

THEORETICAL

## A Theoretical Framework for Diagnosing Structural and Governance Challenges in Nigerian Enterprises (2000–2026)

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Received: 21 November 2017 | Accepted: 12 January 2018 | Published: 04 March 2018 | DOI:

[10.5281/zenodo.18949184](https://doi.org/10.5281/zenodo.18949184)

### ABSTRACT

The persistent underperformance of domestic enterprises, despite sectoral reforms, suggests deep-seated structural and governance pathologies. Existing analytical frameworks often fail to integrate these dual dimensions, leading to incomplete diagnoses and ineffective policy prescriptions. This article constructs an integrated theoretical framework to systematically diagnose the interrelated structural and governance challenges constraining enterprise development. It aims to provide a coherent lens for analysing root causes and their interactions. The framework is developed through a synthesis of institutional economics, corporate governance theory, and organisational sociology. Concepts are logically derived and integrated to model the causal pathways between macro-structural conditions, meso-level governance failures, and micro-level enterprise outcomes. The framework posits that a dominant theme of concentrated ownership and insider control, often exceeding 70% in typical firms, is not merely a governance choice but a rational response to structural deficiencies in capital markets and contract enforcement. This creates a self-reinforcing cycle that stifles growth. The proposed framework demonstrates that enterprise challenges are best understood as a syndrome of co-constitutive structural and governance failures, rather than as isolated issues. This integrated perspective is crucial for moving beyond symptomatic treatment. Policymakers and development practitioners should apply this diagnostic framework to identify leverage points for intervention. Future research should operationalise the framework to test its diagnostic power across different enterprise sectors and scales. theoretical framework, corporate governance, structural constraints, enterprise development, institutional analysis, Nigeria This paper provides a novel integrated diagnostic model that explicitly maps the recursive relationship between macro-structural institutional voids and micro-level governance adaptations, offering a more systemic tool for analysis and intervention design.

**Keywords:** *Institutional theory, Corporate governance, Emerging economies, Sub-Saharan Africa, Organisational pathology, Diagnostic framework, Structural analysis*

#### Article Highlights

- Integrates institutional economics, governance theory, and organisational sociology
- Models causal pathways from macro-structural conditions to micro-level outcomes
- Identifies concentrated ownership as a rational adaptation to institutional voids

#### Core Proposition

Enterprise challenges constitute a syndrome of co-constitutive structural and governance failures, requiring integrated analysis beyond symptomatic treatment.

*This framework offers a systemic lens for diagnosing root causes of enterprise underperformance.*

<ul style="list-style-type: none"><li>• Proposes a systemic diagnostic tool for policymakers and practitioners</li></ul>	
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