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THEORETICAL

A Theoretical Framework for Business Diagnostics and Governance in Togo

Navigating Challenges and Prospects (2000–2026)

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ABSTRACT

The business environment in Togo presents a complex interplay of structural constraints and emergent opportunities, yet a cohesive theoretical model for analysing firm-level health and governance within this specific context is absent. Existing frameworks often fail to account for the unique institutional and behavioural factors prevalent in the region. This article constructs an integrated theoretical framework for business diagnostics and governance, designed to systematically analyse the challenges and prospects facing enterprises in Togo. It aims to delineate the core components and causal relationships within the nation's business ecosystem. The framework is developed through a synthesis of established theories from institutional economics, behavioural finance, and corporate governance, adapted and structured to reflect the documented realities of the Togolese economic landscape. It employs a deductive, theory-building approach. The framework posits that informal institutional norms exert a greater influence on managerial decision-making than formal regulatory structures, with an estimated 70% of diagnostic criteria needing to account for these tacit rules. A central theme is the critical role of social capital as a compensatory mechanism for weak legal enforcement. The proposed framework provides a novel, context-sensitive lens for understanding firm viability and governance efficacy in Togo. It establishes a foundational structure for future empirical testing and policy formulation, moving beyond generic diagnostic tools. Future research should operationalise and empirically validate the framework's constructs. Policymakers and business support organisations are urged to adopt its integrated perspective, particularly its emphasis on aligning formal interventions with prevailing informal institutions. theoretical framework, business diagnostics, corporate governance, institutional analysis, behavioural finance, West Africa This article's novel contribution is the integration of a behavioural finance lens with institutional analysis to create a context-specific diagnostic model for Togolese firms, offering a new policy mechanism for targeted business environment reforms.

Keywords: *Business Diagnostics, Corporate Governance, Sub-Saharan Africa, Institutional Theory, Resource-Based View, Emerging Markets, Firm Performance*

Article Highlights

- Integrates institutional theory with a behavioural finance lens for Togolese firms.
- Posits social capital as a compensatory mechanism for weak

Core Proposition

The framework argues that effective business diagnostics in Togo must systematically integrate analysis of informal norms with formal governance structures.

<p>legal enforcement.</p> <ul style="list-style-type: none">• Provides a context-sensitive model for firm viability and governance efficacy.• Establishes a foundational structure for future empirical testing and policy.	<p><i>This article proposes a novel, integrated theoretical model for a specific West African context.</i></p>
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