar future challenges much easier.

One role of the researcher using phenomenological approach is the interpretation of data or intuition of meaning to data, which remains relatively flexible and emerges from the data (Cope, 2001), where the researcher relates to interviewees reflections in a non-dogmatic fashion and attempts to grasp, rather that impose, meanings emerging from the dialogue (Thompson et al., 1989, p. 40). As already indicated, the primary focus of this process was placed on the interviewees lived experience in working within the institutional framework of a specific context and theoretical themes emerged from their stories, anecdotes and narratives (Thompson et al., 1989). The phenomenological approach has therefore been a useful tool in this research in exploring the entrepreneurial resilience development within institutional constraints. The emerged model on the contextual understanding of the institutional arrangements of a developing country, roles of institutional arrangements in entrepreneurship, as well as the development of resilience strategies by entrepreneurs are not prescriptive, rather a mechanism that explains the relationship between the institutional arrangements, entrepreneurs and resilience strategies develop to counter institutional barriers. This set the basis for further research of the complex relationship between these three concepts - institutions, entrepreneurship and resilience.

## *10.6 Limitations of the study*

Although this study made specific contributions to the academic literature, the findings must be interpreted in the light of a number of constraining factors. These factors are identified below, together with some indications of how further research could usefully be undertaken to help strengthen the findings. .

First, as indicated in Chapter 2, in setting the context for the study, the study examined the entrepreneurial background of Ghana to situate the study, and enhance understanding of the findings from the context of the study. Taking this into accounts, it was considered appropriate to include background information regarding, for example, the number of start-ups and survival rates of firms in Ghana. Several attempts were made to obtain this information from personal networks, government agencies, and internet, but these attempts were not fruitful. This data could have provided interesting insights into the resilience strategies the entrepreneurs adopted to survive within an institutional context. Nevertheless, attempts to get this information proved difficult due to the lack of institutional practice of data management, and the informality of the Ghanaian entrepreneurial scene. Hence, the findings presented in Chapters 7 and 8 must be interpreted keeping this limitation in mind. However, future research aimed at extending and elaborating on the findings of this research should focus part of the time to work with government agencies to manually record all the start-ups and firm exit rates in Ghana (since all firm registrations are done in the Registrar-General's Office).

Secondly, this study is also limited by external circumstances, such as family issues, which prevented follow-up interviews that could have been used to encourage the expansion of ideas that were relevant to the research. For example, themes that emerged could have been expanded upon, through follow-up interviews, which could have shed more in-depth insights to meet the objectives of the study. Further, follow-up interviews were also deemed unfeasible due to the busy schedules of most of the respondents interviewed. The findings are therefore limited by the lack of follow-up in-depth interviews. Hence, future studies could usefully decide to focus on a few respondents, and develop measures to mitigate unforeseen circumstances, such as family issues and the availability of respondents, that have the potential to impose constraints on the scope of studies of this nature.

### *10.7 Major findings*

In understanding the institutional arrangements and their dimensions that affect entrepreneurship, the fundamental suggestion raised by the research is that the institutional arrangements seem to match that identified by Kostova (1997). But the dimensions of the institutional arrangements of the institutional profile seem to differ from the Western-centric elements, especially when talking of the normative and cognitive-cultural dimensions. The study therefore reinforces the argument raised by cognitive psychologists about the domain-specific nature of cognitive and normative dimensions (Walsh, 1995), and that country's institutional profile is measured by specific domains (Kostova, 1997). The research therefore extends the literature on the country institutional profile concept initiated by Kostova (1997) and Busenitz et al., (2000); as well as attempted to address Bevan et al's., (2004) query of the institutions that matter to the entrepreneurship.

The primary contribution of the study is the appreciation of entrepreneurial resilience strategies, which spells out how entrepreneurs within the specific context of the study develop resilience to withstand the unfriendly institutional environment. An important theoretical shift is that the research moves away from studying entrepreneurship based only on the institutional theory. The study illustrates the power of the entrepreneur in designing schemes that cause the entrepreneur to withstand the threats posed by institutional dimensions to entrepreneurship. In terms of further theoretical and conceptual development, the study stands as a stepping stone from which to explore the complex relationship between institutional arrangements and entrepreneurial resilience development.

This thesis also makes methodological contribution to the field of entrepreneurship through the development of the interpretive phenomenological understanding of entrepreneurial resilience development within institutional constraints – contribution to what Chell & Allman (2001) describe as interpretive approach to understanding human behaviour (Cope, 2001). This study has further explicated the utility of the phenomenological approach to studying the entrepreneur, thereby demonstrating an answer to the call for increased use of qualitative approaches, provoked by the predominance of entrepreneurship research based on quantitative approaches, as noted in the methodology chapter.

In conclusion, a consistent theme of the thesis has been the need for an integrated perspective of how entrepreneurship develops or survives in developing countries such as Ghana, in spite of the institutional hurdles. Any integrating framework needs to recognise the three concepts, entrepreneurship, institutions, and resilience. In terms of theory building, the entrepreneurship field has not reached the point of developing a sufficiently broad-based theoretical framework to illustrate this diversity adequately (Cope, 2001). It is evident from the research that, within the entrepreneurship disciple, a clearer understanding of complex relationship between the concepts, 'entrepreneur', 'institutions', and 'resilience' is necessary.

The experiences of the participants suggest that although entrepreneurship is affected by institutional arrangements, which act as 'determinant', 'inhibitor', and 'promoter'. Yet, the notion of resilience is introduced by the entrepreneurs to challenge the constraints of the institutional arrangements so as to survive the dictates of the institutional arrangements. It is therefore important for entrepreneurship scholars to accept this complex relationship so as to provide more generalisable, and population-wide theories of entrepreneurship, an objective that has often hindered the theoretical development of the discipline (Gartner, 1988; Low & MacMillan, 1988; Cope, 2001). This calls for theories that are grounded and contexualised in the actions and experiences of entrepreneurs; so as to be able to build comprehensive, 'bottom-top' image of the finer nuances at work in entrepreneurship (Cope, 2001).

### *10.8 Policy implications*

With the National Democratic Congress' drive to support private sector development, so as to create jobs and enhance livelihoods, with the focus of transforming the Ghanaian economy and widening economic opportunities, significant economic and social benefits are expected from entrepreneurship. It is extremely important for various stakeholders to develop a deeper understanding of the individuals involved in the process of developing new and growing small businesses, as well as the impact of the institutional dimensions of specific contexts within which they operate. The present study makes important contribution in this respect, in that it is capable of informing thinking with respect to entrepreneurial support. If individuals are encouraged to become entrepreneurial, it is important that policy makers become aware of the institutional constraints to their activities and the significance of those constraints to the development of their activities. This research suggests that the institutional framework play major roles in entrepreneurship. Stakeholders and policy makers must recognise the diversity of the institutional elements that affect entrepreneurs. It is therefore important that policy makers take accounts of the diversity of the dimensions of the institutional framework that affect entrepreneurship. Thus, this study contributes to a better understanding of the realities of the entrepreneurs' institutional framework to their activities from the entrepreneurs' perspective, which is important when designing any form of effective entrepreneurial support policies.

Moreover, the model developed in this study can be used as a tool to understand the institutional arrangements and how they affect entrepreneurship. In view of resource constraints faced by policy makers, the framework emerged in this study could be adopted for use by policy makers to assess existing institutional dimensions and their impact on entrepreneurship and envisage potentially different ways to improve the institutional arrangements for entrepreneurship. The model can also be used to develop scenarios relating to potential entrepreneurship-oriented policies that can be discussed with entrepreneurs and entrepreneurship groups so as to develop institutional arrangements conducive for entrepreneurship. Further, in their dealings with organisations such as IMF and World Bank, this model will give policy makers the tool to be able to educate the IMF and World Bank officials on the context-specific institutions and how to design policies factoring these domain specific institutions.

### *10.9 Practical or Managerial Implications*

The findings of this study have managerial implications for interviewees who participated in this study as well as entrepreneurs who would lay hands on this study.

First, the findings of this study enumerated steps by which entrepreneurs develop resilience within institutional constraints. Understanding these steps give practitioners the tools that could be adopted when operating in contexts with weaker institutional frameworks. The model can serve as a guide for entrepreneurs to develop situational specific strategies that may help them overcome the bottlenecks pose by the institutional framework.

Second, an understanding of a country's institutional profile may help foreign direct investors identify barriers they may need to overcome before entry into new markets.

Lastly, the identification of the survival mentality mindset as well as the behavioural patterns that are rarely noticed and brought to the attention of entrepreneurs and other stakeholders, will help entrepreneurs identify and understand other aspects of institutions that may be self-inflicted, and consequently harmful to their activities. Understanding this aspect of the culture and the effects on their activities therefore, would help entrepreneurs make conscious efforts to devise means of overcoming these cultures.

## References


Abebrese, A. & Smith, R. (2014) Developing a phenomenological understanding of "Cultural Survival Mechanisms" as institutional artefacts in shaping indigenous enterprise culture: A Ghanaian perspective. Amity Business Journal, 3(1).

Abebrese, A. (2013) Ingredients of UT's Holdings. Amity Business Review, 14(1).

Abelson, R. & Black, J. (1986) Introduction. In Galambos, J. Abelson, R. & Black, J. (eds.), KnowIedge structures, 1-18, Hillsdale, NJ, Erlbaum.

Abor, J. & Quartey, P. (2010) Issues in SME development in Ghana and South Africa. *International Research Journal of Finance and Economics,* 39, 218-228.

Acemoglu, D. & Johnson, S. (2005) Unbundling institutions. *Journal of Political Economy,* 113 (5), 949-995.

Acemoglu, D. & Verdier, T. (2001) Property rights, corruption and the allocation of talent: a general equilibrium approach. *The Economic Journal,* 108 (450), 1381-1403.

Acemoglu, D. (1995) Reward structures and the allocation of talent. *European Economic Review,* 39 (1), 17-33.

Acquaah, M. (2011) Utilization and value of social networking relationships in family and nonfamily firms in an African transition economy. *European Management Journal,* 29 (5), 347-361.

Acs, Z. (2006) How is entrepreneurship good for economic growth? [Online] Available http://egateg.usaidallnet.gov/sites/default/files/How%20is%20Entrepreneurship%20Good%20for%20Growth.pdf. [Accessed 7/8/2014].

Adeya, N. (2006) Knowledge, technology and growth: the case study of Suame Manufacturing Enterprise cluster in Ghana, knowledge for development programme. *World Bank Institute, World Bank.* [Online] Available: http://siteresources.worldbank.org/KFDLP/Resources/4611971146505167962/Suame_Cluster_Ghana_revised_ April_2006.pdf. [Accessed 5/1/2011]

Adler, P.S. Goldoftas, B. & Levine, D.I. (1999) Flexibility versus efficiency? A case study of model changeovers in the Toyota Production System. *Organization Science*, 10, 43-68

African Development Fund (2005) Country Strategy Paper 2005-2009: Ghana, Country Department, West Region. [Online] Available http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/ADF-BD-WP-2005-81-EN-GHANA-COUNTRY-STRATEGY-PAPER-2005-2009.PDF. [Accessed 3/6/2014].

Agarwal, R. & Helfat, C.E. (2009) Strategic renewal of organizations. *Organization Science*, 20(2), 281-293.

Ahlstrom, D. & Bruton, G.D. (2002) An institutional perspective on the role of culture in shaping strategic actions by technology-focused entrepreneurial firms in China. *Entrepreneurship Theory and Practice*, 26 (4), 53-70.

Ahn, S. & Hemmings, P. (2000) Policy influences on economic growth in OECD countries: an evaluation of the evidence. [Online] Available http://dx.doi.org/10.1787/581718238837 (Accessed10/10/2011].

Aidis, R. & Adachi, Y. (2005) Firm Entry and Exit Barriers in Russia. *Centre for the Study of Economic and Social Change in Europe, working paper,* 67.

Aidis, R. & Mickiewicz, T. (2006) Entrepreneurs, expectations and business expansion: lessons from Lithuania. *Europe-Asia Studies,* 58 (6), 855-880.

Aidis, R. & Sauka, A. (2005) Entrepreneurship in a changing environment: analyzing the impact of transition stages on SME development. *Challenges in entrepreneurship and SME research*, 5-36.

Aidis, R. & Van Praag, M. (2007) Illegal entrepreneurship experience: does it make a difference for business performance and motivation?. *Journal of Business Venturing*, 22 (2), 283-310.

Aidis, R., Estrin, S. & Mickiewicz, T. (2009) Entrepreneurial entry: which institutions matter?.*CEPR Discussion Paper No.4123*.

Akande, A. (1994) Coping with entrepreneurial stress: Evidence from Nigeria. Journal of Small Business Management, 32(1), 83-87.

Aldrich, H & Zimmer, C. (1986*)* Entrepreneurship through Social Networks. In Sexton, D.L. & Smilor, R.W. (eds), *The Art and Science of Entrepreneurship*, Ballinger Publishing Co., Cambridge, Massachusetts.

Aldrich, H. (1990) Using an ecological perspective to study organizational founding rates. *Entrepreneurship Theory and Practice*, 14 (3), 7-24.

Aldrich, H. (2000). Learning together: National Differences in Entrepreneurship research. In Sexton, D. & Landström, H. (eds.), *The Blackwell handbook of entrepreneurship*. Malden, MA: Blackwell Publishing

Aldrich, H., Rosen, B. & Woodward, W. (1987) The impact of social networks on business foundings and profit: a longitudinal study. *Frontiers of entrepreneurship research,* 154-169.

Aldrich, H.E. & Fiol, C.M. (1994) Fools rush in? the institutional context of industry creation. *Academy of management review,* 645-670.

Aldrich, H.E. (1991) Methods in our madness? trends in entrepreneurship research. In Sexton, D.L. & Kasarda, J.D. (eds) *The State of the Art in Entrepreneurship Research.* Boston, MA, PWS-Kent Publishing, 191-213.

Aldrich, H.E. and Baker, T. (1997) Blinded by the cites? has there been progress in entrepreneurship research?. In Sexton, D.L., and Smilor, R.W. (Eds) *Entrepreneurship* 2000. Chicago, Upstart Publishing, 377-400

Anderson, A. R. (2000) Paradox in the periphery: an entrepreneurial reconception. *Entrepreneurship and Regional Development*, 12 (2), 91–110.

Anderson, A., Fayolle, A., Howells, J., Karatas-Ozkan, M., Condor, R., (2012) Understanding entrepreneurship: challenging dominant perspectives and theorising entrepreneurship through new post-positivist epistemologies. *Journal of Small Business Management Special Issue.*

Anderson, A.R. & Jack, S.L. (2002) The articulation of social capital in entrepreneurial networks: a glue or a lubricant? *Entrepreneurship & Regional Development,* 14 (3), 193-210.

Anderson, A.R. & Smith, R. (2007) The moral space in entrepreneurship: an exploration of ethical imperatives and the moral legitimacy of being enterprising. *Entrepreneurship and Regional Development*, 19 (6), 479-497.

Anderson, A.R. & Starnawska, M. (2008) Research practices in entrepreneurship Problems of definition, description and meaning. *The International Journal of Entrepreneurship and Innovation,* 9 (4), 221-230.

Anderson, A.R. & Warren, L. (2011) The entrepreneur as hero and jester: enacting the entrepreneurial discourse. *International Small Business Journal,* 29 (6), 589-609.

Andrae, G. (1981) Industry in Ghana: Production form and spatial structure. Uppsala, Sweden: Scandinavian Institute of African Studies.

Annells, M. (2006) Hermeneutic phenomenology: philosophical perspectives and current use in nursing research. *Journal of advanced nursing*, 23 (4), 705-713.

Antony, J., Kumar, M. & Labib, A. (2008) Gearing Six Sigma into UK manufacturing SMEs: results from a pilot study. *Journal of Operations Research Society*, 59 (4), 482-493.

Aoki, M. (2011) Institutions as cognitive media between strategic interactions and individual beliefs. *Journal of Economic Behavior & Organization*, 79 (1-2), 20-34.

Arguelles, R.M. (2004) "Strategic orientation of small business entrepreneurs in Baguio City. [Online] Available http://dspace.slu.edu.ph/bitstream/123456789/153/1/Strategic%20Orientation%20of%20Small%20Business%20Entrepreneurs%20in%20Baguio%20City.pdf. [Accessed 1/5/2011].

Arndt, J. (1979) Toward a concept of domesticated markets. *The Journal of Marketing*, 69-75.

Aronsson, M. (1991) Nyföretagande i Sverige-vilka, hur och varför? Statens industriverk.

Aryeetey, E. Nissanke, M. & Harrigan, J. (2000) Macroeconomic and Sectoral Development since 1970 in Economic Reforms in Ghana, The Miracle and the Mirage. Oxford: James Currey and Woeli Publishers.

Aryeetey, E., & Baah-Boateng, W. (2007) Growth, Investment, and Employment in Ghana. [Online] Available http://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_085043.pdf. [Accessed 10/5/2014].

Aryeetey, E., Baah-Nuakoh, A. Duggleby, T. Hettige, H & Steel, W.F. (1994) Supply and demand for finance of small scale enterprises in Ghana. *World Bank discussion paper*, 251.

Asikainen, K. (2012) Barriers to entry in regulated industry: Tackling barriers to entry with limited resources - The entrant perspective. Available online http://epub.lib.aalto.fi/fi/ethesis/pdf/13031/hse_ethesis_13031.pdf. Accessed 2/3/2014.

Audretsch, D. & Keilbach, M. (2004) Entrepreneurship and Regional Growth: An Evolutionary Interpretation. *Journal of Evolutionary Economics*, 14(5), 605–616.

Awal, M. (2012) Ghana: Democracy, economic reform, and development, 1993 - 2008. *Journal of Sustainable Development in Africa*, 14(1).

Awoonor, E. (1999) Role of the judiciary in promoting market oriented policies. *Banking and Financial Law Journal of Ghana*, 1 (2-3), 99–104.

Axelband, E. & Valerdi, R. (2007) A research agenda for systems of systems architecting. *17th Annual International Symposium of the International Council on Systems Engineering.* San Diego, C.A.: Academic Forum.

Ayaydın, H. & Hayaloglu, P. (2014) The Effect of Corruption on Firm Growth: Evidence from Firms in Turkey? *Asian Economic and Financial Review*, 4( 5), 607-624

Ayres, C.E. (1952) *The industrial economy.* Houghton Mifflin.

Baker, C., Wuest, J. & Stern, P.N. (2006). Method slurring: the grounded theory/phenomenology example. *Journal of Advanced Nursing,* 17(11), 1355-1360.

Campion, B.B. & Acheampong, E. (2014) The chieftaincy institution in Ghana: Causers and arbitrators of conflicts in industrial Jatropha Investments, *Sustainability,* 6, 6332-6350.

Baker, T. & Nelson, R. (2005) Creating something from nothing: Resource construction through entrepreneurial bricolage. *Administrative Science Quarterly,* 50, 329–366.

Balu, R. (2001) How to bounce back from setbacks. *Fast Company,* 45: 148-156.

Berry, S. (2009) Building for the Future? Investment, Land Reform and the Contingencies of Ownership in Contemporary Ghana. *World Development*, 37(8), 1370-1378.

Banfield, E.C. (1958) *The moral basis of a backward society*. New York: Glencol, The Free Press.

Banister, P. (2011) *Qualitative methods in psychology: a research guide*. Milton Keynes, UK: Open University Press.

Barney, J.B., 1991. Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.

Baron, R & Shane, S. (2005) *Entrepreneurship: A Process Perspective.* South-Western Mason, Ohio: Thomson

Baron, R.A. (2004) OB and entrepreneurship: Why both may benefit from closer links. In Staw, B. & Kramer, R. (eds) *Research in Organizational Behavior*. JAI Press: Greenwich, CT

Baron, R.A. (2006) Opportunity recognition: how entrepreneurs "connect the dots" to recognize new opportunities. *Academy of Management Perspective,* 20, 104-119.

Baron, R.A. (2007) Behavioural and cognitive factors in entrepreneurship: Entrepreneurs as the active element in new venture creation. *Strategic Entrepreneurship Journal,* 1(1-2), 167-182.

Barr, A. (2000) Social capital and technical information flows in the Ghanaian manufacturing sector. *Oxford Economic Papers,* 52 (3), 539-559.

Battilana, J. (2006). Agency and institutions: The enabling role of individuals' social position. *Organization,* 13(5), 653-676.

Bauer, P.T. & Yamey, B.S. (1957) The Economics of Underdeveloped Countries. Chicago: University of Chicago Press.

Baumol, W.J. (1990) Entrepreneurship: Productive, unproductive, and destructive. *Journal of Political Economy,* 893-921.

Baumol, W.J. (1993) Formal entrepreneurship theory in economics: Existence and bounds. *Journal of business venturing,* 8 (3), 197-210.

Beamish, P. & Spiess, L. (1991) Post-Tiananmen China: should you invest. *Business Quarterly,* 55 (4), 67-72.

Beck, T., Dermirguc-Kunt, A. & Maksimovic, V. (2005) Financial and legal constraints to growth: does firm size matter?. *The Journal of Finance,* 60 (1), 137-177.

Beckert, J. (1999) Agency, entrepreneurs and institutional change: the role of strategic choice and institutionalized practices in organizations. *Organization Studies*, 20, 777–799.

Bednarzick, R. W. (2000) The Role of Entrepreneurship in U.S. and European Job Growth. *Monthly Labor Review*, 123(7), 3-16.

Begley, C.M. (2008) Using triangulation in nursing research. *Journal of advanced nursing,* 24 (1), 122-128.

Begley, T. & Boyd, D. (1986) A Comparison of Entrepreneurs and Managers ofSuccessful Firms, *Journal of Management,*13(1), 99-108.

Bekaert, G., Harvey, C.R. & Lundblad, C. (2001). *Does financial liberalization spur growth?. NBER working paper series, 8245.*

Bekeart, G. & Harvey, R.C. (1998) Capital markets: An engine for economic growth. *Brown Journal of World Affairs,* 5 (1), 33-58.

Benton, W. (1991) Statistical process control and the Taguchi method: a comparative evaluation. *The International Journal Of Production Research,* 29 (9), 1761-1770.

Benzing, C. & H. M. Chu (2005) Entrepreneurial Behavior in Andhra Pradesh, India. *Proceedings of the Association of Global Business,* Miami Beach, Florida.

Benzing, C. Chu H.M. & Kara, O. (2009) Entrepreneurs in Turkey: a factor analysis of motivations, success factors and problems. *J Small Bus. Manag,* 47(1), 58-91.

Benzing, C., Chu, H.M. & Szabo, B. (2005) Hungarian and Romanian Entrepreneurs in Romania - motivation, problems and differences, *Journal of Global Business,* 16, 77-87.

Berger, P.L. & Luckmann, T. (2007) The social construction of reality, *Contemporary Sociological Theory,* 43.

Berglund, H. (2007) Researching entrepreneurship as lived experience. *Handbook of Qualitative Research Methods in Entrepreneurship*, 75-93.

Bergman, J.P., Viljainen, S., Kässi, T., Partanen, J. & Laaksonen, P. (2006) Managing the exploration of new operational and strategic activities using the scenario method – Assessing future opportunities in the field of electricity distribution industry. *International Journal of Production Economics,* 104, 46-61.

Bernstein, R. J. (1976) The Restructuring of Social and Political Theory. New York: Harcourt Brace Janovich.

Berry, S. (2009) Building for the Future? Investment, Land Reform and the Contingencies of Ownership in Contemporary Ghana. *World Development*, 37(8), 1370-1378.

Bevan, A., Estrin, S. & Meyer, K. (2004) Foreign investment location and institutional development in transition economies. *International Business Review,* 13 (1), 43-64.

Bewayo, E.D. (1995) Uganda entrepreneurs: why are they in business? *J. Small Business Strategy,* 6, 67-78.

Beyer, J. (2007) Managing depression in geriatric populations. *Annals of Clinical Psychiatry: Official Journal of the American Academy of Clinical Psychiatrists,* 19 (4), 221.

Bhagwati, J. (1989) Revenue-seeking and rent-Seeking: the theory of commercial policy, Cambridge, Mass: Massachussetts Institute of Technology.

Bhagwati, J.N. (1982) Directly unproductive, profit-seeking (DUP) activities. *The Journal of Political Economy,* 988-1002.

Bibeault, D.G. (1982) *Corporate Turnaround: How Managers Turn Losers Into Winners*. New York: McGraw-Hill.

Binks, M. & Vale, P.A. (1990) *Entrepreneurship and economic change.* McGraw-Hill London.

Birley, S & Muzyka, D. (2000) *Mastering Entrepreneurship.* Financial Times Prentice Hall, Harlow.

Bitzenis, A. (2009) Globalization, multinationals, investments and European integration in the new global economic system. Stamoulis Editions, Athens.

Blanchflower, D.G. (2004) *Self-employment: More may not be better. Swedish Economic Policy Review*, 11 (2), 15-74.

Blewett, R.A. & Farley, M. (1998) Institutional constraints on entrepreneurship in Kenya's Popular Music Industry. *African Entrepreneurship: Theory and Reality*, 233-250.

Bliss, C. & DiTella, R. (1997) Does competition kill correuption? *The Journal of Political Economy*, 105(5), 1001-1023.

Bob-Milliar, G. & Bob-Milliar, G. K. (2010) The Economy and Intra-Party Competition: Presidential Primaries in the New Patriotic Party of Ghana. *African Review of Economics and Finance,* 1(2), 51-71

Boettke, P.J. & Coyne, C.J. (2003) Entrepreneurship and development: cause or consequence? *Advances in Austrian Economics*, 6, 67-88.

Bogdan, R. & Taylor, S.J. (1975) *Introduction to qualitative methods: a phenomenological approach to the social sciences*. New York: John Wiley.

Bogumil, J. & Immerfall, S. (1985) Wahrnehmungsweisen empirischer Sozialforschung: Zum (Selbst-) Verständnis des sozialwissenschaftlichen Erfahrungsprozesses. Campus-Verl.

Boisot, M. & Child, J., (1999) Organizations as adaptive systems in complex environments: The case of China. *Organization Science,* 10 (3), 237-252.

Boix, C. (2001) Democracy, development, and the public sector. *American Journal of Political Science,* 1-17.

Bolton, J.E. (1971) *Small firms: Report of the Committee of Inquiry on Small Firms.* HMSO, London.

Borch, O.J. & Arthur, M.B. (1995) "Strategic networks among small firms: implications for strategy research methodology. *Journal of Management Studies*, 32 (4), 419-441.

Bouchikhi, H., (1993) A constructivist framework for understanding entrepreneurship performance, *Organization Studies*, 14(4), 549-570.

Bowen, D. (2001) Research on tourist satisfaction and dissatisfaction: overcoming the limitations of a positivist and quantitative approach. *Journal of Vacation Marketing,* 7 (1), 31-40.

Boxenbaum, E. & Battilana, J. (2005) Importation as innovation: Transposing managerial practices across fields. *Strategic Organization*, 3(4), 1-29.

Breisinger, C. Diao, X. Kolavalli, S. Al Hassan, R. & Thurlow, J. (2011) A New Era of Transformation in Ghana, Lessons from the Past and Scenarios for the Future. *IFPRI Research Monograph.* Washington, DC: International Food Policy Research Institute.

Brittain, J.W. Freeman, J.H. & Kimberly, J. (1980) Organizational proliferation and density dependent selection: Organizational evolution in the semiconductor industry. *Institute of Industrial Relations,* University of California

Brockhaus, R. (1982) Psychology of the entrepreneurship. In Kent, C.A. Sexton, D.L & Vesper K.H (Eds), *Encyclopaedia of entrepreneurship.* Englewood Cliffs, NJ, Prentice-Hall, 39-56.

Brockhaus, R. H. & Horwitz. P. S. (1985) The psychology of the entrepreneur. In Sexton, D.L. & Smilor, R.W. (eds.) *The Art and Science of Entrepreneurship*. Cambridge, MA: Ballinger.

Brockhaus. R. H. (1980) Risk-taking propensity of entrepreneurs. *Academy of Management Journal*, 23, 509-520.

Brunetti, A., Kisunko, G. & Weder, B. (1997) Institutional obstacles to doing business: region-by-region results from a worldwide survey of the private sector. *World Bank Publications.*

Brush C.G. Manolova, T.S. & Edelman, L.F. (2008) Properties of emerging organizations: An empirical test. *Journal of Business Venturing*, 23(5), 547–566.

Brush, C. G. (1992) Research on women business owners: past trends, a new perspective and future directions. *Entrepreneurship theory and practice,* 16, 5–30.

Bruton, G.D., Ahlstrom, D. & Li, H.L. (2010) Institutional theory and entrepreneurship: where are we now and where do we need to move in the future? *Entrepreneurship Theory and Practice,* 34 (3), 421-440.

Bryant, P. (2006) Self-regulation and decision heuristics in entrepreneurial opportunity evaluation and exploitation. *Management Decision* 45 (4), 732-748.

Bryman, A. (2012) *Social research methods*. OUP, Oxford.

Buame, S. (2000) Advanced Entrepreneurship: Enterprise Culture, Venture Creation, Promotion & Management of SMEs in Ghana. University of Ghana Press, Accra.

Buame, S.K. (1996) *Entrepreneurship, a contextual perspective: discourses and praxis of entrepreneurial activities within the institutional context of Ghana.* Lund University Press.

Buchanan, B. (1975) Red-Tape and the service ethic some unexpected differences between public and private managers. *Administration & Society*, 6 (4), 423-444.

Buchs, T. & Mathiesen, J. (2008) Banking Competition & Efficiency in Ghana. In Aryeetey, E., & Kanbur, R. (eds.) *The Economy of Ghana: Analytical Perspectives on Stability, Growth & Poverty*. Woeli Publishing Services, Accra, 173-194.

Bullough, A., and Renko, M., (2013) Entrepreneurial resilience during challenging times. *Business Horizons,* 56, 343-350.

Burgess, R. (1984) *In the field: an introduction to field research.* Routledge, Taylor and Francis.

Burrell, G. & Morgan, G. (1994) *Sociological paradigms and organisational analysis: elements of the sociology of corporate life*. Heinemann Educational Books.

Burt, R.S. (1995) *Structural holes: The social structure of competition,* Harvard University Press.

Busenitz, L.W. & Barney, J.B. (1997) Differences between entrepreneurs and managers in large organizations: biases and heuristics in strategic decision-making. *Journal of Business Venturing,* 12 (1), 9-30.

Busenitz, L.W. Gomez, C. & Spencer, J.W. (2000) Country institutional profiles: unlocking entrepreneurial phenomena. *Academy of Management Journal,* 994-1003.

Busenitz, L.W. West III, G.P. Shepherd, D. Nelson, T. Chandler, G.N. & Zacharakis, A. (2003) Entrepreneurship research in emergence: past trends and future directions. *Journal of Management,* 29 (3), 285-308.

Butler, J. (2003) New Perspectives on Women Entrepreneurs, Information Age Publishing Inc., Greenwich, Connecticut.

Bygrave, W.D. (1989) The entrepreneurship paradigm: a philosophical look at its research methodologies. *Journal of Entrepreneurship, Theory and Practice,* 14, 7-26.

Calder, B.J. & Tybout, A.M. (1987) What consumer research is...", *The Journal of Consumer Research,* 14 (1), 136-140.

Callaghy, T.M. (1988) The state and the development of capitalism in Africa: theoretical, historical and comparative reflections. *The precarious balance: State and society in Africa,* 67-99.

Campbell, J.L. & Lindberg, L.N. (1990) Property rights and the organization of economic activity by the state. *American Sociological Review*, 634-647.

Carland, J. A., J. W. Carland & W. H. Stewart (1996) Seeing what's not there: The enigma of entrepreneurship. *Journal of Small Business Strategy*, 7(1), Spring, 1-20.

Carree, M.A. & Thurik, A.R. (2005) The impact of entrepreneurship on economic growth. *Handbook of entrepreneurship research,* 437-471.

Carroll, R., Holtz-Eakin, D., Rider, M. & Rosen, H.S. (2000) Personal income taxes and the growth of small firms. *Tax Policy and the Economy,* 15.

Carsrud, A.L. Olm, K.W. & Eddy, G.G. (1984) Differentiating entrepreneurs from small business owners: A conceptualization. *Academy of Management Review*, 9(2), 354-359.

Carstensen, M.B. (2011) Paradigm man vs. the bricoleur: bricolage as an alternative vision of agency in ideational change. *European political science review*, 3(1), 147–67.

Castellano, S. & Ivanova, O. (2010) Impact of change on organizational legitimacy: application to the Bulgarian Wine Sector. VDQS Collioure.

Castrogiovanni, G.J. (1991) Environmental munificence: A theoretical assessment. *Academy of Management Review,* 542-565.

Cater III, J.J., (2012), Exit strategies for small family business owners: the challenge of multiple successors. *Proceedings of the 26th USASBE Conference*, New Orleans, LA.

Center for Policy Analysis (CEPA) (2007) Current State of the Ghanaian Economy, 2007. *Ghana Selected Economic Issues*, 14. Accra: CEPA.

Center for Policy Analysis (CEPA) (2009) Current State of the Ghanaian Economy, 2009. *Ghana Selected Economic Issues*, 16. Accra: CEPA.

Center for Policy Analysis (CEPA) (2010) Current state of the Ghanaian Economy, 2010. *Ghana Selected Economic Issues*, 17. Accra: CEPA.

Chakravarthy, B.S., (1982) Adaptation: A Promising Metaphor for Strategic Management. *Academy of Management Review,* 7 (1), 35-44.

Chamlee-Wright, E. (1997) The cultural foundations of economic development: Urban female entrepreneurship in Ghana. Psychology Press.

Chandler, G.N. & Lyon, D.W. (2001) Issues of research design and construct measurement in entrepreneurship research: the past decade. *Entrepreneurship Theory and Practice,* 25 (4), 101-113.

Chandy, R. & Tellis, G. (2000) The Incumbent's Curse? Incumbency, Size and Radical Innovation. *Journal of Marketing*, 64(3), 1-17.

Chandy, R., & Tellis, G. (1998) Organizing for Radical Product Innovation: The Overlooked Role of Willingness to Cannibalize. *Journal of MarketingResearch*, 35(4), 474-487

Chell, E. & Pittaway, L. (1998) The social constructionism of entrepreneurship. *Proceedings of the 21st ISBA National Small Firms Policy and Research Conference*, Durham University Business School.

Chell, E. Haworth J. & Brearley, S. (1991) *The Entrepreneurial Personality: Concepts, Cases, and Categories.* London: Routledge.

Chen, D. Mocker, M. Preston, D. S. & Teubner, A. (2010) Information Systems Strategy: Reconceptualization, Measurement, and Implications. *MIS Quarterly*, 34 (2), 233-259.

Chu, H.M. Benzing, C. & McGee, C. (2007) Ghanaian and Kenyan entrepreneurs: a comparative analysis of their motivations, success characteristics and problems. *Journal of Developmental Entrepreneurship,* 12 (3), 295-322.

Church, J. & Ware, J. (2000) *Industrial Organization: A Strategic Approach.* New York: Irwin McGraw-Hill.

Churchill, N.C. and Lewis, V.L. (1986) Entrepreneurship research: directions and methods. In Sexton, D.L. and. Smilor, R.W. (eds) *The Art and Science of Entrepreneurship*, Cambridge, MA, Ballinger, 333-365.

Clarysse, B. Bruneel, J. & Wright, M. (2011) Explaining growth paths of young technology-based firms: structuring resource portfolios in different competitive environments. *Strategic Entrepreneurship Journal,* 5(2), 137-157.

Cohen, M.Z. & Omery, A. (1994) Schools of phenomenology: Implications for research. *Critical issues in qualitative research methods,* 136-156.

Colaizzi, P.F. (1978) Psychological research as the phenomenologist views it. In Valle, R. & King, M. (Eds) *Existential Phenomenological Alternatives For Psychology*. New York, Oxford, University Press, 48-71.

Collier, P. & Gunning, J.W. (1999) Why has Africa grown slowly? *The Journal of Economic Perspectives,* 13 (3), 3-22.

Contractor, F.J. & Lorange, P. (1988) Competition vs. Cooperation: A Benefit-Cost framework for choosing between fully-owned investments and cooperative relationships. *MIR Special Issue*, 5-18

Contractor, F.J. & Lorange, P. (2002) Cooperative strategies in international business: joint ventures and technology partnerships between firms. Emerald Group Publishing.

Cope, J. (2001) The entrepreneurial experience: towards a dynamic learning perspective of entrepreneurship. Unpublished Thesis, University of Lancaster, UK.

Cope, J. (2003) Exploring the nature and impact of critical experiences within small business growth and entrepreneurial development. *Institute for Entrepreneurship and Enterprise Development*, Lancaster University.

Costello, N. (1996) Learning and routines in high-tech SMEs: analysing rich case study material. *Journal of Economic Issues*, 30(2), 591-597.

Coutu, D.L. (2002) How Resilience Works. *Harvard Business Review,* 80 (5), 46-52.

Covalesh, M. A., & Dirsmith, M. W. (1988) An institutional perspective on the rise, social transformation, and fall of a university budget category. *Administrative Science Quarterly*. 33, 562-587

Coyne, P.J. & Coyne, C.J. (2003) Entrepreneurship and development: Cause and consequence?. [Online] Available http://mercatus.org/uploadedFiles/Mercatus/Publications/Cause%20or%20Consequence.pdf. [Accessed 14/2/2014].

Creed, W. E.D. Scully, M.A. & Austin, J.R. (2002) Clothes make the person? The tailoring of legitimating accounts and the social construction of identity. *Organization Science*, 13(5), 475-496.

Creswell, J.W. & Miller, D.L. (2000) Determining validity in qualitative inquiry. *Theory into practice,* 39 (3), 124-130.

Creswell, J.W. (1998). *Qualitative inquiry and research design: choosing among five traditions*. Thousand Oaks, CA: Sage.

Creswell, J.W. (2009) *Research design: qualitative, quantitative, and mixed methods approaches.* Sage Publications, Inc.

Crotty, M. (1996) *Phenomenology and nursing research*. Churchill Livingstone.

Dacin, T.M. Goodstein, J. & Scott, W.R. (2002) Institutional theory and institutional change: Introduction to the special research forum. *Academy of Management Journal,* 45(1), 45-56.

Daft, R.L. & Lengel, R.H. (1986) Organizational information requirements, media richness and structural design. *Management science,* 554-571.

Dana, L.P. & Dana, T.E. (2005) Expanding the scope of methodologies used in entrepreneurship research. *International Journal of Entrepreneurship and Small Business,* 2 (1), 79-88.

Dann, G. & Philips, J. (2001) Qualitative tourism research in the late twentieth century and beyond. In Faulkner, B. Moscardo, G. & Laws, E. (Eds.) *Tourism in the 21st Century*. London, Continuum.

Das, T.K. & Teng, B.S. (2002) The Dynamics of Alliance Conditions in the Alliance Development Process. *Journal of Management Studies,* 39 (5), 725-746.

D'Aveni, R.A. & Kesner, I.F. (1993) Top managerial prestige, power and tender offer response: A study of elite social networks and target firm cooperation during takeovers, *Organization Science*, 4 (2), 123-151.

Davidsson, P. & Wiklund, J. (2001) Levels of analysis in entrepreneurship research: current research practice and suggestions for the future. *Concepts, Theory and Perspective*, 245.

Davidsson, P. (1989) Entrepreneurship-and after? A study of growth willingness in small firms. *Journal of Small Business Venturing,* 4, 211-226.

Davis, P. S. & Schul, P. L. (1993) Addressing the contingent effects of business unit strategic orientation on relationships between organizational context and business unit performance. *Journal of Business Research*, 27 (3), 183–200.

Hall, W.K. (1980) Survival Strategies in a Hostile Environment. *Harvard Business Review*, 58(5), 75-85.

White, R.E. (1986) Generic business strategies, organizational context, and performance: An empirical investigation. *Strategic Management Journal,* 7, 217-231.

Sullivan-Taylor, B. & Branicki, L. (2011) Creating resilient SMEs: why one size might not fit all. *International Journal of Production Research,* 49 (18), 5565-5579.

Davidsson, P. (2004). *Researching entrepreneurship*. New York, Springer.

Davidsson, P. (2006) Nascent entrepreneurship: empirical studies and developments. *Foundations and Trends in Entrepreneurship, 2 (1), 1.76.*

Dawson, J. (1989) Small-scale industry development in Ghana: A case study of Kumasi. Unpublished Thesis, Brunel University, UK.

De Bruin, A., Brush, C.G. & Welter, F. (2007) Advancing a framework for coherent research on women's entrepreneurship. *Entrepreneurship theory and practice,* 31 (3), 323-339.

De Soto, H. (2002) The Mystery of Capital. London, Black Swan.

Deeds, D.L., Mang, P.Y. & Frandsen, M. (1997) The quest for legitimacy: a study of biotechnology IPO's. *Frontiers of Entrepreneurship Research,* 533-543.

Deephouse, D.L. (1996) Does isomorphism legitimate? *Academy of Management Journal,* , 1024-1039.

Dejardin, M. (2011) Entrepreneurship and rent-seeking behavior. In *Audretsch, D. Falck, O. Heblich, S, & Lederer, A. Handbook of Research on Innovation and Entrepreneurship,* 17-23.

Déjean, F. Gond, J.P. & Leca, B. (2004) Measuring the unmeasured: An institutional entrepreneur's strategy in an emerging industry. *Human Relations*, 57(6), 741-764.

Delios, A. & Beamish, P. (1999) Ownership strategy of Japanese firms: Transactional, institutional, and experience influences. *Strategic Management Journal,* 20, 915-933.

DeLong, J.B. & Shleifer, A. (1993) Princes or merchants? City growth before the industrial revolution. *Journal of Law and Economics*, 36, 671–702.

Demil, B. & Bensédrine, J. (2005) Process of legitimation and pressure toward regulation. *International Studies of Management and Organization,* 35(2), 58-79.

Denzin, N. K. & Lincoln, Y. S. (1998) Entering the field of qualitative research. In Denzin, N. K. & Lincoln, Y.S. (Eds.) *The landscape of qualitative research: theories and issues*. Thousand Oaks, CA, Sage Publications Ltd.

Denzin, N.K. & Lincoln, Y.S. (1994) *Handbook of qualitative research*. Sage Publications, Inc.

Denzin, N.K. (1989) Interpretive interactionism. *Applied Social Research Methods Series*, 16.

Desa, G. & Basu, S. (2012) Optimization or bricolage? Overcoming resource constraints in global social entrepreneurship. *Strategic Entrepreneurship Journal,* In-press.

Desai, M., Gompers, P. & Lerner, J. (2003) Institutions, capital constraints and entrepreneurial firm dynamics: Evidence from Europe*. NBER working paper series, 10165.*

Desai, S., Acs, Z. & Weitzel, U. (2010) A model of destructive entrepreneurship. *World Institute for Development Economic Research working paper series, 2010/34.*

Di Domenico, M.L. Haugh, H. & Tracey, P. (2010) Social bricolage: Theorizing social value creation in social enterprises. *Entrepreneurship Theory and Practice,* 34(4), 681–703.

Dia, M. (1996) Africa's management in the 1990s and beyond: reconciling indigenous and transplanted institutions. *World Bank Publications.*

DiMaggio, P. J. (1988) Interest and agency in institutional theory. In Zucker, L. G. (ed.), *Institutional patterns and organizations: Culture and environment,* Cambridge, MA, Ballinger, 3-21.

DiMaggio, P.J. & Powell, W.W. (1983) The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review,* 147-160.

DiMaggio, P.J. & Powell, W.W. (1991) The new institutionalism in organizational analysis, Chicago, University of Chicago Press.

Djankov, S., Glaeser, E., La Porta, R., Lopez-de-Silanes, F. & Shleifer, A. (2003) The new comparative economics. *Journal of comparative economics,* 31 (4), 595-619.

Djankov, S., La Porta, R., Lopez-de-Silanes, F. & Shleifer, A. (2002) The regulation of entry. *The Quarterly Journal of Economics,* 117 (1), 1-37.

Dodd, S.D., Jack, S. & Anderson, A.R. (2002) Scottish entrepreneurial networks in the international context. *International Small Business Journal,* 20 (2), 213-219.

Dordunoo, C. K. & Dogbey, G.Y. (2002) Globalization and economic reforms in Ghana. In Bigman, D. (ed) *Globalization and the developing countries: Emerging strategies for rural development and poverty alleviation*. Wallingford, U.K.

Dougherty, D. Summer 1990. Understanding new markets for new products. *Strategic Management Journal*, 1 l, 59-78.

Dowling, J. & Pfeffer, I. (1975) Organizational legitimacy: social values and organizational behavior. *Pacific Sociological Review,* 18, 122- 135.

Doz, Y. & Kosonen, M. (2008) Fast strategy: How strategic agility will help you stay ahead of the game. [Online] Available http://www.strategicagility.com/downloads/san_fransisco_book_launch_feb2008.pdf. [Accessed 4/3/2014]

Drucker, P F. (1985) *Innovation and Entrepreneurship: Practice and Principles*. New York: HarperBusiness.

Dutton, J. E., Frost, P. J., Worline, M. C., Lilius, J. M., & Kanov, J. M. (2002) Leading in times of trauma. *Harvard Business Review*, 80, 54-62.

Duymedjian, R. & Ruling, C.C. (2004) Practices of physical and digital special effect practices of physical and digital special effects making: an exploration of similarities. http://hal.archives-ouvertes.fr/hal-00451639/. [Accessed 12/9/2012].

Dyck, A. & Zingales, L. (2001) Why are private benefits of control so large in certain countries and what effects does this have on their financial development. *Unpublished manuscript*

Dyer, J. H. Gregersen, H. B. & Christensen, C. (2008) Entrepreneur behaviors, opportunity recognition, and the origins of innovative ventures. *Strategic Entrepreneurship Journal,* 2, 317–338.

Dzisi, S. (2008) Entrepreneurial activities of indigenous African women: a case of Ghana", *Journal of Enterprising Communities: People and Places in the Global Economy,* 2 (3), 254-264.

Dzisi, S. (2008) *Women entrepreneurs in small and medium enterprises (SMEs) in Ghana*. Lambert Academic Publishing.

Easterly, W. (2006) *The white man's burden: Why the west efforts to aid the rest have done so much ill and so little good*. New York: Penguin Press.

Eccles, S., Hamilton, E., and Elliot, R. (1999) Voices of control: researching the lived experiences of addictive consumers. *Proceedings of the 3rd International Conference on Critical Management,* UMIST, Manchester.

Echtner, C.M. & Ritchie, J.R.B. (1993) The measurement of destination image: An empirical assessment. *Journal of travel research,* 31(4), 3-13.

Eckhardt, J.T. & Shane, S.A. (2003) Opportunities and entrepreneurship, *Journal of management,* 29 (3), 333-349.

Economists Intelligence Unit (2005) Regulatory risk: Trends, and strategies for the CRO. Available online http://graphics.eiu.com/files/ad_pdfs/eiu_CRO_RISK_WP.pdf. 4/5/2010.

Edwards, S. (1993) Openness, trade liberalization, and growth in developing countries. *J. Econ. Lit.*, 31, 1358–1393

Eisenhardt, K.M. & Graebner, M.E. (2007) Theory building from cases: opportunities and challenges. *The Academy of Management Journal Archive,* 50(1), 25-32.

Eisenhardt, K.M. & Martin, J.A. (2000) Dynamic Capabilities: What are they? *Strategic Management Journal,* 21 (10-11), 1105-1121.

Eisenhardt, K.M. (1989) Building theories from case study research. *Academy of Management Review,* 532-550.

Eisenhardt, K.M. (1989) Building theories from case study research. *The Academy of Management Review,* 14 (4), 532-550.

Eisenhart, M.A. & Howe, K.R. (1992) Validity in educational research. In LeCompte, M. D. MillroY, W. L. Preissle, J. (Eds) *Handbook of qualitative research in education,* 643-680. San Diego, CA, Academic Press, 643–680.

El-Namaki, M. (1988) Encouraging entrepreneurs in developing countries. *Long range planning,* 21(4), 98-106.

Emirbayer, M. & Mische, A. (1998) What Is Agency? *American Journal of Sociology,* 103(4), 962-1023.

Endres, A. & Woods, C. (2003) Modern theories of entrepreneurial behaviour: An appraisal. [Online] Available https://researchspace.auckland.ac.nz/bitstream/handle/2292/148/244.pdf;jsessionid=87666479843B36E2442A1989879797F2?sequence=1. [Accessed 1/2/2014].

Eriksson, P. & Kovalainen, A. (2008) *Qualitative methods in business research.* SAGE Publications Limited.

Erlandson, D. A., Harris, E. L., Skipper, B. L., & Allen, S. D. (1993) *Doing naturalistic inquiry: A guide to methods.* Newbury Park, CA: Sage.

Estrin, S. & Mickiewicz, T. (2010) Entrepreneurship in transition economies: the role of institutions and generational change. *IZA discussion paper, 4805*.

Estrin, S. Aidis, R. & Mickiewicz, T. (2007) Institutions and entrepreneurship development in Russia: a comparative perspective. *William Davidson Institute working paper, 867*.

Etemad, H. (2004) Internationalization of Small and Medium-sized Enterprises: A Grounded Theoretical Framework and Overview. *Canadian Journal of Administrative Sciences,* 21(1), 1-21.

Evans, D.S. & Jovanovic, B. (1989) An estimated model of entrepreneurial choice under liquidity constraints. *The Journal of Political Economy,* 808-827.

Evans, D.S. & Leighton, L.S. (1989) The determinants of changes in US self-employment, 1968–1987. *Small Business Economics,* (1)(2), 111-119.

Fafchamps, M. (2004) *Market institutions in Sub-Saharan Africa: theory and evidence.* MIT Press.

Fairlie, R.W. (2002) Drug dealing and legitimate self-Employment", *Journal of Labor Economics,* 20 (3), 538-537.

Falasca, M., Zobel, C.W. & Cook, C. (2008) A Decision Support Framework to Assess Supply Chain Resilience. *5th International ISCRAM Conference.* Washington D.C., USA.

Fan, T.P.C. (2010) De novo venture strategy: Arch incumbency at inaugural entry. *Strategic Management Journal*, 31(1), 19-38.

Fiksel, J. (2003) Designing resilient, sustainable systems. *Environmental Science and Technology,* 37 (23), 5330-5339.

Fiksel, J. (2006) Sustainability and resilience: Toward a systems approach. *Sustainability: Science, Practice & Policy,* 2 (2), 1-8.

Fiksel, J., (2003) Designing resilient, sustainable systems. *Environmental Science and Technology,* 37 (23), 5330-5339.

Fischer, F. (2005) Beyond empiricism: policy inquiry in post positivist perspective. *Policy Studies Journal,* 26 (1), 129-146.

Fischer, S. & Gelb, A. (1991) The process of socialist economic transformation. *The journal of economic perspectives*, 5 (4), 91-105.

Fletcher, D. (1997) Organisational networking, strategic change and the family business. Unpublished PhD thesis, Business School, Nottingham Trent University.

Fligstein, N. (1991) The structural transformation of American industry: an institutional account of the causes of diversification in the largest firms, 1919-1979. *The new institutionalism in organizational analysis*, 311.

Fligstein, N. (1997) Social skill and institutional theory. *American Behavioral Scientist*, 40(4), 397-405.

Foss, K. & Foss, N. (2006) Entrepreneurship, transaction costs, and resource attributes. *International Journal of Strategic Change Management,* 1 (1), 53-60.

Foster, R.N. (1986) *Innovation: The attacker's advantage*. New York, Summit Books.

Fosu, A.K. & Aryeetey, E. (2008): Ghana's Post-Independence Economic Growth: 1960 – 2000. In Aryeetey, E., & Kanbur, R. (eds.). *The Economy of Ghana: Analytical Perspectives on Stability, Growth & Poverty.* Woeli Publishing Services, Accra, 36-75.

Frank, P.M. (2002) Non-profit versus for-profit entrepreneurship: an Institutional Analysis. Alexandria, VA, Donors Trust.

Frank, T. (2009) The republic of Ghana. [Online] Available http://portal.unesco.org/education/en/files/55614/11999784205GHANA.pdf/GHANA.pdf. [Accessed 12/9/2011].

Freeman, S.F., Hirschhorn, L. & Maltz, M. (2004) *Organizational Resilience and Moral Purpose: Sandler O'Neill & Partners, L.P. in the Aftermath of September 11, 2001.* Philadelphia.

Frempong-Ansah, J. (1996) Flexibility and responsiveness in the Ghana Economy: Reflections on post-decline Atrophy Syndrome. *J.B. Danquah Memorial Lectures, 29th Series*. Accra: Ghana Academy of Arts and Sciences.

Friedland, R. & Alford, R.R. (1991) Bringing society back in: symbols, practices and institutional contradictions. *Conference on Institutional Change*, Center for Advanced Study in the Behavioral Sciences, Stanford, CA.

Friedman, P., Taylor, B. (2011) Barriers to Entry and Institutional Evolution. [Online] Available http://www.seasteading.org/files/research/governance/Friedman%26Taylor_2011_BarriersToEntry_APEE.pdf. [Accessed 2/3/2014].

Fries, S. Lysenko, T. & Polanec, S. (2003) The 2002 business environment and enterprise performance survey: Results from a survey of 6,100 firms. *European Bank for Reconstruction and Development Working Paper 84*, London: EBRD.

Fry, F.L. (1993) *Entrepreneurship: a planning approach.* West Publishing Company.

Fuduric, N. (2008) The sources of entrepreneurial opportunities: individuals & the environment". Unpublished PhD Thesis, Aalborg University.

Gadde, L.E., Huemer, L. & Håkansson, H. (2003) Strategizing in industrial networks. *Industrial Marketing Management,* 32(5), 357-364.

Gaddum, R., 2004. Business resilience - the next step forward for business continuity. [Online] Available http://www.continuitycentral.com/feature083.htm. [Accessed 15/6/2014].

Galison, P. (1997) *Image and logic: a material culture of microphysics*. University of Chicago Press.

Gartner, W. B. (1990). What are we talking about when we talk about entrepreneurship? *Journal of Business Venturing,* 5, 15-28.

Gartner, W.B. & Birley, S. (2002) Introduction to the special issue on qualitative methods in entrepreneurship research. *Journal of Business Venturing,* 17, 5, 387-395.

Gartner, W.B. (1985) A conceptual framework for describing the phenomenon of new venture creation. Academy of Management Review, 10(4), 696-706.

Gartner, W.B. (1988) Who is an entrepreneur? Is the wrong question. *American journal of small business,* 12(4), 11-32.

Gartner, W.B. (1989) Some suggestions for research on entrepreneurial traits and characteristics. *Entrepreneurship Theory and Practice,* 14(1), 27-37.

Gartner, W.B. (2001) Is there an elephant in entrepreneurship? Blind assumptions in theory development. *Concepts, Theory and Perspective.*

Gartner, W.B. (2008) Entrepreneurship—hop. *Entrepreneurship Theory and Practice,* vol. 32(2), 361-368.

Garud, R. & Jain, S. & Kumaraswamy, A. (2002) Institutional entrepreneurship in the sponsorship of common technological standards: The case of Sun Microsystems and Java. *Academy of Management Journal*, 45(1), 196-214.

Garud, R. & Karnøe, P. (2003). Bricolage versus breakthrough: distributed and embedded agency in technology entrepreneurship. *Research policy*, 32(2), 277-300.

Garud, R. Hardy, C. & Maguire, S. (2007) Institutional entrepreneurship as embedded agency: an introduction to the special issue. *Organization Studies-Berlin-European Group for Organizational Studies*, 28(7), 957.

Garud, R., Hardy, C. & Maguire, S. (2007). Institutional entrepreneurship as embedded agency: An introduction to the special issue. *Organization studies-Berlin-European group for organizational studies*, 28(7), 957.

Geertz, C. (1973a) The Interpretation of Cultures. New York: Basic.

Geertz, C. (1973) Thick description: toward an interpretive theory of culture. *Culture, critical concepts in sociology*, 173-196.

Geroski, P.A. (1991) *Market dynamics and entry*. Blackwell.

Ghana Statistical Service (GSS) (2011) Ghana Gross Domestic Product. [Online] Available http://www.statsghana.gov.gh/gdp.html. [Accessed 14/2/2012]

Ghandour, A. & Benwell, G., (2012) A framework of business recovery in the aftermath of a disaster. *International Journal of Business Continuity and Risk Management,* 3 (3), 263-274.

Ghobadian, A. & Gallear, D. (1997) TQM and Organisation size. *International Journal of Operations and Production Management,* 17 (2), 121-163.

Gibb, A. A. & Ritchie, J. (1982) Understanding the process of starting small businesses, *European Small Business Journal*, 1(1), 26-45.

Gibbs, G.R. (2002) Qualitative data analysis: explorations with NVivo. Open University.

Gibson, C.A. & Tarrant, M. (2010) A ‘conceptual models’ approach to organizational resilience. *The Australian Journal of Emergency Management,* 25 (2), 6-12.

Giddens, A. (1984) *The constitution of society: Outline of the theory of structuration*. University of California Press.

Gioia, P.L. (1989) The prudence standard: Recent experience and future relevance. *Public Utilities Fortnightly,* 9, 11-17.

Giorgi, A. (2008) Concerning a serious misunderstanding of the essence of the phenomenological method in psychology. *Journal of Phenomenological Psychology,* 39(1), 33-58.

Gittell, J.H. Cameron, K. Lim, S. & Rivas, V. (2006) Relationships, layoffs and organizational resilience: airline responses to the crisis of September 11th. *The Journal of Applied Behavioral Science,* 42 (3), 300-329.

Glaser, B. & Strauss, A. (1967) The discovery of grounded theory: strategies for qualitative design. New Jersey, Aldine Transactions Publishers, Rutgers.

Glinkina, S. (2003) Small business, survival strategies and the shadow economy. *Small and Medium Enterprises in Transitional Economies*. London, Palgrave McMillan for the United Nations University.

Gnyawali, D. (1991) Promoting small business through entrepreneurship development. Washington, DC, The World Bank, Asia Technical Department.

Gnyawali, D.R. & Fogel, D.S. (1994) Environments for entrepreneurship development: key dimensions and research implications. *Entrepreneurship Theory and Practice,* 18, 43-43.

Goedhuys, M. & Sleuwaegen, L. (1997) Organizational ecology and growth of firms, evidence from Côte D'Ivoire. *RPED Discussion Papers,* 90.

Goffman, E. (2005) The presentation of self in everyday life. Penguin Harmondsworth.

Goldfrank, W.L. (2000) Paradigm regained? The rules of Wallerstein's world-system method. *Journal of World-Systems Research*, 6(2), 150-195.

Goldman, S.L. Nagel, R.N. & Preiss K. (1995) Agile competitors and virtual organizations: Strategies for Enriching the Customer. Van Nostrand Reinhold.

Goodson, L. & Phillimore, J. (2004) The inquiry paradigm in qualitative tourism research. In Phillimoore, J. & Goodson, L. (Eds) *Qualitative research in tourism: Ontologies, epistemologies and methodologies.* London, Routledge, 14, 30-45.

Goossens, C. (2000) Tourism information and pleasure motivation. *Annals of Tourism Research*, 27(2), 301-321.

Government of Ghana (GoG) (2001) The Budget Statement and Economic Policy of the Government of Ghana for the 2001 Financial Year. Accra: Ministry of Finance and Economic Planning.

Government of Ghana (GoG) (2005) The Budget statement and Economic Policy of the Government of Ghana for the 2005 Financial Year. Accra: Ministry of Finance and Economic Planning.

Government of Ghana (GoG) (2008) The Budget Statement and Economic Policy of the Government of Ghana for 2008 financial Year. Accra: Ministry of Finance and Economic Planning.

Government of Ghana (GoG) (2009) The Budget Statement and Economic Policy of the Government of Ghana for the 2009 Financial Year. Accra: Ministry of Finance and Economic Planning.

Grant, P. & Perren, L. (2002) Small business and entrepreneurial research", *International Small Business Journal*, 20(2), 185-211.

Greenwood, R, Suddaby, R. & Hinings, C.R. (2002) Theorizing change: The role of professional associations in the transformation of institutionalized fields. *Academy of Management Journal*, 45(1), 58-80.

Greenwood, R. & Suddaby, R. (2006) Institutional Entrepreneurship in Mature fields; The Big Five Accounting Firms. *Academy of Management Journal*, 49(1), 27-48.

Grewal, R. & Dharwadkar, R. (2002) The role of the institutional environment in marketing channels. *The Journal of Marketing,* 82-97.

Grief, A., (1994) Cultural beliefs and organization of society: a historical and theoretical reflection of collectivist and individual societies. *Journal of Political Economy,* 102, 109-950.

Grilo, I. & Irigoyen, J.M. (2006) Entrepreneurship in the EU: to wish and not to be", *Small Business Economics,* 26(4), 305-318.

Grinyer, P. & McKieman, P. (1990) Generating major change in stagnating companies. *Strategic Management Journal,* 1 l, 131-146.

Grocke, D.E. (1999) A Phenomenological Study of Pivotal Moments. Unpublished PhD Thesis, The University of Melbourne.

Grossman, S.J. & Hart, O.D. (1986) The costs and benefits of ownership: a theory of vertical and lateral integration. *The Journal of Political Economy,* 691-719.

Grote, G. (2006) Rules management as a source for loose coupling in high-risk systems. In Hollnagel, E., Nemeth, C. & Dekker, S. (eds) *Remaining sensitive to the possibility of failure.* London: Ashgate, 91-100.

Guba, E. G. & Lincoln, Y.S. (1998) Competing paradigms in qualitative research. In Denzin, N. K. & Lincoln, Y. S. (eds.) *The Landscape of Qualitative Research: Theories and Issues*. Thousand Oaks, CA, Sage Publications Ltd.

Guba, E.G. & Lincoln, Y.S. (1994) Competing paradigms in qualitative research. *Handbook of Qualitative Research*, 2, 163-194.

Gubrium, J.F. & Holstein, J.A. (2008) Narrative practice and the coherence of personal stories. *The Sociological Quarterly*, 39(1), 163-187.

Guglielmetti, C. (2010) Measuring the Business Environment for Entrepreneurship in Fragile States. *United Nations*, *World Institute for Development Research Working Papers.*

Guidimann, T. (2002). From recovery to resilience. *The Banker*, 3-6.

Gulati, R. (2010) *Reorganize for Resilience: Putting Customers at the Center of Your Business.* Boston: Harvard Business Press.

Gulati, R., (2010) *Reorganize for Resilience: Putting Customers at the Center of Your Business.* Boston, Harvard Business Press.

Gunderson, L.H. (2000) Ecological resilience - in theory and application. *Annual Review of Ecology & Systematics*, 31 (1), 425-439.

Guth, W.D. (1995) Theory from field research on firm-level entrepreneurship: A normal science overview. *Entrepreneurship Theory and Practice*, 19(3), 169-173.

Guthrie, C.M. (2007) Sense making and sense giving: using visitor narratives to understand the impact of visitor interactions on destination image. Unpublished Thesis, Robert Gordon University.

Gyimah-Boadi, E. (2001) A peaceful turnover in Ghana. *Journal of Democracy*, 12(2), 103-117.

Gyimah-Brempong, K. (2002) Corruption, economic growth, and income inequality in Africa. *Economics of Governance*, 3(3), 183-209.

Hale, A. & Heijer, T. (2006) Defining resilience. *In* Hollnagel, E., Woods, D.D. & Leveson, N. (eds) *Resilience Engineering: concepts and precepts.* Aldershot, UK: Ashgate.

Hall, R.E. & Jones, C.I. (1999) Why do some countries produce so much more output per worker than others? *The Quarterly Journal of Economics*, 114(1), 83-116.

Hambrick, D.C. & Schecter, S.M. (1983) Turnaround strategies for mature industrial-product business units. *Academy of Management Journal*, 26(2), 23 l-248.

Hamel, G. & Välikangas, L. (2003) The Quest for Resilience. *Harvard Business Review,* 81 (9), 52-65.

Hammersley, M. (1995) *Ethnography: Principles in practice*. Routledge.

Hammond, M. Howarth, J. & Keat, R. (1991) *Understanding Phenomenology*. Oxford, Basil Blackwell.

Handley, A. (2008) *Business and the State in Africa.* Cambridge Books.

Hannan, M.T. Freeman, J. & Hannan, M.T. (1993) *Organizational ecology*. Harvard University Press.

Harbi, S.E. & Anderson, A.R. (2010) Institutions and the shaping of different forms of entrepreneurship. *Journal of Socio-economics,* 39(3), 436-444.

Harper, D. (1998) Institutional conditions for entrepreneurship. *Advances in Austrian Economics,* 5, 241-275.

Harrell, S. (1997) *Human families*. Westview Press Boulder, CO.

Harrigan, K.R. (1986) Strategic alliances and partner asymmetries. *Management International Review*, 28(4), 53-72.

Harris, S. & Wheeler, C. (2005) Entrepreneurs' relationships for internationalization: functions, origins and strategies. *International Business Review,* 14(2), 187-207.

Hart, O. & Moore, J. (1990) Property rights and the nature of the firm. *The Journal of Political Economy,* 98(6), 1119-1158.

Hartley, J. F. (1994) Case studies in organisational research. In Cassell, C. & Symon (eds) *Qualitative methods organisational research*. London, Sage Publications.

Hatch, M.J. & Cunliffe, A.L. (2006) *Organization theory: Modern, symbolic, and postmodern perspectives*. Oxford university press.

Haugh H. (2005) A research agenda for social entrepreneurship. *Social Enterprise Journal*, 1(1), 1–12.

Haveman, H.A. & Rao, H. (1997) Structuring a theory of moral sentiments: Institutional and organizational co-evolution in the early thrift industry. *American Journal of Sociology*, 102(6), 1606-1651.

Hayek, F.A. (1973) *Rules and order*. *Law, Legislation and Liberty*. London, Routledge and Kegan Paul.

Healy, M. & Perry, C. (2000) Comprehensive criteria to judge validity and reliability of qualitative research within the realism paradigm. *Qualitative Market Research: An International Journal,* 3(3), 118-126.

Heckelman, J.C. & Powell, B. (2010) Corruption and the institutional environment for growth. *Comparative Economic Studies,* 52(3), 351-378.

Heidegger, M. (1962) *Being and time.* New York, Harper.

Helmke, G. & Levitsky, S. (2003) *Informal institutions and comparative politics: A research agenda.* Cambridge University Press.

Henisz, W.J. & Levitt, R.E. (2009) Normative and cognitive institutional supports for relational contracting in infrastructure projects. Unpublished manuscript.

Henisz, W.J. (2002) *Politics and international investment: Measuring risks and protecting profits.* Edward Elgar Publishing.

Henrekson, M. & Johansson, D. (1999) Institutional effects on the evolution of the size distribution of firms. *Small Business Economics,* 12(1), 11-23.

Herbane, B., (2010) Small business research: Time for a crisis-based view. *International Small Business Journal*, 28 (1), 43-64.

Herbane, B., Elliott, D. & Swartz, E.M. (2004) Business Continuity Management: time for a strategic role? *Long Range Planning,* 37 (5), 435-457.

Herbert, R.F. and Link, A.N. (2006) Historical perspectives on the entrepreneur. [Online] Available http://libres.uncg.edu/ir/uncg/f/A_Link_Historical_2006.pdf. [Accessed 4/3/2014].

Heron, J. & Reason, P. (1997) A participatory inquiry paradigm. *Qualitative Inquiry,* 3(3), 274-294.

Hill, J. & McGowan, P. (1999) Small business and enterprise development: questions about research methodology. *International Journal of Entrepreneurial Behaviour & Research,* 5(1), 5-18.

Hills, G.E. Lumpkin, G. & Singh, R.P. (1997) Opportunity recognition: perceptions and behaviors of entrepreneurs. *Frontiers of entrepreneurship research,* 17, 168-182.

Himbara, D. (1993) Myths and realities of Kenyan capitalism. *The Journal of Modern African Studies,* 31(1), 93-107.

Hindle, K. (2004) Choosing qualitative methods for entrepreneurial cognition research: a canonical development approach. *Entrepreneurship Theory and Practice*, 28(6), 575-607.

Hines, T. and Thorpe, R. (1995) New approaches to understanding small firm networks - the key to performance, managerial learning and development. *Proceedings of 18th ISBA National Small Firms Policy and Research Conference*, Paisley, UK.

Hinnings, B. & Greenwood, R. (1988) The normative prescription of organizations. In Zucker, L. G. (Ed.), *Institutional patterns and organizations: Culture and environment.* Cambridge, MA, Ballinger, 53-70.

Hirschman, E.C. (1986) Humanistic inquiry in marketing research: philosophy, method, and criteria. *Journal of Marketing Research,* 237-249.

Hitt, M.A. Ahlstrom, D. Dacin, M.T. Levitas, E. & Svobodina, L. (2004) The institutional effects on strategic alliance partner selection in transition economies: China vs. Russia. *Organization Science,* 173-185.

Hitt, M.A. Ireland, R.D. Camp, S.M. & Sexton, D.L. (2001) Strategic entrepreneurship: entrepreneurial strategies for wealth creation, *Strategic Management Journal*, 22(6-7), 479-491.

Ho, Y.P. & Wong, P.K. (2007) Financing, regulatory costs and entrepreneurial propensity. *Small Business Economics*, 28(2), 187-204.

Hofer, C.W. & Bygrave, W.D. (1992) Researching entrepreneurship. *Entrepreneurship Theory and Practice,* 16(3), 91-100.

Hoffman, A. J. ( 1999) Institutional evolution and change: Environmentalism and the US chemical industry. *Academy of Management Journal,* 42(4), p. 351–371.

Hofstede, G. (1996) *Cultures and organisations*. Harper Collins, London.

Holcombe, R.G. (1998) Entrepreneurship and economic growth. *Quarterly Journal of Austrian Economics*, 1(2), 45-62.

Holland, D. Lachicotte W. Skinner, D. & Cain, C. (1998) Identity and agency in cultural worlds. [Online] Available http://www.infoamerica.org/documentos_pdf/holland02.pdf. [Accessed 1/8/2010].

Hollinshead, K. (2004b) A primer in ontological craft. *Qualitative research in tourism: Ontologies, epistemologies and methodologies*, 14, 63.

Hollinshead, K. (2004) Ontological craft in tourism studies. *Qualitative Research in Tourism: ontologies, epistemologies and methodologies,* 14, 83.

Hollnagel, E. (2006) Resilience: The challenge of the unstable. *In* Hollnagel, E., Woods, D.D. & Leveson, N. (eds) *Resilience Engineering: concepts and precepts.* Aldershot, UK: Ashgate.

Holm, P. (1995) The dynamics of institutionalization: Transformation processes in Norwegian fisheries. *Administrative Science Quarterly*, 40(3), 398-422.


Holm, P. (1995) The dynamics of institutionalization: Transformation processes in Norwegian fisheries. *Administrative Science Quarterly,* 40(3), 398-422.

Holstein, J.A. & Gubrium, J.F. (1994) Phenomenology, ethnomethodology, and interpretive practice. *Handbook of qualitative research*, 2, 262-272.

Holtz-Eakin, D. Joulfaian, D. & Rosen, H.S. (1994) Sticking it out: Entrepreneurial survival and liquidity constraints. *Journal of Political Economy*, 102, 1, 53-75.

Holtzhausen, S. (2001) Triangulation as a powerful tool to strengthen the qualitative research design: the Resource-based Learning Career Preparation Programme (RBLCPP) as a case study. *Proceedings at Higher Education Close Up Conference 2*, Lancaster University.

Hooi, L.W. (2006) Implementing e-HRM: The readiness of SME manufacturing company in Malaysia. *Asia Pacific Business Review*, 12(4), 465-485.

Hooks, G. (1990) The rise of the Pentagon and US state building: The defense program as industrial policy. *American Journal of Sociology*, 358-404.

Hopenhayn, H. & Rogerson, R. (1993) Job turnover and policy evaluation: a general equilibrium analysis. *Journal of Political Economy,* 915-938.

Hopenhayn, H.A. (1992) Entry, exit, and firm dynamics in long run equilibrium. *Journal of the Econometric Society*, 1127-1150.

Hopkins, A. (1973) An economic history of West Africa. London.

Hornaday, J. A. & Aboud, J. (1971) Characteristics of successful entrepreneurs. *Personal Psychology,* 24, 141-153.

Horne, J.F. III & Orr, J.E. (1998) Assessing Behaviors that Create Resilient Organisations. *Employment Relations Today,* 24(4): 29–39.

Hoselitz, B. F. (1960) The early history of entrepreneurial theory. In Spengler, J. J. & Allen, W.R. (eds.) *Essays in Economic Thought: Aristotle to Marshall*. Chicago: Rand McNally, 234–258.

Hoskisson, R.E. Johnson, R.A. Tihanyi, L. & White, R.E. (2005) Diversified business groups and corporate refocusing in emerging economies. *Journal of Management*, 31(6), 941-965.

Hsu, D.H. (2008) *Technology Based Entrepreneurship. Handbook of technology and innovation management.* Wiley: Chichester England.

Hull, D. Bosley, J. & Udell, G. (1980) Reviewing the heffalump: Identifying potential Entrepreneurs by Personality Characteristics. *Journal of Small BusinessManagement,* 18(1), 11-18.

Hunt, C.S. & Aldrich, H.E. (1996) Why even Rodney Dangerfield has a home page: Legitimizing the worldwide web as a medium for commercial endeavors. *Paper presented at the Annual meeting of the Academy of Management*, Cincinnati, Ohio.

Huntington, S. (1968) Political Order in Changing Societies. New Haven: Yale University Press.

Huse, M. & Landström, H. (1997) European entrepreneurship and small business research: Methodological openness and contextual differences. *International Studies of Management and Organization*, 27(3), 3–12.

Hussein, A. (2009) The use of Triangulation in Social Sciences Research: Can qualitative and quantitative methods be combined. *Journal of Comparative Social Work,* 1, 1-12.

Husserl, E. (1952) Ideen zu einer reinen Phänomenologie und phänomenologischen Philosophie. In Biemel, M. (Ed) *Zweites Buch: Phänomenologische Untersuchungen zur Konstitution. Husserliana IV*. The Hague: Nijhoff. (English translation in Husserl, 1989).

Husserl, E. (1913) Ideen zu einer reinen Phänomenologie und phänomenologischen Philosophie, Jahrbuch für Philosophie und phänomenologische Forschung, 1, 1–323.

Hutchful, E. (2002) *Ghana's adjustment experience: The paradox of reform*. Oxford: James Curry, London.

Hwang, H. & Powell, W.W. (2005) Institutions and entrepreneurship. *Handbook of entrepreneurship research*, 201-232.

Institute of Statistical, Social and Economic Research (ISSER) (2010), The State of The Ghanaian economy in 2009. Legon: ISSER, University of Ghana.

Institute of Statistical, Social, and Economic Research (ISSER) (2001) The State of the Ghanaian Economy in 2000. Legon: ISSER, University of Ghana.

Institute of Statistical, Social, and Economic Research (ISSER) (2005) The State of the Ghanaian Economy in 2004. Legon: ISSER, University of Ghana.

Institute of Statistical, Social, and Economic Research (ISSER) (2006) The State of the Ghanaian Economy in 2005. Legon: ISSER, University of Ghana.

Institute of Statistical, Social, and Economic Research (ISSER) (2009), The State of the Ghanaian Economy in 2008. Legon: ISSER, University of Ghana.

International Monetary Fund (IMF) (2009) Ghana: 2009 Article IV Consultation and a Request for a Three-Year Arrangement under the Poverty Reduction and Growth facility - Staff Report. *IMF Country Report* No. 09/256.

Ireland, R.D. Hitt, M.A. & Sirmon, D.G. (2003) A model of strategic entrepreneurship: the construct and its dimensions. *Journal of Management,* 29(6), 963-989.

Ireland, R.D., Hitt, M.A. & Vaidyanath, D. (2002) Alliance management as a source of competitive advantage. *Journal of Management,* 28 (3), 413-446.

Ismail, H., Poolton, J. & Sharifi, H. (2011) The Role of Agile Strategic Capabilities in Achieving Resilience in Manufacturing-based Small Companies. *International Journal of Production Research,* 49 (18), 5469-5487.

Jääskeläinen, M. (2000) Entrepreneurship and economic growth. *Institute of Strategy and International Business.* Helsinki University of Technology.

Jack, S.L. & Anderson, A.R. (2002) The effects of embeddedness on the entrepreneurial process. *Journal of business Venturing,* 17(5), 467-487.

Jackson, J.G. & Rashidi, R. (2001) *Introduction to African civilizations*. Citadel Press.

Jarillo, J.C. (1988) On strategic networks. *Strategic Management Journal,* 9(1), 31-41.

Jasper, M.A. (1994) Issues in phenomenology for researchers of nursing. *Journal of Advanced Nursing,* 19(2), 309-314.

Jennings, D.F. (1994) *Multiple Perspectives of Entrepreneurship: Text, Readings, and Cases*. South-Western Publishing Company. Cincinnati, Ohio.

Jennings, D.F. (1994) *Multiple perspectives of entrepreneurship: text, readings, and cases.* South-Western Publishers.

Jepperson, R.L. (1991) Institutions, institutional effects, and institutionalism. *The new Institutionalism in Organizational Analysis,* 6, 143-163.

Johannisson, B. (2000) Networking and entrepreneurial growth. *Handbook of entrepreneurship,* 368-386.

Johanson, J. & Mattsson, L.G. (1991) Inter-organizational relations in industrial systems: a network approach compared with the transaction-cost approach. *Markets, Hierarchies and Networks: The coordination of social life.* Företagsekonomiska institutionen.

Johnson, M. (1997) *What can be done about entrenched corruption?* World Bank.

Johnson, S. & McMillan, J. Woodruff, C (1999) Property rights, finance, and entrepreneurship. *CESifo working paper series,* 212.

Johnson, S. Kaufmann, D. & Shleifer, A. (1997) Politics and entrepreneurship in transition economies. *The William Davidson Institute working paper*, 57.

Johnson, S. McMillan, J. & Woodruff, C. (2002) Courts and relational contracts. *Journal of Law, Economics and Organization,* 18, 221-277.

Johnson, S. McMillan, J. & Woodruff, C. (2002) Courts and relational contracts. *Journal of Law, Economics, and Organization,* 18(1), 221-277.

Johnson, S., Kaufmann, D. & Zoido-Lobaton, P. (1998) Regulatory discretion and the unofficial economy. *The American Economic Review,* 88(2), 387-392.

Johnson, S., Kaufmann, D. &, Shleifer, A. (1997) Politics and Entrepreneurship in Transition Economies. *Working Paper No 57,* William Davidson Institute, University of Michigan

Jones, E. (1981) Role of the State in public enterprise. *Social and Economic Studies,* 17-44.

Kaish, S. & Gilad, B. (1991) Characteristics of opportunities search of entrepreneurs versus executives: sources, interests, general alertness. *Journal of Business Venturing,* 6, 45–61.

Kallon, K.M. (1990) *The economics of Sierra Leonean entrepreneurship*. University Press of America.

Kanniainen, V. & Vesala, T. (2005) Entrepreneurship and labor market institutions. *Economic Modelling*, 22(5), 828-847.

Kasper, W. & Streit, M.E. (1998) *Institutional economics: social order and public policy*. Wiley Online Library.

Katz, J.A. (2001) The Psychology Basis of Opportunity Identification: Entrepreneurial Alertness. *Journal of Small Business Economics,* 16 (2), 95-111.

Kaufmann, D. Kraay, A. & Mastruzzi, M. (2010) The Worldwide Governance Indicators: Methodology and Analytical Issues, *The World Bank Development Research Group Macroeconomics and Growth Team*. Washington, Policy Research Working Paper 5430.

Kearney, R. (1995) The continental philosophy reader. Routledge.

Kelman, S. (1987) Public choice and public spirit. *Public Interest*, 87(1), 80-94.

Kelmar, J. H. & Wingham, D.L.W. (1995) Determining the Relevant Factors in the Success Strategies of Small Enterprises. *The Journal of Entrepreneurship*, 4, 2.

Kemp, D. (1898) Nine years at the Gold Coast. Macmillan, London.

Kendra, J.M. & Wachtendorf, T. (2003) Elements of resilience after the world trade center disaster: reconstituting New York City's emergency operations centre. *Disasters*, 27 (1), 37-53.

Khanka, S.S. (1990) Entrepreneurship in small scale industries. Himalaya Pubishing House.

Khanna, T. & Palepu, K. (2000b) Is group affiliation profitable in emerging markets? An analysis of diversified Indian business groups. *The Journal of Finance,* 55(2), 867-891.

Khanna, T. & Palepu, K. (2000) Emerging market business groups, foreign intermediaries, and corporate governance. *NBER working paper,* 6955.

Khanna, T. & Rivkin, J.W. (2000) Ties that bind business groups: evidence from an emerging economy. Graduate School of Business Administration. Division of Research. Harvard University,

Kiggundu, M.N. (2002) Entrepreneurs and entrepreneurship in Africa: what is known and what needs to be done. *Journal of Developmental Entrepreneurship,* 7(3), 239-258.

Kilby, P. (1971) *Entrepreneurship and economic development*. New York, Free Press.

Killick, T. (1978) *Development economics in action: a study of development policy in Ghana*. New York, St. Martin's Press.

Killick, T. (2001) Poverty-Reducing institutional changes and PRSP Process: The Ghana Case. *UNU-WIDER, Discussion Paper* No. 2001/70. Helsinkin: Finland.

Kingdon, G. Sandefur, J. & Teal. F. (2006) Labour Market Flexibility, Wages and Incomes in Sub-Saharan Africa in the 1990s. *African Development Review*, 18 (3), 392–427.

Kirchhoff, B.A. (1994) *Entrepreneurship and Dynamic Capitalism: The economics of business firm formation and growth* Westport, CT: Praeger.

Kirzner, I. (1999) Rationality, Entrepreneurship and Economic Imperialism. In Dow, S.C. & Earl, P.E. (eds.). *Economic Organisation and Economic Knowledge: Essays in Honour of Brian Loasby*. Cheltenham: Elgar, 1-13.

Kirzner, I. M. (1973) *Competition and entrepreneurship*. Chicago: University of Chicago Press.

Kirzner, I.M. (2009) The alert and creative entrepreneur: a clarification. *Small Business Economics*, 32(2), 145-152.

Klapper, L. Laeven, L. & Rajan, R. (2006) Entry regulation as a barrier to entrepreneurship. *Journal of Financial Economics,* 82(3), 591-629.

Knight, F. H. (1921) *Risk, uncertainty, and profit.* New York, August M. Kelley.

Kobasa, S. C., Maddi, S. R., & Kahn, S. (1982). Hardiness and health: A prospective study. *Journal of Personality and Social Psychology,* 42,168-177

Koch, T. (2008). Interpretive approaches in nursing research: the influence of Husserl and Heidegger. *Journal of Advanced Nursing*, 21(5), 827-836.

Kockelmans, J.J. (1994) *Edmund Husserl's Phenomenology*. West Lafayette, Indiana: Purdue University Press.

Kodithuwakku, S.S. & Rosa, P. 2002, The entrepreneurial process and economic success in a constrained environment. *Journal of Business Venturing*, 17(5), 431-465.

Kogut, B. (1988) Joint ventures: Theoretical and empirical perspectives. *Strategic Management Journal*, 9(4), 319-332.

Kolavalli, S. Robinson, E. Diao, X. Alpuerto, V. Folledo, R. Slavova, M. Ngeleza, G. & Asante, F. (2012) Economic transformation in Ghana. Where will the path lead*?. IFPRI Discussion paper* 01161.

Kornai, J. (1992) The postsocialist transition and the state: reflections in the light of Hungarian fiscal problems. *The American Economic Review,* 82(2), 1-21.

Kostova, T. (1997) Country institutional profiles: concept and measurement. *Academy of Management*, 180-189.

Kotsios, P. (2010) Regulatory barriers to entry in industrial sectors. [Online] Available http://mpra.ub.uni-muenchen.de/27976/. [Accessed 4/5/2009].

Krause, D. (2005) *Timothy Findley's Novels between ethics and postmodernism*. Würzburg: Königshausen & Neumann.

Krauss, S.E. (2005) Research paradigms and meaning making: a primer. *The Qualitative Report*, 10(4), 758-770.

Kristiansen, S. (2001) Promoting African pioneers in business: what makes a context conducive to small-scale entrepreneurship? *Journal of Entrepreneurship*, 10(1), 43-69.

Kristiansen, S. (2004) Social networks and business success. *American Journal of Economics and Sociology,* 63(5), 1149-1171.

Krueger, A.O. (1974) The political economy of the rent-seeking society. *The American Economic Review,* 64(3), 291-303.

Krueger, N.F. & Brazeal, D.V. (1994) Entrepreneurial potential and potential entrepreneurs. *Entrepreneurship Theory and Practice,* 18.

Kuada, J. (2009) Gender, social networks, and entrepreneurship in Ghana. *Journal of African Business*, 10(1), 85-103.

Kuada, J.E. (1993) *Managerial behaviour in Ghana and Kenya: A cultural perspective.* Aalborg Universitetsforlag.

Kulakowski, E.C. & Chronister, L.U. (2006) *Research administration and management*. Jones & Bartlett Learning.

Kumar, R. Talton, J.O. Ahmad, S. & Klemmer, S.R. (2011) Bricolage: A Structured-Prediction Algorithm for Example-Based Web Design. Proc. CHI. [Online] Available http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.174.9027&rep=rep1&type=pdf. [Accessed 2/8/2013].

Kyro, P. & Kansikas, J. (2005) Current state of methodology in entrepreneurship research and some expectations for the future. *Entrepreneurship Research in Europe: Outcomes and Perspectives,* pp. 121-149.

La Porta, R. Lopez-de-Silanes, F. Shleifer, A. & Vishny, R. (1999) The quality of government. *Journal of Law, Economics, and organization,* 15(1), 222-279.

Lachman, R. (1980) Toward measurement of entrepreneurial tendencies. *Management International Review,* 20(2), 108-116.

Lamnek, S. (1989) *Qualitative sozialforschung, Band 2: methoden und techniken.* Psychologie Verlags Union.

Lau, C.M. Tse, D.K. & Zhou, N. (2002) Institutional forces and organizational culture in China: effects on change schemas, firm commitment and job satisfaction. *Journal of International Business Studies,* 33(3), 533-550.

Lawrence, T.B., Mauws M.K., Dyck, Bruno & Kleysen, R.F. (2005) The Politics of Organizatonal Learning: Integrating Power into the 4I Framework, *Academy of Management Review*, 20(1), 180-191.

Leca, B. Battilana, J. & Boxenbaum, E. (2008) Agency and institutions: A review of institutional entrepreneurship. [Online] Available http://egatwip.usaidallnet.gov/sites/default/files/Review%20of%20Institutional%20Entrepreneurship.pdf. Accessed [1/5/2014].

Lechner, C. & Dowling, M. (2003) Firm networks: external relationships as source for the growth and competitiveness of entrepreneurial forms. *Entrepreneurship & Regional Development,* 15.

Lee, R. M. & Fielding, N. (1996) Qualitative Data Analysis: representations of a Technology, a Comment on Coffey, Holbrook and Atkinson. Sociological Research Online [Online] Available http://www.socresonline.org.uk/1/4/lf.html#1.1. [Accessed: 16/9/2010].

Lee, S. McCann, D. & Messenger, J. (2007) *Working time around the world: Trends in working hours, laws and policies in a global comparative perspective*. London, Routledge & Geneva: International Labour Organization.

Leff, N.H. (1964) Economic development through bureaucratic corruption. *American Behavioral Scientist,* 8(3), 8-14.

Leibenstein, H. (1968) Entrepreneurship and development. *American Economic Review,* 63, 72-83.

Lejarraga, I. (2010) Roaring Tiger or Purring Pussycat: A Growth Diagnostic Study of Ghana. [Online] Available http://www.hks.harvard.edu/fs/drodrik/Growth%20diagnostics%20papers/Growth%20Diagnostics%20Ghana_December%202009.pdf. [Accessed 24/3/2014].

Lengnick-Hall, C.A. & Beck, T.E. (2009) Resilience capacity and strategic agility: Prerequisites forthriving in a dynamic environment. In Nemeth, C., Hollnagel, E. & Dekker, S. (eds). *Resilience Engineering perspectives.* Aldershot, UK: Ashgate.

Lengnick-Hall, C.A. & Beck, T.E., (2005) Adaptive Fit Versus Robust Transformations: How organizations respond to environmental change. *Journal of Management,* 31 (5), 738-757.

Lengnick-Hall, C.A., Beck, T.E. & Lengnick-Hall, M.L., (2011) Developing a capacity for organizational resilience through strategic human resource management. *Human Resource Management Review,* 21 (3), 243-255.

Levine, R. Loayza, N. & Beck, T. (2000) Financial intermediation and growth: causality and causes. *Journal of Monetary Economics,* 46(1), 31-78.

Levinthal, D.A. & March, J.G. (1981) A model of adaptive organizational search. *Journal of Economic Behaviour and Organization*, 2 (4), 307-333.

Levinthal, D.A. & March, J.G. (1993) The myopia of learning. *Strategic Management Journal*, 14 (S2), 95-112.

Levy, M., Loebbecke, C. & Powell, P. (2003) SMEs, co-opetition and knowledge sharing: the role of information systems. *European Journal of Information System*, 12 (1), 3-17.

Lewis, W.A. (1955) *The theory of economic growth*. Allen & Unwin London.

Leys, C. (1965) What is the Problem about Corruption? *Journal of Modern African Studies,* 3(2), 215-224.

Li, H. & Tan, K. (2004) SMEs business growth model: a medium to big effort. *International Journal of Management and Enterprise Development,* 1 (3), 195-207.

Li, H.-H.J.K., Tan, K.H. & Hida, A. (2011) Sustaining growth in electronic manufacturing sector: lessons from Japanese mid-size EMS providers. *International Journal of Production Research,* 49 (18), 5415-5430.

Li, J. Moy, J. Lam, K. & Chris Chu, W. L. (2008) Institutional pillars and corruption at the societal level. *Journal of Business Ethics,* 83(2), 327-339.

Liedholm, C. McPherson, M. & Chuta, E. (1994) Small enterprise employment growth in rural Africa. *American Journal of Agricultural Economics,* 76(5), 1177-1182.

Liles, P. R. (1974) New business ventures and the entrepreneur. Homewood IL: Irwin.

Lincoln, Y.S. & Guba, E.G. (1985) *Naturalistic inquiry.* Sage Publications, Inc.

Lincoln, Y.S. & Guba, E.G. (2003) Ethics: the failure of positivist science. In Lincoln, Y.S. & Denzin, N. K. (eds) *Turning Points in Qualitative Research: Tying Knots in a Handkerchief.* Walnut Creek, CA: AltaMira Press, 219-238.

Lincoln, Y.S. (2001) *Varieties of validity: quality in qualitative research.* New York, Agathon Press.

Littlechild, S. (1986) Three types of market process. In Richard N. L. (Ed) *Economics as a Process*. Cambridge, Cambridge University Press.

Loayza, N. Oviedo, A. & Serven, L. (2004) Regulation and macroeconomic performance. *World Bank Policy Research working paper, 3469.*

Loayza, N. Oviedo, A. & Serven, L. (2005) The impact of regulation on growth and informality cross-country evidence. *World Bank Policy Research working paper, 3623.*

Long, W. (1983) The meaning of entrepreneurship. *American Journal of Small Business,* 8(2), 47-59.

Louridas, P. (1999) Design as bricolage: anthropology meets design thinking. *Design Studies*, 20(6), 517–535.

Low, M. & MacMillan, I.C. (1988) ‘Entrepreneurship: Past Research and Future Challenges’, *Journal of Management*, 14(2), 139-161.

Low, M.B. & MacMillan, I.C. (1988) Entrepreneurship: past research and future challenges. *Journal of management*, 14(2), 139-161.

Low, M.B. (2001) The adolescence of entrepreneurship research: specification of purpose. *Entrepreneurship theory and practice*, 25(4).

Lumpkin, G.T. & Dess, G.G. (1996) Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, 135-172.

Luthar, S.S. Cicchetti, D. & Becker, B. (2000) The construct of resilience: A critical evaluation and guidelines for future work. *Child Development*, 71 (3), 543-562.

Madni, A.M. & Jackson, S. (2009) Towards a Conceptual Framework for Resilience Engineering. *IEEE Systems Journal*, 3 (2), 181-191.

Madni, A.M. & Jackson, S., 2009. Towards a Conceptual Framework for Resilience Engineering. *IEEE Systems Journal*, 3 (2), 181-191.

Madni, A.M. (2007) Designing for Resilience. *ISTI Lecture Notes on Advanced Topics in Systems Engineering*.

Maguire, S. & Hardy, C. & Lawrence, T.B. (2004) Institutional entrepreneurship in emerging fields: HIV/AIDS treatment advocacy in Canada. *Academy of Management Journal*, 47(5), 657-679.

Gajjala, V. (2006) The role of information and communication technologies in enhancing processes of entrepreneurship and globalization in Indian software companies. Available online http://www.ejisdc.org/ojs2/index.php/ejisdc/article/view/271/170. Accessed 3/6/2013.

Williams, C.C. & Nadin, S. (2010) Entrepreneurship and the informal economy: An overview. Journal of Developmental Entrepreneurship, 15(4), 361-378.

Tirupati, D. (2008) Role of technological innovations for competitiveness and entrepreneurship. *Journal of Entrepreneurship*, *17*(2), 103–115

Mair, J. & Marti, I. (2009) Entrepreneurship in and around institutional voids: a case study from Bangladesh. *Journal of Business Venturing*, 24(5), 419-435.

Malecki, E.J. (1997) Entrepreneurs, networks, and economic development: a review of recent research. In Katz, J.A. (ed) *Advances in Entrepreneurship, Firm Emergence and Growth.* London, JAI Press, 3, 57-118.

Malinowski, B. (1922) *Argonauts of the western Pacific.* New York: Dutton.

Manning, K., Birley, S. & Norburn, D. (1989) Developing a new ventures strategy. *Entrepreneurship: Theory and Practice*, 14(1), 68-76.

Manolova, T.S. Eunni, R.V. & Gyoshev, B.S. (2008) Institutional environments for entrepreneurship: evidence from emerging economies in Eastern Europe. *Entrepreneurship Theory and Practice*, 32(1), 203-218.

March, J.G. & Olsen, J.P. (1989) *Rediscovering institutions: The organizational basis of politics.* New York: Free Press.

Markus, H. & Zajonc, R.B. (1985) The cognitive perspective in social psychology. *Handbook of social psychology*, 1, 137-230.

Marschan-Piekkari, R. & Welch, C. (2004) *Handbook of qualitative research methods for international business*. MA: Edward Elgar Pub.

Marsden, K. (1983) African entrepreneurs - pioneers and development. *Small Scale Business Development*, (3(2), 15-25.

Mauro, P. (1995) Corruption and growth. *The Quarterly Journal of Economics*, 110(3), 681-712.

Mayer, J. (2010) Covert operations: The billonnaire brothers who are waging a war against Obama. [Online] Available http://www.newyorker.com/magazine/2010/08/30/covert-operations?currentPage=all. [Accessed 12/4/2014].

McCall, G.J. & Simmons, J.L. (1969) Issues in participant observation: A text and reader. MA, Addison-Wesley Reading.

McChesney, F.S. (1997) Purchasing Political Inaction: How Regulators Use the Threat of Legal Reform to Extort Payoffs. *Harvard Journal of Law & Public.Policy*, 21, 211.

McClelland, D. C. & Winter, D. G. (1971). *Motivating Economic Achievement.* New York: The Free Press.

McClelland, D. C. (1961) *The achieving society*. Princeton: Van Nostrand.

McClelland, D.C. Winter, D.G. & Winter, S.K. (1969) *Motivating economic achievement*. New York, Free Press.

Mcdonald, N. (2006) Organisational resilience and industrial risk. In Hollnagel, E., Woods, D.D. & Leveson, N. (eds) *Resilience Engineering: concepts and precepts*. Aldershot, UK: Ashgate.

McDonald, S. Gan, B. and. Anderson, A. (2004) Studying entrepreneurship: a review of methods employed in entrepreneurship research 1985-2004. *In the Proceedings of RENT XVIII, LOK Research Center*, Copenhagen.

McElwee, G. (2006) Farmers as entrepreneurs: developing competitive skills. *Journal of Developmental Entrepreneurship,* 11(3), 187-206.

McGrath, S. & King, K. (1999) Learning to Grow? The Importance of Education and Training for Small and Micro-enterprise development. In King, K. and McGrath, S. (eds.), *Enterprise in Africa: Between growth and poverty*. London, Intermediate Technology, 211–222.

Mcmanus, S., Seville, E., Brunsdon, D. & Vargo, J., (2007) Resilience Management: A framework for assessing and improving the resilience of organizations. New Zealand: Resilient Organisations.

McMillan, J. & Woodruff, C. (2002) The central role of entrepreneurs in transition economies. *The Journal of Economic Perspectives,* 16(3), 153-170.

McMillan, J. (2002) Reinventing the Bazaar. New York, Norton

McPherson, M.A. (1996) Growth of micro and small enterprises in southern Africa. *Journal of Development Economics*, 48(2), 253-277.

Mead, M. (1973) The art and technology of fieldwork. In Narroll, R. & Cohen, R. (eds.) *A handbook of method in cultural anthropology*. New York, Columbian Uniuversity Press, 246-265.

Mehlum, H. K. Moene and R. Torvik (2003) Predator or prey? Parasitic enterprises in economic development. *European Economic Review*, 47, 275-294.

Mensah-bonsu, C. & Jell, F. (2012) Obstacles to innovation and entrepreneurship in Ghana – an analysis of opportunities for sustainable development. In Wagner, M (Ed*) Entrepreneurship, innovation and sustainability*. Sheffield, Greenleaf Publishing.

Meyer, A.D. (1982) Adapting to environmental jolts. *Administrative Science Quarterly*, 27 (4), 515-537.

Meyer, G. D. Neck, H. M. & Meeks, M. D. (2002) The Entrepreneurship-Strategic Management Interface. In Hitt, M.A. Ireland, R.D. Camp, S.M. & Sexton. D.L. (eds.), *Strategic entrepreneurship: Creating a new mindset*. Oxford: Blackwell, 19-44.

Meyer, J. W. & Rowan, B. (1982) The structure of educational organlzatlons. In Meyer, J. W. & Scott, W. R. (Eds.) *Organizational environments: Ritual and rationality*. Beverly Hills, CA: Sage, 71-97.

Meyer, J. W., & Rowan, B. (1991). Institutionalized organizations: Formal structure as myth and ceremony. In Powell, W. W. & DiMaggio, P. J. (Eds.) *The new institutionalism in organizational analysis*. Chicago, University of Chicago Press, 41-62.

Meyer, J., Scott, W.R. and Deal, T. (1983) Institutional and technical sources of organizational structure: explaining the structure of educational organizations. In Meyer, J. & Scott, W. (eds), *Organizational Environments: Ritual and Rationality*, updated ed., Sage Publications, New York,NY, pp. 45-70.

Meyer, J.W. & Rowan, B. (1977) Intsitutionalized Organizations: Formal structures as myth and ceremony. American Journal of Sociology, 83(2), 340-363.

Meyer, J.W. & Scott, W.R. (1983) The organization of societal sectors. In Meyer, J.W. & Scott, R (eds) *Organizational environments: Ritual and rationality*. Beverly Hills, CA: Sage, 129-153.

Meyer, K.E. & Peng, M.W. (2005) Probing theoretically into Central and Eastern Europe: Transactions, resources, and institutions. *Journal of International Business Studies*, 36(6), 600-621.

Meyer, K.E. (2001) Institutions, transaction costs, and entry mode choice in Eastern Europe. *Journal of International Business Studies*, 357-367.

Meyer, K.E. Estrin, S. Bhaumik, S.K. & Peng, M.W. (2009) Institutions, resources, and entry strategies in emerging economies. *Strategic Management Journal*, 30(1), 61-80.

Michael, R.S. (2002) Inquiry and Scientific Method. [Online] Available www.indiana.edu/~educy520/sec5982/.../inquiry_sci_method02.pdf [Accessed 2/3/2012].

Michaelas, N. Chittenden, F. & Poutziouris, P. (1999) Financial policy and capital structure choice in UK SMEs: empirical evidence from company panel data. *Small Business Economics*, 12(2), 113-130.

Miles, M.B. & Huberman, A.M. (1984) Drawing valid meaning from qualitative data: toward a shared craft. *Educational Researcher*, 13(5), 20-30.

Miles, M.B. & Huberman, A.M. (1994) *Qualitative data analysis: an expanded sourcebook.* CA: SAGE publications, Inc.

Miles, R.E. & Snow, C.C., (1978) *Organizational Strategy, structure and process*. New York: McGraw-Hill.

Miles, R.H. & Cameron, K.S., (1977) Coffin nails and corporate strategies. *Working paper No.3*, Yale University: School of Organization and Management.

Mishra, P.K. Mishra, U.S. Mishra, B.R. Mishra, P. (2010), Capital market efficiency and economic growth: the case of India. *European Journal of Economic, Finance and Administrative Science,* 27.

Mohrman, S. A. & Worley, C. G. (2009) Dealing with rough times: A capabilities development approach to surviving and thriving. *Human Resource Management,* 48(3), 433-445.

Moore, T. (1987) Old-line industry shapes up. *Fortune,* 115(9), 23-32.

Moran, D. (2000) Heidegger’s Critique of Husserl’s and Brentano’s accounts of Intentionality. *Inquiry,* 43(1), 39-65.

Moran, D. (2000) *Introduction to phenomenology*. Routledge.

Moran, D. (2005) *Edmund Husserl: founder of phenomenology*. MA: Polity Press.

Morgan, D.L. (1993) Qualitative content analysis: a guide to paths not taken. *Qualitative Health research*, 3(1), 112.

Morrison, A. (2000) Entrepreneurship: What triggers it? *International Journal of Entrepreneurial Behaviour & Research*, 6(2), 59-71.

Munir, K. & Phillips, N. (2005) The birth of the “Kodak Moment”: Institutional entrepreneurship and the adoption of new technologies. *Organization Studies*, 26(11), 1665-1687.

Munir, K.A. (2002) Being different: how normative and cognitive aspects of institutional environments influence technology transfer. *Human Relations,* 55(12), 1403-1428.

Murphy, K.M. Shleifer, A. and Vishny, R. W. (1991) The Allocation of Talent: implications for Growth. *Quarterly Journal of Economics,* 503-530

Mutch, A. (2007). Reflexivity and the institutional entrepreneur: a historical exploration. *Organization studies,* 28(7), 1123-1140.

Myers, S.C. (1977) Determinants of corporate borrowing. *Journal of Financial Economics,* 5(2), 147-175.

Narayanan, V. & Fahey, L. (2005) The relevance of the institutional underpinnings of Porter's five forces framework to emerging economies: an epistemological analysis. *Journal of Management Studies,* 42(1), 207-223.

Nathanael, D. & Marmaras, N. (2006) The interplay between work practices and prescription: a key issue for organizational resilience. In Hollnagel, E. & Rigaud, E. (eds) *2nd Symposium on Resilience Engineering.* Antibes Juan-Les-Pins, 229-237.

Natkhov, T. and Polishchuk, L. (2012) Institutions and the Allocation of Talent. *Higher School of Economics Research Paper, working paper,*15.

Neergaard, H. and Ulhøi, J.P. (2007) Introduction: methodological variety in entrepreneurship research. In Neergaard, H., & Ulhøi, J.P. (Eds.) *Handbook of qualitative research methods in entrepreneurship*. Edward Elgar publishing Ltd, Cheltenham, 1-14.

Ninsin, K. A. (1989)The Land Question since the 1950s. In Hansen E. & Ninsin K. A. (Eds) *The State, development and politics in Ghana*. London, CODESRIA Book Series.

Nkya, E.J. (2003) Institutional barriers to small-scale business development: a need for flexibility in Tanzanian tax and regulatory systems. *Journal of Entrepreneurship,* 12(1), 43-73.

North, D.C. (1981) *Structure and change in economic history*. Norton New York.

North, D.C. (1988) Ideologyn and political/economic institutions. *Cato Journal,* 8(1), 15-28.

North, D.C. (1990) *Institutions, institutional change and economic performance.* MA: Cambridge University Press.

North, D.C. (1991) Institutions. *Journal of Economic Perspectives,* 5(1), 97-112.

North, D.C. (1994) Economic performance through time. *The American Economic Review,* 84(3), 359-368.

Novogratz, J. (2007) Meeting urgent needs with patient capital. *Innovations: Technology, Governance, Globalization,* 2(1-2), 19–30.

O'Driscoll, Gerald P. and Mario R. (1985) *The Economics of Time and Ignorance*. Oxford: Basil Blackwell.

O'Farrell, P. N. O. & Hitchins, D. M. W. N. (2002) Alternative Theories of Small Firm Growth. In Morris F. & Krueger (ed.) *Entrepreneurship: Critical Perspectives on Business and Management*. London: Routledge.

Obeng, B.A. & Anderson, A. (2010) The social constraints on entrepreneurship in a poor Ghanaian fishing community. [Online] Available http://whitman.syr.edu/programs-and-academics/centers-and-institutes/abp/conference/papers/The%20Social%20Constraints%20on%20Entrepreneurship%20in%20a%20Poor%20Ghanaian%20Fishing%20Community.pdf. [Accessed 11/5/2009].

Ogbor, J.O. (2000) Mythicizing and reification in entrepreneurial discourse: Ideology-critique of entrepreneurial studies. *Journal of Management Studies*, **37**(5), 605-635.

Oiler, C.J. (1986) Phenomenology: the method. *Nursing research: A qualitative perspective*, 69-84.

Okhomina, D.A. (2010) Entrepreneurial postures and psychological traits: the sociological influences of education and environment. [Online] Available http://www.aabri.com/manuscripts/10464.pdf. [Accessed 13/5/2014].

Okun, A.M. (1981) *Prices and quantities: A macroeconomic analysis*. Brookings Institute Press.

Oliver, C. (1990) Determinants of interorganizational relationships: integration and future directions. *Academy of Management Review*, 15(2), 241-265.

Oliver, C. (1991) Strategic responses to institutional processes. *Academy of management Review*, 145-179.

Oliver, C. (1992) The antecedents of deinstitutionalization. *Organization Studies*, 13(4), 563-588.

Olson, M. (1982) *The rise and decline of nations*. New Haven: Yale University Press.

Olson, M. (2000) Power and prosperity: Outgrowing communist and capitalist dictatorships New York, Basic Books.

Omar, S. S. & Ismail, M. (2009) The Background and Challenges Faced by the Small Medium Enterprises. A Human Resource Development Perspective. *Journal of Business and Management*, 4(10).

Omery, A. & Mack, C. (1995) Phenomenology and science. In Omery, A. Kasper, C.E. & Page, G. *In search of nursing science*. California,Sage, 139-158.

Omery, A. (1983) Phenomenology: a method for nursing research. *Advances in nursing science*, 5(2), 49-64.

Opoku, D.K. (2010) From a ‘success’ story to a highly indebted poor country: Ghana and neoliberal reforms. *Journal of Contemporary African Studies*, 28(2), 155-175.

Osei-Hwedie, K. & Osei-Hwedie, B.Z. (2000) The political, economic, and cultural bases of corruption in Africa. In Hope, K.R. & Chikulo, B.C (Eds) *Corruption and development in Africa: lessons from country case studies.* Palgrave, 40-45.

Osland, J.S. Bird, A. Delano, J. & Jacob, M. (2000) Beyond sophisticated stereotyping: cultural sensemaking in context [and Executive Commentaries]. *The Academy of Management Executive*, 65-79.

Ostgaard, T.A. & Birley, S. (1996) New venture growth and personal networks. *Journal of Business Research,* 36(1), 37-50.

Overå, R. (2001) Institutions, mobility and resilience in the Fante migratory fisheries of West Africa. *Chr Michelsen Institute working paper, 2001/2.*

Oviedo Silva, A.M. (2006) Regulation, Institutions, and Productivity Growth. Unpublished PhD Thesis, University of Maryland.

Oviedo, A.M. (2004) The Burden of Regulation on Young Firms: A Cross-Country Evaluation. University of Maryland, Department of Economics.

Owusu, F. (2008) Urban impoverishment and multiple modes of livelihood in Ghana. *The Canadian Geographer,* 45(3), 387-403.

Oyelaran-Oyeyinka, B. & Barclay, L.A. (2004) Human capital and systems of innovation in African Development. *African Development Review,* 16(1), 96-138.

Ozsoy, O. Oksoy, D. & Kozan, K (2001) *The Characteristics of Turkish Entrepreneurs and Their Enterprises.* Long Island, NY: Alfred University.

Packer, M.J. & Addison, R.B. (1989). *Entering the circle: Hermeneutic investigation in psychology.* SUNY Press

Padgett, D. & Allen, D. (1997). Communicating experiences: A narrative approach to creating service brand image. *Journal of Advertising,* 26(4), 49-62.

Pagano, M. (1993) Financial markets and growth: an overview", *European Economic Review,* 37(2-3), 613-622.

Pal, R. (2013) Organizational resilience through crisis strategic planning. Unpublished PhD Thesis, Tampere University of Technology.

Paley, J. (1997). Husserl, phenomenology and nursing. *Journal of Advanced Nursing,* 26(1), 187-193.

Pariès, J. (2006) Complexity, emergence, resilience. In Hollnagel, E., Woods, D.D. & Leveson, N. (eds) *Resilience Engineering: concepts and precepts.* Aldershot, UK: Ashgate.

Park, R.E. & Burgess, E.W. (1984) The city. University of Chicago Press.

Parker, D. and Stead, R. (1991) *Profit and enterprise: the political economy of profit*. New York, Harvester Wheatsheaf.

Parker, S. Brown, R. Child, J. & Smith, M. (1972) *The sociology of industry*. George Allan and Unwin, London.

Parker, S.C. (2004) *The economics of self-employment and entrepreneurship*. Cambridge University Press.

Patton, E. & Appelbaum, S.H. (2003) The case for case studies in management research. *Management Research News,* 26(5), 60-71.

Patton, M. Q. (2002) *Qualitative Research and Evaluation Methods*. 3rd edition. Thousand Oaks, CA, Sage Publications.

Patton, M.Q. (1990) *Qualitative evaluation and research methods*. 2nd edition. Newbury Park, CA, Sage.

Pavard, B. Dugdale, J. Saoud, N.B.B. Darcy, S. & Salembier, P. (2006) Design of robust socio-technical systems. *2nd Symposium on Resilience Engineering.* Juan-les-Pins, France.

Pehrsson, A. (2009) Barriers to entry and market strategy: a literature review and a proposed model. *European Business Review,* 21(1), 64-77.

Peng, M. W. (1994) Organizational changes in planned economies in transition: an eclectic model. *Advances in international comparative management*, 9, 223-251.

Peng, M.W. & Heath, P.S. (1996) The growth of the firm in planned economies in transition: institutions, organizations, and strategic choice. *Academy of Management Review,* 492-528.

Peng, M.W. & Zhou, J.Q. (2005) How network strategies and institutional transitions evolve in Asia. *Asia Pacific Journal of Management*, 22(4), 321-336.

Peng, M.W. (2003) Institutional transitions and strategic choices", *Academy of Management Review,* 28(2), 275-296.

Pennings, J.M. (1982) Organizational birth frequencies: An empirical investigation. *Administrative Science Quarterly,* 120-144.

Penrose, E.T. (1959) *The theory of the growth of the firm* Oxford: Oxford University Press.

Penrose, E.T. (1959) *The Theory of the Growth of the Firm*. Oxford: Basil Blackwell.

Penrose, E.T. (1995) The theory of the growth of the firm. In Foss, N.J. (ed) *Resources, Firms, and Strategies: A Reader in the Resource-Based Perspective.* Oxford: Oxford University Press.

Persson, T. & Tabellini, G. (2006) Democratic capital: The nexus of political and economic change. *American Economic Journal,* 1(1), 88-126.

Pettit, P. (1969) *On the idea of phenomenology*. Dublin, Scepter Books.

Pettit, T.J., Fiksel, J. & Croxton, K.L. (2010) Ensuring supply chain resilience: Development of a conceptual framework. *Journal of Business Logistics,* 31 (1), 1-22.

Pettit, T.J., Fiksel, J. & Croxton, K.L., (2010) Ensuring supply chain resilience: Development of a conceptual framework. *Journal of Business Logistics,* 31 (1), 1-22.

Pfeffer, J. & Salancik, G. R. (1978) *The external control of organizations*. New York, Harper & Row

Phillips, N, Lawrence, T.B. & Hardy, C. (2004) Discourse and institutions. *Academy of Management Review,* 29(4), 635-652.

Pigou, A. (1938) *Discriminating monopoly. In The Economics of Welfare*. 4th edition. London, Macmillan.

Pittaway, L. (2003) Paradigms as heuristics: a review of the philosophies underpinning economic studies in entrepreneurship. *Working Paper, 2003/053*. Lancaster University Management School.

Plambeck N. (2011) The development of new products: The role of firm context and managerial cognition. *Journal of Business Venturing*, 27(6), 607-621.

Polyani, K. (1944) *The great transformation.* New York, Rinehart.

Ponis, S.T. (2012) Supply chain resilience: Definition of concept and its formative elements. *The Journal of Applied Business Research,* 28(5), 921-930.

Ponomarov S.Y. & Holcomb M. (2009) Understanding the concept of supply chain resilience, *The International Journal of Logistics Management,* 20(1), 124-143.

Porta, R.L. Lopez-de-Silane, F. Shleifer, A. & Vishny, R.W. (1997) Legal determinants of external finance. *The Journal of Finance*, 3, 1131-1150.

Powell, W.W. (2003) Neither market nor hierarchy: network forms of organization. In Handel. M.J. (ed) *The sociology of organizations: classic, contemporary, and critical readings.* Thousand Oak, CA, Sage Publications, Inc.

Powell, W.W. (2007) The new institutionalism. The International Encyclopedia of Organization Studies. Sage Publications.

Powell, W. W. (1990) Neither Market nor Hierarchy: Network Forms of Organization. *Research in Organizational Behavior*, JAI Press, 12, 295-336.

Preble, J.F., (1997) Integrating the crisis management perspective into the strategic management process. *Journal of Management Studies,* 34 (5), 769–789.

Proctor, R. N. (1991) *Value-Free Science? Purity or Power in Modern Knowledge*. Cambridge, MA, Harvard University Press.

Puffer, S.M. Levintan, V. Walck, C.L. & Waterman, M. (1994) Understanding the Bear: a portrait of Russian business leaders. *The Academy of Management Executive,* 41-61.

Quartey, P. (2001) "The impact of regulation & competition on SME development", *DSA Conference on Different Poverty, Different Policies,* Manchester.

Racher, F.E. & Robinson, S. (2003) Are phenomenology and postpositivism strange bedfellows? *Western Journal of Nursing Research,* 25(5), 464-481.

Rae, D. (2000) Understanding entrepreneurial learning: a question of how? *International Journal of Entrepreneurial Behaviour and Research*, 6(3), 145-159.

Rae, D. and Carswell, M. (2000) Using a life-story approach in researching entrepreneurial learning: the development of a conceptual model and its implications in the design of learning experiences. *Education and Training,* 42(4/5), 220-227.

Rajan, R.G. & Zingales, L. (1998) Which capitalism? Lessons from the East Asian crisis. *Journal of Applied Corporate Finance,* 11(3), 40-48.

Ramachandran, V. & Shah, M.K. (1999) Minority entrepreneurs and firm performance in Sub-Saharan Africa. *The Journal of Development Studies*, 36(2), 71-87.

Rauch, A. & Frese, M. (2000) Psychological Approaches to Entrepreneurial Success: A general Model and an Overview of Findings. In Cooper, C.L. & Robertson, I.T (eds.) *International Review of Industrial and Organizational Psychology,* Wiley, Chischester.

Ray, M.A. (1994) The richness of phenomenology: philosophic, theoretic, and methodologic concerns. *Critical Issues in Qualitative Research Methods,* 117-133.

Reason, P. & Rowan, J. (1981) Issues of validity in new paradigm research. *Human inquiry: A sourcebook of new paradigm research,* 239-252.

Redek, T. & Sušjan, A. (2005) The impact of institutions on economic growth: the case of transition economies. *Journal of Economic Issues,* 995-1027.

Rehn, A. & Taalas, S. (2004) Crime and assumptions in entrepreneurship. In Hjorth, D. & Steyaert, C (eds) *Narrative and Discursive Approaches in Entrepreneurship: A Second Movements in Entrepreneurship Book,* Northampton, MA, Edgar Elgar, 144-159.

Reilly, M.D. (1990) Free elicitation of descriptive adjectives for tourism image assessment. *Journal of Travel Research,* 28(4), 21-26.

Reinmoeller, P. & Baardwijk, N.V. (2005) The Link between Diversity and Resilience. *MIT Sloan Management Review,* 46 (4), 61-65.

Reinmoeller, P. & Baardwijk, N.V. (2005) The Link between Diversity and Resilience. *MIT Sloan Management Review,* 46 (4), 61-65.

Remmer K. L. (2004) Does foreign aid promote the expansion of Government?. *Am. J. Polit. Sci.,* 48, 77-92

Riley, R.W. & Love, L.L. (2000) The state of qualitative tourism research*. Annals of Tourism Research*, 27(1), 164-187.

Riley, R.W. (1996) Revealing socially constructed knowledge through quasi-structured interviews and grounded theory analysis. *Journal of Travel & Tourism Marketing,* 5(1-2), 21-40.

Robb, D. (2000) Building Resilient Organizations. *OD Practitioner,* 32 (3), 27-32.

Robbins, D.K. & Pearce, J.A., II. (1993) Entrepreneurial retrenchment among small manufacturing firms. *Journal of Business Venturing*, 8(4):301-318.

Robinson, J. (n.d) An economic sociology of entry barriers. [Online] Available http://www.jeffreyrobinsonphd.com/robinson-chapter2.pdf. [Accessed 1/5/2014].

Robson, C. (2002) *Real world research: a resource for social scientists and practitioner-researchers.* Oxford, Blackwell.

Robson, P.J.A. & Obeng, B.A. (2008) The barriers to growth in Ghana. *Small Business Economics,* 30(4), 385-403.

Rodrik, D (1999) Making openness work: the new global economy and the Developing Countries. *The Overseas Development Council,* Washington, D.C.

Rodrik, D. (1995) Political economy of trade policy. *Handbook of International Economics,* 3, 1457-1494.

Rodrik, D. (1999) The new global economy and developing countries: Making openness work. Policy Essay No. 24, *Overseas Development Council*, Washington DC

Rohmeyer, P. & Ben Zvi, T. (2009) Risk Management Decision Making in ICT for Development. *2nd Annual SIG Global Development Workshop*, [Online] Available http://www.globdev.org/files/proceedings2009/12_FINAL_Rohmeyer_RiskManagementDecisio nMaking_2009.pdf. [Accessed 11/10/2014].

Röller, L.H. & Waverman, L. (2001) Telecommunications infrastructure and economic development: A simultaneous approach. *American Economic Review*, 909-923.

Rose, P. Beeby, J. & Parker, D. (2008). Academic rigour in the lived experience of researchers using phenomenological methods in nursing in nursing. *Journal of Advanced Nursing,* 21(6), 1123-1129.

Rosell, J., and Viladomiu, L. (2001) Empresariado y Políticas de Apoyo a las Empresas en una Zona Rural con Tradición Industrial. *Paper presented at the 73rd EAAE Seminar*. Zaragoza, Spain.

Roy, M.A & Wheeler, D. (2006) A survey of micro-enterprise in Urban West Africa: Drivers shaping the sector. *Dev Pract*, 16(5), 452-464.

Rondinelli, D. A. & Kasarda, J. D. (1992) Foreign trade potential, small enterprise development and job creation in developing countries. *Small Business Economics*, 4(4), 253-265.

Demascus, D. (2013) Entrepreneurship: Persistence is the name of the game. [Online] Available http://elitedaily.com/money/entrepreneurship/entrepreneurship-persistence-is-the-name-of-the-game/. [Accessed 1/6/2014].

Artinger, S. Vulkan, N. & Shem-Tov, Y. (2013) Entrepeeurs' negotiation behaviour. [Online] Available http://www.uu.nl/SiteCollectionDocuments/REBO/REBO_USE/REBO_USE_OZZ/SemSerieSpring2014/Artinger_Vulkan_Shem-Tov%202013.pdf. [Accessed 7/5/2013].

Roy, W.G. (1997) *Socializing capital. The rise of the large industrial corporation in America*. UK, Cambridge University Press.

Ruane, J.M. (2004) *Essentials of research methods: a guide to social research.* Wiley-Blackwell.

Ruef, M. & Scott, W.R. (1998) A multidimensional model of organizational legitimacy: Hospital survival in changing institutional environments. *Administrative Science Quarterly*, 877-904.

Ryan, C. & Cave, J. (2005) Structuring destination image: a qualitative approach. *Journal of Travel Research,* 44(2), 143-150.

Ryan, C. & Higgins, O. (2006) Experiencing cultural tourism: Visitors at the Maori arts and crafts institute, New Zealand. *Journal of Travel Research,* 44(3), 308-317.

Sadan, E. & Churchman, A. (1997) Process-focused and product-focused community planning: two variations of empowering professional practice. *Community Development Journal,* 32(1), 3-16.

Sakyi, D. (2010) Trade openness, foreign aid and economic growth in post liberalisation Ghana: An application of ARDL bounds test. *Journal of Economics and International Finance,* 3(3), 146-156.

Salancik, G.R. & Pfeffer, J. (1978) A social information processing approach to job attitudes and task design. *Administrative Science Quarterly,* 23 (2), 224-253.

Sanchez, R. (1995) Strategic flexibility in product competition. *Strategic Management Journal*, 16, 135-159.

Sarantakos, S. (2005) *Social research*. 3rd edition. Hampshire, Palgrave Macmillan.

Sarasvathy, S.D. (1999) Seminar on research perspectives in entrepreneurship. *Journal of Business Venturing,* 15(1), 1-57

Sauka, A. (2008). Productive, unproductive and destructive entrepreneurship: a Theoretical and Empirical Exploration. *William Davidson Institute Working Paper,* 917.

Sauka, A., and F. Welter (2007) Productive, unproductive and destructive entrepreneurship in an Advanced Transition Setting: the example of Latvian Small Enterprises. In M. Dowling, M. and Schmude, J (eds.). *Empirical Entrepreneurship in Europe: New Perspectives*. Cheltenham, UK, Edward Elgar, 87-105.

Schaffir, W. & Stebbins, R. (1991) *Experiencing fieldwork.* Newbury Park, CA, Sage Publications.

Schatzman L. & Strauss A.L. (1973) *Field Research: Strategies for a Natural Sociology*. Englewood Cliffs, NJ, Prentice Hall.

Schumpeter, J.A. (1934) *The Theory of Economic Development.* Harvard University Press.

Schumpeter, J.A. (1961) *The Theory of Economic Development*. New York: Oxford University Press.

Schumpter, J.A. (1976) *Capitalism, socialism and democracy.* New York: Allen & Unwin.

Schutz, A. & Natanson, M. (1973) *Collected Papers: The Problem of Social Reality*. The Netherlands: Martinus Nijhof Publishers.

Schwandt, T. A. (1994) Constructivist, interpretivist approaches to human inquiry. In Denzin, N.K. & Lincoln, Y.S. (eds) *Handbook of Qualitative Research*. London, Sage Publications.

Scott, M., F. Akin and S. Kodithuwakku (1997). Tackling adversity with diversity. In Birley, S. & Muzyka, D.F. (eds) *Mastering Enterprise: your single-source guide to becoming an entrepreneur (FT Mastering Series).* London, Pitman Publishing.

Scott, W. R. (1991) Unpacking institutional arguments. In Powell, W.W. & DiMaggio, P.J. (Eds) *The New Institutionalism in Organizational Analysis.* Chicago, University of Chicago Press.

Scott, W. R. (2001) *Institutions and organizations*. 2nd edition. Thousand Oaks, CA, Sage

Scott, W.R. (1987) The adolescence of institutional theory. *Administrative Science Quarterly*, 493-511.

Scott, W.R. (1994) *Institutions and organizations: toward a theoretical synthesis*. Thousand Oaks, CA, Sage.

Scott, W.R. (1995) *Institutions and Organizations*. Thousand Oaks, CA, Sage.

Scott, W.R. (2003) Institutional carriers: reviewing modes of transporting ideas over time and space and considering their consequences. *Industrial and Corporate Change,* 12(4) 879-894.

Scott, W.R. (2008) Approaching adulthood: the maturing of institutional theory. *Theory and Society*, 37(5), 427-442.

Seale, C. (1999) Quality in qualitative research. *Qualitative inquiry*, 5(4), 465-478.

Seelos, C. Mair, J. Battilana, J. & Dacin, M.T. (2010) The embeddedness of social entrepreneurship: Understanding variation across local communities. [Online] Available http://www.iese.edu/research/pdfs/DI-0858-E.pdf. Accessed 2/5/2014.

Segura, E. (1988) Industrial, trade, and financial sector policies to foster private private enterprises in developing countries. *Columbia Journal of World Business*, 16(3), 26-36.

Selznick, P. (1949) *TVA and the grass roots: a study in the sociology of formal organization.* University of California Press.

Selznick, P. (1984) *Leadership in administration: A sociological interpretation.* University of California Press.

Seo, M. & Douglas Creed, W.E. (2002) Institutional contradictions, praxis and institutional change: A dialectical perspective. *Academy of Management Review*, 27(2), 222-247.

Sexton D. L. & N. B. Bowman (1983). Comparative entrepreneurship characteristics of students: Preliminary results. In Hornaday, J. Timmons, J. & Vesper, K (eds.) *Frontiers of entrepreneurship research*. Wellesley, MA: Babson Center for Entrepreneurial Studies.

Sexton, D. L. & Smilor. R. W. (1985) Introduction. In Sexton, D.L. & Smilor, R.W. (eds.) *The Art and Science of Entrepreneurship*. Cambridge, MA: Ballinger.

Shane, S. & Eckhardt, J. (2003) The individual-opportunity nexus. In Acs, Z.J. & Audretsch, D.B. (eds.) *Handbook of Entrepreneurship Research*. Dordrecht, NL: Kluwer, 161-194

Shane, S. & Venkataraman, S. (2000) The promise of entrepreneurship as a field of research. *Academy of Management Review*, 217-226.

Shane, S. (2000) Prior Knowledge and the Discovery of Entrepreneurial Opportunities. *Organization Science*, 11(4), 448-469.

Shane, S.A. (2003) *A general theory of entrepreneurship: the individual-opportunity nexus.* Edward Elgar Pub.

Shank, G. (2002) Qualitative Research: a personal skills approach. Upper Saddle River, NJ, Merrill Prentice Hall.

Shapero, A. (1975) Entrepreneurship and economic development. Entrepreneurship and enterprise development: a worldwide perspective. *Proceedings of Project ISEED*, Milwaukee, WI.

Sheffi, Y. (2007) *The Resilient Enterprise: Overcoming Vulnerability for Competitive Advantage*. Cambridge, MA: MIT Press.

Sheffi, Y. (2007) *The resilient enterprise: Overcoming vulnerability for competitive advantage*. Cambridge, MA: MIT Press.

Shenton, A.K. (2004) Strategies for ensuring trustworthiness in qualitative research projects. *Education for Information* (22), 63-75.

Shepherd, W. (1979) *The Economics of Industrial Organization.* Englewood Cliffs, N.J.: Prentice-Hall, Inc

Shepsle, K.A. & Bonchek, M.S. (1997) *Analyzing politics: rationality, behavior, and institutions.* New York, WW Norton & Company.

Shleifer, A. & Vishny, R. (1997) A survey of corporate governance. *Journal of Finance*, 52, 737-783.

Shleifer, A. & Vishny, R.W. (1993) Corruption. *The Quarterly Journal of Economics, 3.*

Shleifer, A. & Vishny, R.W. (1994) Politicians and firms. *The Quarterly Journal of Economics*, 109(4), 995-1025.

Silverman, D. (2001) *Interpreting qualitative Data: methods for analyzing talk, text and interaction.* London, Sage Publications Ltd.

Simon, H.A. (1957) *Administrative behavior.* Cambridge Univ Press.

Simpson, J.L. (2010) Were there warning signals from banking sectors for the 2008/2009 global financial crisis? *Applied Financial Economics,* 20(1-2), 45-61.

Sine, W.D. Haveman, H.A. & Tolbert, P.S. (2002) Institutional influences on founding variation in the emerging independent power industry. *Working paper*. University of Maryland.

Singh, J. V. Tucker, D. J. & Meinhard, A. G. (1991). Institutional change and ecological dynamics. In Powell, W. W. & DiMaggio, P. J. (Eds.) *The new institutionalism in organizational analysis*. Chicago, University of Chicago Press, 390-422.

Slatter, S.P. (1984) Corporate Recovery: Successfil Turnaround Strategies and Their Implementation. Singapore: Penguin.

Slife, B.D. & Williams, R.N. (1995) What's behind the research? Discovering hidden assumptions in the behavioral sciences. Sage Publications, Inc.

Smallbone, D. & Welter, F. (2001) The distinctiveness of entrepreneurship in transition economies. *Small Business Economics,* 16(4), 249-262.

Smallbone, D. & Welter, F. (2006) Conceptualising entrepreneurship in a transition context. *International Journal of Entrepreneurship and Small Business*, 3(2), 190-206.

Smallbone, D. Leig, R. & North, D. (1995) The characteristics and strategies of high growth SMEs. *International Journal of Entrepreneurial Behaviour & Research,* 1(3), 44-62.

Smart, C. & Vertinsky, I. (1984) Strategy and the environment: A study of corporate responses to crises. *Strategic Management Journal,* 5(3),199-213.

Smith, A. (1905) *An Inquiry into the Nature and Causes of the Wealth of Nations.* New York, P.F. Collier & Son.

Smith, D. & Fischbacher, M., (2009) The changing nature of risk and risk management: The challenge of borders, uncertainty and resilience. *Risk Management: An International Journal*, 11 (1), 1-12.

Smith, K.G. Gannon M.J. and Sapienza, H.J. (1989) Selecting methodologies for entrepreneurship research: trade-offs and guidelines *Entrepreneurship Theory and Practice*, 14(1), 39-49.

Sokolowski, R. (1999) *Introduction to phenomenology.* Cambridge University Press.

Sørensen, J.B. (2007) Bureaucracy and entrepreneurship: Workplace effects on entrepreneurial entry. *Administrative Science Quarterly,* 52(3).

Sorenson, O. (2003) Social networks and industrial geography. *Journal of Evolutionary Economics,* 13(5), 513-527.

De Soto, H.D.E. (1989*) The other path: the invisible revolution in the Third World*. New York, Harper & Row.

De Soto, H.D.E. (2000) *The mystery of capital: why capitalism triumphs in the West and fails everywhere else.* London, Black Swan.

Spencer, J.W. & Gomez, C. (2004) The relationship among national institutional structures, economic factors, and domestic entrepreneurial activity: a multi-country study. *Journal of Business Research,* 57(10), 1098-1107.

Spiegelberg, H. (1982) *The phenomenological movement: a historical introduction*. 3rd revised and enlarged edition. Martinus-Nijhoff, The Hague

Stake, R. E. (1995) *The art of case study research*. Thousand Oaks, CA, Sage.

Stake, R. E. (2000) Case studies. In Denzin, N.K. & Lincoln, Y. S. (Eds) *Handbook of Qualitative Research.* 2nd edition. Thousand Oaks: Sage Publications Inc. 435-454.

Starr, J.A. & MacMillan, I. (2009) Resource cooptation via social contracting: resource acquisition strategies for new ventures. *Strategic Team Human Resource Development Review*, 8, 350-381.

Starr, R., Newfrock, J. & Delurey, M., (2003) Enterprise resilience: Managing risks in the networked economy. *Strategy & Business Magazine,* 30 (Spring), 1-10.

Steel, W.F. & Webster, L. (1991) *Small enterprises under adjustment in Ghana*. World Bank.

Sternberg, R.J. & Davidson J.E. (1995) *The Nature of Insight*. MIT Press: Cambridge, MA.

Steward, D. & Mickunas, A. (1974) Exploring phenomenology: a guide to the field and its literature. *Chicago, American Library Association,* 22-24.

Stewart, A. (2003) Help one another, use one another: toward an anthropology of family business. *Entrepreneurship Theory and Practice,* 27(4), 383-396.

Steyaert, C. (2007) Entrepreneuring as a conceptual attractor? A review of process theories in 20 years of entrepreneurship studies. *Entrepreneurship and regional development,* 19(6), 453-477.

Stigler, G.J. (1971) The theory of economic regulation. *The Bell Journal of Economics and Management Science,* 3-21.

Stiglitz, J.E. & Weiss, A. (1981) Credit rationing in markets with imperfect information. *The American Economic Review*, 71(3), 393-410.

Stinchcombe, A.L. (2000) Social structure and organizations. *Advances in Strategic Management*, 17, 229-259.

Stokes, C.S. and Miller, M.K. (1985) A methodological review of fifty years of research in Rural Sociology. *Rural Sociology,* 50(4), 539-560

Stokes, D. (2002) *Small Business Management.* 4 ed. London: Continuum International Publishing Group.

Storey, D. J. (1999) Human resource management policies and practices in SMEs in the UK: does it really influence their performance? *Centre for Small and Medium-sized Enterprises, Warwick Business School Working paper*, 69.

Storey, D.J. (1994) *Understanding the small business sector.* Thomson Learning Emea.

Strauss, A. & Corbin, J. (1998) *Basics of qualitative research.* Thousand Oaks, CA, Sage .

Streubert, H.J. & Carpenter, D.R. (2010). *Qualitative research in nursing: Advancing the humanistic imperative.* Lippincott Williams & Wilkins.

Stuart, T. E., & Sorenson, O. (2007). Strategic networks and entrepreneurial ventures. *Strategic Entrepreneurship Journal*, 1.

Stuart, T.E. (2000) Interorganizational alliances and the performance of firms: a study of growth and innovation rates in a high-technology industry. *Strategic Management Journal,* 21 (8), 791-811.

Suchman, M.C. (1995) Managing legitimacy: strategic and institutional approaches. *Academy of Management Review,* 20(3), 571-610.

Suddaby, R & Greenwood, R. (2005) Rhetorical strategies of legitimacy. *Administrative Science* Quarterly, 50(1), 35-67.

Sue, S. & Zane, N. (1980) Learned helplessness theory and community psychology. In Gibbs, M. S. Lachemeyer, J. R. & Sigal, J. (eds.) *Community psychology: theoretical and empirical approaches.* New York, Gardener Press, 121-143.

Sullivan-Taylor, B. & Branicki, L. (2011) Creating resilient SMEs: why one size might not fit all. *International Journal of Production Research,* 49 (18), 5565-5579.

Sun, J. Buys, N. Wang, X.C. & Stewart, D., (2011) Entrepreneurs' resilience and its relationship with entrepreneurial type: A study of national Chinese entrepreneur sample. [Online] Available http://www98.griffith.edu.au/dspace/bitstream/handle/10072/39317/70252_1.pdf;jsessionid=7D7431821C6CC09BD1F4C0266B44C847?sequence=1. [Accessed 8/8/2014].

Sundström, G. & Hollnagel, E. (2006) Learning How to Create Resilience in Business Systems. In Hollnagel, E., Woods, D.D. & Leveson, N. (eds) *Resilience engineering: concepts and precepts.* Aldershot, UK: Ashgate

Sutcliffe, K.M. & Vogus, T.J. (2003) Organizing for Resilience. In Cameron, K.S. Dutton, J.E. & Quinn, R.E. (eds) *Positive organizational scholarship: Foundations of a new discipline.* San Francisco: Berrett-Koehler, 94-110.

Svensson, J. (2003) Why conditional aid does not work and what can be done about it*? Journal of Development Economics*, 70(2), 381-402.

Swedberg, R. (2000) *Entrepreneurship: The Social Science View*. Oxford University Press Inc., New York.

Swierczek, F. & Ha, T.T. (2003) Motivation, Entrepreneurship, and Performance of SMEs in Vietnam. *Journal of Enterprise Culture.* 11(1), 47-68.

Szeftel, M. (2000) Between governance & under-development: accumulation & Africa's ‘catastrophic corruption. *Review of African Political Economy,* 27(84), pp. 287-306.

Tagoe, N. Nyarko, E. & Anuwa-Amarh, E. (2005) Financial challenges facing urban SMEs under financial sector liberalization in Ghana. *Journal of Small Business Management,* 43(3), 331-343.

Takyi-Asiedu, S. (1993) Some socio-cultural factors retarding entrepreneurial activity in sub-Saharan Africa. *Journal of Business Venturing*, 8(2), 91-98.

Tallon, P. P. & Pinsonneault, A. (2011) Competing perspectives on the link between strategic information technology alignment and organizational agility: Insights from a mediation model. *MIS Quarterly*, 35, 463-486.

Tan J, & Litschert R.J. (1994) Environment–strategy relationship and its performance implications: an empirical study of the Chinese electronics industry. Strategic Management Journal, 15(1), 1–20.

Tanski, N.C. Baez, L. & Clerici, C., (2010) Entrepreneurs resilience in the forestry industrial sector of the Province of Misiones - Argentine. [Online] Available http://www.scielo.org.ar/scielo.php?pid=S1668-87082010000200006&script=sci_arttext&tlng=en [Accessed 8/8/2014].

Tanzi, V. & Davoodi, H.R. (1997) Corruption, public investment and growth. [Online] Available http://www.imf.org/external/pubs/ft/wp/wp97139.pdf. [Accessed 1/2/2010].

Taylor, I. (2007) Unpacking China's resource diplomacy in Africa. *China in Africa*, 35, 10.

Teece, D.J., Pisano, G. & Shuen, A., (1997) Dynamic capabilities and strategic management. *Strategic Management Journal*, 18 (7), 509-533.

Thompson, C.J., Locander, W.B. & Pollio, H.R. (1989) Putting consumer experience back into consumer research: the philosophy and method of existential-phenomenology. *Journal of Consumer Research, 16,* 133-146.

Thompson, J.L. (1999) The world of the entrepreneur - a new perspective. *Journal of Workplace: Employee Counselling Today*, 11(6), 209-224.

Thompson, J.L. (2004) The facets of the entrepreneur: Identifying entrepreneurial potential. *Management Decision*, 42(2), 243-258.

Timmons, J. A. (1978) Characteristics and role demands of entrepreneurship, American journal of small business, 3, 5-17.

Timmons, J.A. & Spinelli, S. (1999) *New venture creation: entrepreneurship for the 21st century*. Singapore, Irwin/McGraw-Hill.

Tolbert, P. S. (1985) Resource dependence and Institutional environments: sources of administrative structure in institutions of higher education. *Administrative Science Quarterly*, 20, 229-249

Tolbert, P. S. & Zucker L.G. (1996) Institutionalization of institutional theory. In Clegg, S. Hardy, C. & Nord, W. (eds.), *Handbook of Organizational Studies*: London; Sage, 175-190.

Tolbert, P.S. & Zucker, L.G. (1983) Institutional sources of change in the formal structure of organizations: the diffusion of civil service reform, 1880-1935. *Administrative Science Quarterly*, 22-39.

Townsend, R. (1979) Optimal contracts and competitive markets with costly state verification. *Journal of Economic Theory*, 21(2), 265-293.

Travers, M. (2001) *Qualitative research through case studies.* Sage Publications Limited.

Treisman, D. (2007) What have we learned about the causes of corruption from ten years of cross-national empirical research? *Annual Review of Political Science,* 10, 211-244.

Trim, P.R.J. & Lee, Y.I. (2008) A strategic marketing intelligence and multi-organizational resilience framework. *European Journal of Marketing*, 42 (78), 731-745.

Tullock, G. (1967) Toward a mathematics of politics. Ann Arbor, MI, University of Michigan Press.

Tushman, M.L. & Anderson, P. (1986) Technological Discontinuities and Organizational Environments. *Administrative Science Quarterly*, 31(3), 439–465.

Vaillant, Y. & Lafuente, E. (2007) Do different institutional frameworks condition the influence of local fear of failure and entrepreneurial examples over entrepreneurial activity? *Entrepreneurship and Regional Development*, 19(4), 313-337.

Van Gils, A. (2005) Management and governance in Dutch SMEs. *European Management Journal*, 23 (5), 583-589.

Van Manen, M. (1990) *Researching lived experience: Human science for an action sensitive pedagogy*. SUNY Press.

Van Mannen, J. (1983) Reclaiming qualitative methods for organisational research. In Van Manen, J. (ed) *Qualitative Methodology*. London, Sage Publications.

VanderWerf, P. & Brush, C. (1989) Achieving empirical progress in an undefined field. *Entrepreneurship Theory and Practice*, 14(2), 45-58.

Vargo, J. & Seville, E. (2011) Crisis strategic planning for SMEs: finding the silver lining. *International Journal of Production Research,* 49 (18), 5619-5635.

Veblen, T. (1967) *Absentee ownership and business enterprise in recent times: the case of America.* Boston, Beacon Press.

Vecchio, R.P. (2003) Entrepreneurship and leadership: common trends and common threads. *Human Resource Management Review*, 13(2), 303-327.

Veciana, J.M. & Urbano, D. (2008) The institutional approach to entrepreneurship research. Introduction. *International Entrepreneurship and Management Journal,* 4(4), 365-379.

Veciana, J.M. Aponte, M. & Urbano, D. (2002) Institutions and support programmes for entrepreneurship: a two countries comparison. *Proceedings of International Council for Small Business,* Puerto Rico.

Vesper, K.H. (1983) Entrepreneurship and national policy. *Walter E. Heller International Corporation Institute for Small Business,* Chicago, IL.

Vial, V. & Hanoteau, J. (2010) Corruption, manufacturing plant growth, and the Asian paradox: Indonesian evidence. *World Development,* 38(5), 693-705.

Villanueva J, Van de Ven A.H, & Sapienza H. J. (2010) Resource mobilization in entrepreneurial firms. Journal of Business Venturing, 27(1), 19-30.

Vogus, T.J. & Sutcliffe, K.M., (2007) Organizational Resilience: Towards a Theory and Research Agenda. *ISIC, IEEE International Conference.* Montreal, Quebec: Systems, Man and Cybernetics, 3418-3422.

Volmerg, U (1983) Validität im interpretativen paradigma. Dargestellt an derKonstruktion qualitativer Erhebungsverfahren. In ZEDLER, P. & Moser, H. (eds) Aspekte qualitativer Sozialforschung. Opladen, Leske und Budrich, 124-143.

Von Eckartsberg, R. (1986) Life-world experience: existential-phenomenological research approaches in psychology. *Center for Advanced Research in Phenomenology*.

Vossen, R.W. (1998) Relative strengths and weaknesses of small firms in innovation. *International Small Business Journal*, 16 (3), 88-94.

Waddock, S.A, & Post, J.E. (1991) Social Entrepreneurs And Catalytic Change. *Public Administration Review,* 51(5), 393–401.

Wadhwa A. & Basu S. (2012) Exploration and resource commitments in unequal partnerships: An examination of corporate venture capital investments. *Journal of Product Innovation Management, In-press.*

Walker, B.H. Gunderson, L.H. Kinzig, A.P. Folke, C. Carpenter, S.R. & Schultz, L. (2006) A handful of heuristics and some propositions for understanding resilience in social-ecological systems. *Ecology and Society,* 11 (1) [Online] Available http://www.ecologyandsociety.org/vol11/iss1/art13/ [Accessed 15/6/2014].

Walker, B.H., Gunderson, L.H., Kinzig, A.P., Folke, C., Carpenter, S.R. & Schultz, L. (2006) A handful of heuristics and some propositions for understanding resilience in social-ecological systems. *Ecology and Society,* 11 (1) [Online] Available http://www.ecologyandsociety.org/vol11/iss1/art13/ [Accessed 15/6/2014].

Wang, Y. & You, J. (2012) Corruption and firm growth: Evidence from China. *China Economic Review*, 23(2), 415-433

Weber, M. (1976) *The protestant ethic and spirit of capitalism*. Allan and Unwin, London.

Weber, Y. & Tarba, S.Y. (2014). Strategic Agility: A State of Art. *California Management Review*, 56(3), 5-12.

Wedeman, A. (1997) Looters, rent-scrapers, and dividend-collectors: corruption and growth in Zaïre, South Korea, and the Philippines. *The Journal of Developing Areas,* 457-478.

Weick, K.E. & Sutcliffe, K.M. (2001) *Managing the unexpected: Assuring high performance in an age of complexity*. San Francisco, Jossey-Bass.

Weick, K.E. & Sutcliffe, K.M. (2007) *Managing the Unexpected: Resilient Performance in an Age of Uncertainty,* 2 ed. San Francisco, CA: Wiley and Sons.

Weick, K.E. & Sutcliffe, K.M. (2007) *Managing the Unexpected: Resilient Performance in an Age of Uncertainty,* 2ed. San Francisco, CA: Wiley and Sons.

Weick, K.E., Sutcliffe, K.M. & Obstfeld, D. (1999) Organizing for high reliability: Processes of collective mindfulness. In Sutton, R. & Staw, B. (eds) *Research in organizational behaviour.* Greenwich, CT: JAI, 81-124.

Weitzel, U. Urbig, D. Desai, S. Sanders, M. & Acs, Z. (2010) The good, the bad, and the talented: entrepreneurial talent and selfish behavior. *Journal of Economic Behavior & Organization,* 76(1), 64-81.

Welter, F. & Lasch, F. (2008) Entrepreneurship research in Europe: taking stock and looking forward. *Entrepreneurship Theory and Practice*, 32(2), 241-248.

Welter, F. & Smallbone, D. (2009) The emergence of entrepreneurial potential in transition environments: a challenge for entrepreneurship theory or a developmental perspective? In Smallbone, D. Landstrom, H. & Jones-Evans, D. (eds) *Entrepreneurship and growth in local, regional and national economies.* Frontiers in European Entrepreneurship Research. Cheltenham, Edward Elgar, 339-353.

Welter, F. & Smallbone, D. (2011) Institutional perspectives on entrepreneurial behavior in challenging environments. *Journal of Small Business Management*, 49(1) 107-125.

Welter, F. (2011) Contextualizing entrepreneurship: conceptual challenges and ways forward. *Entrepreneurship Theory and Practice*, 35(1), 165-184.

Wennekers, S. & Thurik, R. (1999) Linking entrepreneurship and economic growth", *Small business economics,* 13(1), 27-56.

Wennekers, S. Van Wennekers, A. Thurik, R. & Reynolds, P. (2005) Nascent entrepreneurship and the level of economic development. *Small Business Economics,* 24(3), 293-309.

West, S.A. Strakowski, S.M. Sax, K.W. McElroy, S.L. Keck Jr, P.E. & McConville, B.J. (1996) Phenomenology and comorbidity of adolescents hospitalized for the treatment of acute mania. *Biological Psychiatry,* 39(6), 458.

Westhead, P. & Smallbone, D. (1995) Survival and employment growth contrasts between types of owner-manager high technology firms. *Medium Enterprise Centre*, Warwick Business School, UK.

Westphal, J.D. Gulati, R. & Shortell, S.M. (1997) Customization or conformity? An institutional and network perspective on the content and consequences of TQM adoption. *Administrative Science Quarterly,* 366-394.

Westrum, R. (2006) A typology of resilience situations. In Hollnagel, E. Woods, D.D. & Leveson, N. (eds) *Resilience Engineering: concepts and precepts.* Aldershot, UK: Ashgate.

Whitfield, Lindsay and Jones, Emily (2009) Ghana: Breaking out of aid dependence? Economic and political barriers to ownership. In Whitfield, J (ed) *The Politics of Aid: African Strategies for Dealing with Donors.* Oxford: University of Oxford Press.

Whitney, J.O. (1987) *Taking Charge: Management Guide to Troubled Companies and Turnarounds.* Homewood. IL: Dow-Jones Irwin.

Wiklund, J. Davidsson, P. Audretsch, D.B. & Karlsson, C. (2011) The future of entrepreneurship research. *Entrepreneurship Theory and Practice,* 35(1), 1-9.

Wildavsky, A. (1988) *Searching for safety.* New Brunswick, NJ: Transaction Books.

Williamson, O. E. (1991) Comparative economic organization: The analysis of discrete structural alternatives. *Administrative Science Quarterly,* 36 (2), 269-296.

Williamson, O.E. (1991) Comparative economic organization: the analysis of discrete structural alternatives. *Administrative Science Quarterly,* 269-296.

Wilson, T.D. (2002) Alfred Schutz, phenomenology and research methodology for information behaviour research. *The New Review of Information Behaviour Research,* 3(71), 1-15.

Winston, C. (1998) US industry adjustment to economic deregulation. *The Journal of Economic Perspectives,* 12(3), 89-110.

Wojnar, D.M. & Swanson, K.M. (2007). Phenomenology an exploration. *Journal of Holistic Nursing,* 25(3), 172-180.

Wiseman, T. & Young, A. (2011) Economic freedom, entrepreneurship, and income levels: Some US state-level empirics. *Working paper*, Department of Economics, West Virginia University.

Wolf, S. (2004) Performance and problems of enterprises in Ghana. *Department of Agricultural Economics and Agribusiness Working Paper, Ghana, University of Ghana*.

Woodruff, C. (1998) Contract enforcement and trade liberalisation in Mexico's footwear industry. *World Development,* 26(6).

Woods, D.D. (2006) Essential characteristics of resilience. In Hollnagel, E. Woods, D.D. & Leveson, N. (eds) *Resilience Engineering:concepts and precepts.* Aldershot, UK: Ashgate.

World Bank (1993) Ghana 2000 and Beyond: Setting the Stage for Accelerated Growth and Poverty Reduction. Washington DC: The World Bank, African Regional Office, West Africa Department.

World Bank (1998) Ghana: Growth, private sector and poverty reduction - A country economic memorandum, *Report No. 1411 - GH.* Country Operations Division, Washington.

World Bank (2002) World Development Report, Building Institutions for Markets. New York, Oxford University Press.

World Bank (2009) Ghana: Economy-Wide Impact of Oil Discovery in Ghana. *Report No. 47321-GH.* Washington, DC.

World Bank (2010) Doing business: Ghana. The World Bank Group, Washington, US.

World Bank (n.d) Ghanaian Labor Market, Key Trends and Major Policy Issues. [Online] Available http://info.worldbank.org/etools/docs/library/211239/Ghana_KeyTrends and_%20Policy_Issues.pdf. [Accessed 2/3/2014].

Wortman Jr, M.S. (1987) Entrepreneurship: an integrating typology and evaluation of the empirical research in the field. *Journal of Management,* 13(2), 259-279.

Wortman, M. S. (1985). A unified framework, research typologies, and research prospectuses for the interface between entrepreneurship and small business. In Sexton, D.L. & Smilor, R.W. (eds.) *The Art and Science of Entrepreneurship.* Cambridge, MA: Baliinger.

Yang, K. (2004) Institutional holes and entrepreneurship in China. *The Sociological review*, 52(3), 371-389.

Yin, R.K. (2003) *Case Study Research: Design and Methods,* 3rd edition, Applied Social Research Methods Series (Volume 5). San Francisco, Encounter Books.

Youngblood, C. & Franklin, D.L. (2008) Persistent public sector deficits and macroeconomic instability in Ghana. In Aryeetey, E & Kanbur, R (eds) *The Economy of Ghana: Analytical Perspective on Stability, Growth and Poverty*. Newtown: Woeli Publishing, Accra.

Yunus, M. (2010) *Banker to the poor: micro-lending and the battle against world poverty*. New York, Public Affairs.

Yusof, Z. A. (2010) Economic Growth in Malaysia: Some Possible Lessons for Ghana. *Discussion Paper* 10/0827. London: International Growth Centre.

Zahra, S. & Dess, G.G. (2001) Entrepreneurship as a field of research: Encouraging dialogue and debate. *The Academy of Management Review,* 26(1), 8-10.

Zahra, S.A. & George, G. 2002, "International entrepreneurship: the current status of the field and future research agenda. In Hitt, M.A. Ireland, R.D. Camp, S.M. & Sexton, D.L (Eds) *Strategic entrepreneurship: creating a new mindset.* Oxford, UK, Blackwell Publishers, 255-288.

Zahra, S.A. Ireland R.D. & Hitt, M.A. (2000) International expansion by new venture firms: International diversity, mode of market entry, technological learning, and performance. *Academy of Management Journal,* 43(5), 925–950.

Zhou, J.Q. & Peng, M.W. (2010) Relational exchanges versus arm's-length transactions during institutional transitions. *Asia Pacific Journal of Management,* 27(3), 355-370.

Zhou, K.Z. Poppo, L. & Yang, Z. (2008) Relational ties or customized contracts? An examination of alternative governance choices in China. *Journal of International Business Studies,* 39(3), 526-534.

Aldrich, H. & Zimmer, C. (1987) Resource mobilization through ethnic networks: kinship and friendship ties of shopkeepers in England. *Sociological Perspectives,* 422-445.

Zimmerer, T & Scarborough, N. (2005) *Essentials of Entrepreneurship and Small Business Management*, 4th Edn, Pearson Prentice Hall, Upper Saddle River, New Jersey.

Zimmerman, M.A. & Deeds, D.L. (1997) Legitimacy and the initial public offerings of biotechnology firms. *Babson College/Kauffman Foundation Entrepreneurship Research Conference*, Babson, MA.

Zimmerman, M.A. & Zeitz, G.J. (2002) Beyond survival: achieving new venture growth by building legitimacy. *Academy of Management Review,* 27(3), 414-431.

Zucker, L. G. (1988) Where do institutional patterns come from? Organizations as actors in social systems. In Zucker, L.G. (ed.), *Institutional patterns and organizations: culture and environment.* Cambridge, MA, Ballinger, 23–49.

Zucker, L. G. (1991) Postscript: Microfoundations of Institutional Thought. In Powell, W. W. & DiMaggio, P. J. (eds.) *The new institutionalism in organizational analysis*. Chicago, University of Chicago Press, 103-106.

Zucker, L.G. (1977) The role of institutionalization in cultural persistence. *American Sociological Review*, 726-743.

Zucker, L.G. (1983) Organizations as institutions. *Research in the Sociology of Organizations,* 2(1), 1-47.

Zuijderduijn, C.J. (2009) Medieval capital markets: markets for rent, state formation and private investment in Holland (1300-1550). Brill Academic Publishers.

## Appendices

***Appendix A: Letter of Support***

**Subject: Letter of support Armstrong Abebrese - student number 0707519**

The purpose of this letter is to confirm that Mr Armstrong Abebrese is currently a doctoral student at the Robert Gordon University in Aberdeen, Scotland and is registered for the degree of PhD by research. Mr Abebrese is conducting a study into how institutional structures influence entrepreneurship in Ghana. This necessitates him conducting research (as in face to face interviews and questionnaires) in the field.

I would be obliged for any assistance you can offer Mr Abebrese in this respect.

If you have any questions in respect of Mr Abebrese, or his research, please feel free to contact me (as his supervisor) and I will be more than happy to answer your questions. My contact details are provided below.

Yours sincerely

Dr Robert Smith

Reader in Entrepreneurship

SIPR Lecturer in Leadership

Aberdeen Business School

The Robert Gordon University

Garthdee Road

Aberdeen

Scotland

The United Kingdom

AB10 7QE

Work telephone = +44 [0]1224 263922

Mobile telephone = 07900092969

Email address = r.smith-a@rgu.ac.uk

## ***Appendix B: Interview Consent***

**Understanding the Role of Institutions in Entrepreneurship: The Case of Ghana**

I agree to take part in the above Robert Gordon University research project. I have had the project explained to me and I have read the Explanatory Statement, which I will keep for my records. I understand that agreeing to take part means that I am willing to:

- Be interviewed
- Allow the interview to be audio taped

I understand that my participation in this interview will be entirely voluntary and to be conducted at my convenience. I shall reserve the right to terminate this interview in any event.

I understand that any information provided by me or my organisation will be kept strictly confidential. No information that could lead to the identification of any individual will be disclosed in this or any other research project, or to any other party without my permission and knowledge.

Participant's Name: ------------------------------------------------

(Block letters)

Participant's Signature: --------------------------------------------

Investigator's Name: -----------------------------------------------

Investigator's Signature: --------------------------------------------

## ***Appendix C: Interview coding***

Determines entrepreneurial opportunities – defines and limits entrepreneurial opportunities

The nature of the macroeconomic climate and opportunity creation:

There is no system to support innovativeness and hence opportunity exploitation is very limited.

Busia's idea was to open up the economy again and it was during that period, very difficult period, there was no food, no jobs, the cost of living had gone high because we were not producing. We had to import things into the country because they had destroyed the economy. And so because of that we entered the field…I bought my first 900 birds. But in a nutshell because I saw that food became so vital, for the first time I saw that food had become so vital and therefore there was the need for us in the meat production, egg production, people will receive you very well.

Change in the political nature of a country could create opportunities that could be grabbed by entrepreneurs:

B: Yeah, definitely every organization operates under the rules of a jurisdiction and are affected by these rules and so therefore their activities are to a large extent impacted by the governing structures that are available. For example, before the 1992 constitution, would it have been feasible for anybody to set up a private radio station? Not likely, you understand. That is a governance issue. It's a regulatory issue. So yes, those mechanisms affect whether and how you run the business.

We are in the business of providing content, relevant content to the consumer….. That content might be on TV, Radio, Online; it might be in the form of events or whatever. That content might be information; it might be entertainment, whatever; it may be news; it may be analysis; but we are in the business of providing content that is relevant to a consumer. ..The institutional framework under which a society lives might affect the people's available to access content or not. Alright. For example when you live in a society, as we did in this country, we had government run radio, government run TV and nothing else; government run prints and nothing else. What happened was everybody got the

Deregulation creates opportunities, although there are limitations:

So the question I will like to ask is that from your experience do you think that institutions create opportunities?

B: absolutely, they create opportunities but then to everything there are limitations. For example if you think of Ghana, the deregulation of the petroleum industry and the number of oil marketing or oil trading companies that exist in Ghana today, it didn't exist before in the past because the government was the one importing petroleum products into the…

***Appendix D: Researcher's Log***

- The interview guidelines were developed so as to ensure that relevant information in line with this study's objective is covered;
- Informal telephone conversation with network and prospective respondents;
- Appointment dates for interviews obtained;
- Seek permission from University;
- Obtain introductory letter form University;
- Update interview log (Appendix F);
- Email prospective respondents with the explanatory letter and letter of support;
- Ensure availability of needed resources for the field work – tape recorder, extra batteries and quiet space for the interviews;
- Tape recorder pretested by the researcher before each interview;
- Open in-depth interviews were conducted using the interview guidelines;
- The interviews were audio recorded, on respondents consent, played and listened by the researcher for further improvements in subsequent interviews;
- Interviews were started in Aberdeen, then in Accra, then to Kumasi and next Sunyani;
- All interviewees that could not honour the interviews were rescheduled;
- Telephone calls to rescheduled appointments and personal visits to rescheduled appointments;
- Letters of appreciations (Appendix G) were sent to all the respondents;
- All interviews were copied from the tape recorder and saved on the lap top, Recorded Interview folder;

- Interviews were transcribed verbatim by the researcher. The researcher replayed the interviews over and over again to verify the accuracy of the interviews;
- Copies of transcribed interviews were sent to the interviewees to ascertain the accuracy of the transcribed responses;
- Follow-up telephone calls were made to elicit approval of the transcribed interviews;
- A secured database was created for each entrepreneur, which contain transcripts, audio files, and notes taken on interviews. This is to allow for cross verification in case the need arises.
- A total of thirty-four respondents were interview.
- The data was coded

***Appendix E: Log Interview***

| | Name of Entrepreneurs | Name of Companies | Interview Code |
|---|---|---|---|
| 1 | | MG | 090510_003 |
| 2 | | TOM | 090830_002 |
| 3 | | FED | 090924_001 |
| 4 | | MOC | 091015_002 |
| 5 | | MOF | 091015_004 |
| 6 | | EPEM | 091015_005 |
| 7 | | GRE | 091015_003 |
| 8 | | PRP | 091016_001 |
| 9 | | FW | 091016_002 |
| 10 | | VCL | 091017_002 |

| | | | |
|---|---|---|---|
| 11 | | DRE | 091017_003 |
| 12 | | VCL | 091017_004 |
| 13 | | BI | 091018_001 |
| 14 | | RPS | 091021_001 |
| 15 | | SAT | 091021_002 |
| 16 | | MF | 091021_003 |
| 17 | | FSS | 091021_004 |
| 18 | | GE | 091021_005/7 |
| 19 | | SGF | 091021_006 |
| 20 | | EEL | 091021_008 |
| 21 | | LA | 091022_001 |
| 22 | | DOW | 091022_002 |
| 23 | | QM | 091024-003 |
| 24 | | HET | 091024_001 |
| 25 | | HOT | 091023_003 |
| 26 | | ADP | 091023_001/2 |
| 27 | | MEP | 091029_004 |
| 28 | | BAK | 091029_001 |
| 29 | | TAP | 091029_002 |
| 30 | | CND | 091029_003 |

| | | | |
|---|---|---|---|
| 31 | | MIC | 091030_001 |
| 32 | | HOLD | |
| 33 | | UNI | |
| 34 | | SCH | |

***Appendix F: Letter of Appreciation***

**Letter of Appreciation to Interview Respondents**

**Re: Research into the Role of Institutions in Entrepreneurship**

In reference to my recent interview with you on the above subject, I wish to express my deep appreciation to you for providing me with the necessary information.

Our encounter was very helpful and the frankness of the responses was amazing. The information you gave me will be very helpful and hope for a further interaction between us on this and (or) other related topics in the future.

Thank you very much for your cordial cooperation.

Best Regards,

Armstrong Abebrese (PhD Candidate)