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Entrepreneurial Ecosystem and Organisational Performance: The Moderating Role of Government Regulations

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Abstract: The study analysed insurance business responses to entrepreneurial ecosystems operating in Lagos State, Nigeria, by using government regulations as a moderator. Extant research has examined the impact of entrepreneurial ecosystems on organisational performance using the Network Theory and Systems Theory, which provide a comprehensive perspective on the structure and dynamics of entrepreneurial ecosystems. In terms of approach, the survey gathered complete participants' responses from 261 top managers at 42 insurance firms employing both quantitative methods and the positivist approach to produce data. The applied validity tests yielded positive results because Average Variance Extracted (AVE) values exceeded 0.5 while the reliability assessments indicated that Cronbach's alpha outputs remained between 0.70-0.91. Government regulations were not related to the relationship between entrepreneurial ecosystems and organisational performance according to multiple and hierarchical regression analyses at $p < 0.05$ level ($\Delta R^2 = 0.001$, $\Delta F = 0.345$, $p > 0.05$). Ultimately, the study reveals that there are additional factors that influence insurance company operations in Nigeria more than regulatory measures do. Thus, the study encourages leading policymakers and business leaders to focus on innovation capabilities with access to finance and market conditions to enhance performance levels.

Keywords: Competitive advantage; Institutional support; Market share; Innovation capabilities

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1. Introduction

The performance of insurance companies is critical to economic development, as it directly impacts their ability to provide reliable services, attract customers, and sustain profitability (Chaudhary et al., 2024). However, many insurance firms face challenges such as stagnant sales growth, declining market share, limited innovativeness, and weakened competitive advantage, often exacerbated by regulatory constraints, market saturation, and inadequate adoption of emerging technologies (Kreutzer et al., 2024; Chaudhary et al., 2023). The global insurance industry faces significant performance challenges, with stagnant sales growth, declining market share, and limited innovativeness impacting competitiveness. According to McKinsey (2023), global insurance premiums grew by only 1.2% in 2022, well below the pre-pandemic average of 3.4%, reflecting weakened demand and economic uncertainties. In the U.S., the property and casualty insurance sector reported a combined ratio of 102.1% in 2022, indicating underwriting losses and pressure on profitability (Insurance Information Institute, 2023). Similarly, U.K. insurers have struggled with market share erosion, as challenger brands and insurtech firms captured 12% of the market in 2022, up from 8% in 2020 (Deloitte, 2023). In Asia, despite being the fastest-growing region, insurers face challenges in innovation adoption, with only 30% of companies leveraging advanced technologies like AI and big data to enhance customer experiences (EY, 2023).

The African insurance industry, including key markets such as Algeria, Egypt, Morocco, and Nigeria, faces persistent performance challenges, with low penetration rates, stagnant sales growth, and limited innovation undermining competitiveness. According to the African Insurance Organisation (AIO, 2023), Africa's insurance penetration rate remains at just 2.8%, far below the global average of 7%, reflecting underdeveloped markets and low consumer trust. In Algeria, insurance penetration stands at 1.2%, with premium growth slowing to 3.1% in 2022 due to economic constraints and regulatory bottlenecks (AIO, 2023). Egypt's insurance sector, while relatively more advanced, struggles with innovation adoption, with only 20% of insurers leveraging digital tools to enhance customer experiences (EY Egypt, 2023). Morocco's insurance market, though one of the most developed in Africa, reported a modest premium growth of 4.5% in 2022, hindered by intense competition and limited product diversification (Deloitte Morocco, 2023). In Nigeria, the sector contributes less than 1% to GDP, with premium growth declining to 4.5% in 2022, driven by economic instability and low consumer awareness (Nigerian Insurers Association, 2023).

The nexus of entrepreneurial ecosystems and the performance of insurance companies depend on the ecosystems' ability to foster innovation, collaboration, and resource-sharing, which can enhance operational efficiency and customer engagement (Smith et al., 2022; Kreutzer et al., 2024). However, government

regulations often act as a constraint, creating barriers such as complex compliance requirements, restrictive policies, and limited funding opportunities, which can hinder the full potential of entrepreneurial ecosystems (Chaudhary et al., 2023; Abu-Darwish et al., 2022). A major issue arises when insurance firms fail to adhere to these regulations, leading to legal risks, reputational damage, and missed opportunities for growth, further undermining the ecosystem's ability to drive organisational performance (Mago & van der Merwe, 2023; Chaudhary et al., 2024).

Extant research has examined the impact of entrepreneurial ecosystems on organisational performance in developed economies, however, studies in developing countries, particularly Nigeria, remain limited (Smith et al., 2022; Kreutzer et al., 2024; Chaudhary et al., 2023). Existing literature in advanced economies highlights well-structured regulatory frameworks and institutional support systems that foster entrepreneurship and business growth (Abu-Darwish et al., 2022; Mago & van der Merwe, 2023; Chaudhary et al., 2024). However, the unique challenges faced by developing nations, including inconsistent government policies, weak infrastructure, and limited access to funding, create a vastly different entrepreneurial landscape that remains underexplored (Nguyen, 2020; Kosimov, 2023).

Moreover, while studies have analysed the role of entrepreneurial ecosystems in driving innovation and competitiveness (Purbasari & Subaryono, 2022; Masciandaro & Quintyn, 2020), there is a notable research gap in understanding how government regulations moderate this relationship in Nigeria (Charan, 2021). Addressing this gap is essential for developing policy interventions and strategies tailored to the realities of entrepreneurial ecosystems in emerging markets. Thus, it presents the need to fill the construct, scope, and methodological gaps created regarding the effect of entrepreneurial ecosystems on organisational performance moderated by government regulations in developing countries using Nigeria as a study area. The formulated hypothesis for this paper is consequently stated as:

Null Hypothesis: The effect of entrepreneurial ecosystems on organisational performance is not significantly moderated by government regulations

2. Review of Literature

2.1. Organisational Performance

Organisational performance refers to the effectiveness and efficiency with which an organisation achieves its goals and objectives, encompassing both financial and non-financial outcomes. According to Afram et al. (2022), organisational performance is a multidimensional construct that includes metrics such as profitability, market share, innovation, and customer satisfaction. Garrido-Moreno et al. (2024) emphasize that it reflects the ability of an organisation to leverage its resources and capabilities to deliver value to stakeholders. Supramaniam and Singaravelloo (2021)

further highlight that organisational performance is influenced by internal factors such as leadership, culture, and processes, as well as external factors like market dynamics and regulatory environments. Al Anazi et al. (2022) and Wang et al. (2022) note that it also involves adaptability and resilience in responding to changing business conditions. Park et al. (2020) and Jeong and Yoo (2022) add that performance is often measured through both quantitative indicators (e.g., revenue growth, return on investment) and qualitative assessments (e.g., employee engagement, brand reputation). Sahoo (2022) concludes that organisational performance is a critical determinant of long-term sustainability and competitiveness, reflecting the overall health and success of an organisation in achieving its strategic objectives.

2.2. Entrepreneurial Ecosystems

Entrepreneurial ecosystems refer to the interconnected network of individuals, organisations, institutions, and resources that collectively support and foster entrepreneurship and innovation within a specific region or industry. According to Smith et al. (2022), entrepreneurial ecosystems are dynamic environments where entrepreneurs, investors, universities, government agencies, and other stakeholders interact to create and scale new ventures. Kreutzer et al. (2024) emphasize that these ecosystems are characterized by their ability to facilitate the flow of knowledge, capital, and talent, enabling entrepreneurs to access the resources needed for growth and success. Chaudhary et al. (2023) highlight that entrepreneurial ecosystems are shaped by cultural, economic, and regulatory factors, which influence the level of entrepreneurial activity and innovation within a given context.

Abu-Darwish et al. (2022) and Mago and van der Merwe (2023) further explain that entrepreneurial ecosystems thrive on collaboration and interdependence, with key components such as funding mechanisms, mentorship networks, and supportive policies playing critical roles in their development. Chaudhary et al. (2024) add that the strength of an entrepreneurial ecosystem is often measured by its ability to produce high-growth startups, attract investment, and foster a culture of innovation. Nguyen (2020) and Kosimov (2023) stress that entrepreneurial ecosystems are not static but evolve over time, adapting to changes in technology, market demands, and regulatory environments. Overall, entrepreneurial ecosystems serve as vital platforms for nurturing entrepreneurship, driving economic growth, and enhancing regional competitiveness.

2.3. Organisational Performance

Government regulations encompass laws, rules, and policies established by regulatory bodies to govern various aspects of business operations, including market conduct, consumer protection, and industry standards (Purbasari & Subaryono, 2022) and Zhaoguang and Luan (2025) explored the impact of government regulations on the green environment. In the context of entrepreneurial ecosystems and organisational performance of insurance companies, government regulations play a pivotal role in shaping the operating environment, ensuring fairness, stability, and transparency within the industry (Aryeetey & Ahene, 2022). Government regulations refer to the rules, policies, and standards established by governmental authorities to oversee and control various aspects of economic, social, and organisational activities. According to Feldman and Lowe (2022), government regulations are designed to ensure fair competition, protect public interests, and maintain market stability. Derrig and Outreville (2022) emphasize that these regulations often aim to mitigate risks, promote transparency, and safeguard consumers and stakeholders from unethical practices. Cummins and Weiss (2022) further highlight that government regulations play a critical role in shaping industry standards, influencing business operations, and fostering trust in markets. For this research work, government regulations are defined as the declaration of government political activities, plans and intentions relating to a particular cause to govern various aspects of business operations.

2.4. Entrepreneurial Ecosystem, Organisational Performance and Government Regulations

Several studies have shown, the possibilities of government regulations playing a moderating and significant role on organisation performance and entrepreneurial ecosystems, with different findings. According to, Nneji and Onu (2023) in their result, revealed that government regulation is crucial in moderating the relationship between ecopreneurship dimensions and organisational performance. Nguyen et al. (2024) found that government policy is significant in enhancing performance of organisations. Nahruddien et al. (2022) found a tendency for there to be an influence of government policy on organisational performance. Moreover, Kwon and Yang (2023) reported a link between local government policy and organisational performance. Ndung'u et al. (2024) revealed that government policy affects performance in the government ministries in Kenya. Also, Ramadhona et al. (2023) found that financial and non-financial support from government have an effect on the performance of MSMEs in Pesawaran Regency, Lampung.

Ayeni et al. (2024) reported a substantial beneficial correlation between small and medium-sized businesses performances and all government policies. According to

Raifu (2022) discovered that during the COVID-19 pandemic, government policy responses affect the stock market performance in some selected African countries. Ismanu et al. (2021) found that government policy affects SMEs performance in Indonesia. Situmorang et al. (2024) found that government regulations have a greater influence on the performance of textile companies. Obialor (2020) disclosed that high statutory fees and bureaucratic bottlenecks have a significant effect on the outcomes of new businesses in Imo State. Karnsomdee (2021) reveal that government policy has a significant direct influence on organisational performance. Shang et al. (2021) found in their studies, that there is an inverted U-shaped relationship between government regulation burden and enterprise economic performance. Falahat et al. (2021) found in their study that government support policy moderates the relationship between entrepreneurial orientation and organisational performance. Khattak and Shah (2020) found that government supports moderate the relationship between entrepreneurial orientation and the performance of SMEs.

According to Nakku et al. (2020) in their study found a positively and significantly moderating effect of government support programs on the interrelationship between entrepreneurial orientation, and performance. Seow et al. (2021) found that the moderating role of government support is significant in the relationship between business performance and entrepreneurial activities. Tyler et al. (2023) found significant results on regulatory pressures. Prasannath et al. (2024) in their study revealed that Government Supports Policies (GSPs) have four different pathways by which they can impact performance. Both direct and indirect policies have moderating effects that can magnify the impact of entrepreneurial orientation on performance.

Ntoiti et al. (2022) reported that government regulations have influence on financial performance. Pulka et al. (2021) found that government business support has effect on organisational performance of small firms. From the review of literature, there seems to be no findings supporting a divergent view on the relationship, government regulations and its proxies have on entrepreneurial ecosystems and organisational performance. In summary, the explanation of the majority of the empirical studies by the various studies across various geographical locations, industries, and sectors highlighted above gives the impression that there is a significant effect of entrepreneurial ecosystems dimensions on organisational performance moderated by government regulations which is in contrast with the null hypothesis of the study which says there is no significant effect of entrepreneurial ecosystems dimension on organisational performance, as moderated by government regulations.

3. Theoretical Framework

This study is anchored in Network Theory and Systems Theory, which provide a comprehensive perspective on the structure and dynamics of entrepreneurial ecosystems. Network Theory originated in the 18th century with Leonhard Euler's solution to the Seven Bridges of Königsberg problem, forming the foundation of graph theory and the study of interconnected systems. In the social sciences, Georg Simmel emphasized the role of social networks and micro-level interactions in shaping behavior and outcomes. The core assumption of Network Theory is that relationships among entities (nodes) within a network significantly influence the flow of information, resources, and influence often more than individual attributes alone. Ancona et al. (2023) identify key structural characteristics of entrepreneurial ecosystems, such as connectivity, density, stability, leadership, diversity, intermediaries, and feedback loops, which correspond to network metrics like small-world-ness, mean degree, robustness, and centrality measures. These metrics provide a quantitative approach to assessing ecosystem interactions and collaboration.

Supporters of Network Theory argue that it offers a robust framework for analyzing the relationships among entrepreneurs, investors, universities, and government agencies in fostering innovation and business success (Ancona et al., 2023). However, critics such as Bharwani et al. (2013) and Helms et al. (2010) highlight challenges including the time-intensive nature of network data collection, subjective interpretation of structures, and difficulty in capturing dynamic changes over time. Additionally, macro-level theorists like Max Weber and Karl Marx critiqued the emphasis on micro-level interactions, advocating instead for broader structural analyses (Kirschbaum, 2019). Despite these critiques, Network Theory remains relevant for understanding information flow, resource distribution, and knowledge transfer within entrepreneurial ecosystems. By analyzing network centrality measures, researchers can identify key influencers, such as angel investors, and inform policies that enhance collaboration and strengthen entrepreneurial networks (Ancona et al., 2023; Prokop & Thompson, 2023).

Systems Theory, developed by Ludwig von Bertalanffy in the 1940s, conceptualizes organisations and environments as interconnected wholes rather than isolated components. It has since been integrated into management studies as a framework for analyzing complex environments like entrepreneurial ecosystems (Fubah & Moos, 2021). The theory posits that entrepreneurial ecosystems function as dynamic, interdependent systems where actors including entrepreneurs, investors, banks, markets, and regulatory bodies continuously interact and shape one another. Success within these ecosystems depends on the strength of interconnections rather than individual performance, with feedback loops and environmental shifts driving adaptation and evolution (Cantner et al., 2021; Fuentes et al., 2024). The concept of

complex adaptive systems further suggests that ecosystem participants have agency, influencing overall system dynamics (Fuentes et al., 2024).

Advocates of Systems Theory emphasise its ability to illustrate the interconnectedness of ecosystem components, allowing for the identification of leverage points for intervention (Daniel et al., 2022; Fredin & Lidén, 2020). However, critics argue that while the theory provides a broad analytical framework, it often lacks actionable strategies for addressing systemic challenges (Searight & Merkel, 1991; Priest, 2021). Additionally, as ecosystems grow in complexity, mapping their full scope becomes increasingly difficult, limiting practical application (Lehmann, 2024; Wadichar et al., 2024). Despite these limitations, Systems Theory remains valuable in providing a holistic perspective on entrepreneurial ecosystems. It enables researchers to assess how actions within the ecosystem affect funding access, talent acquisition, and knowledge dissemination (Daniel et al., 2022; Nwabufo, 2024).

Policymakers can leverage this understanding to design adaptive strategies that enhance collaboration and innovation (Fredin & Lidén, 2020; Nwabufo, 2024). The integration of Network Theory and Systems Theory provides a comprehensive lens for examining how entrepreneurial ecosystems influence business performance, particularly within the context of government regulation. Network Theory offers insights into relationship-driven resource flows, while Systems Theory highlights the interdependencies within the ecosystem. Together, these frameworks inform strategic interventions aimed at fostering innovation, collaboration, and sustainable business growth.

4. 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. To test the moderating hypothesis, a three-step hierarchical regression method was employed to examine the moderating effect of government regulations on the relationship between entrepreneurial ecosystems and organisational performance. In Step I, the composite index of entrepreneurial ecosystems (the independent variables) was regressed on the organisational performance (the dependent variable). In Step II, both the entrepreneurial ecosystems index and government regulations (the moderating variable) were regressed on the organisational performance. In Step III, the EES index, government regulations, and the interaction term (entrepreneurial ecosystems*government regulations) were regressed on the organisational performance. The regression results were statistically analysed to assess any significant change in *R*-squared, which would indicate the presence of a moderating effect by government regulations. The detailed results of these analyses are presented in Tables 1 – 3, providing insight into the moderating role of government regulations in the entrepreneurial ecosystem - organisational performance relationship.

4.1. Model Specification/ Operationalisation

Identification of Variables

Y = Dependent Variable (Organisational Performance)

X = Independent Variable (Entrepreneurial Ecosystems)

Z = Moderating Variable (Government Regulations)

Where:

X = Entrepreneurial Ecosystems (EES) Y = Organisational Performance (OP)

x_1 = Organisation Policy (OP) y_1 = Sales Growth (SG)

x_2 = Institutional Finance (IF) y_2 = Market Share (MS)

x_3 = Organisation Culture (OC) y_3 = Innovativeness (IS)

x_4 = Institutional Supports (SU) y_4 = Competitive Advantage (CA)

x_5 = Human Capital (HC)

x_6 = Operational Markets (OM)

Z = Government Regulations (GR)

Functional Relationship

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

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

Regression Model

The model formulated for this study hypotheses is written as:

$Y = f(X)$

$Y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_{04} x_4 + \beta_5 x_5 + \beta_6 x_6 + \varepsilon i$

$OP = \beta_0 + \beta_1 + \beta_2 + \beta_3 + \beta_4 + \beta_5 + \beta_6 [EES*GR] + \varepsilon i$

Where:

β_0 = constant of the equation or constant term; and εi = error or stochastic terms.

4.2. Results and Interpretation

The detailed results of these analyses are presented in Tables 1 – 3, providing insight into the moderating role of government regulations in the EES- organisational performance relationship.

Table 1. Model summary of the hierarchical regression analysis on entrepreneurial ecosystems, organisational performance and government regulations

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df 1	df2	Sig. F Change
1	.377a	.142	.139	.15635	.142	42.158	1	254	.000
2	.433b	.187	.181	.15249	.045	14.012	1	253	.000
3	.434c	.188	.179	.15269	.001	.345	1	252	.558
a. Predictors: (Constant), Entrepreneurial Ecosystem									
b. Predictors: (Constant), Entrepreneurial Ecosystem, Government Regulations									
c. Predictors: (Constant), Entrepreneurial Ecosystem, Government Regulations, EES * GRt									

Source: Researcher's Field Survey, (2025)

Table 1 presents the results of hierarchical regression analysis to test how top government regulations moderates the effect of entrepreneurial ecosystem on the organisational performance in insurance companies in Lagos State Nigeria. The results for Model I showed R^2 was 0.142 and adjusted R^2 was 0.139. This indicated that EES explained 13.9% of the variation in the organisational performance of insurance companies in Lagos State Nigeria. In model II, with the inclusion of government regulations, R^2 increased from 0.142 to 0.187 (i.e., $R^2\Delta = 0.045$). Hence, EES and government regulations explain 18.7% of the variation in organisational performance of insurance companies in Lagos State Nigeria. In model III, R^2 changed from 0.187 to 0.188, while adjusted R^2 reduced to 0.179 with the

introduction of the interaction variable. With the introduction of the interaction variable, there was increase in R^2 and the value is 0.001 (i.e., $R^2\Delta = 0.001$). This value is statistically insignificant. This implies that the interaction between EES and government regulations (EES and government regulations) shows an insignificant effect on organisational performance, suggesting that government regulations did not significantly moderate the relationship between EES and organisational performance of the insurance companies in Lagos State Nigeria.

Table 2. ANOVA of hierarchical regression analysis on entrepreneurial ecosystems, organisational performance and government regulations

ANOVAa						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.031	1	1.031	42.158	.000b
	Residual	6.209	254	.024		
	Total	7.240	255			
2	Regression	1.356	2	.678	29.165	.000c
	Residual	5.883	253	.023		
	Total	7.240	255			
3	Regression	1.364	3	.455	19.508	.000d
	Residual	5.875	252	.023		
	Total	7.240	255			
a. Dependent Variable: Organisational Performance						
b. Predictors: (Constant), Entrepreneurial Ecosystem						
c. Predictors: (Constant), Entrepreneurial Ecosystem, Government Regulations						
d. Predictors: (Constant), Entrepreneurial Ecosystem, Government Regulations, EES * GR						

Source: Researcher's Field Survey (2025)

Table 2 shows an F statistic [F (1,255)] of 42.158 with $p < 0.05$ for Model 1. This implies that EES has a significant effect on the organisational performance of insurance companies in Lagos State, Nigeria. Model II, which included government regulations as a moderating variable, showed an F statistic [F (2,255)] of 29.165, $p < 0.05$. This implies that the model has a good fit and that EES, with the inclusion of government regulations (a moderating variable) as an additional variable, has a significant effect on the organisational performance of insurance companies in Lagos State, Nigeria. Likewise, Model III, which introduces the interaction term with the independent variable, shows an F statistic of F (3,255) = 19.508, $p < 0.05$. This implies that the fitted model of EES is fit for prediction.

Table 3. Coefficients of Hierarchical Regression Analysis on entrepreneurial ecosystems, organisational performance and government regulations

Coefficients						
Model		Unstandardized Coefficients		Standardised Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.790	.121		39.639	.000
	Entrepreneurial Ecosystem	.013	.002	.377	6.493	.000
2	(Constant)	3.788	.292		12.952	.000
	Entrepreneurial Ecosystem	.010	.002	.283	4.571	.000
	Government Regulations	.845	.226	.232	3.743	.000
3	(Constant)	5.537	2.992		1.850	.065
	Entrepreneurial Ecosystem	-.021	.053	-.580	-.394	.694
	Government Regulations	-.395	2.124	-.109	-.186	.852
	EES * GRt	.022	.037	1.050	.587	.558
a. Dependent Variable: Organisational Performance						

Source: Researcher's Field Survey (2025)

Table 3 shows the regression coefficient results for three models. In Model I, the results revealed that EES ($\beta = 0.013$, t = 6.493, $p < 0.05$) has a positive and significant effect on organisational performance of insurance companies in Lagos State, Nigeria. The results in model II revealed that both EES ($\beta = 0.010$, t = 4.571, $p < 0.05$) and government regulations ($\beta = 0.$ .845, t = 3.743, $p < 0.05$) have a positive and significant effect on organisational performance of insurance companies in Lagos State in Nigeria. In Model III, the interaction variable ($\beta = 0.022$, t = 0.587, $p > 0.05$) is positive and statistically insignificant. This implies that government regulations have a positive and statistically insignificant effect on the relationship between EES and organisational performance. The results suggested that government regulations do not moderates the relationship against the apriori expectation. The regression equation from the analysis is stated as follows:

OP = 4.790 + -0.395EES + -0.021GR+ 0.022(EES*GR) ----------Eqn.

Where:

OP = Organisational Performance EES = Entrepreneurial Ecosystem

GR = Government Regulations EES*GR = Interaction Variable

The results presented in Tables 1-3 and the equation reveal that government regulations have a positive and insignificant moderating effect on the relationship

between EES and organisational performance among the insurance companies in Lagos State, Nigeria. These findings suggest that the moderating role of government regulations does not significantly influence the relationship between EES and organisational performance. Consequently, null hypothesis (H_{01}), which posits that the effect of entrepreneurial ecosystem dimensions on organisational performance is not significantly moderated by government regulations, cannot be rejected. This outcome indicates that government regulations does not significantly moderate the effect of EES on organisational performance among the insurance companies in Lagos State, Nigeria.

5. Discussion of Findings

The finding revealed that government regulations did not significantly moderate the relationship between entrepreneurial ecosystem dimension (operational market, institutional finance, organisational policy, human capital, institutional supports & organisational culture) and organisational performance of insurance companies in Lagos State, Nigeria. These findings are not consistent with empirical studies by Nneji and Onu (2023) who in their result, revealed that government regulation is crucial in moderating the relationship between ecopreneurship dimensions and organisational performance. Similarly, Nguyen et al. (2024) found that government policy is significant in enhancing performance of organisations. Nahruddien et al. (2022) found a tendency for there to be an influence of government policy on organisational performance. Moreover, Kwon and Yang (2023) reported a link between local government policy and organisational performance. Ndung'u et al. (2024) revealed that government policy affects performance in the government ministries in Kenya. Also, Ramadhona et al. (2023) found that financial and non-financial support from government have an effect on the performance of MSMEs in Pesawaran Regency, Lampung.

Studies not aligning with our finding, include that of Ayeni et al. (2024), who reported a substantial beneficial correlation between small and medium-sized businesses performances and all government policies. According to Raifu (2022) discovered that during the COVID-19 pandemic, government policy responses affect the stock market performance in some selected African countries. Ismanu et al. (2021) found that government policy affects SMEs performance in Indonesia. Situmorang et al. (2024) found that government regulations have a greater influence on the performance of textile companies. Obialor (2020) disclosed that high statutory fees and bureaucratic bottlenecks have a significant effect on the outcomes of new businesses in Imo State. Karnsomdee (2021) reveal that government policy has a significant direct influence on organisational performance. Shang et al. (2021) found in their studies, that there is an inverted U-shaped relationship between government regulation burden and enterprise economic performance. Falahat et al. (2021) found

in their study that government support policy moderates the relationship between entrepreneurial orientation and organisational performance. Khattak and Shah (2020) found that government supports moderate the relationship between entrepreneurial orientation and the performance of SMEs. Zhaoguang and Luan (2025) also found that government regulations support the performance of the green initiative of the country.

The study's findings are theoretically incongruent with those of network theory and systems theory. This means the study outcome shows that irrespective of government regulations, it would not affect firm performance. However, the network theory, which studies the interconnected relationships within a system, can be applied to government regulation by analyzing how different actors, like businesses, interest groups, and government agencies, interact and influence policy decisions within a complex web of connections, allowing for a more nuanced understanding of how regulations are formed and implemented, rather than viewing them as solely top-down directives (Banteka, 2019; Etemadi et al., 2021). The study outcome reveals that entrepreneurial ecosystems dimension used alongside government regulations will not always help organisation in harnessing company's ecosystems that will improve performance. This result is not consistent with other studies and somewhat did not validate the systems and network theories in improving organisational performance. Consequently, this study offers useful information for managers and policymakers who want to achieve organisational performance and demonstrates how entrepreneurial ecosystems alone is essential to boosting corporate performance in Nigerian insurance settings.

6. Conclusion and Recommendations

The findings from the three-step hierarchical regression analysis indicate that entrepreneurial ecosystems have no significant effect on organisational performance, and this relationship was not moderated by government regulations. These results challenge existing assumptions about the direct influence of entrepreneurial ecosystems on firm outcomes, suggesting that other contextual factors may play a more significant role. This study makes substantial conceptual, theoretical, and empirical contributions to the body of knowledge. Conceptually, it introduces a novel framework linking entrepreneurial ecosystems to organisational performance while incorporating government regulations as a moderating variable an area that has been largely unexplored in existing literature. Theoretically, the study reinforces the applicability of Network Theory and Systems Theory, emphasizing the interconnected nature of business ecosystems, regulatory frameworks, and firm performance. Empirically, it provides valuable insights for policymakers and business leaders by highlighting the limitations of entrepreneurial ecosystems in driving organisational performance under certain regulatory conditions.

Given these findings, it is recommended that policymakers and business leaders explore additional factors such as innovation capacity, access to finance, and market dynamics that may play a more influential role in organisational performance. Future research should consider longitudinal studies across different industries and geographical regions to provide deeper insights into how entrepreneurial ecosystems evolve over time and interact with regulatory environments. This study contributes significantly to knowledge by empirically demonstrating that the relationship between entrepreneurial ecosystems and organisational performance is more complex than previously theorized, challenging the deterministic view of ecosystem influence and highlighting the need for more sophisticated, context-sensitive frameworks that account for the conditional nature of ecosystem effects across different regulatory environments and organisational contexts

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