

Competing institutional orders and entrepreneurial behaviours amongst the Maasai: the impact of a changing culture in dual-system nomadic-farming households in Kenya

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ABSTRACT

Entrepreneurial behaviour is embedded in a social and cultural context, with institutional 'rules-of-the-game' accounting for much variation at the national level, however research struggles to explore cultural differences at a more granular level. One approach at a local rural level is through the concept of institutional ordering. Here different enactments of culture result in its compartmentalisation. This provides a frame for exploring how entrepreneurial behaviour may be influenced by changes in culture. This paper utilises a natural-experiment in Eastern Africa, where Maasai households have a traditional cattle-led institutional order and a non-traditional order, with its attendant necessity to deal with external commercial systems and various extension services. Using the phenomenon measure of Entrepreneurial Orientation (Covin and Miller, 2014), a survey of 349 Maasai heads of household was used to explore the variation between institutional orders and to examine how different entrepreneurial proclivities may co-exist simultaneously.

The research finds that the 'robust' measure of EO conceived of within Western economic systems does not prove a reliable instrument within this traditional institutional order. This may suggest that the measure of EO only works within a neo-liberal market order. There is however clear evidence of a plurality of institutional market orders amongst the Maasai that contain a range of entrepreneurial activities leading to forms of 'new entry'. Whilst existing research suggests that we can extend existing measures of the EO concept to encompass other contexts, this research suggests that it is an instrument anchored within the institutional order that created it. Further research needs to be conducted to explore how the noted plurality of market orders interact to impact on entrepreneurial performance and outcomes.

The presence of different sets of entrepreneurial behaviour associated with varied institutional orders mean that policy-makers need to exercise caution in promoting one form of activity over another. The use of entrepreneurial measures created within one culture may be unsuitable and potentially damaging for another. The papers contribution is to explore entrepreneurial culture through the concept of institutional orders. The findings a. suggest that EO is an instrument that may be tied to the institutional order that produced it, and b. that there are a

plurality of institutional market orders that support varied entrepreneurial activity operating within a wider Maasai culture.

KEY WORDS: Entrepreneurial Orientation; Institutional orders; Culture; Maasai

Introduction

It takes one day to destroy a house; to build a new house will take months and perhaps years. If we abandon our way of life to construct a new one, it will take thousands of years (MA, 2016)

Culture has been shown to be relevant to the field of entrepreneurship (Shane and Venkataraman, 2000; Thorton, 2011, Saeed et al, 2014). At a national level, culture has been extensively explored within the business management literature (Hofstede 1980; Hayton et al, 2002). Within entrepreneurship the seminal work of Hofstede (1980), based on managerial outcomes has, according to Hayton et al, been the main focus of culture and its impact on entrepreneurial outcomes. Here culture has been defined the set of shared beliefs or 'collective programming of the mind' (Hofstede, 1980), values and behaviours that exist within a group (Hayton et al, 2002). The mind-set inculcated by this culture in turn dictates the extent that entrepreneurial behaviours are encouraged or discouraged within a society (Hayton et al, 2002) Hofstede's focus is that entrepreneurship is supported where national culture is high in individualism and masculinity, but low in uncertainty avoidance and power distance.

In a review paper, national culture has been categorised as exploring three distinct areas: 1. impact on aggregate entrepreneurship, such as the level of new venture creation; 2. relationship with individual characteristics; and 3. level of corporate entrepreneurship. The argument being that when a business is created within a specific national culture it in turn reflects this culture with the values, belief and strategic orientation of the organisation (Thorton et al, 2013). Here national culture is conceptualised as moderating entrepreneurial outcomes (Hayton et al, 2002).

The national culture approach has been criticised as being over-reliant on a 'Parsonian' conception of culture as a monolithic and unvarying force within a nation. Within the context of the ethnic and linguistic diversity that exists within constructs such as Africa (George et al, 2016) and the arbitrary national boundaries largely imposed by post WWII colonial instrumentality, it is clear that national culture *per se* provides insufficient granularity to explain the impact of an individual groups collective programming compared to another's.

Following this limitation, scholars have suggested that an institutional approach provides a more robust way to frame socio-cultural factors (Thorton et al, 2011). Institutions are regarded as the 'rules-of-the-game' (North, 1990) that shape human interaction. When applied to

entrepreneurship these are the rules that define political, social and economic relations and the resultant entrepreneurial behaviour (Thorton et al, 2011; Verciona and Urbana, 2008). Institutions may be regarded as both the antecedents and the outcome of culture.

According to institutional ordering theory, key domains of life and their effect on entrepreneurial actors are conceptualised as distinct institutional orders. For instance: the family; religion; the market; the state; and the corporation, may all be regarded as distinct orders, embodying different and potentially competing values and behaviours which may lead to varied entrepreneurial outcomes (Thorton et al, 2005; Thorton and Ocasio, 2008; Thorton et al, 2011). Whereas national culture may be a blunt tool for exploring entrepreneurial behaviour in myriad contexts, institutional ordering theory allows for competing beliefs to exist at a more granular level and acknowledges that 'culture, rather than being consistent in values, can be quite inconsistent' (Thorton et al, 2011: 110).

Societies develop within varied environments with different endowments, and consequently adapt varied patterns of behaviour to maximise their opportunities (Thorton et al, 2012). In turn, different tribal or ethnic groups may develop different institutional logics as they establish new territories or interactions with other groups (Jones et al, 2012; Weber et al, 2013). Relevant to this research, a tribal group such as the Maasai may hold a distinct institutional logic towards their traditional pastoralist system. Scholars educated and socialised in the neo-liberal Western market system, might term this a traditional market order. Here cattle have traditionally been the institutional focus of this central life domain: being the bank; the power base; the currency; and the exchange mechanism. Whilst a radically different concept from a Westernised conception of the market the cow-economy of the Maasai operates in a way that requires entrepreneurial behaviour to function, albeit with a different set of entrepreneurial outcomes. Here for example performance would be a function of the number of cows in a householders herd, number of wives, and number of children¹.

If we then take Maasai culture as a starting point, in terms of entrepreneurial institutional orders, we may identify a traditional pastoralist 'market' order and the incoming neo-liberal market order. Here the institutional logic of the market conceived elsewhere has started to embed itself within a culture that is changing and has porous boundaries. Both institutional orders require entrepreneurial behaviours to function. From this conceptualisation it seems clear that we would expect distinct institutional market orders and consequently distinct strategic business orientations.

¹ Interestingly cows and wives are translatable as cows are the dowry paid or the 'bride-price'

In terms of strategic business orientations, within entrepreneurship this is typically measured by entrepreneurial orientation (Miller, 1983; Lumpkin and Dess, 1996). This is a strategic measure of a business entities proclivity towards entrepreneurial action (Covin and Wales, 2012; Covin and Miller, 2014). This is used to establish a relationship between strategic activity and performance (Rauch et al 2009).

Research into EO has explore antecedents, internal organisational behaviours and values, outcomes and the relationship with performance (Wales et al, 2011). EO has robustly shown to relate to firm survival (Mousa and Wales, 2012) and performance (Rauch et al 2009). Within an institutional setting the construct has been used in varied contexts (Covin and Miller, 2014). It has been argued that EO will manifest in different ways depending on culture (Saeed et al, 2014) or institutional environment (Boso et al, 2013). In exploring how differences between contexts impact the EO-performance relationship, Rauch et al (2009) found no significant relationship. However, the EO concept has its origins within the North American context (Rauch et al, 2009) and there is a paucity of research within the African context².

Similar to conceptualisations of culture, the EO construct can be regarded as monolithic. Studies have shown how business entities differ, with those with a higher EO typically having higher performance which may be measured in varied ways. Research has shown that different branches of the same organisation may exhibit varied levels of EO (Wales et al, 2011). However, research has yet to show that the same business entity may hold different and competing levels of EO.

This then relates back to the literature on institutional orders. If an organisation can hold diverse institutional orders depending on cultural context, then where more than one order can be regarded as an entrepreneurial institutional order comprising of its own distinct behaviours, norms and rules-of-the-game, we should expect to find distinct constructs of EO. To paraphrase Weber et al (2013), we would expect to find a situated plurality where more than one paradigm of market order at the same time within an organisation with distinct, and potentially competing, entrepreneurial behaviours.

Hence, we formulate the following propositions:

² Both generally, see George et al 2016; and specifically, where the Rauch meta analytic review was limited to the USA, Europe, Asian and Australia. No developing countries were included.

1. Multiple institutional market orders are operating within the group ranch
2. A plurality of entrepreneurial behaviours exist within a household
3. Complementary entrepreneurial behaviours lead to higher performance than competing entrepreneurial behaviours

Having discussed the expected impact of culture and explored the related theoretical limitations, we have explored conceptualisations of institutional ordering as an alternative. Within this we have used the example of Maasai culture to illustrate how a plurality of entrepreneurial institutional orders may co-exist. In order to confirm this, we have discussed the use of the EO construct to demonstrate this plurality. Next we discuss the methodology and analysis used, before discussing the results and concluding that diverse entrepreneurial institutional orders may have distinct entrepreneurial outcomes.

Methodology

A study of 349 Maasai households was undertaken within a group-ranch in Kenya during 2015-16. These Maasai are traditionally a transhumance society, being semi-nomadic and moving between the same areas following the best grazing for their cattle. The various development pressures of modern society have led to the establishment of various protected areas for Maasai groups. In this case a large area of land has been designated as belonging to a group of Maasai by the Kenyan Government. Within this parcel of land next to the Nguruman plateau, the Olakirimatian group-ranch is collectively owned and managed by a ranch committee of elders. Within this context there has been internal and external pressure to start farming the land, rather than the traditional cattle rearing. This is in part a result of land grab, in part a way to ensure food security and income to facilitate education and healthcare.

This pressure has led the committee to designate half of the group ranch as common land, managed collectively for traditional grazing, and to partition the remaining half into lots of land for farming. When a Maasai male reaches householder status, they are granted one of these plots of land to do whatever they want with, with the caveat that they cannot sell it. The title deeds remain with the group ranch. This means the Maasai may continue their traditional way of life by grazing their cattle on the common land, they may also choose to farm their parcel of land³, or rent it out to another, or to do nothing with it all. This then provides a natural experiment, where the Maasai head of household can potentially hold both traditional cow-based and neo-liberal market institutional orders.

³ The size of the parcel of land is a complicated and subjective decision based on its closeness to the river and access to irrigation, hence the largest plots tend to be rather dry and the smallest well irrigated.

During a 3-day workshop with a group of Maasai elders, two variations of Covin and Slevin's (1989) EO scale were created: a livestock EO representing entrepreneurial behaviours associated with the traditional system, and a crop EO representing entrepreneurial behaviours associated with the developing market economy. Such contextualisation and modification is recommended 'as appropriate' in the literature (Covin *et al* 2006: 896) and careful modification of the original scale has been shown to have no impact on its validity (Rauch *et al* 2009). Maasai households were used as the unit of measure, with households holding a diverse mix of family groups and identifiable heads-of-household. These households constitute a rudimentary form of family business and as such constitute a legitimate unit to capture strategic orientation. Indeed, such micro-businesses may be more likely to show the EO-performance relationship than larger businesses (Rauch *et al* 2009).

A questionnaire was constructed using a mixture of questions relating to the Maasai household, EO and measure of performance in each system e.g. income per acre and number of livestock kept. Controls were also measured for education, age and gender (following Rauch *et al*, 2009). 3 elders involved in the initial workshop and having previous experience in collecting data were selected to gather the data. These elders were respected members of the community that respondents could relate to. A successful pilot of 99 face-to-face interviews was followed by 250 subsequent interviews. These were taken within 10km of the central village. Following local custom, small bags of sugar and tea were given to each respondent as a gift of welcome.

Results

The survey achieved a 100% response rate, reflecting traditional values of welcome and deference granted to an elder visiting the household of a member of the group ranch. As a traditionally patriarchal society, a household can only be set-up by a male that has become a warrior. Women can only be heads-of-household if widowed; as such 88% of the heads-of-household were male, 12% women.

Within the Maasai an individual is more likely to know which age-set they belong to rather than age *per se*⁴. Within these age-sets respondents were (by increasing age): Ilkorea (28%), Inkshuru (41.2%), Ilkitoip (18.2%) and Ilseuri (12.7%), with the enumerators belonging to the

⁴ Each age-set goes through various rites-of-passage as a group, such as Emuratare (a circumcision ceremony where a boy begins the journey to warrior) and Eunoto (where a warrior transitions to senior warrior).

Ilkitoip age-set. Over 56% of respondents had no formal education at all, with 22% having some primary education. The average number of children per household was around 6, with an average of 4 of school age.

The traditional Maasai household is semi-nomadic and the ownership of cattle is the traditional cultural focus, with the number of cows owned endowing prestige, status and wealth. Within the group ranch, 72% of respondents no longer moved their households, i.e. are no longer nomadic, with only 28% following the traditional migration pattern. Over 79% owned cattle, with 21% owning none at all. 82% farmed their allocated land, with approximately 40% farming less than half and 40% using more than half.

Both livestock and crop variations of EO were checked for reliability. Despite close adherence to the original questions (Covin and Slevin, 1989), the overall scales failed to achieve an acceptable value of Cronbach's alpha. Here the sub-scale components of proactiveness, innovativeness and risk-taking are expected to co-vary and provide confidence that the overall phenomenon of EO is being measured. However, for both variations, the risk-taking component showed a negative correlation with the other two components, suggesting that the risk-taking component of EO may not be a reliable measure within a pastoralist society. Without the safety-nets available in Western economies, the option of 'EO-as-experiment' (Wiklund and Shepherd, 2011) may be unattractive, with no store of affordable-loss (Sarasvathy, 2001) to turn failure into a learning opportunity and 'pivot' point. Here failure is likely to be a survival issue rather than the point of departure to a new opportunity. Adjustments were made and elements of proactiveness and innovativeness were used to form the final variants of livestock and crop EO. A small correlation was found between these variants of 0.153, demonstrating that the two entrepreneurial behaviours are operant and whilst sharing some commonality are different sets of behaviours.

Table 1 Cluster analysis solution

	Cluster membership	
	1	2
LEO	3.05	5.42
CEO	4.17	4.72
	n=109	n=179
	37.8%	62.2%

In order to investigate whether these behaviours co-exist within a household, cluster analysis was used to define groups with maximum homogeneity within groups and maximum heterogeneity between groups (Hair et al, 2006). This used two-step cluster analysis to identify the number of clusters and non-hierarchical cluster analysis to perform the final analysis. This provides a robust way to develop a cluster using the benefits of both hierarchical and non-hierarchical methods (Milligan, 1996). The variants of EO were used as the variables in the cluster, being Livestock EO (LEO) and Crop EO (CEO).

Table 1 shows that a two-cluster solution was obtained, giving evidence that at least two variants of entrepreneurial behaviour can exist within the same household. Here the households are dichotomous, with cluster 1 having low LEO and high CEO, cluster 2 having high LEO and high CEO.

Table 2 Logistic regression: competing versus complementary entrepreneurial behaviours

	Log odds	Standard error
Financial capital		
Total crop income	1.000	.000
Total cows sold last year	.927**	.039
Total diverse 'other' income	1.000**	.000
Physical capital		
Cattle owned	1.109**	.034
Sheep / goats owned	1.002	.003
Human capital		
Gender	.443*	.455
Age-set	.966	.168
Formal education	1.135	.331
Number school age children	1.008	.051
Natural capital		
Total acres available to farm	1.013	.024
Diversity of crops	1.162	.105
Social capital		
Nomadic	.909	.380
<i>Constant</i>	.395	.647
<i>2 log likelihood</i>		280.884
<i>Cox & Snell R²</i>		.194
<i>Nagelkerke R²</i>		.260

* $p < .1$, ** $p < .05$

In order to explore how this difference in institutional orders and entrepreneurial behaviours manifests, and given a cluster solution of 2, a logistic regression was conducted to explore the difference between them. This provides an examination of whether complementary entrepreneurial behaviours (cluster 2) lead to higher performance than competing entrepreneurial behaviours (cluster 1). The variables included in the model were all first found to be statistically significant through ANNOVA and Chi². Within the model they are categorised

according to types of capital, following the sustainable livelihood literature (Davidova et al, 2012).

Table 2 shows the result of the logistic regression. Here the dependant variable is membership of cluster 1 or cluster 2. Cluster 1 denotes membership of the group displaying competing entrepreneurial behaviours, with low levels of LEO and high levels of CEO. Cluster 2 denotes membership of the group displaying complementary entrepreneurial behaviours, with high levels of LEO and high levels of CEO. The complementary cluster sold fewer cows, but earned more diverse 'other' income (through sources such as renting land, performing manual labour, being paid for knowledge – such as tour guide, trading of goods or other activities such as arrow production). More significantly members of the complementary cluster owned more cattle, the traditional measure of wealth in Maasai culture.

Conclusion

This paper set out to explore institutional orders and entrepreneurial behaviours amongst the Maasai. Theorising a plurality of institutional market orders and corresponding entrepreneurial behaviours, we conducted a survey of 349 Maasai heads-of-household. Whilst reviews of EO suggest that it is a robust tool, they typically neglect developing countries (see Rauch et al (2009) as a good example here) or focus on contexts with an advanced industrial infrastructure (Boso et al, 2013). Within the context of these settling nomadic people, we found that the 'robust' measure of EO conceived of within Western economic systems was not a reliable tool. A different attitude to risk underpins the entrepreneurial behaviour of the Maasai, with failure affecting survival rather than providing an experimental opportunity to learn (Wilkund and Shepherd, 2011; Sarasvathy, 2001).

Within a society that is transforming from a nomadic to settled agrarian culture, we found two different operationalisations of a modified EO, being livestock EO and crop EO. Using a 2-step cluster approach we found that a household may contain both of these sets of entrepreneurial behaviours simultaneously. It further demonstrated that the households containing the complementary set of behaviours were significantly more likely to own more cattle (the traditional performance measure) and earn diverse income from non-traditional means. The interaction of these institutional entrepreneurial behaviours appears to have a performance effect.

The contribution of this paper to the body of knowledge is two-fold. It provides evidence that by using a more granular approach than that afforded by a national culture lens, institutional ordering theory provides conceptual space to examine varied cultures at a local level. We also show, in this unique setting, that a plurality of entrepreneurial behaviours can co-exist within the same household. Following calls to contextualise entrepreneurship research (Welter, 2011), EO scales (Covin et al, 2006) and focus research on Africa (George et al, 2016), this starts a new strand of investigation into how sets of entrepreneurial behaviours may coexist at the organisational level, how they may interact and influence performance, and how they influence local cultures.

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