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“Hub” organisations in Kenya: What are they? What do they do? And what is their potential?

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ABSTRACT

From Senegal to Tanzania, and South Africa to Egypt, over the last decade “hub” organisations have proliferated across the African continent. Whilst this rapid growth has been accompanied by increasing academic interest, to date, works examining this phenomenon and this new dynamic organisational form remain limited. This study aims to contribute towards addressing this gap by examining hub organisations in Kenya. More specifically, and drawing upon in-depth qualitative case study research with three hubs, it examines: the nature of hubs in Kenya, what they are; unpacks what they do, and especially the role of hubs as intermediaries; and evaluates the potential of hubs, including as promoters of entrepreneurship, innovation and wider positive social change in Kenya. This research identifies the multiple hybridities of hub organisations in Kenya. It finds that they perform an intermediary role working institutional voids. Finally, both potential and limitations of hubs are identified. This research contributes to hitherto limited work on hubs, especially in Africa, and theorises hubs as hybrid intermediary organisations. It also showcases Africa as an important but still understudied context for management scholarship.

1. Introduction

In the World Bank World Development Report 2016 no less than 117 technology hubs are identified in Africa (World Bank, 2016). Meanwhile, the Ananse Group (2016) catalogue 226 African innovation spaces and counting. Over the last decade, from kLab in Kigali Rwanda to Impact Hub Accra in Ghana, ‘hub’ organisations have proliferated across Africa. Accompanying this growth in numbers has been increasing interest and engagement with hubs by policy makers across the continent. The Kenyan government has for example recently committed to establishing hubs in each of its 47 counties (World Bank, 2014a). Amongst donors and multilateral institutions enthusiasm for hubs is also apparent. For instance, a recent World Bank paper argues that technology hubs are helping to drive economic growth in Africa (Kelly and Firestone, 2016). Meanwhile, the UK’s Department for International Development (DFID) has been active in both funding hubs in various African countries, but has also established its own DFID *Innovation Hub*. Nevertheless, whilst there is growing academic interest in hubs in Africa and beyond, research has largely failed to keep pace with these rapid developments on the ground. Accordingly, there is much about hubs that we do not know.

The aim of this research is to examine hub organisations in Kenya,

and more specifically to provide insight about what they are, what they do, and what their potential is. In so doing it will contribute towards addressing gaps in our knowledge about hubs in Africa, and more widely. Three more specific objectives of this research are identified: (1) explore the nature of hub organisations in Kenya – what they are; (2) examine the intermediary role played by hub organisations in Kenya – what they do; (3) evaluate the possibilities and limits of hub organisations, including as catalysts for entrepreneurship, innovation and wider positive social change in Kenya, and beyond – what is their potential. This study draws upon in-depth case study research with three hub organisations in Kenya. In each case, qualitative interviews were undertaken with key informants. Discussions in this paper are informed by extant literature on hubs, hybrid organisations (see Doherty et al., 2014), intermediaries (Dutt et al., 2016) and institutional voids (Khanna and Palepu, 1997).

Kenya was chosen as the focus for this research as it has been at the forefront of hub development in sub-Saharan Africa. It has the most hubs in East Africa (IT News Africa, 2017), with many of these mature and looked too as models for hubs elsewhere. Hubs can also be found across Kenya rather than just being focussed on the capital. All this makes Kenya an ideal setting for this study. As noted earlier, Kenya’s government is also actively promoting hubs as a tool for national

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economic development. How African governments can encourage technological innovation, foster entrepreneurial development and the flourishing of local firms is an important theme of this special issue, and one engaged with in this paper. This paper further aligns with the special issue's focus by providing insights on how hubs, as intermediary organisations, support African entrepreneurs in overcoming institutional constraints, enabling them to innovate and develop, adopt and/or upscale new technologies.

This study makes a number of contributions to literature on hub organisations. First, it unpacks what hubs are, identifying their multiple hybridities and positioning hubs as a type of hybrid organisation. Secondly, it examines the intermediary work of hub organisations, including the different ways in which they act to bridge institutional voids – what they do. Whilst there is some acknowledgement of hubs as intermediaries in extant literature (see [Toivonen, 2016](#); [Toivonen and Friederici, 2015](#)), in-depth understanding of this, and what their intermediary work actually entails is lacking. Thirdly, existing work on hubs has often focussed on them in developed country contexts. Comparatively, there are fewer studies of hubs and indeed wider institutional intermediaries ([Armanios et al., 2017](#); [Dutt et al., 2016](#)) in developing countries, especially in Africa and under conditions of institutional complexity. Our study contributes towards addressing this gap. In so doing it also showcases how research on Africa, drawing upon African data, can provide insights for wider management scholarship. Finally, as noted previously, amongst policy makers, donors and multilateral institutions, there is growing interest in hubs and their ability to catalyse entrepreneurship and innovation, and act as agents for positive social change – what is their potential. Yet both the promise and limits of hubs in this role remain little studied. Therefore this research both adds to knowledge in this area and has implications for practice.

The paper is structured as follows. Existing research on hubs is first reviewed. This is followed by discussion of literature on hybridity, intermediaries and institutional voids. The research methodology is then outlined, with the three cases study hub organisations introduced, as well as discussion of the Kenyan context. The character and in particular the multiple hybridities of hubs in Kenya are then identified. Next, the intermediary work of hubs is explained. The potential and limits of hubs in Kenya, including as catalysts for entrepreneurship, innovation and wider positive social change are then evaluated. Finally, conclusions and areas for future research are offered.

2. Literature review

2.1. Hubs in Africa – what do we know?

The case studies in this paper are ‘hub’ organisations. The term ‘hub’ is now widely deployed in both academic literature (see for example [Jiménez and Zheng, 2017](#); [Toivonen and Friederici, 2015](#)), and amongst practitioners ([Gathege and Moraa, 2013](#)), to describe a new dynamic organisational form that has proliferated across Africa and globally in recent times. In such work ‘hub’ is sometimes preceded by ‘technology’, ‘innovation’ or ‘entrepreneurship’, or indeed some combination of these. In this paper we eschew this, reflecting the fact that hubs can vary significantly in their focuses, for example they may target ‘tech’ or ‘non tech’ ventures, or indeed both. However, as noted by various authors, a precise definition of a hub remains elusive (see [Friederici, 2014](#); [Toivonen and Friederici, 2015](#)). Hubs are more than just shared workspaces, although this is often a feature of what they offer. They can also be distinguished from accelerators and incubators, which frequently entail more structured programmes and engagement with participant firms. Although again the boundaries between these types of organisation and hubs may be quite blurred, and their activities may overlap. They are also different from labs which are often (although not always) situated inside of organisations. Hub organisations furthermore have diverse origins. Some are initiated by civil society

actors and academic institutions, others are private sector led, whilst many are connected with governments. Indeed hubs may be a combination of these. Hubs furthermore operate using diverse business models ([World Bank, 2014b](#)) and gain their funding from a variety of sources.

Whilst recognising this complexity and ambiguity, definitions of what a hub is can be found in the literature. For example in one of still few studies examining hubs in Africa, [Gathege and Moraa \(2013: 6\)](#) define them as: “*open working spaces that actualize the concept of co-working, and serve as spaces for knowledge exchange and community building*”. Meanwhile, in more academic work, [Toivonen and Friederici \(2015\)](#) identify four core features that they suggest characterise hubs. These are: (1) hubs build collaborative communities with entrepreneurial individuals at their centre; (2) hubs attract diverse members with heterogeneous knowledge; (3) hubs facilitate creativity and collaboration in physical and digital space; and (4) hubs localize global entrepreneurial culture. Nevertheless, [Toivonen and Friederici \(2015\)](#) stop short of providing a fixed definition of a hub. They instead call for further research to develop our understanding of them, and which may lead to the identification of meaningful analytical types. In another recent study, [Jiménez and Zheng \(2017:1\)](#), who apply a capabilities approach to innovation in examination of a hub in Zambia, define a hub as a “*space where technologists, computer scientists, hackers, web developers and programmers congregate to network, share programmes and design to bring their ideas to fruition*”. [Jiménez and Zheng \(2017\)](#) also suggest that hubs represent a form of enhanced co-working space with services like community building, pre-incubation, incubation and acceleration, variably offered. The above practice oriented definitions are helpful in understanding what hubs are and what they do. However, building from them and also our own research we propose the following more conceptual definition of hubs as hybrid intermediary organisations that work institutional voids to promote entrepreneurship, innovation and affect wider social change.

Having defined what hubs are, discussions now turn to what we know about them. Overall, research on hub organisations in Africa, and globally, remains in its infancy. In part, the former reflects a more general paucity of management research on Africa (for some recent examples see [Amankwah-Amoah and Sarpong, 2016](#); [Murphy, 2001](#); [Musango et al., 2014](#); [Osabutey and Jin, 2016](#); [Tigabu et al., 2015](#)). Meanwhile, limits in work on hubs in general can also be attributed to the relatively recent emergence and rapid rise to prominence of such organisations globally. Nevertheless, there does exist some scholarship on hubs that offers insights for this study. A significant segment of this work has focussed on the relationship between hubs and social innovation. For example, the aforementioned work by [Toivonen and Friederici \(2015\)](#) seeking to define “what a ‘hub’ really is”. There is also further work by [Toivonen \(2016\)](#) on hubs as social innovation communities. Meanwhile, [Bachmann \(2014\)](#) undertakes in-depth ethnographic case study research to examine crisis and transition at the *Impact Hub* organisation. Work by [Gathege and Moraa \(2013\)](#) and [Jiménez and Zheng \(2017\)](#) examine hubs in Africa more specifically. This is also the focus of the work of [Hvas \(2016\)](#) who studies a Kenyan technology hub and its role in catalysing the participation and integration of local firms into global production networks. Meanwhile, a recent collection of work edited by [Ndemo and Weiss \(2017\)](#) brings together current perspectives on digital entrepreneurship and innovation in Kenya, with some consideration of hubs by contributors. Beyond academic work, insights can also be drawn from literature produced for and by practitioners and multilateral institutions (see [Bloom and Faulkner, 2015](#); [UNICEF, 2012](#); [World Bank, 2014b, c](#)). Whilst the aforementioned literatures provide practical insights about what hubs are and how they work, engagement with theory in these studies, including in how they frame hub organisations and their activities, has been more limited. In offering a more theory driven perspective on what hubs are, and what they do, our research contributes to this hub literature.

We consider hubs to be different to incubators and accelerators

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