



Exploring Informal Institutional Voids and Entrepreneurial Response Strategies in Nigeria

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Exploring Informal Institutional Voids and Entrepreneurial Response Strategies in Nigeria

Abiola Adewole Adebayo

A thesis submitted in partial fulfilment of the requirements of Sheffield Hallam
University for the degree of Doctor of Philosophy

May 2025

Candidate Declaration

I hereby declare that:

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2. None of the material contained in the thesis has been used in any other submission for an academic award.
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Those who sow with tears will reap with songs of joy. Those who go out weeping, carrying seed to sow, will return with songs of joy, carrying sheaves with them (Psalm 126 vs 5-6)

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Abstract

While the extant literature in emerging markets often emphasise informal institution as readily institutional alternative for entrepreneurs facing formal institutional challenges in such context, it is increasingly argued that its ability and capacity to provide institutional leverage is limited. This growing recognition highlights the limitation of theorising on the broader influence of informal institutions on entrepreneurship. Building on this argument, this thesis draws on the experience of the entrepreneurs in Nigeria to explore in specifically how informal institutional voids emerge – a concept to explain functional deficiencies of an institution and strategic responses of the entrepreneurs in shaping these outcomes.

The study is underpinned by a neo-empiricism qualitative paradigm involving 21 semi structured interview from entrepreneurs in Nigeria. The data was analysed inductively using Gioia method. The analysis of the data revealed three key constructs around institutional logic perspectives to broadly reconceptualises the influence of the informal institutions on entrepreneurship and strategic behaviour of entrepreneurs. Findings shows that informal institutions operate within complex framework shaped by interdependent elements which overlaps to create deficiency such as normative tension, power dynamics and obligatory concern suggesting the presence of informal institutional voids. As such, entrepreneurs operating in such contexts creatively navigate and manage these conditions through the development of bricolage, organisation structure and evolving relational mechanism.

By offering a reconceptualization of the influence of informal institution on entrepreneurship in emerging market, this thesis offer insights into how informal institutions are limited in capacity, challenging the general assumption on the sustenance of informal institutions to efficiently provide institutional leverage in institutional constraint environment. Additionally, the thesis also reframes entrepreneurial strategic behaviour, specifically within constrained economic-institutional context as a process of bricolage.

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List of Abbreviations and Acronyms

SMEDAN – Small and Medium Enterprises Development Agency of Nigeria

SON – Standard Organisation of Nigeria

CAC – Corporate Affairs Commission

CBN – Central Bank of Nigeria

NAFDAC – National Agency for Food and Drug Administration and Control

NIRSAL – Nigeria Incentive Based Risk Sharing System for Agricultural Lending

NASME – Nigerian Association of Small and Medium Enterprises

NASSI – Nigerian Association of Small-Scale Industrialists

List of Conference Presentations

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Chapter One: Research Background and Rationale of the Study

1.1 Introduction

This study set out to explore the influence of informal institutions, specifically informal institutional voids, and entrepreneurial response strategies to informal institutional voids in Nigeria. As such, the main purpose of this chapter is to provide underlying evidence for this study setting out the background to the study and then outlines the aims and objectives the study seeks to investigate.

1.2 Background to the study

The impact of informal institutions on entrepreneurship has been emphasised in the emerging market literature as mechanisms through which entrepreneurs compensate for formal institutional deficiencies (Amoako & Lyon, 2014; Ge et al, 2019; Sydow et al 2020). Specifically, studies suggests that entrepreneurs utilise informal institutional arrangements such as trade association, family ties and network norms to help fill the gap left by weak formal institutions (Ge et al., 2019; Omeihe et al., 2021; Sydow et al., 2020). These practices allow entrepreneurs to effectively engage in entrepreneurial activities and sustain competitive advantage in the face of institutional uncertainties (Liedong et al., 2020; Mair & Marti, 2012). Nevertheless, while these arrangements provide some sort of reliefs, recent studies have begun to argue how capabilities of the informal institutions are limited to facilitate institutional substitute required to overcome institutional uncertainties in such context (Khoury & Prasad, 2016; Sydow et al., 2020). Studies show how the nature of informal institutions limits its ability to provide institutional governance within an environment (Webb et al., 2020), particularly how the interdependence of the actors involved questions the ideals upon which the operating mode of an institutions is based (Sutter, Webb, Kistruck, & Bailey, 2013, Ledeneva & Efendic, 2023). As such, there appears to be no consensus in the literature regarding the outcomes of the roles of informal

institutions. This dual nature of informal institutions intensifies institutional pressure and signals broader institutional dysfunction (Williams & Vorley, 2015). As noted by Khoury & Prasad (2016), assumptions that informal institutions are complete institutional substitutes without constraints overlook local realities of institutional actors, thus suggests a limited understanding of the dynamics of interactions and behaviour within the informal institutional systems.

The presence of any institutional deficiency creates a challenge for entrepreneurs who are constrained and faced with increasing risks (Boddeyn & Peng, 2021). However, our understanding of specific compromises inherent within informal institutional structure remains limited (Mair, Marti, & Ventresca, 2012). In specifically, challenges associated with how informal institutions functions have received less empirical understanding and theoretical development (Doh, Rodrigues, Saka-Helmhout, & Makhija, 2017; Horak et al., 2020). This thesis builds on these insights to specifically examine the process through which the functions of informal institutional mechanism are impaired - a situation conceptualised as informal institutional voids (Koch, 2020; Webb et al., 2019). This thesis draws on the institutional voids perspectives to capture different problems within an institutional environment. Institutional voids are defined as situation in which institutional arrangements are perceived limited in capacity to accomplish the role expected of them (Mair & Marti, 2012). This construct holds the premise of providing insights into how the effects of an institutional interactions affects its capability (Liedong et al., 2020). By using the term informal institutional voids, this thesis emphasises on the weaknesses of the informal institutions to provide entrepreneurs with an expected outcome. However, the theoretical understanding of informal institutional voids is still lacking and curtails detailed understanding of the nature of interaction within informal institutions (Webb et al., 2020; Doh et al 2017).

In this thesis, institution is defined following North (1991 p 97) as '*humanly devised constraints that structure political, economic, and social interactions*'. In a similar vein, Granovetter (2017) adds that institutions are set of persistent patterns defining how some specified collection of social actions should be conducted. This definition alludes to the fact that institutional elements consist of formal and informal institutions where the informal institutions are seen as socially shared codes, rules, structure, and constraints that generate social behaviour expectations (Dau et al., 2022; Helmke & Levitsky, 2004). This definition suggests that informal institutions are symbolic social structures rooted in norms, family systems, religious beliefs, and social networks widely recognised as influential paradigms that are relied to shape and facilitate how actions are carried out as well as guide and constrain individual and collective behaviour in the society. When institutional structures lack in quality, it creates a functional void that needed to be filled, this void creates pressure constraining entrepreneurs from actively working towards achieving their goals in the market. Institutional voids explain the conflicting contradictions within institutional spheres that constrain activities (Mair & Marti, 2009). While the literature increasingly emphasises formal institutional deficiencies, addressing such deficiencies becomes complicated when informal institutions themselves lack capacity to function unhindered. The failure of informal institutions to function undermines broader institutional quality (Williams & Vorley, 2015). In effect, these situations constrain entrepreneurial process. The intent of this study is to explore the internal mechanism of informal institutions and how it influences its capacity to function.

Informal institutional phenomena are seen as a diverse and complex issue (Dau et al., 2022). Yet, the bulk of attention and general trend in its understanding and theorising have been particularly centred on its ability to provide substitutive alternative mechanism in context with prevalence of dysfunctional institutions

(Omeihe et al., 2021; Webb et al., 2020; Koch, 2020; Amoako & Lyon, 2014), thus leading to incorrect assumption (Khoury and Prasad, 2016). While some studies have attempted to seek an understanding of deficiencies of the informal institutions in parallel (Khoury & Prasad, 2016; Light & Dana, 2013; Slade Shantz, Kistruck, & Zietsma, 2018), this attempts are fragmented (Boddewyn & Peng, 2020; Sydow et al., 2020; Umoru et al., 2025). Fuelled by this dearth of understanding and the proposition to advance this line of inquiry in a more cohesive manner, the first gap this study attempts to address is by exploring *how do informal institutional mechanism creates institutional voids?*

Key critical issue entrepreneurs in emerging markets face relates to how to manage institutional voids (Amankwah-Amoah et al., 2019). According to North (2016), institutional actors form a mental model to explain, interpret and react to interaction of institutional structures in their environment based on their experience. This influences coordination and behaviour to shape their institutional environment, as such emphasising the relationship between institutional phenomenon and individual behaviour where individual responds to guide a course of action within an institutional environment (Powell & DiMaggio, 1991). This argument provides an underlying foundation to explain why in a given context; strategies are developed towards institutional uncertainties.

In a parallel line of thoughts, studies have shown that when entrepreneurs are faced with formal institutional challenges, they move to develop strategies that can help them navigate its challenges so as to operate in efficient condition (Omeihe et al, 2021; Amankwah-Amoah et al., 2019). However, the phenomena of strategic responses to informal institutional voids remains unexplored due to the perceived limited understanding of informal institutional voids (Doh et al., 2017, Sydow, Cannatelli, Giudici, & Molteni, 2020; Webb et al., 2019). Any presence of institutional voids represents institutional environment with

uncertainty that requires action of the entrepreneurs to shape (McCarthy & Puffer, 2016). Entrepreneurs facing institutional voids are obliged to develop varying strategic approaches so as to navigate the quagmire institutional environment.

The assertion put forth in this thesis is that parallel to the entrepreneurial experience with formal institutional voids, informal institutional voids also require strategic responses from the entrepreneurs to cope. Yet, the bulk of understanding has been on entrepreneurial coping mechanism to formal institutional voids (Amoako & Lyon, 2014; Ge, Carney, & Kellermanns, 2019; Omeihe, Gustavsson, Omeihe, Amoako, & Khan, 2020), while there is paucity understanding how entrepreneurs manage inherent challenges within informal institutions (Doh et al., 2017; Sydow et al., 2020). More specifically, research suggests that a one size fits all strategic approach does not offer a precise and enriching theoretical understanding of strategic behaviour of entrepreneurs within a multi-dynamic institutional context (Kim & Song, 2017). As such, the emerging literature does not offer much understanding to predict how existing understanding of the strategic responses to formal institutional voids help overcome constraints relevant to informal institutions. This is the second gap which this study attempts to address by exploring *how entrepreneurs address and manage informal institutional voids?*

Informal institutions take several forms which may necessitate that entrepreneurs integrate their practices to effectively enhance their operational performance. As such, an understanding of the potential unique approaches developed by the entrepreneurs to manage the pitfalls is particularly important. The limited theoretical understanding of how entrepreneurs manage the challenges associated with informal institutions makes an important gap to unpack. Additionally, this study contends that understanding the strategic response to informal institutional voids contributes to understanding dynamics of entrepreneurial behaviour within

the informal institutions which present a valuable ground for understanding strategic decisions of entrepreneurs in institutional challenging context. The findings of this thesis are expected to contribute to advancing scholarly knowledge of how entrepreneurs navigate institutional voids in general.

In sum, this thesis seeks to explore two interrelated gaps – how does institutional voids emerge within informal institutions and what are the mechanisms developed by the entrepreneurs to manage and address them. By addressing these knowledge gaps, this thesis seeks to make a valuable contribution towards the literature around informal institutional voids and entrepreneurial strategic behaviour within the informal institutional environment. Specifically, the findings aim to contribute to the existing literature on the influence of informal institutions on entrepreneurship, thus moving the conversation away from the narrow perspectives to a broader understanding of the dynamics of informal institutions through everyday experiences and reality of the entrepreneurs who leverage informal institutions. In exploring the functional dynamics of informal institution, this thesis is particularly important to shift the spotlight towards the functional capabilities of informal institutions (Zhao & Yang, 2021; Umoru, Ogundana, Mangena, & Udeozor, 2025). A huge share of business within emerging markets, specifically in Nigeria are undertaken through the informal institutional arrangements. As such, this study holds important implication to theoretically reconceptualises the influence of informal institutions on entrepreneurial process and as such provide a balance in terms of theorising informal institutional phenomena thereby providing deeper understanding.

1.3 The purpose and Aim of the study

The purpose of this study is to explore informal institutional voids and the strategic response of the entrepreneurs to informal institutional voids within the entrepreneurial process. Studies such as Khoury & Prasad, 2016; Slade et al 2018;

Webb et al 2019 have indicated how informal institutions impose constraints on entrepreneurship rather than providing institutional opportunity suggesting the presence of institutional voids. Consequently, entrepreneurs in this situation are poised to develop different array of strategies to navigate its constraints. However, there is limited understanding of informal institutional voids as well as lack of research on the strategic responses of the entrepreneurs to the informal institutional voids (Doh et al 2017; Sydow et al 2020), limiting the theoretical scope on informal institutions and the concepts of institutional voids. Furthermore, this study builds on the opportunity to further explore the entrepreneurial strategies amid weak institutional context such as Nigeria where informal institution plays a critical role (Adike, Anosike, & Wang, 2022).

1.4 Research Question

The following research questions has been developed to enable an understanding of the responses of entrepreneurs to informal institutional voids in Nigeria:

1. How does the informal institutional mechanism influence entrepreneurship process specifically to create institutional void?
2. How do entrepreneurs address and respond to the informal institutional voids?
3. in what ways does individual characteristics shape the entrepreneur's work around responses?

By answering these research questions, this study seeks to make significant contribution towards addressing the highlighted gap in the entrepreneurship literature within institutional theory and opening important debate around the nuanced complexities in the role of the informal institutions.

1.5 Research Objectives

In answering the research question, this thesis set the following objectives:

1. To explore the enabling influence of the informal institutions on entrepreneurial process
2. To evaluate the constraining influence of informal institution on entrepreneurial process specifically how it creates informal institutional voids.
3. To explore how entrepreneurs respond to and address the informal institutional voids.

1.6 The Nigerian Context

In comparison to developed economies, emerging markets, specifically African countries have witnessed restrictive economic growth due to the absence of efficient formal institutions (Hoffmann & Melly, 2018). In effect, majority of African trade are run by entrepreneurs within an informal structure (Adike et al., 2022; Omeihe, 2023). Entrepreneurs are able to overcome failing formal institutional challenges by relying on informal institutional structures (Amoako & Lyon, 2014). Accordingly, driving a considerable and increased interest in the coverage of institutional phenomenon within such context. Thus, the choice of Nigeria as the research context for this study is a response to the repeated calls in the literature to expand understanding of issues related to informal institution in such contexts (Sydow et al., 2020). Nigeria is characterised by high dependence on informal institutions and could enable a richer understanding (Adike et al., 2022; Meagher, 2007; Omeihe, Simba, Gustafsson, & Omeihe, 2021).

Additionally, Banwo, Onokola & Momoh (2022) argues that the business environment in Nigeria is challenging for entrepreneurs due to the nature of its institutional environment. In the similar vein, Adomako and Danso (2014) assert that entrepreneurs' monumental challenge in Nigeria is the dysfunctional nature of its institutional environment, characterised by complex business registration, taxation, and ease of doing business. Supporting this assertion, Adike et al (2022 p 163) write, '*Nigeria like most SSA (sub-Saharan African) countries fits into the characterisation of the context of institutional voids...although, there are lots of*

institutions, majority of these institutions are ineffective and depict arrays of imperfection thus creating voids in general institutional framework’. The presence of institutional voids makes it difficult to do business in Nigeria. Consequently, Nigeria’s economic profile highlights such negative indices because of the ineffectiveness of the existing institutions such as property rights laws, labour laws, judicial administration and tax administration (Igwe, Ogundana, Amarachi Ngozi Amaugo Oyedele M, Egere, & Anigbo, 2018). A point of convergence for most of these studies illustrates a market context with significant institutional failings.

This number of evidence shows that Nigerian entrepreneurs operate in a difficult environment where there is limited access to required institutional support such as bank credit and other necessary market infrastructures. Beyond just the institutional inefficiency, Nigeria is also faced with several macro challenges such as high unemployment, higher inflation, currently inflation stood at above 29.4% as at February, 2024 (Financial Times, 2024), multiple taxation due to lack of alignment and aggregation by each governing unit, corruption, and infrastructural decay which has impacted the ability of the state to enforce its own rules (Abah, 2012; Tule, Ogundele, & Apinran, 2018).

Also, beyond the patchy infrastructures and economic instability, Nigeria ranks 116th on the global competitiveness index for enabling environment, 128th on institutions, 130th on infrastructure and 131st on the market and financial system. It also ranks 131st on the World Bank ease of doing business which specifically measures the institutional regulations and structural practices within a specified economy, 159th on paying taxes, 183 on registering property and 105 on starting a business. It came 17th in Africa behind the smaller economies such as Togo, Kenya, Botswana, Rwanda, and Mauritius. The country is placed 169 out of the 189 countries measured in terms of attractiveness and ease of doing business

globally (World bank Group, 2019). This indicates a country where severe institutional voids persist.

Interestingly, Nigerian government is beginning to recognise the importance of entrepreneurship as a significant driver of its economic growth having set out with various intervention to promote the process (Effion & Edet, 2018). However, government institutional incapability and lack of coherence in implementation has made such program less effective. According to Madichie, Gbadamosi & Rwelamila (2021), about sixty five percent of Nigeria's GDP occur outside its formal system indicating an environment underlying challenges. Similarly, Etim & Daramola (2020) projects Nigeria's informal economy as the largest in Africa with an increasing growth from about 46.99% in 2020 to about 47.93 by 2025 showing a higher projection at twice the growth of South Africa and global estimates. This situation clearly demonstrates the entrepreneur's propensity to rely on informal institutional mechanism in engaging with entrepreneurial pursuit. This assumption is guided by the broad assumption that informal institution provides alternative and safety net for entrepreneurs in contexts with institutional uncertainties. As such, informal institutions play a decisive role in shaping entrepreneurial process in this context. For instance, Meagher (2015) observes the significance and prevalence of the informal institutions in Nigeria among the entrepreneurs to enhance international expansion. Formal institutional voids introduce inefficiencies in market and as such, entrepreneurs in Nigeria rely on available informal mechanisms such as trade association (Omeihe, King et al., 2021a), network ties (Adike et al., 2022), social capital (Osunmakinde, Kolade, & Mwila, 2021), and religious and family norms (Amoako, 2018) as alternatives to perceived weak formal institutional arrangements. This emphasises the importance and relevance of Nigerian context to understand informal institutional phenomenon, holding the promise to provide insights into the influence of informal institutions on entrepreneurship.

Therefore, Nigeria presents a perfect context to understand the phenomenon around informal institution. The prominence of informal institutional structures presents overwhelming evidence that could enhance the understanding of such phenomenon where in entrepreneur would provide a rich account informal institutional quagmire, they have found themselves when informal institutional structures become a more natural preference. The highlighted context has provided a meaningful explanation of a context underpinned with presence of formal and informal institutional arrangements. Broadly, informal arrangement has been highlighted in positive terms, serving as compensatory alternative to formal institutional voids (Adike et al., 2022; Omeihe, King et al., 2021a). However, it has also been viewed more challenging to entrepreneurs who leveraged its structures (Omeihe et al., 2021a). These divergent view opens the nature of the informal institutions and means that entrepreneurs who rely on such mechanism to enhance entrepreneurial activities by providing additional benefits could now be faced with inhibiting hindrance with significant risk exposure. It is upon this profile this study aims to set. In this vein, Nigeria can be an important context for the understanding of the issues regarding the informal institutional voids on entrepreneurial process, in particular the question of how entrepreneurs and what entrepreneurs have developed to navigate the institutional dysfunction and constraints they may face while leveraging the embedded informal institutional mechanism. This context warrant investigation to allow us to gain a deeper understanding of the breakdown of the informal institutional mechanism and how entrepreneurs respond when confronted with informal institutional voids.

1.7 Overview of Theoretical Framework

This thesis is grounded on the adoption of two theoretical standpoint – institutional logics perspectives and microfoundation theory as they form the

basis of informal institutional analysis and entrepreneurial strategy within an institutional theory. Institutional logics perspectives explain how actors, actions and institutional phenomenon converge within an institutional context (Omeihe & Omeihe, 2023). Specifically, institutional logics perspectives describe how interconnected configuration of an institutional framework interact to shape actors behaviour within an institutional environment. Put succinctly, the institutional logics perspectives describe how underlying mechanism of the informal institutions interact to shape entrepreneur's social reality within an institutional environment by specifically highlighting the role of cultural and normative underlying as significant element of institutional analysis (Ocasio, 2023). Institutional logics rests on two key assumption – that institutional structure is constrained or enabled by the interaction of its underlying logics and that actors have agency capacity to shape such structure. Interestingly, institutional logics does not account for the factors that orients the dimension of agency in how actors shape their institutional environment. The microfoundation is used complementarily to explain specific individual behaviour to institutional phenomena. A key gap in the institutional logic analysis is the relationship between individual and institution where in individual action are seen as significant over events in a given context (Gumusay, 2018). Microfoundation is to help understand why individuals interpret institutional phenomena differently based on their experience. Microfoundation theory amplifies that microlevel constructs significantly influence conditions of an individual action within an environment (Bhattacharyya et al., 2020).

In sum, the complementarity between institutional logics perspectives and microfoundation underlies an understanding of issues around informal institutions and entrepreneurial behaviour.

1.8 Overview of Methodological Approach

The methodological choice for this thesis is qualitative because it assumes that reality is multiple and is consistent to provide understanding of issues related to informal institutions (Amoako & Lyon, 2014; Uzo & Mair, 2021). This approach was underpinned by the neo-empiricist paradigm which adhere to the realist ontology to allow the researcher to access the relationship between the known (informal institutional phenomenon) and knower (entrepreneur) (Alvesson & Deetz, 2000). This view aims to bring forth the participants multiple lived experience to answer the research question. The assumption is that the truth is out there and should be known in a way that it is experienced by the knower through probing. In particular, 21 semi structured interview were conducted for entrepreneurs in Nigeria. The interview data was then transcribed and further analysed following Gioia inductive approach which aims to promote analytical rigour and trustworthiness of the research findings by following systematic three ordering stages in theory development.

1.9 Overview of the Contributions

This thesis makes valuable contributions towards addressing the gap highlighted in the literature. Specifically, four significant contributions are made to the literature. First, this thesis through the institutional logics perspectives shifts the conversation on the influence of informal institutions on entrepreneurship through the experience of the entrepreneurs in Nigeria. The finding reveals that informal institutions operate at the integration of multiple interdependent logics such as family, religion, network ties which shapes how it functions. Specifically, the dynamics and structural interdependence of norms, family and religion creates institutional deficiency and tension suggesting the possible theorisation of informal institutional voids. This contribution extends the critical studies of (Webb et al., 2020; Khoury & Prasad, 2016, Sydow et al., 2020) by presenting empirical evidence to argue for the phenomenon of informal institutional voids.

Second, different from the previous studies that have examined how entrepreneurial strategies shape formal institutional deficiencies, this thesis provides broader understanding into the strategic choices of the entrepreneurs in addressing institutional challenges within the informal institutions. This contribution responds to the call of critical studies such as Doh et al 2017 and Sydow et al., 2020. Third, this thesis contributes to the institutional voids literature by unbundling the general notion of institutional voids as theoretical construct that capture deficient problems within an institutional environment. Specifically, this thesis theorise that institutional deficiencies leave a functioning void which have effect in eventual institutional outcome. Fourth, this thesis advances the literature by integrating institutional theory and bricolage into a strategic framework to explain mechanism through which entrepreneurs in institutional constrained environment manage institutional challenges thus provides a comprehensive understanding of the entrepreneurial behaviour in institutional challenging environment.

1.10 Overview of the Thesis

This thesis has been divided into nine chapters. Chapter one presents the introduction and background to the study. Chapters 2 and 3 presents the literature review and conceptual framework of the study. Chapter 4 focuses on the methodological underpinning of the study while chapter 5 presents the data analysis procedure, outlining how the findings are developed. Chapters 6, 7 and 8 presents the discussion of the findings while chapter 9 concludes the thesis.

Chapter One: This chapter provides introductory background into the study and then outlines the aims, objectives and questions the study seeks to investigates. The chapter concludes with the relevance of the research context to the research phenomenon. Chapter two lay out the theoretical underpinning of this study and offering a critical and comprehensive review of the key phenomenon within

institutions, informal institutions and institutional voids to signpost the critical debate within which this study is situated. Chapter three set out the conceptual framework, outlining the development of the research question by expanding on the research gap outlined in the literature review chapter and how the research questions are interlinked together. This chapter also provides a visual representation of the initial framework for this study.

Chapter four details the research methodology underpinning this thesis, it outlines the research paradigm, the neo-empiricism qualitative paradigm and provides justifications for the underpinning research paradigm, research design and methodological issues such as data collection and analytical procedure. Chapter five details the systematic analytical approach that led into the findings of this study. It shows the procedural steps for qualitative data reduction, developments of categories and the emergence of themes.

Chapter six presents the perception of entrepreneurs to formal institutions and provide an underlying information on the influence of informal institution as alternative institutional mechanism in Nigeria. This chapter specifically highlight the enabling role of the informal institutions in enhancing entrepreneurial activities in Nigeria. Chapter seven builds on chapter 6 to highlight the practices through which informal institutional voids emerge. The chapter outlines patterns of normative tension, power dynamics and obligation concern as constraining practices that led to the emergence of informal institutional voids. Chapter eight discusses the analysis on the response strategies and practices developed by entrepreneurs to manage informal institutional voids.

Chapter nine is the final chapter of the thesis providing summary and overview of the findings to conclude the thesis and then reports on the contributions of the thesis to knowledge and practice. The chapter also presents a framework to

illustrate the influence of informal institutions and entrepreneurial behaviour in Nigeria.

Chapter Two: Theoretical Foundation to Informal Institutional Voids and Entrepreneurial Response Strategies

2.1 Introduction

The previous chapter has provided the background information justifying the rationale of this study to understand how informal institutional voids emerge and entrepreneurial strategic response strategy in Nigeria. The purpose of this chapter is to lay out the theoretical underpinning of this study through an outline of the relevant key concepts to give the reader the chance to understand the underlying arguments relevant to the phenomenon of informal institutions and entrepreneurial strategic behaviour. The chapter begins with an overview of the theoretical framework that underpin the thesis. Subsequently, the issue of institutions and informal institutions were discussed to provide a working definition of institutions in this study. Following this, there was an argument to unpack the issue of informal institutional voids to provide readers with a clearer understanding of the research purpose.

2.2 Theoretical Framework Underlying the Study

Institutional logic perspectives and micro foundation theory have been selected as theoretical framework underlying this study to demonstrate the interaction and interplay between the institutional phenomenon and entrepreneurial behaviour within an institutional environment.

2.2.1 The Institutional Logic Perspective

There are different perspectives associated with understanding actors behavioural actions within an institutional context. Broadly, the studies of Meyer & Rowan (1977); Zucker (1977) and DiMaggio & Powell (1983) forms the underlying framework where a major advancement was made which emphasises the role of culture and individual cognition in broader institutional analysis. These

contributions provided the base for the institutional logics perspectives as a means of understanding informal institutional phenomenon.

Thornton et al (2012 p 2) define institutional logic as the ‘*socially constructed, historical patterns of cultural symbols and material practices, including assumptions, values, values, and beliefs by which individuals and organisation provide meaning to their lives and experiences*’. According to this definition, institutional logics provide a link between individual agency and socially constructed institutional practices and rule structures (Thornton & Ocasio, 2017). Thornton et al (2012) suggests that institutions are based on core diverse logics such as family, religion, state, market, profession, corporation, and community which interact together to constrain both means and ends of individual behaviour as such influence institutional outcome within an environment. It is through these logics that people to engage in and negotiate the challenges of everyday life (Lounsbury & Glynn, 2019). In practice, institutional logics provides an adaptable theoretical approach to explain how institutional phenomenon and actor’s action converge within a context (Omeihe & Omeihe, 2024).

The literature on entrepreneurship emphasises the significance of institutional dimension on entrepreneurial behaviour. Entrepreneurs act in rational ways to interpret and make sense of their reality (Minbaeva, Dana, Muratbekova-Touron, Nayır, & Moreira, 2020) and as such obliged to shape their institutional environment when confronted with challenges within institutional setting. This insight highlights the overarching idea underlying institutional logics, where institutional actors make sense of their everyday life (Ocasio, 2023). Institutional logics emphasis the effects of differentiated logics underlying how an institution functions as well as its influence on individuals and organisation. This argument presupposes the assumption of Friedland & Alford on institutional logics as embodied practices. Entrepreneurs rely on institutions to perform entrepreneurial activities (Audretsch et al 2017). However, any perceived indication of weakness

triggers disruption and provoke reaction from the entrepreneurs. The decisions and outcomes of an institutional interaction is as a result of an interplay embedded within the institutional logics perspectives. Institutional logics enables the researcher to focus on certain dominant logics that shapes the entrepreneurial behaviour (Lounsbury et al 2021). The logics of institutions is to develop coherent patterns, and any circumstance changes calls for actors to shape their situations into adaptable context. This symbolises the practices sustained within an institution to ensure it provides its role. As such, institutional logics provides a context in which actors actions and institutional act and context converge to regulate an institutional orders (Omeihe & Omeihe, 2024). Clearly, institutional logics takes up to explain *decisions and practices that regulate routine and non-routine activities embedded in an institutional setting* (Ocasio, 2023).

In sum, institutional logics provided broader positioning to explain the phenomenon of informal institutions (Amoako, 2018; Omeihe & Omeihe, 2024b). Its approach suggests that institutions are socially constructed and are constituted by actions of individuals and organisations (Thornton & Ocasio, 2017). In this way, institutional logics is found fit to underline the entrepreneurial behaviour within an informal institutional complexity and specifically able to explain the nuanced of informal institutional voids phenomenon that are developed from the interplay of interactions of elements of norms, family and religion that is often overlooked. It is on this note that this thesis adopts institutional logic as the theoretical lens to understand the entrepreneurial actions and responses to the situations of non-functionality of informal mechanisms. The next section provides justification for the adoption of institutional logics perspectives.

2.2.2 Rationale for the Adopting Institutional Logics Perspectives

A key assumption of an institutional logics perspectives is that institutional orders in society has both material and cultural forces underlying its mechanism (Greenwood et al, 2017). As such, an institutional perspective recognises that institutions develop, functions and change as a result of the interplay between these forces. Informal institutions are considered an interplay of connected systems such as family, religion and norms and actors operate at its interplay (Minbaeva et al 2022). Thus, an important underlying assumption in this thesis is that the sequence of an institution to function is comparatively influenced by conformity of the institutional logics (Thornton, 2002). Drawing on these insights, this thesis argues that the function of the informal institutional systems to support effective stability spawns' interactive interplay and interconnectedness of different logics underlying such system. Alternatively, the existence of multiple logic embedded in informal institutions can induce different institutional outcome to which entrepreneur is expected to react to. This approach to institutional analysis is consistent with purpose of this research to understand how informal institutions function in its influence on entrepreneurship.

Subsequently, the central argument of the institutional logic perspectives is to understand how actors shape the institutions (Ocasio, 2023). This focus is on the link between the institutions and the actions of the economic actors to enforces a desired institutional pattern (Tang and Wang, 2020). The assumption is that where there are institutional uncertainties, they are developed out of institutional interactions and when experienced by the economic actors, they also interact to develop certain practices in order to shape situations. As such, institutional logics fundamentally unmasked entrepreneurial behaviour amid institutional contexts. Given the aim of this study to understand the influence of informal institutions and specifically how institutional voids emerge and what practices entrepreneurs develop to manage the informal institutional voids, institutional logics fits to

explain this phenomenon. Institutional logic is built on the assumption that institutions are made up of interconnected and intertwined logics and the combination of these logics may expose institutions to conflicting outcome.

Moreover, studies have provided valuable insights into the understanding of institutional outcome and the influence of actors by drawing on institutional logics (Ocasio, 2023). This then situate institutional logics as consistent analytical framework to question interactions of actors that define and shape entrepreneurial activities within the informal institutions (Omeihe & Omeihe, 2024b). The institutional logic perspective allows us to understand interactions of underlying logics in institutional environment theoretically as well as provide meanings for the rationale of the individual actors in shaping such interaction (Gümüşay, Ali, 2018). Thus, the phenomenon within this study suggests a strong level of interaction within the institutional context and adopting institutional logics as an analytical lens helps to unfold broader understanding of complex interactions of informal institutions and actors influences to shape the institutional systems.

In this study, institutional logics perspective is used to develop a rich understanding of the interactions of structures underlying informal institutions which could result in functional deficiencies and developing strategies of the entrepreneurs to overcome these institutional uncertainties. The idea is to provide a bridge between the macro structural delineation of an institution and the micro processes of the actor in shaping their institutional forms. Institutional logics views institutions as a macro structure by which individuals live their meaningful live. However, institutional logics do not address how the individual orientations influence individuals action to act in shaping their institutional environment (Thornton & Ocasio, 2017). As the question of micro-orientations of an individual is seen as significant considerations when analysing issues of informal institutions (Greenwood et al, 2017), this study bridges the institutional logics

perspectives with microfoundation theory to address the micro-orientations inherent in the interactions of informal institutional elements and entrepreneurial response strategies.

2.2.3 The Micro foundation theory

Microfoundation theory has become more prominent in strategic management and organisational behaviour research fields and now being increasingly used in the context of entrepreneurship research (Champenois & Etzkowitz, 2018; Liu 2020). Microfoundation becomes increasingly popular among entrepreneurship scholar because it is perceived related to the behavioural strategy within which studies on entrepreneurial strategic development are classified (Foss, 2010). Microfoundation amplifies the argument that individual mechanism should be observable in the analysis of firm behaviour. The argument is hinge on the belief that micro level constructs and variables are significantly influencing the conditions of actions of an individual which in turn influences firm behaviour (Foss, 2010). As such, the key argument is that there is relationship between choices and value creation.

Micro foundation research aims to understand the individual level contribution to strategic development and behaviour of a firm (Bhattacharyya, Jha, & Sharma, 2020), by exploring the interdependencies between the inherent contextual factors and the individual microstructures of the economic actors (Felin, Foss, Heimeriks, & Madsen, 2012). Here, the focus is to understand the nature of the social characteristics of the individual actors varying on their choices and behavioural interaction of the individual, the strategic choices of the individual in shaping the structures of the social phenomenon. As such, beyond explaining the structures of a phenomenon from its contextual evolution, micro foundation theory seeks to explain the interrelationship between individual characteristics and highlights of actions as well as determine the situational derivatives of such

actions from an individual level perspective. The theory takes on the understanding of the social actions and the choices of the social actors, behaviour, and interaction of the actors involved on an individual basis (Felin et al., 2012). As such, the argument is that the understanding of how strategic process happens is best understood on a micro-basis (Nguyen & Mort, 2021). This is because entrepreneurial actions are rooted in the individual entrepreneurs and facilitated by specific attributes, characteristics, and networks.

Some scholars have argued against using microfoundation in explaining a macro phenomenon (Wren-Lewis, 2007; Ruiz & Schulz, 2023) owing to its complexity and lack of general consensus. Although, microfoundation is a broad concept fraught with different meanings and interpretations (Barney & Felin, 2013), it nevertheless suggests a level of similarity (Felin & Foss, 2019). As Felin & Foss (2019 p 369) says that microfoundation account for ‘(a) individual-level heterogeneity (such as beliefs, preferences, interest, knowledge and motivations) and agency, intentionality, or choice, (b) the importance of understanding the interactions and influence processes associated with individuals (c) the aggregate and emergent effects that generate higher level (collective, social, organisational, and economics) outcomes, and (d) the structural and macro factors that shape individuals interactions’. As such, one might argue that variations in the interpretations of microfoundation points towards its core arguments, promoting an individual level understanding of the interactional mechanism within the macro phenomenon. This proposition is very inherent in understanding the variations in organisational response to institutional complexity as the roles of individuals, identities and their social interaction influences the variations in how organisations respond to institutional complexity (Bertels & Lawrence, 2016a).

Early studies on institutional theory have observed rationality in the behaviours of actors within an institutional context when confronted with institutional

complexities (Bertels & Lawrence, 2016a; Lok & Willmott, 2019). Their argument hinges on the assumption that to even recognise institutional uncertainty is bordered on individuality. This observation agrees with the key assumptions of microfoundation, drawing on varying individual level factors to upend the reactions of the entrepreneurs when confronted with informal institutional voids (Cholakova, Ravasi, Haack, Sieweke, & Wessel, 2019). Although, informal institutions like any institutional structures are multilevel social constructions embedded in collective beliefs and norms, captured, their engaged occur at individual level (Williams & Vorley, 2015; Eze, 2021). Microfoundation is relevant as it can help provide understanding into the underlying drivers of strategic responses to informal institutions by entrepreneurs and as such help reconcile macro and micro embeddedness within an institution (Cardinale, 2018). Secondly, microfoundation offer a theoretical nuance to deeper explanation of interlink between actions and practices that occur concurrently at both individual level and organisational level (Boulongne et al., 2019). Organisations are driven by individuals who are influenced by certain characteristics. In precises, this thesis argues that microfoundation presents an opportunity to explain the interdepend actions of the entrepreneurs in institutional theory as actions driven by '*beliefs, preferences, interest, motivations, and knowledge*' (Felin & Foss, 2019 p 403). The effect of an understanding of the contextual phenomenon from a microanalysis perspective further strengthens the prejudices and assumptions surrounding the variance of the behavioural analysis and choices of the actors in a context (Bhattacharyya et al., 2020).

This theory provides a formal framework to extend an understanding of the strategic responses to informal institutional voids, providing a bridge of institutional altering behaviour of macro and micro models. The nature of the mechanism embedded within the informal institutions varies that are likely influenced by individual mechanism (Kim, Aldrich, & Keister, 2006). This leads

an inquiry into whether individual characteristics underlies strategic responses to the informal institutional voids. As previously highlighted, entrepreneurial behaviours are significantly influenced by certain characteristics of the individual. The systems of informal institutions are embedded in macro mechanism which serves as organising principles for individual rationality (Ocasio, 2023). Within these systems, the ability of the actors to perceive and understand how to manage their daily situations is influenced by individual factors (Gümüşay, Ali Aslan, Claus, & Amis, 2020).

2.3 Overview of Institutions, Informal Institutions and Informal Institutional Voids

2.3.1 Overview of Institution

Entrepreneurship research has argued that entrepreneurial efforts and activities are shaped by both formal and informal institutional arrangements within the market (Bjørnskov & Foss, 2016; Williams & Vorley, 2015; Chowdhury et al., 2019; Audretsch, David B. et al., 2022). Increasingly, the variance in entrepreneurial activities and efforts in different contexts has been ascribed to the institutional quality available to entrepreneurs within a context (Acs, Szerb, & Lloyd, 2018; Chowdhury et al., 2019). As such, it is important to provide conceptual clarity on the question of what an institution is to understand the phenomenon of informal institution in this study.

Institution is generally defined as the rule of the game that guides human interaction and behaviour (North, 1993). It involves the various socio-cultural, legal and regulatory components that measures and impose a certain level of consistency on human activities (Boettke & Coyne, 2009; Stephan, Uhlaner, & Stride, 2015). The general role of institutions is to reduce uncertainty by providing stability necessary to guide everyday life (North, 1990). North (1990)

defines institutions are the formal rules of the game, shaping human interactions in a society. North further argues that institutions are *'the framework within which human interaction takes place'* (North, 1990 p4). Where institutions exist, it influences the nature of human exchange whether political, social, or economic (Omeihe & Omeihe, 2024). Although, there are different perspectives to institution, North's definition is rather more popular and concerned with regulatory rights of an institutional structure. As such, institutions are believed to embed rules that are made explicit with clear enforcement system. Prohibited activities are prescribed while promoting what activities are permissible to be undertaken by individuals. The insights from North's definition are that institutions are societal systems that prescribe and constrain human behaviour to determine acceptable conducts as well as determining the severity of punitive measures for inappropriate behaviours. This definition presupposes the distinction between formal and informal institutions where in informal institutions are seen as implicit institutional models (Dau et al., 2022). Although, North's definition of institutions has gained tremendous prominence in scholarly literature, his assumption has drawn critical criticism on the forms of formal systems and informal institutions (Horak et al., 2020) where studies argue that informal mechanism is similarly important in enhancing human behaviour.

Building on this, Scott (2014) further defines institutions as *'regulative, normative, and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life'* (Scott, 2014 p 56). This definition extends beyond the formal regulatory role of institutions to also include normative constructs as legitimate institutional elements within a context. Scott's idea views institution as a multifaceted block of implicit and explicit patterns such as norms, culture, system rules and beliefs. The regulative pillar can be said to encompass the aspects of formal written rules and sanctions, as well as the regulatory process underlying engagement within the context

(Scott, 2014). Scott (2014) recognises that the sanctioning processes within an institution can involve both formalised actors such as police and courts as well as informal mechanisms such as shaming, shunning activities and exclusion from group or community which are underlined by the normative pillar. The normative pillar defines the informal norms while the cognitive pillar stresses actors agency. Research have positioned the informal institutions as underlying dimension of the normative pillar to explore the regulatory role of social norms in shaping human behaviour (Stephan et al., 2015). This definition aligns to the assumption of Granovetter (2017) which prescribes institutions as patterns defining how social actions should be conducted. It is assumed that institutional actors are rational to pursue behaviours but require persistent system that defines rationalisation. These systems are further rationalised to provide societal value and expectations. This definition provides an encompassing view of institutions as pattern of social practice (Audretsch et al, 2022).

Advancing their views, Campbell (2004) sees institutions as system of meaning that define the context where actors interact. This definition aligns to the view of Greenwood et al (2008) on institutions systems underpinned by normative order through cognitive understanding. These definitions implies that institutions are first societal systems that are capable of producing social order through a repetitive and stable meaning that are collectively understood. Similarly, Ocasio defines institutions as *'organised system of roles and interactions'* (Ocasio, 2023 p 2). Consequently, Omeihe et al (2021) defines institutions as *'socially embedded rules, norms and values that regulate individual behaviour within a given institutional area'* (Omeihe et al 2021 p 8). This definition associated a functional role to a structural model within a given environment. The structural model of an institution confers legitimacy on such institutions (Ocasio, 2023). In a broader sense, institutions have an underlying form of structures within which they are represented, measured and enforced (Horak et al., 2020). By recognising

institutions as underlying forms of structure, actors are able to confer legitimacy that is required to foster orderliness. Legitimacy is crucial within an institutional context as it provides justification for exercise of authority needed to drive compliance and stability (Scott, 2004).

In sum, the insights from the above arguments infer that institutions are interconnected systems with an underlying form of structures within a context that can regulate and constraining actions of an individual and are leveraged to regulate interaction as well as facilitate human actions. In addition, this definition aligns to the assumption of institutional logics underpinning this thesis, which emphasise that institutions are made of underpinning logics which interacts to shape how it functions and how its perceived by the actors within a context. This conceptualisation put institution as a resource for acting as well as means for constraining action and probations in the context (Scott, 1995). The conceptualisation to view institutions as a system of governance and regulations offers a more stable outlook to explain institutional systems of both formal and informal category (Omeihe & Omeihe, 2024), whose dimension affect entrepreneurial behaviour as presented in the table 2.4 below.

Table 2.1 Overview of conceptual definition of Institution

S/N	Authors	Definition	Elements
1	North (1990 p 3-4)	‘humanly devised constraints that shape human interaction... consist of formal written rules and unwritten codes of conduct’	Formal and informal
2	Scott (1995 p 50)	‘guidelines and resources for acting as well as prohibitions and constraints on action’	Regulative, normative and cultural-cognitive

			(formal and informal)
3	Ocasio (2023)	‘organised system of roles and interaction’	
4	Campbell (2004 p 1)	‘system of meaning that define the context within which (actors interact’	Formal and Informal
5	Granovetter (2017 p 136)	‘sets of persistent patterns defining how some specified collection of social action should be carried out’	Formal and informal
6	Omeihe et al (2021 p 8)	‘socially embedded rules, norms and values that regulate individual behaviour within a given institutional area’	Formal and informal

Authors compilation

The formal institutions comprise of state-backed legal system and regulatory such as property rights, political structures, tax system, business registration, government procedures and contract regulation established to enhance market performance (Escandón-Barbosa, Urbano, Hurtado-Ayala, & Dominguez, 2019a). Within the formal structure, there is a clear standard and specific rules that entrepreneurs must comply with such as registration of business and payment of taxes while on the other hand, the informal institutions relies on norms of repetitive behaviour (Helmke & Levitsky, 2004). Informal institutions include norms, culture and implicit ethics (Peng, 2016). According to Webb et al (2019), informal institution is categorised as the localised representation of embedded norms in the society. This localised representation involves the societal general structures such as community norms, religions and belief systems, cultural values,

kingship, and social traditions that are unilaterally accepted by the society (Boddewyn & Peng, 2020).

Table 2.2 Overview of the Difference between Formal and Informal Institutions

	Formal institutions	Informal Institutions
Basis of compliance	Expedience	Social obligations Shared understanding
Enforcement mechanism	Rules and laws Sanctions and coercive instrumentality	Shared actions Normative appropriateness Group culture/role
Dependence on persons and interpersonal network	low	high
Basis of legitimacy	Legally sanctioned	Interpersonal claim and obligation
Impact of non-compliance	Guilt/innocence	Shame/Respect

Adapted from Scott (2014).

The table above shows the difference between formal and informal institutions. Formal institutions have a clear and distinct enforcement mechanism. In contrast, informal institutions are governed based on social obligations through which expectation are guided. The assumption of compliance in informal institutions is determined and regulated through normative logic of appropriateness while compliance in formal institutions is determined based on logic of instruments.

In sum, the theoretical underpinning above provides the starting point for contextualising institutions in this thesis. Institutions are formal and informal structures that stipulate actor's operation and interaction within a context (Dau, Chacar, Lyles, & Li, 2022). Given the central aim of this study to understand the dynamics of informal institutional mechanism and entrepreneurial strategic response, it is therefore important to understand in detail informal institutional. As such, the next section will explain informal institution.

2.3.2 Overview of Informal Institutions

Informal Institutions in the context of this thesis is conceptualised as informal interface that are typically employed by entrepreneurs to provide institutional function and gain access to critical resources in entrepreneurial process. This approach aligns with established scholarship in entrepreneurship, and represents localised and inherent representation drawn from family norm, religious norm, and social relationship norm (Amoako & Lyon, 2014; Amoako et al., 2021; Omeihe, King, Simba, Gustafsson, & Omeihe, 2021; Omeihe et al., 2020; Onuklu, Hill, Darendeli, & Genc, 2021). A key consideration of this approach lies in emphasizing the normative element of institutional framework (Scott, 2014), as well as sociological and economical perspectives on the role of institutions (North, 1990).

Early attempt at theorizing informal institutions have described it as a web of the societal heritage and practices that can impact people within a context as well as used interchangeably to describe other related concepts such as social capital, social network, mafia, or clan. This includes a broad range of societal variables such as unwritten rules, tradition, customs, moral values, religious beliefs, and norms. However, this conceptualisation fails to capture important underlying principles of an institution and as such open to a pitfall in which informal standardised systems such as trade association are overlooked (Meagher, 2007).

This conceptualisation have a disadvantage to reduce informal institutions to bare and non-institutional phenomenon such as ‘illegitimate’, ‘corruption’ and ‘irregular behaviour’ (Meagher, 2007; Webb et al 2009) and virtually any behaviour that are different within a context are categorised as informal institutions (Helmke & Levitsky, 2004). Moreover, informal institutions are increasingly reflecting tacit systems that are built on network norm, family ties and religion (Horak & Klein, 2016). Additionally, Boanada-Fuchs & Fuchs (2018) assert that informal institutions are the constructed systems within the informal phenomenon such as religion and family ties that have significance to influence individuals. They are identified as specific social elements that are capable to perform distinct set of activities in supporting entrepreneurial activities. For instance, studies such as Adomako et al (2019) and Sutter et al (2019) observes that informal system such as trade association provide broadening ties to access to diverse information that could help facilitate decision making and providing access to capital in resources constraint environment. Specifically, the Nnewi Association in Nigeria is recognised for providing advocacy and informational procedures towards the development of technological and automobile production cluster in Nigeria. Similarly, Ugboaja et al (2013) argues that trade association such as National union of road transport worker union played a significant collaborative role to maintain and enforce rules set out for the transport industry in Nigeria together with the government agencies. Family ties have also been identified as essential system in providing institutional support required in business start up (Bertels & Lawrence, 2016a; Nuhu, Owens, & McQuillan, 2021). Similarly, Amoako & Lyon (2014) shows that entrepreneurs in Ghana relies on family access to raise required funding as well as resolve disputes due to the prevalent weak formal institutions. Spectrum of informal alternative system built on network norms has also provided parallel function necessary to facilitate market exchange.

Minbaeva et al (2022) described informal institutions as embedded rules and organised systems that are established through customs, traditions, and socio-cultural conducts. Similarly, Meagher (2013) argues that informal institutions are legitimate arrangements that are self-enforcing outside the formal system with residual legitimacy. Although, they often intertwined with cultural forms, informal institutions vary in specified composition such that the latter enact the former (Scott, 2014). Informal institutions possess some degree of specification which are often open to interpretation and recognition (Newton, 2018). To be considered an institutions, a behavioural regularity must respond be established through shared expectations (Helmke & Levitsky, 2006). Unlike formal institutions that are built on confined regulatory and enforcement tendencies and a clear process, informal institutions are rooted in norms that are socially constructed and enforced through social obligation established within a context (Omeihe, 2023). These normative principles were regarded useful and are seen as the embedding ideas that helped shaped its broader potential (Scott, 2014).

The underlying mechanism that are considered to be at the heart of informal institutions included norms and social obligation (Scott, 2014). Social obligation facilitates reciprocity of actions between actors within the informal institutions (Minbaeva et al 2022). Additionally, the presence of normative elements within the informal institutions provides individual with foundational logic to act and also facilitate the behavioural expectations (Omeihe & Omeihe, 2021). The normative conventions are morally governed based on social obligations. As such, functioning of informal institutions relies on cohesion of the underlying respective sociocultural norms (Minbaeva et al., 2022). Furthermore, the internalised normative convention and moral values imposes ideologies on others to share commonly practices that meets individual expectations (Helmke & Levitsky, 2006). However, whilst significant to the operation of informal institutions, the role of normative elements in mediating the stable efficiency of

the informal institutional framework remains insufficiently explored (Omeihe & Omeihe, 2024) underscoring the need for further questioning. Specifically, the primary focus underlying the processes of any institution is to establish an environment in which repeated interactions of the actors are judged to determine any form of irregularities and constraining actions could be determined.

In sum, informal institutions are characterised as representative systems that are underlined primarily by societal norms which prescribe shared expectations. Whilst informal institutions allow individual to interact and operate, they are structures at the social group level and not at the individual level (Dau et al., 2022). As such, informal institutions in the context of this study are seen following established arrangement such as trade association, religious system and outcome of family/kinship that underpin institutional outcome. This conceptualisation aligns with description of institutions from economic and sociology, highlighting constitutive impact of institutions represented by different bits and pieces shaping actions of inhabiting entrepreneurs (Meagher, 2007). This conceptualisation aligns with previous studies in consideration of informal institutional composition that often influence entrepreneurship process in emerging economies, most specifically in Nigeria (Adike et al., 2022), where entrepreneurs leverage such institutional composition in entrepreneurship process. Hence, this study focuses on family ties, trade associations, social network and religion which has been linked to be particularly important in Nigeria as extension of informal institutional mechanism. Within each of these various representative systems, it is argued that there is an underlying element mechanism shaping relationships and interactions of actors in market exchange. As previously explained, this is particularly significant in institutional forms where actors are obliged to offer and get access to required resources while maintaining allegiance in exchange. In this way, there is evidence of institutional

role that originate in this system, and combining with formal institutional forms, entrepreneurial activities are embedded.

2.3.3 Unpacking the Concepts of Institutional Voids

Several scholars have defined institutional voids in several ways such as ‘*deficiency in formal institutions*’ (Khoury & Prasad, 2016 p 936); the ‘*absence of specialised intermediaries, regulatory systems and contract enforcing mechanism*’ (Khanna & Palepu 2010 p 15); ‘*when an important formal institutions is limited or completely absent*’ (Webb et al, 2019 p 4); ‘*institutional conditions that hamper the ease by which buyers and sellers can interact*’ (Doh et al, 2017 p 294); a phenomenon of ‘*institutional ineffectiveness and imperfections*’ (Pinkse & Kolk, 2011); as a ‘*gap in the market rules*’ (Kolk & Van Tulder, 2005); as a ‘*liabilities in the resources that prevent a society from functioning properly*’ (Carney, Dieleman, & Taussig, 2016) and ‘*gaps between the formal rules and norms as well as any gap in daily enforcement practices arising from weak systems of accountability and legitimacy*’ (Rodrigues, 2013b). This divergence of description necessitates that conceptual clarity is provided in this thesis to help unpack the conceptual underpinning of the informal institutional voids.

The concept of institutional voids was originally introduced to scholarly literature by Khanna & Palepu to describe situational context in which formal institutions are weak or absent to support effective market exchange. However, there has been some debates on the nature of its conceptualisation. Some studies such as (Bothello, Nason, & Schnyder, 2019; Cuervo-Cazurra, Gaur, & Singh, 2019; Dieleman, Markus, Rajwani, & White III, 2022; Goriola, Theresa, & Charles, 2018) have criticized the concept as a narrow conceptual development. Their argument is premised on the perception that Khanna & Palepu’s focus is on an

institutional form built on western expectation and as such are able to determine whether institutions ‘*exist, or empty*’ in non-western context. Dieleman et al., (2022) argued that subjecting institutional framework to whether they are present or absent is akin to a ‘*theoretical simplification*’ of the ideals of an institutions and ignores contextual phenomenon in which they exist. In contrast, Amaeshi et al (2016) argues that this line of thinking which assumes institutional voids as an empty space is based on semantical underpinning and not the consideration for conceptualisation in essence. This argument holds forth that institutions exist and are always present, but the argument is whether they function optimally and as such are able to provide required leverage or perceived limited, leaving a functioning gap. Institutional voids underlined the descriptive outcome of the vacuum created by dysfunctional institutional structure. The inadequacy of institutional system creates a void inadvertently filled with the adoption of alternative mechanisms. If one accepts the view that institutions are judged based on its ability to provide essential support in the market to enable entrepreneurs operate accordingly and efficiently, it may be unlikely to doubt the appropriateness of the conceptualisation of institutional voids that is based on gaps created by the inefficiency or weakness of institutional mechanism nonetheless its semantic arguments. Consequently, this view has been used in prior institutional and entrepreneurship studies to describe challenging institutional phenomenon, especially those on emerging economies.

The recent literature has seen the development of alternative perspectives to institutional voids in the institutional theory literature. For instance, Olthaar et al., (2017) argue that the institutional phenomenon within an environment is complex thus potentially resulting in tension where in institutional actors are traditionally faced with an ‘institutional swap’ created by tensions of two or more institutional structures rather than an absence of an institutional structure. While, his argument acknowledges dynamics interactions of institutions in an environment, this

concept infers that institutional structures are empty when institutional voids occur. His argument is based on the view that at no point in time is institutional structure within any market vacant, and neither institutional actors nor entrepreneurs face institutional ‘voids’ or ‘emptiness’ even for contexts with weak or no formal institutions.

Institutional void has emerged as a key construct in emerging market literature to understand the deficient situations within an institutional environment (Amaeshi et al., 2016; Ge et al., 2019). Institutional void is conceptualised as a construct underlying the inefficiency of formal market institutions. Similarly, Dieleman et al., (2022) argue that the term institutional voids focus on the structural form of an institutions suggesting ‘*theoretical simplification*’. His argument is that the term voids might fail to capture the functional limitations of an institution as suggested but illustrate a phenomenon associated with structural fabrics of an institutional framework. However, as earlier argued, it is impossible to acknowledge the functioning ability of an institution without recognising the structural capability upon which its functioning ability is dependent. This countervailing view recognises that a vacuum is created when an institution fails to meet the expectation of institutional actors, and such vacuum is filled with alternative institutions in the context. As Dieleman also acknowledges, situations of institutional failing leaves a void, his argument is rather whether institutional voids do justice to explain such complex phenomenon (Dieleman et al 2022 p 2). Therefore, if one accepts the view that institutional quality is essential to encourage efficient exchange in the market, one might be unlikely to reject the notion that perceived inability of such institutions create a functional void when they fail to do so. The void created is not the absence of the institutional element in the market but a perceived gap when institutional framework is insufficient such that there are hindrances that could lead to disruptions. It is such functional voids that drives the institutional actors in such situation to find alternative that

could provide the leverage by functioning in that gap. It is this situation that is regarded as voids (Mair et al, 2012).

Additionally, Bothello et al (2019) contend that the use of institutional voids is a conceptual stretching which perpetuates ethnocentric bias in the way that it defines non-western institutional framework as deficient based on the western assumption of institutional forms. Bothello argues further that the term presents a theoretical shrink of knowledge by explicitly focusing on formal institutions and as such ignores the realities of informal forms regulating behaviours in emerging context. Botello's argument is based on the fixation that institution should be seen in a contextual form, as such ignores the presupposes analytical frame of an institution. Although, institutions are context sensitive (Williamson, 2009), this line of argument ignores critical institutional primacy and opens institutional phenomenon to broader phenomenon which could lead to poor construct of institutional phenomenon. This thesis contends that institutional voids are not simplistic term but contested space between institutional logics that shapes institutional behaviour (Armanios, Eesley, Li, & Eisenhardt, 2017; Eesley, Eberhart, Skousen, & Cheng, 2018; Webb, Justin & Paveira, 2020).

Consequently, Mair & Marti (2009) explains further that the existence of institutional voids does not suggests '*empty of institutional space*' but rather '*inhibitors*' of institutions to function appropriately (Mair et al 2012 p 820-821). This definition offers an extended view of the concepts beyond just an absence but a phenomenon comprising inability of the systems within the institutions to perform its role leaving a vacuum to be filled by the institutional actors. In other words, accepting this working definition of institutional voids avoids vague semantic interpretation (Mair et al., 2012), and help to better outline institutional voids in the context of this study aligning to previous researches in emerging context.

However, the concept of institutional voids remains a dominant theoretical point of reference, specifically for studies examining inefficient and dysfunctional status of institutions within institutional theory (Amaeshi, Adegbite, & Rajwani, 2016; Dieleman et al., 2022). Regardless of the divergence of perspectives, when considering institutions, the key question is whether businesses operating in such market have required system and formal rules that can enhance their activities, unfortunately they do not. Hence, leaving a gap to occur when the required market institutions are unable to ensure effective and seamless flow of market activities such that there is pressure on market actors and leave them vulnerable. As such, the point of institutional limitations experienced by the entrepreneurs and institutional actors within the market is perceived as institutional voids and not an assumed emptiness of institutional structures in the market. The cost of institutional voids to the entrepreneurial firms is high, ranging from preventing access to the markets, direct ability to build capacity, lack of contractual enforcements as well as increased cost of transaction which could overall lead to the lack of competitiveness (Mair et al., 2012).

Thus, in the context of this study, the concept of institutional voids puts emphasis on the limited functionalities of an institutional framework to support the market participants. This limited functionality often create a challenge hindering the competitiveness and performance of entrepreneurial activity (Amoako & Lyon, 2014; Amoako, 2019; Omeihe & Omeihe 2024). In summary, institutional voids are defined as the failure of the institutional structures – (formal or informal found in the market), to support a functioning market. This definition focuses on the functionality of the institutional structure in the market, accepting that no context experience institutional absence but situations in which the institutional structures leveraged by the market actors become a constraint. This approach allows for a more inclusive conceptualisation associated with tensions, underdevelopment or

lack of performance of an institution. In this study, the focus is to explore the tensions, failings and perceived situations in which informal institutions hinder the entrepreneurial pursuit. It is upon this premise that the situation in which informal institutions have not properly functions to support entrepreneurs have been conceptualised. The next section will specifically explain the concept of informal institutional voids.

2.3.4 Informal Institutional Voids

In the stream of this study, informal institutional voids are defined following Webb et al (2019) as the '*inability of the norms, values and beliefs and their localised representations to facilitate stable, efficient and effective transactions*' (Webb et al., 2019 p 2). This definition does not suggest an absence of informal institutional systems but as a contested space to explains functional capability of the informal institutional mechanism in providing support for the entrepreneurs. This concept emerges from the need for alternative approach to understand integration of informal institutions by providing a space for the interpretation of how informal institutions fail. The focus is on situations in which informal mechanisms are unable to fully provide institutional support to facilitate efficient exchange in the market. The presence of informal institutional voids does not mean an absence of the norms and beliefs embedded in the informal institutional arrangements but rather any failings or challenges created to hinder the efficient market exchange from the embedding structures of the informal institutional mechanisms. The realities of informal institutional voids shape entrepreneurial behaviour who are consistently faced with perceived pressure. It is in line with this argument that this study aims to provide theoretical contributions to the studies on informal institutions by conceptualising informal institutional voids as well as to expand the understanding of entrepreneurial strategic behaviour in institutional weak contexts.

Informal institutional voids provide a lens to consider the internal barriers which effectively shrink institutional outcome and performance of informal institutions to provide institutional leverage. Increasingly, authors such as Khoury & Prasad (2016); Webb et al (2019) and Adomako (2018) have observe in certain circumstances the limited capacity of informal institutions to provide required functions that meet the expectations of its actors. Similarly, Doh et al (2017) and Koch (2020) suggest that informal institutional are also sometimes restraining to business activities. In such circumstance, rather than compensating to provide a stop gap for the entrepreneurs in the market, they can create further pressure and constraining challenge that could limit the capacity of an individual to perform necessary entrepreneurial functions. These arguments have informed the aim of my thesis to a theoretical understanding of the informal institutional voids in Nigeria context.

The perspective on informal institutional voids follows from the earlier conceptualisation of institutional voids as the situation in which informal institutions are unable to function appropriately to meet the expectations of the entrepreneurs as informal institutional voids (Koch, 2020; Webb et al., 2019). Although, this conception is based on the patterns observed in formal institutional mechanism (Koch, 2020), it has also been applied to other institutional structure that is incapable of achieving their purpose (Mair et al., 2012; Nakpodia & Adegbite, 2018). This definition does not imply the absence of the informal institutions but the situation in which the informal institutional mechanism fails to function efficiently in places where they are leveraged by actors. When institutional structures fail to function appropriately, it significantly affects actors creating a constraints and hindrances that could limit entrepreneurial activities.

Informal institution is embedded in social obligations and ties that ensures that actors relatively agree to be guided and bounded by such social convention. Such conventions are often not able to function without its own challenge most especially when there is disparity in the level of appropriateness among actors. North (1990 p 25) offers some explanation '*it is sufficient to say here that uncertainties arise from incomplete information with respect to the behaviour of other individual in the process of human interaction*'. It must be noted that where this arises, it becomes impossible for the informal institutional framework to functions accordingly meeting actors' expectation without creating a hindrance. The expectation of an institutional structure is in its tendency to optimise behaviour within a context (Lincoln, 1995), with the key being to reduce uncertainty such that exchange of activities are governed in a structured way. Informal institution is considered as a simple arrangement between two individuals or group of individuals who are consequently tied together to advance collective goals (Brie & Stolting, 2012). It is the result of strategy first of choice or last resort when individuals' interests are at stake. This is why informal institutions are often guided based on quid pro quo - relenting on the network of interpersonal ties and concrete believe in social obligations for mutual benefits (Helmke & Levitsky, 2004). Whilst the obligations are formalised in formal institutions, obligations in the informal institutional arrangement are driven on reciprocal basis with a high degree of autonomy. It is argued that problem could arise that can affect the performance of such arrangement based on differentiation of autonomous efficacy (Brie & Stolting, 2012).

Li et al (2021) have found that the limited administrative governance in informal institutions open it up to abuse that could override any perceived gain attributed to such institutional structures. Institutions embed stable governance structure to guide behaviour and repetitive action, through which deviation is determined and sanctions are enforced where there is violations; however, informal institutions

often depend on social obligation through individual responsibility which are sometimes not enough to maintain an overall balance in such circumstance (Sutter, Christopher, Webb, Kistruck, Ketchen Jr, & Ireland, 2017). Although, Meagher (2013) caution against the assumption that informal institutions lack standard structure, Mair & Marti (2009) argues that its open and rapidly obscure structure limits its ability.

The arguments on perceived weak governance structure revealed the limitation in its ability to enforce sanctions. North (2016) argue that the underlying problem with enforcement mechanism within the informal arrangement have call to question the basis for its ability to constrain individual. The argument is hinged on the nature of complexity in its enforcement ability which could often lead to chaos. For instance, while some might be excluded from the group for similar offence, others might be shammed or get a pass. The complexity in its enforcement structure has identified its weakness in ensuring stable operational commitment in the market (Webb et al., 2019). For instance, what is the minimum level that one actor must expect or what constitutes coherent notions of behaviour within an uncoded rule of relationships. As North (1990 p 15) submits that this seems to be the problem of community convention and cooperation which underlies informal institutional structures. As such, it is found actors rely largely on optimism that such arrangement would produce a desirable outcome could contribute to its failings (Webb, Justin & Paveira, 2020). Similarly, enforcement is often influenced by variations on individual perceptions (Ebrashi & Darrag, 2017). Social acceptance and tolerance can be different depending on level of social cohesion and the degree of ties – strong or weak ties could influence decision making and practices (Discua Cruz et al., 2013a; Ebrashi & Darrag, 2017).

Another important feature of an institutional mechanism is the occurrence of legitimacy. According to Webb et al (2009), the informal institutions' legitimacy is tied to the level of social acceptance within a particular group of actors. This type of arrangement often open selected actors up to abuse and manipulate others with the use of violence, threats, and gossip to enforce order and compliance (Webb, Justin & Paveira, 2020). Similarly, Ostrom (2005) found that self-organised systems are vulnerable to susceptible threats, which can challenge their viability and sustainability. This situation presents a practical challenge for associative system within the informal institutions where there could be need to fight for legitimacy. For instance, OECD report on the working of trade associations across some selected countries observes that trade associations could easily spill over into illegal activities with collision and coordinated exclusionary acts to other members (OECD, 2007). Such situations could impede the ability of the local entrepreneurs who are either not in compliance to establish themselves and access the needed resources for development (Webb et al., 2019).

In addition to legitimacy, the lack of predictability has been found to reduce effectiveness of social exchange within informal institution (Mair & Marti, 2009). Predictability of actor's behaviour within an institutional environment help enhances institutional trust (Khoury & Prasad, 2016). The achievement of institutional trust influences the overall confidence within an institutional context (Omeihe, Kingsley O. et al., 2020). However, the perceived significance of rationality could make any predictable functionality within the informal institutional structures. Rationality is different and so is the value system. This could alter the level of compliance among the actors. When such occur, actors face significant issues that could limit their ability to engage in the market appropriately.

Generally, the presence of possible of patterns of limitation impacts on the institutional function, indicating presence of institutional voids. My thesis, however, aims to develop a theoretical understanding of informal institutional voids by exploring situations in which informal institutional mechanisms are perceived challenging and unable to meet the expectation of the entrepreneurs. According to Webb et al (2019), the concept of informal institutional voids broadens our understanding of daily realities of institutional actors and situations in which informal institutions are deficient.

The presence of informal institutional voids produces challenges to entrepreneurship process and development of entrepreneurial capacity more specifically in emerging context in which informal institution remains more prominent. Some studies have argued on the significance of informal institution in Nigeria to compensate for perceived formal institutional challenges (Adike et al., 2022; Meagher, 2015; Omeihe et al., 2020). This, however, does not guarantee a better access to institutional system. The quality of an institutional system depends on its ability to mitigate challenges and bolster ease of market exchange. The ease of market exchange cannot improve without quality institutional mechanism, and any perceived weakness in informal institutional system can present entrepreneurs with asymmetrical challenges (Ledeneva & Efendic, 2023).

In sum, from the discussion of this section, informal institutional structures could also create a challenge constraining the development of the entrepreneurship process through its complex interplay that limit its functionalities. The constraints limiting the functioning of the informal institutional mechanism suggests the presence of informal institutional voids (Mair et al., 2012; Webb et al., 2019; Sydow et al 2020), which are yet to be considered (Doh et al., 2017). Although, some studies have hinted on some limitations of informal institutional mechanism

to fully function, there is however no aggregated theoretical model for informal institutional voids (Arregle et al., 2015; Khoury & Prasad, 2016; Webb, J. et al., 2019). This thesis is focused on providing further understanding of the informal institutions by considering the interactions of its internal mechanism and how it influences its function.

2.4 Overview of Entrepreneurship Process

The important contribution of entrepreneurship to the global economy's growth has been highlighted in the literature (Carree & Thurik, 2010; Wennekers, Van Stel, Carree, & Thurik, 2010; Toma, Grigore, & Marinescu, 2014; Nwachukwu, 2012; Naudé, 2014). Yet, there is no consensus on what constitutes entrepreneurship or its process. However, in a broader sense, entrepreneurship has been described as activities leading to the pursuit of market opportunities to create innovative goods and services, and the creation of new venture or business, in order to gain social and economic value.

Hjorth, Holt and Steyaert (2015) suggest that entrepreneurship is a phenomenon specified by economic activity in which opportunities were identified, discovered, evaluated, and exploited for the economic outcome. This perspective also treats entrepreneurship as a process in which new firms might likely emerge (Hjorth, Holt, & Steyaert, 2015). Similarly, Bjornkov and Foss (2012) defined entrepreneurship as the manifest ability and willingness of individuals to perceive new economic opportunities and to introduce their ways of seizing these opportunities into the markets. The highlighted theoretical view provides a starting point for the understanding of entrepreneurship as a process.

Consequently, Baron & Shane (2007 p 36) views entrepreneurship as a process through which an *'individual seeks to understand how opportunities to create something new (e.g. new products or services, new markets, new production*

processes or raw materials, new ways of organising existing technologies) arise and are discovered or created by specific individuals who then use various means to exploit or develop them, thus producing a wide range of effects'. This definition reinforces the opportunity perception within entrepreneurship studies. Although, seen as a phenomenon involving the discovery of opportunities, evaluation of resources, taking on risks, new market creation, wealth generation, value creation, and exploitation of opportunities for competitive advantage, the activities embedded within its pursuit can sometimes go beyond opportunities recognition and its exploitation but depended on a cyclical course of action that involves all personal orientation and action towards firm creation (Brockner et al. 2004). As such, while the opportunity recognition and exploitation lead to an eventual venture creation, opportunity recognition are essentially the crux of entrepreneurship, it is by no means the ultimate of the process involving all other associated activities (Shane & Venkataraman, 2000).

However, in the context of this study, entrepreneurship phenomenon is perceived as a process (Mamabolo & Myres, 2020), with a set of different activities to exploit market opportunity for venture creation (Shane, 2012), in addition to its economic features, embedded in its context and significantly influenced by sociocultural factors within its context (Amoako, 2018). Whilst there is yet to be an agreement on the unified process of entrepreneurship, the process approach holds that entrepreneurship involves generic phases of opportunity recognition, opportunity evaluation and exploitation (Amorós, Bosma, & Levie, 2013; Gielnik, Zacher, & Wang, 2018; Shane & Venkataraman, 2000). For instance, opportunity recognition includes when an individual recognises a socio-economic idea; opportunity evaluation focuses on when an individual considers the idea; opportunity exploitation focuses on set of activities when an individual obtains and combines resources to exploit the idea which leads to establishment of the new business. Commercialisation or market development is the stage when an

individual begins to create a valuable economic outcome and the commencement of systematic sales (Cunneen, Mankelow, & Gibson, 2007).

Other studies such as (Brixy, Sternberg, & Stüber, 2012; Cunneen et al., 2007; Davidsson, 2015; Gielnik et al., 2018; Mamabolo & Myres, 2020; Rauch, Fink, & Hatak, 2018; Sutter, Christopher, Bruton, & Chen, 2019) also lean to this assumption identifying entrepreneurship process within a number of phases ranging from two to six - discovery of business idea, evaluation of idea, obtaining resources, exploitation of idea, establishment of business and management mode. However, four phases remain consistent which are opportunity recognition phase; opportunity exploitation phase; opportunity development phase and commercialisation phase (Amorós et al., 2013; Cunneen et al., 2007; Mamabolo & Myres, 2020; Moroz & Hindle, 2012).

To better understand the informal institutional phenomenon in this study and to link this study to the broader field of entrepreneurship, entrepreneurship process is seen as three stages – opportunity recognition, opportunity exploitation and entrepreneurial growth phase. This process aligns to previous studies who seek to understand relevant institutional phenomenon (Sutter et al 2019; Webb et al 2013). Opportunity recognition phase has been used to incorporate both recognition and evaluation phase. Beyond individual recognising opportunity, opportunity recognition phase is a sensemaking situation where underlying evaluation is made to determine if an opportunity should be exploited (Eckhardt & Shane, 2003; Foss & Klein, 2020). The main focus in opportunity exploitation is provision and allocation of resources (Sutter et al 2019) while market development or growth phase is focusing on entrepreneurial outcome and developing standardisations for entrepreneurial pursuit (Mamabolo & Myres 2020). The goal in this section is not offer a broader review of entrepreneurship

process but rather to provide underpinning context as to the relevance of informal institutions.

2.4.1 Opportunity Recognition Phase

According to Mamabolo & Myres (2020), the opportunity recognition stage is simply a business idea, plan or belief which may or may not turn out to be exploited. The stage of this process is sensemaking situation where new ideas are developed that are to be subsequently transferred for the acceptance of the potential users (Stayaert, 2007). The opportunity recognition is a subjective process that is heavily influenced by different macro factor such as institutional environment, cultural perspectives and economic condition (Nikolaev, Boudreaux, & Palich, 2018). Additionally, entrepreneurs in this phase rely on individual skill, innate ability, and difference in optimism to scan the environment in an effort to identify customers' preference (Shane & Venkataraman, 2000), prior knowledge and experience (Dencker et al 2021), decision-making prowess (Foss& Klein, 2020), available resources at disposal (Kodithuwakku & Rosa, 2002), as well as favourable market institutions (Nuraddeen et al 2021; Dencker et al 2021).

The opportunities don't emerge from vacuum, they are invented by the entrepreneurs who have been shaped by different factors in their context (Baron & Shane, 2007). The differences in the availability of these various resources to an individual as well as the degree to which such individual is able to manage the exert control would invariably begin the process of recognising opportunity that are ultimately translated into creation of goods and services (Fox & Wade-Benzoni, 2017).

Specifically, the varying institutional framework in the context influences entrepreneurs ability to achieve its intent, sieve his ideas and measure the extent

to which the idea can be achieved within the market (Williams & Vorley, 2015). This stage involves certain activities such as gathering information, acquiring knowledge, working out financials, evaluating manufacturing and marketing plans (Kuckertz, Kollmann, Krell, & Stöckmann, 2017; Mamabolo & Myres, 2020). In achieving the range of activity highlighted, entrepreneurs draw on extensive institutional elements to navigate the process (Nuhu et al., 2021; Williams & Vorley, 2015). Therefore, in the context of this study, the focus is on the relevant informal institutions that might have been leveraged upon in the process of identifying market opportunities by the entrepreneurs and the perceived functional voids.

2.4.2 Opportunity Exploitation Phase

The opportunity exploitation phase often involves the situation in which the entrepreneur allocates its available resources to promote the commercialisation and exploitation of the opportunity (Nuraddeen et al 2021). In this phase, entrepreneurs are expected to gather capital resources and acquire human resources allocate towards the development of product or services (Kuckertz et al., 2017; Mamabolo & Myres, 2020). Additionally, there is a significant focus on effective coordination of activities around its products development (Webb, Justin W., Ireland, Hitt, Kistruck, & Tihanyi, 2011). The goal at this stage shifts from evaluating the identified opportunity towards building a business venture (Shane & Venkataraman, 2000).

Critical to the success of opportunity exploitation phase depends on the ability of the entrepreneur to access and structure the key resources required. As such, largely depend on the presence and effectiveness of market facilitating institutions to support the growing interest of the entrepreneurs (Su et al, 2017). As Mamabolo & Myres (2020) observes, an entrepreneur must be able to convince financial institutions or leverage on network ties to seek investors to

invest in the business. As such, the success of the exploitation and continuation of the entrepreneurship process depends on the ability of the entrepreneur to gainfully leverage the market's institutional framework to its advantage (Nuhu et al., 2021). This is very crucial because the market institutions provide meaningful layer to the decision of the individual to develop exploitable goods and services. Efficient formal institutions are expected to support the easier exploitation of the opportunity within a favourable and rewarding context when the individual risk is much reduced (Wu et al, 2020). However, when formal institutions become prohibitive, informal institutions assumes the role (Nason & Bothello, 2023). As Golesorkhi et al (2019) asserts, the informal institutions also come to play a significant role at this point by providing social capital and eventual support in early coordination of the firm activities. As such, the focus for this study is to access the informal institutions leveraged by the entrepreneur and the effectiveness therein to understand the complexities and inadequacies with a bid to explore the developing response strategy to navigate the challenges.

2.4.3 Growth and Market Development Phase

The final stage in the conceptualisation of the entrepreneurship for this study is the growth or market development phase. The key focus at this phase is expanding product horizon in the market which includes acquiring customers and building distribution system for the product (Amorós et al., 2013; Mamabolo & Myres, 2020). The growth stage is the phase where start up is focused on commencement standardization and systematic processes (Cunneen et al., 2007). Entrepreneurs at this phase requires dedicated efforts to build relationship with customers and creative mechanism for managing revenue (Mamabolo & Myres, 2020). Specifically, entrepreneurs leverage on social network in scaling (Webb et al 2010) as well as leveraging on the available market institutions to identify customers and sell the products (Adomako, Amankwah-Amoah, Dankwah,

Danso, & Donbesuur, 2019). Although, research suggest challenges in accounting for the growth phase within informal institutions (Sutter et al 2019), nevertheless the focus in this study is on obtaining the understanding to the varying informal institutional mechanism that the entrepreneurs would have leveraged at this phase.

As highlighted above, in this study, the three stages of entrepreneurial process - opportunity recognition, opportunity exploitation and market/venture development or commercialisation exerts an appropriate construct to understand entrepreneurship phenomenon especially within an institutional context (Sutter et al, 2019).

2.5 Informal Institutions and Entrepreneurial Process

This section provides underpinning argument for the significance of informal institutions to entrepreneurship. Studies over the past decades have characterised emerging economies with weak and deficient formal institutions (Amankwah-Amoah, Debrah, & Nuerthey, 2018; Khoury & Prasad, 2016). The nature of formal institutions in emerging economies presents a challenge that could hinder the entrepreneurship process. Specifically, entrepreneurs operating in such context face extreme pressure and risk characterised by weak supporting state agencies and lax inability of state backed institutions to enforce rules (Amoako & Lyon, 2014; Omeihe, Kingsley O. et al., 2020). These challenges impose significant strain on entrepreneurship process and actions and decisions taken in this situation can significantly influence entrepreneurial outcome (Dana et al 2018).

In the face of such institutional uncertainty, entrepreneurs are obliged to devise institutional mechanism to thrive amidst uncertainty (Khoury & Prasad, 2016). Thus, this contextual situation has given rise to the shift in focus in the role and

influence of informal institutions in emerging markets. Scholars such as (Amoako, 2018; Dana et al., 2018; Minbaeva, Dana B. et al., 2022; Omeihe, Kingsley Obi & Omeihe, 2024a) have indicated that informal institutional mechanism played a significant role in this contexts. This assumption emerged from the consideration of a range of alternative institutions that operate in parallel to weak state backed institutions. The limitations and functional deficiency found in the formal institutions raise question about the quality of the state backed institutions and argued for the continued persistence of the alternative informal institutions in facilitating entrepreneurial activities (Dana et al., 2018). When the institutional framework within a market that is expected to provide incentives and ensure adequate level of stability fails to function in its bits, as a consequence, informal institutions are seen to provide cushion strengthening entrepreneurial activities in emerging contexts (Eesley, Eberhart, Skousen, & Cheng, 2018a; Fuentelsaz, González, & Maicas, 2019). For instance, Adomako & Lyon (2014) emphasise how the institutional context in Africa specifically encourages a shift to alternative arrangements. According to Amoako & Lyon (2014), entrepreneurs in emerging context characterised by weak formal institutions need to compensate in other ways such as social and informal mechanism. Similarly, Williams & Vorley (2015) show that informal institutions along with formal institutions is used to enhance entrepreneurial capacity in institutionally challenging contexts.

The argument here is that formal structures alone do not adequately shape entrepreneurship, there is also informal institutions such as norms, value system and codes of conduct which affect entrepreneurship process and shape the behaviours of entrepreneurs. Informal institutions even become more prominent in sub-Saharan countries due to the negative perception of the entrepreneurs to formal systems as weak (Meagher, 2011). As such, it can be deduced that informal institutions play a pivotal role in the development and growth of

entrepreneurial endeavours in the developing markets, most especially in situations in which entrepreneurs are faced with non-functional or supportive state backed agencies. Together, informal institutions play a huge role along with formal institutions in the emerging economies to shaping entrepreneurial process.

The underlying core argument in institutional theory is that institutional mechanisms are required to facilitate effective exchange and maintain interaction within any context. This suggests that effective entrepreneurial outcome depends on the entrepreneurs' access to institutional framework within their context. For example, entrepreneurs are required to register business and abide by different standard requirement which are driven by governments regulatory and formal systems in a context. Conversely, informal institutions complement in situations when formal systems are inaccessible. Entrepreneurs gain significant advantage leveraging informal institutions as they are often seen as readily accessible and operate mostly in within the bases (Webb et al 2013). For example, Omeihe & Omeihe (2021) observes that entrepreneurs in Nigeria rely on trade association norm for dispute resolution. Similarly, Willams & Vorley (2015) observes that entrepreneurs in Russia draws on informal network to secure loans agreements when banks are inaccessible and settling disputes emanating from transactions when judiciary system aren't forthcoming. Entrepreneurs leveraged informal institutions to address their problems which allows them to perform required set of activities within entrepreneurship process.

The synthesis of the arguments above converge that informal institutions largely influence entrepreneurship activities, specifically when formal institutional structures have perceived weakness. As Su (2020) observes, entrepreneurial actors interact with the institutional structure throughout the entrepreneurship process and relies on it to evolve. As such, this thesis aligns with the broad insight from the literature that informal institutions are very important, specifically in

context such as Nigeria where the overall quality of formal institutions are perceived very weak (Adike et al., 2022; Omeihe et al., 2020). Studies have indicated that different dimensions of informal institutions such as family, religious norms and trade association provides necessary incentive in developing entrepreneurial capabilities and firms of the emerging economies (Adomako, Amankwah-Amoah, Kesse, & Ning, 2022; Amoako & Lyon, 2014; Omeihe & Omeihe, 2021). As such, the remaining part of this section will provide empirical review in specific on the influence of informal institutional structures of the family, religious norms, trade association and social network norms on entrepreneurship process.

2.5.1 The Role of Trade Association

Trade association is seen as parallel institutions within the informal institutional framework established by individuals with specific interest for a mutual and concrete arrangement on a specific trade (Omeihe & Omeihe, 2021). Trade association is defined by American Bar Association (1996 p 2) to consists of *‘individuals and corporations with common commercial interests who, under the auspices of the organisation, join together in order to take joint actions that further their commercial or professional goals’*. Trade associations play valuable and fundamental roles as forum for the discussion and exchange of views on important issues common interest for the industry sector which they represent (OECD, 2007). To promote and pursue their mutual interest, members are usually headed by a group of selected people who coordinate the affairs of the associations (Meagher, 2015). Members meet regularly to offer critical services such as regulating markets or specific industries, mobilising resources and members, advocacy, conflict resolution, networking and members welfare (Amoako, 2018). It is also seen as an important non-market strategy developed by business firms to create greater incentive in the market (Rajwani, Lawton, &

Phillips, 2015). As suggested by Webb et al (2019), trade associations provide and coordinate informal lending and insurance to its members who couldn't access lending through the formal channel.

According to Lawton et al (2018), trade association acts as buffer for firms to reduce uncertainty in their business environment and to broaden market knowledge from shared perspectives. Additionally, studies such as (Amoako & Lyon, 2014; Amoako, 2018; Omeihe & Omeihe, 2021) have argued that trade associations contribute significantly in enhancing entrepreneurial process in Africa for gathering information, giving and receiving credit. Trade association often serve as an important parallel institution for promoting relationships, networking, and bridging informational gap vital to the development of entrepreneurial practices within the markets. This function is critical to exploit opportunity in challenging environment.

Furthermore, Amoako (2019) asserts that trade association provide resources towards advocacy and regulation of entrepreneurial activities within the market. Although, seen as an informal agency, they mostly take on formal responsibility by complementing the formal institutional frameworks shaping industrial policies and enforcing code of ethics and standards related to a specific industry (OECD, 2007). They also function as substitute for the formal institutions in an ineffective capacity through conflict resolutions as a substitutive informal institution to court where entrepreneurial firms perceived court to be inaccessible or unreliable (Amoako & Lyon, 2014). Trade associations are particularly significant in promoting and enhancing enforcement mechanism within the informal institution through its structures. Although, the association is open, members often have allegiance to each other which fosters limitation for specified violators (Amoako & Lyon, 2014). Each association operate within a specified industry norms to

maintain control, institute conflict resolution process as well as guide against any form of anarchy (Omeihe & Omeihe, 2021).

In Nigeria, Meagher (2015) observes that trade associations have a long history in shaping the entrepreneurial activities. For instance, the Nnewi Association providing advocacy and informational procedures towards the development of technological and automobile production cluster in Nigeria. This evidence of the role played by the trade association encourages entrepreneurs to seek opportunities for exploitation in the automobile industry. Similarly, Ugboaja et al (2013) shows similar evidence that the trade association, National union of road transport worker, played a significant role in developing effective framework conditions in Nigeria's transport industry. The benefits of which is significant to industry development. Although, various associations have varying structures and focus within the market, but the overarching focus is that they often act as parallel institutions to complement the formal institutions or acts in supportive when the formal institutions are deemed inefficient within the market.

The core of the arguments of this section is to highlight the role that trade associations played in providing entrepreneurs institutional support. This support encourages entrepreneurs at opportunity exploitation phase and to gain access to the market and develop capability in the markets that are riddled with uncertainty while also coordinating and facilitating the development of entrepreneurial process. Entrepreneurs in institutional challenging environment relies on alternative mechanisms to develop capability in the market, trade association provided entrepreneurs with underpinning coordination to facilitate the development of entrepreneurial process. These perspectives thus shed lights on the role of trade associations as a representation system of informal institution within which entrepreneurship is nurtured and generated (Omeihe et al 2021). Whilst such arrangement enables members to operate in the market solving the

required challenges posed to them by the vacuum left in the market when formal institutions are inefficient, their ability to exercise regulatory influence with capacity to provide sanctions to weary members present a supposedly malfeasance that could be abused reinforcing restrictions that could hinder easy flow of access to the market presents an institutional paradox through which they could be repressive (Omeihe et al 2021).

The consequential effect of the repressive actions of the trade associations reveals that the alternative informal arrangement could lead to repressiveness within its context (Omeihe & Omeihe, 2021). Similarly, trade association operate within a culturally bounded system taking into account a form of leadership that could compromise and create functional deficiency which could hinder its responsibility and quality to the actors. In such circumstance, entrepreneurs are faced with problem that would limit performance of the entrepreneurial activities and would subsequently expose entrepreneurs to functional void. This paradox of trade association suggests the persistence of institutional voids associated with the informal institutional mechanism. However, the fundamental issues underpinning the paradox of trade association is an under researched phenomenon in the literature (Omeihe et al 2021). This study takes on this call to contribute to this debate by reinforce and bringing forth an understanding of challenges and functional deficiencies associated with trade association as an informal institutional mechanism.

2.5.2 The role of Family

Another informal institutional mechanism considered in this thesis is family norm. The entrepreneurship literature highlights the significance of family to entrepreneurial pursuit. Family represents an important core and sociocultural aspects of the society (Belardinelli, 2002). Family is also a crucial element of the informal institutional framework due to its composition and embeddedness. As

suggested by Amoako (2019), family represent an important engine for entrepreneurship in most emerging economies, considering that family and entrepreneurship are embedded within its context. As such, entrepreneurial process is more likely to be shaped by the family (Webb et al., 2019). In context where formal institutions are perceived ineffective, family takes on the supporting and substitutive informal institutional role. For instance, Brinkerink & Rondi (2020) have shown how entrepreneurs in emerging economies leverage on family ties to fill the formal institutional voids. Similarly, Ge et al (2019) also sees family as an alternative mechanism deployed by the entrepreneurs in emerging economies to cope with institutional voids. Family ties provide capital resources needed for entrepreneurs to engage in entrepreneurial activities in the situation where formal institutions are missing. Beyond the capital resources, family also provides skilled human capital needed to address substantial gap in the resource's mobilisation especially at the opportunity exploitation phase where ideas are just getting started. Family norms operate on mutual bond and trust, as such help entrepreneurs gain access required to mobilise resource within closed network (Arregle et al., 2015; Rooks, Klyver, & Sserwanga, 2016).

Family ties also play a prominent role in getting information, knowledge and competencies through which are often required and becomes necessary in developing entrepreneurial skills needed for opportunity recognition (Arregle et al., 2015). Family plays a significant role in exploiting entrepreneurial opportunities. As such, family involvement during the entrepreneurial process have a great impact on the decision making process of the entrepreneur, especially during the venture creation process (Le Thi Bao, Blischke, Roy, Sadikoglu, & Gwendoline, 2020) It has also been highlighted that family members and ties constitute a specific type of entrepreneurial team at the beginning of an entrepreneurial venture (Discua Cruz, Howorth, & Hamilton, 2013). As the

venture continue to grow, family also facilitate creativity needed in sustaining the venture over a relatively period of time (Gras & Nason, 2015).

Bergmann & Stephan (2012) observes that entrepreneurs leverage on the family networks to raise capital and assemble team required at the opportunity exploitation phase. Entrepreneurs leverage on the human and social networks to assist in taking their ideas forward. Thus, where there is prevalence of formal institutional voids, entrepreneurs find it difficult to exploit the market opportunities and will revolve to leverage on the available informal institutional structures such as informal networks and family set up as well as the understanding of cultural system to navigate the quagmire of the market challenges (Liou & Nicholson, 2017).

Furthermore, Horak & Klein (2016) have also shown the linkage between the family and business firm behaviour. Family-based ethics play significant role in guiding entrepreneur within market. Similarly, Belardinelli (2002) shares similar view that business culture is influenced by family where individual actors first begin to learn. Additionally, Amoako (2018) argues that family plays a significant role in Africa and most specifically in Ghana where entrepreneurs rely on family ties to develop relationships required in achieving entrepreneurial process. Consequently, family is seen as an informal institutional mechanism in the context of this study given its dynamism and influence on entrepreneurial process.

As such, in the context of this study, family is seen as another example of the informal institutional framework leveraged by the entrepreneurs to promote entrepreneurial activities. In Nigeria, family is a representation of people beyond bloodline, often individuals who are bounded together and shared communal relationship often call themselves family (Igwe et al. 2020). Some literature on Nigerian entrepreneurship history emphasises the importance of family, playing

significant role in the entrepreneurial behaviour of Nigerians (Igwe et al 2020; Meagher 2010). Additionally, Uzo (2016) argues that strong family connections enable risk taking in Nigeria. Although, family connections in Nigeria extend beyond the father and mother, it is instead organised along cultural connections (Meagher, 2010).

Overall, the discussion above shed more light into the role of family as significant element that is important for entrepreneurship. However, studies have also argued that having family members associated with entrepreneurial venture could result in less venture growth because of tensions associated with individual difference and commitment (Arregle et al. 2013; Gannon & Roberts 2020). When family members provide resources such as funding, it is often motivated by normative commitments (Rooks et al 2014). The close relationship in family norms could result in obstacle that act as drain on entrepreneurship process. For instance, the family may expect that entrepreneur ascend to reciprocate all kinds of favour or help support others in the family in return of the favour they have received. While family ties are likely to help in filling the gaps, mutual bonding and close network are likely to be predatory where resources have been mobilised through the family. However, social capital theorist suggests that close family ties is advantageous to entrepreneurial growth, it remains unclear how it creates potential damaging trends that may affect entrepreneurial outcome (Ge et al., 2019).

Another problem that has been highlighted within the informal institutional structure is the challenges posed by family norms. For example, Adomako (2018) observes that family members may pose a serious challenge for entrepreneurial development through excessive demands on entrepreneurs due to poverty in African context. Family members employed may also show limited commitment to work because of the level of familiarity or integration that could have bridged the level of command between the owner manager and employees. Additionally, Rooks et al. (2016) show that the nature and involvement of family members in

entrepreneurial process can develop into growth constraints for entrepreneurs. Rooks et al (2016)'s view was based on the overbearing influence of family on entrepreneurial firm's success over a long time and the expectations to comply to all forms of request backed by bond and bloodline relationship can lead to the business's unproductivity.

In sum, the argument above shows the ambiguity of family units as an informal institution. Thus, this study contends that any situation at which varying informal institutional representation creates an undesirable pressure is a case that requires further understanding towards theorisation. The paradox of family unit skews the broader assumption that family ties facilitate entrepreneurship process and thus, indicates institutional failings that could lead to adverse outcome for the entrepreneurs with negative consequences that would trigger entrepreneurial reactions in bridging such situations.

2.5.3 The Role of Social Networks

According to McKeever et al (2014), entrepreneurship process is embedded in networks. Entrepreneurship scholars have highlighted the significance of social networks to entrepreneurship, most especially entrepreneurial firms operating in emerging economies where market institutions are either absent or weak to facilitate easy flow of trade and services (Meyer, Estrin, Bhaumik, & Peng, 2009). Informal institutions are underpinned by system of reciprocity which is driven by trust among the actors. Although, trust promotes the extent of engagement within the informal institutions (Amoako, 2018), trust building is driven by the level of social ties and relationship. Social networks are perceived as the relationships through which entrepreneurs receive opportunity to access financial and human capital. Social networks become an alternative to support the development of entrepreneurial activity. Social networks are defined as a linkage between a set of actors (Thornton & Ocasio, 2008a). As Amoako (2018) observes, entrepreneur

in Africa relies on different forms of networks – personal (relationship with family and friends) and working relations (relationships with suppliers and customers) to identify market opportunities and develop access to critical resources that would enable the development of entrepreneurial capability and development of entrepreneurial process. Network provides entrepreneurial firms with access to the market information, informal trade credit and finance as well as a developed collective action towards contracts enforcement.

Although, Informal institutional mechanisms are always available such as family, religion because its embeddedness within its context. However, the interlinkages brought by the extent of the individual's social network set the difference on how informal institutional elements provides specific support to the entrepreneurs. For instance, the level of ties and bonding will significantly influence the level of trust and trust building to access investment opportunities such as thrift and grants within the informal mechanisms that are relied upon in the absence of formal finance options. Also, it can be assumed that different relationship level tends to shape how informal institutional outcomes will be favourable to entrepreneurial activities (Fayolle, Jack, Lamine, & Chabaud, 2016). Fayolle et al (2016) argues, entrepreneurship is a social process and creation of a firm relies on astute mobilisation of social network. Similarly, Aluko et al (2019) observes that network ties play a pivotal role in business opportunity identification. Entrepreneurs use their network to identify viable business opportunities. Beyond just the identification, those who can establish strong relationship with other actors is more likely to succeed on the path of entrepreneurship (Smans et al 2014).

For entrepreneurs in Nigeria, the significant challenges encountered suggests that the network is a critical resource for leveraging market opportunities (Omeihe & Omeihe, 2020). Also, Drakopoulo-Dodd (2011) notes that the network ties help

the entrepreneurs to overcome challenges associated with customer-distributor relationship in developing new ventures. Social network also plays a significant role in resolving dispute within the informal institutional structure. Entrepreneurs leverage social networks in resolving disputes rather than engaging formal courts (Amoako & Lyon, 2014). Oral contracts are very popular among entrepreneurs in Nigeria when leveraging informal institutional framework (Amoako, 2018). Here, contracts are based on trust with an expectation that each party would honour their obligation, maintaining social networks is necessary to build trust required to enforce oral contracts (Amoako, 2018). For entrepreneurs to flourish in emerging countries where there is absence of varying institutional support, social network tends to create avenue for entrepreneurs to bridge the vacuum left because of the institutional voids. Social network ties become important because it acts as the basis to enhance interrelationship within the informal institutional structures, thereby enabling every other aspect of the informal institutional mechanism.

As Thornton & Ocasio (2008) suggests, the overall interaction of the entrepreneurs within the informal institutional framework would depend on the degree to which entrepreneurs can leverage their varying social relationship and ties. As highlighted above, the dynamics of social network provide the foundation for informal institutions to influence and provide substitute and collaborative function of formal institutional deficiency. As such, there is significant interlinkage for social network – personal and working to all other elements of informal institutions. Informal institutions are powered on the matrix of relationships.

Indeed, social network is essential in the maintenance of ties and trust within the informal institution. However, while the view highlighted above have shown that network ties are significantly employed by the entrepreneur to perform

entrepreneurial activities such as gaining access to deploy social capital, studies such as (Kuépié, Tenikue, & Walther, 2016; Woolcock & Narayan, 2000) have also note that network ties could constraint entrepreneurial activity by restricting access and decreasing ability of the entrepreneurs to potential gain within the informal structure. The nature of network would determine the quality of gains available to entrepreneurs and in such cases where there is attachment to a limited network, entrepreneurs could likely see this as a constraint rather than an opportunity. Similarly, trust relations that allow for access to resources can diminish as well as enforcement can be lost when social network is no longer available. Therefore, the arguments above shed more light into the role of social network as the underpinning triage for the functioning of key elements within the informal institutions that could offer more opportunity as well as presenting constraint.

2.5.4 The Role of Religion

Religion is also an important cultural factor embedded within the informal institutional framework that has a significant influence on entrepreneurship (Smith, Brett, Conger, McMullen, & Neubert, 2019). Authors like Smith, Gumusay & Townsend (2023) highlight the intersection of religion in the discovery and exploitation of entrepreneurial activities. The author says, *‘the intersection of R&E (is) to be concerned with the discovery, enactment, evaluation, and exploitation of opportunities to create future goods and services motivated by the cultural and ideological beliefs, practices, and/or outcomes rooted in religious faith’*. This argument recognises the influences of religious antecedents and practices on entrepreneurship outcomes. The argument further provides the foundation for an establishment of how religious practices and beliefs; practices could impact individual decision on entrepreneurial opportunities and entrepreneurial intentions to pursue an entrepreneurial opportunity. Religion is seen as a meta-logic to many (Dyck, 2014), which often

occupies a prioritised position in them making other decisions (Gümüşay, Ali A., 2020).

Audretsch et al (2007) argues that religion has a strong relationship on entrepreneurial behaviour of people in emerging economies. It encourages people towards specific opportunity signals because of its potential (Smith, Brett R. et al., 2019). This argument also relates to the submission of Uppal (2001 p 20) that ‘the people of south Asia are deeply religious and all facets of their lives including their endeavours to achieve material advancement are affected greatly by religious beliefs and values’. In a similar vein, Carswell & Rolland (2004) also highlight that the entrepreneur’s religious belief can significantly influence his decision making as well as management practices. The study argues further the core of religious belief is value, which impact can influence how an individual approaches entrepreneurial activity.

Religion provide access to spiritual capital necessary to drive the development of entrepreneurial activity (Neubert, Bradley, Ardianti, & Simiyu, 2017; Osunmakinde et al., 2021). Spiritual capital encompasses both tangible and transcendent resources that people draw from their religious beliefs or spiritual experience (Kolade & Egbetokun, 2018). This concept builds on the core arguments of the social capital by showing religion as a significant factor in building social network (Osunmakinde et al., 2021). As observes by Amoako (2018), entrepreneurs draw on religion to resolve disputes with business partners, due to strong African’s belief, through pastors, imams, and clerics instead of using formal court system.

Adomako (2018) argues that religion shapes entrepreneurship at micro and macro level. At the micro level, religious beliefs influence the psychological state of the entrepreneurs with particular influence on decision making, strategy and nature

of interrelationship and network while at macro level, religious beliefs values and beliefs shapes trust in investment decisions such as thrift and dispute resolution. This interlink provides the moral beliefs to help actors internalise norms. For instance, through the belief in superstition from cultural religion and fatalism from Christianity and Islam, trust development process is further enhanced as it may restraint the actors to avoid any violations while also promoting actors to accept vulnerability needed to promote appropriateness within the informal institutions. In Nigeria, religion is considered very important to guide economic exchange (Omeihe et al 2024). Meagher (2017) observes that Nigeria is a religious diverse context with citizen's distribution across Christianity, Muslim and traditional worshipers. This diversity sometimes shapes interrelationship among the people.

Seabright (2016) observes that religion is very significant for entrepreneurs leveraging informal institutional framework. This argument hinge on the role trust plays in any form of relationship within the informal institution, and in principle, religions play a part in building social trust either by inducing a trustworthy behaviour or enabling institutional actors to signal trustworthiness to others (Auriol, Delissaint, Fourati, Miquel-Florensa, & Seabright, 2021). Religion may also help facilitate the transmission of appropriate behaviour practice which are core of reciprocity in the enforcement mechanisms within the informal institutions (Seabright, 2016). As highlighted above, religion helps shape the different activity within the entrepreneurship process while also providing the needed base for the informal institution to thrive. Entrepreneurship process explains how different activities fits together to develop firm creation. However, in the pursuit of multiple activities in the entrepreneurial process, functioning market institutions is required (Chowdhury et al., 2019). Entrepreneurs must integrate regulatory activities provided by government as well as normative pillars embedded within the context (Scott, 2014).

To sum up, there is significant evidence that reveals relationship between informal institutions and entrepreneurship process such as leveraging on the core of the informal institutions such as political dynamics, kinship, family ties, networking and community relationship as practices to navigate contexts with institutional voids (Doh et al., 2017; Ge et al., 2019; Narooz & Child, 2017). Ge et al. (2019) observe that entrepreneurs in China often rely on family ties and political relationship to navigate the issue of market liberalisation in China and often offer protection from regulatory impugment. Sydow et al (2020) observes that entrepreneurs may leverage political networking through lobbying to help entrepreneurs navigate an institutional challenge through changes to regulatory policy or legitimate support for specific challenging policy. Also, entrepreneurs may leverage on kingship, family, or community relationship to navigate an institutional challenge because it allows for the mobilisation of resources from such connections. These resources are usually developed in relation to individual characteristics and opportunity available to individual actor. As Puffer (2010) observes, the use of informal institutions to address the institutional gap is reliant and influenced by the individual's state of privilege and access to resources. However, the general view is that there are considerable limitations and challenges of relying on the informal institutions (Sutter et al, 2019; Webb et al, 2019). Lobbying through the pollical connections may promote corruption and bureaucratic incentive that are often limiting to the market access and effectiveness (Ofori-Dankwa & Julian, 2013); while the kingship, family and communal relationship might necessarily not be beneficial to the entrepreneurs with the potential to impose a significant cost (Khayesi et al, 2014) or create implicit social obligations that can sometimes be damaging (Rooks et al, 2016). Furthermore, Omeihe et al (2021) observes that the relationship between the entrepreneurship and informal institutions is bi-directional. On one hand, the informal institutions provide incentives to facilitate exploitation of market

opportunities to enhance the entrepreneurship process (Mair et al., 2012; Armanios, Eesley, Li, & Eisenhardt, 2017a; Eesley, Eberhart, Skousen, & Cheng, 2018b; Omeihe, Kingsley Obi, Amoako, Gustafsson, Khan, & Omeihe, 2023). On the other hand, informal institutions can foster deviant or non-compliant behaviour may hinder or constraint the entrepreneurial activities (Amoako & Lyon, 2014; Amoako, 2018; Eesley et al., 2018b; Khoury & Prasad, 2016). While studies increasingly recognise the complexities within the informal institutions, there is still relatively little theory development on how entrepreneurs navigate the presenting challenges of the informal institutional voids. Institutional voids influence entrepreneurial outcome and strategies.

The summary of this section is that informal institutions have significant influence in shaping entrepreneurship and entrepreneurial behaviour in emerging markets. Individuals leverage market embedded informal institutions to shape their choice to engage in what they consider their entrepreneurial activities (Eesley et al., 2018b). The presence of network ties, social norms and family can help support entrepreneurial goal by providing the necessary information to shape individual's action that lead to exploitation of business opportunities (Dutt et al., 2016), harness family influence and involvement to raise required capital (social capital) towards pursuing the entrepreneurial opportunity (Sirmon, Arregle, Hitt, & Webb, 2008). In general, entrepreneurship is a social phenomenon with significant interaction with embedded informal institutional mechanism that allows entrepreneurs to draw. It is within this body of literature that this study aligns to evaluate entrepreneurial behaviour in institutionally weak context.

2.6 Response Strategies to Institutional Voids

As earlier highlighted, different studies have highlighted that business firms cannot operate in emerging markets without facing institutional voids (Khanna & Palepu, 2010; Omeihe et al., 2023). When confronted with such difficult conditions within the institutional structure, entrepreneurs naturally move to develop different alternative mechanism to attending pressure and overcome any challenges faced (Amoako & Lyon, 2014; Amoako, 2018; Peng, 2004; Webb et al., 2019). Some studies have explored different strategies with which entrepreneurs have used when confronted institutional voids. For instance, Mair et al (2012) observed that entrepreneurs usually shift to establish parallel intermediary organisations when confronted with formal institutional issues. Similarly, Narooz & Child (2017) have observed that entrepreneurs leverage networking with other economic actors to influence the decision of policy makers when confronted with issues of over regulation and multiple legislation limiting the firm's international expansion.

Ge et al (2019) also note that entrepreneurs in an environment prevalent with formal institutional voids have developed alternative strategies such as the use of family ties and political networking to overcome the challenges associated with acquiring resources and executing transactions (Ge, Stanley, Eddleston, & Kellermanns, 2017; Ge et al., 2019) or adopting non market strategies such as lobbying and co-optation (Mellahi, Frynas, Sun, & Siegel, 2016). By relying on institutional intermediaries such as business clusters, trade associations and incubators (Mair et al., 2012; Kerlin, Lall, Peng, & Cui, 2021; Sydow et al., 2020; Sutter et al., 2013; Cao & Shi, 2020), entrepreneurs move towards the informal institutions mechanisms as response strategies when confronted with the formal institutional challenge. Additionally, Sydow et al (2020) observes that entrepreneurs navigate institutional voids in emerging economies using hybridizing goals, orchestrating business relationship and cross-bracing

institutional infrastructure. Sydow et al (2020) argue that there is a stronger need on creation of innovative business models that can address a shift within markets riddled with institutional voids. The created business model work to aggregate limited micro-organisations into institutional role to enable the building of market interfaces (Sydow et al 2020). As such, entrepreneurs indirectly rely on aggregated informal mechanisms within their local ecosystem to provide system required roles.

Arguably, the strategic responses to institutional voids has been overly restricted to generally focused on formal institutional voids without probing the specifics response strategies within informal institutions (Doh et al., 2017; Koch, 2020). This left the field without a profoundly detailed understanding of the entrepreneurial strategies in institutionally constrained environment given the interrelationship and significance of the informal institutions in such context (Amoako et al., 2021). Additionally, from the reviewed literature, studies have hinted at some practices of ambiguity within the informal institution only to not articulate the management practices of the entrepreneurs to resolve its constraints (Sydow et al., 2020).

In sum, most studies identified the limitations of the informal institutions to also present severe institutional pressures but have not provided a clear understanding into its strategic responses despite the clear distinction between institutional patterns between formal and informal institutions. Hence, this study responds to this recommendation to avoid a single sided narrative to investigate the response strategies of entrepreneurs when confronted with informal institutional voids. The next section discusses the theoretical framework underlying this thesis.

2.7 Chapter Summary

This chapter have presented the theoretical underpinnings of this study as conceptualised within the broader institutional and entrepreneurship literature. In this chapter, this thesis has conceptualised institutions are set of systems that define the context through its ability to facilitate how actions should be carried out as well as capacity to maintain stability within the context. These systems have significant influence to shape entrepreneurship and entrepreneurial behaviour. However, such institution function to degree through an underlying that are embedded and described as institutional logics. The explanation on the institutional logics revealed that institutional phenomenon is developed when dynamic interactions between the actor and institutions converge. It is through these interactions that institutional function, outcomes and configurations are shaped. Furthermore, this chapter have unpacked the concept of institutional voids as a phenomenon arising from the interactions of the institutional underlying mechanisms. When institutional mechanisms interact, it has ability to influence the operational role of institutions as well as its functionality in its context. Moving forward, this chapter therefore argued for the notion of informal institutional voids as phenomenon through which informal institutional systems are deficient in capacity to function. In doing so, this thesis opened up a critical gap that should be addressed the possible theorization of patterns and practices through which informal institutional voids emerge and entrepreneurial response strategies to informal institutional voids. The next chapter discusses the conceptual development outlining the development of the research question of this study.

Chapter Three: Conceptual Framework and Development of the Research Questions

3.1 Introduction

The goal of this chapter is set out the conceptual framework and the development of the research question for this study. The main aim of this study is to explore the strategic response of the entrepreneurs to the perceived weakness of the informal institutional structure that could constraint rather than support entrepreneurial activities. As earlier in the preceding discussed, this study adopts an institutional logic and micro foundation to demonstrate how interactions of institutional systems could enable and simultaneously constraints activities within a context and responsible for influencing actors' different reactions to institutional challenges (Minbaeva, Dana et al., 2020). The institutional elements in the markets are concealed within a varying set of logics and can be strategically employed by individuals to engage in and negotiate the challenges of life (Lounsbury et al., 2021). However, individual actions and decisions to engage with the varying logics could be influenced with variety of elemental compositions as determined by varying micro factors (Lounsbury et al., 2021). As such, this chapter is to lay out how the constructs around informal institution and entrepreneurship process is bridged together to develop its main research question is: How does entrepreneurs responds to informal institutional voids within entrepreneurship process? As such, the conceptual framework is to propose a framework through which entrepreneurs respond to and address informal institutional failure to provide institutional support.

3.2 Research Question One: Informal Institutional Voids

As earlier discussed in the previous chapter, the literature suggests that the institutional mechanism within a context plays a prominent role in shaping entrepreneurial activities (Bjørnskov & Foss, 2016; Chowdhury et al., 2019; Stephan et al., 2015; Williams & Vorley, 2015). The institutional arrangement

consists of the rules, regulations, norms, and values that ensures appropriate behaviour within a society (Scott, 2014). In the market, supporting institutional mechanism has been classified into two – formal and informal institutions. Formal institutions are relatively well structured regulatory practices and rules that are established and enforced (Escandón-Barbosa et al., 2019a), while the informal institutions are generally institutional representations embedded in the community's socio-cultural factors such as religion, norms and traditions (Helmke & Levitsky, 2004). Entrepreneurs necessarily draw on these institutional mechanisms to facilitate the required activities in entrepreneurial process. For example, entrepreneurs leverage on institutional mechanism to access required capital resources, registration, define and enforce contracts in market exchange (Puffer, McCarthy, & Jaeger, 2016). However, in most emerging economies, the required formal institutions are largely perceived ineffective to facilitate smooth and efficient exchange of transactions (Amoako & Lyon, 2014; Gao et al., 2017; Khanna & Palepu, 2006), leaving a huge gap in the market that could constrain entrepreneurial actions. The gap created by lack of efficient formal institutions increases the potential for consideration of the alternative informal institutional arrangement. Therefore making informal institutional systems as prominent institution in these context (Omeihe et al., 2020; Salimath & Cullen, 2010).

Informal institutions are seen as an interconnected systems built on norms and socio-cultural practices with ability to regulate and constraining actions of an individual (Urbano et al., 2019). Drawing on the assumption of institutional logics which underpins this thesis, the underpinning elements underlying informal institutions interacts to shape how it functions and how its perceived by the actors within a context (Thornton & Ocasio, 2017). Guided by this assumption, institutional outcome arises in part from this action. Recent developments are beginning to indicate severe uncertainty and ambiguity arising

from the dynamics of informal institutions undermining its function and thereby constraining its ability to provide leverage for entrepreneurship process (Sutter et al 2013; Ledeneva & Efendic, 2023; Khoury & Prasad, 2016; Webb et al 2019; Sydow et al 2020). Yet, this area remains understudied and thus calls for further re-evaluation. As Khoury & Prasad (2016) argues, the nature of informal institutions brings complexity and the presumption that informal institutions operate unhindered in providing functionally stable market environment ignores the reality of the institutional actors and rather an illusion. Additionally, Webb et al (2019) argues that dominant focus of scholars on the informal institutions as mechanism of survival within an institutional challenging environment overshadowed frequent inadequacies that typically characterise the experience of the entrepreneurs in such environment. These situation suggests the presence of institutional voids (Webb, et al., 2019; Sydow et al., 2020). When institutional quality is weak or compromised, it fails to provide incentive for entrepreneurs but rather create a constraint where entrepreneurial activities are hindered. When this happens, it could generally lead to ineffectiveness of entrepreneurial activities as well as the increase in overall operational cost of the entrepreneurial firms. As suggested by Webb et al (2019), the presence of informal institutional voids could cause frustration as it imposes additional costs on market participants that could limit the entrepreneurial ventures to create value. These challenges call for us to continue to further explore interactions within the informal institutions. Yet, in reality, there are limited theoretical understanding of the informal institutional voids facing entrepreneurs (Doh et al., 2017; Webb et al, 2019; Sydow et al., 2020).

Given the prominence of informal institutions in emerging markets, there seems to be limited awareness of issues facing entrepreneurs within informal institutions, which are often overshadowed with analytic probe of formal institutional systems. There is a sustained debate to move beyond evaluating the role of informal institutions to rather any perceived complexities it brings (Doh

et al., 2017). In doing so, this thesis seeks to gain a deeper understanding of the interaction of internal mechanism of informal institutions and the challenges it presents between its mismatches. Consequently, institutional logics argue that mismatches in interaction of institutional underlying system causes a shift in institutional output. Therefore, the first research question that is developed in this thesis is: *how does informal institutions influence entrepreneurial process, specifically to create institutional voids?*

3.3 Research Question Two: Responses to Informal Institutional Voids

The presence of institutional voids is challenging for entrepreneurs who move to develop strategies that could enable them to cope and manage within such institutional environment. Institutional logics perspective argues that institutions are symbolic constructions of different logics that are expanded to shape human activity (Lounsbury & Boxenbaum, 2013; Ocasio, 2023). However, the interactions of these logics influence the individual behaviour and reaction. When institutional logics coexist or conflict, they encourage practices to shape any institutional imbalance that are considered threatening to everyday life (Greenwood et al., 2011). Informal institutional voids are developed by the conflicting interactions of underlying elements within an informal institution. Therefore, this thesis envisions that entrepreneurs will find ways to overcome any institutional challenges influencing on the functioning of informal institutions.

Additionally, a key assumption within the institutional logics perspective is that actors have embedded agency to sense and interpret institutional phenomena through a guided action (Thornton & Ocasio, 2017). This assumption underlies the argument through which entrepreneurs respond to shape their institutional environment they are perceived weak to provide required services presents a significant shift on how firms strategize (Marquis & Raynard, 2015). As such, the argument in this thesis infers that in the situation where entrepreneurs are

confronted with informal institutional voids, entrepreneurs are poised to develop response mechanisms that could help them overcome any challenges they encountered. However, there is limited understanding about how and through what practices entrepreneurs manage the institutional voids associated with informal institutions (Doh et al., 2017; Sydow et al., 2020). The function of the informal institutional systems is expected to be effective and stable to support entrepreneurship whilst any perceived institutional tension prompts institutional actors to act, moving to shape their institutional environment. This thesis infers that a strategic reaction by the entrepreneur is required to shape the constraining practices within the informal institutions (Doh et al. 2017; Koch, 2020). Informal institutions are a construct of varying socio-contextual systems (Haini, Baha, & Wei Loon, 2023) which could drive high pressures and complexities. In a nutshell, the high pressures and complexities posed by institutional voids will make entrepreneurs turn to developing emerging strategies to overcome the presenting institutional uncertainties (Khoury & Prasad, 2016; Mair et al., 2012). Entrepreneurs rely on the quality institutional system to maintain efficiency in the market and an important way to ensure the productivity of the entrepreneurial activities is the extent to which the entrepreneurs are able to develop work-around practices to navigate the perceived institutional weakness (Adomako et al., 2019; Omeihe & Omeihe, 2021).

The perception of informal institutions as deficient to meet institutional expectations reveals further questions that challenge the nuances of entrepreneurial behaviour in institutional challenging contexts. Yet, the general studies have rather focused on the theoretical interplay to formal institutional systems in understanding the response strategies to institutional voids (Sydow et al., 2020; Webb et al. 2019). In so doing, there are theoretical limitations to entrepreneurial strategic behaviour in shaping their institutional context. It is in this light that this study, therefore, responds to the call of scholars such as (e.g.

Sutter et al 2013; Webb et al 2019; Sydow et al 2020) for a study on the response strategies of the entrepreneurs to informal institutional voids. Hence, the second research question is developed as: *how do entrepreneurs address and respond to the identified informal institutional voids?*

3.4 Research Question Three: Individual Characteristics Influencing responses to Informal Institutional Voids

Critical studies on institutional analysis argue that response to macro institutional structure are indeed mediated by underlying micro constructs of the actors which influences decision making (Bjornskov & Foss, 2016). This argument calls for studies to bridge institutional analysis along macro and micro level (Kim, Wennberg, & Croidieu, 2016). The assumption is that entrepreneurs as institutional actors are able to recognise and navigate adverse institutional conditions through integrated multi-level constructs. Additionally, while it has been argued that the systems of informal institutions occur at the macro level, they are significantly shaped along the micro level (Ledeneva & Efendic, 2023). The ability of the actors to perceive and understand how to manage their daily situations is influenced by individual factors (Gümüşay et al., 2020). Therefore, this thesis argues that it could be beneficial to integrate micro level construct to understanding the entrepreneurial response strategies as they significantly underscore entrepreneurship decisions. The presence of individual factors in different situations allows for the interpretation of variations in how entrepreneurs engage with institutional systems in a different way. While the embedded agency element within the institutional logics highlights the rational ability of the actors in decision making, it does not account for the divergence in decision making. Thus, this becomes necessary to explore. This thesis integrates micro foundation theory to explore individual characteristics that shape entrepreneurial response strategies to institutional interactions.

Although, informal institutions are structural representations at macro level (Dau et al., 2022), interactions within its context takes on an individual consideration (Omeihe, Kingsley Obi et al., 2021). This view is also not new in entrepreneurial strategy literature (Teyi, Larsen, & Namatovu, 2023). There is perceived understanding that institutional change are shaped by the micro level phenomena through which individual anticipates and determine to act (Haack, Sieweke, & Wessel, 2019). According to Ahlshrom & Bruton (2006), institutional occurrence is situation specific, and the decision thereof varies from individual. This assumption leads to consideration of perceived implicit factors that are significant in developing response strategies to informal institutional voids. This, therefore, leads to the development of another research question as follows: *what are the individual characteristics that shape the entrepreneur's responses to the informal institutional voids?*

The development of the research question forms the basis for the development of and conceptualisation of the framework for this study. The framework explains the link between the key concepts for this study – entrepreneurship process, institutional theory, and entrepreneurship strategy. This narrative conceptualisation has also been presented in the table and graphical representation below.

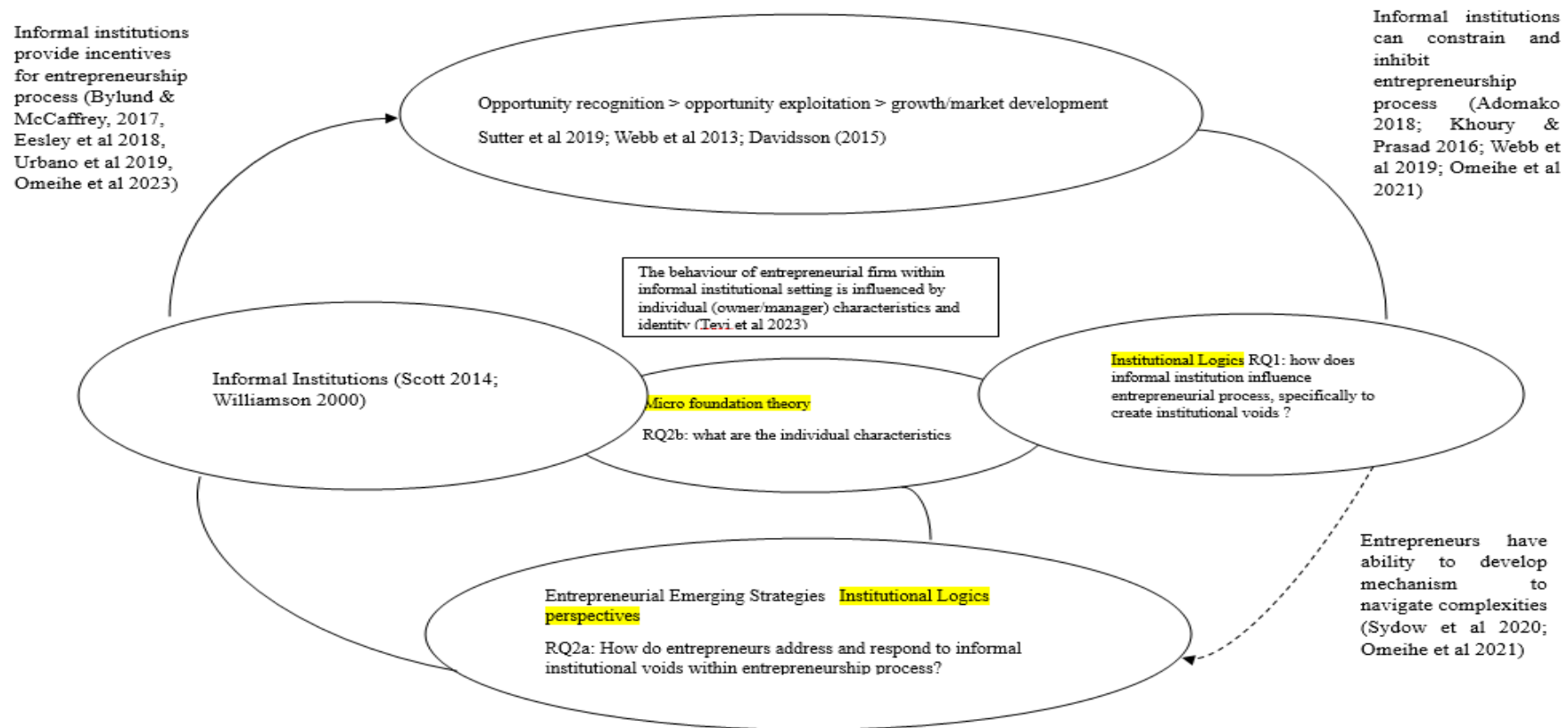
Table 3.1 Overview of Research Questions, Objectives and Indicative Literature

Research Objective	Research Question	Conceptual Theme	Theoretical Perspectives	Indicative Literature
To explore the enabling influence of informal	How does informal institutional mechanisms influence entrepreneurial process, specifically	The role of informal institution and capacity of informal institutional to provide institutional support for entrepreneurial process	Institutional logics (Thornton et al 2008; 2012; Ocasio, 2023).	Institutions may determine the quality of entrepreneurship within a context (Williams & Vorley, 2015; Bjornskov & Foss, 2016; Chowdhury et al 2019).

institution on entrepreneurship process To evaluate the constraining influence of informal institutions on entrepreneurial process, specifically how it creates informal institutional voids	to create institutional voids?			Institutions are multilevel social constructions (Thornton et al, 2012) Informal institutions are socially embedded systems that define the context within which actors interact (Campbell 2004; Sutter et al 2013) Entrepreneurship process is embedded in market structures facilitated by formal and informal institutions (Bylund & McCaffrey, 2017) Institutions affect entrepreneurship but informal institutions have a higher and more positive effect than formal institutions (Urbano et al 2019 p 17) Informal system can constrain or limit economic activities (Nee & Strang, 1998) Informal institutions are taken more seriously in emerging economies due to the multiple levels of regulations that could significantly impact on the ability of an individual to exploit market opportunities (Meagher, 2018) Informal institutions play a prominent role in the development and growth of entrepreneurial endeavours in emerging economies where formal institutions are generally weak (Amoako & Lyon 2014; Eesley et al 2018; Urbano et al 2019; Li et al 2021; Omeihe et al 2023) Although, informal institutions provide the required incentives to promote entrepreneurial activities, they also do create constraint inhibiting the development of entrepreneurship activities (Sutter et al, 2013; Rooks et al 2016; Adomako, 2018; Khoury & Prasad, 2016; Webb et al. 2019; Koch et al 2020).
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To explore how entrepreneurs respond and address to the informal institutional voids within the entrepreneurship process	How do entrepreneurs address and respond to the informal institutional voids within the entrepreneurship process	Emerging responses to informal institutional voids	Institutional logics (Thornton et al 2008; 2012).	Institutional voids present entrepreneurs (owner/manager) the challenge to develop strategy to cope with or navigate the institutional complexity and uncertainty (Sydow et al 2020; Webb et al 2019) How actors shape institutional complexities is underpinned by institutional logics (Bruton et al 2010) Entrepreneurial behaviour within social and institutional context is explained by institutional logics (Omeihe et al 2021a; Amoako 2018)
	What are the individual characteristics that shape the entrepreneur's response to managing informal institutional voids?	How micro level characteristics shapes the development of emerging responses to informal institutional voids	Microfoundation Theory (Felin & 2015; 2019)	Individuals generate institutional s (Boxenbaum, 2019) Entrepreneurial behaviour is guided by individual micro principles which demonstrates the difference in strategic response to institutional (Audretsch, Grimm, Wessner & Welter, 2005) Individuals often take their micro-level characteristics into account when making decisions that impact institutions (Felin & Foss, 2019) Entrepreneurial decision making reflect socio-cognitive processes that are shaped by norms and beliefs related to individual (Zhao & Yang, 2020)

Figure 3.2 Proposed Conceptual Framework for Informal Institutional Voids and Entrepreneurial Response Strategies



3.5 Chapter Summary

This chapter have presented the conceptual development underpinnings this study from the gaps highlighted in the literature review chapter. In this chapter, a detailed explanation of the conceptual development has been presented to show the relationship between the constructs brought together as well as to expand the explanation on how the research questions were developed, providing the reader with an illustrative understanding of the issues within this study. Three research questions have been developed – first is to understand the influence of informal institutions on entrepreneurial process and how it specifically creates institutional voids. This question was developed based on the perceived perception of the inadequacies of the informal institutions and to provide a broader framework by probing the mechanism through which informal institutions functions in order to identify practices constraining its capabilities. The second question was developed to understand the mechanisms through which entrepreneurs respond to manage the informal institutional voids drawing on the embedded agency assumption underlying institutional logics perspectives. Previous research argued that entrepreneurs have rational cognition to shape their institutional environment when confronted with institutional uncertainties. Drawing on the backdrop of the second research question, the third research question is developed to understand how micro characteristics shapes decisions making of entrepreneurs while responding to the informal institutional voids. This question was developed drawing on the perception of logics of action underlying the institutional logics and microfoundation theory which assumes that decisions and outcomes of actors to shape institutional environment is an interplay of individual agency and institutional structure. The next chapter will therefore discuss the methodology underpinning of this thesis.

Chapter Four: Research Methodology and Design

4.1 Introduction

This chapter provides arguments for the selected research paradigm, research design and methodological issues such as data collection and analysis. The aim of this study is to explore informal institutional phenomenon and entrepreneurial response strategies. Therefore, it is important that methodological assumptions made are suitable and relevant to generate meaningful insight. As such, this study follows a qualitative research design that allows for an in-depth exploration of the data to gain understanding of the informal institutional voids and strategic responses of the entrepreneurs to navigate the informal institutional voids.

4.2 Research Approach

Research approach refers to the plans and procedure underpinning the broader philosophical assumptions in research (Guba & Lincoln, 1994). There are two main approaches to research – qualitative and quantitative. Quantitative is more suitable to deductive reasoning which uses theoretical testing statistically measure social measure phenomenon while on the other hand, qualitative is underpinned by inductive approach which is focused on integrative reduction of raw data to generate understanding of phenomenon through its assumption that reality is multiple within a context (Denzin & Lincoln, 2011). Qualitative approach is more suitable to this research because the interest is to explore in-depth the ‘how’ question of the entrepreneurial behaviour and experience of their interactions when they leveraged informal institutional structure strategies (Denzin & Lincoln, 2011). Qualitative inductive approach allows for the reduction of the generally large data to specific relevant patterns by drawing on rich perspectives of the entrepreneurs to develop a theory on their emerging strategy to overcome the informal institutional voids (Denzin & Lincoln, 2011).

4.3 Overview of Methodological Approaches in Relevant Entrepreneurship and Institutional Studies

The research in entrepreneurship and informal institutions has been characterised by a combination of qualitative and quantitative approach. This section provides an overview of methodological commitments in the relevant selected studies relating to entrepreneurship and of specifically informal institution. Here, the researcher is not explicitly providing review of the methodological approaches but keen to advance the debate on the need for a shift in methodological issue to drive the methodological rigour in this research. The overview of some selected sample of the literature directly related to entrepreneurship and informal institutions shows that scholars have adopted both qualitative and quantitative approaches highlighting the diversity of approaches about the research phenomenon.

Quantitative approaches such as (Adomako et al., 2022; Arregle et al., 2015; Rooks et al., 2016) have been used in investigating issues related to formal institutions which is more towards testing of theories and measuring the quality of formal institutional structure. This approach aligns to formal institutions which has a well-structured system that is clearly open to quantification and objective measurement. However, it could fall short in measuring phenomenon related to informal institutions where there is a high possibility of significance of individual perception (Suddaby & Greenwood, 2009; Voight, 2017). One of the views within management scholars is that quantitative approaches are suitable to linear causative and objective measurement around a phenomenon rather than seeking to gain in depth understanding of a phenomenon to which these studies have been selected for.

On the other hand, qualitative approach serve an important role in the studies related to informal institutions such as (Amoako & Lyon, 2014; Omeihe et al., 2021; Uzo & Mair, 2021; Omeihe et al., 2023). Qualitative approach has gained prominence with informal institutions and entrepreneurship scholars because it allows the researcher to focus on uniqueness of informal institutions and grasp the meanings and interpretations participants attribute to their realities within context. Qualitative approach emphasises the subjectivity of human behaviour where participants are rational and can act based on their perception. Given this diversity of approach among entrepreneurship and institutional scholars, it is incumbent on the researcher to figure out the suitable approach relevant to the nature and scope of what is to be researched before deciding on an appropriate method. First, entrepreneurship is considered as a socially constructed phenomenon with actor's subjectivity at play. As such, need to be understood from the actor's intersubjective experience (Davidsson, 2005). Secondly, the nature of reality confronted by entrepreneurs is subjective to an individual, the knowledge of which needs to be known by gaining access to their views and then exploring their views to make a theoretical sense (Denzin, 2008). Thirdly, the embedding nature of informal institutions indicates a paradox of complexity which requires an approach that could deeply understand its salient issues (Omeihe et al., 2024); De Soysa & Jutting 2007 and Amoako & Lyon, 2014). Hence, it is argued that informal institutional phenomenon upon which this study is built cannot be statistically measured or quantified due to its limitation to capture salient issues embedded in its structures, such underpinning elements shape individual behaviour within its conclave (Suddaby & Greenwood, 2009). Therefore, it is important to adopt an approach that could enhance in depth assessing and understanding of the intersubjectivity of the participant's experience. Consequently, there are choices of research paradigm within the qualitative approach relevant to explore the issues of norms and sociocultural values which underpinned the nature of informal institutions (Suddaby &

Greenwood, 2009), as it clearly cannot fit into a positivist assumption because its aim is not to statistically account for causal significance of impact or determine a statistical relationship among variables or empirical testing of different hypothesis but gain an insight into the perception around informal institutions, it's developing constraints and how entrepreneurs navigate such situations. However, It is important to be aware of the paradox and diversity of philosophical assumption within the qualitative approach, particularly to enhance theoretical rigour of the research outcome (Johnson, Buehring, Cassell, & Symon, 2006a).

According to Symon et al (2018), there are various philosophical stances in qualitative research with core acknowledgement of the participants subjectivity as the basis for truth. However, the divergence revolves round the approach to know the truth and specifically the role of the researcher on the research outcome (Johnson et al., 2006a). Qualitative research approaches converge that reality is out there and socially constructed with individual actively involved in shaping their own realities and as such researcher must assess their participant voice to determine the truth (Berkovich, 2018). However, there is a growing criticism of qualitative paradigms in general about the role of researcher (Symon, Cassell, & Johnson, 2018); with many having questioned the trustworthiness of the research outcome (Gioia et al 2013). As a response, qualitative researchers are urged to consider a rigorous approach built on qualitative assumption while also extolling the need to enhance the validity and trustworthiness of the research findings. This argument foregrounds the consideration of rigour driven approach - neo-empiricism in this thesis (Clark, 2014).

Neo-empiricism is a philosophical paradigm aimed at promoting balance by accessing actor's subjective realm in a third-party point of view (Alvesson & Deetz, 2000). The key focus to a neo-empiricism researcher is to achieve a rigour driven theory through procedural objectivity (Johnson et al., 2006a). As such, neo-empiricist researcher focuses on providing clear audit trail to enhance their

objectivity (McAuley, Duberley & Johnson, 2007). According to Lincoln and Guba (1985), audit trail enhances the rigour of a qualitative research. The audit trail not only increases the trustworthiness of the research, allows the researchers to succinctly capture the realities of the participants in its form, justifying assumptions for interpretation (Alvesson & Deetz, 2000) as well as demonstrate authenticity and fairness in qualitative account (Corlett & Mavin, 2018). Procedural objectivity encourages the researcher to be conscious of their role as a researcher and positionality throughout the research process (Alvesson, Sandberg, & Einola, 2022). Procedural objectivity is demonstrated in the interactive account leading to theoretical development (Duberley, Johnson, & Cassell, 2012).

The researcher in consideration of the phenomenon under study admits that neo-empiricism is in a significant position to help achieve the research aim which is seeking to understand informal institutional voids and strategic practices of entrepreneurs to manage the informal institutional voids. Neo-empiricism provides an opportunity to advance rigour driven methodological position within the entrepreneurship and institutional research. The next section gives a justification in favour of neo-empiricism.

4.4 Research Paradigm: Neo-empiricism

A recent study by Rajasinghe et al (2021) observed that empirical studies in entrepreneurship has taken narrow methodology position, as such highlighting the need for a more diverse stance in conducting future research. Therefore, in consideration of this call and the objective of this research, the research paradigm adopted for this study is based on the assumptions and principles of neo empiricism to help gain an interpretation of the views of the participants while enhancing the rigour of the knowledge production. While it might have been possible to consider some other philosophical positions relevant to this study, the

aim of this section is not to review all philosophical positions but to provide a justification in favour of neo-empiricism as a philosophical fit for this study, and an answer to methodological contention in broader qualitative research paradigms (Symon et al., 2018). Neo-empiricism paradigm offers an amendment to the perceived weakness in qualitative approach where most of prior studies in entrepreneurship is situated.

The role of the researcher is to offer interpretation of other actor intersubjectivity in a manner that is not recused to themselves (Johnson & Duberley, 2015). Driving by this view, neo-empiricist asserts the principle that the outcome of a research inquiry is relevant when it asserts the voice and views of participants (Johnson & Duberley, 2015). A key characteristic of this position is that reality is out there but known through how it is experienced. The idea is in knowing the truth in a way that it is experienced by the knower. The researcher in neo-empiricism neutrally assesses other's intersubjectivity on the subject-subject dualism by making sense of the view of the participants, through their own description. As such, neo-empiricism brings forth the capability to ensure inductive generation of knowledge in a naturalistic stance where researcher enters into the world of the researched to infer an understanding of their lived experience. To demonstrate their naturalistic stance and objectivity, neo-empiricist researcher relies on audit trail of their iterative interpretation (Symon et al., 2018).

The neo-empiricism assumption is based on an objective epistemology and realist ontology (Clark, 2014), follows the commitment that exploration of the research phenomenon should be participant led, allowing for researcher to assess the intersubjectivity of the research participants in a neutral approach (Clark & Johnson, 2006). The neutral approach here is construed as the point of differentiation between the researcher and knower so as to only give meaning to

their views in correspondence sense (Kesseba, Awolowo, & Clark, 2018). Thomas & James (2006) provides further explanation that neutral analytical procedure here is not neutral controls in experiment but a jurisdictional commentary that aims for an uncontaminated theory. Just like the other qualitative approaches, neo-empiricism outlines a commitment to the participants' subjectivity (Johnson et al 2006), but upholds a more rigorous stance with commitment to researched as the basis of theoretical build up and procedural objectivity to enhance the research's trustworthiness (Clark & Johnson, 2006; Clark, 2014).

Despite its strength, neo-empiricism has been criticised. Examples include Seale (2002) who argue whether it is possible to access qualitative research in an objective stance. Objectivity in neo-empiricism should not be confused for the nature of objectivity in positivism. In positivism, the conceptualisation of the relationship between the known and the knower forms in subject-object duality where the knower (researcher) is separate from the known and object of the research (Blaikie, 2000). This separation completely takes away the interpretive role of the researcher as well as any meaningful attempts at intersubjectivity. However, in neo-empiricism, the relationship manifests in subject-subject dualism (Kesseba et al., 2018), where the researcher observes neutrally to provide account of the reality (Johnson & Duberley, 2000 p 181).

McAuley, Duberley & Johnson (2007), Awolowo & Saunders (2017) & Symon et al (2018) provides clarity to the nature of objectivity in neo-empiricism as an operational measure to enhance theoretical development. Johnson et al (2006) argues that objectivity in neo-empiricism is '*epistemic*' to enhance validation of knowledge about truth. McAuley et al (2007) indeed argue that objectivity in neo-empiricism is a procedural objectivity that is aimed to demonstrate how we have known what we know through iterations of how researcher has progressed

from data to interpretation. To achieve procedural objectivity, I followed Gioia's systematic analytical approach which involves demonstrating iteration of theoretical build up through a progressive coding of first order and second order analysis that led to aggregate dimensions that answers the research question.

Neo-empiricism is not new. Looking at some other qualitative research approaches such as grounded theory, we can see an overlap in its philosophical position with neo-empiricism even when not clearly highlighted (Johnson & Duberley, 2015). Its particular principles align to structured approach where researcher demonstrate commitment to the reporting of the adequate account of the research participants (Charmaz, 2000; Gioia, Dennis A., Corley, & Hamilton, 2013). This research was set out to understand how entrepreneurs experience the informal institution, specifically its perceived challenges and unintended consequences and the developing responses to manage the constraints therein i.e human actions within a specific social context. As such, it is beneficial to adopt an approach that allows for the researcher to understand this phenomenon focusing on the reality of the participant as well as constructing the phenomenon through their worldview.

Although, during the early days of this study, my initial assumption was to use phenomenology to understand the nature of informal institutional voids through the entrepreneur's lived experience. My thought at this time was based on the focal point in phenomenology which provides a base to understand socially constructed phenomenon through the meanings implied from the participant's lived experience (Smyth, 2011). However, midway through my consideration and my experience through the review of the literature on the informal institutions, my understanding about the conceptualisation of informal institutional voids as subjective and implicit nuances to actors' interpretation (Webb, J. et al., 2019), requires I focus on an approach that gives the participant prominent voice. I find

neo-empiricism more suitable to achieving this aim for the following reasons. First, neo-empiricism offers the researcher the understanding of intersubjectivity of the research participant without imposition of self. This is very important in exploring any meaningful insights from the research context, Nigeria. A significant embedding element of informal institution is cultural norms. Nigeria is a multicultural nation where assumption is held about different cultural divides. The researcher is a Yoruba Nigerian which might have developed some preconceived perceptions of the sociocultural norms and values in Nigeria. It is therefore important that the researcher adopt an approach that allows for the interpretation of the participant's view through a participant led approach. The broader focus is to access the actor's subjective reality in a passive mode (McAuley, Duberley, & Johnson, 2007). It becomes important for me to align with a paradigm that can help focus on the participants while only facilitating sensemaking and interpretation of their views (Clark & Johnson, 2006). The shifts in using neo empiricism is to give the entrepreneurs the power to own their reality while I only stand to provide an interpretive reporting of such view. My commitment to neo-empiricism is to challenge my positionality as well as providing the participants the avenue to construct their reality. Neo-empiricism focuses on developing theory that is grounded on keen exploration of the phenomenon by accessing the truth from the actor's perspectives (Kesseba et al., 2018).

Second, neo-empiricism promotes analytical rigour through transparency in the theoretical development. Neo-empiricism argues that researcher should put in apparent operational measures that ensures that the actors lived experiences are accessed, described and interpreted in an interactive (Awolowo & Clark, 2017). The iterative process that places participants voice at the heart of analysis enhances transparency and analytical rigour of research (Aguinis, Ramani & Alabduljader, 2018). In giving prominence to the participants voice, the researcher maintains passivity and allows theoretical development in a

naturalistic sense. This is achieved from the participants description of phenomenon as underlying constructs of aggregate for theoretical development. If the research is concerned with capturing actors subjectivity from the data collected, it is therefore important to ensure that research findings reflects participants (Awolowo & Clark, 2017). The aim of the study is to explore what is going on with the informal institutions and how the entrepreneurs are dealing with the happenings through an interpretation of the actor's subjectivity. My focus is to gain access to the entrepreneur's reality and their perception of the strategic responses to the informal institutional voids and appropriately reporting their views and making sense of their views without imposing my preconceived notion on the nature of the phenomenon. The happening within the informal institutions is based on individual reality and needs to be studied from the inside where in the knower and the known are separate to avoid experience subjugation through the participants influence (Clark, 2014).

As Marsh & Furlong (2002) observes, the key importance in neo-empiricism is the meaning that lies in the experience of the participants. The attempt is to minimise the researcher's influence and other potential sources of bias within the qualitative research assumption (Duberley et al., 2012). Here, the reality about informal institution is out there, lived by the actors and need to be accessed from the actor's perspectives, the researcher is to focus on describing the nature of the actor's reality to elicit meaning of the participants' subjective reality. Neo-empiricism allows for the actor's subjective reality to be assessed within a theoretical explanation (Johnson & Clark, 2006). This logic fits into the focus of this study with an intention to access the intersubjectivity of the entrepreneurs as the institutional actors and present an interpretative meaning of their strategic handling of the informal institutional voids within a theoretical understanding. The entrepreneur has a grasp of phenomena under study and can make sense of the individual relationship with their happenings. Therefore, my role is to extract

the meanings actors give to their realities to develop relative concepts. This approach helps to guide the development of theories around the phenomenon by actively relying on the reproduction of the participants' view within the informal institutional framework. Therefore, my aim is to interpret the reality of informal institutional voids and strategic behaviour of the entrepreneurs drawing on theoretical inference of directional interpretation of the participants' view (Johnson & Clark, 2006). As Johnson et al. (2006 p 138) argues neo-empiricism is committed to 'develop inductively thick descriptions of patterns in the inter-subjective meanings that actors use to make sense of their everyday worlds and who investigate the implications of those interpretations for social action'. This view is grounded in the commitment of the researcher to first describing the interpretation of empirical realities through an 'understanding that reflects its true nature' as it is described by the participants (Kesseba et al., 2018).

In sum, neo-empiricism researcher has a commitment to 'epistemic objectivity' to discover truth about the world by privileging the consciousness of the researched through a '*third-person point of view*' (Johnson et al. 2006 p 138). Thus, neo-empiricism recognises actors' subjectivity in theoretical understanding of a phenomenon to the reality on ground. Following this approach means that the researchers carry a complex positionality subject to a variety of various contextual factors. As such, researchers in addressing these complexities are required to adopt an internally reflective audit trail by engaging with oneself through thinking about one's judgements. By doing this, the researcher can be '*suspicious of the relationship between the researcher and the objects of research*' (Johnson & Duberley, 2003 p 1219).

An overview of neo-empiricism paradigm in relation to other qualitative approaches is presented in the table below.

Table 4.1 Overview of Key Methodological Choices

Paradigm	Underlying philosophical assumptions	Methodological Commitments	Ontological status of human behaviour/action	Research Aims	Critique
Positivism	Real world independent of human cognition, adopting scientific rigour to produce knowledge about social reality Subject-object dualism	Quantitative methods to enable <i>erklären</i> /Objectivist epistemology/deductive testing of hypothesis through quantification and falsification. Evaluation criteria rests on internal validity, external validity and construct validity and reliability	Determined/objectivist	Describe the social world and explanation through prediction	Positivism is often criticised for its scientific rigor to evaluate social reality and assumes that social phenomenon is static devoid of human subjectivity thereby denounces the role of human agency in the creation of reality. The problematisation of social

					phenomenon where the researcher seeks to test hypothesis is not the focus for this study.
Neo-empiricism	Real and intersubjective world which can be neutrally represented and explain social reality Subject-subject dualism	Qualitative methods to enable Verstehen/ Objectivist epistemology and a realist ontology/ inductive process to describe and explain the patterns of actor's intersubjective meanings. Evaluation criteria rests on reflective audit trail to demonstrate credibility, dependability, and transferability	Meaningful/intersubjective	Discovery of intersubjective to describe and explain human actions around organisations	There is a degree of scepticism whether it is possible to access participants intersubjectivity in a passive mode. In addition, researcher must demonstrate their hard-won objectivity through a traceable audit trail.

Phenomenology and Social constructionism	Understanding of reality is based on prior intersubjective process which produces reality of social events	Qualitative methods to facilitate understanding of social reality through experience account and understanding. Evaluation criteria are based on various forms of authenticity and epistemically reflexive dialogue.	Meaningful/intersubjective	To understand social reality within a situation based on actor's subjective experience	Prior intersubjectivity of the researcher limit the ability of the actor to own their reality and could socially produces versions of reality as well as the inability to penetrate the innermost essence of the nature of reality based on the researcher's preconceptions (prior intersubjectivity).
Critical Realism	Critical realism assumes the existence of an objective reality that is interpreted	Critical realism is methodological pluralist informed by abduction and retrodution for	Underlying meaning and causal inference		A key argument is its metaphysical ontological perspectives assuming

	in a subjective approach	generating new insights			there is a distinction between the actual world and the empirical world and the conception of causation which leads the researcher to assume there are deeper levels of mechanism that required explanations. In addition, its stratified nature makes it difficult to generate any specific domain theorizing
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Adapted from literature

The table below shows that as with other qualitative approaches, neo-empiricism is committed to meanings actors intersubjectively ascribe to their lived

reality(Alvesson & Deetz, 2000). However, there is a departure in its commitment to procedural trail in enhancing the research's credibility (Symon et al., 2018). Although, procedural objectivist stand related to qualitative assumptions are often perceived impossible, it is becoming a mainstay among qualitative scholars (Gephart, Cassell, Cunliffe, & Grandy, 2018). Here, objectivity does not mean detachment from the research (Patton, Michael, 2002), it simply means engaging a phenomenon from another's point of view, 'being-in' another world by listening deeply to their perception and experiences to elicit meaning thereof (Moustakas, 1994). It in fact reinforces the researcher's commitment to the doctrine of Verstehen, which means understanding a phenomenal at a deeper level.

The focus of this research is to understand the phenomenon of informal institutions, how entrepreneurs perceived the informal institutions, its inherent failings that constrains and the ways in which entrepreneurs have managed to navigate its challenges. The ideal would therefore be to give the key voice in such knowledge creation to the entrepreneurs who lived and experience the research phenomenon. This is the hallmark of neo-empiricism, helping to achieve demonstration of rigour and transparency in the link between a phenomenon in its natural state and its theoretical description. All of this commitment justified the researcher's assumption that neo-empiricism makes extra ordinary effort to give the research expected rigour and fit to give voice to the participants while the researcher retains sensemaking responsibility.

4.5 Research Procedure

4.5.1 Sampling Strategy

An important consideration in research procedure is its sampling strategy. In qualitative research, the aim is to gain understanding of the phenomenon by

privileging subjective realities of the actors involved with the phenomenon. As such, I was concerned with selecting the appropriate sample using an appropriate method. In general, a sampling strategy could be ‘probabilistic sampling’ which is focused on randomly selecting individual samples or purposive sampling that focuses on precisely selecting participants who are knowledgeable about the research phenomena and most likely help the researcher understand the research problem (Creswell, 2013). However, Guest et al (2006) suggest that research that are not concerned with statistical generalisability should consider non-probabilistic purposive sampling. This led to the consideration of a purposive sampling in this study to obtain information rich perspectives given the essence of this study to develop a theoretical understanding of informal institutional voids and the emerging strategic responses developed by the entrepreneurs. Hence, a purposive sampling technique has been largely followed in the selection of participants for this study (Patton, 2002).

The purposive sampling technique has been considered for two reasons; first, it is the most commonly used in qualitative research (Saunders & Townsend, 2018) where the focus is on the actor’s subjectivity and as such requires those who have actually lived the phenomenon, and secondly, it is the most appropriate giving the aim and specific focus of this study to elicit understanding of a phenomenon from actor’s reality (Robinson, 2014). Thus, adopting purposive sampling allows the researcher to involve the units of observation that can theoretically represent the study and generate rich insights drawing on key certain characteristics (Etikan, Musa, & Alkassim, 2016). In adopting a purposive sampling, it is required that participants should be selected according to criteria that are relevant to the phenomenon under study (Guest et al; 2006; Piekkari & Welch, 2018). As such, in this thesis I have focused on entrepreneurs who operate at the intersection of informal institutional phenomenon and are involved in making decisions regarding their entrepreneurial process. It is these entrepreneurs who determine

what resources required to engage with the entrepreneurial activities and determine which of the informal institutional mechanism could be leveraged in the process. Therefore, entrepreneurs become the focal point of this study, regarded as knowledgeable to provide deep and enriching insights into the issues of the informal institutional voids as well as what it has been done to navigate its constraints.

To be included in the study, the following sampling criteria were considered to filter and ensure that there is permissible aggregation in the sampling construct (Guest, Bunce, & Johnson, 2006) - the firm's age: the entrepreneurial firms age are considered suitable to gain considerable experience that would provide suitable insights into the mechanism of the informal institutions. Participants with the minimum age of two years were considered. This also accounts for significant firms who mostly engage with informal institution (Angelo-Guerro et al 2017; Nikolaev et al 2018). In some cases, even though the business were still at early stage, the entrepreneurs have entrepreneurial experience in some other ventures before. Entrepreneurs at this stage are considered as the main drivers of informal institutions in developing economies (Sutter et al., 2013; Sydow et al., 2020). For instance, in Nigeria, only 2.1% of the MSMEs below year one is formally registered and show compliance with the regulatory awareness while about 48% is considered to have sourced capital from family and friends (PWC, 2024). Another consideration is location. Entrepreneurs selected are concentrated in Lagos, Oyo and Ogun states of Nigeria. The three locations were chosen because of its proximity to each other and its prominence in Nigeria entrepreneurial ecosystem. For instance, NBS (2017) report on MSME development in Nigeria indicates that Lagos, Oyo, and Ogun were among the top 10 states with the highest distribution of micro enterprises in Nigeria.

After the criteria for the case participants was clearly defined, I was careful to ensure that self-employed entrepreneurs with no employee was not included in the sampling. The researcher ensures an initial contact with the entrepreneurs to

ensure they fit into the general eligibility criteria. However, to avoid complicating participant's perception, the conversation was streamlined. The focus was on asking if participants belong to trade association, have family interactions on their business previously or ongoing. This initial contact was streamlined to seek consent as well outlining the research objectives, the interview serves as the main technique for data gathering. This pre interview contact is beneficial to sieve through beneficial participants. For instance, the researcher contacted 17 early-stage firms through CC-hub, a cocreation and enterprise acceleration hub in Nigeria. 5 of the contacted replied but could not continue with the interview after an informal chat with 2 of entrepreneurs which suggested that they do not have significant interaction within the informal institutions because of their specific situations and most especially having gone through acceleration programme has provided offshoot them right from their formation period. At that stage, there are significant processes in place that limit the leverage and need for informal institutions.

Researching issues around informal institution comes with a set of challenge in gaining access to the participants because informal institutions are set of systems embedded in the social cultural norms (Junaid et al., 2020). Similarly, Gallien (2020) observes that dynamic nature of informal institutions can make recruiting participants difficult due to its link to individual tendencies. As such, gaining access was time consuming, of the people that was first approached by the researcher presented challenges in terms of access with some level of reluctance to engage on sensitive issues around family ties or social network which underpinned the issues of informal, institutional structures. Gaining access is crucial to build trust and ensures the entrepreneurs are willing to discuss deeply such embedded issues as family connections, religious biases and perception of others. Gaining access was made by first initially contacting some registered entrepreneurs on the SMEDAN website but it became difficult with no adequate response and engagement from the contacted entrepreneurs. The researcher

therefore decided to negotiate access through the SMEDAN officials as it might facilitate ease around state institutions referrals. The researcher was introduced to the SMEDAN Zonal office in Lagos to facilitate introduction and easier access to the entrepreneurs. However, these strategies do not guarantee successful access due to entrepreneur's busy schedules and the lack of reference for state institutions like SMEDAN. The researcher then maintained access by visiting introduced entrepreneurs detailing the purpose of the study and how data collected is to be used.

Managing this difficulty requires a bit of design flexibility, allowing for a mix of sampling strategy (Ellard-Gray, Jeffrey, Choubak, & Crann, 2015). The researcher therefore decided to negotiate the sampling challenge through an iteration of purposive sampling and snowballing approach which allows for selectively focusing on the relevant and knowledgeable actors who can provide introductions to other entrepreneurs. This approach allows for the participant to introduce the researcher to their colleague within the affiliated group – NASSI Lagos and NASME Lagos, prominent trade association in Nigeria. Negotiating access through their colleagues' referrals allowed the researcher to bridge the gap to overcome issues associated with gaining access.

The intention is to focus on participants who are more willing to grant access and reveal personal experience on the research phenomenon (Weligodapola & Darabi, 2018). When the participants fit into the research and agrees to participate, the researcher therefore requested for the participants to document access by completing the consent form. Issues of the anonymity was discussed with the participants was discussed as seen as a vitally important subject given the sensitive nature of the informal institutions. The defining characteristics of the selected participants included entrepreneurs who are the sole decision makers in their firm. This ensures consistency as well meeting credibility criteria by ensuring that the responses received aligns with the focus of this study to not just

understand the developed responses to the informal institutions but as well understand the inherent individual factors that enables the strategies developed. Also, the researcher ensured that the entrepreneurs that are included have founded and continue to manage the organisation with the permanent number of employees below fifty. It is at this stage that the entrepreneurs will engage more with the informal institutions as a makeshift to the formal institutions within the market most especially in developing countries where formal institutional voids are rife (Webb et al, 2019; Sutter et al 2013). Entrepreneurs rely on the informal institutions at their earlier stages because it provides opportunity to overcome the presenting challenge with formal institutions at such stage when the resources are most likely limited (Sydow et al., 2020). Also, the selected participants all have continuous operation of the business within the research context over an extensive period of time to provide a deeper insight and understanding of the phenomenon under investigation (Mair et al., 2012; Weligodapola & Darabi, 2018). Participation is completely voluntary, and a consent sheet is presented to the participants who have indicated interest to participate.

In qualitative research, there has been no consensus on the required sample size, different scholars have presented countervailing perspectives. For example, Creswell (1980) argues that a range from five to twenty-five is enough to infer meaning while Guest et al (2006) argues that a sample of six is enough in a homogenous population. Recently, Saunders & Townsend (2016) argue that a range of four to twelve participants in a relatively related group is suitable while about twelve to thirty in heterogeneous group. Whilst there is no consensus on the sample size, there appears to be broader acceptance that researcher should consider research purpose and variety of practical issues in making sampling size decisions. As such, number was not considered upfront in this research but on the contrary the focus is on providing in depth understanding of the phenomenon under study. The focus is to obtain relevant insights to inform theoretical build

up. As such, I was careful not to make assumptions about the participants number but rather allowed the outcome of the data analysis to guide me. In planning the thesis, I was open to recruit participants until the theoretical saturation is achieved.

In sum, this thesis made sampling considerations based on the relative quality of the participants, understanding of the phenomenon and practical considerations confronting the researcher (Alvesson & Ashcraft, 2012; Saunders & Townsend, 2018). In total, 21 interviews have been completed while maintaining a balance between representativeness and drive towards obtaining sufficient information from the participants. The sample provides a cross-section of business across manufacturing, agricultural value chain and service indicating a broader range to the perspectives around issues of informal institutional voids and the potential strategies to deal with it. The table below presents the profiles of the participants:

Table 4.2 Profile of Participants

	Anonymised Company Name	Sector	Number of employees	Year Established	Gender	Interview Date	Location
1	E1	Agriculture Processing	19	2011	M	03/05/2023	Ibadan
2	E2	Service	22	2020	M	24/04/2023	Lagos
3	E3	Manufacturing	14	2023	M	18/08/2023	Lagos
4	E4	Manufacturing	18	2021	F	14/08/2023	Lagos

5	E5	Manufacturing	46	2011	M	6/09/2023	Aatan Industrial area, Sango
6	E6	Manufacturing	7	2016	M	21/08/2023	Ibadan
7	E7	Manufacturing	10	2020	M	24/04/2023	Lagos
8	E8	Service	8	2017	M	24/04/2023	Idimu, Lagos
9	E9	Agricultural Processing	13	2019	M	10/08/2023	Lagos
10	E10	Manufacturing	18	2019	F	04/05/2023	Ibadan
11	E11	Manufacturing	32	2018	M	22/08/2023	Ibadan
12	E12	Manufacturing	16	2022	F	06/05/2023	Lagos
13	E13	Manufacturing	16	2018	M	07/09/2023	Egbeda, Lagos
14	E14	Agricultural Processing	16	2015	F	22/08/2023	TIC Ibadan
15	E15	Agricultural processing	8	2019	F	11/08/2023	Ogba, Lagos
16	E16	Manufacturing Service	6	2019	M	10/08/2023	Lagos
17	E17	Manufacturing	16	2013	F	25/04/2023	Lagos

18	E18	Manufacturing	6	2021	M	25/04/2023	TIC Lagos
19	E19	Manufacturing	30	2014	M	05/09/2023	Sango, Ogun State
20	E20	Manufacturing/service	12		F	23/08/2023	Lagos
21	E21	Manufacturing	19	2019	M	23/08/2023	Lagos

Table 4.3 Demographic Summary of Participants

Interview Counts	
Number of interviews	21
Number of Participants	21
Firms and Founders Demographics	
Average entrepreneur age	41.6
Average firm age (Standard deviation)	7.25 years (3.5 years)
Average number of employees	16.5 (9.5)
Gender Distribution	
Male	14
Female	7
Firm Sector	
Agricultural processing	4
Service	4
Manufacturing	13
Location	
Lagos	14
Ibadan	5

Ogun (Sango Axis)	2
Tribe distribution	
Yoruba	13
Hausa	1
Igbo	3
Other tribes	4
Religion Distribution	
Christianity	12
Muslim	7
Non practicing	2

The above sample is in line with the purposive sampling criteria who agreed to participate in the study. Similarly, in line with the neo-empiricist assumption, the samples have been selected on the basis that they represented the context who can provide the required information having met the key eligibility criteria.

4.5.2 Data collection

There are different types of data collection techniques available in qualitative research, such as interviews, observation, focus groups, and ethnography (Blaikie, 2000; Denzin, 2008). Interview have been used as the key method for data gathering in this study. First, interview is considered a reliable gateways to access what goes on in the organisation as well as stories behind decisions made within an organisation (Alvesson & Ashcraft, 2012), which aligns with the focus of this study. Similarly, considering neo-empiricist approach emphasis on the focus on subjectivity of the actors in understanding of the social phenomenon, interview is seen as an appropriate tool to amplify the thoughts of the participants allowing for the recount of their perspectives as well as deeply feeling about the phenomenon under investigation (Alvesson, 2003).

My focus is to access the entrepreneur's subjectivity and present meaningful interpretation to how they make sense of their reality regarding informal institutional voids. Interviews allow the participants to express their perception of the informal institutional voids through recollection of events and how they have managed the fall-out encountered. Interviews allow me to capture the perspectives of the actors from what are the inhibiting challenges they face from their entrepreneurial activities when engaging with the informal institutions. Specifically, interviews allow for a fluid conversation with the participants to reflect on their everyday practices while drawing out the core research phenomenon through a level of access to their everyday situations. Interview also allow for the freedom of expression for the participants, enabling the individual participants to give their rich insights of the phenomenon under study in a bid to reveal the reality of the world out there without constraining by the researcher (Silverman, 2017).

Similarly, interview is seen as the most suitable for a qualitative study because it allows the researcher to draw out the subject specific conception of a phenomenon and explore in depth the views of the participants, speaking in their own voice through their own understanding and feelings (Manzano, 2016). This is very valuable to this study because it will allow the entrepreneurs to explain their own definition of informal institutional voids beyond the conceptual modelling and how it has impacted or affected them during the entrepreneurship process. Manzano (2016) goes further to explain that while the researcher could be seen as having a good knowledge of the research phenomenon, the role of the researcher is to draw on the expert knowledge of the respondent in a twill cycle by taking care to avoid displaying insider knowledge such that deeper meaning of the phenomenon under study are rather brought to bear.

Although, there has been some bias whether it is possible to properly draw out participants' understanding of a phenomenon in a fluid conversation over a

limited period of time, Weligodapola & Darabi (2018) argues that gaining trust of the selected participants make the participants feel much more comfortable to reveal deeper insights about the research phenomenon. By gaining trust of the participants, the researcher would be able to penetrate the ‘innermost essence’ of the participant (Clarke, 2009). In my case, I was able to gain the trust of the participants through introduction by the colleague as well as my transparency of the purpose the research and the use of the data. The entrepreneurs interviewed were individuals with whom I had been introduced to by their colleagues bridging the issue of trust even when I had limited prior encounters with them to prevent any issue of preconception of judgement, interviews were mostly our first extended interactions. The development of trust provides the necessary impetus to gain access into the participants reality (Omeihe et al., 2023).

The nature of the informal institutions sometimes makes it difficult to define any complexities and its inhibitive constraints from external perspectives (Webb et al., 2019), I was particularly careful to avoid questions that could lead to ambiguity and misunderstanding of the phenomenon. For example, participants were asked to reflect whether there are challenges in belonging to trade associations? Additionally, probes were also introduced such as are their instances belonging to trade association does not meet your expectations. This process helps the researcher to avoid ambiguous conceptualisation as well as enable the participants to comprehend the research phenomenon. I entered with the intention of understanding the perceptions of the entrepreneurs, it is important that I create an environment that allows for the participant to trust me enough to allow me access into their world view. There was a great deal of flexibility, entrepreneurs were given the authority to take the lead in scheduling the interview. During the interview, I followed Kvale (1996) suggestion to maintain a fluid structure, allowing the participants to recount their experience without interruptions. This situation allows me to gain in depth information of the

phenomenon of informal institutions and entrepreneurship from the participants. Although, this sometimes lengthened the interview, it allowed for the recollection of their feelings and experience regarding informal institutions. As such, the interview protocol was used in this study to ensure a level of consistency in cases with multiple participants as well as a guide to the researcher to explore what needs to be explained and keep the discussion on track (Patton, 2002). I used interview protocol as a basic checklist of core themes relevant to the research question.

Another significant consideration in interview is the power dynamic and positionality of the researcher (Baker & Edwards, 2017). This is important as interviews are viewed as iterative interactional occurrence between the researcher and participants and have the potential to be shaped by the researchers position either as an outsider or an insider. In my case, I adopted a conversational approach where participants have freedom to direct the event with openness. The focus is to develop interaction in line with the neo-empiricist assumptions, giving prominence to the research participants to share their views. This is particularly important to maintain balance in obtaining the narrative account of the individual actors in relation to the phenomenon of informal institutional voids as well as decisions about strategy to overcome its inhibition with imposition by the researcher. I started the interview by providing a level playing ground introducing myself as a student in search of knowledge. This process empowers the participants and shifts the power dynamics and control from me to the participants. Although, in some cases, I noticed that power dynamics is difficult to navigate, specifically with the location of my university and general common belief that only privileged class study abroad and the perceptions that I might be able to offer some form of help. This was managed through reassurance from my local guide and explanation of the research aim, indicating my status as a student in need. For instance, one of the participants made a comment to my guide asking if I do speak Yoruba and understand what the country, Nigeria is going through.

To the participant, studying in a foreign university, would mean I am completely detached from the realities of the Nigerians and privilege me with a social status. However, in order to obtain deep insights and meaningful contribution from the participants, it is important to bridge the gap through emphasis with the participants of my intention to learn from them and understand their day to day reality while ensuring that my role is not to provide advice but gain access into the participants' feelings of the research phenomenon (Patton, 2002).

I approached the interview with open mind and willingness to learn. I ensured to speak in local language to my participants in the cases where we both speak the same local language. I was courteous throughout my stay in Nigeria. The relationship does not extend beyond the interview as interviews took place at their workplace. The participants were allowed to express their reality in their own words, how it has been experienced. The researcher ensured to use persistent probe to further reinforce participant's view and ensure detailed recollection of events helpful to the dialogue. I approached the participants greeting in a customary way which provides ease and relational bond needed to soften the perception and ease myself into the context. This helps a lot in subsequent interviews as participants are seen offering words of encouragement and admonition after the interview session. At one time, after finishing with a participant, he introduced me to his guest waiting as his 'boy studying abroad' while another participant also introduced me to other participants as a 'friend in need of help with research'. On another occasion, I was also referred to as 'Alakowe' meaning a writer in literal transcription, but a popular term used to describe students in a convivial mode. In ensuring the commitment to philosophical approach, the rapport necessarily does not go beyond the interview period (Johnson et al., 2006a).

Developing rapport with the participants is necessary to allow access and build trust, it is also challenging, and researcher is expected to provide reflective audit of their accounts. In my case, I consistently maintain a reflective process

throughout the interview period, ensuring that I remained focused to the themes of the research while anticipating any related cues relative to the participants (Gioia et al 2013). After the interview session, I provided a reflection by asking myself questions on what went on during the interview and how that fit into my philosophical assumptions. This is very necessary to make sure that I am accessing the required level of information to make informed interpretation of the participants' view as well as avenue to offer relevant development in the research process.

In consideration of neo-empiricist perspectives which emphasise a degree of consistency in interview management (Johnson et al., 2006a). Interview protocol was developed as a basic checklist tool to set the premise of the interview and as well as informing the conceptualisation of the constructs of informal institutional voids among the participants (Robinson, 2014). The protocol contained a set of core questions related to the conceptual themes in the research. Informal institutions have been reduced underlying units such as family, religion, trade associations. Institutional voids have been defined as '*challenges*' and relational phrase such as '*not meeting expectations*'. The participants were allowed to freely express themselves without any restrictions from the researcher, and to understand the concept of informal institutional voids through their own definition of the situation. However, the use of the protocol is to allow for the management of the interview, to ensure that the researcher have asked all required themes to be explored. For instance, the protocol was developed to draw narratives on the specific constraints and how the developed mechanism to overcome them. For example, questions like 'can you describe the functions/role of your trade association in your business?'; 'can you think of scenario where belonging to a trade association does not meet your expectations?'; 'could you think of any actions/scenario from religion that causes problem to your business?'; 'can you think of examples/events where religion caused problem to you in your business?' 'Can you think of challenges in working closely with or

employed family members? ‘How do you resolve the challenges of working closely with family members?’

The interview process for this study was carried out in two phases. The phase one was conducted between April and May 2023. At this stage, eleven interview was conducted. The phase two was inspired by the potential difficulty in the conceptualisation of informal institutional voids. The phase two was conducted between August to September 2023. During the phase two, I had an opportunity to revise my interview questions and develop more prompts which gave me more opportunity to properly assess the actors core understanding of the research phenomenon and gain proper view of their perception on the research phenomenon. This practice aligns with the suggestion of Gioia et al (2013) that empower researcher to manage data collection process as a continuous action until the end of the research cycle. In total, 21 interview were conducted in the data collection exercise between April and September 2023. Given that the consideration in this thesis is not to generalise to the context but to maximise the interview to obtain relative insights required to achieve theoretical development (Saunders & Townsend, 2016). The focus is to achieve theoretical saturation, which in inductive grounded theory is considered the development of theory (Guest et al. 2006). In this thesis, theoretical saturation was reached when there were evidence of recurrence of commonly developed idea and saliency of views in the analysis.

4.5.3 Data Transcription and Management Process

The interview was recorded and then transcribed verbatim to accurately capture participants’ view and ensure proper familiarisation with the data. This process allows the researcher to immerse themselves into the data with a view of accessing the reality of the participants (Clark & Johnson, 2006).

The process of transcription helps the researcher to gain closer familiarity with the data content. It involves listening to recorded interview audio and typing up transcripts in verbatims. This process was time consuming over several days, requiring repeated listening, pausing and rewinding of recorded audio. Initially, the researcher had considered using transcription software like MS transcript but abandoned it due to difficulties in managing accents and language processing of the participants which the software struggled to handle. In the end, a traditional transcription method was used. Although slow, this process helped the researcher to get better understanding of the data. During the interview transcription, some participants narrated their experience in a mix of English and other local languages such as Yoruba and Igbo. This posed a challenge in ensuring their views were properly preserved. The researcher managed this by carefully translating the code mixture into meaningful terms, considering the entire discussion context. Careful attention was paid to the translation process, using coherent and interrelated vocabularies to ensure meaning has been preserved.

In some cases, the construction of languages, such as the use of sarcasm made translation difficult. Literal translation often resulted in isolated meanings and at times it was challenging to find closely related terms in English conveying similar meaning. The researcher is more concerned with meaningful coherence and as such the researcher seek the conceptual equivalence approach in the research data translation process (Laaksonen, 2021). The core essence of conceptual equivalence approach is to convey identical meaning between the local language and English, ensuring the translated meanings align with the local realities and accurately reflect the participants views (Temple & Edwards, 2002). This is not seen problematic, as I am confident in my understanding of the Yoruba language. My previous experience and knowledge of the local context help shape meaning equivalence in the interview. However, in cases where the local language is differed, such as with the Igbo participants, I was assisted by a colleague, also a

doctoral student who is in Igbo and understood the local relational construct to provide related constructs in English.

Childlow et al (2017) suggested that there are two main approaches to translation in research – foreignization and domestication. The domestication approach seeks to presents the text at variance to the target language where in any potential foreign element is expunged and made to the understanding and familiarisation of the target language speakers (Venuti, 2017). In this case, the translation seeks the reduction of any consideration for contextual relevance from the source language and only brings to bear the considerations in the target language (Chidlow, Plakoyiannaki, & Welch, 2014). On the other hand, the foreignization approach is not particularly about finding similarities but preserving the voice of the informants by retaining and preserving culturally specific references in considerations for meaning (Chidlow et al., 2014). The foreignization approach aims to reproduce as close to the original copy without erasing the underlying views in the source language (Venuti, 2017). This approach means that words are not loosely translated but parallel convergence is mostly considered. In deciding how translation would be approached after consideration of my philosophical commitment. I decided to incorporate Venuti’s foreignization approach as it allows me to coalesce meaning between the source and target language (Chidlow et al., 2014).

The interviews were transcribed with the translated words then inputted in bracket to further provide avenues to revisit the words repeatedly. In some cases where it becomes difficult to find equivalent to the words in English, the researcher draws on neutral word to fit into the meaning after taking into consideration the whole context of usage. The use of a neutral words is akin to the substitution strategy (Pocke, 2012) where similar phrases could be used to maintain contextual meaning. Some of the translated words and adopted approaches were presented below.

Table 4.4 Sample of Translated Words and Underlying Meanings

Infused local language/phrase	Literal translation	Contextual meaning
Ajo	Thrift	Pooled contributions – where the community of people pooled monetary contributions that are given to a different member every cycle
Shege	Illegitimate	Used to refer to unacceptable or stressful situations
Make them run everything over you	The act of running something over someone	It is a street language used to imply cheating or taking advantage of someone
Man know man	A person knows another person	To portray a situation of favouritism, nepotism, or cronyism where patronage is based on people that you know
Tiwa n tiwa	Ours is ours	Used to refer to awareness and respect of the level of togetherness, closeness, or intimacy
Rub palm	To rub someone's palm	Often used as a slang for bribery or inducement gesture made to get someone to act in your favour
Back channel	Happen at the back	Used to imply an act out of formal process or not

		following the required due process. Illegal act
Alakowe	The person who writes	To imply a learned, student or a literate person

Author's compilation

The examples selected above shows how it could be difficult to simply achieve linguistic equivalence without contextual consideration. Although, some of the translations were in English, they portray multiple meanings. Translating culturally significant words that are polysemous could be susceptible meaning loss due to the subjective perception of the translator (Chidlow et al., 2014).

Considering the neo-empiricism commitment to retain participants view, I followed Temple & Edwards (2002) advice for a cross reference of the language which include explicit discussions of the assigned meanings. I asked for the meanings from another speaker of the language with understanding of the local realities to cross referenced with meanings I had earlier provided and then comparisons were made. While there were some differences in meanings with some word such as 'back channel', I found the meaning to decode the same thing. This does not present any challenge given that the key focus is to understand the meaning inherent to the participant's narration. Throughout the process of transcription, the researcher continues to engage with the data through a detailed reading, re-reading and familiarisation of the interview transcript leading to the analytical process.

4.6 Data Analysis Approach

Consistent with the neo-empiricism approach, the study's analytical method should demonstrate interpretive rigour, providing an auditable trail that shows how meanings are constructed into theoretical development. As such, Gioia Methodology was found to be suitable this study. The GM, a qualitative analytical approach, balances rigorous standards and trustworthiness in data analysis, ensuring a balance between the known and the researcher in its inductive process (Magnani & Gioia, 2023). Qualitative research analysis can be complex due to its reliance on large data constructs. The researcher is expected to navigate through data to develop to provide any meaningful construct (Bryman, 2007), impacting on the authenticity of the findings (Corley & Hamilton, 2013). Therefore, researchers have argued for the adopting a rigorous analytical approach with a well-documented audit trail. GM employs an evidence based systematic approach as the researcher moves from analytic codes to developing theoretical aggregates, providing assurance that there is relationship between the participant's narration of their reality and the researchers conceptualisation and presentation of the same. GM is not only demonstrative rigor but focus on generating theoretical constructs about a social reality the participant's perspective the phenomenon (Magnani & Gioia, 2023).

There are different analytical procedures that is relevant within the qualitative studies such as general inductive approach (Thomas, 2006) and thematic analysis (Braun & Clarke, 2006). However, a main weakness is that researchers often struggle to demonstrate transparency in construct development which can sometimes lead to imposing (Harley & Cornelissen, 2022). With qualitative researchers often critiqued for the authenticity of their findings and face constant criticism regarding the management of their own subjectivity in the analytical process (Reay et al 2019), GM provides a recipe helping to bridge methodological challenge from empirical observation to theoretical claims (Gioia, 2021),

increasing the transparency in how you know what you claim to know about social reality. When the analysis begins with a narration and depiction of a social phenomenon from the participants understanding of their reality, it not only empowers the participants but also enhances the quality criteria of the research, giving the researcher's interpretation of the participants reality more authenticity because people can see where it comes from. Through a systematically derived data structure that accounts for balanced interaction between the participant (first order code) and researcher (second order aggregates), the level of theoretical insights experientially portray the participants experience in their terms.

The approach involves developing data analysis through three stages. The first stage is creation of analytical codes and categories where the first order code portrays the informant's terms and then second order code developed by assembling the first order code into categories and subsequently aggregate themes. The induction process is guided through the lens of the participants and aggregated to the number of relevant categories by the researchers from the understanding of the experience of the participants. The description of the social reality as it is seen by the participant provide compelling evidence necessary to demonstrate the researcher's commitment to participant's subjectivity. This process is similar to the open and axial coding of the Straus & Corbin's (1998) as well as the stage of 2 and 3 of Thomas general inductive approach. Here, the researcher is focused on the linkages between the data structure to arrive at aggregate dimensions to summarise the key elements. The idea of sensemaking of the intersubjectivity of the participants starts here. This stage shows the emergent of key concepts about the phenomenon. The second stage is to develop the data structure or grounded theoretical model by showing the relationship between all the aggregates. The third stage is the presentation of findings. This stage is where the researcher brings compelling evidence drawn from the data

structure to drive home the points about the phenomenon of interest akin the general discussion in most qualitative approaches.

Taking this approach allows the researcher to generate key understanding of the responses to the informal institutional voids from the frequent patterns inherent in the data. Researchers are required to reduce the data into categories to have great insight into the phenomenon, in this case, the issues of informal institutional voids and the strategic responses of the entrepreneurs to the informal institutional voids (Darabi, Saunders, & Clark, 2020). The task for me as the researcher is to capture the process of interpretation of a situation as it is constructed by the participants (Maykut & Morehouse, 2002). As Maykut & Morehouse (2002 p 18) observes, ‘words are the way that most people come to understand their situation. We create our world with words. We explain ourselves with words. We defend and hide ourselves with words. The task of a qualitative researcher is to find patterns within those words (and actions) and to present those patterns for others to inspect’. Thus, the role of a researcher in qualitative research peaks with data analysis and presentations while ensuring credibility of the research. The researcher begins with an observable area of study and allows the theory to emerge from the data. This approach is suitable for neo-empiricist approach with a commitment to a systematic audit trail (Kesseba et al., 2018), that ensures that the process were both transparent and defensible (Darabi & Clark, 2013).

Despite its strength, GM has been repeatedly criticised as a template for being too naturalistic with complex impression of rigour. For instance, Mees-buss et al (2022) argues that GM downplays rigour by implicitly implying that rigour is achieved through analytical procedure that maintains separation in the role of researcher from data to theory. The argument assumes that theorising starts rather from having a specific research question which enables the researcher to identify patterns into a dynamic model. Similarly, Langley & Abdallah (2015) argues that interpretation is restricted when procedural rigour is emphasised over interpretive

rigour, where the researcher focusses on procedural rigour rather than the interpretation. However, Reinhardt et al (2018) contends that interpretive rigour actually emerges from the transparent display of the researchers reasoning from data to theory. Ensuring procedural rigour helps the researcher in inferring interpretive reasoning through a process of ‘sense giving’ (Harley & Cornelissen, 2022; Pratt, Sonenshein, & Feldman, 2022). Additionally, a systematic analysis ensures credible interpretation of the participant’s perception of reality from bottom up through iteration. The researcher takes a conscious engagement with the data to infer meaning and make sense of the participant’s view in through their own description. In this study, the researcher got Familiarised with the data from the interview, interview was then transcribed by the researcher further giving accessibility to the views of the participants.

Whilst, Gioia cautions against arbitrary usage of the template, it is more in line to the neo-empiricism assumption where research findings is generated through an inductive reduction, staying closely to the participants in describing the reality (Johnson, Buehring, Cassell, & Symon, 2006b). Magnani & Gioia (2023) argues that GM ‘*permits a way of showing evidence in support of any conclusion which researchers might draw (and therefore, convincingly shows data to theory connections)*’. This angle of GM is pivotal in highlighting procedural rigour required. It is important that researchers ensure coherence in choice of analytical approach and philosophical underpinnings (Patton, 2012). GM analytical approach offers a clear and detailed procedure in data reduction process and theoretical generation that is consistent with neo-empiricism. Organising data into first order, second order and further distilling into aggregate dimensions enhance transparency and qualitative rigour (Gioia et al., 2013). Neo-empiricism contends that theoretical development must be traceable to the participants’ account of the phenomenon under study with a clear documentation to promote transparency. The next chapter discusses in detail each stage in the analytical approach.

4.7 Reflexivity on Researchers Positionality

The argument around qualitative research requires that qualitative researchers to be transparent and explicitly recognise the power dynamics between the researcher and their participants and how their influence might have influenced the research. Several studies have emphasized the influence of researcher's fluid positionality on their research (Adu-Ampong & Adams, 2020; Yip, 2024). Positionality is described as the researcher's worldview and standpoint when conducting research (Crowe, Inder, & Porter, 2015). It also reflects the researcher's stand relation to their research participants (Savin-Baden & Major, 2010). Berger (2015) indicate that researcher's positionality has an influence on the research and as such, researchers need to focus on self on self-acknowledgement to carefully monitor their impact on their research. Specifically, researchers need to reflectively think about and conduct critical evaluation on how the research finding is produced (Creswell & Poth, 2016). Macbeth (2001 p 35) defines reflexivity as a '*deconstructive exercise for locating the intersection of author, other, text, and the world, and for penetrating the representational*'. This calls for researcher to be introspective by questioning their personal characteristics, positionality and the basis of their interpretation especially when the research is conducted in the researcher's home (Adu-Ampong & Adams, 2020).

Researcher's positionality has always been recognised as either outsider or insider positionality. However, scholars have argued that the binary outsider/insider positionality is rather too simplistic and instead should be seen a continuum in which researcher takes on different position depending on their situation (Yip, 2024). In this study, I assumed both insider and outsider positionality. As an insider, I was born and raised in Nigeria until I left for the United Kingdom to pursue my postgraduate program in 2017. This means that I was familiar with social-cultural conditions and contextual issues in Nigeria. As such, I had assumed that my familiarisation will enable easy access in the context,

therefore I did not envisage the challenges that gradually became apparent. Initially, I did not anticipate encountering difficulties in recruiting the research's participants giving my previous experience as a banker who has been privileged to provide services to the entrepreneur, I had assumed that the recruitment process would be straightforward. However, this was not the case. The recruitment process proved to be challenging than expected as many entrepreneurs have different perceptions. According to Berger (2015), the researcher's insider position places them in a unique position when they do choose to conduct research in their context. On the contrary, my insider position could not facilitate the easy access. Many of the participants I approached are sceptical as to whether I was a spy for government most especially when I mention the issue relating to informal institutions. This led to many of the potential participants pushing back. As against the perception that the insider positionality is an advantage to enable easy access and familiarity with the participants, I contend that the insider knowledge is not enough and thus require further elucidation.

On the contrary, my insider positionality enables familiarity with participants' description of issues which allows deep understanding and interpretation of the participant's view. However, this comes with its own challenge most especially for neo-empiricism where it is required that researcher maintain a position of separation between the researcher and the research participants in order to limit imposition of self in the research findings. Johnson & Duberley (2003) admonished the researcher to deeply engage in interpretative awareness while scrutinizing their findings. Similarly, Blaikie (2009) encourages the researcher to adopt a learner's stance by suspending any preconceived notion and actively seek to understand the participant's experience. Instead of being carried away in my own preconceived notion of what the issue of informal institutions is, I adopted an outsider position to take cognizance of descriptions of the views I had interpreted. In practice, it was complex to adopt an outsider position as participants expect that I should be familiar with some of the issues I was asking.

However, my focus is to understand the phenomenon from their perspectives which necessitates that the participants are at the heart of interpretation while I elicit meaning from their views. In adopting the iterative analytical approach also aid my positionality wherein I moved from first code to aggregate dimension. This help enhanced my objectivity in this study.

4.8 Ethical and Quality Considerations

One of the common arguments against qualitative research is the level of rigour of the research output (Corlett & Mavin, 2018; Langley & Abdallah, 2015; Pratt et al., 2022) and whether the interpretations ascribed by the researcher is credible and trustworthy owing to the variability of qualitative management approaches (Schwandt, Lincoln, & Guba, 2007). The commitment to understand meanings ascribed to the human actions have a significant influence on how the research is approached and invariably the representation of social reality (Johnson et al., 2006b). Another consideration is the aspect of interpretations researchers ascribe to the participant's realities. According to Alvesson & Skoldberg (2009), the involvement of the researcher in knowledge production are results of interpretations. It is against this backdrop that qualitative scholars highlight different sets of evaluative criteria and best practices that could enhance rigour and trustworthiness of qualitative research. I ensured the quality of this study based on Lincoln & Guba four quality criteria to trustworthiness in qualitative study namely – credibility (parallel to internal validity), transferability (parallel to external validity), dependability (parallel to reliability), confirmability (parallel to objectivity) (Guba & Lincoln, 1994; Schwandt et al., 2007). This framework is aimed at enhancing what is true to the reader.

Credibility seeks to ensure that the study has achieved what it sets out to do. As such, the researcher is concerned with providing assurances that there is a relationship between the respondent's narration and the researcher's presentation

of the same. In this study, credibility is achieved by ensuring that methodological procedure employed is fit for purpose to access the views of the participants on the phenomenon of interest. The study adopted neo empiricism which provided the researcher approach to amplify the voice and subjectivity of the entrepreneurs. They are those who lived the reality and involved in dealing with informal institutional voids, developed varying strategies to overcome the voids. As such, I provided the entrepreneurs the opportunity to speak and express their lived experience in a flexible approach. I also ensured the views of the participants are paramount and properly captured through the use of critical incident questioning to seek clarification of the participants narration. Additionally, I often reconstruct the narration of the participants to elicit and gain consensus on the narration offered by the participants. The interview was conducted in two phases which allowed the researcher to seek further improvement on the interview protocol to ensure the phenomenon of interest has been captured (Shenton, 2004). In addition, the use of GM helps in ensuring that the interpretation aligns to the views of the participants. The first order codes were participants led, the basis upon which other interpretation ensured (Gioia et al 2013). I also ensured credibility through persistent and in-depth pursuit of theoretical analysis based on engagement with the data through constant familiarisation (Lincoln & Guba, 1986), leading to a process of participants debriefing after the research is completed. This way, the focus is given to the participants in the theoretical development and description of the phenomenon under study. In this study, I plan to hold a briefing workshop with my participants after the research has been concluded. Transferability addresses the issue of generalisation, the extent to which the findings is applied to a wider population (Schwandt et al., 2007). The issue of generalisation is often rejected in qualitative studies as it is specific to a small sample size. Although, each case may present a unique situation, analytic generalisation is possible (Johnson et al., 2006b). Researcher should ensure a rich description of the cases to allow the reader to determine the possibility of

transferability of theoretical development in another setting (Lincoln & Guba, 1986). This study does not aim to promote population generalisation as the researcher does not aim towards generalising to population as it is the case in quantitative research, the focus is to ensure that there is a deeper understanding of cases involved in the study to invoke theoretical meaning. Dependability is concerned with the issue of reliability, ensuring that there is audit trail in provided to explain assumptions made in the research process. Although, there is a close tie in the demonstration of credibility and dependability (Shenton, 2004). The researcher should focus on the research design and its implementation by providing details of data gathering (Lincoln & Guba, 1986). This is important to the neo-empiricist approach, and I have ensured transparency in data management, interviews were recorded and transcribed to ensure consistency in the description of the participant's view, analysis were checked for verification by the supervisory teams. In addition, Nvivo has been used to aid in data management. These practices demonstrate applicable chain of evidence to enhance theoretical claims. Confirmability is associated to objectivity (Patton, Michael Quinn, 2002). The researcher here is to ensure that the findings is a representation of the ideas and views of the participants by ensuring close representation of the participants view where findings are not imagination of the of the researchers. The adoption of GM in this study allows any observer to determine how the theoretical constructs emerge from the data with a step-by-step procedure (Shenton, 2004). In addition, there is consistent level of reflexivity by the researcher during the research process to ensure that I continue to be consistent with my underlying philosophical assumptions (Johnson et al., 2006b). Consistent questioning of my positionality enhances me to objectively observed others social reality from a third-party point of view privileging their reality (Cunliffe, 2003). Overall, reflecting on my positionality issues provides avenue to enhance the rigour in this study.

4.9 Summary

This chapter have provided a detailed discussion of the methodological assumption made in conducting this research. In exploring the informal institution phenomenon, it is incumbent on the researcher to utilise relevant methodology that can help answer the overarching question, thus providing the foregrounding argument to justify key methodological assumption made. This thesis takes on a qualitative approach. The chapter began with methodological overview of the relevant study in this study to provide a context and further argue for methodological shift. The insight is that qualitative researchers are required to be deepen methodology rigour while committing to enhance trustworthiness of their research. This overarching view provided the underlying rationale and justification for the adopting neo-empiricism – a qualitative paradigm committed to accessing intersubjectivity of the participant in a systematic approach. Further, the chapter discussed the decision for the adoption of semi-structured interview as a relevant approach for data collection. Additionally, the chapter provided justification for the sampling and analytical approach. Gioia inductive approach has been selected to protect the participant voice in theoretical construction and enhance analytical rigour in a systematic sense. Finally, there was reflexivity on researcher's positionality and its impact on enhancing qualitative rigour.

In sum, the research adopts neo-empiricism and Gioia analytical approach to enhance analytical rigour while protecting participants voice in theoretical development.

Chapter 5: Data Analysis Procedure and Findings

5.1 Introduction

The preceding chapter discussed the rationale for the chosen methodology in this study. The argument is that researchers should conduct qualitative research with procedural rigour to enhance the credibility and strengthen the quality of study's theoretical development. This chapter explains the procedural rigour embedded in the analytical approach that led into the findings of this study. It details the procedural steps for qualitative data reduction that led into the developments of categories and the emergence of themes. Given that qualitative research is concerned with procedures on transforming collected data into meaningful parts for explanation and interpretation to generate insights into social phenomenon, Gioia methodology has been adopted as analytical approach in this study to enhance the procedural rigour and increase transparency of our findings (Pratt et al., 2022; Magnani & Gioia, 2023). GM involves a systematic approach to data analysis through iterative stages to describe the participants understanding of their innate experience. The researcher begins with reading of the interview transcript leading to the creation of analytical codes as first order codes, then assembled the first order codes into categories, subsequently leading to the development of aggregate themes and theoretical model depicting rigour through a detailed explanation and presentation of the research's findings.

The purpose of this study is to explore the informal institutional voids, and the emerging strategies developed by the entrepreneurs to overcome and navigate its inhibiting constraints from the perception of entrepreneurs in Nigeria. The following research question has been developed from the review of the literature and conceptual framework; the process earlier discussed in previous chapter:

- How does the informal institutions influence entrepreneurial process specifically to create institutional voids?

- What are the strategies developed by the entrepreneurs to overcome and manage these challenges?
- Are there any individual level factors that shaped the strategies developed?

The overall aim is to develop a clear understanding of the entrepreneurial strategy within the context of informal institutions. In achieving this aim, the researcher followed Gioia systematic procedure to reduce the mass raw data through coding and categorisation. This method adheres to the participants narration of events, maintaining a clear link to the research objectives whilst ensuring transparency and authenticity.

5.2 Data Analysis Procedure

Silverman (2000) argues that data analysis in qualitative research begins with transcription. Transcription, the written record of the participant's view, is widely accepted as an integral part of demonstrating rigour and quality data analytical procedure. This is because it requires the researcher to not only write down the participant's view in words but also engage in theoretical reflection leading to a better understanding of participant's experience and their meanings (Point & Baruch, 2023). The process of transcription helps the researcher to gain closer familiarity with the data content by listening to recorded interview audio to type up transcripts in verbatims. This process was time consuming over several days, requiring repeated listening, pausing and rewinding of recorded audio. Initially, the researcher had considered using transcription software like MS transcript but abandoned it due to difficulties in the software managing participants accents and language processing of the participants which the software struggled to handle. In the end, a traditional transcription method was used. Although slow, this process is helpful to be closer to the data and aid in getting better understanding of the data (Thomas, 2006).

Once the researcher is done with the transcription process, the researcher began data analytical management procedure. There are two choices available to the researcher in managing the interview transcripts for data analysis – traditional manual method or computer assisted software such as NVivo. For this study, the traditional manual method was not considered due to large volume of interview data involved and the need to ensure procedural trail needed for the selected analytical process (Saldana & Omasta, 2016). Consequently, Nvivo is used in this study to aid managing the large volume of data in the analytical process and not serving as a method of analysis (Robins & Eisen, 2017; Saldana & Omasta, 2016). It is the researchers understanding of data that led to forms of analysis through traces of connection in the data. Hence, the researcher opted for its usage to primarily organise the data and show the procedural iteration of process from codes to categories leading all through to the aggregation of themes.

5.2.1 Coding Process

As soon as the interview transcript were exported to Nvivo, the researcher started coding following Gioia approach. Coding involves identifying significant information about what participants said regarding a subject matter (Adu, 2016). Often, codes are usually words or phrases that symbolize the meaning of the data segment. In Nvivo, nodes were used to represent codes, hence sometimes the researcher might refer to nodes in the description. Before this stage, the researcher has read the interview transcript several times to get familiar with data and get more understanding of the participants description of the phenomenon. This helps the researcher to adopt a systematic coding approach that is built on the co-creation and description of phenomenon. As Magnani & Gioia (2023) pointed out, GM allows for the development of first-order analysis derived from the participants terms, progressing to the second-order analysis which represents the researcher's conceptualisation of the meaning of the participants terms. Each distinct perspectives of the participants were considered a free node, coded from

the participants phrase in describing their reality. When the first order and second-order categories have been created, they are assembled into themes to develop the theoretical model by essentially ‘lump’ consistent element together (Saldana, 2016). As Gehman et al (2018 p 287) argues, this is an important part of demonstrating rigour and ‘*showing progression from the raw data to theory*’.

5.2.2 First-order Coding Process

In this stage, I kept an open mind to focus on the description of participants experience in their own words. This stage is participants led where I carefully analysed the transcript using to develop codes from participants description of their reality. This allows the researcher to access the reality from participant’s point of view (Gioia, Denny, 2021). For example, table 5.1 below shows some of the first order codes/labelling used to capture participants view and the representative quote from the participants:

Table 5.1 Sample of First Order Analysis Frame

First order concepts	Representative quote from the participants
You become the focus as a bad person	‘Will I arrest my son or send my son away? What he has done is bad, but he is still my son, or will I disown my family for what he has done? No. if you try to be even very hard on them, people don’t even think about the money they stole again, you just become the focus as the bad person ’
Civil services are so corrupt	‘You also have the civil servants who are so corrupt , when you have any site work, they come visit, maybe just to check the structural requirement of the test and to be sure you have followed the structural approval, you have to pay bribe. Infact, it is not necessary whether you do the job right or not; they are less bothered about the quality of what is going on in the site as more of what you have to give them’
Leaders don’t consider everyone in decisions	‘Then there are problems of overcharging dues, it is also link to the people who are our leaders, they don’t consider everyone in decisions . Like for me, I have a relatively small holding, not as big as someone else, there are also people who are much smaller than myself. If you now give me a due, we might not be

	able to afford the same, that becomes a problem for those people'
Move to develop business governance	'As you move from just a bedroom business to having more structure, getting to take more advice from accelerator, using networks, to getting to organise the business, develop business governance , all of those have to be reduced. They know you have a constituted level of boards; you now have employees who by the way make decisions, there is little they can do'

Table 5.1: Authors compilation

As seen in the table above, the first order concepts were descriptive using sentences or even paragraph from the participants to retain participants descriptions of their experience. This process allows the participants as the foundational basis of the understanding of the phenomena which is necessary to capture the reality from those who own and lived the reality (Gioia et al. 2013). The analysis at this stage reveals a list of 541 first order codes in the Nvivo. Although this tends to become overwhelming in number, it aligns with Gioia's view that researchers should be free and open to labelling at this stage to allow the raw data to be inductively broken such that participants concepts come through in theoretical build-up. However, to make it manageable, I then categorised the first order themes into three data categories relevant to the focus of the thesis – 'formal institutions', 'informal institutional voids' and 'response strategies' to manage the large number of codes during this process. This data category help differentiate between different constructs in the research.

5.2.3 Second-order Coding Process

The second order coding process involves merging of first order codes within each data category into relevant subcategories. This stage moves beyond a simple organisation of codes into examination of participants' verbal interaction. The essence at this stage is to reduce the mass raw data towards a distinct label to capture the generative meaning from the nodes. As this stage, I was sub categorizing the first order nodes using latent meaning that can easily group

participants view into a broader category. I went through every node to identify latent meanings and then merged them into groups which were then subsequently labelled. For instance, table 5.2 below shows an example of second order category within the response strategy category. Some participants have indicated response practices to informal institutional deficiency as *‘put structure in place’*, *‘organisation of business structure’* *‘move to develop business governance’* *‘develop employee agreement and general rule’*; *‘organise business structure’*; *‘senior employee manage other employees’*; *‘build structure on ground’*. I have used the word *‘Organisation of business’* as the second order label to capture the different practices mentioned.

Table 5.2 Sample of Second Order Analysis Frame

Second order concepts	First order concepts	Illustrative quote from the participants
Organisation of business	Move to develop business governance	‘As you move from just a bedroom business to having more structure, getting to take more advice from accelerator, using networks, to getting to organise the business, develop business governance , all of those have to be reduced. They know you have a constituted level of boards; you now have employees who by the way make decisions, there is little they can do’
	Organisation of business structure	‘The transition of the business with time, organisation of the structure just switches everything . At first, after a couple of months, I got a co-founder who by the way older than me and very experienced in building business, he has been an entrepreneur (...) that kind of bring some stability into what is needed, what to organise in the business and how to manage I would say external issues and relationship. The transition largely changed things and at that

		time, they also began to see the changes'
	Put structure in place	'I would say with putting structure in place , how do we employ people, who run our HR, who manages the factory production'
	Develop employee agreement and general rule	'We try to develop like an agreement for our employee , it set out a general rule to follow, when you want to resign, you should give us notice, when you misbehave, there are certain punishment it attracts, when your site fails quality assurance, it has a different punishment, if you fail to follow template at site, you will be responsible for it. You know just small, small sanctions but most times I don't apply them, but it is there just to make sure people know what to do and how to behave'
	Organise business structure	'By the time I had organised the business in terms of structure , I would say, it is no longer owned by me 100%. I had a co-founder; we had an investor who participated in seed round or raise and this kind of mean we need to have a board who I am now responsible to. I mean my sister and my mum still retains a part of the share with the investment, but everything has transitioned towards a more structured system'
	Senior employees manage other employees	'I make sure our food nutritionist, who by the way is the most senior of the staffs, began to manage every other employee . You know, gives direction and instruction to the employee to report to the food nutrition. If you will be late to work, you have to explain why you are coming late and all sorts, and I think that was the sort of ways I could control the problem'

	Build structures on ground	'You don't fight everyone because they didn't do what you expect. Even as a Yoruba person, you know what the relationship with an elderly person says, you give them that respect and resolve issues without fight. Again, you just need to then become more creative to prevent any issue in the future, like now, after that time, anytime he comes with job or introduce jobs to me, I don't negotiate with the company. I let the accountant negotiate. The guy already understands the margin I am willing to cut, and it is much easier from professional point of view to discuss using such structure. That is why I said when we talk of entrepreneurship, what makes or can make you succeed is the structure you have built on ground. Like now, if you have to negotiate every time, it is difficult to always have your way, but if my accountant negotiate who knows what the company can accept of cannot accept, they can simply just come to after and I will say, ok, I am willing to speak to the accountant and we can find easy resolution compared to if I have negotiated and they rejected, you always find those difficult to deal with'
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Table 5.2: Authors compilation

In developing the category above, the focus was in identifying relative measures that help manage the informal institutional voids. This process help grouped together measures that were relative to organisational practices and business process therein provided as one of the developed mechanisms to manage the challenges faced by entrepreneurs. The first order codes have meanings directly linked to structures and process put in place within the organisation to restructure the way the organisation operates and as well directly linked to response strategies developed by the entrepreneur to manage the challenges associated

with the informal institutional constraints. I coded category at this stage based on the integrated text of the data to ensure that relationship exist in the theoretical buildup (Magnani & Gioia, 2023). At this stage, 22 subcategories were developed from coding the inherent meanings from participants description of the first order codes.

5.2.4 Aggregated Categories

The outcome of the analysis in GM is a theoretical development from interrelated nodes in the build-up. Although, the process of theorising starts as soon as the researcher begins considering concepts, it goes deeper at this stage as the researcher moves from data to theory. The focus involves developing aggregates by merging second order codes under larger headings that matches focus of the research. At this stage, the researcher begins to use theoretical constructs in literature to mirror the outcome such that the data is reduced into core themes that are most important to the research (Magnani & Gioia, 2023). This created 9 categories in this study.

Category One: Perceptions to formal institutions

The first category that was created is the perceptions to formal institution. This category was created to capture the concerns of the participants related to the quality of formal institutions. Participants expressed a negative perception towards accessibility and effectiveness of the formal institutional framework as well as its consequences on their entrepreneurial activities. The category has two sub-categories namely regulatory complexities and institutional deficiency which highlighted the key issues associated with formal institutions in Nigeria. Participants experienced complexities around regulatory framework as well as challenges accessing relevant resources such as funding through the formal channel necessary to enhance entrepreneurial pursuit in Nigeria.

Category Two: Informal institutions as alternative Mechanism

Having highlighted the concerns related to the quality of formal institutions, participants expressed the relative reliance on the informal alternative mechanism to substitute and compensate for the formal institutional voids resulting in the development of another category, the role of informal institutions. This category was created to capture the perception of the participants on the complementary and adaptive roles played by the informal institutions in situations when formal institutional structures were judged inefficient or inaccessible. The category captures positive institutional perception to the informal institutional mechanism highlighting in different ways that entrepreneurs have leveraged on family norms, trade association, religion. The category has five sub-categories –informational role, emotional support, funding, market regulation and access and spiritual guidance.

Category Three: Normative Tension

Of key focus in this study is to understand the inherent challenges that occurred when entrepreneurs leveraged on the informal institutional mechanism. As such, the third category that was created captures the entrepreneurial negative concerns and perception to the informal institutions. This category was developed by grouping together underlying challenges associated with norms that are constraining to entrepreneurs. The normative tension was developed from narrative in which participants identified negative issues relating to religious norms, sociocultural norms and its consequences on their behaviours. A key element of the informal institutions is its underlying reliance on normative aspect, which embed cultural and religious framework (Scott, 2014). As such, this category captures situations in which entrepreneurs identified issues related to cultural and religious influences. This category highlights the tensions that leads to institutional pressures from the normative aspect of the informal institutional mechanism. The two sub-categories are – religious normative concern and sociocultural normative concern.

Category Four: Obligation Concern

The fourth category that was created is obligation issues. This category was created to include the various sub-categories where participants expressed concerns on the challenges that arise on managing different actors' obligations within the informal institutions. A critical aspect of the informal institution is its reliance on social obligation, where individual collectively adhere to certain behaviour and general expectations (Helmke & Levitsky, 2004). Unlike formal institutions, enforcement mechanism within the informal mechanism is based on embedding societal principles raising complex questions on the governance issues and adherence to duties by different actors. Thus, this confers obligatory power on individual and any compromised is seen as contriving to the effectiveness of the institutional quality.

This category captures situations where entrepreneurs indicated issues related to failure of obligatory rights, challenges of compliance and enforcement associated with familiarity within the informal institutional structures and its restrictiveness to enhance entrepreneurial activities. Like other categories this category also has three sub-categories. The sub-categories include obligation issues, corrupt practice and familiarity issues.

Category Five: Power Dynamics

Another category that was created is power dynamics. This category has been developed to capture the concern of the participants from the issues arising from power dynamic and control exerted by related actors and entities within the informal institution. Informal institution is embedded with significant relations among different actors who collectively agree together on certain practices. However, participants indicated that such relationship could be imbalance when one actor have considerable influence to shape the outcome over the other.

Entrepreneurs indicated that the source of power is significant and complicated to challenges thereby constraining decision making and nature of perception towards entrepreneurial agentic outcome. Hence, this category has been grouped to capture the complex power dynamics that could unsettle efficiently leveraging informal institutions. It includes sub-category that explains how power structures and control mechanisms within the informal institutional context affect the capacity of the entrepreneurs. It has one sub-category.

Category Six: Organisational Level mechanism

When confronted with challenges associated with the use of informal institutions, entrepreneurs moved to shape their context, navigating the challenges through available means. As such, the next category that was created is organisational level mechanism where participants have indicated various organisational level practices adopted for coping with gaps in informal institutions. This category has been developed to group together sub-categories where entrepreneurs expressed key different strategies developed specifically to influence process and structures of the organisation. The data analysis showed that the activities put in place by the entrepreneur were relevant to organisational level practices. This category has two sub-categories that are linked to firm level decisions of the entrepreneurs within their organisations. The sub-categories are organisation of business structures and incentive practices. The sub-categories will be explained in detail in the discussion chapter.

Category Seven: Institutional Bricolage

Another aggregate that was created is Institutional bricolage. This encompasses the codes in which the participants have expressed the use of formal institutions concurrently to navigate and manage the informal institutional voids. The notion of institutional bricolage refers to the combination of institutions at hand to address new institutional problem (Højgaard Christiansen & Lounsbury, 2013). It involves the use of whatever institutional structures available within an

environment to get the job done. This category was created to capture instances where participants indicated a switch across institutional continuum from informal institutions to formal institutions to avoid the informal institutional challenge. This category has sub-categories of business registration and relying on legitimate agencies.

Category Eight: Relational Mechanisms

The eight category that was created is relational and support mechanism. This category has been developed to group together sub-categories where participants have expressed the use of mechanisms to enhance interpersonal relationships to overcome informal institutional constraints. This category has two sub-categories that are linked to relational dynamics in managing constraints. This category has sub-categories of conflict resolution dynamics, correction approach, coercion approach and strengthening relationships.

Category Nine: Institutional Enablers of Informal Institution

Another category that was created is informal institutional enabler. The category has been created to capture the participants views that explores the underlying factors that facilitate and sustain the functioning of the informal institutions within the societal contexts focusing on how trust and relationship create access to leverage the informal institutions as well as contributing to reciprocity within its context. This category has two sub-categories – role of relationship and the role of trust.

Category Ten: Strategic Enablers of the Entrepreneurs

The last category that was created is the strategic enablers of the entrepreneurs. The category was created to explain the key factors identified by the entrepreneur that drive and facilitate strategic actions developed to overcome the constraints within an informal institutional context. It focuses on the elements that influences the entrepreneurial actions. This category has two sub-categories – entrepreneurial experience and education and self-efficacy.

As the analysis progresses, a model was generated to present the phenomenon of informal institutions and entrepreneurial response strategies. Therefore, the following section will discuss the emerging themes from the categorisation of aggregate findings.

Table 5.3 Descriptive Summary of the Analytical Categories

Emerging Category	Except from raw data	This tells us
Perception to formal institutions	<i>It is a battle here. I have just hinted about how we got the certification for our alcoholic bitters. That is just a tip of the story. We faced a lot of problem. From bribing top people or waiting for a long period sef. You know when we started, you have to pay NAFDAC to come and inspect, this is a separate to the recommended fee. They will ask you to book a taxi or pay for uber after all the fees, they know registration fee has been paid into bank, they will request for special list of what to provide, up to drinks, they will take wine, and they even ask you to make them God. Issue like that are big concern to us' (E4)</i> <i>It is a struggle getting funding for new business, even getting to start out, you need so so registration, you need collaterals, dealing with multiple agencies of the government, this permit from that agency, including environment agency (E8)</i>	The participants experienced inefficiency, corruption and lack of transparency in leveraging formal institutions. This leads to mistrust and institutional complexities
Informal institutions as alternative mechanism	<i>In our association we do Ajo, this is like a monthly contribution, one person is paid this month and then next month another number is selected till we all can get the same amount but is very helpful because if I am paying 50,000 like the current one, we are having like 24 of us in a circle, they will have like 3 circle depending on the number, it means that I can get like 1.2m to put to my business, I always prefer to get it in the middle. When you continue to use the money, it can also help to generate profit toward the share you will pay back (E10)</i> <i>You know at the beginning, I told you I don't have all my registration because you don't know what you are even doing, for someone who is just starting, I only have my business</i>	The participants illustrate the reliance on informal institutional structure as practical alternatives to bridge institutional process, knowledge gap and access to credit

	<i>name like every one, you give the name to your business but you don't even consider that you have to register the name, which I think the reason is because I am not completely sure how, not that I don't want to register but you don't know which is which, sometimes what you read in paper is different from reality on ground when you go to government office but the thing is when I joined the union, they already know people at Nafdac who can make it easier. They know what you need to register any product, the type of registration and sometimes they know who can file for you (E3)</i>	
Normative tension	<i>it becomes more complicated; do you want to arrest them (family employee)? If it is my son, will I call police to arrest my son? Some people will say, this man it seems something is wrong with him, even if it is not my son, the fact I know you, there is omoluabi way that you want to resolve this without the police. Yoruba will say omo eni ko ni se idi bebere ka fi ileke si idi omo elomi, it means no matter what your child has done, you don't tell them they are bad children in public, you cover the shame in public (E4)</i> <i>they cannot accept or let me say they don't want to accept me. They believe I am a sinner with all this we are doing. Sometimes, I can go to church, they may be looking at you like, see him, of all the business in this world, it is wine I can think about, elese (sinner), sometimes, pastor can even preach about you, if he is preaching about repentance, he will mention some of you doing what is not is not good, some of you selling what is not good, it is not good, it is against your religion (E11)</i>	This illustrates a conflict between institutional norm, religious and sociocultural norm. Participant faces a dilemma based on the conflicting value system of religion, community and business need.
Obligation concern	<i>you may be expecting your staff today and they may not just show up, they may not even consider give you notice, such is the problem you deal with, I mean extent of privilege that they can have when they know there is nothing much you will do for them (E4)</i> <i>you know when you employ family, one thing I notice is issue of familiarity, in business at times is a big problem, when I say they should work, many of them will beg, I have somewhere to go and I have important supply to make. They will go, when they know we have order I</i>	This illustrates entrepreneurs struggles with professional obligation within the informal institutional setting. Entrepreneurs are faced with challenges to enforce expectation based on interdependence of norms and family ties

	<i>am trying to supply, I will not be able to talk, you know they are my family (E11)</i>	
Power dynamics	<i>The association have our way of doing things. Even when we are all partners, we still have leaders, and they have influence too, everyone knows them. If you are in Ikeja and I mention someone, you know how strong what we are talking about. So, if those people come, you cannot challenge them except you want them to frustrate you (E10)</i> <i>I understand that there are some issues with my relationship with her which is more of attitude to control me, and that level of control is what you wouldn't want to give to anyone. So, my sister was probably the second investor in my idea after my mum, which, means the journey started from home.... I was thinking now and what I could say is the high level of domination which put some fear on me. You know everybody is getting to be sure you are making the right decision, doing the right thing, and not putting their investments on brink. No one actually wants to see you lose money (E7)</i>	This illustrates the power dynamics rooted in social hierarchy and network influence within the informal institutions
Organisational level mechanism	<i>I have to put one of the staff in charge of others to make sure there is a line of command and what I discovered is that since I have that chain of command, it stopped every sort of unreasonable behaviour. It also prevents that sort of abuse from those staff. We now have a sort of what to follow if you need to request for anything from me. It does not change that I know you, but it just tries to make us serious in our job (E17)</i> <i>we try to you know little by little introduce rules from when we employ another staff. It is to serve as warning to them. Like when we are employing a new staff, we will introduce rule that they will also know, if you miss more than 3 days of work, in a month, you begin to get your salary divided and removed. It is a simple thing we can do, since we already know how many days you work, if you miss 5 days now, you will lose 2 days salary, which is fine. We don't expect them not to have emergency, but we want to stop the non-chalant attitude (E11)</i>	This illustrates the use of strategic organisational mechanism around the internal process and system of the organisation to address challenges of informal institutional practices.

Institutional bricolage	<i>I have had one major issue with them only once but when they could not find anything against me, they can also see that I have all what they need, the situation is easily managed. I avoid any issue, before sef, they are big menace, it is how they will frustrate you, so you need to make sure you don't give them chance to do that to you. I have all my documents, the certificates, the local government permit, everything is complete. I am always ready for anyone who come (E16)</i> <i>if anyone come and disturb me, we use police to arrest each other, I will even disturb them before they disturb me because I make sure my NAFDAC is genuine and everything is complete, so, there is nothing to worry about them (E11)</i>	This illustrates how entrepreneurs engage in bridging the elements within the formal and informal institutions together to address context's institutional deficiency
Relational mechanism	<i>I tend to manage everything in a way that ensures there is no confrontation, gently managing the situation by speaking to them, begging, I might even go to them, you know when they see me, we are talking, so I don't intend to just get angry like that. It takes a lot of patience as well as understanding of who you are dealing with. You have to understand and be able to anticipate what kind of person he is, if they are like those hot-tempered, I don't come confrontational, those would have even done more damage before realising what you have done, so I take my time to resolve our differences (E12)</i> <i>You see, it takes a lot of patience. If you try to be very hard on them, like confront them, people don't even think about what led to that. What you see is that you become the focus of the attention, my boss is this, my boss is that people see you as the bad person but sometimes when there is problem and you gradually let them understand, what hurt they have done, if you are not completely something else, you also want to feel bad of your action. Over time, I see that approach is very effective, most for those who are closer to me (E4)</i>	This illustrates the use of response strategies aimed at managing interpersonal tension through relational practices and orientations

Institutional enablers of informal institutions	<i>You know you can never underestimate the power of (who) you know, either you are talking about it in the group perspective, or you are talking about it in the individual perspective (E9)</i> <i>It is difficult for anyone to deal with you without trusting you. I would say, trust is the basis for building anything meaningful here. You see, you believe me now because you trusted me to a certain extent that what I will tell you is the truth, when people trust you, it gives them confidence that they can deal with you and eventually believe in you (E13)</i>	This illustrates how trust and network ties function as informal institutional enablers facilitating access and collaboration within the informal institutional context
Strategic enablers of the entrepreneur	<i>You see what you don't have you can't give it out, if you are not somebody that is prudent and relate well with people, most of all this things you will not be able to tolerate it, you know as a person, I am able to understand their own challenges based on my own practical experience, you know I have undergone what they were passing through (E14)</i> <i>I understand their situation and I try to manage it with them, speaking to them, to make sure that that what is right is done (E16)</i>	This illustrated how entrepreneurs background and lived experience serve as the strategic enablers in managing the informal institutional voids.

5.3 Emerging Themes

The final level in the inductive analysis is the development of categories into a thematic model that summarises the findings relative to the key objectives of the research. This section demonstrates how the ten categories have been merged into three dominant themes using the embedded relationship of the identified constructs. Consequently, this step is crucial to demonstrate how the aggregate dimensions evolved into a whole related theoretical construct. Aggregating into themes provide a narrative approach to convey issues around phenomenon of informal institution and entrepreneurial strategy. The following section will move to explain the developed themes in detail.

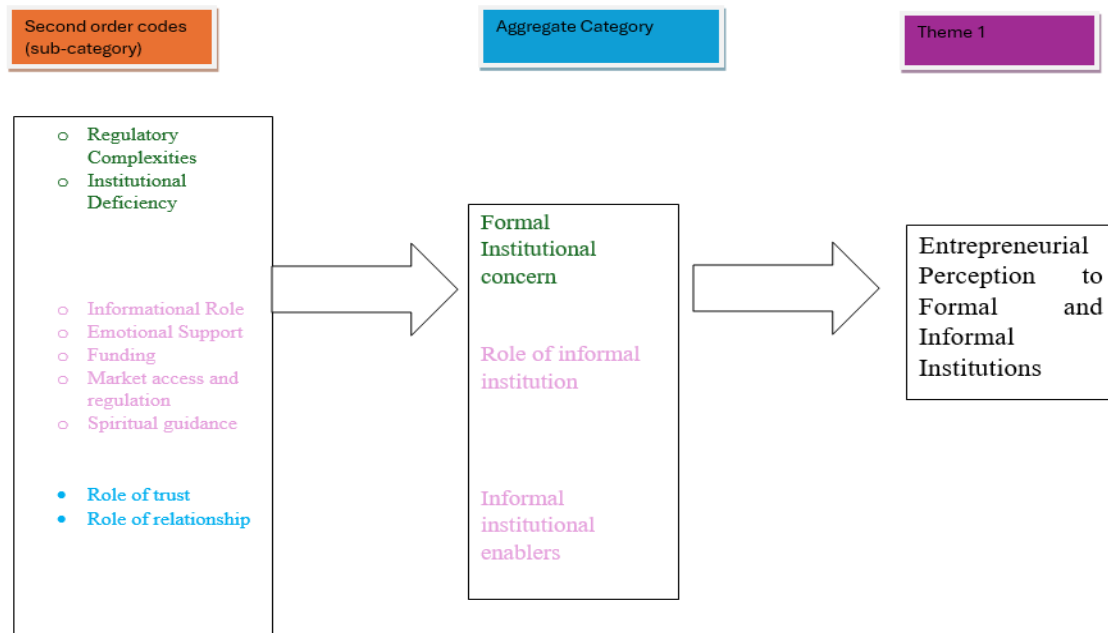
5.3.1 Theme one – Informal Institutions as enabler

The theme one developed contributes to highlight the influence of informal institutions on entrepreneurship. This finding addresses in part the research question one and achieving the research objective one. This theme was developed by grouping together three categories - (1) perception to formal institution, (2) informal institution as alternative mechanism, and (3) institutional enablers of informal institution. This finding contributes to the existing literature on the perception and nature of formal institutions in emerging market while revealing the motives and dynamics of significance for the informal institutions and dynamics through which informal institutions is driven and accessible to the entrepreneurs. This finding establishes the foundation into understanding the phenomenon of informal institutions as it is the main focus of this thesis by further highlighting the interplay between formal and informal institutions (Mair & Marti, 2009; Rottig et al 2016; Pinkham & Peng, 2017). The finding in this thesis shows that participants of this study are clearly able to perceive the influence of formal institutions as inefficient to reduce uncertainties creating challenges for entrepreneurs who are able to reduce its challenge with alternative informal institutional mechanism. Therefore, what becomes apparent in the experience of the participants is that informal institutions are significant as enablers of entrepreneurial process. The participants perceived that there are significant issues with the formal institution to create stability nor function under the ideal principle. Therefore, there is need to consider alternative mechanisms that are able to stimulate efficient market exchange.

This theme further extends the critical debate on the nature of formal institutions in emerging markets (Adomako et al., 2019; Amoako et al., 2021; Omeihe et al., 2020; Mair & Marti, 2012). Furthermore, it specifically highlights the role of the informal institutions as enablers for entrepreneurial process but extends the

previous studies to specifically highlight the significance of religion as critical institutions resources in institutional constraint environment.

Figure 5.1 Illustration of Theme One



Authors finding

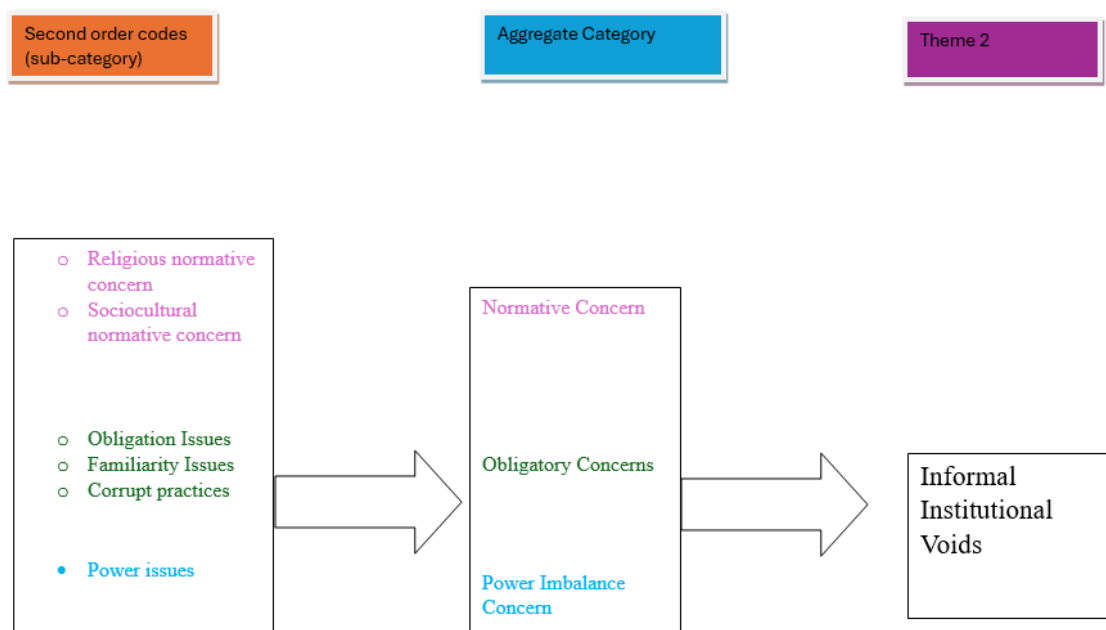
5.3.2 Theme Two – Triggers of Informal institutional Voids

The empirical findings in the theme two addresses the research question one and contributes to the research objectives two by unpacking the practices through which informal institutional voids emerge within the informal institutional environment. The theme two grouped three categories – (1) Normative tension, (2) Obligatory Concern, and (3) Power dynamics together to provide empirical findings on the dynamics through which informal institutions function. These findings extend critical studies (Webb et al., 2020; Khoury & Prasad, 2016; Ledeneva & Efendic, 2023) to contribute to the debate on the functioning capabilities of the informal institutions. Specifically, the findings in this theme shifts the conversation on the assumption of informal institutions as assertive institutional alternative readily available to the entrepreneurs in emerging market who are often faced with formal institutional challenges. Institutions are

expected to be able to enhance entrepreneurial quality within a business environment (Chowdhury et al 2019; Aparicio et al 2016). However, an overarching perspective among the participants in Nigeria is that informal institutional mechanisms are also lacking in capacity to meet this expectation. These findings shows that the nature of informal institutional mechanisms has established inherent limitation in its ability to influence entrepreneurial process accordingly. These concerns emerge from the conflicting interactions of underlying elements that shapes the outcome when entrepreneurs leverage informal institutions. Participants also indicated that concerns arise because of the social obligation at the heart of informal institutions. Actors within the informal institutional environment appear to be careless in fulfilling responsibilities. Similarly, participants recognise the influence of power dynamics and unchecked control as significant challenge to efficient leverage of informal institutions. The perceived inability of the informal institutional mechanism to fully operate efficiently suggests institutional voids (Webb et al, 2019). These findings specifically contribute to the significance of power within the informal institutions and extends the critical study of Lawrence (2013).

It was evident that a relationship exists between the three categories, considering they are all focusing on the entrepreneur's negative perception of informal institutions, hence why they were merged to form the second theme of this study. This finding is significant for this study as it contributes to understanding the research aim and answering the core research question one. The research question one for this study is to understand the informal institutional voids faced by the entrepreneurs. Based on this finding, it is possible to conceptualise institutional voids within the informal institutional mechanism

Figure 5.2 Illustration of Theme Two



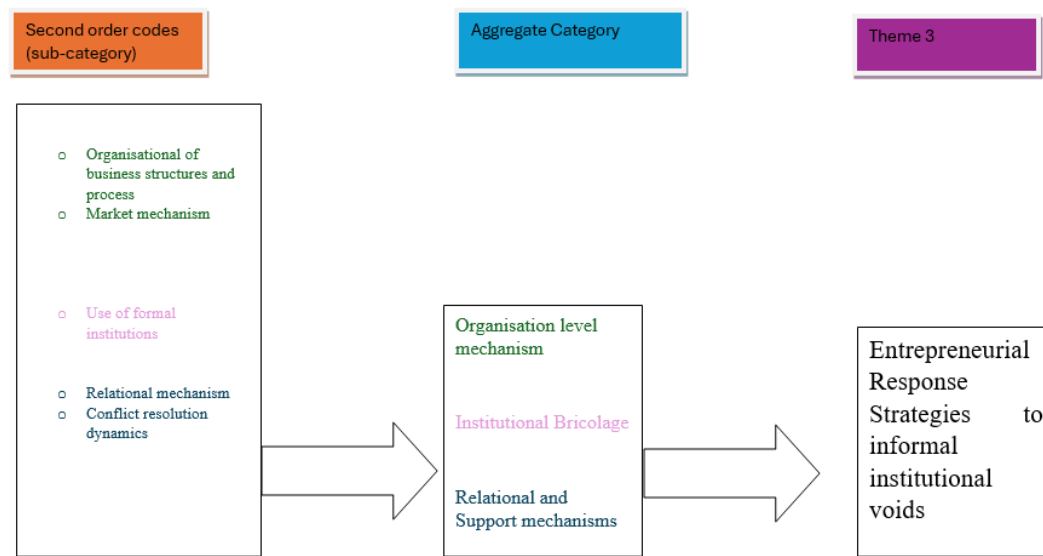
5.3.3 Theme Three – Entrepreneurial Emerging Response Strategies to Informal Institutional Voids

This theme addresses the research question two and three and contributes to achieving research objectives three by revealing the strategic mechanism through which entrepreneurs manage and navigate the challenges of informal institutional voids. This theme was developed by grouping together three categories which represent strategic approaches developed by entrepreneurs to manage the informal institutional voids – (1) Organisational level mechanism, (2) Institutional bricolage, (3) Relational mechanism. The institutional logics perspectives propose that individual behaviours are guided by institutional dimension in an environment (Thornton & Ocasio, 1999; Hojgaard, Christiansen & Lounsbury, 2013). Adopting this theory, Omeihe et al (2021) proposes that

institutional logics perspective possess the ability to be able to understand entrepreneurial behaviours within a social and institutional setting. The findings to provide evidence on the strategic responses of the entrepreneurs to manage informal institutional voids demonstrate the outcome of the response to social and institutional phenomenon within an environment. This is because the response strategies to informal institutional voids are outcomes of the entrepreneurial decisions to the various institutional phenomenon in their environment. Informal institutional voids present an uncertain constraint on the entrepreneurs and entrepreneurs, in search of a way out develop different mechanisms to address any problem encountered. The finding of this study reveals that entrepreneurs adopted approaches aimed at strengthening the organisational and market processes, adopted institutional bricolage and further develop strategies that are based on reconsidering and maintaining stronger relationship.

The findings in this theme extends the critical literature on the entrepreneurial strategies in institutional environment, specifically revealing strategies developed to address the informal institutional voids. As these are the strategies which provide entrepreneurs guaranteed performance within the informal institutional mechanisms, this finding makes it possible to suggest a framework of response strategies to informal institutional voids in Nigeria. This theme is specifically significant to the contribution of this study, providing answers to the second objectives of this study. The second theme in this study demonstrates different strategies adopted by the entrepreneurs.

Figure 5.3 Illustration of Theme Three



5.4 Chapter Summary

In sum, the assumptions of Gioia inductive approach are aligned to the theoretical position of this thesis. These assumptions allow procedural objectivity in privileging the point of view of participants. This chapter has provided a detailed explanation of the analytical procedure towards understanding entrepreneur's perception of the informal institutional deficiencies and entrepreneurial strategic response to navigate its presenting constraints. This chapter detailed the process through which the study's themes and findings were identified, providing illustration of the connection between the data structure and the emerging themes. This chapter illustrated the transition from the raw data to themes through integration of the lower order codes to the themes in a systematic approach in relation to Gioia inductive approach. The chapter has also highlighted the process of interpretation of the participants views of their reality. The researcher has demonstrated its role to narrate the participants stories through sense making and interpretation of their experience while following a systematic data reduction

process. The systematic process adheres to the adopted analytical approach as underpinned by neo-empiricism showing procedural audit trail to the theoretical development. Doing so, as earlier argued, enhanced the rigour and credibility of the findings in this study. Section 5.2.2 shows the illustrate the first order coding process and how the participants voice have been preserved in the analytical approach. Section 5.2.3 shows the second order coding process, illustrating the approach taken to merge together the first order codes into second order categories while the section 5.2.4 illustrates the development of categories. After the development of the categories, section 5.3 shows the development of the themes aligning to the research objectives. Three key themes have been developed to address then research gaps earlier identified in the preceding chapters. The findings indicate that informal institutions play a significant role in enabling entrepreneurial activities in Nigeria due to the perceived inefficiencies of the formal institutions. However, this thesis also find that the informal institutions do not always enable, the nature of interactions and structure underlying informal institutions also create constraints, leading to the development of the second themes – informal institutional voids.

The uncertainties experienced by the entrepreneurs affect its ability to function appropriately, thus creating a functional void. Upon identifying the constraints posed by the informal institutions, entrepreneurs indicated different approaches developed to manage the functional deficiencies experienced leading to the emergence of the third theme: entrepreneurs emerging response strategies highlighting various approaches developed by the entrepreneurs to manage the effects of the informal institutional voids. The final themes of this thesis emerge through an analysis of the underlying practices developed by the entrepreneurs to shape informal institutions to provide institutional support. The findings in this model are relevant to the research objectives and will be explored in detail in the subsequent chapters.

Chapter Six: Discussion Theme One – Informal Institutions as Enabler

6.1 Introduction

The preceding chapter presents the analysis of data for this thesis in which entrepreneurial institutional perception emerged as a one of the main themes. The key focus of this thesis is to understand informal institutional voids and strategic response of the entrepreneurs in emerging markets to informal institutional voids. In preparing the stage, it is important to understand the entrepreneurial perceptions to broader institutional dynamics in Nigeria. This chapter will specifically discuss the perception to formal institution and the role of the informal institutions in enhancing entrepreneurial activities in Nigeria. The aim of this chapter is to provide an underlying argument to the relevance of informal institutional mechanism in order to draw out dynamics that constrain its function and ability to provide unhindered institutional support.

Entrepreneurship is characterised by a high degree of challenges which necessitates that strong and supportive institutions are paramount (Moulick et al., 2019). As such, entrepreneurial decisions and outcomes depends on the entrepreneur's perceptions of their respective institutional structures (Bjornskov & Foss 2013; Eesley et al 2018). Institutions are essential to market exchange. Formal institutions create systems that shape entrepreneurial pursuit and access to key resources such as assessing formal capital, contracts, using enforcements when there is disputes, labour and labour related laws, regulatory constraints and incentives (Sydow et al 2020). Consequently, the presence of effective formal institutions leads to ease exchange of business activities and lower transaction cost for the entrepreneurs while difficulty and challenges with formal institutions creates a concern for the entrepreneurs who are faced with significant hindrance and higher transaction cost in the market (Moulick et al., 2019).

Accordingly, when required institutions are not available to support entrepreneurial pursuit, it becomes challenging for entrepreneurs who are open to develop substitute institutional alternatives (Puffer et al, 2010; Pinkham & Peng, 2017). Hence, the findings in this chapter are considered through the dynamic lens of institutional role to shape entrepreneurship phenomenon within a context. The findings are organised as follows - section 6.2 examine formal institutional voids while section 6.3 provides the entrepreneurial accounts of the roles played by informal institutions.

6.2 Entrepreneur's Perception to Formal Institution

Formal institutional voids in the context of this study are concerned with the inefficiency and challenges around formal institution that constitute a hindrance to entrepreneurial process. Effective formal institutions create relative competitive environment while weak formal institutions are thought to undermine entrepreneurial pursuit and stifle growth (Stephan et al., 2015). Entrepreneurs rely on formal institutions to sustain efficient and effective entrepreneurial pursuit. Unfortunately, the situations in which most participants of this study operate typically illustrate a challenging situation. In the explored literature, studies such as (Megher 2017, Adike et al 2022; Amaeshi et al 2016) have highlighted the presence of formal institutional voids in Nigeria. However, the findings in this section further advance this insight to reconceptualise formal institutional voids into two broad dimension – the first dimension is regulatory complexities within the formal institutions while the second dimension – institutional deficiency reflects the inability of the formal institutional dimension to provide stimuli that make entrepreneurial pursuit more evolving. The following section will now discuss in detail the sub themes identified as formal institutional concern.

6.2.1 Regulatory Complexities

A critical element of formal institution is its regulatory system (North, 1990). In this thesis, regulatory complexities emphasis institutional constraint from regulatory system in the economy. According to Scott (2014), a key element of formal institution is its regulatory power. Entrepreneurs are expected to conform to regulations through which they are governed. However, entrepreneurs interviewed indicated complexities in the regulatory systems of Nigeria from lack of coordination among multiple government agencies. One of the participants indicated below

You have too many governments agency that expects you to have different registration or what have not. You have this agency asking you to do something similar to each other, they force you to get the same certificate before you can operate. Most especially when you are in business like us (manufacturing). You have to get from this agency on safety, certification from that unit, your technicians need to have this certification, despite technicians graduating from university. You have too many regulations. The problem is that many of these certifications are not necessarily needed by you but so far you are a business, it does not state which business what kind of business are exempted or not, you just have to get it. (E2)

The extract from E2 above shows a concern from the nature of regulatory environment in Nigeria. The participant indicated that the lack of synergy between different agencies of government is creating regulatory complexities such as complying with ‘too many laws’. These regulatory complexities are challenging and creating institutional constraints. Mair & Marti (2009) argues that regulatory complexities evolve from bureaucratic and disaggregating shift in market institutions. This challenge is often prominent in environment undergoing reforms (Williams & Vorley, 2015). Similarly, Nigeria is consistently undergoing reforms (Meagher, 2018), and new laws are being passed from time to time to ensure it conforms to international standards. This led to the creation of multiple agencies without significant form of harmonisation of rules (Dike, 2015). The government often pass new laws without removing the old ones, making it

complex to be legally compliant. These lack of harmonisation of rules causes entrepreneurs to deal with different agencies, causing considerable stress that hinders successful engagement in the market. Aside contending with multiple agencies, another form of regulatory complexities is indicated in the administration of rules between different forms of government.

I am here in a state, Ogun state now, they call one agency in the environmental ministry OGEPA, they will come, then the NESRA from federal will come, we are talking about the same ministry for the same thing, both on environment. The so called local government environmental commission will come, the same environment, and a lot of bills a lot of charges that comes, most especially when you have a vehicle to move your product, there is lot of charges you have to still pay, there are a lot of agency that some of the money you pay, you don't even know what is about and apart from that, you can see a lack of government coordination (E5)

Nigeria is a federation with three distinct tier of government – federal, state and local government who all have governance rights to make rules (Abah, 2012). The presence of this three-tier system of government has created a huge challenge with entrepreneurs having to conform to duplicated rules set out by each agency of the different tiers of government. The devolution of power to state agencies sometimes led to the duplication of regulatory responsibilities with concurrent and residual list (Abah, 2012). It is right for government agencies to partner with each other to increase efficiency. However, the situation in Nigeria is not the case. This perception of regulatory complexities affects institutional outcome and efficiency. This was captured in the experience of the participants E9 below

the system is not functional. I remember the stress we went through, getting our last equipment through ehmm for clearance from the customs. That encounter reveals the dilapidated state of our public sector. Prior to the time the equipment arrived, I was meant to get what is it called, the pre arrival assessment report, ok I did that after that I was meant to get, what is this document called that reveals the custom documents, it is done on the system. I would remember, you know, is it custom document or something of that nature, the equipment cost \$17,250 when the custom document will

come out, they uplifted the value by \$223,000 and also uplifted the insurance by over \$7000 bearing in mind the insurance on the CIF of the equipment we are talking about is just \$17,250, the actual value. Now they calculated the duty from the uplifted value (E9)

The evidence of regulatory complexities is clearly reflected in the extract above. This perception was further reflected on as a significant challenge by E9

I have to go to the bank, what is happening, look at these documents, look at this, this one comes from the customs, so you have to go the bank to make such complaints, bear in mind I have completed all payments from the banks who should have forwarded to the CBN where the payment is made to the supplier. I went to the bank see, is there a mistake here? They looked oh it looks like there is a mistake in the custom document but there is nothing they can do about it; I have to go to the customs. It was so bad because the bank provided all the evidence for the transactions, they could see all the documents, but they decided against the bank, meanwhile the goods as soon as it arrives demurrage begins to count if I fail to clear it on time because of another law you know (E9)

the extracts above shows that the impact of regulatory complexities was severe and affected overall institutional quality in Nigeria. Surprisingly, participants E9 perceived this situation as a deliberate attempt to keep the formal system nonfunctional, ensuring the system fails as well as to extract more cost from the entrepreneurs. This was indicated below

Needful to say it was an intentional approach because they know that once that is done, you will look for a way out and that will eventually bring you back to them (E9)

This view was also reinforced by another participant

It is challenging to do anything here. More like conspiracy against the people who are even struggling. You begin to wonder when government make it so difficult to even common register business (E18)

Moreover, entrepreneurs in Nigeria are required to register their business and product in the market before launching through government dedicated agencies such as NAFDAC and SON which constrain and function as a barrier to entrepreneurial process. Participants E4 indicated below

It is a battle here. I have just hinted about how we got the certification for our alcoholic bitters. That is just a tip of the story. We faced a lot of problem. From bribing top people or waiting for a long period sef. You know when we started, you have to pay NAFDAC to come and inspect, this is a separate to the recommended fee. They will ask you to book a taxi or pay for uber after all the fees, they know registration fee has been paid into bank, they will request for special list of what to provide, up to drinks, they will take wine, and they even ask you to make them God. Issue like that are big concern to us' (E4)

Similarly, participant E10 express the same experience

The rule for registering a new product is so strict that sometimes, you want to ask who is actually making those rules. It does not matter what you do or let me say how long you have been in business; you go through the same process as someone just starting. They (government) don't care what you face in the market. It is just someone in the corner of the office itching to create problem (E10)

This thesis find that the regularity complexity has created exploitative environment where corrupt practice thrives. This was captured in the experience of the participants below

You pay bribe at every office; you pay bribe to every person you speak to. We started production two years ago and I can tell you, that is the most difficult period for us (E16)

The regulatory complexities within government agencies empowers them to arbitrarily weakens the effectiveness of the formal institutions by creating a significant constraint that enables them to demand for bribe. Bribery is seen as a situation in which an individual exchanges material benefit for a service of a public institution (Rose & Peiffer, 2016). Corruption and bribery practices undermines rules of law and weakness institutional foundation. In a context with bribery practices, the behaviour of the institutional actors is perceived to be determined by incentives provided by the other actors involved and any inability to provide the incentives constraint the ability of an individual to access the national institutional mechanism for the required services. In such circumstance,

entrepreneurs are particularly vulnerable as individual using the services as their entrepreneurial activities are dependent on access to these services and resources available.

All they want is for you to negotiate with them, you see everybody in one place or the other in Nigeria want to take advantage of the position, they know there is no how you negotiate without them collecting something, eh, you will give something to say thank you, that is it, that is what they are after, everywhere all over the world, the system is not about letters, you can see the total tax you have paid, they even have the system, to capture do they use it? You have been showing them papers, they even will send an auditor to your office to come in for some days and check all the papers after that what do they do, they don't even use that, it is just a number they assume in their head that they use (E6)

Interestingly, 16 of the participants indicated they have had to pay bribe at one point or the other within the formal institution. The implication of this situation is that entrepreneurs perceived government agencies deliberately weak formal system to foster the corrupt practices. In such instances, entrepreneurs are faced with need to consistently pay bribes before they are accessing required services which increases the cost of doing business in Nigeria. Failure to meet up with the demand will lead to further delays for the entrepreneurs. Bribery practices undermine the integrity and functioning of the formal institutional structures by distorting their intended functions and considered as an indicator of corruption. The existence of corruption increases ambiguity and uncertainty for the entrepreneurs and renders every transaction less transparent (Chowdhury et al., 2019). Thus, the presence of this exploitative practices in Nigeria has led to the lack of trust for the system and government authorities.

Can you even trust the court. Instead of wasting my time in the police station, so let me kuku pay the money (E9)

corrupt practices erode trust in the public institutions and leading to inefficiencies in service delivery and governance (Bassey & Uyang, 2014). According to Kaasa et al (2022), trust in institutions manifests itself when institutions are accessible

to the citizens in a predictable and transparent manner. The experience of the participants suggested less so in Nigeria. Bribery paves the way to build evasive system within a regulatory environment. In context with prevalence of corrupt practices such as bribery, the expectations from actors to demand for bribes increases arbitrariness that stifles accessibility and transparency (Chowdhury et al., 2019). Bribery shifts institutional priorities away from public interest to self-service where institutional actors prioritise the needs of those who are able to pay as against the required legitimate access to the institutional structures by the general public (Jimenez, Lee, & Ordeñana, 2021). In the context of Nigeria where entrepreneurs require registration certificates from NAFDAC, SON, CAC and police to engage in entrepreneurial process, prevalence of bribery practices increases uncertainties and the risk of doing business. Entrepreneurs are confronted with redirecting funds meant for growth-oriented activities of the business towards serving the needs of individuals involved (Audretsch et al., 2022).

6.2.2 Institutional Deficiency

The second dimension of institutional voids identified in this thesis is institutional deficiency. Institutional deficiency in the context of this study represents specific situations where formal institutional arrangement needed to support market are too weak to perform in the manner expected (Khoury & Prasad, 2016). For example, entrepreneurs relied on integrated formal institutional system to fully engage in the market and exploit opportunities with ease. However, there is perception of concern from the entrepreneurs

There is no clear policy from government. No substantial government support, all our system is just show off... When they announce any programme for business, there is nobody follow up to midwife the programme (E3)

The extract above illustrates the institutional context with no clear direction. Formal system is expected to have stable structure to enhance predictability of

outcome. However, participants experience indicated poor conditions that exists within the formal system in Nigeria. The perception of institutional deficiency is also highlighted in the lack of available system to provide required resources as expressed by participant E5 below

the banks wouldn't even borrow you any money, it is come today, tomorrow we have to come inspect, they have to just be playing you up and down (E5)

This view was also indicated by another participant in explaining how challenging it has been to get access to funding through banks in Nigeria

I think the country don't support that. It is a struggle getting funding for new business, even getting to start out, you need so so registration, you need collaterals, dealing with multiple agencies of the government, this permit from that agency, including environment agency (E8)

Banks required entrepreneurs to provide various documents in support of the application for loan. This situation creates a significant formal financial difficulty for the entrepreneurs. This was further illustrated in the extract below

I have not really gotten any loan since I have started this business. You know I actually had the intention of getting the loan this last year, but it was not working. I was planning to do this expansion then, I went to first bank, I went to GTB, they all could not help, they asked for documents, I provided the documents, they asked for guarantor, I have gotten guarantor, it was just one excuse or the other. The issue is that banks here don't give loans to small business, you have to either know someone or have an insider who can stand for you. even if you have all the requirements, they still don't give (E10)

The extract above provide illustration suggesting deficiencies in the formal financial system in Nigeria. There is clearly no viable path for entrepreneurs to gain access to formal lending from banks. Equally, government owned lending system, NIRSAL has also not been able to support entrepreneurial process. The implication of this is that entrepreneurs would have to consider alternative financing schemes. Prior studies suggests that the bank loans are not a common thing for entrepreneurs in emerging economies with the absence of functional

banking and financial services (Saka-Helmhout et al 2020). Additionally, the findings in this thesis indicated that the challenge is not the absence of the financial services system but a deficiency in its system to provide accessible funding. Creditworthiness of the entrepreneurs and liability of newness are considered as the significant systemic barrier.

Additional, participants also indicated the inability to easily access the court system when required

Nigeria is not working as it should be, if you have any case, you may wait years and years before you get the judgment date, they may even say there is no judge or there is one issue or the other (E16)

A key characteristic of the formal system is its enforcement mechanism (North, 1990). Court is very crucial to any enforcement mechanism, actors relied on the court to enforce compliance with contractual agreements within the formal system (Fafchamps, 2004). The court system is expected to provide capacity to resolve any dispute between institutional actors and help maintain institutional stability when actors seek redress to commercial disputes. However, the limited capacity of the court in Nigeria indicated deficiency in its ability to provide effective institutional leverage. The deficiency in court and judicial system can create uncertainty institutional context such that contractual relationships are hindered and unenforced (Akimova & Schwodiauer, 2005). In sum, inadequate legal system and weak policing are characterised by formal institutional voids which constrains the performance of entrepreneurial activity in the market (Khoury & Prasad, 2016).

6.2.3 Section Summary

According to Bjornskov and Foss (2016), formal institutional condition within a context has a far-reaching impact on the entrepreneurial quality within the context. Formal institutions such as state-controlled bodies and state enforced rules is expected to reduce uncertainties and risk in business and to promote a

stable environment. However, based on the findings above, the formal institutions in Nigeria do not appear to function under ideal principles nor do they create a fair environment for entrepreneurial pursuit to thrive. The findings shows that government agencies are less concerned about the impact of their actions and there is no urgency to support entrepreneur's goal. Formal institutions require smooth and simple process across context (Omeihe et al, 2023). Invariably, when regulatory issues exist within the market, the set of rules and procedures that are expected to ensure uninterrupted access to the market becomes challenging to support entrepreneurial pursuit, influencing the scope of oppression and expropriation of resources by only privileged few and powerful elite (Amoako, 2018). The presence of regulatory complexities indicates a pattern of formal institutional voids that could affect entrepreneurial performance within a context. Regulatory forms within the formal institution requires entrepreneurs to operate in accordance with regulatory standard and rules while nonstandard creates a challenging context. The presence of challenging context is a constraint for entrepreneurial behaviour negatively influencing its efficiency and performance. This finding in this section is also consistent with previous studies such as (Amoako, 2018; Omeihe & Omeihe, 2024b; Peng, Wang, & Jiang, 2008) where in regulatory and bureaucratic process is seen as often impediment to institutional quality in emerging markets. Nigeria currently ranks lower in the World bank Doing Business Report standing at 131 out of 190 countries. The ranking provides an indication of weak dealings across different indices but specifically registration of business, getting credit, registration of property, enforcement of contract, getting electricity, payment of taxes, trading across border and resolving insolvency. Nigeria ranked 17th in Africa behind countries like Rwanda, Senegal, South Africa, Togo, Malawi, Namibia, Ghana, Uganda and above countries such as Somalia, South Sudan, Eritrea, Congo, Equatorial Guinea, Sudan and Sierra Leone which help put Nigeria's ranking of its regulatory context for business into perspectives.

The findings in this section shows a lack of quality formal institutional structures in Nigeria. The findings showed that the presence of weak formal institutions has negatively impacted on the functioning ability of the institutional structure to support entrepreneurial pursuit. In specific instances, entrepreneurs have challenges accessing required resources which negatively impact on entrepreneurial process. This finding aligns to the existing assumptions in the literature which infer that formal institutions in emerging economies are constraint to entrepreneurial pursuit due to absence or weakness (Dana et al., 2018; Ge et al., 2019; Saka-Helmout et al., 2020). However, the finding in this section provides further insight as to the nature of formal institutional system in Nigeria and argues that rather than assumption of absence, the experience of the entrepreneurs indicated that formal systems are present but complex and inefficient to support entrepreneurial process. The presence of formal institutional voids exacerbates the emergence of corruption, increases uncertainty and increases cost of doing business for the entrepreneurs. This section extends understanding of the phenomenon of formal institutions, introducing regulatory complexity and institutional deficiency as key pattern of formal institutional voids.

Consequently, research suggests that when entrepreneurs within a context are unable to access formal institutions, they resort to institutional alternatives (Adomako et al 2019). As a result, informal institutions have taken a centre stage as institutional alternatives for the entrepreneurs in this context (Omeihe & Omeihe, 2021; Amoako & Lyon, 2014). The next section discusses in what ways entrepreneurs have leveraged informal institution as institutional alternative in the context with formal institutional voids.

6.3 Informal Institutions as Alternative Mechanism

The rising interest in the phenomenon of informal institutions underscores its critical role in helping entrepreneurs in institutional deficient context navigate challenging environment. Scholars have argued that entrepreneurs in such context rely on informal mechanism among other strategies in managing the constraints from formal institutional inefficiency (Minbaeva et al., 2022). This is particularly important for entrepreneurs as they often have limited options. Informal institutional mechanisms such as family, trade association and social ties play a crucial role in addressing these challenges. When institutional challenges occurred, they limit the access of the entrepreneurs to effectively engage in entrepreneurial activities, thus requiring entrepreneurs to find alternative. Drawing on institutional logics perspectives, the presence of institutional challenges impacts on the behaviour of entrepreneurs and their business usually drives the actions of institutional, in this circumstance entrepreneurs rely on informal institutional mechanism as alternative way out. This section identified broader dimensions of the role of informal institutions in the entrepreneurship process. The following section will discuss the role one by one

6.3.1 Funding

As indicated in the preceding section, there are challenges associated with formal institutional inefficiency affecting entrepreneurs to raise formal capital through banks or venture capitalist in Nigerian market. As such, entrepreneurs tend to consider alternative informal financial mechanism (Tajeddin et al., 2025). All of the participants interviewed indicated that funding through the formal system is a challenge for entrepreneurs where banks are either deemed too rigid in lending or particularly reluctant to lend to entrepreneurs. Although, funding is an important characteristic of entrepreneurial process, it is more pronounced at opportunity recognition and exploitation phase where entrepreneurial process is still taking form and as such does not have required and necessary documentation

to attract formal lending through formal institutions. This situation led the entrepreneurs to leverage the informal institutional mechanism to source for the required capital needed for them to engage in entrepreneurial activity. The findings of this thesis confirms that entrepreneurs leveraged on family ties and trade association as alternative informal mechanisms to formal funding. For example, entrepreneurs interviewed expressed comments on the role of family in raising funding as indicated below

like when we started, I have to sell one of my assets in order to raise some money, I was able to raise I think something close to 40million or so, but this isn't enough, so you think of what else can you do. You have to go out. I was able to collect some additional funds with friends, some family ... because it was difficult getting some fundings through banks, so I have to turn to some friends, relations to raise some money, because if you are not, in Nigeria you don't want to start business and walk into a bank and say ok, I need money, that's not possible, you can't get that in Nigeria (E8).

The extract above suggests that challenges exist in raising capital in Nigeria through formal institution and how entrepreneur rely on family as alternative mechanism. As earlier highlighted in the preceding section, formal financing through banks is usually difficult for entrepreneurs in Nigeria most especially during the opportunity recognition and exploitation phase due to the regulatory complexities involved. Banks in Nigeria impose stringent lending rules such as provision of collateral and guarantor. However, entrepreneurs in this context usually lack sufficient collateral due to their nature (Van Caneghem & Van Campenhout, 2012). As such, the access to financing becomes more challenging. Additionally, there is also perception that formal financial system in emerging context often considers entrepreneurial portfolio as a high-risk investment due to the extreme economic conditions and institutional instabilities in this context (Tajeddin et al., 2025; Lawal, Iyiola & Adegbuyi (2018). This suggests why case 8 have engaged family to raise required capital. However, this case is not isolated.

There were also indication of trade association bridging the funding gap for the entrepreneurs in Nigeria. This was shown from the experience of another entrepreneur below

In our association we do Ajo, this is like a monthly contribution, one person is paid this month and then next month another number is selected till we all can get the same amount but is very helpful because if I am paying 50,000 like the current one, we are having like 24 of us in a circle, they will have like 3 circle depending on the number, it means that I can get like 1.2m to put to my business, I always prefer to get it in the middle. When you continue to use the money, it can also help to generate profit toward the share you will pay back (E10).

As indicated above, the entrepreneurs (Case E10) rely on connection to and membership of their trade association to access the required capital for their business. Trade association has been highlighted in the literature as a form of specialised financing alternatives for entrepreneurs in Nigeria (Akinola, 2014). In this situation, entrepreneurs rely on the coordinative role of the trade association to facilitate financial resources. Trade association provides its members with short term facilities by pooling funds together as described 'Ajo'. Ajo is a pool of funding developed within the association where individual members contribute to small fraction and made available for the entrepreneurs in need of working capital. Tajeddin et al (2025) argues that business group plays a crucial role in entrepreneurial advancement of many emerging economies, particularly proving SMEs funding. Trade association are business group formed together based on network and alliance of people with similar goal (Carney et al., 2011). Prior studies have indicated that the scope of business group often extend beyond social factor to complementary services such as funding and human talent (Deltour et al., 2021). Therefore, this thesis finds that belonging to trade association is an informal institutional mechanism that enable entrepreneurial process by providing access to funding resources.

Another informal institutional dimension that complements to provide funding is the entrepreneurial ties.

I developed a plan which I call return on investment plan, and I discuss with my wife, technically, she does this collection for doctors which amounts to millions. So, I discussed that this doctor has this million, can you share this return-on-investment plan with this person, can he give us this money, in one month, we give it back to you with an ROI of 10%. Almost every doctor she shared them with were very enthusiastic about it (E9).

The scenario above evidenced the significance of network ties in securing the connection to access informal institutional mechanisms that enable entrepreneurship, providing avenue for the entrepreneur to raise required capital. Significantly, this extract demonstrates the existence of the underlying factors that drive access to resources within the informal institutions. Additionally, the extract indicated the interplay and influence of formal environment in enabling access to these practices. In this case, case 9 indicated the need to develop an ROI for his network. This practice aligns to contracting in formal lending arrangement which is required to enhance trust and stability of institutional transaction suggesting a transposition of formal elements on the dealings within informal institutions. Research already suggests that informal institutions are determined by variable individual factors such as ties and trust (Ledeneva & Efendic, 2023). Therefore, entrepreneurs seeking to leverage informal institutions to gain funding must gain trust of the other actors by instituting different trust enhancement mechanism. This assumption was also captured in the view of another participant below

You can't be entrusted with such if you are not trustworthy. They must believe in you to allow them to entrust you with money (E9)

This view was also reinforced by other participants below

It is difficult for anyone to deal with you without trusting you. I would say, trust is the basis for building anything meaningful here. You see, you

believe me now because you trusted me to a certain extent that what I will tell you is the truth, when people trust you, it gives them confidence that they can deal with you and eventually believe in you (E13)

Additionally, the issue of trust is pronounced beyond the family members as described below

Even the issue of cooperative we are talking about is because the people have somehow built a level of trust for themselves. When you see anyone part with money willingly (smiles) not like someone who is kidnapped but willingly shows a level of trust for you to make them consider in the first instance that you are worthy, and this reflects in all aspects of business. Hardly would you see anyone deal with the person you don't trust (E6)

The extract above indicated that trust becomes a crucial enabling resource to facilitate access within the informal institutional environment. As seen from the extracts above, entrepreneurs need to gain trust each other to deal within the informal institution which enables them to leverage informal institution for funding. While the focus is on finding alternatives to circumvent the formal institutional constraints, the enabling role of trust and ties points to the challenges associated with this procedure. The reality in the informal interaction is that interactions involve favour of access and mutual help which is sustained by trust. As such, actors only deal with the people they know and consequently can trust (Ledeneva & Efendic, 2023; Omeihe et al., 2023). Trust in this circumstance increases other actors willingness to engage thus acting as informal institutional driver within the institutional environment.

6.3.2 Informational Role

Entrepreneurs interviewed also indicated that they relied on the informal institutional mechanism to gain access to valuable information in the market to enable them to overcome formal challenges. In markets with institutional challenges and complexities, it is very important for entrepreneurs to have access to quality information. Most times, such information are often unavailable when

due to deficiencies in its institutional arrangement. Nigeria presents a unique case where information is required for entrepreneurs to reduce the cost of trade (Omeihe, et al., 2021b). As such, entrepreneurs in this context have to craft a new way of working in such environment (Sydow et al 2020). This becomes increasingly significant for entrepreneurs who proactively seek information such as interpreting regulations and acquire knowledge in decision making during opportunity recognition and exploitation phase in entrepreneurial process. For example, one of the participants indicated below

You know at the beginning, I told you I don't have all my registration because you don't know what you are even doing, for someone who is just starting, I only have my business name like every one, you give the name to your business but you don't even consider that you have to register the name, which I think the reason is because I am not completely sure how, not that I don't want to register but you don't know which is which, sometimes what you read in paper is different from reality on ground when you go to government office but the thing is when I joined the union, they already know people at Nafdac who can make it easier. They know what you need to register any product, the type of registration and sometimes they know who can file for you (E3)

The comment above indicated the constraining reality in emerging context characterised by inadequate sources of information, entrepreneurs may be forced to engage in information seeking to acquire knowledge to overcome such constraints. In particular, entrepreneur in this case rely on trade association as informal institutional mechanism to address formal institutional voids. This shows the ability of the trade association in compensating for the perceived informational gap in the market, providing market required information for entrepreneurs. The sense of belonging to trade association provided the necessary safeguards to high level information within the institutional inefficient environment (Omeihe et al., 2021). In this way, trade association served as important complementary institutions to the weak formal institutions in exchange of market information. Entrepreneurs need formal institutions to register their

product, the complexities associated with easily accessing formal institutions render entrepreneurial pursuit challenging, thus, compelling entrepreneur to consider alternative arrangement that can provide information to navigate through the regulation and reduce entrepreneurs' challenges. Similarly, other participants indicated below

I had to start moving about, you don't know which is which anymore. Eventually, my pastor knows someone who claimed to know someone who has had the same problem as me, and how he worked on it. You know, he was able to introduce me to someone (E9)

This case is not isolated as further expressed by another participants, entrepreneurs in this context are significantly relying on the informal mechanisms to gain information for problem solving and influence their decision making. This view was captured in the experience of other participants below

I had to be going and speaking to people who have also done similar thing to understand who has helped them, how does it work, can I change the person, can we invite the person to come, speaking to almost everyone that I know who can provide assistance (E8)

This was also reinforced by another participants.

It is very good to have such association because it helps us to gather together to help each other. We come to provide information, if someone is experiencing any problem early, they share it so that everyone can prepare for it, we also have it to maintain a one voice. You know sometimes when there is division in the market, anybody will do as they like, but if we all speak in one, like together we agree to do anything and everyone in the market is saying the same, people will take us serious (E1)

The effective use of informal institutional mechanism to gain information become even more prominent to facilitate opportunity recognition. For instance, one of the participants indicated below

I started by speaking to my friends on what I could do, what type of business I should take on, I knew It is not time for me to retire but I also don't want to get involved in something serious and can be very difficult, so I wasn't sure of any business like this. It was in the cause of my discussion with people, mostly those who have known me that I

discovered... People who have known me will call from time to time to recommend a paint for their project, so I said why not a paint depot and to the glory of God we started first by becoming a paint depot (E5)

In highly uncertain environment, information accessibility is critical to make informed decision as well as a key resources to develop competitive advantage. An insufficient information hinders the potential ability of the entrepreneurs to take opportunities (Roundy, 2017). Entrepreneurs leverage informal institutional mechanism as a gateway for the entrepreneurs to obtain information needed to either resolve potential issues or advance opportunities (Chen, Chang, & Lee, 2015). In overcoming the impediments in the markets, participants referred to the need to source for information whether to overcome government regulatory complexities or to consider opportunities in the market or to access the market. As indicated, information is a required resources to unlock opportunity recognition and exploitation in the entrepreneurial process phase, however this was challenging for the entrepreneurs in Nigeria who do not have easy access to the information in the market (Meagher, 2017). Additionally, Ge et al (2018) observes that a significant challenge inhibiting entrepreneurship growth in emerging market is lack of easy access to market information. With this regard, informal alternative access to information from trade association, family and social network is particularly important in gaining required market knowledge for decision making in entrepreneurship process. Through access to quality information, participants were able to overcome regulatory complexities, manage business ties and overcome the presenting hindrances in the markets. This access is enabled by trust and ties to each other. This was captured from the view of one of the participants below

it is not just to know you; they also need to trust you so they can move things for you. if someone who has been dealing with them say mama o, this my friend is here to see you, not only to just sell product, to even ask about other product, you will see the difference, you can see why I said the idea is not enough (E10)

This findings corroborated previous research as to the role of informal institutions in providing information to enhance knowledge acquisition which are necessary in entrepreneurial pursuit (Arregle et al., 2015; Discua Cruz, Howorth, & Hamilton, 2013b). Strong informal ties built on trust deliver rich and important forms of resources to the entrepreneurs (Dodd, 2011). As previously highlighted in the literature, entrepreneurship is significantly shaped by network relationship, entrepreneurs often relied on this mechanism to provide key information that can enable easy facilitation of trade (McKeever, Jack, & Anderson, 2015).

The informational role of the informal institution enables entrepreneurs to sustain entrepreneurship process under condition of formal uncertainties, avoiding challenges through timely decisions and appropriate actions. A key characteristics of opportunity recognition and exploitation phase is market knowledge (Mamabolo & Myres, 2020); by facilitating informational role to the entrepreneurs, informal institutions enable entrepreneurial process in Nigeria. The formal institutional challenges compel entrepreneurs to engage in extensive information seeking to identify emerging opportunities and sustain entrepreneurial pursuit. By leveraging informal institutions, entrepreneurs are able to engage in key activities required in entrepreneurship process enhancing their ability to navigate effectively the challenges associated with formal institutional framework. However, accessing the information alone is not sufficient for the entrepreneurs, it is also integrated with other. The next section discusses emotional support.

6.3.3 Emotional Support

In discussing further, the role of informal institutions in shaping entrepreneurship in institutionally weak environment, it was also generally acknowledged by entrepreneurs that they leveraged on informal institutional dimensions to gain emotional support. This function was particularly significant to the entrepreneurs

at the opportunity exploitation phase. A key characteristic of opportunity exploitation phase is uncertainty (Mamabolo & Myres, 2020). Participants indicated that they have benefited from family and trade association by being ‘*listened*’ to, ‘*encouraged*’, ‘*paying attention*’ to during their challenging times helped them cope and eventually focus on building their firms. This situation constitutes a form of emotional support (Klyver, Schenkel, & Nielsen, 2020). Specifically, entrepreneurs indicated that they relied on family norms to gain emotional support. One of the participants expressed below

I am not really ok. But thanks to my husband. He is always supporting me, giving me encouragement from time to time. When there is any issue, he is the first person I call to seek his opinion. He is also supporting me with the funds. When I started, it was very difficult, you know I stopped working to face this full time, he was ready to support me with money every time and even up till now (E10)

this experience is not in isolation as indicated by other participants below

practically everything about the business, I owe to them, my sister has been so much helpful. Most times, I might even just want to give up and she would be like, no. this is not how to run the business and because she also has a business. When I complain, she would just be like, so you are not making product again. I would say she is very helpful to anything I have today (E3)

The scenario above suggests that entrepreneurs leveraged on the informal institutional mechanism to gain emotional support. Although, the indication is that the emotional support is more noticeable with family norms and trade association, this thesis found that emotional support is a significant function within the informal institutional dimension. It has previously been highlighted how institutional deficit influence entrepreneurial everyday psychological state as well as how entrepreneurial psychological state shape their behaviour (Renko, Bullough, & Saeed, 2021). Weak and inefficient institutions damage the entrepreneurial ability to create entrepreneurial progress which negatively affect venture growth and performance (Stephan et al., 2015).

It is argued that when faced with such adversity, entrepreneurs in Nigeria leverage on the bounded systems within the informal institutions to substitute. Entrepreneurs benefit in developing countries such as Nigeria benefit greatly from emotional support as it helps to cope with uncertainty (Arregle et al., 2015), driving confidence to remain committed to their goals (Treffers, Klyver, Nielsen, & Uy, 2019). This support provided through informal institutional mechanism reinforces the ability of the entrepreneurs to develop their business. Of recent, emotional support have gained more prominence in entrepreneurship literature, regarded as ability of an individual to provide warmth, reassuring and nurturance to another individual (Cogan, Pret, & Cardon, 2022; Klyver et al 2020). Emotional support has also been shown to improve mental health and capacity of the entrepreneurs (Klyver et al 2020). These findings highlight the significance of emotional support as a critical resource for entrepreneurship specifically addressing entrepreneurial psychological stress as well as reinforcing resilience. By providing emotional support to entrepreneurs, family, and trade associations function as substitutive mechanism where formal institutions are inadequate. These findings extend further the intricate interconnection between entrepreneurial actions, performance and the psychological state of the entrepreneurs (Xu, Kellermanns, Jin, & Xi, 2020). That is, entrepreneurial psychological state is significant and may be able to help entrepreneurs meet their entrepreneurial goals. In situations with challenges, studies have highlighted how entrepreneurs are confronted with challenges in this daily management of organisation, called entrepreneurial stressor (Kollmann et al, 2019), having access to emotional support helps the entrepreneurs to overcome challenges associated with entrepreneurial stressor which impacts on the daily wellbeing of the entrepreneur to effectively engage and make decisions. Emotional support reinforces the confidence and the persistence to achieve higher performance (Lerman, Munyon, & Williams, 2021)

6.3.4 Market Access and Regulation

The literature presented in chapter 2 posit that regulatory right is a key characteristic of formal institutions. However, this thesis also identified that informal institutions are becoming increasingly significant for the entrepreneurs to gain access to the market as well as market regulation mechanism. Participants in this study mentioned that informal institutions are significant to gain access to the market in a challenging environment. One of the participants expressed this below

It is very good to have such association because it helps us to gather together to help each other. We come to share problems among ourselves, if someone is experiencing any problem, they share it so that everyone can prepare for it, if a bad product is in circulation, we can get to know from the association, our association also meet with different market association, we know our customers from that and we also maintain one voice (E1)

This view was also reinforced by another participants

I would say this trade association that I belong to which I am talking about is a blessing, you understand what I am saying now because if you are honest, if you are diligent in your job, they are always there for you, guide us, help you figure out what is happening in Lagos, share next move together, you understand, we know we are in it together and we help each other to advance (E6).

they also make sure that our relationship with businesses in other countries are cordial, for example am in Nigeria and I want to transact business in Benin republic, I want to transact business somewhere, most especially when we are talking about exporting (E5)

The scenario above indicated that entrepreneurs leveraged on their belonging to trade association as a mechanism to gain market access in Nigeria. This situation illustrates the role played by the trade association to complement the lack of robust formal support by the government. As earlier illustrated in the preceding

section, one of the formal institutional weaknesses in Nigerian context is the lack of government support that could help entrepreneur in accessing the market. The lack of effective government agencies creates a constraining vacuum in the market. However, entrepreneurs in such situation have to use trade association as an adaptive mechanism, providing entrepreneurs the ability to fill the vacuum created within the context. In Nigeria, although, government are beginning to recognise the importance of entrepreneurship as significant. State sponsored agencies such as SMEDAN that are created to provide support entrepreneurs and small business are still ineffective. This situation undermined easy access to the market for the entrepreneurs who relied on developing alternative mechanisms such as trade associations (Meagher, 2015). Trade association has been highlighted in prior literature as significant institutional mechanism for market access (Omeihe et al., 2021).

Another participant thinks that in helping entrepreneurs to gain market access, trade association also maintain market regulation. This was noticeable in the extract below

we all know that without them the business might not survive in the country because they are the ones that voice out for either SMEs or small business or big owners' company, they are the ones that represent us to let the government know about what we do, and we have seen the major role they were playing in Nigeria. Like I can say they are to ensure they stand in between manufacturers and governments, sometimes when some policies are coming, they look at it and present it to government that it will affect our business, government might choose not to listen, but it helps to create awareness. they even help government, we make sure that members follow any new rules, we organise workshop with government officials (E5)

In helping entrepreneurs to gain market access, the data shows that trade association also function as market regulator in constrained environment where government agencies are perceived weak to fully enforce rules and regulations. Trade association maintained regulatory power through their developed influences in the market, they function as bridge between the government and the entrepreneurs, ensuring entrepreneurs comply with rules and set regulation within

the formal institutions. The regulatory function of trade association is due to the influence they have on their members, exercising sanctions on members who go contrary (Omeihe & Omeihe, 2021). As such, members are able to accept obligations to follow directives of the association. This was further illustrated in the data below

You know some people are not likely to be truthful and things that involves everyone, it is the responsibility of the association to maintain a balance such that nobody can do as he or she likes (E14)

In view of the entrepreneur's perception, this thesis infers that trade association function as regulatory mechanism in Nigeria. Helmke & Levitsky (2004) argues that informal institutions function as complementary institutions when formal institutions are perceived incapable. This finding is in alignment with this assumption, inferring that while trade association have regulatory capability, their function does not replace the formal regulatory bodies in the society. On the contrary, trade association function to enhance the ability of the state sponsored regulatory bodies. It is also very important that formal regulatory institutions are empowered to restrict institutional rivalry, by getting the balance right so as such compensatory mechanisms do not degenerate into further institutional conflict.

6.3.5 Spiritual Guidance

This thesis also identified that religious norms function as institutional enabler for entrepreneurial process in Nigeria. The findings from the data illustrate that entrepreneurs see religious as a resource for guidance and resilience. Smith et al., (2021) argue that religion is becoming significant enabler of entrepreneurship. This thesis finds that 13 of the participants referenced the enabling role of religion and spirituality as a critical resource on their entrepreneurial journey. Participants indicated that their spiritual life reinforces their self believe to engage in entrepreneurial pursuit, most especially when it becomes more challenging. Through engaging in spiritual activities, entrepreneurs developed stronger ability

to confront daily obstacles and uncertainty in their ways. This perception was captured in the experience of a participants below

After you have prayed and fast, you have to carry on, even when the times are good for the company or not. So, I continue to harp on faith that this problem will go away one day (E8).

The extract above underscores the significance of spirituality in building entrepreneurial resilience. Given the participants belief in the ability of the supreme being to affect their life, this belief heavily influenced their actions. The data also revealed the significance of spirituality regarding opportunity seeking as indicated below

I pray about it, you know as Christian, you want to see that what you are about to start is the wish of God for your life, after prayer, I also speak to some of my pastors, all my pastors told me it will be fine. Then I started to struggle with fear, you know when you want to do something, but somehow you become scared, but by belief in the word of God, prayer here and there is why we are here. I would say thank God for my spiritual life (E1)

The extract above indicated that entrepreneurs religious connection played a significant role in entrepreneurial opportunities process. One key characteristics of opportunity recognition is to capture ideas that are deemed valuable (Mamabolo & Myres, 2020). During this phase, participant E1 indicated they prayed to seek spiritual guidance before starting their business. The participants mentioned that they are afraid of starting the business but relied on their belief in the word of God to continue. Participants indicated that praying helped in managing the decision-making process that is required to navigate this phase and gives further confidence to proceed to the next phase. Another participant complemented this view in the extract below

if you are a religious person, there is a way that you pray about something, and you will have this type of peace that your prayer is answered. Everything that I am doing in this business, I prayed about it. I ask my alfas to also pray about it. My husband is also someone who believes in God, he will tell me that so far, my Iman is good, and work towards it, I should ignore other views (E10)

The entrepreneur perception above indicated the role of spirituality in reinforcing confidence to take on entrepreneurial opportunity, ensuring that entrepreneurs are

optimistic of good outcome from their entrepreneurial intention. The finding from this data highlights a distinctive feature of Nigerian context, specifically the role of religion on entrepreneurial behaviour. It becomes evident that most entrepreneurs relied on spiritual belief to reinforce future outcome. The intersection of religion provokes powerful responses from religious adherent (Smith et al 2023). Invocation of religion are sources of transcendence which enable entrepreneurs to see beyond their current circumstances to alternative possibilities (Gumusay, 2021). In this situation, entrepreneurs in Nigeria leveraged spiritual belief to challenge their current environment as well to focus on greater purpose and future-oriented visions. Cardon et al (2011) argues that spiritual transcendence help build entrepreneurial resilience to cope with seemingly impossible circumstance. In these situations, religion shape entrepreneurial behaviour as enabling forces to bridge the temporal and relational contexts. This role emancipates opportunity exploitation and growth phase specifically in uncertain environment. Entrepreneurs are driven by enhanced belief of success; such belief provides entrepreneur with a strong frame of reference to magical thinking about their success despite uncertainty. Additionally, this belief also helps in expectation for success. One of the participants further reinforced

I would say in terms of instrumentation to what we have found ourselves today, number one factor I would say God. I am so sure the philosophers have different dimension to that when some of you people even say there is no God but ehmm most especially on this knife edge of this country, you wouldn't live without believing in the God factor. We know without him we wouldn't have been where we are, and we know where we are is more than a miracle to us. The rice processing equipment are very expensive, sometimes I looked at some of them and I asked myself how we are able to purchase this (E9)

Entrepreneurs associated their entrepreneurial success to ‘divine favour’ obtained through their religious belief. Religion is an element that was identified to

facilitate entrepreneurial confidence towards an expected goal. The entrepreneur's point of view indicated that their spirituality offers guidance and explanation to their success despite seemingly odd environment they have found themselves. This part of the findings supports the assumption of Suddaby, Ganzin & Minkus (2017) who infers that individual employ religion as a transcendent resource to persist in the face of high risk, uncertainty and ambiguity. As such, finding in this section is particularly interesting to demonstrate the interplay of religion and entrepreneurial resilience in challenging context. Religion is seen as one of the key features of hope in Nigerian context (Omeihe & Omeihe, 2024a).

Overall, our findings in in this section shows that entrepreneurs widely recognised religion as enabling resources for entrepreneurial process. This finding is in alignment with Omeihe et al., (2023) who find that religious norm is significant to entrepreneurial process in Nigeria. However, the finding in this thesis shows that there is much to the role of religion beyond relational mechanism. The findings in this thesis reveals that entrepreneurs in Nigeria deployed religion as critical resources for resilience and transcendence in the absence of effective and efficient formal institutional structures. This subsequently enables entrepreneurs navigate uncertainty and risks in the process of opportunity recognition and exploitation of opportunities.

6.4 Chapter Summary

This chapter has addressed the influence of informal institutions on entrepreneurial process and thus tackled in part the first research question. The chapter began by providing empirical evidence on the perception of the entrepreneur to the formal institutions in Nigeria. Since previous studies highlighted that informal institutional analysis are considered incomplete without considerations of the formal institutional environment, entrepreneurs were asked to provide their views on the formal institutions in Nigeria. Evidence from the

entrepreneurs suggest that formal institutions in Nigeria were considered challenging with mistrust and complexities thereby constraining how it functions. This perception therefore underlies the structural switch to the informal institutions and leads to entrepreneurs leveraging informal institution to engage in entrepreneurial activities.

Moving forward, the chapter provided empirical evidence on the role of informal institutions as institutional alternative for the entrepreneurs. The evidence emphasised that informal institutional mechanisms such as family, religion and trade association played a pivotal role as alternative institutional mechanism to entrepreneurial pursuit. The forms of roles played by informal institutions that were discussed are emotional support, spiritual guidance, informational role, market regulation and funding. This chapter also zeroed in on the perception of the entrepreneurs to trust and network ties as significant informal institutional enablers, increasing access and collaboration to strengthen the condition under which entrepreneurs draw on the informal institutions. The next chapter therefore moved to discuss the practices through which informal institutional voids emerge.

Chapter 7: Discussion Theme Two – Triggers of Informal Institutional Voids

7.1 Introduction

The findings in chapter 6 have shown that informal institutional mechanisms hold institutional significance to entrepreneurs in Nigeria as institutional enabler. However, this thesis also found that entrepreneurs experience some challenging deficiencies within the informal institutional structures suggesting they also function as constraints to entrepreneurial process. The informal institutions are characterised by interconnected and intertwined elements (Meagher, 2007). The combination of these elements may expose informal institutions to uncertainty constraining their capacity to function. Additionally, informal institutions operate through more implicit and socially constructed processes which may significantly shape its structure and performance (Doh et al., 2017). The literature highlighted institutional logics as a useful tool for conceptualising informal institutional phenomenon (Amoako, 2018; Omeihe & Omeihe, 2024). This theory proposes that institutional outcomes are determined by interactions and interplay of key underlying elements such as family, religion, community, market (Lounsbury, Steele, Wang & Toubiana, 2021). The interaction of these elements influences how actors perceive institution as well as rationality of the actors to shape their institutional environment.

Informal institutional voids are conceptualised in this thesis as the inability of informal institutional mechanisms such as trade association, family ties and religious ties function without hinges (Webb et al, 2019). The presence of informal institutional voids has the potential to create complexities that could greatly hinder market exchange engagement within the market (Sydow et al 2020). This chapter presents evidence of how informal institutional voids emerge within the informal institutions by considering how meeting institutional demand

with one element requires compromising with the other elements. Thus, constraining the function of informal institutions. The data revealed three ways in which informal institutional voids emerge: normative conflicts, power imbalance and obligation concern. As such, this chapter will present the empirical findings illustrating the experience of the participants to draw out the significant situations of functional complexities and institutional uncertainties. These findings align to the objectives one and RQ1 of this thesis. Section 7.2 provides an account of the normative concern arising from informal institution. section 7.3 provides the accounts of power imbalance issues within the informal institutions while Section 7.4 focuses on the obligation issues constraining entrepreneurial activities within the informal institutions' mechanisms.

7.2 Normative Tension

This thesis identified normative tension as a pattern of trigger for informal institutional voids. As earlier highlighted in the literature review chapter, the normative pillar remains a key underlying element of the informal institutions because informal institutional mechanisms embody the society's collective assumption. The assumptions of informal institutions are built around norms (Scott, 2014). Normative pillar represents social norms, values, beliefs and assumptions about human nature (Amoako, 2018). According to Omeihe & Omeihe (2024), norms that are significant to entrepreneurial activities in Nigeria.

Normative principles are expected to help establish governable structure for behaviour, guaranteeing a level of stability in exchange within an institutional environment (Scott, 2014). In principle, this assumption implies that normative values regulate individual actions and drive individuals to aim to behave in a socially acceptable manner (Omeihe & Omeihe, 2024). Moreover, it is expected that internalisation of specific norms in the society enhances values for functional structure and reduces complexities associated with interpersonal relationship

(Ledeneva & Efendic, 2023). In this case, entrenching norms help establish an acceptable way of living within a context, guiding the behaviour of the actors to act appropriately when entrepreneurs leverage informal institutional mechanisms (Amoako & Matlay, 2015). On the contrary, this thesis finds that interaction of different normative elements constrains entrepreneurial process thus leading to informal institutional voids. The normative concerns identified in this study are religious normative concern and sociocultural normative concern. The next section provides empirical evidence for religious normative concern.

7.2.1 Sociocultural Normative Tension

The data from the analysis of this thesis revealed that entrepreneurs conflict with sociocultural normative cues in leveraging informal institutions. The sociocultural systems are embedding pillars influencing informal institutions within its context (Scott, 2014). According to Amoako (2018), cultural elements are significant to the underlying values, beliefs and norms that gauge the level of individual actions. Entrepreneurs in this thesis reveal that they are influenced by cultural practices that hinder effective business practices and the decision-making ability of the entrepreneurs and thus seen as a trigger that could affect how informal institutions function. Some participants expressed this conflict through their discomfort with family employees. For example, one of the participants expressed their experience below:

will you deduct from the salary of your family, ehnn, they will rather do family meeting for you. It is you who remove the salary that will beg to increase that salary. It is just the way we are you know one way or the other we are related to each other, your relative is your family, will you punish them? I don't think so, will you fire them? (That) is also not easy (E1)

The extract above shows participant's discomfort with embedded interplay of family norms. Family is considered sacred and untouchable unit in African context (Amoako, 2018). However, participants show that this practice is a

concern to entrepreneurial decision making, specifically making it difficult to enforce required practices on their family employee. This comment aligned with the view that inability of the entrepreneur to make predictable analysis of interactions within an institutional environment poses a threat and institutional burden to entrepreneurial activities (Khoury & Prasad, 2016). This view was buttressed by another participant in the comments below:

it becomes more complicated; do you want to arrest them (family employee)? If it is my son, will I call police to arrest my son? Some people will say, this man it seems something is wrong with him, even if it is not my son, the fact I know you, there is omoluabi way that you want to resolve this without the police. Yoruba will say omo eni ko ni se idi bebere ka fi ileke si idi omo elomi, it means no matter what your child has done, you don't tell them they are bad children in public, you cover the shame in public (E4)

In this vein, interaction of family embeddedness was viewed as challenging to establishing efficient institutional outcome. Consequently, entrepreneurs have to get the balance right to extract value within such institutional environment which the findings above suggest the entrepreneurs find it difficult to do. In the family culture in Nigeria, individual member of the family has an implicit responsibility towards your family and are often expected to protect their family members irrespective of their wrongdoing, and any contrary behaviour means that entrepreneurs are likely to be seen as a non-respecter of cultural practices and questioning the distinctive features of family relatedness in Nigerian society and their commitment to their kin. These cultural norms conflict with entrepreneurial behaviour. Although the concept of family unit has been defined as a group of people bounded together by bloodline, the concept of family in western Africa and in particular Nigeria transcends mere blood relations and includes individuals such as kins (Omeihe & Omeihe, 2021b). The family embeddedness created a clear indication of restrictive practices constraining the entrepreneur.

The inability of the entrepreneurs to enforce appropriate behaviour is constrained by a set of shared belief in family norms. While the entrepreneurs recognise the ability to sanction, the possibility of sanctioning could not be enforced due to negative perception and backlash it would bring to the entrepreneurs. As such, creating a situation that could trigger inefficiency within the informal institutions.

Another indication of sociocultural normative concern is illustrated in the participants' perception of the principles of gifting and reciprocity within the informal institutions. In the chapter 2, reciprocity was identified as key mechanism underlying informal institutions. Additionally, Meagher (2013) argue that enforcement mechanism within informal institutions is unstructured, as informal institutions are built on reciprocity and principles of gifting and receiving. Such practices act as enablers of future relationship. Participants indicated that it is an obligation to provide gift for other actors in your network:

You should be able to water the relationship. Like what we do is we ensure that we provide some incentives from time to time, like gifts valuables like company accessories and the likes. You needed all of this (E8)

Nothing comes for free; if you think anyone is here just for you. you will see a big letdown. You can only survive here when you reciprocate (E17)

Drawing from the above comments, participants found gifting as an obligation to access informal institutions. The comment 'to water the relationship' here is a metaphor for providing another person some form of gift to enhance access and relationship as well to preserve future patronage. These practices are seen as important mechanism to maintain meaningful relationship within informal network. However, other participant found this experience to be odd, creating a concern by exerting pressure on the entrepreneurs. Regarding this, one of the participants said

It is the pressure you have, trying to appreciate people. Many times, I do feel like whether I have done enough or not. I am not even sure whether, it is right or not, but it is what you do, all times. We do it for civil servants too, you know you want to be in the good book, if they transfer a new person to your area, you want them to give you the update, they hand you over to the new person, but what I am talking about is the extra burden. I am not even thinking of morality part, you know most time, I question if that is right (E10)

To illustrate further, another participant provides indication of this perception:

But it also placed a situation of indebtedness on you. To which I can say, it is difficult to repay. You know, it comes from meeting someone who claimed to know someone who can help. You have been put in a situation where you have become indebted to, you know, it is different if I owe 1 million naira, you can calculate and know how much and if I repay any you less my payment from the outstanding debt, in this case, you don't know the gratitude to justify the help. What is enough? It is continuous. You feel you are indebted forever because you don't know what you owe, or extent is required (E9)

The above comments revealed that the perception to the normative principles of gifting and reciprocal differed. Although, studies have suggested that the principle of gifting is voluntary (Ledeneva et al., 2023), the extent to which this practice dominates the context shows variation that is likely to impact how entrepreneurs perceive this practice. Normative elements create social obligation for its members; however, the huge concern shows conflicting perception. The comments above shows that the practices of gifting were perceived as constraining to entrepreneurial pursuit. Specifically, comments from E9 and E10 shows that the practice could lead to negative consequences (Ledeneva et al., 2023). There is perception of these principles creating additional burden for the entrepreneurs. In African context, the principle of gifting constitutes a form of sociocultural tradition (Amoako, 2019), not only the objects that are being exchanged has a social cultural attachment, but noncompliance is often also questioned. Some studies such as Ledeneva & Efendic (2023) have considered

this principle as a form of informal tax while Moulick et al (2019) considers this as corrupt practices. These views align with the summation that entrepreneurs perspective conflicting pressure from these practices, specifically when it is deemed as gateway to continue to do business, and it becomes difficult without ‘investing’ in this strategy as described one of the participants.

you see everybody in one place or the other in Nigeria want to take advantage of their position, even in our association, they know there is not how you come to them without them collecting something, eh you will give something to say thank you, that is it (E15)

Reflecting on the comments above, the obligation of gifting makes informal exchanges particularly challenging for entrepreneurs who feel unease. As argued by Ledeneva et al (2023) this could be seen by the entrepreneurs as additional tax or perceived as bribery arrangements, similar to the negative perception in the formal institutions. Although, the gifting obligations help fosters continuous relationship, it also enables increase in transaction cost. The sociocultural cues of gifting have created the challenges for entrepreneurs, aligning to the perception that individual behaviour within an informal institution is influenced by culturally embedded beliefs (Westaby, 2005).

The underlying assumption in institutional theory is that economic actors should be able to access institutional mechanism without any hindrance, in this case, the institutional mechanism could provide robust framework for entrepreneurial process to thrive. On the contrary, what the entrepreneurs perceive is conflicting situation that encouraged by the sociocultural norm of gifting. Giving the antecedent of normative elements to provide entrepreneurs with basic beliefs and values to act in certain situations, the inherent pressure the entrepreneurs feel to oblige these practices shows its capability to hinder.

Although, the core of literature on informal intuitions establishes the positive perception of sociocultural norms on entrepreneurial behaviour, the finding of this section shifts the focus to an understanding of the challenges associated with the cultural norm and perception to create a challenging situation for entrepreneurship. This also describes what Ledeneva (2016 p 5) called ‘*normative ambivalence*’, situation whereby individuals experience conflicting perception about normative obligations. In such situation, normative obligations holds both negative and positive feelings, what is considered normal and at the same time against certain social norm. Such duality led to increasing pressure for the entrepreneur who are confronted with contesting this situation. The conflicting perception about normative elements reveals complexity of normative mechanism.

7.2.2 Religious Normative Tension

As earlier highlighted in chapter 2, religion is regarded as one of the normative pillars of the informal institutional dimensions. The findings in this data shows that religion shapes the participants’ behaviour in different ways. For example, the influence of religion is seen in developing business practices of the participants. This view was expressed by one of the participants

when you put (your) trust in God and you believe that anything I want to do, let me do it, and God will do it, he will support me, and you know what you are doing, not (that) you are not doing fake, you don’t fake another, maybe someone is bearing Bachus and you are bearing Bachus again, you are faking, you are doing fake, that is not right, God don’t like that (E11)

The extract above shows how the internalised inference of religion, ‘trust in God’ influence participants behaviour, challenges appropriate business practices and fair dealing from the entrepreneurs. The intersection of religion invokes commitment of individual to sacred obligations, which affects individual’s perception of their entrepreneurial behaviour (Smith et al 2023). However, the reference of religious practices is also seen as a constrain for entrepreneurial

engagement with when such practices conflict or dominates other logics to influence institutional outcome in the business environment. The findings in this thesis reveal that participants also indicated concerns when ideological belief of the participants dominates institutional system that facilitates action. This in turn causes a recurring barrier within the informal institutional environment. One of the participants indicated below how religious ideological belief function as a constrain

you know as Muslim; you will consider whether it is right to borrow money. Islam forbids interest. When you borrow people money in Islam you should not collect any interest and when you borrow as well you should not pay interest That is why you see many banks now do Islamic banking where they don't pay you interest, and you also don't pay interest when you borrow but it is not easy. There is not many that can borrow you money to do business without interest, even NASSI itself. For you to know how big this is, sometimes, I was talking with my husband, and we were discussing about a new group that my friend introduced to me, how they are doing very well, you can get loan quickly, you know that someone who was there and close to me and my husband said Alhaja, you know you can't take loan with interest, you shouldn't consider borrowing from there (E10)

To further illustrate the influencing role religion in constraining, another entrepreneur explained how religion reinforced perception to loan with interest:

another thing is probably loan. Ok I think that is one aspect anyway. It is true I got somebody, (who) could have given me a loan, personal loan sha ma pe ni personal loan sha (should we call it personal loan?). I don't know if I should call it personal loan because the person was willing to give me a loan to invest in my business. It's like a mini micro finance, not really like the other micro finance. The person was actually just doing on its own, but the person was going to add interest of course and me I was not willing to take it because of the interest. So, if the person had come up with profit sharing or something. I might have considered that, but the person was saying ok I would give you this loan and you will pay this x y amount but because it is haram. I would not take it but if I had taken the money it might have helped me but me I know I would not take loan and there are some time this quick or is it quick credit will be staring at me, and I would be

like I can borrow this now and I would be like there is interest on it o so I would be like let me not take it let me just be doing the turnover. So, I feel if that is not there. I was doing that because of my religion anyway (E3)

The extract above shows that religious ideological belief conflict with institutional practices of borrowing within the institutional environment. Participants E3 and E10 indicated how Islamic ideological perception of lending conflicts with the prevailing practices in the environment. Entrepreneurs were bounded by their belief system which provides the foundation for the cond8uction of entrepreneurial activities. The participants are concerned that the ideological beliefs and practices of their religion conflicts with the norms guiding lending in their respective association. In this case, the religious logic is dominant for the participants and act to discourage entrepreneurs from effectively leveraging institutional resources in their environment. The broader assumption is for the underlying religious beliefs to offer protection against inappropriate behaviour; However, the findings above indicate this is bi-directional. On one hand enhancing behaviour of the participants to fair business practices, while on the other hand conflicts with the general practices. Interestingly, the data shows that only the participants who are Muslims indicated this concern. As Meagher (2013) suggests, Muslims in Nigeria are guided by strict religious laws called ‘sunnah’ which are often in contradictions with the general rules within the society. Religious belief challenges status quo, disrupting established customs and breaking with traditions. For religious people, their unconditional loyalty is to their belief’s values (Smith et al., 2023). In this case, the entrepreneurs who are Muslims are unable to access raising capital by borrowing even from their trade association as such would attract interest payment.

To further illustrate the influence of religion norms as constrains, participants also explained how religion reinforced other people’s perception and judgement of entrepreneurial pursuit. One of the participants expressed as follows

they cannot accept or let me say they don't want to accept me. They believe I am a sinner with all this we are doing. Sometimes, I can go to church, they may be looking at you like, see him, of all the business in this world, it is wine I can think about, else (sinner), sometimes, pastor can even preach about you, if he is preaching about repentance, he will mention some of you doing what is not is not good, some of you selling what is not good, it is not good, it is against your religion (E11)

This was also indicated by another participants

You see the problem is not God or religion itself, but I am talking about the people. It is the people who think some businesses are bad, it those people who judge you. How do you reconcile the fact that some people tell me I will perish because I have chosen a particular line of business. That I am against the work of the church as a Christian (E16)

The general environment is bound by the religious belief system as normative element which institutionalise acceptable practices. It could be seen that entrepreneurs perceived a sense or rejection through prior judgment of their entrepreneurial activities. Interestingly, these participants were all involved in manufacturing alcoholic drinks. To buttress this point, another participant indicated below:

There are many times I am tempted to make new drinks, but when I think about it, I will just drop it, because I will have to make alcohol, that is the major drink moving very well and me, I cannot (E3)

The scenario above indicated the influence of religious perception. Entrepreneurs perceived that the perception of what is considered moral in his religion has impact on social acceptability of their business. This is particularly challenging at opportunity recognition and exploitation phase where entrepreneur is at the verge of considering business idea. In such case, the general religious values are juxtaposed to judge individual circumstances and impact on what is considered an acceptable business. The dominant logic of religion in this case conflict to constrain entrepreneurial process, the discrepancy in what counts as moral to the general actors have a significant impact in influencing acceptability of the entrepreneur's perceived opportunity, questioning their moral values and such

could damage on their internal motivational force and ability to exploit such opportunity. By placing explicit rules of conduct and engagements on their adherent, religion exerts negative influence on their perception. As such, this situation impugns on the potential of religious normative pillars to not only provide actors with quality support in their entrepreneurial act but also present tensions that entrepreneurs are to contend with. The findings in this section shows that the impact of religious norms have negative influence on the entrepreneurs. Entrepreneurs rely on stable institutional mechanism to act and create economic activities, and any element of institutional framework that act outside the collective locus has an effect of creating tensions for actors (Lounsbury & Boxenbaum, 2013). In this vein, entrepreneurs are constrained in the business environment when underlying religious norms clash with entrepreneurial mindset of extracting value from normative cues in leveraging informal institutions.

7.2.3 Section Summary

The findings on normative concern evidence that the roles of normative elements vary. The evidence from the discussion above indicates that interplay of religious and sociocultural norms within the informal institutions act as constraining factor affecting how informal institutions functions. Normative elements provide more general guidelines for conduct of an individual; such guidelines underlie positive or negative response to situations within a context. It provides the expectation about what behaviour are considered acceptable and unacceptable (Omeihe & Omeihe, 2021b). Sociocultural and religious norms shape entrepreneurial behaviour in ways that inhibit the entrepreneurial actions within the informal institutions.

7.3 Power Dynamics

This thesis also identified power dynamics within informal institutions as another pattern through which informal institutional voids emerge. The power dynamics captures the power imbalance concern of the participants from the perception of domination and control arising from the difference in power of each institutional actor over the other. The relationship between power and institutions has been identified in the literature as underlying mechanism for activated control (Philip et al., 2004). However, this has been addressed through a macro dimension (Lawrence, 2013). The analysis of this thesis reveals that 13 of the participants indicated that the nature of power dynamics within informal institutions especially during the opportunity recognition and exploitation phase is significant to how informal institutional function and specifically have capacity to influence institutional outcome. This insight infers that power is critical to how informal institution operate. The dynamics of informal institutions relies on forms of relationship characterised by mutual dependence (Amoako et al., 2021). Its sustainability is anchored on personal tries and connection (Boddeyn & Peng, 2020). As such, the performance in such relationships are seen to be influenced by implicit power dynamics between those involved in transactional exchange (Horak & Klein, 2016; Horak et al., 2020; Siangulube et al., 2023). The evidence from the analysis of the experience of the participants indicated that the levels of power differential between the actors create institutional pressure and tension within the institutional structure that affect how informal institution operate. One participant indicated that the level of power imbalance within the system encourages suppression by other actors who are considered to be above them in level

They (leaders of the association) make everything compulsory. It is not like you have a choice. So, when you join, they give you some rules and guidelines in the association and it's not like they are really much stress, sometimes, they said they are giving training, sometimes it's to provide information. They sha find something to be doing and you are expected to

do this, they want you to attend meetings, pay for dues as a member, it is compulsory (E3)

I also do think it could restrict us in terms of rules they (trade association) make or what you have to do. You know it is very difficult having to operate and say find your own path as you go along but somehow faced with some restrictions from some people with a different reality. I have met some of the people who actually do belong the MNA, but the experience is one way or the other of suppression from most of the bigger guys. At that stage you don't want to get involved in such issues. I mean we have to deal with CAC, different regulatory agents, LASEPA, NIMWA. So, I don't really want to complicate issues for myself again. For instance, someone who manufacture ehm similar product like us has influence and they can make different rules, what size you have to make, what type of product to be made. I think it restricts your development and ehn I don't agree with that (E7)

The association have our way of doing things. Even when we are all partners, we still have leaders, and they have influence too, everyone knows them. If you are in Ikeja and I mention someone, you know how strong what we are talking about. So, if those people come, you cannot challenge them except you want them to frustrate you (E10)

The extracts from participants above indicated a concern of domination that underlies power dynamics within the trade association. Trade associations are usually group of individuals who are typically in the same industry who coordinate together on shared interest (Barnett, 2013). However, participants indicated that the nature of trade association allows for indication of power imbalance. As seen in the extracts, there is indication of power play within the association. Omeihe & Omeihe (2021) argue that sheer power is often demonstrated between one and other in the trade association. There is often executive who represents the association and expected to control the affairs of the association. However, participants comment above illustrated that the sheer

power demonstrated by the executives to govern the association institutionalise domination and control of the members.

As earlier highlighted in the chapter 6, trade association act to provide access to key resources within the Nigerian context, often working in parallel to formal institutions by providing guidelines for the entrepreneurs to follow through its bye laws. To carry out its function, trade association is governed by observable structures and rules (Barnett, 2013). However, as shown above in fulfilling such role, trade association through its structure set rules that entrepreneurs are obligated to comply to. This finding indicated there were display of dominance over certain members of the association, as compliance were perceived as compulsory and not freewill and in situations where entrepreneurs challenge such rules, it could bring negative consequences for the entrepreneurs. Although, probing further, participant E3 indicated that they had not been fined by the association due to their significant involvement in the association and also the nature of size of their business, but hinted at the perception of arbitrary power dynamics where some members had been subjected to fines by the association. Thus, the participants find it odd to accept the power imbalance within the association. The inability of the entrepreneur to accept the power imbalance brings unease and complexity that are capable to undermine the function of trade association. When association over-emphasised their power as seen, members are confronted with pressure to respond to control thereby triggering informal institutional voids.

Another power related concern highlighted by the entrepreneurs is related to domination from the family ties. As earlier highlighted, entrepreneurs in Nigeria when faced with formal institutional weakness, leveraged on family norms to raise capital and other necessary resources. However, this level of reliance on family norms to access the required resources do not come for free. Families in

mostly trying to protect such investment exert further control and domination on the entrepreneur, significantly creating a challenge. One of the participants illustrated through his experience below

the ability for them to become very influential on you, so what are you left with. They want you to employ family and all sort, if you say know, they remind you when you needed help, sometimes they gave you some piece of information whether useful or not, so this is a serious issue (E1)

In Nigeria, traditional family members have significant influence on each other due to the nature of relationship which may have contributed to the power dynamics. Another participant illustrated further:

I understand that there are some issues with my relationship with her which is more of attitude to control me, and that level of control is what you wouldn't want to give to anyone. So, my sister was probably the second investor in my idea after my mum, which, means the journey started from home.... I was thinking now and what I could say is the high level of domination which put some fear on me. You know everybody is getting to be sure you are making the right decision, doing the right thing, and not putting their investments on brink. No one actually wants to see you lose money (E7)

The excerpt above indicates that power is rooted in the nature of social hierarchy and familiar relationship. Participant indicated concern based on controlling oversights experienced with a switch from emotional support. The use of 'fear' and control demonstrate internalised constraints revealing how internalised power dynamics shapes institutional context. This level of power dynamics has significant influence to affect the entrepreneur's wellbeing. To buttress this point, another participant indicated that this nature of control from power dynamics sometimes lead to threat and emotionally abuse in trying to enforce their decisions on entrepreneurs

Sometimes you begin to get threatened, you even feel emotional and psychological with it, you know, of course, you start panicking (E9)

The extract above reveals the indication of clash from potential underlying elements of informal institutions, in this case family ties and institutional

obligation. As such, participant experienced a power concern from association with family ties as a constraining factor which acts to affect how informal institutions operate. Although, informal institution could have created avenue for the entrepreneurs to gain access to critical resources, the dynamics of power through the embedding interplay of family puts pressure on the entrepreneur, such are capable of inhibiting business decisions. Prior studies have indicated that external control is usually a challenge to successful business outcome (Sydow et al 2020), this even becomes more significant in an informal institutional environment where structures are rather flexible. Further influence of such power dynamics to entrepreneurial outcome is illustrated by another participant below:

They (family) may like twist your idea or bend your idea and at such an early stage, it is a very dangerous, when someone who does have no idea or let me professional skills and knowledge get to say perhaps maybe you should do this or do it do it this way, before you know it, it is a completely different idea, a different product or a different company (E17)

The power imbalance dynamics is significantly prevalent depending on the level of relationship with people in position of influence to wield power. In relationship shaped by power dynamics, the levels of position of people in power could influence dominance as well as decisional outcome (Greguletz, Diehl, & Kreutzer, 2019). When individuals who are below the spectrum of power experience the feeling of disadvantages, it could be argued that such situation represent an experience of power imbalances. A key attribute of family institution in emerging context is deference to family authority (Ge et al., 2019) where in family members exercised authority over you based on predefined social hierarchy granting family members in this case a significant influence that unbalances the level playing ground for the entrepreneur. Thus, the family members have power over the entrepreneur when the family members are older and the entrepreneur are younger, then the effect of power dynamics could be even stronger.

Interestingly, participants indicated this concern is more prominent during the opportunity recognition and exploitation phase when the entrepreneur is still figuring out their business model. As previously indicated, a key characteristic determining opportunity recognition and exploitation phase is access to resources (Webb et al 2011). Family members provide support for the entrepreneurs by offering access to various resources such as social capital and labour resources (Areggle et al 2015), the evidence in this thesis shows that this provides family members substantial influence in the entrepreneurial decision process and as such foster power imbalance. Moreover, research suggests that entrepreneurs undergo significant struggle to acquire critical resources at the opportunity recognition and exploitation within the formal institutions (Cesaroni & Paoloni, 2016). Furthermore, a critical characteristic of opportunity exploitation phase is uncertainty and risk (Sutter et al 2019). Entrepreneur at this stage need to maintain balance and establish themselves significantly to maintain control to overcome the liability of power dynamics. The overall performance of entrepreneurial process at this phase is dependent on the bargaining power of entrepreneur to impose their vision on other actors. In situations where entrepreneurs are unable to maintain and manage the power dynamics, operating within the informal institutions would be challenging and constraining rather than enabling entrepreneurial process. Similarly, the conflict brought about by the power imbalance threaten how entrepreneurs operate within the informal institutions.

In sum, this section argue that power dynamics occur as a result of interdependence of interactional system within the informal institutions. The findings contends that the perceived imbalance of power relational dynamics within the informal institutional dynamics create a barrier to how informal institution function and thus fosters complexity and institutional tension that entrepreneurs contend with. The need to balance the power dynamics posed immense challenges to alter the quality of the institutional structures as such seen

as a pattern of trigger for informal institutional voids. In this situation, this thesis argued that informal institutional voids are developed from the outcome of competing interest with entrepreneurial agentic interest where fragmentation of interest provides a psychic gap that hinders institutional effectiveness and requires entrepreneurs to source for alternative to modulate entrepreneurial process.

The finding in this section contributes to literature that power plays a major role in how informal institutions operate. Tension was revealed in contest for status social hierarchy. The power and status differences are associated with the interdependent dynamics of the informal institutions and as such shape its outcome. Entrepreneur and other institutional actors rely on power to generate condition of authority as institutional agency. The crux of argument of this thesis is that effective informal institution cannot be achieved in isolation from acknowledging power laden mechanism the entrepreneurs confront in their interactions with other institutional actors. As such, bringing to bear the idiosyncrasies underlying that the boundary of power is important to determine the functioning efficiency of the informal institutions. The findings indicated that the role of different actors within an institutional environment varies, exploring the nuances of interactive dynamics is valuable to understand the how the position of each actors matters when they leverage informal institutions. The findings in this section advance understanding on actors interactions within an informal institution to specifically highlight that the dynamic of power relationship between the actors is important to condition the functional efficiency of the informal institutions. In informal interaction, power dynamic is essential (Khoury & Prasad, 2016). At the core of institutional interaction is how power is experienced and how power can be challenged. Power imbalance within the informal institutional structures defeated the attempt at genuine interactions, ascribing influence on actors who are more able to significantly influence the

others. This finding argues that interpretation of interactions within the informal institutions as power expressions can contribute to effective and functional informal institutional model providing entrepreneurs with ability to institute essential principles that could guide the construction of power within the context.

7.4 Obligation Concern

This section identifies obligation concern as another pattern of informal institutional voids. The literature in institutional theory emphasised that social obligation is a fundamental principle through which informal institutions functions; connecting systems together, enabling reciprocity and expectation for appropriateness (Ledeneva, 2018a; Scott, 2014). Whereas the formal institutions focus on logic of instrumentality in enforcement, informal institutions consider instrumental rationality and social obligation as its basis (Dau et al 2022). Social obligation reinforces actor's ability to believe in another's actors to behave and function as expected in an exchange. This is essential for informal institutional mechanisms to functions, given that informal institutions are built around social norms and obligations. The literature suggests that respect for social obligations drives expectation of appropriateness where enforcement may be generally weak in an informal setting in contrast to formal structure where enforcements and sanctioning are formally prescribed (North, D., 1990). It would be expected that social obligations are reinforced and generally respected by actors within the informal institutional structures, however, this is in contrasts with the participants' experience. Participants indicated that there were obligatory concerns where the actors involved showed tendency to default in their responsibility and not conform to regulations or expectations of the entrepreneurs.

7.4.1 Obligation issues

Obligation issues in this thesis defined are specific situation in which any other institutional actor default on their obligatory responsibility impacting on the

ability of the system to deliver as expected. The literature on informal institution emphasises that obligations and practices are underlined by social obligation (Scott, 2014), a value system which guide construction of behaviour. Similarly, North (1990) argue that cooperation and social order are maintained in an informal institutional arrangement through the norms of obligation. Although, as earlier highlighted in chapter 2, the core of institution is creating a predictable environment by establishing an environment where individual actors fulfil their roles, and social obligation is a mechanism through which informal institutions maintain this practices. However, participants think there is a kind of concern where individual actors renege on commitment towards their obligation. This study found that there are obligation issues where expectations are not been met to the entrepreneur by actors involved. Below is an example of the participants experience of obligation issues

You know some people are not always truthful and things that involves everyone, it is the responsibility of the association to maintain a balance such that nobody can do as he or she likes. You understand what I am saying, for instance, if someone borrows money and required to start paying but it is not forth coming or honest, ehmm you see how it could be a problem. I would say if somebody reneged, that is a big problem, other people will begin to ask questions (E6)

challenge always is, someone tells you something before they start, after you have employed them, they start something else. You complain at first, then it moves to you managing them, it is difficult to manage people at that stage because you have a lot on your plate. This is someone who you trusted, you know but you don't know their character, you can't take it up basically, he knows everything about you, such can disrepute the relationship you have (E15)

Informal institution is underlain by weak contractual agreement between actors and as such, there is chances of arbitrary behaviour from other actors. In this case, the arbitrary behaviour is default. It is argued that the default in these cases is an

institutional pressure arising from lack of lax governance structure to enforce obligatory rights. When actors abdicate or renege on their obligatory forms, it creates a challenge and sense of stress for entrepreneurs who are left with considerations on how to manage the challenge:

you may be expecting your staff today and they may not just show up, they may not even consider give you notice, such is the problem you deal with, I mean extent of privilege that they can have when they know there is nothing much you will do for them (E4)

The above also signifies the perceived weakness in enforcing obligatory forms within the informal institutions. When firms operate in this situation, employee are often known and family members who are not subjected to binding employee contract that could lead to abuse.

this people are supposed to be going to the government, if there is any help that the government can do to help us, to support us, to let the government know that we are existing, this people are not that at all. You will see them go to government from time to time, they will ask us to contribute for special trip to Abuja, they will go to ministers, at the end of the day, it is for themselves, and nobody talks about it because they are the leaders; they have absolute right to do what they like. They are not bothered about you. It is only after they are well satisfied, they will just release small for members (E16)

The evidence in the extracts shows that majority of the participants had challenges enforcing arrangements to meet their expectations within informal mechanism. The data suggests that flexible arrangements and personalised relationship with actors had implication in such situations significantly affecting the working arrangements. The dominant source of obligation concern in this situation are the reliance on verbal contract where in the actor's relationship is guided by oral agreements to define the terms and condition of the relationship. As such, this type of relationship is rather transactional and made possible due to the underlying act of benevolence and goodwill driving relationship within the informal institutions (Uzo & Adigwe, 2016).

The working arrangement within an informal institution leverage on reinforced adherence to social obligation (Ledeneva, 2018b); and in this case, it can be seen from the data that such form of arrangement were not enforceable rendering informal mechanism inefficient and unreliable to compensate for the entrepreneur. This suggests the presence of informal institutional voids through an obligation concern where in the modes of coordination and enforcement shaped by social obligation lacks stability and predictability expected in an institutional context. This may explain why entrepreneurs indicated a concern in contrast to a rule-based system in formal structure where coordination pattern is entrenched. Obligation practices are specifically important given that the informal institution is viewed as reciprocal structures (Ledeneva, 2018a). Informal institutions depended on the functionalities and adherence to the social norms of obligation and reciprocity upon which they rest. As a result, the actors have duties and mutual obligation to each other to maintain effective exchange.

In sum, the findings show a deviation from the obligation responsibilities, either for the client to pay when informal credit is extended or family employee to function in their role without undue advantage or trade association to perform their role as expected. When one actor deviates from their responsibilities, it undermines the workings of the system and create a tension between actors. It is argued that institutional pressures arises when there is institutional compromise (Lounsbury & Wang, 2020), such that functionalities of the mechanism become unstable and doubtful. The situation in which obligation creates a concern for the entrepreneurs is considered a pattern of institutional voids. Although, the institutional mechanisms are present but does not accomplish the role expected of them due to explicit preconditions within its structures. When entrepreneurs are faced with complexities associated with obligations issues, there is constrain

on the performance and growth of entrepreneurship process. This is related to what (Minbaeva et al., 2022) called paradox in informal networks.

7.4.2 Corrupt Practices

Another obligatory concern identified in this study is corrupt practices. It can be seen from the data that the form of arrangement reinforcing mutual obligations in informal institutional mechanisms were not enforceable in such situations. The findings of this study shows that the obligatory system embedded in informal institutional mechanism engender inappropriate behaviour that encourages corrupt practices. Below is an example of the participants comments indicating experience of corrupt practices

Coming back to the ones who are close to me, at times we would employ some people based on this, you understand, some of them will just be working, some of them will not go for sales for you, they will be telling you some customers are still owing, by the time you now approach those customers personally, maybe you check the record and think the money should have been remitted, they will tell you your staff has collected the money, so the money that was supposed to come back into the business to recycle the business, is going to them (E4)

Another participant shares another experience of obligatory rights in informal institutional mechanism entrenching corrupt practices

Of course you have to rub palms. You know like sometimes all of this requires the ability to manage people in kind since we have quickly raise money and we are able to do 100 out of a 1000 so by the time we distribute the 200 at least they have started seeing something out of the job so within that time, the company who are financing our job, they are also discussing, at the time they started seeing the jobs we have done and also some continuing discussions, they were also able to just because they could see, this guy is one of our biggest customer (E8)

The dominant sources of obligation concern in this situation are the lack of standardisation to establish explicit targets or objectives limiting precise demands for achieving target outcomes and expectations. Although, entrepreneurs have

expectation of appropriate behaviour from other parties, the nature of relationship within the informal institution does not allow explicit target setting in accomplishing objectives. The lack of explicit targets gives room for the entrepreneurs to act arbitrarily in a way that made it impossible for the entrepreneurs to achieve mutually satisfactory outcome.

The findings above shows that the form of arrangement in this situation is weak to achieve common interest. Similarly, the weak enforcement action entrenched in mutual expectation drives other actors to exercise corrupt practices. This is particularly interesting given that mutual expectation in such setting is driven by logic of appropriateness which emphasises fulfilling one's obligation in a rightful (Christensen, & Lægreid, 2021). However, a number of participants indicated the prevalence of corrupt practices such as bribery and stealing by actors which are considered to be illegitimate behaviour to be limiting the entrepreneurial activities and at as constraints within informal institutions. This finding reinforces that actors within an institutional environment are product of their environment and at the same time are shaped by the prevailing actions in their environment. As earlier seen in the preceding chapter, transactional exchange in formal institution in Nigeria is underlies by corrupt practices where individuals try to manipulate the process to their advantage and as such these dynamics is being imitated within the informal institutional set up. This therefore sows that individuals might have interpreted corrupt practices as the underlying norm of behavioural expectations.

7.4.3 Familiarity Issues

Another obligation concern identified in this study is familiarity issues. The dynamics of familiarity in relationships underlined by informal mechanism can significantly influence obligation mechanism and mutual expectation. The structure of working relationship through informal arrangements is often

characterised by emotional bonds and personal connection (Ledeneva, 2018a) which can impact how individuals perceive their duties and what they expect from others. As stated in the previous chapter, entrepreneurs relied on embedded social relationship through family and trade association to access resources through informal institutional structure. However, participants indicated an attempt by the actors to take advantage of the obligatory mechanism inherent in their working relationship when they are closer and familiar with each other. Below is the example of the participants experience

There is nothing much you can do, if they steal, will you arrest them? who will bail them at station? It is you; police will even tell you to resolve it since you said you know them. Why waste your time on fruitless journey. How do you manage such, and you know you can't just fire them. What I am saying is that it is too costly to manage due to the level of closeness. It is also difficult to punish someone you know, you see if it is someone else, I can just say I will deduct your salary, will you deduct from the salary of your family, ehnn, they will rather do family meeting for you. It is you who remove the salary that will beg to increase that salary. It is just the way we are you know one way or the other we are related to each other, your relative is your family, will you punish them? I don't think so, will you fire them? It is also not easy (E1)

Another participant indicated further

you know when you employ family, one thing I notice is issue of familiarity, in business at times is a big problem, when I say they should work, many of them will beg, I have somewhere to go and I have important supply to make. They will go, when they know we have order I am trying to supply, I will not be able to talk, you know they are my family. Those people who are remaining, we will do it together. It got to a stage the other staffs will now be grumbling, sebi it is because they are your family, that is why they are doing that and we, we are working, and we are collecting the same salary I know what they are saying is truth. I cannot punish them because they will say oh look, my family is punishing me (E11)

Family employees are often recruited without any contract and procedure which makes enforcement of rules difficult (Amoako, 2018). The lack of abuse from

such relationship makes it very challenging for the entrepreneurs who feel let down without capability to the behaviour of the employee

It is the lack of control for me. The more close we become; it is difficult to do business. Today, they may ask you for money aside salary o, maybe they don't even care what the business is going through, tomorrow they may request for salary increase. Is that how business survive, when your profit is not increasing (E4)

The working relationship in such situation are often complicated as many of the relationship feel secured despite nonadherence to expected behaviour

Some of them will deliberately ignore the agreement that we had set, all because they know my reaction will be different. Most especially with our type of market where there is no concrete agreement, if they decide not to pay you back, what can you do? I have heard many people give advice that don't go into credit, it is difficult. You cannot sue them or like there is one place you can report them to? You both know one person who knows each other. You will both be wasting your time and at the end of the day, your money is still out there (E17)

Familiarity in informal institutions is expected to reinforce reciprocity and cheerful outlook. However, the data shows familiarity issues have a negative effect on obligations outcomes and expectations within the informal institutions. In this situation, obligatory concern is driven by other institutional actor's lack of accountability to the entrepreneurs. Accountability is essential to drive stability but, in this situation, most of the actors involved such as employee lack accountability due to the nature of their recruitment where in employees are recruited from close nit circle that prevented the boundary necessary for accountability. These dynamics of familiarity issues have created constrains on effective engagement. As such, individuals rely on familiarity rights to abdicate responsibility. This is asymptomatic of institutional environment in which structures are not standardised and enforced like what is obtainable in formal environment (Ledeneva, 2018a). It is argued that the lack of implicit standard influencing perception of actors to take advantage of the bond with entrepreneurs

breeds competing logic – family ties and obligation rights. The presence of conflicting logics creates complexity that characterise institutional voids (Lounsbury & Wang, 2020) and are conceptualised as pattern of informal institutional voids.

Institutions works on confidence and entrepreneurs expect an element of predictability to enforce repetitive act, in situations where obligations are abdicated at will with no significant repercussions, such situation would impact on the institutional confidence. This is a significant challenge for informal institutional structure which is underlies by a level of social obligation. Issues impacting the ability of any individual to enforce obligation diminishes believe in the ability of the institutional structures to provide entrepreneurs with required support and ability to manage efficient market transactions.

Following institutional logics perspectives, this thesis argued that the difference in the dynamics of obligation among the different actors within informal institutional interface creates informal institutional voids. Informal institutional voids in this situation arise from conflicting logics and institutional pressure which entrepreneurs are obliged to respond to in order to shape their institutional context. Institutional pressures are developed in situations where there are no alignment from competing institutional logics such as family, religion (Lounsbury & Glynn, 2019), such institutional pressure create a vacuum in institutional efficiency and are seen as a source of institutional voids (Mair et al., 2012). In contrast to previous studies where social obligation is seen as significant elements enhancing dynamics of exchange within informal institution (Amoako et al., 2021), this contends that the nature and perception of social obligation in such institutional forms is weak to enhance quality market exchange and are rather creating a constraint.

The overall performance of entrepreneurial process within the informal institutions is depends on the choices of actions of other actors. Social obligation facilitates avenue for institutional actor to act in expectation and reciprocate within the informal institutions. In so doing, entrepreneurs can enhance value extraction within the informal institutions. However, indications from the data suggest that influence of obligation concern is more prominent across the phases of entrepreneurial process. The degree to which obligations are not reciprocated potentially creating new demand for alternative institutional systems. These dynamics become more prominent at the opportunity exploitation phase where entrepreneurs operate with other actors without formalised rules and developed practices. This findings in this section contrast the broader view in the literature that self-appropriated basis of order on social obligation could be impaired by misplaced obligatory responsibilities. The freedom of obligation allows for the individual to take responsibility as they deem fit in line with general expectation fall short of stability and could create a functioning gap which affects the quality of engagement and exchange. The individually appropriated behaviour bridged by the free will of individuals on assumptive general expectation poses a risk to compliance, most especially when an individual fell short in their obligation as shown by the findings from this thesis. There is a rather unreliability of basis and entrepreneurs assumes underlying exchange using social obligations creates a possibility of danger, most especially in situation where reciprocity could be broken as in working relationship and further accompanying obligations are therefore becomes difficult to enforce.

7.5 Chapter Summary

The intention in this chapter is to illustrate that institutional voids can occur in informal institution. This chapter has illustrated empirical evidence on the influence of informal institution as constrain, thus trigger for informal institutional voids. Informal institutions are underlain by interconnected and

intertwined elements such as family, religion, social obligation and norms which are considered to be at the heart of informal institutions. The interaction within this system determines actions and practices. Social obligation facilitates reciprocity of actions between actors within the informal institutions (Minbaeva et al 2022). Additionally, the presence of normative elements within the informal institutions provides individual with foundational logic to act and also facilitate the behavioural expectations (Omeihe & Omeihe, 2021). Moreover, the ability of the underlying mechanism within an institution is to reduce uncertainty, thus facilitating the establishment of functional and stable structure. However, the interconnectedness of underlying mechanism within the informal institutions create situation for constraints. This situation arises because meeting the demand with one element may require compromising with the other elements, thus constraining the function of informal institutions. Based on the assumptions of institutional logics, which argues that conflict in the interactions of an institutional system create challenge, influencing their function (Lounsbury et al 2021). Different interplay can affect institutional structure, and this carries implications for institutional outcome. As such, this thesis argues that the conflicting dynamics of logics underpinning informal institutions are trigger of informal institutional voids given they function as a threat to how informal institutions function in their ability to effectively provide institutional support for the entrepreneur. Institutional voids often entail institutional pressures and tensions affecting the effectiveness of the institutional mechanism (Luiz, et al 2021). As such, three pattern of trigger for informal institutional voids has been highlighted.

The first patterns highlighted the ambivalence of normative forms to subjugate entrepreneurial decision making and increases tension in bridging the context. Although, norm is an underlying structure of the informal institutional mechanism; however, not all norms are desirable which creates a huge divergence

set standards and required stability of an institution. Religious norms were identified as important factor shaping entrepreneurial behaviour. The norms of religions were found to create ambiguity when it was transposed to their working relationship. It is argued that the inability of the entrepreneurs to bridge normative forms presents an institutional pressure that are closely associated with institutional voids (Webb et al., 2019), an argument in line with what Ledeneva (2018) identified as normative ambivalence. The presence of normative tensions presents complexities that constrain entrepreneurs through decision making and denied them access to required resources needed to enhance entrepreneurial pursuit.

The second pattern of informal institutional voids is the concern from power dynamics within an informal institution. Informal institutions take several forms with complex governance structure which have varying degrees of negative impact on the structural stability and efficiency within the informal institutional mechanism. The data of the study revealed that in instances of imbalance distribution of power among the actors; it creates complexities that can limit its functional systems with the leveraged institution. Power dynamics is central to decision processes and participations in institutional context (Barnett, 2013) and the delegation of power often granted institutional legitimacy needed to enforce repetitive behaviour. However, the close nit relationship within the informal mechanism blurred the divides to maintain appropriate legitimacy. The evidence showed that the outcomes of imbalance power between the actors erases legitimacy and creates a far-reaching influence that could limit entrepreneurial ability towards a goal oriented. As such, entrepreneurs identified the need to manage the balance of power as an institutional pressure that can create significant constraint. The power differentials between actors within the informal institutional context create control issues that are taken advantage of subsequently by friends and families as well as network group.

The third pattern of institutional voids stems from the complex nature of social obligation and reciprocal relationship within the informal institutional structures which could have a negative effects in managing exchange between actors (Amoako & Lyon, 2014; Scott, 2014). Social obligation is a fundamental principle through which connected systems are enhanced within the informal institution. However, the evidence suggests that limited capacity to enforce compliance led to obligatory concern when there is tendency to default in responsibility and not conform expectations of entrepreneurs by other actors. It is argued that the outcome of the default in obligatory responsibility have far reaching consequence with disruptions to the working arrangement of the institutions that are relevant to institutional voids.

Therefore, this chapter contributes towards a developmental model for informal institutional voids by specifically proposing the triggers of institutional voids in informal institutions. Hence, demonstrating a deeper understanding of the informal institutional phenomenon. These findings specifically highlight inherent institutional dynamics within the informal institutions that can alter the configuration of an institutional efficiency and stability continuing to the knowledge on the workings of informal institutions and institutional theory in broader perspectives through apparent presence of institutional voids within informal institutional mechanism which were not adequately accounted for (Webb et al 2019; Doh et al 2017). Additionally, the evidence in this chapter affirms the definition of institutional voids as a functional construct from the perceived inability of the institutional system to meet the expectation of the economic actors and not the absence of the system itself (Mair et al 2012).

The findings of this chapter are important to the understanding of institutional dynamics on the performance of entrepreneurship. Entrepreneurship outcomes

are dependents on the performance of the institutional arrangements, both formal and informal institutions (Elert & Henrekson, 2017). As such, by drawing attention to how the varying mechanism within the informal institutional arrangements might create institutional pressures that could impacts on the entrepreneurship outcome provides a logic that help to probe in depth particularly the features and the effects of informal institutions on entrepreneurship in emerging markets and how institutional conditions affect business differ across markets (Stephan et al., 2015). It is important to note that the broader assumption is informal institutions function as institutional substitute to the weak and inefficient formal institutions (Sydow et al 2020). The findings in this thesis extends such work to show that there is more to the influence of informal institutional mechanisms in shaping how entrepreneurs operate. Furthermore, the evidence in this chapter argues that the nature of the internal mechanism of informal institutions creates constant uncertainty. This subsequently affect and hinders the quality of outcome entrepreneurs perceived. With this finding, this thesis argues that informal institutions are dually compromised, and it will do well for entrepreneurs to consider the paradox of informal institutions on entrepreneurship process. This affirms the notion that there are no institutions capable of sufficiently operate unhindered (Khoury & Prasad, 2016; Webb et al., 2019). The next chapter discusses the strategies deployed to manage those institutional pressures.

Chapter 8: Discussion Theme Three - Entrepreneurial Emerging Response Strategies to Informal Institutional Voids

8.1 Introduction

The previous chapter unpacked various triggers of informal institutional voids on entrepreneurial process. The purpose of this chapter is to report on the findings of the entrepreneurial strategies and practices developed by entrepreneurs to manage the effect influence of informal institutional voids. The chapter specifically focuses on the reactionary strategies to constraining issues that shapes effectiveness of the informal institutional dynamics in Nigeria. Evidence in chapter 6 and 7 have shown that informal institutional have significant influence to enable and constrain entrepreneurial process. When informal institutions constrain, entrepreneurs in Nigeria are faced with uncertainties and add ambiguity to entrepreneurial interactions within an institutional context (Chowdhury et al., 2019; Khoury & Prasad, 2016). Consequently, hampers the ease at which entrepreneurs engage within the informal institutions (Webb, et al., 2019). As such, entrepreneurs move toward developing strategic approaches to navigate the ambiguity created by the uncertain institutional environment. Each potential institutional pressure is an actionable constraint that are reacted to in order to mitigate its shortcomings (Lounsbury et al., 2021). This means entrepreneurs have to develop mitigating strategies to succeed in those situations. However, while studies on response strategic to formal institutional voids is considered, there is limited considered for the entrepreneurial response strategies to manage informal institutional voids (Doh et al., 2017; Sutter, et al., 2013; Webb, et al., 2019).

Entrepreneurs were asked to provide explanations into the strategies they developed to manage the presenting constraints and challenges faced within informal institution. The findings were organised into three broad mechanisms – institutional bricolage, organisational level mechanism and relational mechanism

representing different pattern of response strategies. Section 8.2 considers institutional bricolage; Section 8.3 considers organisational level mechanism developed to manage the informal institutional voids while section 8.4 looks at relational mechanism adopted to manage the informal institutional voids. Section 8.5 provides the summary of the chapter.

8.2 Institutional Bricolage

One of the strategies identified to be adopted by entrepreneurs in this thesis to manage informal institutional voids is institutional bricolage. Institutional bricolage in the context of this study refers to the combinations of institutional systems available to manage new institutional constraints. The idea of bricolage is becoming prominent in entrepreneurship research specifically, for studies considering entrepreneurial strategies in resource constraints environment where entrepreneurs are faced with finding a workable and most optimal approaches to value creation (Davidsson, Baker, & Senyard, 2017; Kwong, Cheung, Manzoor, & Rashid, 2019). The term bricolage is defined as '*making do by applying combination of resources at hand to new problems and opportunities*' (Baker & Nelson, 2005 p 33). As such, this thesis argue that institutional bricolage captures process by which entrepreneurs in Nigeria recombine existing institutional elements to address perceived limitations. The section below will explain on the different tactics used to achieve institutional bricolage

Participants in this study have indicated adopting bricolage by bridging together resources within the formal institutions to address challenges underpinning the informal institutional systems

I make sure I have everything in place, I have all my registration documents, you see that certificate, that was our company registration, the one from CAC, I have the SON logo because I am now working towards export, it is also the reason I joined the export association. When our

people see that you have all those certificates and [are] not trying to cut corners, they may respect you differently (E10)

The extract from the participants above reflects the idea of bridging available resources within an environment to address any challenges, underpinning the concept of bricolage. The entrepreneur deliberate indication of business registration practices within the formal institution is to address the power dynamic challenges within the informal institutions. By obtaining the documentation of CAC and SON, entrepreneurs construct bricolage bridging together formal identify to elevate their status. The earlier findings in chapter 6 shows entrepreneurs mistrust for formal institutions in Nigeria, However, as seen from the E10, bridging across the institutional system is adopted as a strategic mechanism. Another participant corroborated this view

I have had one major issue with them only once but when they could not find anything against me, they can also see that I have all what they need, the situation is easily managed. I avoid any issue, before sef, they are big menace, it is how they will frustrate you, so you need to make sure you don't give them chance to do that to you. I have all my documents, the certificates, the local government permit, everything is complete. I am always ready for anyone who come (E16)

The extract shows element of institutional bricolage to avoid power dynamics inherent in trade association activities. Entrepreneurs moving towards formal institutional system by registering their business is used strategic mechanism allows to coordinate interactions within trade association without inherent challenge. This approach allows the entrepreneur to maintain stability within the volatile institutional environment.

Another tactic used in institutional bricolage is sense making to claim legitimacy. This was indicated by the view from another participant below

if anyone come and disturb me, we use police to arrest each other, I will even disturb them before they disturb me because I make sure my NAFDAC

is genuine and everything is complete, so, there is nothing to worry about them (E11)

The excerpt indicated that entrepreneurs paired informal institutions with formal compliance through the informal institutions to demonstrate assertiveness. This approach ensures legitimacy of the entrepreneurs while contributing to establish deterrence from any potential abuse of the informal system. The adoption of these tactics aligns to the idea of institutional bricolage where actors make do with available resources to challenge uncertainty. Entrepreneur in a way is focused on controlling their physical space to avoid pressure arising from the limited structural form that could be abused within the informal institutional mechanism. As earlier highlighted, the structure base underlying the informal institution is open to abuse. This shows why the entrepreneurs felt important to switch towards legitimate agency to prevent any form of unilateral abuse.

The participants had mentioned that using institutional bricolage strengthen a balance for the entrepreneurs. Institutional balance challenges the power dynamics embedded in the informal mechanism through signalling (Sutter et al 2017) such that the application of formal institution in relative to informal institutional constraints indicate a level of credibility which helps gain legitimacy from other actors. This perception is further illustrated

I think it is important to understand that in a situation like that, you cannot entertain everything they bring. If you do, it will become a normal process, and you find yourself dealing with one and then another comes and then another comes. You also don't want to be confrontational to avoid any illegal or things go out of control... So, in my own case, we asked them to provide us with a written letter to submit to our board and get our lawyers to write them to desist when the demand is so outrageous. I simply contacted our lawyers; I was really ready to sue at that point. You know when you get to make it that way, they understand you cannot be disturbed because the truth is there is freedom of association and fundamental right is enshrined in the constitution (E7)

Here, it can be argued that the participants are relying on the legitimacy of formal institutional structure as safeguard to ward off the challenging mechanism encountered within the informal institutional mechanism. According to Scott (2014), a key feature that underlies the difference between the formal and informal mechanism is its legitimacy within its context. By coveting legitimacy of the court system, the primary objective of the entrepreneur is to signal to other actors in the context. In strategy, signalling strategy could be used to convey information to others under a challenging situation (Doh et al., 2017). When entrepreneur signals toward the formal institutions, it reduces the likelihood of coercive attempt allowing entrepreneur to respond to identified informal institutional voids.

The approach highlighted above aligns with a pattern of bricolage where in an individual is focused on making do with available institutional structure who can provide solution to problem at hand (Baker & Nelson, 2005; Steffens, Baker, Davidsson, & Senyard, 2023). According to Fisher (2012), there are two main types of bricolages – parallel bricolage and selective bricolage. Selective bricolage allows actors to break through constraints by applying combinations of resources on hand while parallel bricolage occurs on routine. In this case, it is argued that entrepreneurs adopted a selective bricolage to demonstrate the flexible nature of interplay that exists within formal and informal institutional systems. For entrepreneurs, the focus is to deploy available resources to overcome existing constraint for value creation. Entrepreneurs in search of workable resources look to the available structure in their context which includes registration of business with permits, reporting to police and formal justice system.

The term bricolage is defined as '*making do by applying combination of resources at hand to new problems and opportunities*' (Baker & Nelson, 2005 p 33). The findings in this thesis reveal that entrepreneurs adopt institutional

bricolage as strategic practices to manage concurrent institutional voids from both formal and informal institutions and as such are able to operate in institutional weak environment. Weak institutional environment requires entrepreneurs to leverage institutional mechanism to create favourable conditions for their operations. As seen from the findings, rather than designing new institutions from scratch, entrepreneurs adopt institutional bricolage to make most value from their institutional environment when confronted with institutional challenges. Entrepreneurs improvise and pierce together available efficient elements within the formal such as registration of business that could address challenges confronted within the informal institutions. Switching between formal and informal institutions enhance the ability of the entrepreneurs to bridge strong institutional elements together. In so doing, entrepreneur enhances capabilities to operate in institutional challenging context through bricolage. The findings in this section challenges the dependency perspective in institutional dynamics of emerging markets and specifically promote improvisation. The argument is that entrepreneurs, particularly in institutional challenging environment adopt bricolage to navigate institutional realities. The findings here challenge the notion that specific institutional arrangement is accepted as preferred institutions (Audretsch et al 2021; Chowdhury et al 2019), rather the findings in this section demonstrate that bricolage is a key mechanism through which entrepreneurs navigate complex institutional environment. Entrepreneurs do not have a blueprint when enacting institutional leverage, instead draw on expectations, interests and needs to select institutional resources. If certain institutions are perceived absent or weak to support effective exchange in the market, entrepreneurs would rely on available alternative structure to achieve their goals (Amoako & Lyon, 2014; Omeihe & Omeihe, 2024a). In this situation, entrepreneurs do not determine what institution comes first but move to improvise construct effective institutional structure in the market. Entrepreneurs relied on institutional interplay and dual functionality of both channel to enact capability

and performance within a context (Minbaeva et al., 2022). Institutional interplay is defined as dynamic movement in the use of formal and informal institutional mechanisms in response to changes in institutional capabilities (Minbaeva et al., 2022). In this finding, there is clear alignment with the arguments in the literature which proposes hybrid institutional system as essential mechanism for actors to shape their institutional environment (Efendic & Ladeneva, 2020). Institutional bricolage subsequently enables institutional inclusiveness and allows entrepreneur to mitigate the likelihood institutional uncertainties within their institutional environment. Thus, entrepreneurs are able to ensure broader participation in entrepreneurial process. The approach of the entrepreneurs to merry go round from formal to informal and formal institutions demonstrate a bricolage where in entrepreneurs are focused on institutional structures that works at a time. Institutional bricolages provide other actors with pragmatism to combine resources together to achieve legitimacy. Institutional legitimacy for the entrepreneur is key to address the challenges they faced.

Additionally, the ability of the entrepreneur to adopt institutional bricolage highlights the flexible interplay of the formal and informal institutions, emphasising institutional embeddedness. Formal and informal institutions interact together and the impact of one influenced the other as well as the extent of possible direction. It is rather the nature of available and accessible institutional mechanism that determines the subsequent actions initiated by the entrepreneurs. Although, studies such as (La Porta & Shleifer, 2014) argues that entrepreneurs in emerging markets are more likely to be governed by informal mechanism in order to avoid formal regulation and taxation, the findings of this thesis challenges this notion. Entrepreneur relies on working institutions to generate value and any negative perception to institutional mechanism will affect their aspirations for growth requiring they improvise. Research in strategy sees

bricolage as a strategy for improvisation and stabilisation in the face of tension (Carstensen & Röper, 2022).

In sum, the findings in this section suggests that entrepreneurial decision to leverage an institutional structure is neither deterministic nor linear but rather dependent on the specific circumstance of the individual. In situations where prevailing institutions are effective to provide needed support, entrepreneurs maintain status quo and where in entrepreneurs faces challenges, there is disposition to different institutional structure. As such, provides an important contribution to the link between institutional efficiency and entrepreneurial behaviour. Switching to formal institutions as response strategy provide entrepreneurs with ability to bridge strong institutional elements. In so doing, entrepreneur enhances informal institutional capabilities to accentuate its systemic challenge. In a context of rapidly challenging institutional context, institutional bricolage demonstrates the rational behaviour of an entrepreneur to cope with institutional gap as both formal and informal institutional structure can be used to fill respective institutional voids.

Table 8.1 Illustration of Informal Institutional Voids and Institutional Bricolage Response Strategy

Informal Institutional Voids	Response Strategies
<i>Power Imbalance</i> <i>I also do think it could restrict us in terms of rules they (trade association) make or what you have to do. You know it is very difficult having to operate and say find your own path as you go along but somehow faced with some restrictions from some people with a different reality. I have met some of the people who actually do belong the MNA, but the experience is one way or the other of suppression from most of the bigger guys. At that stage you don't want to get involved in</i>	<i>I think it is important to understand that in a situation like that, you cannot entertain everything they bring. If you do, it will become a normal process, and you find yourself dealing with one and then another comes and then another comes. You also don't want to be confrontational to avoid any illegal or things go out of control... So, in my own case, we asked them to provide us with a written letter to submit to our board and get our lawyers to write them to desist when</i>

<i>such issues. I mean we have to deal with CAC, different regulatory agents, LASEPA, NIMWA. So, I don't really want to complicate issues for myself again. For instance, someone who manufacture ehm similar product like us has influence and they can make different rules, what size you have to make, what type of product to be made. I think it restricts your development and ehn I don't agree with that (E7)</i>	<i>the demand is so outrageous. I simply contacted our lawyers; I was really ready to sue at that point. You know when you get to make it that way, they understand you cannot be disturbed because the truth is there is freedom of association and fundamental right is enshrined in the constitution (E7)</i>
<i>The association have our way of doing things. Even when we are all partners, we still have leaders, and they have influence too, everyone knows them. If you are in Ikeja and I mention someone, you know how strong what we are talking about. So, if those people come, you cannot challenge them except you want them to frustrate you (E10)</i>	<i>I make sure I have everything in place, I have all my registration documents, you see that certificate, that was our company registration, the one from CAC, I have the SON logo because I am now working towards export, it is also the reason I joined the export association. When our people see that you have all those certificates and [are] not trying to cut corners, they may respect you differently (E10)</i>

8.3 Organisational Level Mechanism

Organisational level mechanism is one of the response strategies to informal institutional voids identified in this thesis. Organisational level mechanism in the context of this study indicated strategic internal process and structure at firm level deployed to manage the informal institutional voids. As earlier identified in the preceding chapter, entrepreneurs are faced with informal institutional voids characterised by ambivalent normative conditions, weak obligatory practices and uncertainty around power imbalance which requires developing appropriate practices to help entrepreneurs in this situation. Entrepreneurs highlighted the development of business process and incentive practices as significant measure

to address these identified challenges. The next section will discuss business process practices

8.3.1 Business Process Practices

The participants indicated the need for the development of explicit structures and process in the organisation to counterbalance the drawbacks and challenges associated with informal institutional voids. As indicated in the data, entrepreneurs had to establish control mechanism that applied to putting structures in place to manage employee and organisational practices

you just need to then become creative to prevent any issue in the future... I don't negotiate with the company, I let the accountant negotiate. The guy already understands the margin I am willing to cut, and it is much easier from professional point of view to discuss using such structure. Again, that is why I said, when we talk of entrepreneurship, what makes or can makes you succeed is the structure that you have built on ground. ...I am willing to speak to the accountant and we can find easy resolution compared to if I have negotiated and they rejected, you always find those difficult to deal with (E8)

Another participant also indicated

we try to you know little by little introduce rules from when we employ another staff. It is to serve as warning to them. Like when we are employing a new staff, we will introduce rule that they will also know, if you miss more than 3 days of work, in a month, you begin to get your salary divided and removed. It is a simple thing we can do, since we already know how many days you work, if you miss 5 days now, you will lose 2 days salary, which is fine. We don't expect them not to have emergency, but we want to stop the non-chalant attitude, you know it is that I don't care attitude that makes someone want to leave the work that pays you and go to a ceremony during the work hour, if you work in a government job, you know they can do as they like, but this is a private work and you have to know that that job you did not do is a problem, someone will have to do it, you shouldn't be paid that job (E1)

In the similar line, another participant indicated below

as you move from just a bedroom business to having more structure, getting to take more advice with the accelerator, using networks, getting to organise the business, sort of develop business governance, all of those (family control) get reduced. They know you have a constituted level of boards; you now have employees who can also by the way make decisions, there is little they can do (E7)

The extract above indicated entrepreneurs acknowledged the need to put business structure to enhance institutional practices. These practices are aimed at counterbalancing the challenges faced. Different organizational practices were identified such as the use of intermediary within the organisation to promote accountability. The participant indicated below

I make sure our food nutritionist, who by the way is the most senior of the staffs, began to manage every other employee. You know, I just give direction or instructions to the staff to report to the food nutrition. If you will be late to work, you have to explain why you are coming late and all sorts, and I think that was the sort of ways I could control the problem because it will get a level that it can even affect the other employees. You know when they see one person come late every time or leave at any time just because of special privilege that they have, you don't want that, it will lead to what I can call loss of authority, anybody will begin to behave as they like. It is better that everyone is treated in the same way, there should be fairness in workplace (E9)

Another participant also indicated below

I have to put one of the staff in charge of others to make sure there is a line of command and what I discovered is that since I have that chain of command, it stopped every sort of unreasonable behaviour. It also prevents that sort of abuse from those staff. We now have a sort of what to follow if you need to request for anything from me. It does not change that I know you, but it just tries to make us serious in our job (E17)

The extract above indicated the effort to formalise the internal structure through the use of intermediary to regulate other actors to weaken the compromised behaviour. Interactions within the informal institutions exhibit the lowest degree of compliance most especially when they are built on close knit interrelationship

(Webb et al., 2019). However, by allowing extension of authority to another actor, entrepreneur can create a strong sense of obligation to counterbalance any form of informal institutional voids. Instituting business structure aims to bypass the complex work that should be put in place to develop the informal institutional dynamics in favour of organisational development to be able to shape the institutional phenomenon. Previous research in strategic response to formal institutional voids have identified development of processes in the organisation as a critical response developed by MNCs (Doh et al., 2017; Luiz et al., 2021). This finding therefore shows that for small organisations specifically entrepreneurs with limited resources take institutional voids as an opportunity to develop key process and strengthen the internal mechanism of the organisations. The data shows that this approach is to enforce organisational actions against the institutional pressures. In the face of institutional uncertainty, the goal of the entrepreneur is to improve internal practices within the organisation that are able to directly impact stem the effect of informal institutional voids from power dynamics and social obligation.

In sum, by using this approach, entrepreneurs are able to improve informal institutional alignment towards a directed path to ensure performance of entrepreneurial process. The data also revealed incentive practices as another approach in organisational level mechanism.

8.3.2 Incentive Practices

The evidence from the data also indicated that entrepreneurs are able to manage the informal institutional voids by instituting some market level practices. Four of the participants indicated the use of incentive as a measure to promote informal institutional efficiency.

I also told them that at the end of the year, I will be calculating the market you bought then I will use it to give you something at the end of the year, so I started doing that so that it will motivate them to (E11)

Participants also indicated that employees were provided with incentive

I gave them money, in the afternoon, maybe I will feed them to eat. At the end of the year, I will, bought a roll of cloth, Igan (roll) cloth yen, I will buy it, then I will share it with them, then I will buy rice, one bag of rice, two family will share it, one bag of rice, two family will share it. I started doing it so that to compensate for them (E12)

Nonetheless, although the participants perceived this as an additional ‘burden’, it’s aim is to encourage an appropriate behaviour from other actors.

Additionally, participants indicated the use of outsourcing was also seen as a response strategy. This was captured in the participants view below

one way to take off all of the pressure is to just outsource. Have HR partner and account that work to support me. When people come to me to help with employment, I just direct them to our HR partner; they do all of the recruitments and even now manage any issue with all staffs. We just employed one person today, they do all of the interview, advertise, and also do all the documentation, just send them to me to work. That’s all. If there is any problem, you are not talking to me, but you talk to them. It really helps. You know people don’t forget when you don’t help them. But having outsource helps because they know they just have to go to the company, the same for staffs who want to steal from you, having to deal with an accountant helps. It reduces your problem and challenges. I just have to face the running of the company (E8)

Another participant also indicated the use of outsourcing tactics to develop organisational structure.

It requires a lot of money to have all of this structures in place. I have consultants that work with us. I don’t have to pay them salary, just pay on retainer. so, when I talk, I will speak to my lawyer, my accountant is so and so, we have so and so as consultant. You get a kind of respect (E18)

The use of incentive and outsourcing was found to be more effective in resolving issues associated with obligatory concern. By developing certain market practices such as outsourcing, entrepreneurs increase the legitimacy of the firm and are able to whip the other actors to order. Prior research on strategy argues that entrepreneurial firms benefit most when they adopt strategies that enhance their legitimacy in the eyes other stakeholder (Rao et al 2008). This is particularly

important for entrepreneurs in challenging environment often faced with continuous demand. Addressing legitimacy enhanced strategy plays a crucial role in addressing some of this challenge since entrepreneurs could leverage it to showcase their status for other actors involved. Interestingly, participants indicated that this strategy is underlined by experience and understanding of the organisational goal. This was captured in the illustrative extract below

it is what you put in that you get at the end of the day. It is garbage in garbage out. If you don't believe in your company, your vision, your company cannot live. It is what you believe that you live because once you have vision, once you believe that something can happen, the entire amount of your structure will begin to work towards that things, you need experience to see that for yourself (E8)

In sum, the empirical evidence showed that the organisational level mechanism has been used to remarkably improve institutional constraints associated with informal institutions. In having developed organisational practices, the entrepreneurs can neutralise the weakness inherent in the informal institutions. Together, these actions emerged as the response strategies to informal institutional voids.

Table 8.2 Illustration of Informal Institutional Voids and Organisational Level Mechanism Response Strategy

<i>Obligation Concern</i>	
<i>There is nothing much you can do, if they steal, will you arrest them? who will bail them at station? It is you; police will even tell you to resolve it since you said you know them. Why waste your time on fruitless journey. How do you manage such, and you know you can't just fire them. What I am saying is that it is too costly to manage due to the level of closeness. It is also difficult to punish someone you know, you see if it is someone else, I can just say I will deduct your salary, will you deduct from the salary of your family, ehnn, they will rather do family meeting for you. It is you who remove the salary that will beg to increase that salary. It is just the way we are you know one way or</i>	<i>we try to you know little by little introduce rules from when we employ another staff. It is to serve as warning to them. Like when we are employing a new staff, we will introduce rule that they will also know, if you miss more than 3 days of work, in a month, you begin to get your salary divided and removed. It is a simple thing we can do, since we already know how many days you work, if you miss 5 days now, you will lose 2 days salary, which is fine. We don't expect them not to have emergency, but we want to stop the non-challant attitude, you know it is that I don't care attitude that makes someone want to leave the work that pays you and go to a ceremony during the work hour, if you work</i>

<i>the other we are related to each other, your relative is your family, will you punish them? I don't think so, will you fire them? It is also not easy (E1)</i> <i>Power Imbalance</i> <i>the ability for them to become very influential on you, so what are you left with. They want you to employ family and all sort, if you say know, they remind you when you needed help, sometimes they gave you some piece of information whether useful or not, so this is a serious issue (E11)</i>	<i>in a government job, you know they can do as they like, but this is a private work and you have to know that that job you did not do is a problem, someone will have to do it, you shouldn't be paid that job (E1)</i> <i>I try to as much as possible spell out some structure, how we want to organise the business, You know when someone sees we now have formal operation not just about the name, but we have like different roles and staffs in those roles, it reduces those pressure (E11)</i>
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8.4 Relational Mechanism

This section reports on another response strategy used by the entrepreneur in managing informal institutional voids. The analysis revealed that entrepreneurs develop relational mechanism to manage the ambivalence challenges within informal institutions. In the context of this thesis, relational mechanism refers to approaches and strategies related to managing relationships in order to work around informal institutional voids. These approaches rely on the effort to manage uncertainty through developing enhanced relationship with other institutional actors. As earlier highlighted when informal institutions create challenges, entrepreneurs are obliged to develop approaches that could them manage such. Evidence revealed that participants relied on deepening personalised relationship to enhance obligatory rights for secured exchange. The next sections examine in detail the relational mechanism approaches to managing informal institutional voids.

8.4.1 Conflict resolution Dynamics

This thesis identified amicable resolution dynamics as an approach used in relational mechanism to enhance the effectiveness of informal institutions. The evidence from the data showed that this mechanism was mostly used by entrepreneurs to manage issues surrounding obligatory concern and power imbalance concern that could undermine the actors' expectations. One of the participants indicated below

I tend to manage everything in a way that ensures there is no confrontation, gently managing the situation by speaking to them, begging, I might even go to them, you know when they see me, we are talking, so I don't intend to just get angry like that. It takes a lot of patience as well as understanding of who you are dealing with. You have to understand and be able to anticipate what kind of person he is, if they are like those hot-tempered, I don't come confrontational, those would have even done more damage before realising what you have done, so I take my time to resolve our differences (E12)

The extract above indicates the use of emotional intelligence and situational awareness through non-confrontational dialogue to manage interpersonal tension. The essence of the use of amicable conflict resolution is particularly significant considering the interdependent nature of the informal institutions underpinned by family and network ties. Strategies aimed at reducing tension between the entrepreneurs and other actors within the institutional environment to bring the parties to realising common expectations that could help improve future relationship is considerably necessary. This was also indicated by another participant below

it's hard, it's hard, you try to be patient with them, to appeal to them, some will just not see reason and you understand, they are someone important, you cannot fight because the moment you exchanged words with them, it is taken out of order, they will say ha, you are very rude (E2)

The intricacy in informal institutional mechanism restricts enforcement mechanism. As such, entrepreneurs in a way to overcome the challenges placed by the lack of ability to enforce formal sanctions where obligations have not been fulfilled decided to amicably resolve issues

you cannot fight with them or argue, you still need them and also, you are within the same area so if you fight with someone, they mostly think you are troublesome, this will affect the way they relate with you and your product. So, when that thing has been happening like this, even the thing is affecting my business, the solution of it is not that you fight with them (E11)

A critical element of informal institutions is approach to social relationship and actors leveraging informal institutions relies on long standing relationship to build reputation that enhances institutional stability. Acknowledging of this were found to determine empathy towards enhancing relationship.

Like the situation I said to you, I had to let him know that even though it is a difficult one, I needed to protect the relationship for future sake. Also, by the time you consider the issue of how long you have known each other, you want to basically just give up, say 10 or 12 years you wouldn't want to just throw away those relationship. You think about it, I know you now, when you come to me in like one year or so, to help someone, would I have refused to help, no. what then happens if they become bad person? so it is the same, you needed to find a way to bridge the situation and resolve any issue amicably (E8)

Although, obligatory issues in this study were mostly dependent on the dynamics of relationship in situations where actors have strong ties with each other, such ties could lead to abuse such that obligations were not adhered to. However, it was particularly surprising that entrepreneur's approach to managing this situation is to deepen the level of relationship such that other institutional actors could likely feel regret and be remorseful

You see, it takes a lot of patience. If you try to be very hard on them, like confront them, people don't even think about what led to that. What you see is that you become the focus of the attention, my boss is this, my boss is that people see you as the bad person but sometimes when there is problem and you gradually let them understand, what hurt they have done, if you are not completely something else, you also want to feel bad of your action. Over time, I see that approach is very effective, most for those who are closer to me (E4)

The indication of remorseful by the other institutional actors is expected to enhance commitment to rightful actions and the willingness to cooperate (Amoako & Lyon, 2014). In this viewpoint, amicable resolution dynamics is seen as a softer form of sanction to whip employees and other institutional actors to perform their job duties appropriately. In academic literature, it is seen that one approach to bridging tension related to how actors interacts with and manages other actors in their context (Marquis & Raynard, 2015a). As such, it is safe to argue that amicable conflict resolution dynamics is a valid assumption to managing informal institutional voids by the participants. In sum, amicable conflict resolution has been identified as one of the response strategies to managing informal institutional voids. This evidence of resolving issues amicably encourages entrepreneurs to shape informal institutional interactions in a way that allows entrepreneurs to enforce allegiance and obligation. In consideration to manage the fall out through amicable resolutions of issues, entrepreneurs now have influences on the exchanges and its accompanying obligation by other actors.

8.4.2 Correction Approach

The data showed that correction approach was one of the tactics used in relational mechanism. The nature of interrelationship and interactions within the informal institutions and the pattern of institutional voids that are premised on abdicating obligatory issues to avoid responsibility, a careful approach is required to ensure accompanying obligations are enforced (Amoako & Lyon, 2004). The participants indicated that efforts to manage the pressure and contradictions faced is through maintaining correction tactics.

I understand their situation and I try to manage it with them, speaking to them, to make sure that that what is right is done, because it is in doing the right thing that you can be comfortable, even me and that is when business can even survive (E4)

Similarly, another participant put it thus

I start by correcting them. You see when you are dealing with not straightforward issue, you also have to apply big wisdom. You know the children of nowadays are different. When you are even too harsh, they can see it as a bad person. It is in correcting that they will understand that what you are saying is for themselves and not that somebody hate them or harsh. At the end, if we do it right, is it not good of the business, eventually when the business is going well, is that what we want ab initio (E3)

The underlying structure within the informal institutions shows an intricate situation that should be managed to improve the efficiency of its functioning. Although, entrepreneurs remain dissatisfied from heightened institutional pressures from the uncertainty and lack of stability in the informal institutional dynamics, entrepreneurs in this situation felt more concerned for the embedding nature of informal institutions to generate significant fallout if standardised protocol is applied. This was also indicated in the experience of another entrepreneur below

What you have asked is very delicate. The question that what do I do? What can you do? Will you arrest your children? You will even understand that they are no longer small children that you can just beat and when you try to sack them, some can even say they don't have anywhere to go. So, in my view, the best is to continue to correct them and pray that they listen. You see, family issues are very delicate, and you see most especially in this vicinity. You understand, so you have to be very careful. They said when the child is wise, you also have to be wise (E15)

In the extract cited above shows the delicate issue to managing informal institutional voids. As such, entrepreneur must be overly careful in managing the challenges arising from the informal institutional mechanism, especially those with family members and strong ties as they were deeply anchored in cultural background (Omeihe & Omeihe, 2021). As earlier highlighted, a significant consequence of informal institutional voids is fallout of relationship with those involved. Hence, to foster trust and cordial relationship, entrepreneurs recognises that a source of informal corrective approach is required to gain control of other actors behaviour and gain allegiance for bilateral exchanges by establishing a turnaround control mechanism to try to minimise the risk of harm from those

relationships. The existing relationship within the various settings mechanism underlying informal institutions means that entrepreneurs had to be meticulous about the approaches they developed to manage the informal institutional voids to avoid fallout from these relationships. As can be seen from the evidence, the approach put forward by the entrepreneurs' help stem relationship fallout, to heighten awareness towards responsible obligatory responsibilities that is required to create a functioning institutional arrangement. Using these corrective tactics is to foster a mutually supportive environment, an underling prevalent orientation in informal institutions (Helmke & Levitsky, 2006). As such, entrepreneurs are able to improve expectations and alignment of coordination of behavioural expectation of actors involved.

In sum, the informal institutional voids put the entrepreneurs in condition of additional risk and the corrective tactics adopted by the entrepreneurs is deemed as appropriate to encourage some level of obligatory cohesion towards an acceptable behaviour whilst being able to improve the potential for cordial relationship and overall effective functioning of the deployed informal institutional mechanism.

8.4.3 Coercion Approach

The data also indicated that entrepreneurs adopted coercion as an approach to manage informal institutional voids. Coercion occurs when actors are forced to comply with enforcement and compliance mechanism due to uncertainty (DiMaggio & Powell, 1983). As indicated from the analysis, sometimes indicated that the nature of relationship drawn from weak standardization procedure and limited ability to set explicit objectives opens entrepreneurs up for greater risk that other actors involved could abuse. However, participants indicated that the use of coercion could limit their excessive behaviour to achieve mutually satisfactory behaviour.

As a businessperson, it is very tough to accept but the reality is that you should understand that sometimes you shake things up. You should be very firm especially when dealing with them. Let them know nothing must go wrong. I know it is difficult, but it is the way we roll (E12)

Similarly, another participant indicated similar experience

I don't take nonsense anymore. These people, the more you accept, they continue to take you for a ride. You must be decisive and be ready to even go for the jugular. Sometimes we threatened ourselves, and they know I don't stand for nonsense. No one send your papa, even you will realise that when anything happens those who are close to you will be the first to leave (E13)

The extract above demonstrates the use of verbal coercion to induce appropriate behaviour from employees. When actors are unsure as to what to what the best way to act is, they engage in ceremonial enforcement through coercion. Since the nature of employee relationship in informal institutional arrangement is often built on preferential and affiliate relationship as against what is obtainable when operating in a formal institutional set up, entrepreneurs struggle with working relationship and complicated enforcement which limits the ability of the entrepreneur to prescribe punishment for their affiliates. However, the use of coercion is seen as implicit way to derive expected behaviour, entrepreneur can minimise the level of abuse and uncertainty they faced. This approach was found to be more effective and relevant in situations where entrepreneurs is looking to contest power dynamics with the other actors involved. This approach helps the entrepreneur to derive power that is required to take on unwilling employee and as such seen as a response strategy to informal institutional voids.

8.4.4 Strengthening Relationships

The analysis from the data also reveals that entrepreneur adopted the tactics to strengthen relationship to manage the challenges of the informal institutional voids. Entrepreneurs focus was to operate in a stabilised and institutionally

predictable environment which implies that they had to reflect on how they could create effective institutional environment to operate. Evidence from the extract below indicated that entrepreneurs are focused on strengthening relationship with other actors to maximise informal institutional structure

I know that to have a good business, you pay much attention to the workers, how they are doing, be nice to them, it is part of that, that you can develop to guide them. I know all of this is important and we are doing just that, and this also improve the motivation of our staff, and they want to give it all (E1)

You see it is all about good relationship, personal relationship, if you don't have manner, if you don't have good relationship, there is no way you can balance between situation, even if you look at where you are sourcing your raw material, even with your end users and the ones that work for you, anything could go wrong. You have to maintain good relationship (E4)

mostly it depends on the relatives and how they trust you. the level of trust will also determine the extent of relationship and so far, so good, it's something I (am) able to manage. You should develop a good outlook; be open in everything the company is going through. You see, you never can tell maybe they likely know the solution to your problem more than you. like you know, it is just like life, hmm, some proverbs say if you keep quiet, you will be in your situation for ever but imagine, you are visiting a doctor, will you expect the doctor to just discover your sickness and treat you? you open up, you explain your feelings to them, from that the doctor begin to ask and till he is able to treat you, I tell my staff when they are wrong and we both recognise if at all anything should be avoided in the future. You see that help to control situation we find ourselves (E8)

Similarly, the point that strengthening of relationship is used as a strategic mechanism is further illustrated below

We try to the best of our ability to manage employee issues in house, we try to like to consult each other, talk to us what is the issue that made you misbehave, like a community kind of decisions are then made. We also

involve them in decisions on how we work, like technicians what is your own view of this job, what do you think it will cost from your side, supervisor what do you think, field geologist what is your view, builder what do you think this would cost us, when we create hypotheticals, it give us the best ideas to manage issues, then I can now sit down and use the information to make the final decisions (E2)

You see what you don't have you can't give it out, if you are not somebody that is prudent and relate well with people, most of all this things you will not be able to tolerate it, you know as a person, I am able to understand their own challenges based on my own practical experience, you know I have undergo what they were passing through and I know that it is not easy, we are only trying to confront them that we should do it right, that they should it right but deep down in us, to do it right requires a lot of sacrifice which the children of nowadays may not understand, what they understand is money and comfort but we need to let them know realise that Rome was not built in a day, it's through a gradual process and sacrifice but some of them that want to become something in future, you try to let them see to listen to you and do things right with their own little sacrifice (E14)

The above extracts indicated the significance of strengthening of relationship with other actors as mechanisms to managing informal institutional voids. Strengthening relationship captures an important level of support to enforce institutional compliance in informal institutions. This mechanism is expected to function as an incentive for expected action. Interaction within the informal institutions thrive based on potential of recognition and mutual acquaintance (Horak & Klein, 2016). As such, participants revealed how this approach offers a more dependable term to overcome obligatory challenges and build a long-term behaviour that is predictable and trustworthy. When considering that informal institutional systems subsist on the series of autonomous social obligatory principles requiring social cohesion to properly function (Helmke & Levitsky, 2004), entrepreneurs revealed that many of the other actors choices are influenced

by mutual acquaintance, playing a significant role in bridging gap between entrepreneurs and other institutional actors.

Interestingly, when accounting for the practice of relational mechanism, the data indicated that such practice is supported by entrepreneurial capability and experience to manage interpersonal relationship. This is illustrated in the experience of the participants below

You see what you don't have you can't give it out, if you are not somebody that is prudent and relate well with people, most of all this things you will not be able to tolerate it, you know as a person, I am able to understand their own challenges based on my own practical experience, you know I have undergo what they were passing through (E13)

This view was also described by other participants below

I put myself into their situations, I am not saying it is good to steal or be unmotivated, because you are not getting paid enough but I understand their situation and I try to manage it with them, speaking to them, to make sure that that what is right is done, because it is in doing the right thing that I can also be comfortable, and business can survive (E4)

The extracts above demonstrate that the dynamics of relational mechanism as a strategic response in managing informal institutional voids is significantly influenced by entrepreneurial capability to build. Prior studies on the entrepreneurial strategic behaviour have acknowledged the role of entrepreneurial attributes as catalyst for decision making (Marquis & Raynard, 2015). In this circumstance, entrepreneurs experience and ability for mutual acquaintance was mobilised. When considering that informal institutional systems subsist on the series of autonomous social obligatory principles requiring social cohesion to properly function (Helmke & Levitsky, 2004), entrepreneurs revealed that many of the other actors choices are influenced by mutual acquaintance, playing a significant role in bridging gap between entrepreneurs and other institutional actors.

The findings highlight that access, and mutual relationship is imperative to shape the nature of interaction and exchange within informal institution. Comparing across the reality of the situation in which entrepreneurs operate, it is evident that connections with each other is significant to negotiate dynamics of social obligation and order. This means that entrepreneurs must put themselves in a place of control such that they can reduce the potential challenges. Entrepreneurs have limited choices on predictability of the behavioural expectation and as such referred to develop adaptable improvisation of relative techniques that bridges the gap such that entrepreneurs are now in position to shape behaviour by other actors. In adopting this mechanism, entrepreneurs participated in activities that were geared towards fostering bonding like attending social event together among many other things. This approach is expected to foster situation that made it easier to derive mutually satisfactory outcome. Entrepreneurs indicated that bonding tactics help them to achieve exemplified behaviour because other actors need to '*safe face*'. According to Coleman (1990), bonding function ensures social cohesion. In this situation, entrepreneurs leverage bonding to facilitate pursuit of collective goals. By connecting to other actors such as employees, family members and trade members, there is an incentive for value added.

The key difference between formal institutions and informal institutions is the underlying elements of interaction which remains private, and relationship bound. Where in formal institutions is structurally designed with enhanced enforcement mechanism, informal mechanism has rather loose structure in most circumstance with limited capacity for enforcement which ensures that different parties involved in transactions are obliged to act right. However, it is also very interesting to note that entrepreneurs deemed strengthening relationship as an approach to manage the inherent obstacles and drive towards effective institutions. This finding suggests another angle to view the notion of relationship

within an informal institution. Continued relationship must exist to achieve intended purpose within the informal arrangement. From the entrepreneurs perspectives, strengthened relationship is required to benefit from uncompromised situation whereas in some instances, long term relationship with other actors deter them from acting right and poses a challenge (Moulick, Pidduck, & Busenitz, 2019).

In sum, it is evident that entrepreneurs recognise that building strong relationships with actors involved within an informal institution has a positive impact that can help inspire the ability to act appropriately. Interactions within informal institutions frequently relied on the norm of reciprocity, as such can help manage tensions and deficiencies affecting informal institutional function. As such, this thesis argued that strengthening relationship is seen as a strategic approach to help entrepreneurs overcome informal institutional voids.

Table 8.3 Illustration of Informal Institutional Voids and Relational Mechanism

<i>Power Imbalance</i>	<i>Relational mechanism</i>
<i>They (leaders of the association) make everything compulsory. It is not like you have a choice. So, when you join, they give you some rules and guidelines in the association and it's not like they are really much stress, sometimes, they said they are giving training, sometimes it's to provide information. They sha find something to be doing and you are expected to do this, they want you to attend meetings, pay for dues as a member, it is compulsory (E3)</i>	<i>I try to be present in our association, I attend meetings regularly, attend ceremony if any member invites the association to ceremony, I also try to buy aso-ebi so when I need any help I am not seen as outsider and if I don't want to do anything sometimes, I can tell them to excuse me (E3)</i>
<i>Normative Concern</i>	
<i>it becomes more complicated; do you want to arrest them (family employee)? If it is my son, will I call police to arrest my son? Some people will say, this man it seems something is wrong with him, even if it is not my son, the fact I know you, there is omoluabi way that</i>	<i>I understand their situation and I try to manage it with them, speaking to them, to make sure that that what is right is done, because it is in doing the right thing that you can be comfortable, even me and that is when business can even survive (E4)</i>

<i>you want to resolve this without the police. Yoruba will say omo eni ko ni se idi bebere ka fi ileke si idi omo elomi, it means no matter what your child has done, you don't tell them they are bad children in public, you cover the shame in public (E4)</i> <i>they cannot accept or let me say they don't want to accept me. They believe I am a sinner with all this we are doing. Sometimes, I can go to church, they may be looking at you like, see him, of all the business in this world, it is wine I can think about, else (sinner), sometimes, pastor can even preach about you, if he is preaching about repentance, he will mention some of you doing what is not is not good, some of you selling what is not good, it is not good, it is against your religion (E11)</i>	<i>you cannot fight with them or argue, you still need them and also, you are within the same area so if you fight with someone, they mostly think you are troublesome, this will affect the way they relate with you and your product. So, when that thing has been happening like this, even the thing is affecting my business, the solution of it is not that you fight with them (E11)</i>
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8.5 Chapter Summary

The findings in this chapter showed the different approaches developed by the entrepreneurs in Nigeria to manage informal institutional voids. Following the institutional logics perspectives, entrepreneurs are rational agency with ability to construct, shape and influence their institutional environment (Greenwood & Ocasio, 2017). As such, the analysis in this thesis revealed that entrepreneurs were actively developed strategic response mechanism to influence institutional outcomes in their environment, specifically in situations where entrepreneurs are faced with practices constraining the capacity of informal institutions. Entrepreneurs take rational choices to shape their institutional environment towards their expectation. The findings in this chapter identified three strategic response mechanisms through which entrepreneurs were reconstructing, shaping and influencing their institutional environment within informal institution –

institutional bricolage, relational mechanisms and organisational practices. Institutional bricolage was demonstrated by bridging formal institutional elements to gain legitimacy and elevate status thereby providing entrepreneurs with required opportunity to navigate institutional challenges. Evidence in this chapter suggests that the adoption of institutional bricolage and organisational practices employed by the entrepreneurs do not only provide entrepreneurs with ability to manage the influence of the informal institutional voids but present opportunity to build long term sustainable practices. The adoption of institutional bricolage practices such as registration of business and approval techniques signals a move to rapid formal compliance. This approach also provides essential understanding on the configurations of institutional relationship in emerging markets. This thesis contends complementing the structure of formal institutions and informal institution to address any perceived deficiency in institutional functional is an act of bricolage. The second mechanism identified is the organisational mechanism through the development of firm specific practices and enactment of process and internal system to improve institutional coordination. The organisational level mechanism presents as opportunity for entrepreneurs to develop internal processes required to gain primary legitimacy in an institutional environment (Kibler & Kautonen, 2016). This finding contributes to the perception in the literature where in institutional voids is seen beyond constraints to become a source of adaptive capabilities to enhance entrepreneurial competence (Goriola et al., 2019). Amidst the challenges of informal institutional voids, entrepreneurs seek to create opportunities to thrive demonstrating that the severe voids are rather fertile ground for entrepreneurship process (Davidsson, 2015). In relational mechanisms, this thesis also provides a valuable understanding on the paradox of relationship in informal institutions to entrepreneurs in Nigeria, probing further the role of relationship in the literature. This thesis contends that the role of relationship is bi-directional within the informal institutional environment depending on the underlying expectations of

the actors. Relationship role within informal institution varies, to an extent a glue that enhance appropriate behaviour, in another breath threatens informal institutional stability through actor's abuse of boundary. Therefore, the findings assume there are paradox to relational perception. Entrepreneurs were not deterred or hold back by the negative influence of relational approach but rather seen as a significant approach to shape behavioural expectations towards a favourable condition. This chapter extends previous critical studies to advance the understanding of the entrepreneurial response strategies that specifically focuses on informal institutional voids (Doh et al., 2017; Sydow et al., 2020; Webb, et al., 2019). The next chapter presents the summary of the findings and contribution of the thesis.

Chapter Nine: Conclusion, Contribution, Implications and Limitations

9.1 Introduction

The aim of this thesis was to explore the influence of informal institutions on entrepreneurship, specifically to highlight the dynamics through which informal institutional voids emerge and reveal the strategic mechanism developed by the entrepreneurs to address and manage it in Nigeria. As such, the preceding eight chapters have discussed the background, problem statement, theoretical and methodological underpinning as well as the empirical findings of this study. This chapter concludes this thesis by presenting summary of key research findings to establish the relationship between the findings of this study and the set objectives. The chapter then present the theoretical and practical contribution of this thesis, research limitations and direction for future research. The next section presents the summary of the key findings.

9.2 Summary of the Key Findings

The central aim of this thesis is to provide a broader understanding of the influence of informal institutions and entrepreneurial strategic behaviour in Nigeria. In doing so, this thesis brings forth the daily experience of the entrepreneurs in Nigeria to illustrate the phenomenon of informal institutions. The findings in chapter 6 empirically demonstrate that the negative perception of the entrepreneurs to the formal institutions in Nigeria is a driving force that propel entrepreneurs to leverage the informal institutions. In pursuit of institutional alternative, informal institutions act as enabling system for the entrepreneurs to access key resources required to drive entrepreneurship thus responding to the first research question. This finding draws parallel to the perceived assumption in the literature on the nature of formal institution in Nigeria. Specifically, entrepreneurs in this thesis perceived formal institutions in Nigeria to be regulatory complex and deficient to promote an ideal institutional outcome. As such, indicating apparent presence of formal institutional voids. Entrepreneurs

operate entrepreneurial activities in Nigeria leveraging informal institutions as alternative institutions, thus are considered enabler of entrepreneurship. This finding has a clear alignment with the arguments in the literature (Uzo et al., 2018; Omeihe & Omeihe, 2021; Adike et al., 2018) but extends by specifically highlighting the perception of formal institutional voids based on the functioning approach and underlying embeddedness of the institutions. It is deemed that institutions must be clearly structure and well maintained to ensure cohesion and promote effective facilitation of entrepreneurial activities (Bjornskov & Foss, 2016; Chowdhury et al., 2019). This finding also highlighted the institutional uncertainty in emerging economies. This finding extends the critical body of work unmasking the uncertainty associated with the institutional dynamics of less developed economies (Boddewyn & Peng, 2020; Eesley et al., 2018). Similarly, this finding extends the debate on the agency of the institutional actors to shape their institutional environment with regards to finding alternative institutional mechanism where there is lacking or inefficient institutions (Mair & Marti, 2012; Khoury & Prasad, 2016). While similar studies such as (Amoako & Lyon, 2014; Omeihe & Omeihe, 2021) have highlighted that informal institutions function as institutional mechanism in the presence of formal institutions voids. However, this thesis advances this understanding by specifically highlighting the significance of emotional support and spiritual guidance as key institutional resources. An overarching view among the participants is that formal financing mechanisms are difficult in Nigeria due to the perception of risk of the entrepreneurial activities in uncertain environment, liability of newness and regulatory complexities. However, the findings shows that entrepreneurs rely on informal institutional mechanisms such as family, trade association and network ties to provide capital for the entrepreneurs when there are challenges in accessing capital through the formal channels. This finding is mirrored in the literature which indicate that entrepreneurs in institutional challenging environment are more likely to leverage on different forms of social network to access financial

resources (Arregle et al., 2015; Eze, 2021; Ge et al., 2019; Rooks et al., 2016; Woolcock & Narayan, 2000).

Additionally, the findings also indicated a distinct role of informal institution in providing emotional support. The literature highlights the presence of institutional voids as indicator of constraints which stresses entrepreneurs (Sydow et al 2020); and there was prevalence of this in the Nigeria context. The findings in this thesis shows that emotional support is critical institutional resources benefited from family and trade association to help cope with stress while also help entrepreneur sustain entrepreneurial passion amidst institutional challenges. Entrepreneurs in this thesis indicated to have benefited from informal institutions to gain emotional support with many participants specifically highlighting being '*listened*' to, '*encouraged*', '*paying attention*' to during their challenging times underline their performance. The findings indicate that such emotional support is used by the entrepreneurs in their actions and decisions to commit to their entrepreneurial journey. This finding extends the critical study of (Klyver et al., 2020) which argues for the significance of emotional support but specifically highlight emotional support as a key and valuable resources in resources and institutional challenging environment. Positive emotional reactions enhance commitment to ambition and entrepreneurs are more likely to continue irrespective of the challenges as they often signal extraordinary potential.

Additionally, the finding reveal religious norms as significant institutional resources leveraged to drive entrepreneurial activities. The findings shows that religion was leveraged as institutional resources to facilitate entrepreneurial resilience and provided guidance for decision making. This finding extends the prior studies in entrepreneurship literature on the role of religion (Astrachan, Binz Astrachan, Campopiano, & Baù, 2020; Audretsch, David, Boente, & Tamvada, 2007; Rietveld & Hoogendoorn, 2022; Smith et al., 2023) but specifically

highlight religion as significant source of support to economic pursuit in challenging context used to gain entrepreneurial resilience. In the literature, entrepreneurial resilience is perceived as a critical resources and determinant of success in challenging context (Roundy & Bayer, 2019). A key characteristic of institutional weak environment is lack of motivation and freewill (Adomako et al., 2018). Participants indicated performing and adhering to the religious activities helped in facing daily challenges and obstacles as well as reinforcing confidence for expected outcome. The findings also indicated that entrepreneurs behavioural pattern was significantly shaped by implicit and explicit religious values. Findings in this thesis extends to show that there is much to the role of religion in Nigeria context. Entrepreneurs in Nigeria consider religion as a normative resource to navigate high uncertainty and inefficient formal institutions. Religion has been highlighted as one of the key features of hope, reinforcing different aspects of life and believe of an expected life (Omeihe & Omeihe, 2024a). The finding in this section captures why entrepreneurs deployed religion as critical resources to shape their focus, efforts and direct their path to success despite the mounting of challenges they faced.

Additionally, this thesis also finds that informal institutional mechanism function as market regulator in constrained environment through their developed influences in the market, the sense of belonging to trade association provided the necessary safeguards to high level information that are beneficial to entrepreneurship process most especially at the early stage of the entrepreneurship. Trade association specifically function as bridge between the government and the entrepreneurs, providing information to ensure entrepreneurs comply with rules and set regulation within the context. The findings indicated that entrepreneurs benefited from the information provided by the trade association to register their products by providing clarity to the information in the public domain. In highly uncertain environment, information accessibility

determines whether entrepreneurs can develop competitive advantage, an insufficient information hinders the potential ability of the entrepreneurs (Roundy, 2017). Such role of informal institutions create atmosphere to further compliance to formal institutions and enhance institutional quality. This finding extends the findings in the mainstream debate on the role of informal institutions as proto-institutional system (Omeihe & Omeihe, 2021; Sydow et al., 2020; Meagher, 2018; Amoako & Lyon, 2014). Overall, the findings in chapter 6 significantly demonstrate the influence of informal institutional mechanism as enabling institutional structure for entrepreneurial process in Nigeria and thus responding to the first part of the research question.

Further, chapter 7 responds to the research question one by engaging the critical debate in the literature on the functioning capacity of the informal institution to suggest the presence of the informal institutional voids. These findings extend the critical studies of (Horak et al., 2020; Khoury & Prasad, 2016; Ledeneva & Efendic, 2023; Sutter et al., 2013; Webb et al., 2019; Webb et al., 2020) to debunk the narrow view on the ability of the informal institutions to operate unhindered as institutional substitute in emerging markets available for entrepreneurs. The findings on normative tension shows how the ambivalent nature of normative practices conflict to shape the dynamics of informal institutions. This finding extends the critical study of Scott, 2014; Omeihe & Omeihe, 2024 & Ledeneva & Efendic, 2019 on the influence of norms but specifically highlight how sociocultural and religious logic undermine the normative principles thus creating a conflict constraining the institutional outcome. This finding shows the contextual challenges associated with norms to constrain decision making and ability of the entrepreneurs. Normative principles are the underlying elements of informal institutions providing boundaries of appropriate and acceptable behaviour that underscore exchange in such context (Amoako & Lyon, 2014). However, the findings of this thesis shows that cultural and religious norms

inhabited by the entrepreneurs limited the scope of engagement within the informal institutions such that these norms influence the outcomes of institutional leverage. The normative elements provide relative conflict that are likely to constrain entrepreneurship process. Participants in this study indicated that not all norms are desirable and threatens how informal institution function. Additionally, normative elements conflict leading to significant challenge in the decision-making process of the entrepreneurs. As such, the informal institutions resting on these normative elements are less effective and less able to achieve their intended outcomes. These finding improves the understanding regarding the workings of normative principles as underlying drivers of values that allow and enable frictionless exchange within informal institutions, to suggest normative elements are capable of providing inconsistent or even contradictory function. Sociocultural and religious norms could be advantageous in reinforcing appropriate behaviour needed to drive informal institutional practices, the evidence in this thesis shows they are also often working as constraints that are capable of limiting the flow of exchange in another circumstance. This situation creates complexity and tension which heightens institutional uncertainty (Lounsbury et al., 2021). The findings on normative concern have several implications for the literature on the influence of normative elements on informal institutions in emerging market economies, specifically highlighting the role of normative elements that affects or disrupt institutional outcomes. Overall, the findings in this thesis extend prior research on how norms underpin informal institutions but specifically showing how a range of norms constrain institutional outcome by defining what actions are deemed appropriate or wrong (Amoako & Lyon, 2014; Lyon & Porter, 2008; Omeihe & Omeihe, 2024). Therefore, by presenting evidence that the roles of these norms vary, a major finding of this study is established that normative principles are sources of concern for entrepreneurs and are thus regarded as a form of trigger for informal institutional voids.

The findings of this thesis on power dynamics reveal how social hierarchy and network influence shape institutional capacity and outcome within an informal institution. Prior studies have established the role of power within an institution as the macro mechanism through which the behaviour are shaped in a relatively narrow focus on power (Lawrence & Buchanan, 2017). This finding extends this critical debate in but specifically zero in on how the contours of power are shaped by micro dynamics in the forms of social hierarchy and influence within a network thus opening up a new debate. The dynamics of informal institutions relies on forms of relationship characterised by mutual dependence (Amoako et al., 2021), such that actors relationship are shaped on the ability to influence each other (Horak et al., 2020; Siangulube et al., 2023). As such, the findings from this thesis shows that the outcome for each individual actor within the informal institutions is shaped by the balance of power achieved between the parties. The findings shows that informal relationship is underpin by hierarchical relationship such that more powerful individual is likely to determine the extent to which control can be exerted by others over another and therefore influenced the capacity of the informal institutions. The interpretation of power dynamics means that entrepreneurs internalised the means of control allowing dominance of certain individual over the other. in this vein, in many cases, the less powerful may be forced to submission. As such, findings from this thesis argued that the concept of power is significant to how informal institutions function. Sheer power differentials, most especially when lopsided between actors are capable of creating tension that could heighten uncertainty, challenging the efficiency of the informal arrangements. The finding shows that power dynamics occur as a result of interdependence of interactional system within the informal institutions and the imbalance power of actors are sources of concern for entrepreneurs. In relationship shaped by power dynamics, the levels of individual position have influence on decisional outcome (Greguletz, Diehl, &

Kreutzer, 2019). This finding provides insights into the relationship between the nature of power and institutional outcomes by considering how power embeddedness in informal institutional structure constrains actions and enable functional deficiency. The issues of power are closely linked to the hierarchical issues with trade association and cultural dominance from family which questions enforcements and obedience. The understanding of this dynamics in determining interactions of actors within informal institutions and the way informal institutions work is crucial for entrepreneurs dealing with varying actors with different power dynamics within informal institutions on a daily basis. Thus, this thesis contributes to the literature that the effect of power dynamics is another major finding that impacts the capacity of informal institutions and could trigger informal institutional voids. This finding contributes to literature that power plays a major role in how informal institutions operate and that an effective informal institution cannot be achieved in isolation from acknowledging the interdependence of power laden mechanism the entrepreneurs confront in their interactions with other institutional actors.

Additionally, the findings on obligation concern shows the structural deficiency underpinning the logics of social obligation. Informal institutions depend on the functionalities of social obligation to drive compliance and enforce reciprocity (Scott, 2014). Informal institution often depends on closed, affective relationship bound by social obligation (Ledeneva et al., 2023). Such mechanism enables informal institutions to impose expectations on actors (Scott, 2014). The finding in this thesis reveals that social obligation can hinder progress, demonstrating how institutional capacity is impaired. The freedom of obligation allows for the individual to take responsibility in line with general expectation, this arrangement fall short of stability and could create a functioning gap which affects the quality of institutional outcome. The individually appropriated behaviour bridged by the general expectation poses a risk to compliance when an individual fell short in

their obligation as shown by the findings from this thesis. Prior studies shows that social obligations are stronger when underlined by family and network ties, leading to persistence compliance (Ledeneva, 2018a). However, the findings from this thesis shows that compliance and obligatory responsibilities are challenging, specifically shaped by social obligation by interdependence of underlying mechanism within informal institutions. This complexity influences how obligation is managed.

In sum, the joint effect of normative concern, power dynamics concern and obligation concern affect the capacity of informal institutions to function. Mechanism such as norms and social obligation should directly strengthen the institutional foundation of informal institutions. In contrast, these mechanisms create gaps and weaknesses in how informal institutions operate such that interactions within informal institutions are ambiguous and inconsistent. Prior studies have highlighted that institutional voids emerge from the perceived weakness and uncertainties within the institutional framework in a context (Mair & Marti, 2012). The empirical findings in this study indicate that the joint effect of uncertainties experienced by the entrepreneurs impact on how informal institutions function, more specifically the interactions and how entrepreneurs operate in such environment. As such the findings above support the argument for the informal institutional voids. This proposition emerges from the empirical evidence indicating that the informal institutions also act as constraining factors affecting the development of entrepreneurial activities. Based on these findings, it is possible to assume the possibility of informal institutional voids (Sydow et al., 2020; Webb et al., 2019). When institutions function efficiently, entrepreneurial activities are enhanced. However, when institutional practices are uncertain and unstable to provide required support, such situation leads to institutional voids. Therefore, it is possible to conclude that informal institutions are paradoxical in its nature, and, in such situations, entrepreneurs face a greater

exposure to institutional uncertainty which is why unpacking these sources of this uncertainty contribute to a paradigm shift in conceptualisation of institutional voids. Through these findings, we provide important contribution to the informal institutional literature, arguing that informal institutional voids are triggered through normative concern, obligation concern and power imbalance which limits the capability and tendency of informal institutions to meet the expectations of entrepreneurs in proving unhindered institutional leverage.

Once the indication of informal institutional voids has been established, the next is to address how entrepreneurs manage any perceived inhibition. The findings in chapter 8 lays out the entrepreneurial response strategies to informal institutional voids thus responding to research question 2 and objective 3. The findings in this thesis showed that entrepreneurs had developed mostly three institutional strategies to address the informal institutional voids and shape their institutional environment – institutional bricolage, relational mechanisms and organisational practices.

The evidence in the findings showed that entrepreneurs used institutional bricolage such as formal business registration, engagement with formal agencies and legal framework to enhance capability and provide structural stability against social cultural practices and power imbalance dynamics hindering the informal institution. This finding extends the bricolage literature by integrating its underlying assumption within the institutional theory to provide explanatory account of the entrepreneurial activity. Baker & Nelson (2005) argued that when entrepreneurs are faced with challenging environment, they have three options – (1) seek external support; (2) remain inert, downsize or disband and (3) enact bricolage by applying combination of available resources. Fisher & Low (2012) argue that those who enact bricolage do so in in five domains – physical inputs, skills input, labour input, customer or market and institutional or regulatory environment. The institutional domain is relevant to the findings in this thesis

where in entrepreneurs survive by managing challenges in their institutional environment by combining available institutional mechanism to address any perceived challenges. Empirical validation of institutional bricolage highlights dynamics of institutional strategy that an entrepreneur may adopt in institutional uncertain environment thus contributing significantly on the intersection of entrepreneurial behaviour and institutional theory in emerging context. This finding expands the discussion on the institutional dynamics of emerging context to suggest that entrepreneurs in emerging context are devoid of institutional routine but rather focus on improvisation with available institutional resources to address institutional uncertainty. This finding has an implication by advancing our understanding of the entrepreneurial behaviour within an institutionally weak environment, specifically challenges the assumption that entrepreneurs in institutional weak environment do avoid formal institutions in favour of informal institutions (Aparicio, Urbano, & Audretsch, 2016; Chowdhury et al., 2019). The findings shows that institutional choice is rather driven by the capability to meet their need and expectation. As such, variation of institutions does not matter to the entrepreneurs, as much as the capability to function as required to enhance entrepreneurial process. Entrepreneurs are rational being with significant appetite to overcome challenge and would consider resources at hand in so doing. This thesis also found that entrepreneurs in managing informal institutional voids had developed relational mechanism. This finding extends the discourse on entrepreneurial behaviour in socio-cultural setting (Marquiz & Raynard, 2015; Uzo & Mair, 2018; Uzo et al., 2022). The findings shows that entrepreneurs adopted relational mechanism tactics such as correction approach, amicable conflict resolution, strengthening relationship and coercive approach to shape interactions. Since the nature of interaction in informal institutional arrangement is often built on preferential and affiliate relationship as against what is obtainable when operating in a formal institutional set up, entrepreneurs adopt relational mechanism to bridge tension related to how actors interact with and manages

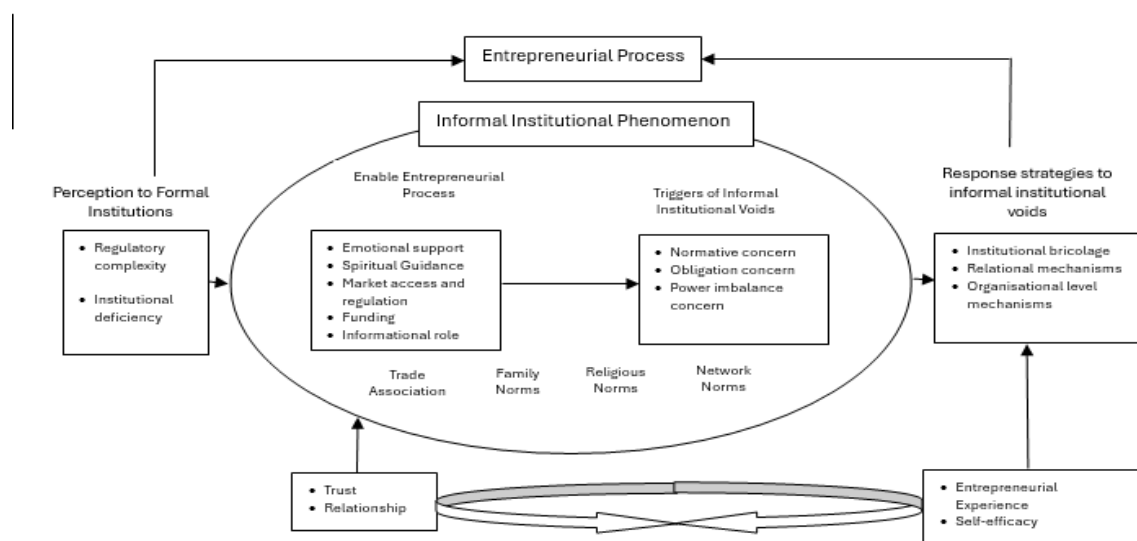
other actors in their context. Relational mechanism provides an understanding into the significance and paradox of relationship within informal institutions. The findings on informal institutional voids indicated that nature of relationship could create pressure to constrain institutional outcome. However, quite interesting, this finding shows that relationship strengthening tactics were used in another breath to enhance expectations. Entrepreneurs do not hold back or deterred despite the perception of abuse in the relational dynamics but believed that strengthened relationship can help shape actions of other actors and inspire reciprocity needed to enforce acceptable action. The adoption of relational mechanisms help bridges the gap in enforcement action and structural weakness relative to informal institutions. Entrepreneurs adopted relational mechanism tactics such as amicable resolution dynamics in places of sanction, the aim of the entrepreneur is to whip family employee employees and other institutional actors to perform their job duties appropriately. Prior literature has indicated that relational mechanism is often used as an approach to bridge tension developed from actors interaction (Marquis & Raynard, 2015). The embedding nature of interactions within the informal institutions require entrepreneur to be overly careful in managing the challenges arising, especially those with family members and strong ties as they were deeply anchored on cultural norms (Omeihe & Omeihe, 2021). As such, any strategic mechanism considered by the entrepreneur must foster trust and cordial relationship, entrepreneurs recognises that corrective approach help to gain control over other actors behaviour without losing the allegiance from those relationships. Relational mechanism becomes a more relevant strategy given that interaction within the informal institutions thrive based on potential of recognition and mutual acquaintance (Horak & Klein, 2016). A key part of the findings on relational mechanism shows an interplay of microfoundation through a discrete micro level factor determining the macro institutional strategy. The findings shows that entrepreneurial experience plays a major role in how tactics under relational mechanism is managed and developed.

The last response strategy identified in this thesis is organisational mechanism. In managing the challenges developed through informal institutions, entrepreneurs developed internal business process practices and market level practices to optimise for the structural challenges hindering legitimacy in the informal institutions. As highlighted in the preceding sections, informal institutional voids lead to lowest degree of compliance especially in a closely related circle. Entrepreneurs indicated that developing business process put in place bridges to challenges excesses and structural deficient relative to informal institutions offering entrepreneurs the ability to develop organisational legitimacy. This finding also shows how phenomenon of institutional voids could lead to opportunities for the entrepreneurs (Nason & Bothello, 2023).

The finding in this thesis broadens the theoretical understanding of entrepreneurial behaviour in the face of institutional voids, specifically how entrepreneurs cope with institutional pressures within the informal institutions. The presence of informal institutional voids hampers the ease by which entrepreneurs engage within the informal institutions. When operating in context with institutional voids where there are constraints and uncertainty making it unpredictable and costly to create long term performance (Luiz et al., 2021), the findings in this section aligns to the assumption of institutional logics perspectives which affirmed that entrepreneurs are more likely to move toward developing strategic approaches to navigate the ambiguity created by the uncertain institutional environment. Each potential institutional pressure is an actionable constraint that are reacted to in order to mitigate its shortcomings (Lounsbury et al., 2021). The finding suggests that entrepreneurial behaviour in Nigeria is shaped by the presence of informal institutional voids and therefore contributes to entrepreneurial strategy and response strategies to institutional voids from an Africanist perspective. These findings have now been developed

into a revised framework (figure 9.1) to illustrate the broader influence of informal institutions and roles of the entrepreneurs in shaping and reconstructing their institutional environment through response strategies. The framework focuses on three central constructs – perception to formal institution (chapter 6), influence of informal institutions (chapter 7) and entrepreneurial strategies (chapter 8).

Figure 9.1 Revised Framework of Informal Institutional Voids and Entrepreneurial Response Strategies



The contribution of this research to knowledge is reinforced theoretically below

9.3 Contributions to Knowledge

The findings presented in this thesis contributes to and advances the existing literature on the influence of informal institutions and entrepreneurial strategy in several ways:

First, this thesis advances the conceptualisation of informal institutional voids by highlighting practices through which the functional dynamics of informal institutions is impaired. The review of the literature reveals a dominant assumption which emphasised the notion that informal institutions operate

unhindered, offering institutional alternatives to entrepreneurs in emerging contexts (Mair & Marti, 2012; Omeihe et al 2021; Omeihe & Omeihe, 2024). However, the findings in this thesis have moved the conversation away from its narrow perspectives to a broader perspective on the nature and functional influence of the informal institutions on entrepreneurship in emerging market. This study provides empirical evidence to show that informal institutions also constrain entrepreneurial activity (Khoury & Prasad, 2016; Sydow et al 2020; Webb et al, 2019). This thesis contributes by unpacking the underlying dynamics and highlighting the practices through which the function and capacity of the informal underlying mechanism are restrained. While the existing literature suggests that the functionalities of informal institutions depend on the interplay of norms and social obligation upon which they rest (Omeihe & Omeihe, 2021; Scott, 2014). This study points out the discrepancies and inconsistencies in the way that norms and social obligation is perceived. In the same manner this study also highlights the contest for power and status as undermining practices within the informal institutions. These practices are conceptualised as triggers for the emergence of informal institutional voids marking a shift in how the influence and capacity of informal institutions are understood. While this thesis challenges the grand narrative assumption on the nature of the informal institutions, it further extends the institutional logics perspectives by bringing to light how interdependent nature and interactions of underlying mechanism within the informal institutions interacts to influence how it functions (Ocasio, 2023). Consequently, the conceptualisation of informal institutional voids contributes to a shift in how we frame the influence of informal institutions on entrepreneurship. Given that the intended role of an institutional framework is to reduce uncertainty; however, the experience of the entrepreneurs reveal that informal institutions often fail to deliver this function.

Second, this thesis advances literature on entrepreneurial behaviour and strategy by demonstrating how entrepreneurs manage informal institutional voids. While much of the existing literature has focused on response strategies to formal institutional voids, this study expands the discourse by examining specific strategies entrepreneurs adopt to navigate informal ones. Similarly, this thesis responds to debate in the literature about whether entrepreneurs can adopt similar approaches to address informal institutional voids (Doh et al 2017; Sydow et al 2020). This contribution brings to light the embedded agency element of the institutional logics perspectives, specifically shows that entrepreneurs have rational agency to interpret, sense and shape their institutional environment (Greenwood et al., 2013). Through the theorization of institutional bricolage, relational mechanisms and organisational structure as strategic response mechanism to informal institutional voids, this thesis provides a deeper understanding of how entrepreneurs manage informal institutional voids, specifically entrepreneurial behaviour and strategy within the informal institutions environment. This contribution enhances our understanding of how entrepreneurs develop strategies to cope with institutional deficiencies thereby enriching theoretical perspectives on entrepreneurial strategy. This contribution enables scholars to the opportunity to fully grasp strategies the entrepreneurs employ for survival in institutionally weak environment.

Third, this thesis contributes to clarifying the concept of institutional voids. Scholars have consistently called for a more nuanced theoretical framing of institutional voids (Dieleman et al, 2022; Amaeshi et al 2016; Bothello et al., 2019; Mair & Marti, 2012). By investigating the phenomenon of informal institutional voids in Nigeria, this study argues that voids should not be seen as indicative of institutional absence but rather as analytical space that reveal how institutions function or fail to function in meeting actors expectations. The diverse nature of institutional configurations within any given contexts suggests that

institutions are always present (Goriola, Theresa & Charles, 2018); however, where these institutions lack capacity, a void emerges. Thus, institutional voids should be understood as functional deficiencies rather than structural absences of an institution. This thesis therefore advances the theoretical framing of institutional voids as a consequence of insufficient institutional performance rather than institutional nonexistence.

Fourth, this thesis provides significant addition to the literature on institutional theory and bricolage. The evidence from this thesis establishes institutional bricolage as a strategic fit for entrepreneurs navigating deficiencies across both formal and informal institutions. In emerging markets where institutional environment is unpredictable and often lack effective support structures, institutional bricolage enables entrepreneurs to improvise by drawing on available institutional resources to address deficiencies. This strategic improvisation – choosing between and combining formal and informal institutions offers a pragmatic response to institutional challenges. While the idea of bricolage is well established in entrepreneurship research particularly in relation to entrepreneurial strategies in resource constraints environment (Scazziota et al 2023) and situation in which entrepreneurs improvise to address uncertainty (Welter et al 2016). This thesis extends its application to the domain of institutional strategy. By revealing how entrepreneurs use institutional bricolage as an institutional strategy to mitigate institutional deficiencies, this research contributes to the body of literature on bricolage and enhances our understanding of entrepreneurial mechanisms in challenging institutional settings.

9.4 Contribution to Practice and Policy Implications

In practice, this thesis reinforces that informal institutions pose challenges to entrepreneurial process comparable to those found within formal institutions,

thereby contesting the assumption that entrepreneurs operate within a safety net while leveraging informal institutions (Adike et al., 2022; Amoako & Lyon, 2014). Entrepreneurs in emerging markets such as Nigeria face concurrent institutional challenges that hinder their ability to effectively engage in entrepreneurial activity. The findings of this thesis show entrepreneur must understand the specific patterns through which institutional voids emerge to impair the functionality of informal institutions in order to navigate them successfully. Where informal institutions are constrained, entrepreneurial motivation and development weaken, highlighting the need to revisit and extend discussions on entrepreneurial training and policy making. This thesis underscores the importance of equipping entrepreneurs with grounded understanding of institutional challenges inherent within informal institutions to help increase their cognitive capacity to evaluate and respond to culturally specific issues and power dynamic issues which directly shaped relationship within the informal institutions. The evidence presented in this thesis on the informal institutional voids and response strategies captures the everyday realities entrepreneurs face in Nigeria, thus offering practical insights that can support operating in such context.

Furthermore, the findings in this thesis establish that both formal and informal institutional environment in Nigeria fall short in providing adequate and sufficient support for entrepreneurship. As such, this points to an urgent need for institutional reform by government, particularly at the level of formal institutions to enhance their capacity to provide required institutional support. Strengthening these structures is vital to reducing complexity of doing business in Nigeria. This will be particularly helpful to entrepreneurs who are facing significant pressure from increasing cost of doing business in Nigeria.

Additionally, the government should formally recognise and integrate informal institutions such as trade association into the broader institutional framework. The evidence suggests that these associations play a significant role in shaping entrepreneurial exchange and as such requires consistency through clear rules and legal safeguard to shield members from arbitrary practices and internal overreach. While legislating on family dynamics might be challenging, it is essential that government empower local agencies to moderate the influence of family obligations and power relations on entrepreneurship. The findings in chapter 6 indicate a disconnection between institutional systems, this disconnection continue to hamper institutional quality. The improvement of institutional framework in the business environment is best achieved through transparent and stable practices. Decisions need to be made about strengthening informal institutions such that informal institutions are incorporated into policy considerations. The integration of informal institutions into policy considerations is not only about institutional recognition but the need for overall institutional progress.

9.5 Limitation of the Study

Like most research, this study has its own limitation. Criticism could be raised concerning the methodological assumptions of this study. Firstly, this study relied on entrepreneurs as single source of information. Secondly, this study may also be limited due to sampling frame with the selection of 21 participants. However, I have argued that this approach was in accordance with qualitative assumption (Guest et al., 2006; Saunders & Townsend, 2018). Moreover, the participants were appropriate for the purpose of this study given their understanding of the phenomenon. I have also argued that the dynamic nature of informal institutions requires this study to adopt a methodological approach that focuses on the research participants. The purpose of this kind of approach is to provide a conclusion that closely represent the nature of reality of the participants (Symon

et al., 2018). Moreover, it is not the intention of this study to aim for generalisation which would have required a larger sample frame. Nevertheless, the findings of this study have transferable potential which is consistent with some prior studies on informal institutions (Amoako & Lyon, 2014; Omeihe & Omeihe, 2021). Overall, while the findings from this study have contributed to the broadening of theoretical understanding on the influence of informal institutions on entrepreneurship and entrepreneurial strategy in Nigeria, there is opportunity for future related studies to investigate further by specifically focusing on each stage of entrepreneurial process.

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Appendix 1 Interview Protocol

Section A Background and Entrepreneurial Process

1. Can you briefly tell me about yourself including your background?
2. How long have been an entrepreneur? How did you get involved?
3. Can you share your experience of being an entrepreneur/working in this entrepreneurial firm/working with the entrepreneur? How long have you worked with the entrepreneur?
4. How is a typical day of your business? How did your business function on a day to day?
5. How do you recognise the idea that this can become a business?
6. Can you tell me about the general business environment in Nigeria?

Section B Influence of Informal institution

This section focuses on the business activities within the informal institution.

1. Are there any particular people or company that are important for your business?
2. How did you know them?
3. Can you think of an example where they have not met your expectations or taken advantage of you?
4. How did the scenario impact on your business?
5. What did you do to resolve this?
6. How did you come to your solution?
7. Has any family members or some friends support you before in your business? If yes or no, can you explain how?
8. Have you worked closely or employed family members in your business? If yes or no, can you explain with specific examples?
9. Can you share specific examples where they have not met your expectations?
10. How did this situation impact on your business?
11. How do you manage the challenge?

12. How have you come to the solution?
13. Do you currently belong to a trade association?
14. How does trade association help in your business?
15. Can you think of a scenario where belonging to trade association caused problem to you? Do you have any concern about the association and how it works?
16. Are there times your trade association does not meet your expectations?
17. How do you resolve/manage this?
18. In what ways do your trade association constrain your business?
19. How do you address the constraint?
20. Can you share with me the resources you use in your business? Where did you get them?
21. How did you get funding for your business?
22. Do you have constraint getting funding for your business?
23. How do you manage the constraint of funding?
24. What influences the way you deal with the funding challenge?
25. Are there any challenges when you get funding this way?
26. How does this scenario impact on your business?
27. How do you resolve these constraints?
28. What influences the way you manage this scenario?
29. Can you think of an example where your religion caused problem to you on your business?
30. How do you manage this situation?
31. What influences your choice of action?

Appendix 2: participants Information Sheet

PARTICIPANT INFORMATION SHEET

Project Title: Exploring the Entrepreneur's response to Informal Institutional Voids in Nigeria

You are being invited to take part in a research study. Before you decide whether or not to take part, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully.

What is the purpose of the study? The purpose of this study is to explore how entrepreneurs in Nigeria navigate the informal institutional voids within each phase of entrepreneurial process (ideation, commercialisation and market expansion or scaling). When operating within context with institutional challenges, entrepreneurs are bound to develop ways to overcome these limitations. The goal is to understand the ways entrepreneurs have developed to overcome the challenges as well as the individual factors driving the adoption of these strategies.

Why have I been invited to Participate? You are invited to participate in this study as you are an Entrepreneur / Owner manager in Nigeria who operate their business within the Nigerian context.

Do I have to take part? It is up to you to decide whether or not to take part. If you decide to take part, you will be given this information sheet to keep and be asked to sign a consent form. Your involvement in the project is voluntary and you are free to withdraw consent at any time, and to withdraw any unprocessed data previously supplied without giving reasons.

What will happen to me if I take part? You will participate in an in-depth interview, scheduled for approximately one hour. The date and time will be scheduled at a convenient time for you. The interview will be audio recorded with your permission.

What are the possible benefits of taking part? Your participation will help in developing a strong framework for overcoming the challenges of entrepreneurial operations in markets riddled with institutional problem. Moreover, as this research is being carried out as part of my partial fulfilment of a degree of Doctor of Philosophy (PhD), you will be helping out by your participation in getting this award.

Will what I say in this study be kept confidential? All information collected will be kept confidential. Confidentiality, privacy, and anonymity will be ensured in the collection, storage and publication of research material. Data generated by this study will be securely stored in devices and locations that are encrypted and password protected. The data generated in the course of the research will be kept securely in paper and electronic form for a period of ten years after the completion of a research project.

Who has reviewed the study? This research has been approved by the university Research Ethics Committee of Sheffield Hallam University. For further information, you can contact me: via abiola.a.adebayo@student.ac.uk Doctoral Researcher - Sheffield Business School, Sheffield Hallam University, Howard Street, Sheffield. S1 1WB. Telephone or Should the participant have any concern about the conduct of the study they can contact my Director of Study, or the chair of the university Research Ethics Committee on

Thank you

Appendix 3: Ethics Approval

16/04/2025, 11:52

Sheffield Hallam University Mail - Converis - Ethics Review - Approval with Advisory Amendments



ABIOLA ADEBAYO <b6037849@my.shu.ac.uk>

Converis - Ethics Review - Approval with Advisory Amendments

1 message

converis@shu.ac.uk <converis@shu.ac.uk>

7 June 2022 at 13:37

To: "Adebayo, Abiola" <Abiola.A.Adebayo@student.shu.ac.uk>

Status change comment

DO NOT WRITE ANYTHING IN THIS NOTES BOX AS IT CAN BE SEEN BY ALL OTHER USERS. Proceed to select the workflow status and click Done.

• Dear Abiola

Title of Ethics Review: [EXPLORING THE ENTREPRENEUR'S RESPONSE TO INFORMAL INSTITUTIONAL VOIDS IN NIGERIA](#)

Ethics Review ID: ER39974625

The University has reviewed your ethics application named above and can confirm that the project has been approved.

You are expected to deliver the project in accordance with the University's research ethics and integrity policies and procedures <https://www.shu.ac.uk/research/ethics-integrity-and-practice>.

As the Principal Investigator you are responsible for monitoring the project on an ongoing basis and ensuring that the approve documentation is used. The project may be audited by the University during or after its lifetime.

Should any changes to the delivery of the project be required, you are required to submit an amendment for review.

If you have a query regarding your application, please contact your Faculty Ethics Administrator in the first instance.

HWB - hwbethics@shu.ac.uk

STA - STAfrec@shu.ac.uk

SBS - sbsethics@shu.ac.uk

SSH - SSH-ResearchEthics@shu.ac.uk

Wishing you success with your study

Kind regards,
Ethics Research Support

*** This is an automatically generated email, please do not reply ***

