

Responses of Exporting SMEs to Institutional Voids: the Case of Lithuania

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Abstract

The current global situation carries high uncertainty global changes as well as the national institutional system, that often can be characterized by institutional voids, highly affecting the way firms operate. For deeper understanding of institutional voids and their importance for economic actors, however, they must be linked to the strategic responses of small and medium enterprises (SMEs) as they are the impetus of the economy. Therefore, the aim of this study was to explore responses of Lithuanian exporting SMEs to institutional voids using the typology of strategic responses to institutional processes of Oliver (1991). Drawing on semi-structured interviews conducted with directors of Lithuanian exporting manufacturing SMEs the study identified responses of these SMEs to institutional voids that portrayed two main strategies: acquiesce and avoidance. The results provide contextual contribution exploring strategic responses of firms to institutional voids, also identifying the most fatal institutional voids faced by SMEs within the sector.

Keywords: Small and medium enterprises, SMEs, institutional voids, institutional factors, response strategies.