

relationships among food-exporting SMEs in Ghana

Isaac Oduro Amoako and Harry Matlay

Abstract: *There is a marked paucity of empirically rigorous research that focuses on the impact that indigenous institutional influences can have on the internationalization strategies of entrepreneurs operating in developing countries. This study therefore explores the complex processes through which owner-managers of food-exporting SMEs in Ghana draw on cultural norms to build networks that enable internationalization, in the absence of formal institutional support. The results facilitate a better understanding of the hybridization of indigenous and global norms that underpin SME internationalization in Ghana and other developing economies, particularly in Africa. The study contributes to the theory and practice of interorganizational relationships and to international entrepreneurship in an African context.*

Keywords: *norms; networks; trust; internationalization; SMEs; Africa*

Dr Isaac Oduro Amoako (corresponding author) is Lecturer in Enterprise and Business at the Business School, University of the West of Scotland, Hamilton Campus, Almada Street, Hamilton, Lanarkshire ML3 0JB, UK. E-mail: isaac.amoako@uws.ac.uk. Professor Harry Matlay is with Global Independent Research, Coventry, UK.

International business has recently evolved as an important topic of research, focusing on entrepreneurial businesses that engage in cross-border transactions and related interactions (Jones *et al*, 2011; Coviello *et al*, 2014). Traditionally, much of the research in international entrepreneurship has focused on the activities and strategies of large businesses and multinational corporations (McDougall and Oviatt, 2000). However, there has recently been an increase in research into internationalization in small and medium-sized enterprises (SMEs) (Peiris *et al*, 2012). Nonetheless, studies on SMEs operating in developing countries, and Africa in particular, remain scarce (Jones *et al*, 2011). The internationalization of food-exporting SMEs in Ghana therefore presents an interesting case for exploring the processes related to how norms shape trust building and cooperation in entrepreneurial networks in an African context. These factors were found to have important

implications for the survival and growth of smaller food exporters and agricultural food systems in Ghana (Lyon and Porter, 2009; Amoako and Lyon, 2014).

The building of flexible collaborative relationships, underpinned by specific norms that enhance trust building and cooperation, could enhance growth, innovation and competitiveness (Bratton, 2007; Bruton *et al*, 2010). A number of previous studies have equated specialized networks, norms and trust with 'social capital' (Lyon, 2000). Although social capital could be analysed using both micro-institutional and macro-level scales, the authors draw on the theory of embeddedness (Granovetter, 1985) to focus narrowly on the micro-institutional level in their exploration of specific research questions relating to the use of norms to build trust and cooperation in food-exporting SME relationships in Ghana. We define norms as 'expectations about behaviour that are at least partially shared

by a group of decision makers' (Heide and John, 1992, p 34).

Ghana was chosen for this study because its SME sector accounts for just over 92% of all economically active businesses and contributes over 70% of the national gross domestic product (GDP) (Abor and Quartey, 2010). Currently, SME food exporters in Ghana play an important role in foreign exchange earnings and enhance food security for cross-border urban markets in West African as well as more distant international markets (Ghana Export Promotion Authority, 2011). However, very little attention has been paid to how entrepreneurs involved in food production use networks to facilitate cross-cultural international trade. Thus, this study makes a contribution to the theory and the practice of interorganizational relationships as well as to international entrepreneurship in an African context. First, we show how entrepreneurs' embeddedness influences their networking activities based on the social norms of the communities in which they operate, and we identify culturally specific norms that underpin the internationalization of smaller food firms. Second, we provide empirical evidence of the processes through which cultural norms influence the internationalization process. Finally, we expand the emerging literature on the role of culturally specific factors on international entrepreneurship in an African context.

We chose a qualitative approach that explores specific processes of norms and networking. Drawing on in-depth fieldwork undertaken over a two-year period, the data presented are drawn from repeated interviews and observations in 12 illustrative case studies of SMEs operating in Ghana's food sector. This approach facilitated a better understanding of the processes through which entrepreneurs draw effectively on their social relations as well as existing related norms and values to build trust-based relationships that enable internationalization in an environment characterized by less formalized institutions. The research takes the entrepreneur, who in this study was the SME owner-manager, as the unit of analysis. In each of the case studies, specific networks and relationships were explored, and in particular the business-to-business links shaped by norms of institutional forms such as family, religion and trade associations, which often crossed cultural boundaries. The collection of data and the analysis of the findings were centred on two interrelated research questions:

RQ1: What are the culturally specific norms that influence exporting SME relationships?

RQ2: How do these culturally specific norms shape trust building and cooperation in exporting SMEs' relationships?

The next section critically reviews the specialist literature on SME networks and norms. Next, the chosen methodology is presented and the results are discussed in context. The final section outlines our conclusions.

Role of networks in SME internationalization

This study uses the guide issued by the Ministry of Local Government and Rural Development in Ghana to define organizations that employ 1–5 employees as micro-businesses; 6–29 employees as small businesses; and 30–100 as medium-sized enterprises (Teal, 2002). SMEs have distinctive characteristics which set them apart from large firms which render them resource-constrained (Brinkmann *et al*, 2014). SMEs may therefore use networks as sources of both opportunities and complementary resources (Ferrary and Granovetter, 2009; Jämsä *et al*, 2011). SME entrepreneurial networks may be developed based on social relations such as religion, family, friends and acquaintances, as well as links with suppliers, customers and distributors (Drakopoulou-Dodd, 2011; Amoako and Lyon, 2014). Networks could be argued to be particularly important for enterprise development in countries characterized by less developed formal institutions (Welter and Smallbone, 2006; Prashantham and Dhanaraj, 2010). Networks with customers have been found to enhance the competitiveness of micro-enterprises in the agri-food sector (Brinkmann *et al*, 2014). Recent studies also provide examples of how networks built on norms and trust could facilitate internationalization in diverse spatial and cultural contexts such as China (Luo, 2003), India (Chetty and Agndal, 2007), Malaysia (Zain and Ng, 2006), Brazil (Rodrigues and Child, 2012), Eritrea (Ghauri *et al*, 2003) and Ghana (Amoako and Lyon, 2014). However, social networks may also constrain SME internationalization (Ellis, 2011). Interestingly, much research is still needed to understand the complex processes through which social networks enable or constrain the internationalization process, particularly in developing countries (Blomqvist *et al*, 2008), and this study aims to contribute to the existing literature.

Norms

The entrepreneurship literature suggests that both individual agency and cultural norms influence entrepreneurial activity (Welter and Smallbone, 2011; Thornton *et al*, 2011). Norms are formed in a culture through socialization over a period of years, leading to the development of comparatively predictable responses to social situations that are common to a group of people (Hodgson, 2007; Heide and John, 1992). Norms are usually characterized by potential rewards for compli-

ance and sanctions for violations, and individuals may internalize norms and thereby behave morally to avoid guilt and shame; internalization in most cases leads to norms becoming habitual (Elster, 1989; Hodgson, 2007).

Norms of desirability and acceptability, morality and ethics influence entrepreneurial decision making (Drakopoulou Dodd and Gotsis, 2007; Dana, 2010). Norms underpinning ties embedded in contracts (Macneil, 1980; Sobel, 2008), family and kinship (Granovetter, 1985; Drakopoulou-Dodd, 2011), religion (Dana, 2010; Drakopoulou Dodd and Gotsis, 2007), trade associations (Lyon and Porter, 2009), credit relations (Amoako and Lyon, 2014) have been driving entrepreneurial relationships in various contexts. However, it is possible that, for example, norms of gender and religion (Munshi and Rosenzweig; 2006; Essers *et al*, 2013) as well as loyalty and strong reciprocity within certain networks (Lyon and Porter, 2009) could constrain enterprise development.

The building of cooperation in interorganizational networks has been identified as being underpinned by norms and trust embedded in personal relationships and institutions (Lyon and Porter, 2009; Ansari and Phillips, 2011). However, in the absence of previous relationships, norms of institutions could offer incentives and motivations that allow one party to take action against another when agreements are not honoured, and this could also give rise to trust (Lyon and Porter, 2009).

In SME internationalization, researchers suggest that norm-based trust relationships facilitate the development and maintenance of long-term cross-border relationships (Rodrigues and Child, 2012). Norms-based trust relationships reduce transaction costs related to negotiations and monitoring (Blomqvist *et al*, 2008), provide motivation, information, interpretation, market opportunities and some degree of protection against the risks associated with being foreign, new and small (Brunetto and Farr-Wharton, 2007; Rodrigues and Child, 2012). In India and South Africa, Bhat and Narayan (2010) show how norms of family and ethnic ties allow Tegulu, Tamil and Gujerati diaspora to establish transnational enterprises. Cheung (2004) provides similar evidence on Chinese diaspora. However, the processes through which many other culturally specific norms shape trust building and cooperation in networks and relationships have not been given much attention by researchers, particularly in Sub-Saharan Africa (Jackson *et al*, 2008; Peiris *et al*, 2012). This leads to the two research questions specified above.

To summarize, socio-cultural norms shape trust building and cooperation in entrepreneurial networks (Lyon and Porter, 2009; Dietz *et al*, 2010). Network relationships are particularly critical for entrepreneurial

activities in developing countries that are characterized by less developed formal institutions (Welter and Smallbone, 2006; Bratton, 2007). In SME internationalization, entrepreneurs use norms to build trust and cooperation in networks that mobilize resources for the process (Cheung, 2004; Oviatt and McDougall, 2005; Bhat and Narayan, 2010; Chetty and Agndal, 2007; Rodrigues and Child, 2012). However, much research is needed to understand the complex processes involved (Blomqvist *et al*, 2008).

Methodology

The authors adopted a constructivist approach in response to numerous calls for more qualitative studies on entrepreneurial networks (Jack, 2010). A 'multiple case study' approach involving a research sample of 12 food-exporting SMEs in Ghana was used. This approach was chosen to facilitate an in-depth investigation of the processes of norms and trust formation in exporting relationships. To ensure maximum variation (Yin, 2009), food-exporting SMEs of different ages, sizes, experiences, locations and export destinations were selected. Seven cases exporting to West African markets and seven exporting to intercontinental markets (export markets outside Africa) were purposively selected. However, two of the entrepreneurs exporting to West African markets were travelling abroad and could not give the interviews as scheduled. All the selected case firms were indigenous SMEs involved in food exporting, had fewer than 100 employees, and were identified through visits to markets and industrial areas as well as through trade and export associations. To explore the processes of relationship and trust building, the selection of cases was designed to compare and contrast (Guest *et al*, 2006) exporting entrepreneurs' perceptions of the processes through which norms shaped trust building and cooperation in exporting relationships in West African and intercontinental markets. Hence SMEs whose export markets were only in West African or intercontinental markets were selected, while firms exporting to both markets were not included in the sample. Data were collected during the summers of 2010 and 2011. The data collection process was enhanced through building trust-based relationships with respondents (Lyon, 2012). Table 1 presents the profiles of the food-exporting SMEs involved in this study.

The research focused on the owner-manager as the key informant, since in SMEs' internationalization she or he is traditionally perceived as the main decision maker (Ellis, 2011). Interviews were held at the respondents' workplaces or at their homes, depending on where they felt more comfortable. During the early stages of the interviews, descriptive questions were

Table 1. Firm and entrepreneur profiles.

Case No	Company	Firm profile				Entrepreneur profile			
		Year established	Employees	Location	Main export markets	Interviewed	Gender	Age	Educational level
1	Cola Nut Enterprise	1983	6	Kumasi	Nigeria	Owner-manager	Male	50+	Secondary
2	Maize Ltd	1990	10	Techiman	Niger, Burkina Faso, Mali	Owner-manager	Male	50+	Elementary
3	Egg Company Ltd	2001	35	Techiman	Niger, Mali, Burkina Faso	Owner-manager	Male	40-44	Elementary
4	Oranges Enterprise	1985	10	Techiman	Niger, Burkina Faso	Owner-manager	Female	50+	Secondary
5	Cocoa Products Ltd	2000	10	Tema	Nigeria, Burkina Faso	Owner-manager	Female	35-39	Secondary
6	Vegetable Ltd	2003	26	Accra	UK	Owner-manager	Male	30-34	Secondary
7	Cashew Company	2002	38	Tema	India, Switzerland	Owner-manager	Male	30-34	Graduate
8	Pineapple Company	1998	60	Accra	EU, Asia	Owner-manager	Male	50+	Postgraduate
9	Lanta Spices	1991	38	Accra	USA	Owner-manager	Female	50+	Postgraduate
10	Dried Fruits Ltd	1996	20	Accra	Switzerland, China	Owner-manager	Female	50+	Post-secondary
11	Shea Butter Company	2003	25	Damongo	USA	Owner-manager	Female	50+	Post-secondary
12	Rapho Company	2002	20	Aburi	EU, USA	Owner-manager	Male	50+	Post-secondary

administered, since these were useful in ‘breaking the ice’ or ‘starting the conversation’. Questions seeking the disclosure of ‘sensitive information’ were asked only during the latter stages (Lyon, 2012). The interviews were audio-recorded and transcribed.

The level of analysis was the individual owner-manager – his or her social and working ties as well as the cultural and institutional environments that shaped interorganizational trust building (Ellis, 2011; Lyon, 2012). Analysis of the data was carried out using ‘thematic analysis’, as it facilitated an in-depth examination of the results (Braun and Clarke, 2006). Even though the identification of the themes was influenced by the research questions (Boyatzis, 1998), themes linked to the data were also identified (Patton, 2002). All transcripts were read carefully, annotated and classified into themes, categories and codes based on the literature and also from the data. Within- and intra-case analyses were done and quotations relating to themes and subcategories were identified and compared to similar quotations in each transcript. The intra-case analysis focused on the processes through which entrepreneurs built and maintained exporting relationships and how they controlled their exchange partners. We concentrated on contractual arrangements, social and business ties, entrepreneurs’ expectations of partners and how these enhanced trust and cooperation in relationships. The cross-case analysis examined the different views and experiences of entrepreneurs across the firms in West African and intercontinental markets. The main findings are presented and discussed in the next section.

Results and discussion

The empirical findings identified a number of culturally specific norms that underpinned exporting relationships, and these were norms of: contracts, family/kinship and ethnicity, religion, trade associations, the *efiewura* (agency) system, ‘African punctuality’ and credit relations. These norms defined entrepreneurs’ expectations about the behaviour of their exchange partners (Heide and John, 1992). These ‘acceptable or unacceptable’ actions therefore served as the basis for building trust and cooperation in exporting relationships (Lyon and Porter, 2009). The norms were drawn on by all the firms in this study in building trust and cooperation in their export relationships, irrespective of differences in age, size and experience (see Table 2).

Norms of contracts

The empirical findings showed that the most common norm for contracts found in developed countries, the written contract, was in limited use in internationalizing food-exporting SME exchanges in Ghana. The export-

ing relationships were underpinned by culturally specific norms based on personalized relationships and informal institutions. These trust-based relationships had been built on a series of transactions and previous relationships. This explains why, overall, three-quarters (9 out of 12) of the exporters claimed that they relied on oral contracts, mostly through telephone calls and face-to-face interactions, to place orders. Only two of the respondents exporting to intercontinental markets declared that they had written contracts with their partners abroad. Interestingly, all the five exporters to West African markets relied on oral agreements, while five exporters to intercontinental markets also indicated that they did not rely on written contracts. An exporter of fresh oranges to West African markets reported how she coordinated her relationship with her partner:

‘No, we don’t have a written contract. However, through verbal agreements and flexible ordering at times we send the goods to him on our own but at times he remits money to us for goods and we supply to his satisfaction.’ (Case 4)

In contexts where there may be a lack of prior knowledge, face-to-face oral arrangements were agreed at times in the presence of other people who might be summoned as witnesses. Table 2 presents the findings on the norms of contracts used by these entrepreneurs in their exporting activities.

While these relational arrangements were not enforceable in the legal system of Ghana, the respondents indicated that, in the vast majority of cases, exchange partners honoured their obligations. Entrepreneurs’ reliance on oral contracts that were not enforceable in a court of law demonstrates the importance of social norms, trust and informal collaborations in contexts such as Ghana, where formal institutions that enforce contracts are less developed (Welter and Smallbone, 2006; Bruton *et al*, 2010). Recent studies suggest that norms of informal collaborations could facilitate the internationalization process in both developed and developing countries (for example, Hessels and Parker, 2013; Rodrigues and Child, 2012). In developing economies such as Malaysia (Zain and Ng, 2006), India and China (Bhat and Narayan, 2010) and Brazil (Rodrigues and Child, 2012), norms and trust-based relationships facilitate the internationalization process. However, the focus of most studies in previous research has been on formal ties between firms (Hessels and Parker, 2013).

Norms of family/kinship and ethnicity

Food exporters operating in both West African and intercontinental markets drew on norms of family/kinship and ethnicity to build trust and cooperation in

Table 2. Entrepreneurs' use of relational and contractual arrangements in their exporting relationships.

Case number	Name	Main export market	Do you have written agreements (prepared by a lawyer) drawn up with any of your key partners, and if yes/no, how do you work together?
1	Cola Nut Enterprise	Nigeria	'No, no, no. We don't have any signed paper with them. OK, if I go to Nigeria I have got <i>efiewura</i> and their association there so we don't use any signed paper.'
2	Maize Ltd	Niger, Burkina Faso, Mali	'No, what I do is when I call him he gives me the order and the prevailing price in that market.... I also take into consideration the prevailing market price here and if I find out that it will be profitable then I export the goods to him and when I go the price is always as he told me.'
3	Egg Company Ltd	Niger, Mali, Burkina Faso	'No ... no we haven't signed any documents; if he needs goods he just call me and he places the order, then I send it; everything is working very perfect and the relationship is very friendly.'
4	Oranges Enterprise	Niger, Burkina Faso	'No, we don't have a written contract; however, through verbal agreements and flexible ordering at times we send the goods to him on our own but at times he remits money to us for goods and we supply to his satisfaction.'
5	Cocoa Products Ltd	Nigeria, Burkina Faso	'No, no. Our relationship is not based on any written contract, it's only that my company is registered with them. What I do is I call Nana, and tell him that next week I'll come for raw materials, do you have in stock? If he says yes ... I would go and collect my product.'
6	Vegetable Ltd	UK	'No. Now we depend on verbal agreement and I had to give them full assurance that I am committed to do business with them.'
7	Cashew Company	India, Switzerland	'No, not prepared by a lawyer but that meets the international standard between the two parties, that's their company and my company – yeah, it's a memorandum of understanding.'
8	Pineapple Company	EU, Asia	'No, no. He places the order and I do supplying so it could not be termed as a formal written contract but is a form of a contract though, but this is a loose contract...'
9	Lanta Spices	USA	'Yes, we have a signed contract with the.... You see in business the personal touch is more important but for eventualities the legal document is there to protect, but basically the human relationship is our topmost priority.'
10	Dried Fruits Ltd	Switzerland, China	'Yes, I do have a contract with [name of company] and the contract ensures that the terms of the agreement are observed. However, in the day-to-day activities we depend a lot on cordial personal relationships.'
11	Shea Butter Company	USA	'We have flexible agreements with customers who are all corporate customers; all they need do is just send the purchase order of what they need and we supply. Yeah, well the purchase order by itself is a contract based on trust.... I must trust you in order to do business with you.'
12	Rapho Company	EU, USA	'No, we do not have any written agreement, it is a verbal transaction.'

relationships with other organizations (customers, suppliers and intermediaries). They particularly used language related to family, referring to business partners as 'my brother', 'my sister' or 'my mother'. An exporter of pineapples to the EU explained that the norms of family allowed him and his partner to lean on each other:

'What I mean is I've very cordial relationship with them; we talk friendly about the job. If he has difficulty he explains to me why he is unable to, we talk and work as a family, we lean on each other because he needs me and I need him.' (Case 8)

Ethnic ties emanating from family/kinship were also found to promote trust building and cooperation

between entrepreneurs exporting to West African markets. For example, the CEO of Cola Nut enterprise drew on trust built originally between Hausa emigrants in Ghana and their kinsmen in northern Nigeria.

Family/kinship norms, though promoting trust building and cooperation, were also found to constrain exporting competitiveness. On some occasions, entrepreneurs alluded to norms of the Akan family system, which might render it morally wrong to abandon a 'brother' or 'sister' even though the business relationship might not be very beneficial. Furthermore, this study uncovered evidence that, in terms of interorganizational relationship building, married female entrepreneurs were mostly constrained from entering into regular contacts with men who were not their husbands. A married exporter of dried fruits commented:

‘There is the necessity for me to spend time with my business partners and spend time in discussions, particularly the foreigners when they pay me a visit. However, it is culturally not accepted for women to sit with men who are not their husbands, so being a woman I am restricted. So you can imagine the kind of problems I encountered when my husband was not interested in what I was doing.’ (Case 10)

It was further found that in some parts of northern Ghana, strong ties of family/kinship barred female entrepreneurs who were married from owning and/or running their own enterprises. A female entrepreneur explained the status of her colleagues who defied these norms of family/kinship as ‘either divorced or single because they are regarded as “*obaa kokonini*” (a woman who behaves like a man)’ (Case 9).

Norms of weak ties from family/kinship and friends have been known both to facilitate and to constrain entrepreneurship (Drakopoulou-Dodd, 2011) and these contradictions have been described in the specialist literature as the ‘paradox of the family’ (Amoako and Lyon, 2014). These contradictory norms are found not only in Ghana but also in other cultures. For example, family/kinship norms underpinning gender roles constrain female entrepreneurs of Turkish and Moroccan descent in the Netherlands from owning and managing their own businesses (Essers *et al.*, 2013).

Norms of religion: fatalistic and superstitious beliefs

The results revealed that religious norms also shaped trust building and cooperation between exchange partners engaged in exporting relationships. In particular, shared religious beliefs fostered a sense of ‘brotherliness’ between exporters and their exchange partners. It was found, however, that norms of superstition and fatalism underpinning Christianity, Islam and Animist belief systems influenced the decision of exporters to accept vulnerability and rebuild trust after apparent breaches by exporting partners in export exchanges. A cola nut exporter to West African markets said:

‘You know our religion, sometimes we say God has brought this thing. So you just accept the situation and you forgive because you think that Allah has caused it.’ (Case 5)

Interestingly, when Christians and Animists were probed on their beliefs in supernatural and divine interventions, they all seemed to believe in fatalism, like Case 5.

This may well explain why four entrepreneurs exporting to West African markets had invoked the Supreme God, Allah or traditional gods to ‘sanction’

(curse) or coerce suppliers who refused to fulfil their obligations. One respondent, an exporter of processed spices, explained how she relied on religious norms to sanction (curse) suppliers who almost defaulted on credit payment:

‘We use alternative conflict resolutions methods [...] On one occasion I took an egg and told the person that we were going to invoke a curse from the gods, *Antoa Nyamaa* [a traditional god in Ashanti]. [...] One of my suppliers who had wanted to reduce the amount of credit I had advanced to her, only admitted after I had threatened her with a curse from the gods.’ (Case 9)

Two other entrepreneurs also indicated that they had relied on religious leaders (pastors, imams and *Akomfoo*), instead of courts, to mediate disputes and to enforce agreements between them and their partners. Interestingly, the entrepreneurs indicated that these forms of sanction were less effective in intercontinental exporting relationships, apparently due to differences in cultural norms. The belief in deities and use of curses in exporting relationships reflect a widespread belief in African societies in the existence of supernatural powers that may protect against or cause disaster. For example, in Nigeria, during conflict resolution, parties are made to promise that they will not invoke the curses of ancestors to bewitch the other party (LeBaron, 2003). Munshi and Rosenzweig (2006) also explain that norms of religion (Hinduism) place tacit restrictions on caste networks in India with regard to enterprise development based on self-employment.

Norms of trade associations

All the exporters belonged to trade associations and indicated that norms of trade associations promoted networking, trust building and cooperation between them and their partners in Ghana and other West African countries. Norms of associations were used in mediating the disputes between members and their exchange partners. A poultry farmer who exported fresh eggs to West African markets detailed how the norms of trade associations were used to resolve a dispute over delayed payments for goods exported to his *efiewura* (agent) in Mali:

‘I reported him [the *efiewura*] to the leaders of the trade association. We preferred to rely on the trade association than any external agency. They summoned my *efiewura* and we gave our version of the disagreement and he also explained why he had not paid me for three months. At the end of the hearing the leaders told him to pay my money within two weeks, which he did.’ (Case 3)

Cooperation and trust in the *efiewura* system, which underpins food exporting in West Africa, are partly due to the ability of trade associations to draw on industry norms. In particular, norms of reciprocity and mutual expectations shaped by common language and ethnicity (Putnam, 1993), religion (Drakopoulou Dodd and Gotsis, 2007; Dana, 2010) and chieftaincy (Amoako and Lyon, 2014) are used to enforce relational arrangements between exporters and their customers. Trade associations in Ghana and West Africa therefore serve as important parallel institutions to the courts, which are mostly perceived to be corrupt, expensive and time-consuming (Fafchamps, 2004; Lyon and Porter, 2009; Amoako and Lyon, 2014). In South Africa, D'Haese *et al* (2005) and Porter *et al* (2007) report how norms of trade associations reduce uncertainty and enhance entrepreneurship in various ways.

Norms of 'African punctuality'

Norms of punctuality were considered an important element in export relations by two-thirds of the exporting SME owner-managers. They were expected by their customers in distant markets to meet supply deadlines and, in turn, the entrepreneurs expected their own suppliers to meet delivery deadlines. However, the need to meet supply deadlines imposed considerable challenges on food exporters in Ghana, due to the norm referred to as 'African punctuality'. An exporter of cashew and 'shea butter' shared his experience on the meaning and impact of 'African punctuality' on meeting deadlines:

'There is this problem of "African punctuality". African punctuality means adding one or two hours or a few days to the time or date agreed for the transaction and therefore possibly missing the appointment or the deadline [in the case of exporting].' (Case 12)

As illustrated by case 12, the expression 'African punctuality' refers to culturally specific norms of flexibility on meeting deadlines and times for appointments, irrespective of how urgent the appointment might be. These norms imply that missing out on a supply deadline by a day or two may be acceptable in Ghana. While norms of 'African punctuality' undermined SME food exporters' competitiveness in both West African and intercontinental markets, they were particularly constraining to entrepreneurs exporting to intercontinental markets due to the need to meet strict deadlines. In this regard, the entrepreneurs had to learn new norms of tight punctuality and emphasize them in their local supply networks to meet the expectations of trading partners.

Interestingly, norms of punctuality and deadlines have been found to vary from culture to culture. It has been argued that polychronic cultures such as the Middle East, Central and South America, Southern Europe, Asia and Sub-Saharan Africa are flexible in their use of time, whilst monochronic cultures such as the USA, Canada and Northern Europe adhere to strict deadlines and punctuality (Hall, 1983; Adams and Van Eerde, 2010). This study, while offering an in-depth understanding of how deadlines, punctuality and time use may differ among exchange partners in cross-cultural economic exchanges, also confirms existing studies on variations in time use within different cultural groups.

Norms of credit with customers and suppliers

Norms of credit allowed all 12 exporters to receive goods on credit from their suppliers and also to offer goods on credit to their customers in both West African and intercontinental markets. An exporter of cashew nuts to Switzerland and India explained how he received credit from his customers:

'On many occasions my partners [customers] abroad transfer money to me, for at times, one month or more even before I ship the goods to them. This happens especially during the time when the demand for cashew increases in places like Europe and India.' (Case 7)

An exporter of fresh vegetables to the UK market also explained how credit relations with farmers enhanced his export business:

'I do give credit [money] to some farmers, mostly individual farmers. I know their character. The advantage is that because of the credit I have given to the farmers I get the produce any time I want it and they get enough produce for me.' (Case 6)

Credit on goods from exchange partners is an essential strategic tool in Sub-Saharan countries due to SMEs' lack of access to finance in most of these countries, including Ghana (Mitra and Sagagi, 2013; Abor and Biekpe, 2006). Table 3 presents a summary of how indigenous norms shape trust and relationship building in SME food exporting in Ghana.

Conclusion

The results of this study suggest the importance of understanding the role of indigenous norms and trust-based relationships in the internationalization of SMEs. This study establishes that written contracts, taken for granted in much of the developed world, are in

Table 3. Norms shaping trust building and cooperation of Ghanaian SME food-exporting relationships in international markets.

Norms in West African market	Norms in intercontinental markets
<p><i>Contracts</i> Norms of coordination based on trust, such as verbal orders Third parties may be invited as witnesses for contracting parties Social norms used to control and sanction defaulters</p> <p><i>Family/kinship and ethnicity</i> Norms of loyalty, reciprocity and mutual obligations enable exporters to build personalized trust Shared language promotes understanding and brotherliness Ethnic ties in neighbouring countries promote trust and cooperation Norms of gender constrain married women entrepreneurs from building personalized relationships with male business partners</p> <p><i>Religion</i> Norms of shared beliefs, brotherliness and morality facilitate trust building and cooperation Norms of fatalism influence actors' decisions to accept vulnerability in relationships Norms of superstition influence actors' decisions to refrain from opportunism Norms of divine curses are invoked to control exchange partners</p> <p><i>Trade associations</i> Norms of leadership drawn from chieftaincy allow associations to mediate in disputes, enforce contracts and sanction defaulters Norms of associations enhance the sharing of information on markets and members' traceability</p> <p><i>Efewura system</i> Norms of sharing of information on markets allow partners to build trust and cooperation Norms of sharing of accommodation enhance access to West African markets</p> <p><i>'African punctuality'</i> Norms of 'African punctuality' undermine the meeting of export deadlines</p> <p><i>Credit</i> Norms of credit repayment allow exporters to obtain reliable supplies Norms of offering goods on credit enable exporters to obtain access to market spaces in distant regional markets through <i>Efewuramom</i> Norms of receiving credit from customers enable exporters to boost their cash flow</p>	<p>Norms of written contracts prepared by lawyers used by a couple of exporters Social norms are less effective in controlling and sanctioning defaulters</p> <p>Norms of loyalty, reciprocity and mutual obligations enable exporters to build personalized trust Norms of gender constrain married women entrepreneurs from building personalized relationships with male business partners</p> <p>Norms of brotherliness and morality facilitate trust building and cooperation Norms of fatalism influence actors' decisions to accept vulnerability in relationships Norms of divine curses are invoked to control exchange partners</p> <p>Norms of leadership drawn from chieftaincy allow associations to mediate in disputes, enforce contracts and sanction defaulters Norms of associations enhance the sharing of information on markets and members' traceability</p> <p>Not applicable</p> <p>Norms of 'African punctuality' undermine the meeting of export deadlines Norms of international export markets (that differ from the norms of 'African punctuality') are learnt and used to enable exporters to meet strict deadlines</p> <p>Norms of credit repayments allow exporters to obtain reliable supplies Norms of offering goods on credit enable exporters to obtain access to intercontinental markets Norms of receiving credit from customers enable exporters to boost their cash flow</p>

themselves norms and not widely used in food SMEs' internationalization in Ghana and West Africa. On the contrary, entrepreneurs relied considerably on culturally specific norms of both personalized trust and informal institutions, namely: family/kinship and ethnicity, religion, trade associations, the *efiewura* system, punctuality and credit relations (Research Question 1) to enhance the internationalization process. For example, entrepreneurs were found to draw on family/kinship norms to refer to business partners as 'brother', 'sister' or 'mother'. These norms defined what actions were considered acceptable or unacceptable, and therefore served as the basis for building trust and cooperation (Heide and John, 1992; Lyon and Porter, 2009; Blomqvist *et al*, 2008; Bhat and Narayan, 2010) in exporting relationships (Research Question 2). Culturally specific norms that constrained entrepreneurship were also found: for example, norms of family/kinship restrained married female entrepreneurs from building relationships with men who were not their husbands. The constraining influences of norms of religion and family/kinship and ethnicity have been observed in other developing countries such as India (Munshi and Rosenzweig, 2006), Turkey and Morocco (Essers *et al*, 2013). Culturally specific norms of offering and receiving credit and 'African punctuality' confirmed that entrepreneurs need to understand the basis for building networks and trust relationships in distant markets, as these may vary across different cultural contexts (Hall, 1983; Dietz *et al*, 2010; Adams and Van Eerde, 2010). It is important to recognize that these norms can be geographically specific, to a town or marketplace, particularly in relation to local trade associations. They may also represent a hybridization of traditional systems, industry and collaborating businesses. Such cultural 'sensitivity' is necessary when exploring the processes of networking and entrepreneurship in a non-Western European and global context, where legal controls and written contracts are less prevalent. Policies that focus on enterprise development also need to reflect the influences of indigenous institutions.

The results contribute to the ongoing debate on the role of norms, networks and informal institutions in international entrepreneurship in a number of ways. First, we identify culturally specific norms that shape how entrepreneurs perceive trust and cooperation in their export networks. Second, we provide empirical evidence of the processes through which cultural norms influence the internationalization process. Third, we show empirically that where there are cultural differences, there is a need for exchange partners to understand the norms that form the bases for business relationships and trust building.

Limitations and further research

Even though repeated interviews were conducted to enhance validity by probing emergent themes with the cases over a period of two years, given the dynamic nature of trust (Lyon, 2012), future research could adopt a longitudinal approach by collecting data over a longer period of time. Furthermore, the case study and purposive sampling approaches lack the basis for scientific generalization (Yin, 2009). Hence future studies could benefit from the testing of hypotheses on the role of indigenous norms in internationalization on a larger sample in both developed and developing countries.

References

- Abor, J., and Biekpe, N. (2006), 'SMEs' access to debt finance: a comparison of male-owned and female-owned businesses in Ghana', *International Journal of Entrepreneurship and Innovation*, Vol 7, No 2, pp 105–112.
- Abor, J., and Quartey, P. (2010), 'Issues in SME development in Ghana and South Africa', *International Research Journal of Finance and Economics*, Vol 39, No 2, pp 218–228.
- Adams, S.J.M., and Van Eerde, W. (2010), 'Time use in Spain: is polychronicity a cultural phenomenon?' *Journal of Managerial Psychology*, Vol 25, No 7, pp 764–776.
- Amoako, I.O., and Lyon, F. (2014), "We don't deal with courts": cooperation and alternative institutions shaping exporting relationships of SMEs in Ghana', *International Small Business Journal*, Vol 32, No 2, pp 117–139.
- Ansari, S., and Phillips, N. (2011), "Text me"! New consumer practices and change in organizational fields', *Organization Science*, Vol 22, No 6, pp 1579–1599.
- Bhat, C., and Narayan, K.L. (2010), 'Indian diaspora, globalisation and transnational networks: the South African context', *Journal of Social Science*, Vol 25, Nos 1, 2 & 3, pp 13–23.
- Blomqvist, K., Hurmelinna-Laukkanen, Pia, H.L., Nummela, N., and Saarenketo, S. (2008), 'The role of trust and contracts in the internationalization of technology-intensive born globals', *Journal of Engineering and Technology Management*, Vol 25, No 1, pp 123–135.
- Boyatzis, R. (1998), *Transforming Qualitative Information: Thematic Analysis and Code Development*, Sage, Thousand Oaks, CA.
- Bratton, M. (2007), 'Formal versus informal institutions in Africa', *Journal of Democracy*, Vol 18, No 3, pp 96–110.
- Braun, V., and Clarke, V. (2006), 'Using thematic analysis in psychology', *Qualitative Research in Psychology*, Vol 3, No 1, pp 77–101.
- Brinkmann, P., Håkansson, A., Bütienė, I., Kjærsgard, H., Mortensen, B.K., Martens, J., Müller-Hansen, B., and Petrenko, A. (2014), 'The use of networks as a strategic approach of micro-enterprises in the agri-food sector', *International Journal of Entrepreneurship and Innovation*, Vol 15, No 3, pp 169–178.
- Brunetto, Y., and Farr-Wharton, R. (2007), 'The moderating role of trust in SME owner/managers' decision-making about collaboration', *Journal of Small Business Management*, Vol 45, No 3, pp 362–387.
- Bruton, G.D., Ahlstrom, D., and Li, H.L. (2010), 'Institutional theory and entrepreneurship: where are we now and where do we need to move in the future?' *Entrepreneurship Theory and Practice*, Vol 34, No 3, pp 421–440.
- Chetty, S., and Agndal, H. (2007), 'Social capital and its influence on changes in internationalization mode among

- small and medium-sized enterprises', *Journal of International Marketing*, Vol 15, No 1, pp 1–29.
- Cheung, G.C.K. (2004), 'Chinese diaspora as a virtual nation: interactive roles between economic and social capital', *Political Studies*, Vol 52, pp 664–684.
- Coviello, N.E., Jones, M.V., and McDougall-Covin, P. (2014), 'Is international entrepreneurship research a viable spin-off from its parent disciplines?' in Fayolle, A., and Riot, P., eds, *Institutionalization of Entrepreneurship: Hopes and Pitfalls for Entrepreneurship Research*, Routledge, London.
- Dana, L.P. (2010), Introduction: Religion as an explanatory variable for entrepreneurship', in Dana, L.P., ed, *Entrepreneurship and Religion*, Edward Elgar, Cheltenham, pp 1–24.
- D'Haese, M., Verbeke, W., Van Huylenbroeck, G., Kirsten, J., and D'Haese, L. (2005), 'New institutional arrangements for rural development: the case of local woolgrowers' associations in the Transkei area, South Africa', *Journal of Development Studies*, Vol 41, No 8, pp 628–641.
- Dietz, G., Gillespie, N., and Chao, G.T. (2010), 'Unravelling the complexities of trust and culture', in Saunders, M.N.K., Skinner, D. Dietz, G., Gillespie, N., and Lewicki, R.J., eds, *Organizational Trust: A Cultural Perspective*, Cambridge University Press, Cambridge.
- Drakopoulou-Dodd, S. (2011), 'An introduction to network approaches and embeddedness', in Mole, K., and Ram, R., eds, *Perspectives in Entrepreneurship: A Critical Approach*, Palgrave Macmillan, London, pp 75–92.
- Drakopoulou Dodd, S., and Gotsis, G. (2007), 'The interrelationships between entrepreneurship and religion', *International Journal of Entrepreneurship and Innovation*, Vol 8, No 2, pp 93–104.
- Ellis, P.D. (2011), 'Social ties and international entrepreneurship: opportunities and constraints affecting firm internationalization', *Journal of International Business Studies*, Vol 42, No 1, pp 99–127.
- Elster, J. (1989), 'Social norms and economic theory', *Journal of Economic Theory*, Vol 3, No 4, pp 99–117.
- Essers, C., Dooreward, H., and Benschop, Y. (2013), 'Family ties: migrant female business owners doing identity work on the public-private divide', *Human Relations*, Vol 66, No 12, pp 1645–1665.
- Fachamps, M. (2004), *Market Institutions in Sub-Saharan Africa: Theory and Evidence*, MIT Press, Cambridge, MA.
- Ferrary, M., and Granovetter, M. (2009), 'The role of venture capital firms in Silicon Valley's complex innovation network', *Economy and Society*, Vol 38, No 2, pp 326–359.
- Ghana Export Promotion Authority (2011), *Non-Traditional Export Statistics Report*, Ministry of Trade and Industry, Accra.
- Ghauri, P., Clemens Lutz, L., and Tesfom, G. (2003), 'Using networks to solve export marketing problems of small- and medium-sized firms from developing countries', *European Journal of Marketing*, Vol 37, No 5/6, pp 728–752.
- Granovetter, M.S. (1985), 'Economic action and social structure: the problem of embeddedness', *American Journal of Sociology*, Vol 91, No 3, pp 481–510.
- Guest, G., Bunce, A., and Johnson, L. (2006), 'How many interviews are enough?: an experiment with data saturation and variability', *Field Methods*, Vol 18, No 1, pp 59–82.
- Hall, E.T. (1983), *The Dance of Life: The Other Dimension of Time*, Doubleday, Garden City, NY.
- Heide, J.B., and John, G. (1992), 'Do norms matter in marketing relationships?' *Journal of Marketing*, Vol 56, No 9, pp 32–44.
- Hessels, J., and Parker, S.C. (2013), 'Constraints, internationalisation and growth: cross-country analysis of European SMEs', *Journal of World Business*, Vol 48, No 1, pp 137–148.
- Hodgson, G.M. (2007), 'Institutions and individuals: interaction and evolution', *Organization Studies*, Vol 28, No 1, pp 95–116.
- Jack, S.L. (2010), 'Approaches to studying networks: implications and outcomes', *Journal of Business Venturing*, Vol 25, No 1, pp 120–137.
- Jackson, T., Amaeshi, K., and Yavuz, S. (2008), 'Untangling African indigenous management: multiple influences on the success of SMEs in Kenya', *Journal of World Business*, Vol 43, No 3, pp 400–416.
- Jämsä, P., Tähtinen, J., Ryan, A., and Pallari, M. (2011), 'Sustainable SMEs network utilization: the case of food enterprises', *Journal of Small Business and Enterprise Development*, Vol 18, No 1, pp 141–156.
- Jones, M.V., Coviello, N., and Tang, Y. (2011), 'International entrepreneurship research (1989–2009): domain ontology and thematic analysis', *Journal of Business Venturing*, Vol 26, No 6, pp 632–659.
- LeBaron, M. (2003), 'Culture-based negotiation styles', in Guy, B., and Heidi, B., eds, *Beyond Intractability*, Conflict Research Consortium, University of Colorado, Boulder, CO.
- Luo, Y. (2003), 'Industrial dynamics and managerial networking in an emerging market: the case of China', *Strategic Management Journal*, Vol 24, No 13, pp 1315–1327.
- Lyon, F. (2000), 'Trust, networks and norms: the creation of social capital in agricultural economies in Ghana', *World Development*, Vol 28, No 4, pp 663–681.
- Lyon, F. (2012), 'Access and non-probability sampling in qualitative research on trust', in Lyon, F., Guido, M., and Saunders, M.N.K., eds, *Handbook of Research Methods on Trust*, Edward Elgar, Cheltenham, pp 85–93.
- Lyon, F., and Porter, G. (2009), 'Market institutions, trust and norms: exploring moral economies in Nigerian food systems', *Cambridge Journal of Economics*, Vol 33, No 5, pp 903–920.
- Macneil, I.R. (1980), 'Essays on the nature of contract', *South Carolina Central Law Journal*, Vol 10, No 1, pp 159–200.
- McDougall, P.P., and Oviatt, B.M. (2000), 'International entrepreneurship: the intersection of two research paths', *Academy of Management Journal*, Vol 43, No 5, pp 902–906.
- Mitra, J., and Sagagi, M. (2013), 'Introduction to special issue: The changing dynamics of entrepreneurial Africa', *International Journal of Entrepreneurship and Innovation*, Vol 14, No 4, pp 211–218.
- Munshi, K., and Rosenzweig, M. (2006), 'Traditional institutions meet the modern world: caste, gender and schooling choice in a globalising economy', *American Economic Review*, Vol 96, No 4, pp 1225–1252.
- Oviatt, B., and McDougall, P. (2005), 'The internationalization of entrepreneurship', *Journal of International Business Studies*, Vol 36, No 1, pp 2–8.
- Patton, M.Q. (2002), *Qualitative Research and Evaluation Methods*, 3 ed, Sage, Thousand Oaks, CA.
- Peiris, I.K., Akoorie, M.E.M., and Sinha, P. (2012), 'International entrepreneurship: a critical analysis of studies in the past two decades and future directions for research', *Journal of International Entrepreneurship*, Vol 10, No 4, pp 279–324.
- Porter, G., Lyon, F., and Potts, D. (2007), 'Urban food-supply in sub-Saharan Africa in the twenty-first century: the role of trading intermediaries and market institutions', *Progress in Development Studies*, Vol 7, No 2, pp 115–134.
- Prashantham, S., and Dhanaraj, C. (2010), 'The dynamic influence of social capital on the international growth of new ventures', *Journal of Management Studies*, Vol 47, No 6, pp 967–994.
- Putnam, R.P. (1993), *Making Democracy Work: Civic Traditions in Modern Italy*, Princeton University Press, Princeton, NJ.
- Rodrigues, S.B., and Child, J. (2012), 'Building social capital for internationalisation', *RAC, Rio de Janeiro*, Vol 16, No 1, pp 23–38.
- Sobel, R.S. (2008), 'Testing Baumol: institutional quality and the productivity of entrepreneurship', *Journal of Business Venturing*, Vol 23, No 6, pp 641–655.
- Teal, F. (2002), *A Note on Data for Ghanaian Manufacturing Firms: 1991–1997*, Centre for the Study of African Economies, University of Oxford, Oxford.
- Thornton, P.H., Ribeiro-Soriano, D., and Urbano, D. (2011), 'Socio-cultural factors and entrepreneurial activity: an overview', *International Small Business Journal*, Vol 29, No 2, pp 105–118.

- Welter, F., and Smallbone, D. (2006), 'Exploring the role of trust in entrepreneurial activity', *Entrepreneurship Theory and Practice*, Vol 30, No 4, pp 465–475.
- Welter, F., and Smallbone, D. (2011), 'Institutional perspectives on entrepreneurial behaviour in challenging environments', *Journal of Small Business Management*,

Vol 49, No 1, pp 107–125.

- Yin, R.K. (2009), *Case Study Research – Design and Methods*, 4 ed, SAGE Publications, London.
- Zain, M., and Ng, S.I. (2006), 'The impact of network relationships on SME's internationalization process', *Thunderbird International Business Review*, Vol 48, No 2, pp 183–205.