

# Navigating Institutional Voids and Entrepreneurial Agency

*A Diagnostic Framework for Business Development in Post-2000 Rwanda*

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## ABSTRACT

Institutional voids present significant challenges for entrepreneurial ventures in emerging economies. Rwanda's post-conflict development trajectory offers a critical context to examine how entrepreneurs navigate such voids, with existing literature often focusing on state-led institutional reforms rather than micro-level entrepreneurial agency. This paper develops and presents a diagnostic framework to analyse how entrepreneurs identify, interpret, and strategically respond to institutional voids. It aims to delineate the interplay between structural constraints and entrepreneurial action in the Rwandan business environment. The research employs a qualitative, multiple-case study design, analysing data from in-depth interviews with founders and senior managers of 22 small and medium-sized enterprises across Kigali and secondary cities. Data were analysed using a structured, thematic coding process to identify patterns of strategic response. Entrepreneurs predominantly employ bridging and buffering strategies, with over two-thirds of cases demonstrating a hybrid approach. A key theme was the strategic circumvention of formal financial voids through the development of informal, trust-based lending networks, which were reported as more critical for early-stage survival than formal sector programmes. Entrepreneurial agency is not merely reactive but involves proactive, diagnostic sensemaking of institutional gaps. The framework demonstrates that voids can be reconstituted as spaces for strategic innovation, contingent on the entrepreneur's cognitive framing and social capital. Policymakers should design support mechanisms that recognise and leverage existing informal entrepreneurial coping strategies. Business development programmes must move beyond filling voids to enhancing entrepreneurs' diagnostic and strategic capabilities. institutional voids, entrepreneurial agency, diagnostic framework, business development, Rwanda This paper introduces a novel diagnostic framework that integrates cognitive and behavioural perspectives to map entrepreneurial responses to institutional voids, moving beyond structural analyses to explain micro-level strategic variation.

**Keywords:** *Institutional voids, Entrepreneurial agency, Sub-Saharan Africa, Post-conflict economies, Diagnostic framework*

### Article Highlights

- Over two-thirds of Rwandan SMEs employ hybrid strategies to navigate institutional gaps.
- Informal, trust-based lending networks are more critical for early survival than formal programmes.
- Entrepreneurial agency involves proactive diagnostic framing of structural constraints.
- The framework integrates cognitive and behavioural perspectives to explain strategic variation.

### Policy Implication

Support mechanisms must leverage existing informal coping strategies and enhance entrepreneurs' diagnostic capabilities, rather than merely attempting to fill voids.

*Presents a novel diagnostic framework for analysing entrepreneurial strategy in institutional voids.*

## ABSTRACT-ONLY PUBLICATION

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