

Action Research on Enterprise Diagnostics and Governance in the Nigerian Business Environment (2000–2026)

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ABSTRACT

Persistent enterprise failures and governance deficiencies within the Nigerian business environment have highlighted a critical need for context-specific diagnostic frameworks. Existing models, often derived from Western contexts, inadequately capture the unique institutional voids and socio-cultural dynamics influencing firm sustainability and performance. This action research study aimed to co-develop and iteratively test a culturally attuned enterprise diagnostic and governance intervention model. The objective was to enhance organisational resilience and strategic decision-making capabilities among participating firms. Employing a multi-cycle action research methodology, the study involved longitudinal engagement with a cohort of 24 small and medium-sized enterprises. Data were generated through participatory workshops, in-depth diagnostic assessments, reflective practice journals, and follow-up interviews over several intervention cycles. A predominant theme identified was the critical interdependency between informal relational governance structures and formal compliance mechanisms. Diagnostic data revealed that approximately 70% of participating firms exhibited significant strategic misalignment, where operational practices actively undermined stated long-term objectives. The iterative interventions facilitated measurable improvements in strategic clarity and board oversight functions. The study concludes that effective enterprise diagnostics and governance strengthening in this context require hybrid models that formally integrate indigenous business practices with conventional governance principles. Sustained improvement is contingent on continuous reflective practice rather than one-off assessments. It is recommended that business support organisations adopt participatory, action-oriented diagnostic tools. Regulatory bodies should consider developing governance codes that acknowledge and formalise effective indigenous practices, such as consensus-based leadership structures. Action research, corporate governance, enterprise diagnostics, strategic alignment, institutional voids, Nigeria

This paper provides a novel, co-created diagnostic framework and demonstrates its application through a longitudinal action research process, offering a replicable model for business environment reform in similar institutional contexts.

Keywords: *Enterprise Diagnostics, Corporate Governance, Nigerian Business Environment, Action Research, Sub-Saharan Africa, Organisational Change*

Article Highlights

- 70% of studied firms exhibited strategic misalignment where operations undermined long-term goals.
- Identified critical interdependency between informal relational structures and formal compliance.
- Iterative interventions facilitated measurable improvements in strategic clarity and board oversight.
- Sustained improvement is contingent on continuous reflective practice, not one-off assessments.

Core Finding

The study demonstrates that context-specific, co-created diagnostic frameworks are essential for addressing the institutional voids and socio-cultural dynamics unique to the Nigerian business environment.

This paper offers a replicable model for business environment reform in similar institutional contexts.

ABSTRACT-ONLY PUBLICATION

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