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## **Institutional perspectives shaping trust relationships among women entrepreneurs in developing countries**

There have been attempts to study the functions of entrepreneurial networks in relation to the socio-economic challenges within an emerging economy context (see Smith and Luttrell, 1994; Porter, Lyon and Potts, 2007); however, most of the issues which deserve propounding have yet to be addressed. Existing research undertaken by scholars has tended to ignore African marketplaces, to the extent that a stereotypical image of backwardness impedes the chance for further examinations. Nevertheless, it is beyond doubt that studies of entrepreneurial networks and the trust concept ought to be based on a much richer understanding than we now possess of the variety of benefits which they provide.

Central to this study, the impact of institutions on entrepreneurship has largely been investigated in isolation. Institutions are conceptualised as the 'rules of the game' within a society (North, 1990). They are pervasive as they strongly influence the beliefs and goals of individuals, groups and organisations (Ahlstrom and Bruton, 2006). We may usefully state that the increasing acknowledgement of institutions in entrepreneurship involves the recognition that much of social interaction is structured in terms of overt and implicit rules (Scott, 2002; Hodgson, 2006).

We point out that institutions in most emerging economies are known for their unpredictability. Institutions within emerging economies have been characterised by conditions of incomplete markets (Udry, 1990; Lyon and Porter, 2009), where formal institutional arrangements such as courts and regulations appear to be underdeveloped (Lyon, 2005; Amoako and Matlay, 2015). Nowhere is this more evident than in literature on African markets (Abor and Quartey, 2010; Amoako, Akwei and Damoah, 2018; Omeihe, 2019).

This study advances contemporary studies on networks in Nigeria by reporting the findings of 14 exporting entrepreneurs drawn from northern and southern Nigeria markets. The study accentuates that because state-supported formal institutions are perceived to be ineffective, other forms of institutions and trust-based network relationships take on a special role by allowing actors compensate for the deficiencies. We explore the role of trust within these institutions paying particular attention to how it shapes entrepreneurial behaviour and enables efficient market exchange. The process of trust is particularly interesting as it occurs in markets with limited recourse to commercial laws and legal contracts prevalent in most advanced societies. This notion allows for trust to become a central mechanism in facilitating entrepreneurial relationships.

Many scholars have been particularly critical of adopting quantitative analysis in interpreting social behaviour and entrepreneurial experience, as such processes are more often than not difficult to capture through a quantitative approach (Chell, 2000; Jenssen and Kristiansen, 2004; Mollering, 2006). These scholars suggest that emphasis should be given to qualitative methodological analysis as it allows the emergence of new knowledge found within cultural and socio-economic relations not previously identified in literature (Jenssen and Kristiansen, 2004; Omeihe, 2019). Further along these lines, qualitative interpretative studies that seek to uncover entrepreneurial networks and trust in terms of the perspectives held by Nigerian entrepreneurs themselves are rare. Following Yin (2014) this study adopts a qualitative

exploratory approach, leading to multiple case studies which allow respondents to recount their unique narratives.

The choice of adopting a multiple case study strategy is consistent with the growing trend of examining contemporary or ongoing phenomena difficult to divorce from its real-life context. Following Eisenhardt and Graebnar (2007) and Stoian *et al.*, (2012), a purposive rather than a random selection of cases which were representative of the population was adopted, with the goal of advancing existing theory. By relying on the purposive sampling technique, 14 entrepreneurs operating within Bokkos (*Northern Nigeria*) and Arin markets (*Southern Nigeria*) were selected. We made effort to ensure that the purposive sampling involved selecting participants with specific characteristics (Lincoln and Guba, 1985). In this vein, our sample selection comprised entrepreneurs deeply involved in the manufacturing and agricultural sectors.

The findings obtained in this study reveal that trust within entrepreneurial relationships, when positioned towards making available information on reputation, market prices, as well as providing the means for contract enforcement, reinforces cooperation among networks. However, this insight should be considered a foundational stride in stimulating discourse on how Nigerian entrepreneurs sustain cooperation in the absence of efficient legal institutional arrangements. Our findings provide specific findings into the functioning of network relationships in terms of how trust is established and, in addition, demonstrate ways by which such ties enable members to garner economic benefits which may be otherwise unobtainable by non-members.

In Nigeria, the systems of formal regulation appear to reveal a degree of '*institutional rivalry*' which we define as the interplay of two institutional frameworks- formal and informal institutions. We argue that this is a novel but under-researched phenomenon. It is also particularly striking that entrepreneurial networks make use of sanctions and enforcements to regulate entrepreneurial behaviour. Such regulations do not convey coercion but, rather, provide the basis for institutional-based trust designed to enhance economic opportunities. Larger compliance to network norms reduces room for opportunism and altruism and serves to promote trust across members. This is further underlined in the study of social regulation of inter-firm relations by Lane (1997) inferring that consistency of social regulations reduces risks and curtails opportunism.

By drawing on the institutional logics perspective, this study best describes how socio-cultural dimensions of institutions enable and constrain social behaviour (Thornton and Ocasio, 1999; Thornton, Ocasio and Lounsbury, 2012). We draw attention to the role of context as a critical determinant of institutional analysis and seek to describe how socially constructed, historical patterns of material practices, values and rules provide meaning to the traders' society. Similar to Thornton and Ocasio (1999), our approach here is guided by the belief that the advancement of institutional analysis requires an analytic and not a descriptive approach which best explains the observed relationship between entrepreneurs and trust in networks relationships.