

A Theoretical Framework for Business Diagnostics and Governance in Nigeria

Navigating Challenges and Prospects (2000–2026)

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ABSTRACT

Persistent governance failures and diagnostic inadequacies have constrained sustainable enterprise development in Nigeria, necessitating a robust theoretical synthesis to address systemic challenges. This article constructs an integrated theoretical framework for business diagnostics and governance, aiming to delineate the core structural and behavioural components influencing organisational health and to model their interrelationships within the Nigerian context. The framework is developed through a critical synthesis of established theories from agency, stewardship, institutional, and behavioural finance literatures, contextualised through analysis of documented sectoral trends and governance pathologies. The framework posits that a dominant theme of short-termism, driven by weak institutional enforcement and socio-cultural norms, undermines diagnostic rigour; it specifically models how cognitive biases in ownership structures distort risk assessment. The proposed framework provides a coherent lens for analysing business failures and governance deficits, highlighting the interdependence of diagnostic processes and governance mechanisms in fostering resilience. Future research should apply the framework empirically to specific sectors, such as agribusiness or fintech, and policymakers should integrate its components into national corporate governance codes. This article's novel contribution is the integration of behavioural finance principles with traditional governance models to create a context-specific diagnostic system for analysing Nigerian business pathologies.

Keywords: *Institutional Theory, Corporate Governance, Sub-Saharan Africa, Business Diagnostics, Stakeholder Theory, Emerging Markets, Sustainable Development*

Article Highlights

- Synthesizes agency, stewardship, institutional, and behavioural finance theories.
- Models how cognitive biases in ownership distort organisational risk assessment.
- Provides a lens for analysing governance deficits and business failures.
- Highlights interdependence of diagnostics and governance for resilience.

Framework Application

Future empirical research should apply this framework to specific sectors like agribusiness or fintech, and policymakers should integrate its components into governance codes.

This article constructs an integrated theoretical framework for business diagnostics and governance in Nigeria.

ABSTRACT-ONLY PUBLICATION

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