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Entrepreneurial Workaround Practices in Severe Institutional Voids: Evidence From Kenya

Alisa Sydow[1], Benedetto Lorenzo Cannatelli[2], Alessandro Giudici[3], and Mario Molteni[2]

Abstract

Entrepreneurs in developing economies try to cope with weak or absent formal institutions—often referred to as "institutional voids"—by relying extensively on intermediary organizations such as business incubators and development organizations or informal institutions such as political, kinship, or family relationships. However, in many African countries, intermediary support is limited and informal institutions are also unreliable, adding risks and costs to doing business and increasing the severity of institutional voids in the surrounding ecosystem. We investigate the practices followed by 47 commercial entrepreneurs in Kenya to "work around" these severe institutional voids to achieve their goals of business creation and growth. We find that severe institutional voids stimulate the hybridization of goals to include social value creation, create a need for a more strategic orchestration of business relationships, and motivate entrepreneurs to proactively cross-brace the institutional infrastructure around them. We contribute by unveiling the important role of entrepreneurs as microinstitutional agents in developing economies and by detailing how commercial and social goals become intertwined in the context of African entrepreneurship.

Keywords

entrepreneurship, emerging markets, institutional voids, social entrepreneurship, developing economies, Africa, orchestration

Entrepreneurship is a highly uncertain process with dynamic challenges ranging from volatile market demand to increasing competition and arbitrary stakeholder behavior (Townsend et al., 2018). In developing economies, these challenges are often compounded by weak or absent formal institutions, such as a functioning regulatory and legal system, that fail to sustain efficient and effective market transactions, a situation often referred to as presenting "institutional voids"

[1]ESCP Business School, Turin, Italy
[2]Università Cattolica del Sacro Cuore, Milano, Italy
[3]City, University of London, London, UK

Corresponding Author:
Alisa Sydow, ESCP Business School, C.so Unione Sovietica 218bis, Turin 10134, Italy.
Email: asydow@escp.eu

(Mair et al., 2012; Webb et al., 2019). Scholars have drawn attention to the fact that entrepreneurs try to cope with the additional uncertainty posed by these voids mainly in two ways. First, they rely on "institutional intermediaries," that is, organizations such as business incubators and accelerators, development organizations, and trade associations that partly compensate for unreliable institutions by providing alternative formal commercial infrastructure (e.g., Armanios et al., 2017; Dencker et al., in press; Mair & Martí, 2009; Sutter et al., 2017). Second, entrepreneurs leverage more extensively informal institutions such as political or kinship, family, and community relationships to obtain the resources they need (Ahlstrom & Bruton, 2002; Ge et al., 2019). In certain countries, research shows that these informal institutions can develop into intricate relational mechanisms—such as *blat* in Russia and *guanxi* in China (Puffer et al., 2010)—that substitute for formal institutions entirely (Park & Luo, 2001; Xin & Pearce, 1996).

What if, though, the support from institutional intermediaries and informal institutions is also insufficient or inadequate?[1] Prior work emphasizes that the compresence of formal and informal institutional voids tends to push entrepreneurs toward subsistence objectives and thwarts growth-oriented activities (Webb et al., 2019). In developing economies, such as in many African countries, this situation is widespread because the presence and impact of institutional intermediaries remain limited (Cao & Shi, 2020; George et al., 2016a) but also because informal institutions are not always beneficial for entrepreneurship (cf., Ofori-Dankwa & Julian, 2013; for a review, see Sutter et al., 2019). Kinship, family, and community obligations, in fact, can generate extra costs and reduce flexibility due to requests for "all kinds of favors backed by the norms and trust in the network… successful enterprises in this way can become a 'welfare-hotel'" (Rooks et al., 2016, p. 126; see also Khavul et al., 2009; Khayesi et al., 2014; Smith, 2009). Amidst these conditions, corruption often thrives as a way to "grease the wheels of business" (Chowdhury et al., 2019, p. 58), thereby frustrating and further increasing the cost of legitimate entrepreneurship (Khavul et al., 2009; Webb et al., 2013).

This body of evidence provides important insights into why weak and even hostile institutions lead African countries to lag in aggregated entrepreneurship statistics (e.g., "2019 Global Entrepreneurship Index" from the Global Entrepreneurship and Development Institute, GEDI; Acs et al., 2019).[2] Unfortunately, it says little regarding the "entrepreneurial zeitgeist," which is often reported as intensifying in many of these economies (Moulick et al., 2019). Ekekwe (2016), for example, highlights that "as one travels from Nairobi to Lagos and from Dakar to Kigali, a feeling of optimistic exuberance emerges… [for] a golden era of entrepreneurship anchored by local innovation." In a similar vein, George et al. (2016a, p. 389; see also Zoogah et al., 2015) have recently called for more research, arguing that "Africa offers great potential as a context… There is a great deal more to learn from Africa than social development—exciting opportunities abound in these fast-growing economies." The purpose of this article is, therefore, to advance research on entrepreneurship in developing economies (Bruton et al., 2013; Sutter et al., 2019) by investigating how African entrepreneurs effectively cope with severe institutional voids characterized by high uncertainty in formal institutions, limited intermediaries, and flaky informal relationships. More specifically, our research question is: *how and through what practices do African entrepreneurs try to work around severe institutional voids*? Focusing on practices is appropriate because they are embedded in institutional settings, and this approach can thus "help understand how entrepreneurs find ways to navigate within these settings" (Ramírez-Pasillas et al., 2020, p. 5; for a review, see Claire et al., 2019).

To shed light on this important phenomenon, we conducted a field study based on 47 commercial entrepreneurs operating in Kenya, a country with severe institutional voids (e.g., ranked 144/180 in the "2018 Corruption Perception Index" by Transparency International and 74/82 for quality of business environment by The Economist in 2019; see also Schwab, 2018) and yet one where entrepreneurial activity is flourishing (e.g., Kenya has increased its rank from 109/137 in

2018 to 96/137 in 2019 in GEDI's Global Entrepreneurship Index). Our analysis combined multiple data sources (interviews, direct observations, and archival documents) and allows us to make two important contributions. First, our study reveals three "workaround" practices (cf., Moulick et al., 2019) followed by these entrepreneurs to achieve their goals of business creation and growth in the wake of the dissatisfaction (Van De Ven & Poole, 1995)[3] generated by untrustworthy or ineffective formal and informal institutions. Through these practices, we show that these entrepreneurs act as microinstitutional agents (Battilana et al., 2009) and contribute to filling existing voids by laying the foundations of their country's institutional infrastructure while pursuing their commercial goals. Second, we advance our scholarly understanding of entrepreneurial theories "in context" (Shepherd et al., 2020; Welter, 2011) and, in particular, of how and why social and commercial goals become intertwined in nascent entrepreneurship (Wry & York, 2017, 2019) in Africa (George et al., 2016a; Zoogah et al., 2015). None of the entrepreneurs in our study identified as a social entrepreneur, and yet, the dissatisfaction generated by the severe institutional voids they faced heightened their awareness of societal needs, thus motivating them to pursue dual goals simultaneously.

Theoretical Background

Entrepreneurship is an uncertain process that implies the investment of scarce resources in activities such as new product launches, new market entry, and scaling up in the hope of higher future rewards (McMullen & Shepherd, 2006; Townsend et al., 2018). Uncertainty—defined as "an individual's perceived inability to predict something accurately" (Milliken, 1987, p. 136)—reflects an entrepreneur's interpretation of the environment and could stem from a variety of technology-, market-, and institution-related factors. In this paper, we focus on the practices used by entrepreneurs in developing economies to work around institutional uncertainty, which has received relatively little attention in entrepreneurship research (Bylund & McCaffrey, 2017). Investigating these practices is important because there is consensus that institutional uncertainty creates "seemingly insurmountable obstacles to entrepreneurial action" (Bylund & McCaffrey, 2017, p. 472; Webb et al., 2019) and a practice-focused lens can shed light on how entrepreneurs try to cope with it (Claire et al., 2019; Ramírez-Pasillas et al., 2020). In line with others (e.g., George et al., 2016a; Zoogah et al., 2015), we consider Africa a promising starting point for exploring these practices 'in context' (cf., Shepherd et al., 2020; Welter, 2011; Welter et al., 2019) and to develop more indigenous entrepreneurship theory (Bruton et al., 2018; Moulick et al., 2019).

Institutional Uncertainty and Formal Workaround Practice in Developing Economies

Developing economies tend to be characterized by high institutional uncertainty because, despite decades of economic progress, they suffer from structural impediments such as unreliable formal institutions and widespread "market imperfections, inadequate information flows, and fragile legal and financial frameworks" (Ge et al., 2019, p. 3), often referred to as "institutional voids" (Mair & Martí, 2009; Webb et al., 2019). The presence of institutional voids exacerbates the emergence of corruption, which makes entrepreneurial activities even more uncertain because it increases ambiguity, reduces transparency, and adds extra costs for economic exchanges (Baron et al., 2018; Chowdhury et al., 2019). At worst, institutional voids risk pushing entrepreneurs toward more informal and criminal activities (Webb et al., 2019), thus creating issues that, as Bruton et al. (2013, pp. 175–177) emphatically describe, embody the "unproductive dark side of entrepreneurship that crowds out productive entrepreneurship and hinder economic development." In this respect, institutional voids remain one of the greatest challenges to entrepreneurial activities in African countries, with the substantial frailty of formal institutions exacerbating pressures on firm competitiveness and profitability (Barasa et al., 2017; George et al., 2016a; Ngobo & Fouda, 2012; Ofori-Dankwa & Julian, 2013).

A large and growing body of research emphasizes that entrepreneurs in developing economies may try to work around institutional voids by *relying on "institutional intermediaries,"* that is, organizations such as business incubators and accelerators, development organizations, and trade associations that provide formal support and an embryonic market infrastructure (Cao & Shi, 2020; Dencker et al., in press; Mair et al., 2012; Sutter et al., 2017). These organizations contribute to the reduction of institutional uncertainty in two main ways. First, they offer market-supporting "interfaces" to existing entrepreneurs (Mair et al., 2012) helping them build capabilities (Dutt et al., 2016), certifying the quality of their initiatives (Armanios et al., 2017), and connecting and coordinating collaborative relationships among different stakeholders (Giudici et al., 2018). For instance, Watkins et al.'s (2015) thorough review of trade associations in developing countries highlights their proactive role in bridging governments and firms to sustain entrepreneurial activity. Recent work from Busch and Barkema (in press) in Kenya and Goswami et al. (2018) in Bangalore also points to the fact that incubators and accelerators not only assist entrepreneurs in areas including opportunity search and validation or team development but also contribute to enhancing regional entrepreneurial ecosystems. Second, institutional intermediaries facilitate market access by entrepreneurs from more vulnerable backgrounds. Mair and Martí (2009), for instance, described how a Bangladeshi development organization integrated training, funding, social development, and health care initiatives to help women in extreme poverty engage in micro-entrepreneurship activities. In a similar vein, Haugh (2020) studied business incubation programs across different developing economies and highlighted their effectiveness as mechanisms of poverty alleviation and women's empowerment. Further, in the African context, George et al. (2016b) found that membership in community-based microcredit associations significantly improves the likelihood that individuals from households in desperate poverty undertake entry into entrepreneurship.

Overall, the literature suggests that *relying on institutional intermediaries* is an important practice for entrepreneurs in developing economies to work around uncertainty driven by voids in formal institutions. Unfortunately, the presence of institutional intermediaries—and thus their reach and impact—remains limited in many of these countries (Cao & Shi, 2020) and especially in Africa (George et al., 2016a). For example, tracing the diffusion of technology incubators in the African continent—commonly referred to as "hubs" (cf., Littlewood & Kiyumbu, 2018; Ndemo & Weiss, 2017) – Friederici et al. (2019) questioned their effectiveness in filling institutional voids and warned about a lack of evidence on their impact on entrepreneurial startup creation and growth. Sheriff and Muffatto (2015) also studied entrepreneurial ecosystems in 15 African countries and concluded that the impact of institutional intermediaries remains negligible. Hence, many entrepreneurs are left to seek alternative workarounds "to develop viable ventures often in institutional contexts that are less than hospitable" (Moulick et al., 2019, p. 2). Researchers have placed great emphasis on practices based on informal institutions, and we thus review this body of work in the next section.

Informal Workaround Practices and Their Limitations in the African Context

Amidst high institutional uncertainty posed by institutional voids and limited support from intermediaries, entrepreneurs in developing economies turn more extensively to two informal workaround practices: *political networking* and *leveraging kinship, family, and community* *relationships* (Ahlstrom & Bruton, 2002; Ge et al., 2019). The first practice, *political networking*, may help entrepreneurs diminish institutional uncertainty through lobbying—a collective strategy through which one or more organizations build legitimate support for specific policies (for a review, see Lawton et al., 2013)—or through clientelism—a situation where client entrepreneurs obtain preferential access to key information and resources as well as bureaucratic facilitation and protection in exchange for investment in the economic development of their political patrons (Ge et al., 2019). While political networking is not limited to developing economies, its benefits in these contexts can be substantial since "the rule of law is absent, regulations can change quickly, and the risk of expropriation and government intervention is relatively high" (Marquis & Raynard, 2015, p. 306; Ge et al., 2019). The second set of practices, *leveraging kinship, family, and community relationships*, may be beneficial to work around institutional uncertainty because it facilitates the mobilization of more reliable resources—primarily financial and human—from sources such as (extended) family and the local community, which are generally considered to be characterized by higher "caretakership" (Discua Cruz et al., 2013), that is, by lower opportunism and stronger mutual bonding (e.g., Adler & Kwon, 2002; Arregle et al., 2007). In some countries, these informal institutions are intertwined in intricate relational mechanisms that heavily influence entrepreneurs' access to resources (e.g., Puffer et al., 2010). In China, for instance, business activity relies extensively on *guanxi*—that is, a complex web of social and political relationships based on reciprocity (Xin & Pearce, 1996), whereas in Russia, a common practice among entrepreneurs is *blat*—that is, "an exchange of favors of access in conditions of shortages and a state system of privileges" (Ledeneva & Ledeneva, 1998, p. 37).

In Africa, the importance of informal institutions is reflected in concepts such as *wasta* (i.e., obtaining something through favoritism) in Arabic regions (e.g., Sidani & Thornberry, 2013) and *ubuntu* (i.e., the accumulation of personal, family, and clan credibility) in sub-Saharan countries (Mangaliso, 2001). However, the literature points to important limitations of informal workaround practices (Ofori-Dankwa & Julian, 2013; Sutter et al., 2019). On the one hand, lobbying may be risky because political institutions often promote bureaucratic corruption and provide perverse market incentives (Lawton et al., 2013). In this respect, Coffman and Anderson (2018, p. 6) found that Ghanaian entrepreneurs considered nonpecuniary corruption (i.e., favors) riskier than pecuniary corruption because "the cost of performing a favor was unknown, introducing uncertainty, and potentially ruining the business." The benefits of clientelism also vary depending on each country's past colonial history and ethnic heterogeneity (Decker et al., 2020). In many communities, entrepreneurs' political affiliation or ethnic background matter substantially due to the great influence of the chieftaincy (and council of elders) on administrative and judicial functions and thus on economic and social exchanges (Acquaah, 2007; Michalopoulos & Papaioannou, 2015; Zoogah et al., 2015).

On the other hand, scholars caution against the rather intuitive and widespread assumption that kinship, family, and community relationships might be necessarily beneficial for entrepreneurs.[4] For instance, Rooks et al. (2016) warn that community relationships might become a liability in that they create implicit social obligations such as the hiring of unqualified family members or expectations to purchase from friends rather than better suppliers. Similarly, Khayesi et al. (2014, p. 1337) found that an entrepreneur's kinship and family ties could impose "significant costs… arising from the heavy involvement of family members." It is hard for African entrepreneurs to ignore these social obligations, Khavul et al. (2009), pp. 1222–1223) observe, because "the resulting tension can undermine the cohesion of [their] extended family."

While we have a solid theoretical understanding of how entrepreneurs make the most of informal institutions to compensate for their country's shaky formal institutions and limited intermediaries, we know far less about how and through what practices they work around severe institutional voids when informal institutions are also partly or fully untrustworthy, as in the African context.

We agree with recent calls that argue that unpacking these practices would contribute to advancing scholarly knowledge of how entrepreneurs navigate institutional voids (Ramírez-Pasillas et al., 2020) and would contribute to "a paradigm shift in the way we approach contextual issues" (Moulick et al., 2019, p. 7) in entrepreneurship, producing theory that is broader in nature, scope, and variety beyond the dominant Westernized model (cf., Bruton et al., 2013).

Methods

To explore how entrepreneurs cope with severe uncertainty in both formal and informal institutions, we conducted a qualitative field study, which is an appropriate approach given the limited theory development (cf., Gioia et al., 2013). We studied 47 entrepreneurs in Kenya, a country where severe institutional voids persist (cf., Dutt et al., 2016) and that still suffers from "poor-quality infrastructure, skills shortages, instability related to terrorist risk and political, social and ethnic divisions, ineffective rule of law and corruption" (UNCTAD, 2019, as reported in the Financial Times, 1st of November 2019; see also Schwab, 2018). At the same time, however, entrepreneurial activity in Kenya has steadily grown over the last decade, with its burgeoning technology scene attracting increasing attention and sparking the perhaps unprecise but telling nickname "Silicon Savannah" (Fingar, 2019; Friederici et al., 2019).

Data Collection

We collected our primary data in 2016 and conducted a follow-up in 2019. As summarized in Table 1, we conducted interviews with 47 entrepreneurs based in Kenya, engaged in several field visits and gathered a substantial amount of documentation. All interviews lasted between 37 and 97 min for a total of 53 hr of audio recorded and transcribed.

In the first round of data collection, we searched for entrepreneurs using the following criteria: (1) commercially oriented (to filter out those with lifestyle and subsistence objectives (cf., Webb et al., 2019) or relying on donations); (2) early-stage (age ≤5 years) (to keep a clear focus on practices in the wake of high uncertainty); and (3) at least one previous venture (to ensure they had some reasonable experience in entrepreneurship and the business context). We also tried to ensure some variation in terms of sex and age, completing a total of 37 interviews (Table 2). In the follow-up round, we interviewed ten new entrepreneurs plus two who had been part of the first round, whom we recontacted based on agenda availability during the last field visit.

We briefed all interviewees about the academic nature of the research and assured them that all personal information would be anonymized to encourage open information sharing. To start, we asked exploratory questions such as "*How did you start your new venture?*" While the data collection progressed, we started comparing the emerging evidence with the literature (Miles et al., 2014) and the questions transformed into semistructured interviews that concentrated on understanding the way entrepreneurs dealt with weak formal and informal institutions. For instance, we asked "*If you cannot rely on governmental support nor on your family, how did you get your key resources to get started? What were the main obstacles, and how did they change over time?*" To counterbalance the risk of recall bias in these retrospective interviews, we triangulated the response with evidence from other data sources, such as business documents and direct observational field data. This multisource approach gave us the opportunity "to gain first hand exposure to the processes under study, instead of solely relying on interviewee accounts" (Danneels, 2002, p. 1098).

Data Analysis

Our data analysis relied on the analytical procedures developed by Gioia et al. (2013), which consist of three key steps to ensure that empirical observations are linked to existing theoretical

Table 1. Data Use and Sources.

Data sources	Type of data	Use in the analysis
Business documents	**Business plans and business presentations (2016)**	
	A total 1039 pages of documents and 547 pages of presentations regarding each venture's business model, performance, and mission	Gaining familiarity with each venture and entrepreneur including understanding the business model and mission
Interviews	**First round (2016)**	
	Interviews with 37 entrepreneurs (39 hr)	Gaining insights into the new venture creation process by looking at perceived uncertainty and entrepreneurial behavior
	Second round (2019)[5]	
	Interviews with ten new entrepreneurs and two from the first round (14 hr)	Entrepreneurs from first round: clarifying and confirming data interpretation. New entrepreneurs: Strengthening data analysis and expanding evidence base
Direct observation	**Field visits (2016 and 2019)**	
	Eight company visits in 2016 (78.5 hr) and two more in March 2019 (16 hr), including participation in meetings with team members and key customers/suppliers	Confirming the interpretation of interview data; gaining further insights into *ad hoc* behavior with formal and informal institutions

Table 2. Profile of Interviewees

#	Gen	Age	Country of origin	Education	Exp # of Biz	Ind.	Reg.	Age	Rev (in $k)	# of Empl.	# of Cofoun.	Type of cofoun.
1	M	22	Rwanda	BA: Finance	3	Health	rural	2	8	3	2	Brother
2	F	30	Kenya	BA: Mngt	2	Edu	urban	<0	0	0	0	None
3	M	39	Rwanda	BA: Agriculture	2	Edu	urban	2	35	2	0	None
4	F	46	Kenya	MSc: Mngt	2	Edu	urban	5	25	10	2	Friend
5	M	33	Kenya	BA: Mngt	2	Agbiz	rural	<0	0	0	0	None
6	M	26	Kenya	MSc: Mngt	2	ICT	urban	3	6	2	1	Brother
7	M	53	Kenya	BA: Agriculture	3	Agbiz	rural	4	70	5	0	None
8	M	27	Kenya	MSc: IT	4	ICT	urban	2	35	6	1	Friend
9	M	25	Kenya	MSc: IT	3	ICT	rural	<0	0	0	0	None
10	M	26	Kenya	BA: Mngt	5	Health	urban	3	78	5	1	Friend
11	F	37	Uganda	MSc: Soc. Science	6	Tourism	urban	5	100	2	1	Husband
12	F	27	Kenya	MSc: Journalism	4	Journ	urban	<0	0	0	0	None
13	F	23	Rwanda	BA: Mngt	4	Child care	urban	3	9	0	1	Sister
14*	M	51	Tanzania	PhD: Public Mngt	8	Green Tec	urban	2	57	6	0	None
15	M	45	Kenya	MSc: Soc. science	3	Agbiz	rural	2	55	2	1	Wife
16	M	43	Kenya	MSc: Agriculture	2	Agbiz	rural	1	4	2	1	Friend
17	M	40	Kenya	MSc: Comm	4	Media	urban	4	5	3	1	Wife
18	F	21	Kenya	BA: Buz Tec	2	Edu	urban	2	6	-	3	Friend
19	M	46	Kenya	MSc: Health	2	Green Tec	urban	3	5	2	0	None
20	F	44	Kenya	BA: Edu	2	Edu	rural	2	25	3	0	None
21	M	41	Kenya	BA: Mngt	3	Edu	urban	1	8	2	0	None
22	F	29	Kenya	MSc: Mngt	3	Edu	urban	3	77	4	1	Friend
23	F	33	Kenya	MSc: Mngt	2	Agbiz	urban	2	9	3	0	None
24	M	42	Kenya	MSc: Chemistry	6	Green Tec	urban	5	43	4	1	Wife
25	M	38	Kenya	MSc: Eng.	2	Agbiz	rural	1	37	6	1	Friend

(Continued)

Table 2. Continued

#	Gen	Age	Country of origin	Education	Exp # of Biz	Ind.	Reg.	Age	Rev (in $k)	# of Empl.	# of Cofoun.	Type of cofoun.
26	F	24	Kenya	MSc: Agriculture	2	Edu	urban	<0	0	0	0	None
27	F	39	Kenya	BA: Edu	3	Agbiz	rural	2	3	3	0	None
28*	F	25	S.Sudan	BA: Mngt	2	Food	urban	1	1	2	0	None
29	F	31	Kenya	MSc: Mngt	2	Bev	urban	4	45	8	1	Friend
30	M	54	Kenya	MSc: Edu	3	Agbiz	rural	2	24	4	0	None
31*	M	32	Kenya	MSc: Eng.	3	Green Tec	urban	1	12	0	1	Sister
32	M	21	Kenya	BA: IT	4	ICT	urban	1	2	0	3	Friend
33	F	44	Kenya	MSc: Mngt	2	Clean Serv	urban	3	44	11	1	Husband
34	F	29	Tanzania	BA: Edu	2	Fashion	urban	1	2	0	0	None
35	M	22	Kenya	BA: IT	2	ICT	urban	1	1	0	1	Brother
36	M	28	Kenya	BA: Marketing	3	ICT	urban	2	7	2	1	Brother
37	M	38	Rwanda	BA: Mngt	2	Edu	urban	1	3	0	1	Wife
38	F	37	Kenya	BA: Comm	3	Cosmetic	urban	3	14	1	0	None
39	F	46	Kenya	MSc: Mngt	2	Food	urban	4	23	3	0	None
40	M	28	Kenya	MSc: Mngt	4	Logistic	urban	1	30	5	1	Friend
41	M	44	Tanzania	MSc: Chemistry	3	Green Tec	rural	5	55	15	1	Brother
42	M	26	Kenya	MSc: Eng.	2	ICT	urban	2	22	0	1	Friend
43	M	27	Kenya	MSc: Eng.	3	ICT	urban	2	22	0	1	Friend
44	M	47	Kenya	MSc: Design	7	Fashion	urban	4	77	6	0	None
45	M	28	DR Congo	BA: Eng.	2	ICT	urban	3	34	3	1	Friend
46	M	30	Kenya	MSc: Eng.	4	ICT	urban	3	34	3	1	Friend
47	M	38	S. Sudan	BA: Mngt	3	ICT	urban	1	13	0	0	None

Note. *Data were collected in 2016 and 2019.

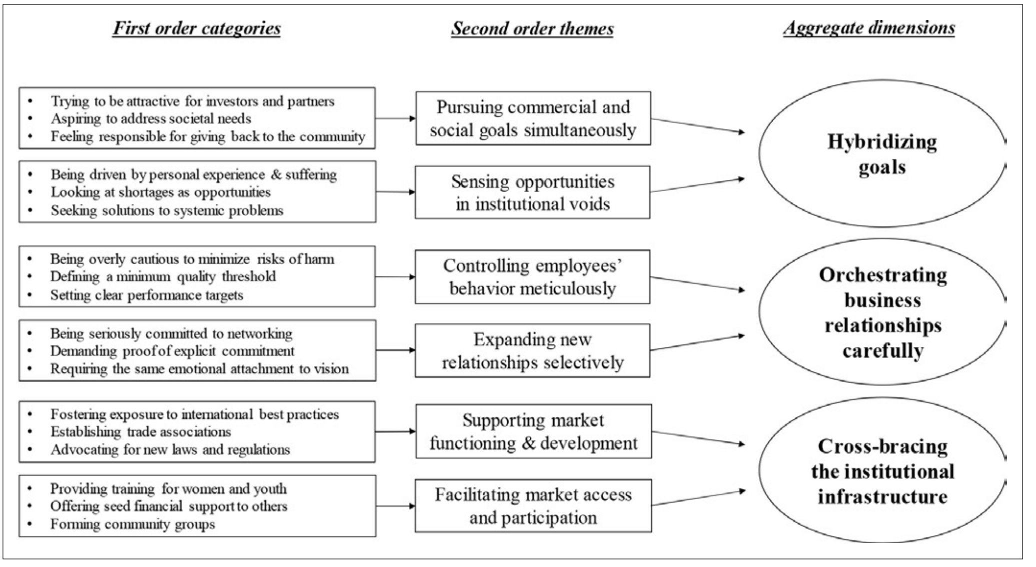

Figure 1. Coding structure.

concepts to develop new insights (McMullen & Dimov, 2013). Figure 1 illustrates our final coding structure.

Step 1: Decision-Event Analysis and Open Coding

We created a list of key events in the development of each venture in the sample, gathering evidence from all sources in our study (Reymen et al., 2015). Examples of events include *opportunity recognition*, *business idea development*, *allocation of key resources*, and *collaborating with key suppliers and customers*. The identification of these events was discussed among all the authors to ensure consistency (Larsson, 1993). Each interview round was also followed by an "open-coding" process (Strauss & Corbin, 1998) in which we carefully analyzed the transcripts and set up a dataset of codes using short descriptions that summarized the meaning of different portions of text (i.e., *in vivo* codes; cf., Gioia et al., 2013). For example, we used the code *work with only women* to synthesize "I decided to only work with women because there are so many outside that never went to school, but they need money to feed their families" [entrepreneur #33]. Next, we merged similar codes and developed our first-order categories so that they mirror our informants' 'concepts-in-use' (Gephart, 2004). For instance, *having a similar approach to working together* and *requiring the same passion for business* as *in vivo* codes were combined into the first-order category *requiring the same emotional attachment to vision*.

Step 2: Axial Coding

Our codes were informed by existing constructs in the literature, and we moved abductively, going back and forth between data and theory several times, trying to link emerging themes to prior theory (Gioia et al., 2013). For example, we grouped first-order categories according to concepts from the literature on entrepreneurial networking (e.g., *defining a minimum quality threshold*) and entrepreneurship in developing economies (e.g., *looking at shortages as opportunities*). Next, we clustered conceptually overlapping first-order categories into second-order themes (Gioia et al., 2013) that represented key elements of the practices through which entrepreneurs in our study coped with severe institutional voids. Two authors worked closely together comparing and discussing the emerging coding structures based on empirical evidence, while the other two authors provided critical comments.

Step 3: Building a Grounded Model

Finally, we matched our second-order themes with the theoretical predictions and insights from the research. We reiterated this process until we were able to develop stable aggregate dimensions at an even higher level of theoretical abstraction. We then focused on disentangling the relationships between these aggregate dimensions to build a coherent grounded model explaining why and how, through the set of workaround practices we identified, entrepreneurs in our study tried to achieve their goals in the presence of severe levels of perceived institutional uncertainty. Our model emphasizes that the dissatisfaction (cf., Van De Ven & Poole, 1995) with formal and informal institutions experienced by commercial entrepreneurs leads them to devise workaround practices whose purposeful implementation motivates them to expand their goals to encompass social value creation. In addition, we worked to ensure the "trustworthiness" of our insights (Lincoln & Guba, 1985) by asking a subset of our interviewees to review the transcripts to confirm the closeness and appropriate interpretation of their wording with our final coding structure. We did not receive any substantial amendment, but we used this feedback to refine our grounded model.

Findings

We conducted this study to understand how and through what practices entrepreneurs do business in a developing economy such as Kenya when neither formal institutions nor intermediaries and informal institutions provide adequate support for their ventures. Kenya's formal institutions remain extremely fragile despite important investments in recent years (cf., OECD, 2020). "We all know that our institutions are not truly working. They never did" (#2), argued one of the entrepreneurs. "Trust me!" exclaimed one entrepreneur. "It is better not to consider anything that the government promises. Keep them out of your plans!" (#3). Many others echoed similar challenges, and in line with this widespread sense of mistrust, our data display little attention being paid by entrepreneurs to any kind of governmental support.

Our findings are organized according to the coding structure in Figure 1, which groups six second-order themes into three aggregate dimensions representing different workaround practices (Mair & Martí, 2009; Moulick et al., 2019) utilized by the entrepreneurs in our study to navigate their complex institutional setting (cf., Claire et al., 2019; Ramírez-Pasillas et al., 2020). The first aggregate dimension—*hybridizing goals*—reflects the fact that severe institutional voids create stark stimuli that make even commercial entrepreneurs more aware of societal needs and generate an aspiration to find innovative ways to address these needs as part of their business goals. The second dimension—*orchestrating business relationships carefully*—emphasizes that the uncertainty posed by severe institutional voids pressures entrepreneurs to become extra judicious when managing employees, especially if family members, or when reaching out to form new relationships. The last aggregate dimension—*cross-bracing the institutional infrastructure*—suggests that a stronger focus on social value creation, combined with the additional effort required to orchestrate relationships carefully, can motivate and inspire entrepreneurs to implement initiatives to strengthen market effectiveness in the local ecosystem as well as participation of entrepreneurs from more disadvantaged backgrounds.

Hybridizing Goals

All entrepreneurs in our study were, by research design, commercially oriented and tried to make money despite the challenging institutional environment. One of the opening sentiments the entrepreneurs commonly offered to describe their business during our interviews focused on how they were able to make money, followed by statements such as “Here, you can never trust the government, so I prefer to develop my business in a self-regulated way, to make my own money instead of waiting and hoping for our county government (laugh)” (#32). In a similar vein, another entrepreneur pointed out that “you need a lot of time for everything [from the government] and in the end you might wait for years with no results… [I prefer to develop] a stand-alone business… that actually generates profits” (#4) (see Table 3 for selected quotes).

Pursuing commercial and social goals simultaneously. Although subsistence was certainly a factor (cf., Webb et al., 2019)—approximately 80% of Kenyans are either income poor or near the poverty line (Diwakar & Shepherd, 2018)—most entrepreneurs were keen on highlighting their growth plans in business presentations and were considering or actively trying to attract investors and new partners. One entrepreneur, for instance, went to the US to find partners for her IT coding school in Nairobi. “All of them asked me in the first question ‘How do you make money?’”— she recounted. “So, I realized immediately that I needed to come up with a solid model… and to find a way to make [customers] pay for it, even if they are pretty poor” (#22). Entrepreneur #28 also boasted that she was “the first one coming up with a plan that could actually generate money” and that the management at her university, where she wanted to pilot her food business, was “very impressed by my business model… and want[ed] to give it a try.” One informant observed that it was “really hard to come up with a service that people [were] willing to pay for” (#10) but that investors insisted until he found a way to make all users pay.

At the same time, however, the entrepreneurs we interviewed were highly aware of the societal needs around them and showed generally an aspiration to pursue opportunities that could address these needs at the same time. Many business presentation decks stated joint commercial and social goals explicitly. The deck of entrepreneur #33, for instance, first detailed how the company intended to make money by selling cleaning products and services and next outlined its intended social outcomes including “job creation in the community,” “stable contracts for staff,” and even—perhaps unusually—“improving the country’s economy through taxation.” “Once you find a way how to make money while actually generating an impact, people just love to invest in you!” explained another after a call with a prospective foreign investor. “It is not only about creating a new business… we want to support our employees to improve their lives” (#33). This was echoed by others: “The beauty is that if we grow, we can offer more people a stable income that they can use for their families” (#1). All felt a responsibility to give something back to their community. One informant maintained: “Sure, I want to make money with my business, but it makes me even happier if I can make money while reducing environmental pollution in our cities” (#24). They felt “this duty to truly exploit [opportunities because] if I do not create jobs for others, who else will do it?” (#43). One explained that he “wanted do something that improves the community I come from… this is my duty for the society” (#6). Another described her business as “part of giving something back to society [because] if my business grows… I can hire more people and provide them with a fair and fixed salary, that supports many families here!” (#13). Other informants echoed similar aspirations: “The people where I come from are very poor… When I left my village to go to university, I kind of made a promise to come back one day and do something good for them” (#46).

Sensing opportunities in institutional voids. The aspiration to pursue commercial and social goals simultaneously shaped how entrepreneurs sense opportunities in severe institutional voids. Sensing as a purposeful search (Teece, 2007) was influenced, in many cases, by impactful

Table 3. Hybridizing Goals: Selected Evidence.

Second-order themes	Selected evidence on first-order codes
Pursuing commercial and social goals simultaneously	*Trying to be attractive for investors and partners* "Getting financed is difficult. But if you can show that you contribute to the community and, at the same time, you are able to generate profits, investors will love you (laugh)" (#2) "I still struggle to get partners on board to share the costs. They all tell me I need to improve how I will be able to make money. That is my biggest challenge" (#9) *Aspiring to address societal needs* "My logic is pretty simple: the more clients I get, the more people without any educational background I will train" (#21) "If more and more people will eat my chutney, they will help us promoting artisanal products from Kenya, and I will be able to train more and more women on how to make it" (#39) *Feeling responsible for giving something back to the community* "I cannot become very rich without sharing it not only with my family but also with my village where I come from. I cannot be that selfish" (#41) "I am very privileged to be smart enough to learn very fast. So, I want to help others that might not be that lucky" (#26)
Sensing opportunities in institutional voids	*Being driven by personal experience and suffering* "Remember, I come from South Sudan, so I grew up with the fear of not getting enough food for the day. Even if we had some food, we worried about the food safety. You know, quality is a big issue here. We were terrified" (#28) "My younger sister is disabled since she was born. Can you imagine being disabled here in Nairobi? Our city and infrastructure is not made for disabled people. It is very hard for us to support her all the time. Sometimes, I feel so guilty… why her and not me?" (#13) *Looking at shortages as opportunities* "I live close to Kibera, the biggest slum in Nairobi, and I work in the education system. So, you can imagine how much need we still have… You just need to open your eyes, and you can see that there are so many opportunities here" (#37) "Demand is everywhere. People still need access to water, food, and electricity. Not even our basic demands are satisfied. There is so much potential for business" (#20) *Seeking solutions to systemic problems* "I grew up in Kariobangi, so basically with all the plastic waste around me. It has followed me my whole life. I wanted to find a solution" (#14) "Our education system is weak. The government pretends to have public schools, but we all know that the quality of them is very low…most women in the slums did not go to school, but they are desperate to find a job to feed their families. For them it is impossible to go back to school. They do not have the time. So, we need a customized solution for them" (#18)

personal experience with scarcity, poor living conditions, or others' suffering. Most business presentations started with the entrepreneur's story of personal suffering and their inherent negative emotions to explain how they came up with their business idea. For instance, one entrepreneur described his pain of losing a close family member as an important driver behind the launch of an online pregnancy advice service from his company. “It was a horrible time. We lost my aunt during the pregnancy just because she was not able to come to Nairobi for standard check-ups” (#10). Another entrepreneur who used to work as a social community worker in Kibera—Africa’s largest urban slum in Nairobi—noted that one of the country’s biggest challenges was that low-quality water was spreading diseases. He explained, “For me, seeing every day this problem in the community kept me going… I couldn’t see more and more children dying because of cholera. I felt so sorry for them” (#19). Another entrepreneur went into farming because “we still have so many people that suffer from hunger; we are still not able to satisfy the demand for food…It is painful to see children dying from hunger. They could be your children” (#27).

Purposeful search was also reflected in the way many look at shortages as opportunities. “We still face so many different shortages that truly make our lives difficult, but if you want to see it optimistically, we still have so much place for new businesses,” argued another informant (#47). One entrepreneur asked us “How many days have you been here? How many problems have you seen outside? You just need to open your eyes, and you see tons of them” (#16). Another joked: “If you go through the city of Nairobi, you will see so many things that are actually not working. There are so many opportunities outside. I just don’t have enough time and money (laugh)!” (#25). During one interview, one informant even offered to sell us an idea because he had so many but neither the time nor the money to implement them (#32). In many cases, entrepreneurs were conscious about seeking solutions to problems that were essentially systemic. “You cannot expect the system to get better… This is the space for entrepreneurs. If the systems fail, this is where you can operate…” (author’s note from an unrecorded exchange with an entrepreneur). “We don’t have drinking water for all the people living in slums, we don’t have a working waste system… the list is long!” exclaimed one. “One day I started asking myself: ‘What can I do to improve our situation? And this is where everything began!” (#1). One green technology entrepreneur stated: “You know what I feel is kind of ironic? ... We have plenty of solar energy here, it is kind of the only constant resource that we have. And still, we have so many people in our country without access to energy. This is exactly what I want to change with my business!” (#31).

Orchestrating Business Relationships Carefully

Research suggests that one way for entrepreneurs in developing economies to work around weak or absent formal institutions is to make the most of informal ones by engaging in political networking or by leveraging kinship, family, and community relationships (Ahlstrom & Bruton, 2002; Ge et al., 2019). Unfortunately, political connections were considered generally unstable in the context of our study: “politics are crazy, they change maybe from one day to another!” (#26). Corruption was “everywhere” (#17) and “the biggest one [out] of so many problems” (#34), generating a perception that “here in Kenya, you are just one against all of them!” (#7). Entrepreneurs therefore had to be overly careful in orchestrating existing and new business relationships, especially those with kinship and family members (see Table 4 for selected quotes).

Controlling employees’ behavior meticulously. As expected, we collected several instances confirming the importance of family and kinship as a source of informal support. “Here, it is like family law… you cannot think about yourself as a single individual” (#18): thinking in “we” as a “family” seemed deeply anchored in the cultural background (cf., Rooks et al., 2016). However, contrary to expectations, our findings highlight a widespread lack of confidence about such relationships. “It is very difficult here in Kenya because you never know which person you can trust on… even family is not so easy” (#22). We heard several stories along these lines, highlighting the risks of untrustworthy personal relationships such as “they feel very secure working for me because we are friends… [but they] feel like they do not truly need to work, it’s very complicated

Table 4. Orchestrating Business Relationships Carefully: Selected Evidence.

Second-order themes	Selected evidence on first-order codes
Controlling employees' behavior meticulously	*Being overly cautious to minimize risks of harm* "It is the same logic as for my children. In order to avoid that they eat too much sweets, they do not have the access to it. I do the same with my sister, she only has access to the resources she needs to do her job" (#13) "Usually, I am not a control freak. But I have learned that I need to control which information I can share with my husband and my sister. It would be too much power for them knowing everything" (#11) *Defining a minimum quality threshold* "I urgently needed someone who is able to create websites. My sister-in-law works in this field. I struggled a lot before asking her (laugh). But at the end of the day, I have seen her references, and they were really convincing" (#29) We also noted that it was common for interviewees to put great emphasis in their business presentations on formal qualifications, even for family members. "My dear wife has more than 10 years of experience in financial management and leadership (MSc Finance). She handles the day-to-day operations of the company" (#17, business presentation) *Setting clear performance targets* "I know my brother is lazy. The only way is to give him clear indicators that push him to work harder. Otherwise, I could not expect anything from him in the office" (#6) "I did not have the feeling that my cousins really worked. Every time I asked for an update they came up with some excuses. So, I had no choice, but to [create] clear numbers that I can measure for their tasks. You know, to keep track" (#23)
Expanding new relationships selectively	*Being seriously committed to networking* Entrepreneur #29 explained that he instinctively mistrusted people he met during informal and serendipitous occasions. At the same time, however, we observed two different steps. First, he was keen on exploiting new contacts and asking whomever he encountered for business cards and additional information about how to work together. Second, he made an effort to choose critically appropriate contacts among the pool of people (author's personal note). "In rural areas, networking works differently. Unfortunately, we do not have fancy events. But I put a lot of effort into organizing informal meet-ups that are shared among us local farmers" (#15) *Demanding proof of explicit commitment* "I actually really want to see them at least one day in the field. Because it is not that easy. So, they need to come for one day, and at the end, I will decide if I will take them or not" (#5) "I need people around me that do not run away if things become difficult. That is why I have started to do like a stress-test for one day. I want to see their limits and how much effort they really would put into our project" (#35) *Requiring the same emotional attachment to vision* "Blockchain is like a religion, with its own rules, beliefs, and values, which unifies our ideas about the impact we want to create in the future. It makes my life so much easier because I trust them. I know we follow the same long-term objective" (#45) When meeting entrepreneur #44 and visiting his/her company, we noted that employees were discussing business decisions by referring often to the company's vision of establishing an ethical fashion brand (author's personal note)

here in Nairobi!" (#2). Another entrepreneur even recounted a story in which his brother stole the company car: "from his perspective, it was his right… he wanted to go on holiday with his family!" (#24).

Entrepreneurs had to be rather meticulous about making the most of these relationships in relation to their business. They did so by establishing explicit control mechanisms that applied to all employees but especially kinship and family members. First, most entrepreneurs had to be overly cautious and try to minimize risks of harm from such relationships. For example, we had the opportunity to participate in a business meeting with an entrepreneur and his children in which he shared only half the information. After the meeting he explained his approach informally: “I need to select the information I share with them precisely. Sharing too much might become dangerous for me” (author’s personal note). In the subsequent recorded interview, he then added that he had to “find a strategy of bluffing, like just giving them the feeling of knowing everything about the business” (#17). Likewise, another informant argued that he had “to learn how to let [relatives] participate without harming seriously [the] business” (#7). One technology entrepreneur also explained, with some amusement, that he had to introduce strict procurement rules for family members: “I have to limit them! Without these borders, they would just do whatever they want, and my money would be gone (laugh)!” (#41).

Second, some defined strict minimum quality thresholds expected from family and friends. One informant complained that it was challenging for him to decline requests from kin: “It would be crazy to just say ‘yes’. The minimum I can do is to ask them for proof to see whether they can actually provide me with the right thing” (#21). “Quality is a must have,” argued one interviewee. “I have already so many problems to solve every day. I need to make sure that they actually provide the right work” (#30). “It’s not enough to be like friends! I need people that actually can contributed to our project and are motivated!” (#38). Finally, in many cases, entrepreneurs explained that they had to set clear performance targets. “You better have some goals written down; otherwise, they may do what they want, like chilling around, because they know they cannot get fired” (#46). One entrepreneur lamented that he was “very anxious” about the performance of his sister and thus decided to put in place strict daily targets: “it is very time consuming for me… [but] it is currently the only chance [I have to] make sure that she will actually do something for the money I give to her!” (#40). When visiting this company, we noted that even its employee performance measurement system was highlighted as being of strategic relevance in business presentation decks.

Expanding new relationships selectively. We spent a significant amount of time observing how entrepreneurs were going about approaching new partners and collaborators. In most cases, we witnessed serious networking commitment and several business card exchanges during local events. “You truly need to put yourself out there, otherwise you might miss big opportunities,” (#12) highlighted one participant. This view was shared by others: “Thank God, that I am a very open and chatty person. Otherwise, going to all those networking events to meet new partners would be a nightmare (laugh). And we know that for us, it is mandatory, no way out!” (#38). However, the enthusiasm for the first contact was typically followed by a rather selective approach when deciding on follow-ups. Entrepreneurs consistently told us that, before progressing, they had to demand proof of explicit commitment. “Usually, I am not a very passive person, but if it comes to start new partnerships, I [am] pretty silent at the beginning. I want to see if the other is willing to do the first step, to take the initiative” (#44). Another entrepreneur explained “[I] feel like… testing the interest of the men (laugh)… for me, it is kind of the same: I need to understand how much they are interested in a new partnership [because] otherwise I would get hurt financially” (#32). In line with this statement, during the interview, this entrepreneur received a call from a potential new business partner, which she intentionally ignored. She then explained that she wanted to see how many times this person would try to call her and whether he or she was committed enough to come to her office (author’s personal note). In cases of new hires, the proof of commitment often involved some free work because “you want to see that there are not only words… here in Kenya, people talk a lot, and nothing happens. I want to see action first” (#18). “Usually… people need to work at least for two weeks with me, sometimes for free. Then, when everything is fine… I give them a contract and pay them for the work done… By doing this, I can check whether they are really interested," added entrepreneur #19.

Sharing a common vision about impact was also a recurrent theme when evaluating prospective partners and collaborators. Most business presentations included at least one slide dedicated to social impact. "The impact that I want to create is my driver; it is what pushes me. I want to work with people who think the same way," argued entrepreneur #28. Another interviewee reinforced the same point: "I need to know if we share the same idea of the impact we want to create; if we have the same drivers, I know we can find a way to work together!" (#31). During an interview, an argument between entrepreneur #10 and his employees erupted, and yet he was able to resolve it by emphasizing their common goal to help the youth in the city. "I am a very visionary person, and I find it more difficult to work with people that do not get our final objective. In the end, we need to follow the same road" (#47). "I am so passionate about the impact that we can create by reducing plastic waste," highlighted entrepreneur #14. "For me, it would be very difficult to work with people that do not share the same ideas!"

Cross-Bracing the Institutional Infrastructure

Similar to entrepreneurship in more developed economies, another way for entrepreneurs to get around formal voids in developing economies is to leverage the training and commercial services provided by organizations—for example, business incubators, accelerators, development organizations, trade associations, and community hubs—that provide an embryonic institutional infrastructure (Sutter et al., 2017). In recent years, the number of these offerings has soared across Africa (Shapshak, 2020), and as part of our data collection, we spent a significant amount of time in certain Kenyan hubs, in particular iHub (http://ihub.co.ke) and Nairobi Garage (http://nairobigarage.com; cf., Littlewood & Kiyumbu, 2018; Ndemo & Weiss, 2017). However, in our study, the impact of the support of intermediaries was rather limited because only ten informants (out of 47) were (paying) members of these hubs or of any other similar organizations. The majority was skeptical (cf., Friederici et al., 2019). "I really like meeting some partners or new clients at the bar [of the incubator]… but honestly, I don't see the point to pay for membership. I don't think it's worth the money… you know, I prefer spending money for something else" (#36). More interestingly, far from being mere seekers of support, we found that several of our informants were engaged proactively in practices aimed at cross-bracing the market-supporting infrastructure of their country (see Table 5 for selected quotes).

Supporting market functioning and development. The activities put in place by entrepreneurs to bypass institutional voids, our data show, were instrumental in building market-supporting foundations. This happened primarily through the introduction of knowledge from more advanced countries and bottom-up pressure to create nascent institutional arrangements. Entrepreneur #35, for example, was keen on stimulating knowledge exchange with foreign partners. "The quality of [my collaborators'] work was truly bad… The only solution was to train them and get them in touch with some colleagues from Cape Town so they could improve." This was echoed by another entrepreneur: "I have been to Canada… I try to get some other young colleagues like me to get there" (#32). The job profiles of this company's team members in the business presentation deck described their 'role as match-makers' and their responsibility for connecting local partners and/or employees to international ones. We participated in several networking events and observed a strong focus on connecting local entrepreneurs to foreign mentors. For instance, entrepreneur #24 had initially been matched with a Dutch mentor for one year, but their partnership evolved into an ongoing exchange program for employees.

These efforts to improve market mechanisms were sometimes directed toward the creation of seminal intermediary organizations. Entrepreneur #16 created a farmers' association, for instance.

Table 5. Cross-Bracing the Institutional Infrastructure: Selected Evidence.

Second-order themes	Selected evidence on first-order codes
Supporting market functioning & development	*Fostering exposure to international best practices* "I try to connect as much as possible with international organizations that do similar things. I can learn from them, and I want to understand how they do it. For example, I have interesting colleagues in Mexico and Brazil" (#4) "In the media sector, everything is online. I actually got in touch with American journalists to organize calls. We want to learn from them, from their experience" (#12) *Establishing trade associations* "Our health system is really bad, and private organizations cannot solve all the problems. So, we decided to unify each other, like, we want to become stronger in front of the politicians. They need to listen to us" (#8) Describing how his company's business model changed over time, entrepreneur #7 explained in his business presentation that doing "community building in the form of an association" had become an integral part of the value proposition (Author's personal note) *Advocating for new laws and regulations* "When the local government asks you for help [to regulate applications in artificial intelligence], you are kind of obliged to support them. Otherwise you risk getting them as your enemies, and that could become dangerous." (#47) "Our property rights, copyrights, etc. are really weak here. There were a few moments in which they have harmed my business. A couple of weeks ago, some guy from the ministry called me to ask me for feedback regarding a new proposal. So, of course, I said yes" (#36)
Facilitating market access and participation	*Providing training for women and youth* "We focus on training young girls without any educational background. Initially, it costs us a lot of effort, but in the end, we see the benefits. They work so hard, it is incredible. I have never seen such a commitment before" (#11) In our visit to the company, entrepreneur #41 seemed to be a real role-model for young employees. They admired him and his success and seemed keen on his values and way of working (author's personal note) *Offering seed financial support to others* "We are all fighting [together] for establishing blockchain applications in Kenya. So, if I see colleagues of mine with a great idea, and they are searching for money, of course, I try to support them. I mean, we all work for the same goal" (#45) "Some partners were planning to start their own business of bottles made of recycled plastics. They asked me if I would be interested in investing in them, helping them with money. I said: Of course, I am super interested. But not only in giving you money, but also in your products (laugh)" (#29) *Forming community groups* "People in our community started to ask a lot of questions regarding organic farming. So, we started to explain it to them, and then, we engaged them in planting new trees. It turned out now to become a huge event in our neighborhood, with all the families. Even the children" (#15) "At home, I am basically the only one with expertise in entrepreneurship. And people know me for that, and they started meet-ups where I can share my experience with them. I feel like having followers, and not only on Instagram (laugh)" (#28)

"It is like a forum to come and to share experience… at the same time, we help [one another] to do marketing [and sales]… it's like 'one voice' for the market." "We have so many small mango farmers here. But we are not well connected," recounted one entrepreneur. "I thought that if we added a big number of small farmers, we could even become big. That is why I try to get us at one table" (#27). Entrepreneur #30 shared the same line of reasoning: "Here, in our region, we all cultivate bananas. So, in order to reinforce our reputation in the market, we need to work together for our region. Only unified we can get better access to exports" (#30). During the second interview, entrepreneur #14 proudly told us that his association, founded in 2016, had managed to grow rapidly to 80 members in plastic recycling and was building a solid track-record of collaborations in the sector.

On other occasions, entrepreneurs' attempts to support better market functioning resulted in a certain degree of lobbying on politicians to improve the regulatory environment. In general, these bottom-up pressures were localized at the regional level or came from knowledge of specific domains. For instance, the entrepreneur who launched the farmers' association argued, "We are currently working on some proposal… the local officer would never ever listen to me, but [together] we might get a chance" (#16). Another interviewee, a blockchain pioneer in Kenya, emphasized that "we support the government task force to develop a good framework… We can influence it because we are the only ones who know about the market (laugh)!" (#42). For instance, the governmental task force launched a strategic report on blockchain in 2019 and invited this interviewee for feedback sessions to revise and improve the document. "All the time, I try to avoid the government as much as possible" exclaimed entrepreneur #22. "[However,] a month ago they approached me, asking for help… Initially, I did not want to help because it's a mess! However, I thought it was so important to improve our regulation [and I did help]." Another, who struggled with the local finance ministry due to an unclear taxation regime for bio gas, added: "We have fought with them about taxes… but after a while… they started to develop a basic framework and asked me to provide feedback" (#24).

Facilitating market access and participation. We came across a variety of activities through which entrepreneurs tried to facilitate the access and participation of more socially disadvantaged groups (cf., Santos, 2012). Some invested in training. For example, entrepreneur #33 decided to work with single mothers with low educational backgrounds because she was passionate about training them to become reliable contributors to society. In her business presentation, she explicitly showed that she had trained 17 single mothers within 3 years. Likewise, entrepreneur #20 told us that she focused on "women without any qualification… I take them as employees because for them it's so important to get a fixed salary… they need to become independent." She thus offered childcare on the company's premises. Others focused on young people. "There are so many street kids, dropouts," explained another informant (#14). He had to adjust the business model to train these street kids to become "business people, like microentrepreneurs… We pick and cluster them into what we call self-help groups… we train them to manage their own bank account, money, and time…" The pride of this entrepreneur in the impact of his venture was also evident in his business presentation decks, in which he emphasized how many of "his street-boys" he had helped become microentrepreneurs. "In our village, we have a lot of young people without work or educational qualifications," added another entrepreneur. "But we know that they are good people. So, we decided to work with them. If we train them, our relation becomes, like, even stronger." (#25). This entrepreneur's business presentation deck described the initiative as "Training opportunities to students on attachment program" and how this program was designed to allow young people to complete their training with the company while also studying at school.

Providing seed financial support to other stakeholders, we noted, was another important focus of attention. "We don't have access to capital in Kenya… and even in case, the interest rates will destroy you!" (#9) lamented one. Entrepreneurs therefore had to jump in: "I actually helped [the supplier of my main ingredient] with money, the registration of the business, and other stuff… you know, at least I knew I would have a reliable source [i.e., a financially sound supplier] for my main ingredient" (#38). Another interviewee (#19) recounted how he struggled to find suppliers for a special product and eventually decided to finance a supplier to develop it. "At the beginning, it was more like being a point of reference for other entrepreneurs," described one informant. “I have shared my office with them, and if needed, I provided them with feedback. Now, things have become bigger and I have started to provide two colleagues with money. No bank wanted to support them.” (#2)

Finally, others found it beneficial to form different kinds of community groups. We met, for instance, entrepreneur #39 at the K1 Flea Market in Nairobi, where she sells handmade products. “Four years ago,” she explained, “I was the only one here trying to sell my relish [because,] due to our history, we do not believe in our skills to produce high-quality products ‘made in Kenya’.” Currently, however, in the same market, there are more than 20 microentrepreneurs that she helped organize as a community of local craftsmen. “I literally tried to ‘brainwash’ everyone who was interested in my business. I wanted them to see ‘our’ potential.” In a similar vein, entrepreneur #43 pioneered blockchain technology around a community of followers. In the interview, he defined himself as a “visionary searching for crazy followers” and thoroughly explained his efforts to stimulate the development of a community, including via social media, an online blog and a podcast.

Discussion

In this article, we investigated how commercial entrepreneurs build their ventures in the wake of severe institutional voids in developing economies. We found that entrepreneurs were not restrained by the voids they faced but rather developed “workaround” practices to circumvent them. We have used a field study of 47 commercially oriented entrepreneurs operating in Kenya to extend scholarly knowledge of these practices and to unveil the important role of entrepreneurs as microinstitutional agents (Battilana et al., 2009; Desa, 2012) who, leveraging such practices, can contribute to building their country’s institutional infrastructure while pursuing their (hybridized) business goals.

In this section, we discuss the grounded model of entrepreneurial workaround practices given severe institutional voids emerging from our study (see Figure 2). We first articulate the theoretical foundations of our findings, explaining how they differ from current assumptions regarding entrepreneurship in developing economies. To reinforce analytical generalizability (Yin, 2018), we point to other literature streams that resonate with our findings. Next, we elaborate on the implications of our study for research on entrepreneurship and its practice “in context” and social entrepreneurship.

A Grounded Model of Entrepreneurial Workaround Practices Given Severe Institutional Voids

Entrepreneurship is frequently conceptualized as a process through which entrepreneurs pursue commercial goals in the wake of uncertainty (McMullen & Shepherd, 2006; Townsend et al., 2018). Without uncertainty, it could be argued that there would be no opportunity for entrepreneurs (McMullen, Plummer et al., 2007), who have been defined “as individuals who have a way of producing value out of uncertainty” (York & Venkataraman, 2010, p. 454). Previous studies, however, suggest that developing economies suffer from weak or absent institutions that produce institutional voids. These voids exacerbate uncertainty such that it can impede commercial goal achievement due to reluctance to act and other barriers (cf., Bylund & McCaffrey, 2017). To work around this additional institutional uncertainty, research shows (e.g., Armanios et al., 2017; Cao & Shi, 2020; Ge et al., 2019), commercial entrepreneurs usually deploy practices such as relying on intermediary organizations, political networking, or leveraging kinship, family, and community relationships.

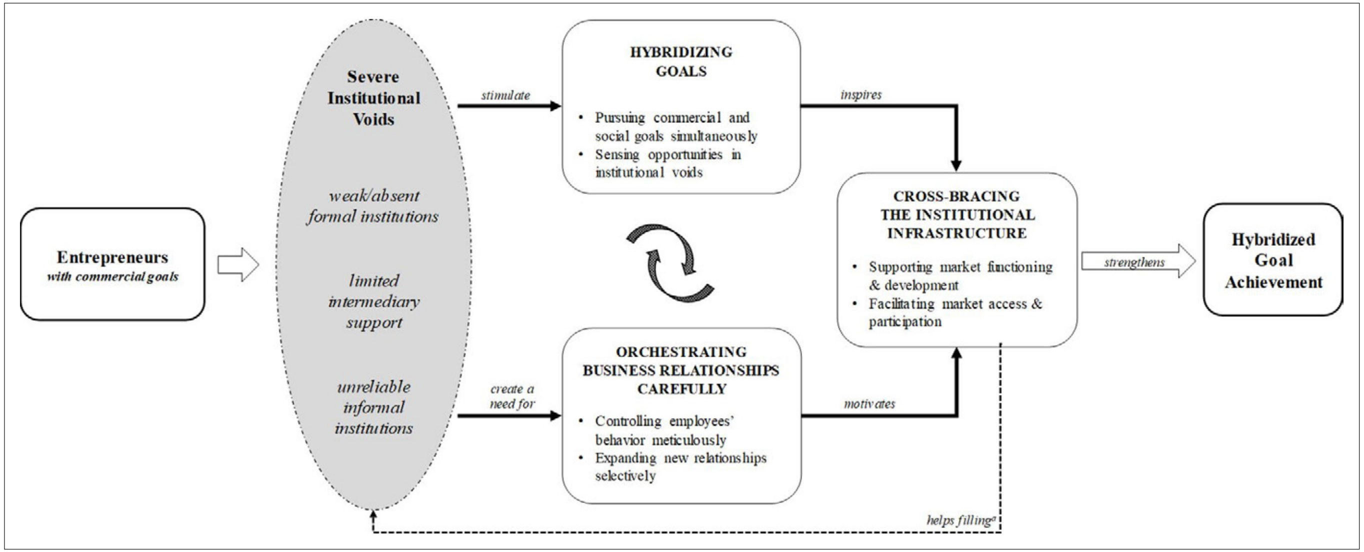

Figure 2. A grounded model of entrepreneurial workaround practices given severe institutional voids. [a]This dashed line indicates that we collected only exploratory evidence.

Unfortunately, in Africa, these practices are often inadequate or insufficient because intermediaries are limited in number and reach, political corruption thrives, and close relationships might be unreliable. In contrast, our findings unveil that African entrepreneurs can rise to the challenge by implementing alternative practices that are more context sensitive (Claire et al., 2019; Ramírez-Pasillas et al., 2020): they can *hybridize* their commercial goals to respond to the societal needs around them; they can *orchestrate* business relationships with clear emphasis on mechanisms that can foster trust with employees—family members, especially—partners, and collaborators; and they can proactively *cross-brace* the institutional scaffolding of the surrounding ecosystem by initiating seminal market-supporting arrangements rather than waiting for government intervention. In the previous section, we illustrated this bundle of three workaround practices in detail. We now articulate a theoretical explanation for *why* these practices "emerge" from entrepreneurs' experience of dissatisfaction (cf., Van De Ven & Poole, 1995) in the wake of severe institutional voids and for *how* their purposeful implementation leads entrepreneurs to the pursuit of goals that become expanded to encompass social value creation.

Severe Institutional Voids Stimulate the Hybridization of Goals

Several studies caution that the absence of supporting institutions hinders entrepreneurship (e.g., Bylund & McCaffrey, 2017; Ge et al., 2019) to the point that when entrepreneurs face formal and informal voids at the same time, they are expected to abandon growth goals and retreat to subsistence or lifestyle activities (Webb et al., 2019). In contrast, our model reveals that severe institutional voids might provide a counterintuitive source of new opportunities for (blended) value creation (cf., George et al., 2016a). This is possible because severe voids expose entrepreneurs to the bleak reality of deep societal needs around them and, therefore, open up "opportunity spaces" (Mair & Martí, 2009) that require "problem-solving tools" (Mair et al., 2012, p. 822). This exposure generates profound dissatisfaction (Van De Ven & Poole, 1995), whether explicit or implicit, that stimulates an aspiration to find viable solutions.

Research shows that entrepreneurs "sense" opportunities due to a combination of prior knowledge—about markets, technology, and serial venture creation—motivation for future rewards, and contingencies (McMullen & Shepherd, 2006; Townsend et al., 2018) that help them navigate "contradictions, ambiguities, and gaps" in uncertain institutional environments (Weber & Glynn, 2006, p. 1653). However, when operating in contexts where institutions are untrustworthy, intermediaries inadequate, and close relationships unreliable, entrepreneurs are more likely to be exposed to—and likely to be directly impacted by—the deep societal challenges that characterize developing economies such as environmental pollution, health deficiencies, and extreme poverty. Being in front of deep challenges in the surrounding ecosystem stimulates entrepreneurs' affect—that is, feelings and emotions that are important psychological foundations of entrepreneurial sensing (Baron, 2008; Giudici et al., 2018)—which "boosts responsiveness to events by broadening the scope of attention, cognition, and action repertoires" (Hodgkinson & Healey, 2011, p. 1506; see also the special issue of *Entrepreneurship Theory and Practice* on entrepreneurial emotions in 2012). Although entrepreneurs remain commercially focused, dissatisfaction and the resulting heightened awareness foster a stronger identification with these challenges (Wry & York, 2017), including the experience of personal or familial suffering, as in our study. This identification facilitates a greater sense of altruism toward others (Patzelt & Shepherd, 2011)—for example, our entrepreneurs often felt more responsible for giving something back to their communities—and generates a moral desire (Smith et al., 2016) to engage in business model innovation to deliver blended social and economic value (Giudici et al., 2020; Wry & York, 2017).

The important consequence of these stimuli is that our informants were pressed to move (more or less considerably) toward the social end of the commercial-social continuum (Austin et al., 2006). The resulting "hybridization" of goals is, we maintain, a first important workaround practice that allows entrepreneurs to cope with the severity of institutional voids. The term "hybridization" captures the need for entrepreneurs to "upgrade" their business goals in a way that overcomes the potential internal and external tensions between social and commercial goals (Ciambotti & Pedrini, 2019; York et al., 2016; for a review, see Doherty et al., 2014). Internal tensions might involve "identity conflict" (Wry & York, 2017) because entrepreneurs struggle to reconcile self-interest with personal morals and beliefs when confronting of deep societal challenges (cf., Kistruck et al., 2013; McMullen & Bergman Jr., 2017). External tensions are instead related to the risks to long-term growth if a venture's value creation strategy is not in tune with socially driven market demand (as in the case, for instance, of environmental sustainability; cf., York et al., 2016) or if social goals are pursued at the substantial and protracted expense of economic and financial sustainability (Santos et al., 2015). While our study investigated commercially focused entrepreneurs, the practice of goal hybridization resonates clearly with research in social entrepreneurship and, especially, with its "crescive" conditions, which are "institutional conditions and processes that increase the likelihood of entrepreneurial engagement in wicked problems" (Dorado & Ventresca, 2013, p. 70; Stephan et al., 2015). Our study also connects with the literature on inclusive business model innovation at the base of the pyramid (e.g., Halme et al., 2012; Lashitew et al., 2018) because it highlights the importance of adjusting existing commercial goals strategically to navigate severe voids.

Severe Institutional Voids Create a Need for a More Strategic Orchestration of Business Relationships

Prior studies on entrepreneurship in developing economies (i.e., with scarce resources and weak market-supporting infrastructure) have consistently highlighted that informal institutions—primarily political, kinship, family, and community relationships—help entrepreneurs because they lead to stronger trust, predictability, and informal control (e.g., Smith, 2009; Sutter et al., 2019). Unfortunately, in many developing countries, such as in sub-Saharan Africa, where our study was conducted, informal institutions create even more challenges due to issues such as rivalries or nepotism (Discua Cruz et al., 2013), corruption (Chowdhury et al., 2019), and dysfunctional social obligations (e.g., Khavul et al., 2009; Khayesi et al., 2014). The literature warns that the compresence of untrustworthy formal and informal institutions exacerbates the severity of institutional voids, dragging entrepreneurs down in the informal economy or, worse, closer to criminality (Webb et al., 2019).

This important body of knowledge does not explain, however, how formal entrepreneurial activity started to flourish around those weak institutions in many developing countries, including in Africa (cf., Ekekwe, 2016; George et al., 2016a; Moulick et al., 2019). Our model sheds light on this puzzle and highlights that the dissatisfaction (Van De Ven & Poole, 1995) generated by severe institutional voids creates a need for entrepreneurs to orchestrate business relationships more carefully—both inside their ventures in relation to their employees, especially if family-related, and with new external stakeholders—to compensate for the higher risks to the achievement of their goals. This strategic orchestration of relationships differs depending on whether the entrepreneurs have to carefully control the behavior of employees or broaden relationships with external partners and collaborators (Vissa, 2012; Zheng et al., 2019). On the one hand, while entrepreneurs might be obliged to involve family and kin in their business activities—and often have limited alternatives when searching for resources (George et al., 2016a)—they can decide to deploy explicitly strict but fair control practices, such as requiring a minimum quality threshold and setting clear performance targets (Verburg et al., 2018; Weibel et al., 2016). Using these control mechanisms, entrepreneurs are able to improve alignment between the behavior of kinship- and family-related employees with the goals of the company (Spreitzer & Mishra, 1999; Verburg et al., 2018), thus protecting it against employees' arbitrariness, rivalries, or nepotism (Zaheer et al., 1998). On the other hand, when seeking out new business relationships, entrepreneurs can counterbalance the drawbacks of institutional voids—such as relatively low levels of trust among individuals—by using more control mechanisms—primarily, proof of commitment and emotional attachment to a shared vision—that facilitate the establishment of assumptions of mutual trustworthiness (Giudici et al., 2018; Zott & Huy, 2007) and can thus help entrepreneurs shape the future behavior of new external stakeholders for the benefits of their venture.

Together, these control mechanisms underline the second entrepreneurial workaround practice in the model and reflect the importance of entrepreneurs' intentionality in filtering appropriate "actual means" out of the perhaps ample but flaky set of available ones (Galkina & Atkova, 2019) in developing economies. The term "orchestration" (cf., Mumford et al., 2002; Wales et al., 2013) captures entrepreneurs' strategic intentionality in the wake of severe institutional voids. This attitude was manifested in the way entrepreneurs used internal control mechanisms (Verburg et al., 2018) and networked externally with new partners and collaborators (Vissa, 2012) to steer their companies toward intended goals. These findings resonate with research on controlling mechanisms for employees in organizations to improve the workplace outcomes (e.g., Verburg et al., 2018; Weibel et al., 2016) because they show the possibility for entrepreneurs to establish reliability and predictability in the wake of institutional uncertainty through signaling the legitimacy of decisions via the application of a standard set of criteria and recognizable rules that protect against arbitrariness (Zaheer et al., 1998).[6] They also echo studies on networking behavior in developing or transition economies other than Africa (e.g., Jiang & Rüling, 2019; Vissa & Bhagavatula, 2012) because the orchestration of business relationships helps entrepreneurs to control "the potential cost of networking to an acceptable level while keeping the venture open to unexpected new possibilities" (Engel et al., 2017, p. 46). Finally, our study relates to research on resource orchestration suggesting that firms need to strategically orchestrate the depth and breadth of their resources differently depending on the completeness of the institutional infrastructure (e.g., Hoskisson et al., 2013; Wright et al., 2012).

Linking Orchestration and Hybridization to the Cross-Bracing of the Institutional Infrastructure

Research emphasizes that, governments aside, "institutional intermediaries" such as business incubators, accelerators, development organizations, trade associations, and community hubs are primarily responsible for filling institutional voids in developing economies (e.g., Armanios et al., 2017; Dencker et al., in press; Goswami et al., 2018). In Africa, however, the number, reach, and impact of these intermediaries remain limited (Cao & Shi, 2020; George et al., 2016a; Sheriff & Muffatto, 2015) and many entrepreneurs, including the majority in our study, do not benefit from their support. Complementing and extending this body of work, our model sheds light on the critical contribution of commercial entrepreneurs to bridging severe voids between formal and informal institutions, partly replacing the role of intermediaries.

If the "birth of a new venture" epitomizes the "institutionalization of a part of [entrepreneurs'] personal network" (Johannisson, 2000, p. 373), the concurrent lack of trustworthy formal and informal institutions generates another source of dissatisfaction for entrepreneurs (Van De Ven & Poole, 1995) and thus creates a motivation for those who are commercially driven to orchestrate relationships and resources in ways that build seminal market functions and development arrangements. Confronted with limited alternatives to working with family and kin with poor knowledge and expertise, entrepreneurs can try to counterbalance the resulting uncertainty by exposing employees and partners to international best practices (Khan et al., 2015; Thite et al., 2012). To gain critical mass in the market, they can join forces with others with similar needs—for example, by establishing new trade associations (Watkins et al., 2015; Woolley, 2014)—and participate in collaborative peer learning (Bridwell-Mitchell, 2015). Leveraging this collective knowledge and market power, they are better positioned to advocate for new laws and regulations (Maguire et al., 2004; Marquis & Raynard, 2015), thus creating bottom-up pressure on the government to improve the functioning of institutions. At the same time, the stimulus from deep societal challenges arising from severe voids has the potential to inspire even these commercial entrepreneurs to broaden their business goals to encompass the access and participation of socially disadvantaged groups in the market (Santos et al., 2015). For example, the demographic boom of many developing countries (World Bank, 2016), coupled with far-reaching youth unemployment (ILO, 2016) and the exclusion of women (UNCTAD, 2017), offers straightforward opportunities for tailored job opportunities and training that generate blended impact (e.g., Datta & Gailey, 2012). The collectivist nature of societal norms (Rooks et al., 2016; Takyi-Asiedu, 1993) also encourages the creation of informal community-based mechanisms for business support and horizontal knowledge-sharing (Johnstone & Lionais, 2004; Ratten & Welpe, 2011). The desire to grow the company may lead to decisions to intervene, offering seed support to value chain partners to help them overcome the roadblocks in the financial system (Lechner & Leyronas, 2009).

Together, these actions encompass the third workaround practice that emerged from our study. Through this practice, entrepreneurs can cross-brace the institutional infrastructure of their country and strengthen the prospect of achieving their (hybridized) goals in the wake of severe institutional voids. We use the term "cross-bracing" to indicate the role of entrepreneurs as microinstitutional agents (Battilana et al., 2009; Desa, 2012) who work to reinforce the "institutional scaffolding" (Sutter et al., 2017) upon which new institutions gradually are built in developing economies. In doing so, they complement the top-down approach of institutional intermediaries (cf., Cao & Shi, 2020). These insights echo prior work on bottom-up institutional change and, more specifically, on how the everyday practices of individual actors with closely intertwined hybrid goals—that is, commercial and social—may become the foundation of higher-level institutional change in their ecosystem (Smets et al., 2012, 2015). They also connect with research that underlines the importance of individual actors—not only more established intermediaries (cf., Batjargal et al., 2013; Goswami et al., 2018)—in shaping the emergence of an institutional infrastructure in support of entrepreneurial activity (Woolley, 2014).

Theoretical Contributions

We offer two main contributions to research on entrepreneurship in developing economies (e.g., Bruton et al., 2013; Sutter et al., 2019). First, we advance a grounded model that elaborates theoretically on the idea that entrepreneurs with commercial goals can act as microinstitutional agents (Battilana et al., 2009) in developing economies. Rather than waiting for institutions to be fixed (Moulick et al., 2019), our work shows that they can contribute proactively to laying the foundations of their country's institutional infrastructure—for example, pushing for new laws and regulations, creating formal associations and community groups, etc.—while simultaneously pursuing their business goals. In many developing economies—and particularly in the context of sub-Saharan Africa (e.g., Khayesi et al., 2014; Rooks et al., 2016)—intermediary support is limited and both formal and informal institutions are often untrustworthy, thus creating, as Webb et al. (2019) suggest, strong pressures for entrepreneurs to revert to subsistence activities or, worse, to enter the informal economy or criminality. We found, in contrast, that severe voids did not hold back the entrepreneurs in our study but, rather, encouraged them to "bloom where planted" (Claire et al., 2019; Moulick et al., 2019, p. 7), that is, to engage in practices that allowed them to work around unfavorable institutional conditions from the bottom up instead of waiting for the government and other formal supporting organizations to improve the situation from the top down. Severe voids not only stimulated entrepreneurs to hybridize their goals to seize new opportunities for blended value (*workaround practice 1*) but also pushed them to more carefully orchestrate their extensive but often flaky set of business relationships (*workaround practice 2*). In addition, inspired by the deep societal needs in front of them and motivated to keep the costs and risks of personal networking under reasonable control, entrepreneurs contributed by establishing and cross-bracing seminal institutional arrangements in their local ecosystem through actions aimed at supporting market functioning, development, and participation (*workaround practice 3*). While some work exists on social entrepreneurs as microinstitutional actors (e.g., Battilana et al., 2009; Desa, 2012), the role of commercially driven actors in building institutions from the bottom up has been less elaborated.

Our second contribution is to advance scholarly work on "entrepreneurship in context" (Shepherd et al., 2020; Welter, 2011; Welter et al., 2019) and, especially, on how African entrepreneurs navigate institutional voids and seek out new opportunities (George et al., 2016a). Scholars have pointed to the need to deepen the understanding of contextual factors to extend existing theories of entrepreneurship and to reveal alternative explanations (e.g., Autio et al., 2014; see also the special issue of *Small Business Economies* on contextualization in entrepreneurship research in 2019). For example, Bruton et al. (2018) have recently called for theories that can better reflect "indigenous" entrepreneurial activities in various contexts, whereas Welter et al. (2019, p. 324) have urged researchers to move away from the dominant "Silicon Valley model of entrepreneurship." We have begun to answer these calls by theorizing and illustrating how severe institutional voids in sub-Saharan Africa pull commercial entrepreneurs along the social-commercial continuum (Austin et al., 2006) and encourage a richer intertwinement of social and financial goals as a critical workaround practice. Previous studies have tended to dichotomize such intertwinement as either driven by the "a priori" motivation of socially oriented entrepreneurs to address deep societal problems (e.g., Dorado & Ventresca, 2013) or as an unplanned second-order outcome of commercial entrepreneurs' pursuit of financial gains (e.g., Tobias et al., 2013). However, our findings reveal that goal hybridization can also emerge through the interplay of "complex motivations and the integration of multiple rationalities" (Wry & York, 2017, p. 218). While the African entrepreneurs in our study tried to reduce the many institutional roadblocks to commercial goal achievement, the presence of severe voids stimulated the "switching on" of their alertness (cf., Kirzner, 2009) to new opportunities for blended social and economic value. At the same time, however, ongoing exposure to these voids contributed to heightening entrepreneurs' moral interest "in the fortune of others" (cf., Santos, 2012; Smith et al., 2016; Smith, 1759) and thus pushed them to adjust the choice and deployment of resources and relationships to integrate social and environmental considerations.

Limitations and Future Research

Our theorization is based on a single case study of commercial entrepreneurs operating under conditions of severe voids in Kenya. All our informants were highly educated at the bachelor's or master's level and had experience with at least one prior venture. Highly educated and experienced African entrepreneurs might show superior entrepreneurial performance in the first place (Goedhuys & Sleuwaegen, 2010): they tend to possess stronger innovation skills (Robson et al., 2009) and are best placed to make the most of their informal relationships, since they are more likely to enjoy higher status within their extended family and community, which facilitates resource access (Ge et al., 2019; Puffer et al., 2010). We thus cannot rule out the possibility that workaround practices may differ for entrepreneurs with other profiles[7]—for example, those living in extreme poverty (cf., George et al., 2016b)—and we invite future comparative studies on this important phenomenon. In the discussion of our model, we have nonetheless pointed to complementary research streams where our theoretical insights could have analytical generalizability (Yin, 2013), and we believe that our empirical findings can be transferred (Lincoln & Guba, 1985) to entrepreneurs with commercial goals in other developing economies. In this respect, an important avenue for future research could be to extend our work on how institutional uncertainty leads to the pursuit of hybridized goals in the case of entrepreneurs running more than a single venture—a phenomenon that is typical in Kenya and other developing economies, but that we did not cover here. The literature provides several insights into the activities and motivations of serial entrepreneurs—that is, those who frequently start new ventures—and "portfolio entrepreneurs"—that is, those who maintain ownership of multiple founded ventures. Ucbasaran et al. (2009), for example, found that serial entrepreneurs are more effective in identifying and exploiting innovative opportunities. Baert et al. (2016) also looked at the resource orchestration processes used by portfolio entrepreneurs to create synergies across their ventures. However, we still know little about how the behavior of these types of entrepreneurs magnifies their institution-building impact. Are new ventures created in related sectors to keep strengthening the emerging institutional scaffolding—for example, sector-based regulation, trade associations, etc.—or do entrepreneurs reach out to different sectors in pursuit of market opportunities or to address societal needs more deeply? Do they take their institution-building role into explicit consideration when managing their portfolio, even to the point of accepting suboptimal financial results (cf., Kistruck et al., 2013)?

Finally, we suggest that more research is needed to understand entrepreneurial networking behavior under high uncertainty. Prior work has highlighted that high uncertainty driven by market and technological factors pushes entrepreneurs to plan less when broadening and deepening their network (Engel et al., 2014; Reymen et al., 2015). Our analysis of the second workaround practice regarding orchestration shows instead that to work around high institutional uncertainty, entrepreneurs need to strike a careful balance between planning and serendipitous networking to make the most of their available relationships, especially regarding how they select and activate those that are actually needed (cf., Galkina & Atkova, 2019). While some work exists on how entrepreneurs shift back and forth between alternative networking behaviors depending on their perception of uncertainty (e.g., Corner & Ho, 2010; Jiang & Rüling, 2019), we see potential for studies that investigate how different types of uncertainty—market-, technology-, and institution-driven—jointly influence entrepreneurial behavior. Moreover, our study illuminates workaround practices that enabled African entrepreneurs to manage the risks and costs involved with over-reliance on family, kinship, and community relationships when conducting business activity (cf., Khavul et al., 2009; Khayesi et al., 2014; Rooks et al., 2016; Smith, 2009). However, we did not cover family businesses specifically, which are an important part of Africa's economy and, we believe, a promising context to extend our effort. Would, for example, workaround practices—and networking in particular—be different if family members were equity-owners rather than employees or if the venture was not first-generation? How would orchestration need to be adjusted if multiple family members were engaging in strategic networking at the same time?

Conclusions

In this study, we investigated the practices entrepreneurs with commercial goals follow to work around severe institutional voids in a developing economy such as Kenya. Our observations contribute to the theoretical understanding and empirical illustration of these practices and unveil how severe voids create pressure for these entrepreneurs to redirect their pursuit of commercial goals toward activities that aim to create blended value and to strengthen the institutional infrastructure of the surrounding ecosystem. In doing so, we suggest that commercial entrepreneurs act as microinstitutional actors who foster intended bottom-up change, complementing more top-down interventions to fill institutional voids from supporting intermediaries (e.g., incubators, development organizations, and science parks) and socially driven entrepreneurs. We hope that these insights can foster renewed efforts to understand the critical role of entrepreneurship in strengthening institutions and in creating and delivering blended value around the world.

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ORCID ID

Alisa Sydow https://orcid.org/0000-0002-8499-0480

Notes

1. We thank the editor and the reviewers for this suggestion.
2. The GEDI's Global Entrepreneurship Index ranks 137 countries based on "the entrepreneurial attitudes, abilities, and aspiration of the local population and then weights these against the prevailing social and economic 'infrastructure' [in support of the local entrepreneurial ecosystem]" (thegedi.org, last access: April 23, 2020; Acs et al., 2019). In 2019, this index included 36 African countries, of which only 10 were in the first 100 positions – the highest ranked being Botswana at 51st—and 15 were in the last 20 positions.
3. We thank one of the reviewers for this suggestion.
4. We thank one of the reviewers for this suggestion.
5. We conducted this second round to strengthen theoretical saturation as part of the reviewing process. We thank the editor and the reviewers for pointing us in this direction.
6. We thank the editor for this suggestion.
7. We thank one of the reviewers for this suggestion.

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Author Biographies

Alisa Sydow is an Assistant Professor of Entrepreneurship & Innovation at the ESCP Business School, Turin Campus. Her research focuses on entrepreneurship in developing economies, with a particular interest in the African context.

Benedetto Lorenzo Cannatelli is Assistant Professor in Entrepreneurship and Strategy at Universita' Cattolica del Sacro Cuore in Milan and member of ALTIS, the University's Graduate School of Business and Society. His research is at the intersections between strategy and entrepreneurship, with emphasis on social entrepreneurship contexts.

Alessandro Giudici is a Senior Lecturer in Strategy and Director of the Modular Executive MBA at Cass Business School (City, University of London). His research focuses on relational mechanisms in support of innovation among dispersed actors in entrepreneurial ecosystems. He is particularly interested in e.g., incubators, accelerators, government agencies, venture associations and in social entrepreneurship contexts.

Mario Molteni is a Full Professor of Corporate Strategy at Cattolica University of Milan and CEO of E4Impact Foundation, a University spin-off for training impact entrepreneurs in Africa.