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ETHNOGRAPHIC STUDY

Navigating Institutional Voids

An Ethnography of Entrepreneurial Governance in Ghana (2000–2026)

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ABSTRACT

Entrepreneurial ventures in emerging economies often operate within institutional voids, where formal governance structures are weak or absent. The literature lacks deep, contextualised accounts of how entrepreneurs navigate these voids to build and sustain enterprises. This study aims to elucidate the informal governance mechanisms developed by entrepreneurs to compensate for deficient formal institutions. It seeks to understand how these mechanisms evolve and influence enterprise resilience and growth. A longitudinal, immersive ethnography was conducted, involving participant observation, in-depth interviews, and document analysis within a cohort of small and medium-sized enterprises. Data were analysed using an iterative, thematic approach. A dominant theme was the construction of 'relational bureaucracies', where entrepreneurs systematically formalised kinship and social obligations into reproducible internal procedures. Approximately 70% of observed firms developed such hybrid structures, which enhanced operational predictability but also created rigidities in scaling. Entrepreneurial governance in this context is characterised by the deliberate codification of social capital, which functions as a substitutive institutional infrastructure. This adaptation is both a strategic response to voids and a source of distinct organisational path dependencies. Policymakers should design business support programmes that acknowledge and build upon existing informal governance practices rather than seeking to replace them. Investor due diligence should incorporate assessments of a firm's relational bureaucracy. institutional voids, entrepreneurial governance, ethnography, informal institutions, relational bureaucracy, emerging economies This paper provides a novel, empirically-grounded framework of 'relational bureaucracy', demonstrating how informal social structures are deliberately formalised to fill institutional voids, thereby offering a new lens for behavioural finance studies on risk and governance in emerging markets.

Keywords: *Institutional voids, Entrepreneurial governance, Sub-Saharan Africa, Ethnographic methods, Business anthropology, Emerging economies, Ghana*

Article Highlights

- 70% of observed firms developed hybrid governance structures blending social capital with formal procedures.
- Relational bureaucracies enhance operational predictability but can create rigidities during scaling.
- Informal governance practices are deliberately codified,

Policy & Practice Implications

Business support programmes should build upon existing informal governance practices. Investor due diligence must assess a firm's relational bureaucracy to understand its adaptive capacity and potential scaling constraints.

This longitudinal ethnography offers a ground-level view of

<p>forming a substitutive institutional infrastructure.</p> <ul style="list-style-type: none">• This adaptation creates distinct organisational path dependencies that influence long-term resilience.	<p><i>governance innovation in an emerging economy context.</i></p>
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