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Organizational performance in the lens of entrepreneurial ecosystem: Analysing core components

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A B S T R A C T

Insurance companies in Nigeria have grown significantly, contributing to national development and economic progress, yet their organizational performance remains a critical concern for management, regulators and stakeholders. However, insurance forms are faced with stagnant sales growth, limited market share, insufficient innovation in products and services and difficulties maintaining a competitive edge in a dynamic market. While entrepreneurial ecosystems are recognized as vital for organizational success, a significant gap exists in understanding their impact on insurance companies, as existing research has largely focused on other sectors. This study addressed this gap by examining how entrepreneurial ecosystems of operational markets, institutional finance, organizational policy, human capital, institutional supports and organizational culture influence the performance of insurance companies in Lagos State, Nigeria. Hence, this study investigated the effect of the entrepreneurial ecosystem on the organizational performance of insurance companies in Lagos State, Nigeria. Data was collected from 261 top management personnel in selected insurance companies in Lagos State and survey was adopted. Using a structured adapted questionnaire administered through total enumeration, a response rate of 100% was achieved. The result of the data validity was confirmed at AVE > 0.5. Cronbach's alpha values ranged from 0.70 to 0.91. confirmed the reliability of the research instrument. The data collected were analyzed using multiple regression and hierarchical regression techniques, at a significance level of $p < 0.05$. The findings of the study indicated that the entrepreneurial ecosystems had a statistically significant effect on organizational performance (Adj. $R^2 = 0.559$, $F(6, 256) = 18.882$, $p < 0.05$). The study therefore concluded that entrepreneurial ecosystem enhanced organizational performance of insurance companies in Nigeria. The study thus recommended that policymakers and industry leaders should strengthen the dimensions of sales growth, market share, innovativeness and competitive advantage in order to further enhance the organizational performance of insurance companies.

Keywords:
Human capital; innovativeness; institutional finance; organization culture; organization markets.

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1. INTRODUCTION

Insurance organizations play a pivotal role in national development, contributing to economic growth, stability, and financial security (Afram et al., 2022). Despite their importance, the sector has struggled to regain its momentum post-COVID-19, facing challenges such as slow recovery and inefficiencies. A significant issue is the widespread aversion to insurance among Nigerians, even though many recognize its value in mitigating risks and providing financial compensation for losses (Garrido-Moreno et al., 2024). This lack of interest has hindered the sector's growth and performance, particularly in areas such as sales growth and market share (Tarmidi et al., 2020). Entrepreneurial ecosystems, characterized by interdependence and interconnectedness, offer a potential solution to these challenges. Providing access to funding, networking opportunities, and a supportive environment, entrepreneurial ecosystems can enhance organizational performance, particularly for startups in the insurance sector (Chang et al., 2022; Choi & Lee, 2023). These ecosystems can address low performance issues, fostering innovation and growth while strengthening the sector's overall impact. Globally, insurance organizations are vital to economic development by offering risk management and financial security to individuals and businesses (Dwivedi et al., 2021; Al-Yatama et al., 2020). However, the industry faces significant challenges, particularly highlighted during the COVID-19 pandemic, which slowed global premium growth to 1.2% in 2020 from over 4% annually between 2010 and 2020 (McKinsey & Company, 2022). In the U.S., suboptimal performance stems from operational inefficiencies and weak client satisfaction, with calls for integrating ecological, social, and governance (ESG) objectives for sustainable transformation (Federal Insurance Office, 2024; Kreutzer et al., 2024). Europe's insurance sector struggles with declining premiums falling by 4% in 2020 and financial instability in countries like Gibraltar, Denmark, the UK, and Liechtenstein, exacerbated by Brexit's ongoing impact (Adams & Buckle, 2019; Deloitte, 2020; Kiptoo et al., 2021). Similarly, Asia's life insurance market suffers from low penetration rates, declining profitability, and weak growth, with China's life insurance sector shrinking by 1.7% in 2021 below the global average while markets in Japan, Hong Kong, and South Korea experience stagnation (McKinsey & Co., 2022; Cruz & Woleben, 2023). Africa's $68 billion insurance industry remains underdeveloped, with uneven distribution and a decline in premiums by 2.9% in 2020, reducing the continent's penetration rate to 2.6% (McKinsey & Co., 2022; Akintoye et al., 2024). South Africa, Ghana, and Kenya grapple with poor market structures, low premium growth, and regulatory hurdles, undermining performance and consumer trust (Mutua et al., 2023; Ofori-Boateng et al., 2022; Kiptoo et al., 2021). In Nigeria, despite reforms, the insurance sector continues to struggle with low market penetration, sluggish innovation, and limited customer confidence, ranking 62nd globally with $1.64 billion in premiums collected in 2018, contributing a mere 0.2% to worldwide premiums (Isimoya & Oluwaleye, 2023; NAICOM, 2022; Odunmbaku et al., 2024). Lessons from Nigeria's insurance sector offer potential strategies for improvement, emphasizing the urgent need for transformative measures to enhance the industry's performance and global competitiveness.

The Nigerian insurance subsector has faced significant challenges since 2012, with more delisting, mergers, and acquisitions from the Nigerian Stock Exchange compared to the banking sector, primarily due to poor organizational performance (Titilayo et al., 2022). This underperformance has been attributed to the absence and inadequacy of key entrepreneurial ecosystem dimensions, such as organizational policy, institutional finance, organizational culture, institutional supports, human capital, and operational markets (Guerrero et al., 2021; Qoriawan & Apriliyanti, 2023). While entrepreneurial ecosystems are widely recognized as critical drivers of growth and innovation, their impact on organizational performance particularly in terms of sales growth, market share, innovativeness, and competitive advantage remains underexplored, especially within the Nigerian insurance industry (Alkaabi et al., 2024; Cao

& Shi, 2021; Hosseinzadeh et al., 2022; Shen et al., 2023; Zheng et al., 2024). Despite the presumed importance of entrepreneurial ecosystems in enhancing organizational performance, there is a significant gap in understanding their specific effects on insurance companies in Lagos State, Nigeria. Few studies have comprehensively examined the interplay between entrepreneurial ecosystem dimensions and organizational performance, highlighting the need for further research. This study addresses this gap by investigating how entrepreneurial ecosystem dimensions organizational policy, institutional finance, organizational culture, institutional supports, human capital, and operational markets affect the organizational performance of insurance companies in Lagos State, Nigeria. Consequently, this study bridged this gap by investigating through the stated null hypothesis that: *there is no significant effect of entrepreneurial ecosystem dimensions on organizational performance*.

2. REVIEW OF LITERATURE

2.1 Organizational performance

Organizational performance refers to an organization's ability to achieve its goals and optimize results, particularly in an ever-evolving business environment (Afram et al., 2022). It reflects the collective skills and expertise of team members, ultimately shaping an organization's success (Garrido-Moreno et al., 2024). For the purpose of this study, organizational performance is defined as the extent to which organizations meet their set goals and targets. To capture this concept, four key performance indicators are employed: sales growth, market share, innovativeness, and competitive advantage. Sales growth measures the increase in a company's revenue over a specific period, reflecting financial health and operational efficiency (Shafique, A., 2025, Tarmidi et al., 2020). Market share, on the other hand, represents the proportion of a product or service's total sales within a market that is attributed to a particular firm, serving as a critical metric for assessing competitive positioning and strategic planning (Chang et al., 2022; Choi & Lee, 2023). Innovativeness, another dimension of organizational performance, is the ability to develop and implement new ideas, products, processes, or services that enhance performance and provide a competitive edge (Kochetkov, 2023; Damanpour, 2021). It is essential for long-term growth and market adaptation (Calantone et al., 2020, Shafique, A., 2025). Competitive advantage, meanwhile, refers to an organization's ability to outperform its competitors by offering superior products, services, or value to customers achieved through cost leadership, differentiation, or a focused strategy (Siagian et al., 2022; Jantyik, 2020). This study defines competitive advantage as the condition or circumstance that enables an organization to achieve superior performance relative to its rivals. Together, these indicators provide a comprehensive framework for assessing organizational performance, offering a robust foundation for analyzing the impact of entrepreneurial ecosystems on business outcomes.

2.2 Entrepreneurial ecosystems

The entrepreneurial ecosystem refers to the interconnected network of stakeholders, resources, institutions, policies, and infrastructures that facilitate entrepreneurial activities within a specific industry or region (Smith et al., 2022). According to Kreutzer et al. (2024), effective ecosystem leadership requires adaptive strategies to manage decentralized networks of diverse companies, each pursuing distinct goals and governance structures. Furthermore, legal and regulatory compliance is crucial for ecosystem managers to ensure organizational effectiveness. Drawing from these perspectives, this study defines the entrepreneurial ecosystem as the interconnected network of stakeholders, resources, institutions, policies, and infrastructures that support entrepreneurial activities within insurance companies. To assess its impact, the study focuses on five key dimensions: institutional finance, organizational culture, institutional support, human capital, and operational markets. These variables collectively capture the mechanisms through which the entrepreneurial ecosystem influences firm performance. Institutional finance encompasses the financial activities of large entities such as banks, insurance companies, and investment firms, focusing on their investment strategies, risk management practices, and regulatory compliance (Allen & Gale, 2021; Bodie et al., 2019). Organizational culture reflects the shared values, beliefs, and practices that shape employee behavior and influence overall company performance (Adebukola et al., 2022; Streimikiene et al., 2021). Institutional support refers to the formal and informal structures, policies, and resources provided by government agencies, educational institutions, and private organizations to foster entrepreneurial growth (Farinha & Oliveira, 2021; Scott, 2022). Human capital, defined as the collective skills, knowledge, and abilities of individuals, plays a pivotal role in driving innovation and securing competitive advantage (Firman et al., 2021; Kadiyono & Susanto, 2025). Lastly, operational markets represent the environments where insurance companies conduct business, interact with customers and competitors, and navigate market dynamics (Thai et al., 2023). Together, these variables form the foundation for understanding how the entrepreneurial ecosystem shapes the performance and strategic outcomes of insurance companies.

2.3 Entrepreneurial ecosystem and organizational performance

Several studies have explored the effect of entrepreneurial ecosystems (EE) on organizational performance, yielding diverse findings. Xiang et al. (2024) found that entrepreneurial ecosystems significantly influence venture performance, while Badamasi et al. (2023) reported a strong correlation between EE and the performance of small and medium-sized enterprises (SMEs). Tella and Ogundeinde (2024) highlighted the impact of entrepreneurial ecosystems on entrepreneurial performance in Lagos, Nigeria, and Ogbolu (2021) identified EE as a moderating factor in the relationship between entrepreneurial orientation and organizational performance. Baldin (2023) further emphasised the role of entrepreneurial ecosystems in enhancing organizational performance within the Lagos context. Similarly, Abolade (2022) demonstrated that entrepreneurial ecosystems significantly influence the business performance of the Rice Farmers Association of Nigeria, a finding supported by Emmanuel and Abolade (2022), who noted the positive effect of entrepreneurial ecosystem networking on rice farmers' performance. Samiullah and Ahmad (2021) also found that entrepreneurial ecosystems significantly influence organizational performance and so does Shafique, A., (2025). Corroborating the above findings, Sahu and Panda (2024) revealed that entrepreneurial ecosystems positively affect organizational performance, while Birungi et al. (2024) highlighted the impact of EE pillars on the performance of SMEs in Uganda's manufacturing sector. Raimi and Raimi (2023) underscored the importance of business ecosystems as catalysts for business performance. Jeon (2020) concluded that entrepreneurial ecosystems positively influence organizational performance, and Sundram et al. (2018) identified EE as a key enhancer of organizational performance. Estrin and Mickiewicz (2023) further confirmed the significant impact of entrepreneurial ecosystems on organizational outcomes.

However, contrasting perspectives exist. Lamia (2020) argued that entrepreneurial ecosystems can negatively affect organizational performance, while Spigel and Harrison (2018) found no significant correlation between ecosystem factors and firm performance. Brown and Mawson (2019) suggested that, although entrepreneurial ecosystems provide valuable resources and networking opportunities, these external factors do not significantly enhance firm performance metrics. Liguori et al. (2021) similarly found that ecosystem support had no substantial effect on organizational performance, and Bjornskov and Foss (2020) concluded that entrepreneurial ecosystems have no measurable impact on firm performance. Ullah (2019) further reported a negative effect of entrepreneurial ecosystems on SME performance in low-middle-income countries. In summary, while the majority of empirical studies across various geographical locations, industries, and sectors indicate a significant positive effect of entrepreneurial ecosystem dimensions on organizational performance, contrasting findings challenge this consensus. These discrepancies highlight the complexity of the relationship between entrepreneurial ecosystems and organizational outcomes, contrasting with the null hypothesis of this study, which posits no significant effect of entrepreneurial ecosystem dimensions on organizational performance.

2.4 Research conceptual model

The conceptual model for this study is diagrammatically shown below:

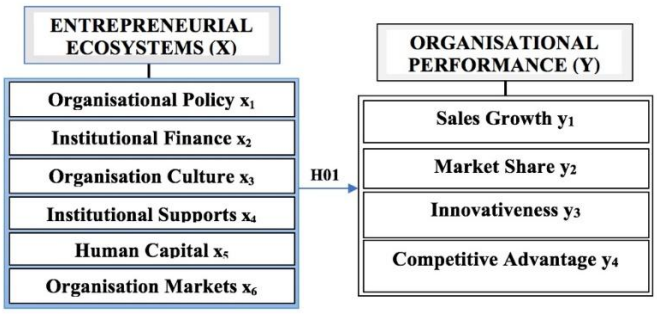


Figure 1: Research Conceptual Model (2025)

The conceptual model in Figure 1 illustrates the relationship between the independent and dependent variables examined in this study. The independent variable, entrepreneurial ecosystems, is denoted as X, with its sub-variables of organizational policy, institutional finance, organizational

culture, institutional supports, human capital, and operational market, represented as x_1, x_2, x_3, x_4, x_5, and x_6, respectively. The dependent variable, organizational performance, is denoted as Y, with its sub-variables of sales growth, market share, innovativeness, and competitive advantage represented as y_1, y_2, y_3, and y_4, respectively. The model highlights the interaction between the components of entrepreneurial ecosystems (organizational policy, institutional finance, organizational culture, institutional supports, human capital, and operational market) and the performance of insurance companies in Lagos State, Nigeria. In essence, this gap model underscores that the variables of entrepreneurial ecosystems represent critical factors influencing the performance of insurance companies in Lagos State, Nigeria.

2.5 Theoretical review

The underpinning theories for this study are the Network and System Theory. Network theory traces its origins to the 18th century with mathematician Leonhard Euler, whose solution to the "Seven Bridges of Konigsberg" problem laid the foundation for the study of interconnected systems and graph theory. The theory gained traction in the social sciences through the work of Georg Simmel, who emphasised the significance of social networks and micro-level interactions. The central assumption of network theory is that relationships between entities (nodes) within a network significantly influence their behavior and outcomes, highlighting that the structure of connections rather than individual characteristics alone shapes the flow of information, resources, and influence. According to Ancona et al. (2023), entrepreneurial ecosystems exhibit structural characteristics such as connectivity, density, stability, leadership, diversity, intermediaries, and feedback loops, each linked to network metrics like small-world-ness, mean degree, robustness, assortative, betweenness centrality, and reciprocity coefficients. These metrics provide a quantitative way to assess how actors within entrepreneurial ecosystems interact and collaborate. Supporters of network theory argue that it provides a robust framework for analyzing how relationships among entrepreneurs, investors, universities, and government agencies drive innovation and business success (Ancona et al., 2023). However, critics such as Bharwani et al. (2013) and Helms et al. (2010) highlight its limitations, including the time-consuming process of collecting comprehensive network data, the subjectivity involved in interpreting network structures, and the theory's struggle to capture dynamic changes over time. Additionally, early macro-level theorists like Max Weber and Karl Marx indirectly challenged network theory's emphasis on micro-level interactions by focusing instead on broader societal structures (Kirschbaum, 2019). Despite these critiques, network theory remains relevant to this study as it offers insights into how information, resources, and knowledge flow within entrepreneurial ecosystems, helping to identify key players and assess the density of connections. By analyzing network centrality measures, researchers can pinpoint influential participants, such as angel investors, and inform policy decisions to foster collaboration and strengthen entrepreneurial networks (Ancona et al., 2023; Prokop & Thompson, 2023).

Systems theory originated with biologist Ludwig von Bertalanffy in the 1940s, who developed General Systems Theory as a way to understand living systems as interconnected wholes rather than isolated components. This concept was later integrated into management studies, offering a holistic approach to analyzing complex environments like entrepreneurial ecosystems (Fubah & Moos, 2021). The core assumption of systems theory is that entrepreneurial ecosystems function as dynamic, interdependent systems where components including entrepreneurs, investors, banks, markets, and government agencies continuously interact and influence one another. The theory posits that the ecosystem's success depends on the relationships between its elements, rather than the performance of individual actors, with feedback loops and environmental changes driving adaptation and evolution (Cantner et al., 2021; Fuentes et al., 2024). Furthermore, the concept of complex adaptive systems acknowledges that actors within an ecosystem have agency, impacting the system's overall dynamics (Fuentes et al., 2024).

Proponents of systems theory emphasize its ability to capture the interconnectedness of entrepreneurial ecosystems, enabling researchers to identify critical relationships and leverage points for targeted interventions (Daniel et al., 2022; Fredin & Liden, 2020). However, critics such as Searight & Merkel (1991) and Priest (2021) argue that systems theory often lacks practical strategies for resolving systemic issues, offering broad frameworks without concrete methods for intervention. Moreover, as ecosystems grow in complexity, mapping all components and their interactions becomes increasingly challenging, limiting the theory's practical applicability (Lehmann, 2024; Wadichar et al., 2024). Despite these criticisms, systems theory remains relevant to this study by providing a comprehensive view of entrepreneurial ecosystems, analyzing how actions ripple through interconnected components, and identifying areas where information flow, funding access, or talent acquisition may be hindered (Daniel et al., 2022; Nwabufo, 2024). Ultimately, applying systems theory fosters collaboration and innovation by highlighting the ecosystem's interdependencies and enabling policymakers to design adaptive strategies that respond to emerging trends and challenges (Fredin & Lidén, 2020; Nwabufo, 2024). Therefore, the combination of network theory and system theory is relevant to this study as it offers insights into how entrepreneurial ecosystems interact with performance of insurance companies.

3. METHODOLOGY

The study adopted the positivist approach, quantitative research approach, and survey research design, while the research context focused on insurance companies. The population of the study consisted of 261 top management staff from forty-two selected insurance companies in Lagos State, Nigeria. The forty-two insurance companies were selected because they represent the insurance companies with the composition of top management staff members required for the study. The composition of the top management staff varies from insurance company to another; however, they are generally from Senior Managers to the Managing Director/ Chief Executive Officer, adopting a structured adapted questionnaire administered through total enumeration. A response rate of 100% was achieved. The result of the data validity was confirmed at AVE > 0.5. Cronbach's alpha values ranged from 0.70 to 0.91. confirmed the reliability of the research instrument. The principal factors investigated were measured on a six-point scale with anchors which ranged from Very High (VH-6) to Very Low (VL-1), for the independent variables and dependent variable respectively. Data were analyzed using multiple regression.

3.1 Model specification

In this study, the variables were categorized into two groups: independent and dependent variables. The independent variable, entrepreneurial ecosystem (**X**), was measured by its sub-variables: organizational policy, institutional finance, organizational culture, institutional supports, human capital, and operational markets. The dependent variable, organizational performance (**Y**), was measured by its sub-variables: sales growth, market share, innovativeness and competitive advantage. This model specification establishes a clear relationship between the components of entrepreneurial ecosystems and their impact on organizational performance.

3.2 Identification of Variables

Y = Dependent Variable [Organizational Performance]
X = Independent Variable [Entrepreneurial Ecosystem]
Where
Y = Organizational Performance (OP)
- y_1 = Sales Growth (SG)
- y_2 = Market Share (MS)
- y_3 = Innovativeness (IS)
- y_4 = Competitive Advantage (CA)

Where:
X = Entrepreneurial Ecosystem (EES)
- x_1 = Organization Policy (OP)
- x_2 = Institutional Finance (IF)
- x_3 = Organization Culture (OC)
- x_4 = Institutional Supports (SU)
- x_5 = Human Capital (HC)
- x_6 = Operational Markets (OM)

3.3 Functional Relationship

The operational model for the study variables is denoted in the equations below:

$$Y = f(x_1, x_2, x_3, x_4, x_5, x_6)$$

3.4 Regression Model

The model formulated for this study hypotheses is written as:

$$Y = f(X)$$
$$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_{04} x_4 + \beta_5 x_5 + \beta_6 x_6 + \varepsilon i$$
$$OP = \beta_0 + \beta_1 OP + \beta_2 IF + \beta_3 OC + \beta_{04} SU + \beta_5 HC + \beta_6 OM + \varepsilon i$$

Where:
β_0 = constant of the equation or constant term
εi = error or stochastic terms

4. RESULTS AND INTERPRETATION

The detailed results of these analyses are presented in Table 1 providing insight relationship.

Table 1: Summary of Multiple Regression Analysis for Hypothesis

N	Model	*B*	T	Sig.	ANOVA	R	Adjusted R^2	F (6, 257)
261	(Constant)	2.201	5.890	.000	0.001[b]	0.559[a]	0.296	18.882
	Organizational Policy	.000	.038	.970				
	Organizational Culture	.004	1.087	.278				
	Institutional Finance	.248	1.807	.072				
	Institutional Supports	.607	2.940	.004				
	Human Capital	.297	1.450	.148				
	Operational Market	1.165	4.550	.000				

a. Dependent Variable: Organizational Performance
b. Predictors: (Constant), Operational Market, Institutional Finance, Organizational Policy, Human Capital, Institutional Supports, Organizational Culture
Source: Researcher's Field Survey, 2025

Table 1 shows the multiple regression analysis results for the effect of entrepreneurial ecosystem on organizational performance of insurance companies in Lagos State, Nigeria. The result revealed that institutional support (β = 0.607, t = 2.940, p<0.05), and operational market (β = 1.165, t = 4.550, $p<0.05$) all have a significant positive effect on organizational performance of insurance companies in Lagos State, Nigeria. However, organizational policy (β = 0.000, t = -0.038, p>0.05), organizational culture (β = 0.004, t = 1.087, p>0.05), institutional finance (β =0.248, t = 1.807, $p>0.05$), and human capital (β = 0.297, t = 1.450, $p>0.05$) have positive insignificant effects on organizational performance of insurance companies in Lagos State, Nigeria. The results of the multiple regression analysis revealed that two dimensions of entrepreneurial ecosystems (institutional support and operational market) have significant effect on organizational performance of the insurance companies. The results suggest that institutional support and operational market are important predictors of organizational performance of insurance companies in Lagos State. The correlation coefficient was 0.559 which indicates a strong positive relationship between entrepreneurial ecosystem and organizational performance. This means that as entrepreneurial ecosystem improve, organizational performance tends to also increase, but the relationship is not very strong. Furthermore, the *Adj.* R^2 was 0.296 implying that 29.6% variations in organizational performance of insurance companies in Lagos State were attributable to the entrepreneurial ecosystem while the remaining 70.4% of variances are accounted by other variables not included in the model. This suggests that though entrepreneurial ecosystem affect organizational performance, there are other important factors that contribute to changes in organizational performance but not covered in the research. However, the regression model is a good fit. Moreover, entrepreneurial ecosystem has low effect on organizational performance of insurance companies in Lagos State. The predictive and prescriptive multiple regression models are thus expressed:

$$OPer = 2.201 + 0.000OP + 0.004OC + 0.248IF - 0.607IS + 0.297HC + 1.165OM + U_i \text{ [Eqn i - Predictive Model]}$$
$$OPer = 2.201 + 0.607IS + 1.165OM + U_i \text{ [Eqn i - Prescriptive Model]}$$

Where:

OPer = Organizational Performance;
OP = Organization Policy;
OC = Organization Culture;
IF = Institutional Finance;
IS = Institutional Supports;
HC = Human Capital;
OM = Operational Markets.

The regression model revealed that if EES were held constant (or set to zero), organizational performance of the insurance companies in Lagos State will be 2.201, implying that in the absence of EES, organizational performance will be 2.201. This suggests that if all the independent variables take on the values of zero, there would be 2.201 organizational performance in the insurance companies in Lagos State (baseline value). From the predictive model, four dimensions of the EES (organizational policy, organizational culture, institutional finance, and human capital) have insignificant positive effect on the organizational performance. This variable, therefore, was not prescribed for the insurance companies in this study. From the prescriptive model, an improvement in institutional support and operational market would further increase organizational performance by 0.607 and 1.165 units respectively. These results suggest that institutional support and operational market are significant predictors of organizational performance of insurance companies in Lagos State, Nigeria. These companies should implement these variables to improve organizational performances. The F-statistics (df = 6, 257) = 18.882 at p<0.05) showed that the overall model for predicting the effect of EES on organizational performance is significant. The p-value is less than 0.05; it implies that effect of EES on organizational performance is significant.

Moreover, the results showed that among the EES, operational market have the highest effect on organizational performance of insurance companies in Lagos State followed by institutional support. Based on results of F-statistics and Adjusted R-squared, the null hypothesis (H_o1) which states that there is no significant effect of entrepreneurial ecosystem dimensions on organizational performance was rejected.

5. DISCUSSION OF FINDINGS

The findings of this study reveal that the dimensions of entrepreneurial ecosystems operational market, institutional finance, organizational policy, human capital, institutional supports, and organizational culture have a significant effect on the organizational performance of insurance companies in Lagos State, Nigeria. These results align with empirical studies by Xiang et al. (2024), who found that entrepreneurial ecosystems positively influence venture performance, and Badamasi et al. (2023), who reported a significant relationship between entrepreneurial ecosystems (EE) and SME performance. Similarly, Tella and Ogundeinde (2024) demonstrated that entrepreneurial ecosystems enhance the performance of entrepreneurs in Lagos, while Ogbolu (2021) identified EE as a moderating factor in the relationship between entrepreneurial orientation and performance. Baldin (2023) further confirmed the impact of entrepreneurial ecosystems on organizational performance in Lagos, and Abolade (2022) highlighted their significant influence on the business performance of the Rice Farmers Association of Nigeria. Emmanuel and Abolade (2022) and Samiullah and Ahmad (2021) also supported these findings, emphasizing the positive effects of entrepreneurial ecosystems on performance in various contexts. The study's findings are further supported by Sahu and Panda (2024), who found that entrepreneurial ecosystems significantly affect organizational performance, and Birungi et al. (2024), who highlighted the impact of EE pillars on SME performance in Uganda's manufacturing sector. Raimi and Raimi (2023) underscored the role of business ecosystems as catalysts for performance, while Jeon (2020) and Sundram et al. (2018) identified entrepreneurial ecosystems as enhancers of organizational performance. Estrin and Mickiewicz (2023) also confirmed the significant impact of entrepreneurial ecosystems on organizational outcomes. However, the findings contradict studies by Lamia (2020), who argued that entrepreneurial ecosystems negatively affect performance, and Spigel and Harrison (2018), who found no significant correlation between ecosystem factors and firm performance. Brown and Mawson (2019), Liguori et al. (2021), Bjornskov and Foss (2020), and Ullah (2019) also reported limited or negative effects of entrepreneurial ecosystems on performance, particularly in low-middle-income countries. These contrasting findings suggest that the impact of entrepreneurial ecosystems may vary based on contextual factors, leading to the rejection of the null hypothesis that entrepreneurial ecosystems have no significant effect on organizational performance.

The study's results are theoretically aligned with network theory and systems theory, which emphasize the interconnectedness of organizational components and the importance of relationships and interactions in driving performance. Systems theory views organizations as complex networks where the effectiveness of each component influences overall performance, while network theory highlights the role of connections and collaborations in fostering growth and innovation (Ujwary-Gil, 2019; Ancona et al., 2023). These theories provide a robust framework for understanding how entrepreneurial ecosystems enhance organizational performance by optimizing resource flows, strengthening connections, and fostering collaboration. In conclusion, the study demonstrates that entrepreneurial ecosystem dimensions significantly and positively impact the organizational performance of insurance companies in Lagos State, Nigeria. These findings offer valuable insights for managers and policymakers seeking to enhance organizational performance and underscore the critical role of entrepreneurial ecosystems in advancing the Nigerian insurance sector.

6. CONCLUSION AND RECOMMENDATIONS

This study investigated the effect of entrepreneurial ecosystems on the performance of insurance companies in Lagos State, Nigeria, while also examining global trends and challenges within the insurance sector from global, African, and Nigerian perspective highlighting key issues faced by insurance companies, such as stagnant sales growth, limited market share, insufficient innovativeness, and difficulties maintaining a competitive edge in a dynamic market. The study provided empirical evidence demonstrating that entrepreneurial ecosystems comprising dimensions such as operational markets, institutional finance, organizational policy, human capital, institutional supports, and organizational culture significantly enhanced the performance of insurance companies in Lagos State. These findings underscore the critical role of entrepreneurial ecosystems in driving organizational success within the insurance industry. The study makes significant contributions to the existing body of knowledge conceptually, theoretically, and empirically. Conceptually, it introduces a unique framework linking entrepreneurial ecosystems to organizational performance, addressing a gap in the literature where no prior studies have utilized this specific model. Theoretically, the findings provide robust support for Network Theory and Systems Theory, reinforcing their relevance in understanding the interconnectedness and dynamics of entrepreneurial ecosystems. Empirically, the study adds to the growing body of research on entrepreneurial ecosystems and organizational performance, serving as a valuable reference for future scholars. Based on the findings, the study recommends that policymakers and industry leaders prioritize strengthening key performance dimensions such as sales growth, market share, innovativeness, and competitive advantage to further enhance organizational performance. Additionally, future research should explore the applicability of these insights to other industries and investigate potential moderating factors that may influence the effectiveness of entrepreneurial ecosystems.

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