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The nature of social relations:
*Exploring norms, trust and market relations in
SME internationalisation*

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INTRODUCTION

West African small and medium-sized enterprises (SMEs) have contributed to regional trade by adapting to their challenging environment. To date, most of their activities have steadily expanded across Africa (Omeihe *et al.*, 2020). It is widely held that a vast majority of SMEs are reliant on personal connections (Wellalage and Locke, 2016; Aluko, 2019). In the case of Nigerian SMEs, they have been able to draw on informal network relationships to exploit regional trade opportunities. Along with Nigeria's status as Africa's largest economy, its informal sector has also proliferated (Raimi, 2019). This is because the core of Nigeria's economic transactions are conducted within settings dominated by imperfect credit markets (Beck and Cull, 2013), driven by weak state-backed institutional arrangements (Smith and Luttrell, 1994; Lyon and Porter, 2010; Amoako, 2019). Compared with mature market economies where personal relationships may be passive in economic exchanges, Nigerian SMEs have been found to resort to trust-based relationships in fostering their international expansion (Kuepie *et al.*, 2016; Omeihe *et al.*, 2021).

The term 'trust' arises from a trustor's predictions about a trustee's ability to fulfil promises (Zaheer *et al.*, 1998). Such predictions are drawn from the knowledge of one's reputation and from previous interactions. Trust is also viewed as an unavoidable dimension of social interaction (Gambetta, 1988), and an expression of the interacting partner's motive (Fink and Kraus, 2007). Thus, this important process creates an environment where relating partners mutually have to submit to each other. Interestingly, the notion that trust is an elusive concept assumes more relevance in Africa, where sanctioning mechanisms and legal enforcements are perceived to be generally weak (Welter and Smallbone, 2006; Amoako and Lyon, 2014; Amoako, 2019). In such circumstances, entrepreneurs become particularly keen to rely on informal institutional arrangements: principally norms and networks. Interestingly, official data on SMEs captures only a fraction of trade that occurs across Nigeria's borders. An OECD(2019) report confirms that although formally recorded, the gap between official numbers and reality provides huge opportunities for increased regional trade.

However, internationalisation which is the staple activity of Nigerian SMEs has been largely ignored by policy makers. From a theoretical perspective, it is unequivocal that a focus on the internationalisation of Nigerian SMEs is apposite as this would illuminate its contextual understanding. One of the shortcomings of existing research is the related paucity of studies

focusing on the impact of norms and trust-based networks on Nigerian SME internationalisation. This is because existing studies tend to underestimate the influence of the situational opportunities and constraints that affect the economic behaviour of African entrepreneurs. Thus a study of this nature is timely in alerting scholars to interpretations of international entrepreneurship within West Africa.

In recent years, there has been a growing interest and recognition that economic behaviour can be best understood within its institutional and social contexts. This includes the political, economic and cultural settings in which the entrepreneur operates (Welter, 2010; Omeihe *et al.*, 2020). Such recognition promises access to the impact of context on entrepreneurship. This is particularly apparent as focus on the Nigerian context offers an understanding of how culturally specific norms form the basis for trust-based network relationships.

Engaging with Nigerian SMEs draws attention to the role of norms and the part they play in governing economic action. With regards to this study, SME internationalisation is explored as a way of illuminating how norms shape economic activities. In Nigeria where state-backed formal institutions are weak and widely perceived to be at odds with the interests of economic actors, informal norms acting in rivalry to formal rules become emergent. This raises the question about how different groups have varied perception of what norms serve to organise market-oriented economic behaviour.

Not surprisingly, a lack of adequate knowledge about the mechanics of Nigerian SME internationalisation seem to be one of the main explanations why its contributions to economic growth are often unacknowledged. This paper makes the point that more legitimate regional trade appears to be taking place across West African borders than we know, and a major impediment to the contributions of Nigerian SMEs has to do with the lack of a conducive environment (Fadahunsi and Rosa, 2002; Omeihe, 2019).

Recognising this importance, this article aims to establish an understanding of how norms and trust-based network relationship shape Nigerian SME internationalisation. To generate data for our examination this exploratory study is guided by the following two important questions on firm internationalisation:

RQ1: What are the types of culturally specific norms that influence SME internationalisation?

RQ2: How do norms shape trust-based network relationships during SME internationalisation?

The article is divided into six parts. Following the introduction, we selectively review the evidence that institutions provide incentives for human exchange, whether social, or economic. Second, we proceed to undertake a review of studies on norms and networks before justifying our methodological approach. We emphasise the distinct results from our findings and illustrate that norms and trust-based network relationships are particularly valid for the internationalisation of SMEs. Finally, we indicate several areas where policy implications and directions would be very useful.

INSTITUTIONAL LOGICS PERSPECTIVE

What are institutions precisely? North (1990, p. 3) provides the definition that: “Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction.” This initial statement somewhat stresses that institutions structure incentives in human exchange, whether social, or economic. Institutions offer considerable scope for economic growth because they shape the actions of key economic actors in society (Acemoglu *et al.*, 2004). For that reason, actors depend on institutions as they serve to provide legitimate course of action. Yet, there is no certainty that actors will have recourse to the same set of institutions, as contextual factors such as culture and effectiveness also matter for economic performance

One of the most persistent cleavages in the social sciences is the varied lines of thoughts between scholars associated with institutions. For these scholars, institutional theory has proven to be a distinct theoretical position for exploring a variety of topical issues. Ever since it emerged decades ago, its application has continued to receive much across different domains. Seminal studies undertaken by scholars such as Meyer and Rowan (1977), Zucker (1977) and DiMaggio and Powell (1983) located culture within the frame of institutional analysis. In the perspective of Meyer and Rowan’s conception of institutional isomorphism, the role of actor is isolated from the institutional and societal levels. Thereby, providing the basis for neglecting phenomenological insights: an obvious stance adopted by neo-institutionalists.

A major advancement for new institutionalism by DiMaggio and Powell (1983), drew attention to the coercive, mimetic and normative components of institutional isomorphism. Their contributions focused on the mindless of behaviour in response to cultural rationalisation, but neglected the role of institutions and its divergent institutional forms. The studies of Friedland and Alford (1991), Scott *et al.*, (2000) and Thornton and Ocasio (1999) provided more precision by positing institutional logics as a means for defining institutions. To these scholars, the focus was no longer on isomorphism, but on the role of culture as a critical determinant of institutional analysis. Building on the studies of Jackall (1988) and Friedland and Alford (1991), Thornton and Ocasio (1999) describe how the underpinning logics of institutions shape individuals and organisations. For Thornton and Ocasio (1999:804), they define institutional logics as “the socially constructed, historical patterns of material practices, assumptions, values, beliefs and rules by which individuals produce and reproduce their material subsistence, organise their time and space, and provide meaning to their social reality”. The conceptualisation of institutional logics in principle, offers a supple and adaptable explanation for how actors, actions and contexts come together within institutional settings. This manifestation of the institutional theory recognises that identities, practices, beliefs and values of actors are embedded within prevailing institutional logics. Put succinctly, institutional logics presupposes an understanding of entrepreneurial behaviour located within social and institutional contexts which regularises social behaviour (Thornton and Ocasio, 1999; Thornton, Ocasio and Lounsbury, 2012).

Evidently, explanations by reference to institutional logics are incomplete without a linkage to the interplay between formal and informal constraints. From Nee’s (1998) analysis, it is apparent that informal rules which are embedded in norms and networks, operating in the shadows of formal institutions, can constrain or limit economic action. This explanation lies in the uncertainty about whether informal rules in certain institutional settings will operate in harmony or in rivalry with formal rules. As far as Africa is concerned, the economic analysis of its institutions has followed blueprints shaped by westernised assumptions, which bears little reflections of the current context. By contrast, the behaviour of African economic actors rely on norms and networks connections which serve to facilitate economic action. Emphatically, the view is that African SMEs are influenced by the logics of various social norms (Omeihe *et al.*, 2021a). This further accentuates the notion that institutions extend actors with a set of social norms. These norms define what social behaviour is deemed right or wrong, and its creation depends on the cultural background of networks relationships, especially within a socio-economic context. Here, cultural norms establish the parameters of legitimate action that shape network interactions (Nee, 1998; Amoako, 2019).

In Nigeria, the logics of norms have provided the basis for effective economic action. Not surprisingly, weak and ineffective state-backed formal institutions have led to a lack of trust in formal institutional arrangements. The notion that informal norms act in opposition if formal institutional arrangements are contradictory to social interests is apposite. Such norms encourage actors to avoid recourse to formal institutional arrangements and instead, rely on culturally specific network relationships to organise their goals. Locating this within SMEs, the logics of informal norms largely subsumes the cost of enforcements and monitoring. Such circumstance affords for lesser transaction costs, which allows entrepreneurs realise their economic potentials.

NORMS

The most trite yet crucial question is: What are norms? Norms, following Faulkner (2010), are the explicit or implicit rules of behaviour which embodies the preferences and interest of close knits group. They lie at the heart of a set of behavioural expectations shared by a group of people, as it sustains instructions which direct them on how to act. The attitudinal hallmark of norms suggests feelings of guilt, embarrassment, guilt and shame that come with violating them (Elster, 1989; Faulkner, 2010). A notable feature across definitions of norms captures the fact that norms are important for the development of specific forms of concrete relationships (Lyon and Porter, 2007; Bruton *et al.*, 2010; Amoako and Matlay, 2015). Simply put, norms are specific instructions on how to act. The idea of norms invokes an image of what actions are deemed desirable or undesirable, as they form the basis for developing and sustaining personalised trust (Lyon, 2000; Omeihe, 2019). The preference for a reliance on norms constrains opportunism in a one-off transaction, where previous interactions are non-existent, and no expectation for possible future transactions.

Varying discussions on the nature of norms has led to an appreciable number of debates over its formation. While norms have been conceptualised to include parts of a social habit which shape cognitive action (Levi, 1996; Hodgson, 2007), there is evidence that norms are formed through socialising during childhood at schools, families and religious places (Lyon, 2000; Lyon and Porter, 2009). Many of the key interpretations reveal that norms arise out of networks and reinforced through the means of ongoing relationships. This implies that norms are acquired within culture through socialisation, thus leading to the development of predictable responses common to a certain group of people (Hodgson, 2007; Omeihe, 2021b).

In fact, the idea that norms establish the parameters of legitimate action, provides the simple rationale as to why people to confirm to norms. This rudimentary explanation is based on the notion that norms are obeyed because they describe what should be done (Faulkner, 2010). In doing so, norms are internalised by individuals who have the morality to avoid the shame and guilt that comes with being sanctioned (Elster, 1989; Hodgson, 2007). This gives rise to threats to reputation, shaming and exclusion from community or economic activities (Porter and Lyon, 2006; Brennan and Pettit, 2004; Amoako, 2019).

Within the context of SME internationalisation, scholars such as Blomqvist *et al.*, (2008) indicate that norms reduce the risk of transactions costs related to monitoring and negotiations. Other scholars support this view by stating that norm-based relationships provide market information, protection against liability of foreignness and newness of SMEs (Brunetto and Farr-Wharton, 2007; Rodriguez and Child, 2012; Amoako and Matlay, 2015; Amoako, 2019). In fact, the growing importance of norms in internationalisation is helpful for SMEs as they enable them economise on decision regarding market opportunities.

In studies related to Ghana, Amoako and Lyon (2014) show how norms of kinship and ethnicity enhance SME internationalisation. Combining this with the contributions by Omeihe *et al.*, (2020), further amplifies the idea that norms of family provide the mold within which transnational relationships operate. Notwithstanding, we contend that the process through which culturally-specific norms and trust-based networks shape SME internationalisation particularly in a developing market economy has not been given much attention. From this perspective, the empirical component of this study embraces a richer explanation of how entrepreneurs rely on norms and trust-based networks in their internationalisation activities.

ENTREPRENEURIAL NETWORKS AND SME

INTERNATIONALISATION IN DEVELOPING MARKET CONTEXTS

Although the international business literature recognises that a firms' international activities play a pivotal role in its economic growth and prosperity (Reynolds, 1997; Coviello and McAuley, 1999), SMEs from developing markets still face specific challenges in their internationalisation endeavour (Manolova *et al.*, 2010; Stoian *et al.*, 2016; Amoako *et al.*, 2019). The most noticeable feature in developing markets is the absence of efficient formal institutions that create an environment for SMEs to operate and prosper. Such a situation contributes to the

poor development and growth of SMEs (Manev *et al.*, 2005; Manolova *et al.*, 2008). Much of the network-based studies reveal that through ‘*psychic distance*’ (which refers to the dissimilarities in business environments between the home and international markets), SMEs will normally expand first into culturally similar markets before focusing on more distant markets as their knowledge develops. This defines the important role networks play in contributing to the ‘economies of time’ which is the ability to capitalise on new market opportunities (Uzzi, 1997; Jack and Anderson, 2002).

Historically, the significant challenges encountered by SMEs in developing markets, suggest that trade networks represent an important resource for international trade. Easily overlooked is the notion that networks represent a critical mechanism for opportunity recognition and exploitation (Stoian *et al.*, 2016). Certainly, expanding into foreign markets has the effect of potentially providing SMEs with an important platform for growth. For example, SMEs make relatively high returns by leveraging on differences in market conditions, as they can pursue a broader range of market opportunities (Zahra *et al.*, 2000; Amoako and Matlay, 2015). However, the relatively higher prevalence of dysfunctional institutions has in part necessitated a reliance on trust-based SME network relationships. Heightening this problem are the specific barriers to formal banking credit and difficulties in contractual agreements which serve as deep-rooted constraints (Lyon, 2000; Amoako and Lyon, 2014; Amoako, 2019).

Scholarship on entrepreneurship acknowledges that newly formed SMEs depend on trust-based transnational networks to signal legitimacy. Child and Rodrigues (2007) in their study of British firms found that British SMEs relied on network relations to penetrate a cultural and institutionally distinct environment such as Brazil. Despite the relevant issues faced by the British firms, the authors found that networks served as a means for acquiring knowledge about Brazil’s peculiar market. Also, Drakopoulou-Dodd’s (2011) examination of the concept of networks stresses that religion, family, as well as ties to customers and distributors enable entrepreneurs to overcome the challenges associated with new ventures. Other related empirical studies reveal that Tanzanian entrepreneurs drew on associations to tribal communities in sanctioning erring members and conflict resolutions (Tillmar, 2012).

Depending on the extent SMEs rely on network ties, the literature suggests that their growth may be undermined by an over-reliance on network relationships. For instance, Kuepie *et al.*, (2015) were concerned that being embedded in a set of interpersonal networks decreases the ability of entrepreneurs to reach other actors beyond their contacts. Woolcock (1998) offers an example of how close network ties based on ‘amoral familism’ (*built on family attachment and*

loyalties) discourages geographical movements. Such ties were found to restrict members from cooperating with wider networks due to family obligations. This limits the chances of any potential gains to be achieved. Notwithstanding the above, the core message – combining norms and trust-based relationships- has often been ignored by the vast majority of studies which have been largely focused on SMEs in advanced economies. Against this background, we recognise that there is a need for a contextual explanation of how this works within a developing market context.

METHODOLOGY

We established that an analysis of entrepreneurial endeavour will be difficult to capture through a quantitative approach. On this basis, qualitative methodological tools for exploring the process of norms and trust-based network relationships were deemed appropriate. We adopted an interpretivist approach in response to calls for more qualitative studies networks and SME internationalisation (Omeihe, 2019). The reliance on in-depth semi-structured interviews formed the nucleus of our data collection methodology as it allowed for a discovery of the unclear boundaries between the phenomenon of SME internationalisation and the Nigerian context.

Following Yin (1994), our choice of multiple-case studies was unique as it had distinct advantages in comparison to single-case designs. For instance, the within-case and cross-case synthesis enabled us identify commonalities and differences across cases. Also, comparisons across the respective cases helped demonstrate the influence of context variability (Gerring, 2005). This allowed for a more sophisticated understanding of categories which were not anticipated (Eisenhardt and Bourgeois, 1988; Pettigrew, 1988). The evidence from the multiple cases was considered more compelling, as it made our overall study robust. At the same time, we want to point out that the rationale for single case studies may not illuminate the trust findings which we aimed to tease out. However, by adopting a multiple case study design, the revelatory aspect of our empirical work was made more pronounced.

The selected cases were all indigenous SMEs identified through visits to marketplaces, trade association meetings and industrial areas. This comprised of a research sample of 14 Nigerian SMEs exporting to West African markets. Our case study protocol increased the reliability of our cases as it enabled a transparent set of procedures with possibilities for replication. All the cases were bound by time and activity and enabled the recognition of the ‘diverse social narratives’ of

the various respondents. Table 1 provides an overview of the profile of the selected respondents.

Insert Table 1 about here

The field work was conducted in the key markets of Bokkos, Ero, Arin and Utako, with entrepreneurs who were the key decision makers of their respective SMEs. On average, the interviews with each of the respondents lasted between 35 to 50 minutes. We were guided by two highly informed informants who provided rich perspectives on the internationalisation strategy adopted within the market. It turned out that, of the fourteen respondents interviewed, none were registered and hence are regarded as operating in the informal sector. The unregistered SME were identified through visits to markets and industrial areas and through conferring with trade associations. All the interviewees were identified were currently active across multiple West African markets. The reluctance of the entrepreneurs to register with the commission could be understood in the context of the government officials' attitude towards registered SMEs and the entrepreneurs' suspicion of state-backed organisations. Those who opt to register with the commission cannot avoid the state's excessive registration requirements and arbitrary levies. Therefore, it was not surprising to find that all the participants traded through memberships to indigenous trade unions and trade guilds.

A purposive rather than random or convenience sampling was employed to select the SMEs. In constructing our sample size selection criteria, we followed the advice of Guest *et al.*, (2006) that a sample size of twelve is sufficient if the goal is to examine shared beliefs, behaviour or perception from a homogenous group. Fourteen SMEs that exported exclusively to West Africa markets were identified and selected. The quota was achieved after visits to meetings, trade fairs and open markets. We also assumed a certain degree of participant heterogeneity of 6 female and 8 male participants in our sample selection. The differences in responses gathered from the female entrepreneurs appeared to be enough to render an exhaustive set of findings within the total sample size.

Particular care was taken to ensure that every form of bias was avoided. In that regard, our selection was fairly spread across gender, age, ethnicity, education level and main exporting markets. This provided insights into the richness and breadth of data obtained for this research. Our sampling criterion satisfies the recommended sampling criteria for adopting information-rich cases (Patton, 1990; Janssen and Kirstiansen, 2004). The qualitative techniques allowed respondents to provide insights by recounting their narratives. For this reason, the in-depth interviews conducted over a period of three months provided the flexibility to yield insights into the new realities of the actors. By using interviews to generate an ‘embedded understanding’, it was possible to develop a contextualised appreciation of the cases. In keeping with our research aim, questions were asked about the entrepreneurs’ experiences of norms in shaping their internationalisation strategy. We were able to capture interpretations of norms and trust formation in internationalisation relationships.

Recorded interviews were subsequently transcribed in verbatim to ensure that actual but salient narratives were captured. We ensured that the transcriptions were compared to the observations captured in our documentary notes. Data analysis was carried out using computer-aided qualitative data analysis package, this was followed by the production of initial codes. We shared the analysis of the interviews which contained 90 content-driven codes drawn from all the transcripts. This involved the identification of data features that revealed meaningful interpretations (Boyatzis, 1998; Braun and Clark, 2006).

As one would expect and with the research questions in mind, we worked systematically through the whole data set and identified interesting aspects of repeated patterns (themes). As a matter of fact, after analysing the interviews, we identified the infrequent and progressive emergence of new themes. The sorting of codes led to development of candidate and sub themes, followed closely by a refinement of themes. This ensured that data within the themes existed meaningfully and revealed the richness of the phenomenon being studied.

Based on our analysis, the identified themes shared across the selected participants were interpreted to form part of a larger ‘domain’ of the entrepreneurs’ experience (Guest *et al.*, 2006). Thus, we posit that our findings facilitate a better understanding of the ‘‘hybridation’’ of indigenous norms which underpin SME internationalisation in Nigeria. The main findings of how the entrepreneurs relied on norms and trust-based relations in their internationalisation strategy is

presented and discussed in the next section.

RESULTS AND DISCUSSIONS

The central objective of this paper is to identify a range of culturally specific norms and trust-based network relationships that underpin SME internationalisation. The substantive findings revealed the novelty and diversity of narratives reflected in the nature of the SMEs. Irrespective of the personal characteristics, industry or export markets, the entrepreneurs followed a similar set of actions as a basis for relying on norms. Consequently, because the entrepreneurs relied on a variety of norms, the strength of our purposive sampling meant that multiple trust-based networks were accessed to broaden the scope of our inquiry. The process of our engagements promoted an exchange of knowledge central to how the SMEs functioned. The emerging findings from our interactions revealed that internationalisation relationships were underpinned by norms of family/kinship, personal trust, trade associations and religion.

Norms of Family and Kinship

Given the central logic that family and kinship constitute rich and valuable forms of resource to entrepreneurs, we examined the role of family and kinship norms in the internationalisation of SMEs. Evidence from our findings highlight the importance of understanding the context of family/kinship norms. This revelation indicates that within Nigeria and by extension Africa, the family is often comprised of a husband, his wife (or wives), children and many relatives with kinship or blood affinities. As a result, the word family suggests some kind of social security where members are able to support each other. The responses from our participants showed that a large number of the entrepreneurs were likely to rely on trust built on family and kinship ties in their internationalisation activities. Oftentimes, these ties were used to address grievances and problems.

For instance, the participants were asked about the benefits of working closely with family members. 11 out of the 14 entrepreneurs indicated that they trusted their family members by working with them. The reasons can be attributed to the knowledge that family/kinship bonds, as well as emotional bonds foster trust relationships. Excerpts from their narratives are highlighted as follows:

“This business is a family business. I have my sisters, nieces, husband, kids and in-laws doing this business with me. In all, we are 17 family members, nine (9) in Nigeria and eight (8) operating in Kumasi (Ghana) I have 3 people working for me. So, I would say overall 20 members. There is that family trust which makes our business thrive” (Case B)

“As for trade outside the country, our partners are mostly made up of family members. They are from my mother’s side and they are all traders in Cotonou. My mum is the oldest and all of them are her children. We do business with them because we know them and trust them. Family is sweet because you know your family cannot treat you badly. Your family is everything and anything they say is important and they would never cheat you. We trust our family members because they would not cheat you and they would not owe you. If they say they would pay you, they will surely pay” (Case L).

“You know the African Society, no matter how we describe it, is a family society. Burkina Faso, where we export to, is a small country of eighteen million people where almost 68% of the population are farmer and traders. So, you meet the mostly the same traders in the same town like Ouagadougou or Bobodelaso. The towns are not that big, and the population is not that large. So, if you are the biggest importer of Lipton or plastic, or Bata, most of the retailers know you, including the transporters, and exporters, they know your warehouses, they know your family, and they know the nature of your business. So in that way, there is nothing like problem(s), because if you fail to make your payments as at when due, we know how to reach you”. (Case N).

The above evidence reveal that the strength of family ties is reflected in the extent of support for the enterprise of family members. Traditionally, it is normal for members to support the enterprise of family/kin as the wealth of a family member is viewed as the common property for all. In fact, such support is perceived as obligatory. Considering their specific support needs, kinship links were particularly important in the bridging of ‘psychic distance’. Eight of the cases revealed how they relied on the strength of family ties to overcome geographical, economical and socio-cultural differences in their international expansion (Child *et al.*, 2002; Amoako, 2019; Omeihe, 2019). They stated that they received market information from family and kin residing in other countries. Market selections were heavily influenced by kinship links as they facilitated entrepreneurial opportunity recognition.

From the conversations, it was evident that most of the relatives who also doubled as middlemen were particularly central to bridging the ‘psychic distance’ between the domestic country and foreign country. From our findings, a distinct feature of internationalisation lies in the knowledge of family networks developed over generations. Comparisons among the cases demonstrate that most of the entrepreneurs relied on links with their emigrant family networks across the West African border markets. An indication of such links is described below:

“I have brothers who have lived very long over there (Ghana). They introduce me and my product samples first, and then later they would trade on my behalf. Now, I only speak with them on phone if they need additional stock from me. They would ask me to send products demanded by customers over there and I would forward to them. That is how I do my business” (Case C).

“We have our connections outside Nigeria. Yes, they are our family members over there. I trust them and I send my business to them. In return, they help me to sell it to customers and return my money to me” (Case H).

Overall, it was clear that the positive impact of family and kinship ties was generally acknowledged by the interviewees who stated that they frequently relied on these networks to overcome internationalisation barriers.

Norms of personal trust

Considering West Africa's distinctive and difficult institutional context, where legal systems are inefficient with minimal banking infrastructures, the internationalisation of SMEs remains a feat of ingenuity. Specifically, the existing dysfunctional formal institutional structures indicates a limited usage of legally binding commercial trade contracts in international operations (Amoako, 2019; Omeihe, 2019). The empirical findings revealed that all the entrepreneurs drew on ties based on personal trust in facilitating their domestic and international network relationships. It was clear that the propensity to rely on written contracts found in well-established market-based economies was in limited use by the selected participants. Owing to the inadequacies of existing formal institutional arrangements, trust-based networks appeared to represent a key resource for the entrepreneurs. In expanding these issues, the entrepreneurs expressed similar negative perceptions regarding the inability of the court system to resolve disputes between them and their partners in West African markets (See Table 2). It was unequivocal that the entrepreneurs had developed trust-based relationships through a series of past interactions, and this explains why the all the respondents were found to rely on oral agreements rather than written legal contracts.

Inset Table 2 about here

When the issue of court systems and contract enforcements was raised, all the participants admitted that it was impossible to rely on commercial contracts, since seeking legal redress for commercial disputes was a waste of time. Nine of the participants' responses cited that the court systems were corrupt and expensive, while five admitted that courts were solely for the rich. These concerns prompted them to rely on oral and written agreements. Specifically, ten of the respondents claimed that they relied on oral contracts arranged through face-to-face interactions and telephone calls. Only four declared that they relied on written agreements (See Table 3). It was notable that these written agreements (usually memorandum of understanding) were not prepared with the help of lawyers and are not to be confused for contracts: rather they represent flexible arrangements between parties.

It is important to recognise that the entrepreneurs conducted their trade transactions based on the personal trust they had developed with their partners. The relational trusting nature of these transactions appealed to the entrepreneurs because it enhanced the prospects of honoured obligations. The oral and written agreements revealed that the exporters relied on personalised-trusting relationships to address the limitations of weak legal arrangements. A case evidence of the use of written agreements is clearly reflected in the below excerpt:

‘We transact our business based on trust. Without trust, I should have been out of the business. I have been in this business for 10 years; no one has ever cheated me; it is all about trust. No contracts, we just write agreements on paper’ (Case A).

Interestingly, two women entrepreneurs indicated how they related with their business partners in West African markets without reliance on legally backed contracts. In the respective cases, we sought to allow the actors recount their peculiar narratives:

“We don’t write on paper or sign any contracts. I don’t even understand how to read contracts. Really, it is just phone calls most times and I see my partners twice in a year. During those times when I get to meet with them, we make our discussions and agreements for the year” (Case L).

“There is an understanding that we agree verbally. There is nothing to write. There is no formal agreement; it is just through word of mouth. Yes, we agree, we sit down we discuss it; we agree on it and we move on” (Case M).

The picture that emerges from the above responses reveal that on one hand, personalised relational agreements with partners in regional markets were built on high levels of trust. On the other hand, although such agreements (oral and written) were not backed by formal legal arrangements, they were honoured by all parties involved. This is consistent with Rotter’s (1971) definition that trust is the generalised expectation in the reliability of one’s promise. The positive impact of relying on norms of personal trust was generally acknowledged by the interviewees as a powerful incentive for business continuity across foreign markets. All the entrepreneurs reiterated the point that through trust, they were able to share complementary interests which bound them to stronger trade relationships.

Insert Table 3 about here

The compelling evidence reveal that personal trust is considered as important to the success of the entrepreneurs. In each of the analysed cases, elements of personalised trust relations ensured that trade disputes were resolved, and agreements upheld. This was found to support their international expansion.

Norms of trade associations

Arguably, trade associations are a particularly prevalent feature in the internationalisation of SMEs analysed in this study. The evidence presented in the case reports enabled an understanding of the functioning of trade associations. The uniqueness of trade associations in Nigeria and West Africa relates to their specific function as alternatives to the dysfunctional features of the formal environment constraining the entrepreneurs. The trade associations

seemed to provide support to the entrepreneurs as they enabled the exchange of trade information between members and ensured that certain market rules are followed. Norms of trade associations were relied in dispute mediations between members and their foreign partners. Particularly in respect to trust, many of the respondents relayed that trade associations were an important source of institutionalised trust.

There were specific indications that by relying on trust, trade associations were able to facilitate trade relationships between the domestic and foreign markets. In many cases, the trade associations played crucial roles for knowledge exchange and possessed the ability to enforce trade agreements-*verbal and written*. Some of the services provided by the trade associations are outlined below:

Insert Table 4 about here

Most of the entrepreneurs (13 out of 14) belonged to trade associations. The responses uncover associations' unique capacity to bestow trust on its members. Specifically, its regulatory role is explicable when placed within the broader context of SME internationalisation. For instance, trade associations were found to exercise regulatory capacity by sanctioning members who go contrary to the existing norms governing trade activities. This extract from the interviews with an entrepreneur, describes the association's regulatory initiative:

“Our associations are very important as they provide business referrals across different countries. However, once you abuse the trust that exists within the association, the chances are high that you will be blacklisted, and your reputation will be tainted. Members are warned not to trade with you. This signals an end to business for you. No one wants this!” (Case B).

Similarly, the point that trust is sustained as members were found to be particularly weary of sanctions such as reputation damage and ostracisation is further illustrated by Case M who stated:

“The application of trade sanctions is dependent on the gravity of the offence. Defaulters can be suspended or expelled from the association; and other members will be mandated to desist from transacting with you across the markets” (Case M).

By spending a considerable amount of time meeting with the entrepreneurs, the findings from our interactions provided richer insights. The evidence enabled us form solid insights which shaped our understanding of trust. We found that during international expansion, building of trust relationships was found to be dependent on the extent of information about a member's reputation. This implies that the nature of information on one's reputation was likely to determine the chance for trade interactions. Such information was generally acknowledged by the entrepreneurs to guide the initiation and development of potential trade exchange. This enabled potential partners to know what to expect and affirms the notion that the decision to trust is based on the embedded structures of network relations (Amoako, 2019; Omeihe, 2019).

The findings presented here reflects the notion that trust thrives when confidence exists in other members, especially when there is a possibility to act opportunistically (Misztal, 1996; Gambetta, 1988; Lyon, 2000). Thus, the risk of being opportunistic is controlled by relying on the norms of the association. Interestingly, the scope and function of trade associations was richly indicated in its ability to promote trust among the members' domestic and foreign markets. Trust was found to play a vital role in reducing the transaction costs associated with long distance trade through sharing of market information and advisory services.

The interviewees reiterated this point by highlighting that associations created arenas for price settings and ensured that agreed prices were followed. The reflection of one of the entrepreneurs during the interviews expands this point:

‘There is no disadvantage in belonging to our association. Our association helps in fixing prices of the goods which we sell. It also provides information about which markets to invest and details about our members in those markets. The truth is that you must belong to the association or else you won’t have knowledge about the prevailing price. The association decides the pricing and we all stick to the price as it benefits all of us (Case L).

In view of the exporters’ perception of norms of trade associations, general case evidence on the internationalisation of the SMEs enables an understanding of culturally specific norms used in resolving disputes. This demonstrates that norms are quite effective when working within specific contexts.

A damage in adopting a glamorised stance of norms of trade associations lies in the constraint which it presents for SME internationalisation. While it is accepted that norms of associations generally have positive benefits, we found that norms were also used to foster trade cartels. Although this was recognised to be beneficial to members and those with whom they cooperated with, it was found to restrict trade opportunities and market access for non-members.

Norms of Religion

Despite its multi-ethnicity, one of the key features of the Nigerian context is the significant influence of religion. Beyond the family and kinship structures, a significant part of the Nigeria’s indigenous structure is founded on religious beliefs. In fact, religion is considered very important, more than how it is accorded in more advanced societies (Omeihe, 2019). Many aspects of Nigeria’s social structure are reinforced by religious norms as economic exchange is often related to religion, which is of great importance to the development of trust and social networks. Given the context of SME internationalisation, the reasons given above support the view that religious solidarity is demonstrated in the building of economic relations with people of similar faith (Amoako, 2019). In our interpretations, we captured that commitments to trade decisions were underpinned by religious norms. Specifically, a significant number of the exporters (12 out of the 14) relied on norms of religion in building trust with foreign networks. The high propensity to rely on such indigenous structures was devoted to the belief that religion fosters trust relationships.

Given that a relative number of Nigerians believe in traditional worship, it was no surprise to

find that three of the respondents expressed their belief in ancestral deities. One of the entrepreneurs explained the role of traditional religious norms in building trust:

“In making our decisions, we are more disposed to trading with people who of the same traditional beliefs. Differences in belief imply that it will be possible for one to be cheated. For us, it is safer to rely on use of ‘iyi’ (sacred oaths) as this ensures that our partners act in a way that is expected. This belief in our traditional religion enhances our business exchange” (Case F).

The relevance of the above excerpt in international business is profound as religious ties were judged as advantageous for the development of trust. It is evident that the respondent was more obliged to dealing with members of similar religious belief. Furthermore, evidence from similar responses indicates that being bound by shared religious norms reduces the chances of malfeasance or trust violation. Admittedly, the use of oaths as sanctioning mechanism portends great dangers in event of default. For example, in certain cases, partners are warned about incurring the wrath of the traditional deities, as curses maybe invoked as punishment. This finding was emergent from the statement below:

“In keeping with our custom, we are traditionalists, and we believe in ancestral deities. If you deceive us in business, there will be divine implications which are not usually favourable. Through the trust in the power of our traditional beliefs, we are bound not to contravene certain trade agreements or be involved in activities that will warrant such trouble. This instils trust in our trade interactions (Case L).

Interestingly, one of the cases represented their views on how strong Islamic beliefs enforced trust with his partners in neighboring markets of Chad and Niger Republic:

“To be competitive, we ensure that we work well together and not cheat each other. So, we would cite specific passages in the Holy book and take an oath which is binding on our agreement. Through this, we have trust that the other partner would not cheat us, and this would reduce the fear of cheating (Case).

Similarly, one of our respondents who had a Muslim heritage stressed on the role of religious norms in strengthening relationship between his partners in Mali and Niger:

“Doing business with people of similar religion can be easier. We don’t cheat people in our business. This act is simple and reciprocal. So, it makes life simple and easy. In most cases, we are more confident doing transactions with brothers with similar beliefs” (Case D).

The views expressed above, cogently show how religious norms shape the process of trust building. It is conceivable that religious norms play an important role in establishing transnational relationships with partners whom the respondents may not know very well. Through shared beliefs, it will be recognised that both parties would not act in an opportunistic manner. Our finding leaves scope for further reflections on the role of religious norms. We

further established that despite the importance of religious norms, women entrepreneurs were constrained by varied circumstances simply for the reasons of gender. Our findings reveal that some of the women entrepreneurs were subjugated by the sheer power of some Islamic norms which discouraged them from entrepreneurship.

Within the context of SME internationalisation, our interpretation establishes the fact that certain religious norms were found to constrain women entrepreneurship, and women who defied these norms were bound to be ostracised from trade relations. Such enforcement mechanisms have evolved to become accepted religious norms subjugating the internationalisation of women-led SMEs.

Insert Table 5 about here

4. CONCLUSION

The empirical findings from this study show that norms and trust-based network relationships are particularly valid for the internationalisation of SMEs. The prevalence of dysfunctional institutions, together with weak courts and legal structures, forced the entrepreneurs to rely on informal norms which defined the rules for international entrepreneurship to thrive. Our findings addressed the key research questions shaping this study. Entrepreneurs were found to rely on culturally specific norms in their international operations. Norms of family/kinship, norms of personal trust, norms of trade associations and norms of religion represent reliable resources available for the internationalisation of Nigerian SMEs (the first research question). The 14 cases we focused on subscribed to these norms in their internationalisation activities. The study establishes the notion that norms play an essential role in defining the acceptable and non-acceptable practices, thus serving as a basis for the development of trust relationships (the issue addressed in the second research question). Likewise, certain norms worked in reverse constraining SME internationalisation were evident. Particularly, certain norms of religion subjugated women entrepreneurs from engaging in international entrepreneurship and defiance so such norms were enforced with ostracisation and reputation damage.

It is important to note that the culturally specific norms identified in this study, were commonly responsible for shaping trust-based relationships in the internationalisation process. The SMEs followed a trust-dependent pattern as norms provided the foundation for actions that were deemed desirable or undesirable. One of the significant findings clearly demonstrated by the cases analysed is the propensity to rely on traditional beliefs in building trust with foreign networks. Perceived ties to similar religious beliefs were vital in selecting ones' international partners. We note a certain profoundness in this finding, in that norms governing such religious beliefs are acknowledged to be advantageous for the development of trust. Hence this preference was found to constrain opportunism in trade exchange. Notwithstanding, it is obvious that this study has some limitations in its empirical data. It is our opinion that while the multiple case studies yielded more results than would have been obtained from a single case, it lacks the basis for generalisations (Yin, 2009). Nonetheless, our findings are more suitable for particularisations and advancement of theory rather than generalisations.

By drawing on the institutional logics perspective, this article best describes how socio-cultural

dimensions of institutions enable and constrain social behaviour (Thornton and Ocasio, 1999). In advancing theory, we drew attention to the role of context as a critical determinant of institutional analysis and sought to describe how socially constructed norms, provide meaning to the participants. Our approach here is guided by the belief that the advancement of institutional analysis requires an analytic and not a descriptive approach which best explains the observed relationship between entrepreneurs and their trade networks. It will be interesting to examine through a requisite, multi-dimensional framework the means by which one can better understand the institutional logics construct.

As a result of our empirical study, some relevant implications were identified and underlined. Our findings reveal that within Nigeria and by extension Africa, culturally specific norms and trust-based networks relationships play an important role in SME internationalisation, but to a large extent have been largely ignored. An extension of this finding could lead to intervention strategies where policy approaches could seek to boost transnational trade by enabling the development of concrete regional relationships.

We are also of the view that interventions may provide the necessary development for indigenous trade associations as their welfare implications hold valid promise for the development of SMEs. Such interventions would stimulate the development of existing social arrangements and contribute to the development of a broader African society. It therefore becomes pertinent for such policy considerations when implementing future trade initiatives.

Further indications also point to the fact that Togo, Burkina Faso, Ghana, and the Republic of Benin appear to be the key foreign market locations for Nigerian SMEs. A fruitful research window agenda would be to conduct a cross-cultural comparison of SME internationalisation across these contexts. Such an attempt should be aimed at promoting the development of favourable institutions (cultural, economic, religious and political) that enhance SME internationalisation. This will be expedient in complimenting the activities of trade associations, religious, cultural and family networks as they aid the internationalisation strategy of SMEs in Africa.

Lastly, our results contribute to the growing discourse of the role of norms, trust and network relations in international entrepreneurship. Empirically, we demonstrate they types of culturally specific norms and the means through which these norms shape SME internationalisation. It is our belief that our study would enhance the basis for understanding norms and the trust-based relationships vital for SME internationalisation.

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Table 1. Profiles of participating SMEs

SMEs	Industry	Year Founded	Education	Gender	Age	Employee Size	No of export markets	Ownership
Case A	Manufacturing	2012	Islamia	Male	38	30	4	Sole
Case B	Manufacturing	2007	Diploma	Male	52	29	2	Sole
Case C	Agriculture	2012	Elementary	Male	28	9	3	Sole
Case D	Manufacturing	2010	Secondary	Male	39	6	2	Sole
Case E	Agriculture	2010	Secondary	Male	35	30	4	Partnership
Case F	Manufacturing	2007	Secondary	Male	39	6	2	Partnership
Case G	Agriculture	2003	Primary	Male	46	16	2	Sole
Case H	Manufacturing	2005	Graduate	Male	41	25	3	Sole
Case I	Agriculture	2009	Secondary	Female	30	16	5	Partnership
Case J	Agriculture	2008	Primary	Female	30	16	3	Sole
Case K	Agriculture	2005	Elementary	Female	43	8	2	Sole
Case L	Manufacturing	2004	Secondary	Female	41	12	4	Sole
Case M	Manufacturing	2008	Graduate	Female	33	15	2	Sole
Case N	Agriculture	2006	Graduate	Female	41	10	3	Sole

Table 2 Selected responses on contracts

Cases	Typical Foreign Market(s)	Industry	How is it possible to work without written contracts?
Case A	Rodoroko-Burkina Faso, Ghana, Niger and Chad	Manufacturing	My partners and I rely only on oral agreements which we abide to. We have known ourselves for long such that no one goes against the agreements. We trust ourselves.
Case B	Chad, Niger	Manufacturing	Contracts are for the big boys-the politicians. We do business based on phone conversations. We have been doing this for years and I have never had any issues with my trade partners.
Case C	Chad, Togo and Ghana	Agriculture	No, I don't sign contract. You cannot do business with someone except if you trust him, and that is a gradual process
Case D	Mali and Niger	Manufacturing	Contracts? No way! We don't do contracts. Our transactions are done through written agreements and in most cases we agree via phone calls or through WhatsApp.
Case E	Ghana, Mali, Niger and Chad	Agriculture	We don't sign on any contracts with lawyers because it is not needed. Besides we can't pay for lawyers. When I go Ghana, I go to our association there and make my transactions.
Case F	Ghana and Burkina Faso	Manufacturing	We conduct our trade through word of mouth. This for us is fast and get deals done. Contracts are not required for our type of business. It is only for the rich.

Case G	Cameroun and Ghana	Agriculture	Since we commenced this trade, we have never relied on formal contracts as they are not required. Our agreements are done via writing or face to face agreements. This is how we operate.
Case H	Liberia and Guinea	Manufacturing	We have been in this business since 2005 and there has been no need for contracts. Our relationship thrives on trust and this has held our business together for more than twelve years. We know ourselves because we trust and respect our businesses.

Table 3 Summary of exporters' responses

Types of Agreement	Participant(s)
Oral agreements	9
Written agreements	5
Legal contracts	0
Total number of exporters	14

Table 4 Functions of exporting trade associations

Trade association	Function	Location and association reach
La Association	<ul style="list-style-type: none"> • Sharing market information • Providing access to credit and conflict resolution • Proving welfare benefits to members • Access to new markets • Price regulation and sanctioning of members 	Nigeria, Ghana, Mali, Liberia, Guinea, Côte d'Ivoire and Burkina-Faso
Vegetable association	<ul style="list-style-type: none"> • Resolving conflicts and mediating in trade disputes • Providing advisory and financial aid • Networking 	Nigeria and Cameroun
Farmers Association	<ul style="list-style-type: none"> • Conflict resolution and mediating in trade disputes • Credit and mutual assistance • Information on members and export markets • Control and weekly setting of price • Umbrella body and representatives of farmers at government parleys 	Nigeria, Chad and Niger Republic
Fertilizer Association	<ul style="list-style-type: none"> • Conflict resolution and mediating in trade disputes • Reduce massive exploitation from government officials 	Nigeria, Togo and Chad, Cameroun, Ghana.

Cucumber Association	<ul style="list-style-type: none"> • Reducing massive exploitation from government officials • Supporting transportation and delivery of perishable goods • Access to new markets • Reducing barriers to new markets • Providing access to credit and mutual assistance to poor members 	Nigeria, Chad, Togo Ghana, Cameroun and Burkina Faso
Eastern Designs Association	<ul style="list-style-type: none"> • Sanctioning erring members • Providing access to markets and market information • Price setting • Conflict resolution 	Ghana and Nigeria

	<ul style="list-style-type: none"> • Providing welfare support to members • 	
Groundnut Traders association	<ul style="list-style-type: none"> • Conflict resolution and mediating in trade disputes • Supporting exporting traders • Provision of credit and mutual assistance • Information on members and export markets • Control and weekly setting of supply and price of wholesale groundnuts 	Nigeria, Ghana and Burkina-Faso
Association of Irish sellers- (Local name is Decoma): Comprised of 4 guilds- exporting farmers, labourers, transporter and buyers association)	<ul style="list-style-type: none"> • Reducing massive exploitation from government officials • Supporting transportation and delivery of goods • Access to new markets • Reducing barriers to new markets • Providing access to credit and mutual assistance to poor members • Sanctioning erring members • Conflict resolution • Providing information about members and potential trade partners 	Niger, Togo, Chad Ghana

Umuduru Coal traders	<ul style="list-style-type: none"> • Conflict resolution settled through local chiefs • Supporting trade and export of coal • Regulating activities of members through oath taking • Providing information about reputation of existing and potential members 	Cameroun
Maize Association	<ul style="list-style-type: none"> • Price setting • Bridge to new markets • Provide information about members and potential trade partners • Information on members and export markets 	Togo and Senegal

Table 5 Summary of Norms and trust shaping relationships in SME internationalisation

Norms	Descriptions
Norms of Family and Kinship	<p>Attributed to the knowledge that family/kinship bonds, as well as emotional bonds foster trust relationships.</p> <p>Family and kinship links particularly important in overcome geographical, economical and socio- cultural differences in their international expansion.</p> <p>Impact of family and kinship ties was generally acknowledged to overcome barriers to internationalisation.</p> <p>Trust is formed based on norms of benevolence and developed through shared cultural ties and solidarity</p>
Norms of Personal trust	<p>Propensity to rely on written contracts found in well-established market-based economies was in limited use in emerging market economies. Agreements (oral and verbal) were to be used to address the limitation of ineffective legal arrangements.</p> <p>Trust-based relationships were developed through a series of past interactions and reciprocity. Elements of personalised trust relations ensured that trade disputes were resolved, and agreements upheld.</p>

<p>Norms of Trade Associations</p>	<p>Provide support to the entrepreneurs as they enabled the exchange of market information between markets and ensured that certain market rules are followed. Trade associations played crucial roles for knowledge creation and exchange, and also the ability to enforce trade agreements.</p> <p>They play a vital role in reducing the transaction costs associated with long distance trade through sharing of market information and advisory services.</p>
<p>Norms of Religion</p>	<p>Religious norms reduce the chances of malfeasance or trust violation. The use of oaths as sanctioning mechanism portends great dangers in event of default. Women entrepreneurs were subjugated by Muslim norms which discouraged them from international entrepreneurship.</p>

