VOL. 08 NO. 9,
MAY, 2025
E-ISSN 3026-958X
P-ISSN 3027-1169

African Scholar Publications & Research International
www.africanscholarpub.com

Journal of Science Innovation & Technology Research (JSITR)

Economic and Psychosocial Dimensions of Governance-Induced Stress among Entrepreneurs in Urban Nigeria: A Predictive Modelling Approach

Ikegwu, Emmanuel M.; Obidiegwu, S. Okeke; & Omolade, A. Oluwaseun

Department of Statistics, Yaba College of Technology, Yaba, Lagos State, Nigeria.
Correspondence author: emmanuel.ikegwu@yabatech.edu.ng
DOI: https://doi.org/10.70382/ajsitr.v8i9.039

Abstract

This study examines the economic and psychosocial dimensions of governance-induced stress among entrepreneurs. It assesses the relationship between governance quality (including business registration procedures, tax incentives, public infrastructure, regulatory policies, and government credit facilities) and stress levels among entrepreneurs in Shomolu Local Government Area (LGA), Lagos State, Nigeria. In environments marked by policy inconsistency and instability despite well-intended government support programs, poor infrastructure, and limited access to government support, entrepreneurs face significant financial, interpersonal, and physical stress. A cross-sectional survey design was employed, using 340 entrepreneurs drawn across enumeration areas in Shomolu LGA, Lagos State. A structured questionnaire captured perceptions to scrutinise the predictive impact of governance quality on financial, interpersonal, and physical stress. A two-stage sampling technique was used to ensure representativeness and data were analysed using descriptive statistics, Pearson correlation and simple regression techniques via SPSS. Findings reveal a weak but statistically significant positive relationship between business governance and various dimensions of entrepreneurial stress. Specifically, governance significantly predicts financial stress ($\beta = 0.242$; $p = 0.001$), interpersonal stress ($\beta = 0.243$; $p = 0.001$) and physical stress ($\beta = 0.272$; $p < 0.001$). Additionally, analysis of variance shows that stress levels differ significantly based on business structure, with sole proprietors reporting the highest stress levels. The

study concludes that inadequate governance structures contribute meaningfully to the stress burden among entrepreneurs in Shomolu LGA, Lagos State, Nigeria. It therefore recommends policy refinement, better execution frameworks and targeted support systems to enhance entrepreneurial resilience.

Keywords: Governance, Financial Stress, Interpersonal Stress, Physical Well-being, Entrepreneurs, Government Policies.

Introduction

In urban Nigeria, self-employment has become a survival strategy amidst rising unemployment. Entrepreneurship is widely recognised as a vital engine for economic growth, innovation and employment. However, entrepreneurs in the country often face various overwhelming challenges, many of which stem from institutional, infrastructural, financial insecurity, regulatory instability, limited social support and the policy environment in which they operate. These challenges often arise from governance shortcomings, such as inadequate infrastructure, unpredictable policy changes, business regulations, tax policies, public infrastructure investment, access to credits, business registration initiatives and weak public institutions designed to foster a supportive climate for entrepreneurship (Okonkwo & Odita, 2025; Nwabuatu, 2024; Salami, Ekakitie & Ebinim, 2023; Akinyemi & Adejumo, 2018). Paradoxically, these same interventions contribute to stress among entrepreneurs in the informal sector when they are inconsistently implemented, inadequately communicated and excessively bureaucratic.

Entrepreneurial stress refers to the psychological, emotional and physical strain experienced by individuals in managing and growing businesses (Tahar et al., 2022; Williams, Drencheva & Wolfe, 2022). This stress often manifests in the forms of: financial stress arising from cash flow constraints, limited access to capital or unstable markets, interpersonal stress linked to strained relationships with partners, regulators, customers and staff; and physical stress often the result of long working hours, infrastructure deficiencies and constant multitasking (Santarpia, Consiglio & Borgogni, 2024; Vallone & Zurlo, 2024; Nathan & Karthi, 2024; Kazar & Rahmanzadeh, 2024; Jefferson, 2023; Kasal, 2022; Tayem, 2022; Wach et al., 2020; Torres & Thurik, 2018).

In Nigeria, while government efforts such as the Presidential Enabling Business Environment Council (PEBEC) CAMA 2020 reforms and loan schemes like TraderMoni have aimed to improve business conditions, anecdotal and

empirical evidence suggest that many entrepreneurs still operate under significant stress. These conditions are further aggravated by challenges like erratic electricity supply, traffic congestion, tax multiplicity and complex regulatory frameworks (Ariemu, 2025; Olawuyi, Bamisile & Umejuru, 2025; World Bank, 2022; African Business 2020; Oke, 2017).

Entrepreneurial stress is a multidimensional construct that reflects the ongoing demands and pressures experienced by entrepreneurs. Scholars have emphasised the need to view entrepreneurial stress not just as a psychological issue but as a systemic outcome of interactions with institutional environments (Joshua et al., 2024; Mba et al., 2020). In the Nigerian context, these pressures are often shaped by government decisions around business support, regulations and infrastructure. Government actions, ideally, are designed to reduce uncertainty and provide support for business success. Yet when access to tax incentives is limited, credit schemes are poorly managed, or infrastructure remains unreliable, these interventions may create new forms of stress. For instance, a poorly administered loan may induce repayment anxiety, while inconsistent tax enforcement may lead to legal and relational tensions with government officials (Okolie & Edo, 2023; Hallegatte, Rentschler & Rozenberg, 2019; Obokoh & Goldman, 2016).

The theoretical foundation of this study is built on three key models: Endogenous Growth Theory, Institutional Theory, and Transactional Stress Theory. The Endogenous Growth Theory suggests that government investment in public infrastructure like roads, power, and communications, stimulates private enterprise (Babalola, Ugah & Ndimako, 2024; Usman, 2019). However, empirical inconsistencies in Nigeria's infrastructure delivery often turn these intended enablers into stress-inducing constraints. The Institutional Theory posits that entrepreneurs respond to institutional cues and norms, including those established through regulatory policies. When these cues are unstable or conflictual, entrepreneurs must adapt through increased effort and resilience, often leading to stress (Ahmed et al., 2022; Fey & Kock, 2022; Williams & Bezeredi, 2018; Welter, Xheneti & Smallbone, 2017). Lastly, the Transactional Stress Theory (TST) by Lazarus & Folkman (1984) frames stress as a result of the perceived imbalance between environmental demands and personal resources. Government actions that increase business complexity without corresponding support can tip this balance, overwhelming the entrepreneur's capacity to cope (Faryabi et al., 2022; Obbarius et al., 2021).

Empirical studies show that despite improvements under reforms like CAMA 2020, Nigerian entrepreneurs still struggle with administrative bottlenecks, duplication of roles between agencies, and uncertainty in policy enforcement. These challenges contribute to both financial and interpersonal stress (Nwabuatu, 2024). Also, while tax holidays and exemptions are common tools for stimulating SMEs, studies indicate that only a small percentage of entrepreneurs benefit from these incentives (Digil, Abubakar & Mainu, 2024; Tonwe & Mukoro, 2024; Obafemi, Olaoye & Ajayi, 2021). Eligibility restrictions, lack of information, and application of bureaucracy reduce their effectiveness and may

ironically generate more stress. In addition, programs like TraderMoni, MarketMoni and the Development Bank of Nigeria and Bank of Industry Nigeria loans were introduced to close financial gaps. However, studies have found that repayment structures, interest rates and collateral demands sometimes put entrepreneurs under more pressure than informal sources of capital (Peter & Orser, 2024; Bala et al., 2021; Etim & Daramola, 2020). This paradoxical outcome underscores the need to refine credit policies for stress alleviation. Lastly, Nigeria's infrastructure deficit has a well-documented impact on entrepreneurial well-being. Power outages, unreliable internet and transport gridlock translate into physical exhaustion and increased operational costs (Alli & Oyedokun, 2024; Anyaogu, 2024; Nnadi, Eneka & Okwu-Delunzu, 2023; Onokala & Olajide, 2020). Entrepreneurs often must extend work hours to compensate for system failures, compounding physical and emotional stress.

Although prior studies have examined individual dimensions of stress or isolated aspects of government policy, few have comprehensively linked specific government actions to multi-dimensional entrepreneurial stress. This study fills that gap by using statistical analysis to examine how each type of government intervention affects financial, interpersonal, and physical stress simultaneously. It also contributes to the literature by emphasizing the importance of implementation quality, not just policy design.

The study, therefore, seeks to investigate how the government's governance-induced pressures impact the economic and different dimensions of psychosocial stress experienced by entrepreneurs in Shomolu LGA, Lagos State, Nigeria. By analysing empirical data collected from entrepreneurs, the research provided insight into how various government mechanisms either reduce or exacerbate the financial, interpersonal, and physical stress of entrepreneurs.

Methodology

The study adopted a descriptive cross-sectional survey design which is ideal for capturing perceptions and relationships between variables at a single point in time. This method allows for analysis of how entrepreneurs currently perceive the effects of government interventions on their stress levels. The population consists of all SMEs operating in Shomolu LGA Lagos State as a major commercial hub in the metropolis of Lagos. The sample size consists of 384 respondents determined using the Cochran's sample size formula and adjudged to be statistically adequate for generalisation at a 95% confidence level of which 340 were fully completed and used for analysis. A two-stage sampling technique was employed where the enumeration areas (EAs) form the crux of the stratification and purposive technique adopted in selecting respondents from each EA ensuring fair representation and minimising bias (Ahmed, 2024).

Data were collected through structured questionnaires comprising different closed-ended questions measured on a four-point scale (1 – Never to 4 – Always) for entrepreneurial

stress dimensions and a four-point Likert scale (1 – Strongly disagree to 4 – Strongly agree) for the government interventions). The questionnaire was pilot-tested and reliability with a Cronbach's alpha of 0.69 which confirmed internal consistency (Taber, 2017). Statistical tools such as descriptive analysis (frequency distribution, mean, standard deviation) were used to summarise demographic data and variable distributions. Three statistical methods were applied – Pearson Correlation Analysis to measure the strength and direction of association between government actions and stress dimensions, Regression Analysis to determine the predictive power of government interventions on entrepreneurial stress, and Analysis of Variance to measure the difference of the entrepreneurial stress across different business structures in Nigeria (Sole Proprietorship, Partnership and Limited Liability Companies). All hypotheses were tested at a level of significance of $p < 0.05$ (Shreffler & Huecker, 2023). These quantitative analyses were conducted using IBM SPSS (27.0).

Results

Table 1: Demographic characteristics of the self-employed in Shomolu LGA, Lagos State

Demographic characteristics		**Frequency**	**Percent**
Gender	Female	244	71.8
	Male	96	28.2
Age (years)	17 – 20	47	13.8
	21 – 24	172	50.6
	25 – 29	94	27.6
	30 – 34	27	7.9
Educational Background	SSCE	80	23.5
	Tertiary	258	75.9
	Postgraduate	2	.6

Table 1 shows that 71.8% of the self-employed who participated in this study were female while 28.2% were male. Also, 13.8% of the self-employed were 17 – 20 years old, 50.5% were 21 – 24 years old, 27.6% were 25 – 29 years old and 7.9% were 30 – 34 years old. Lastly, 23.5% of them have only SSCE, 75.9% have had tertiary education and only 0.6% of them have a postgraduate certificate.

Table 2: Business information of the self-employed in Shomolu LGA, Lagos State

Business Information		Frequency	Percent
Business Sector	Retail	96	28.2
	Manufacturing	140	41.2
	Agriculture	19	5.6
	Services	85	25.0
Years of Operation	Less than 1	45	13.2
	1 – 3	184	54.1
	4 – 7	86	25.3
	8 & above	25	7.4
Type of business structure operated	Sole Proprietorship	123	36.2
	Partnership	161	47.4
	Limited Liability Company	56	16.5
Number of employees in the business	1 – 5	124	36.5
	6 – 10	138	40.6
	11 – 50	66	19.4
	51 – 200	9	2.6
	Over 200	3	.9
Business use the internet	No	82	24.1
	Yes	258	75.9

Table 2 shows that 28.2% of the self-employed in Shomolu who participated in this study were in the retail sector, 41.2% were in the manufacturing sector, 5.6% were in the agriculture sector and a quarter of them were in the services sector. Also, 13.2% had been in business for below 1 year, 54.1% had used 1 – 3 years in business, 25.3% had been in business for 4 – 7 years and 7.4% had been in operation for 8 years and above. On the type of business structure they operate, 36.2% were sole proprietors, 47.4% were in partnerships, and 16.5% had limited liability companies. In addition, 36.5% of these self-employed had 1 – 5 employees, 40.6% had 6 – 10 employees, 19.4% had 11 – 50 employees, 2.6% had 51 – 200 employees and only 0.9% had over 200 employees. Lastly, 75.9% of these self-employed in Shomolu use the Internet in their businesses.

Table 3: Government actions that induce stress level of self-employed in Shomolu LGA, Lagos State.

Government actions	SA (%)	A (%)	D (%)	SD (%)
Government policies support your business	53 (15.6)	162 (47.6)	112 (32.9)	13 (3.8)
Tax incentive enhances business growth	38 (11.2)	161 (47.4)	129 (37.9)	12 (3.5)
Business regulation makes for sustainability	63 (18.5)	187 (55.0)	90 (26.5)	-
Government loans are easily accessible	76 (22.4)	142 (41.8)	122 (35.9)	-
Business registration has been liberalised	40 (11.8)	182 (53.5)	104 (30.6)	14 (4.1)
Government spending on infrastructure (e.g., roads, electricity, etc.) has improved my business growth	54 (15.9)	186 (54.7)	89 (26.2)	11 (3.2)

Table 3 shows the government actions that contribute to the stress level of self-employed in Shomolu LGA, Lagos State. It shows that 63.2% agreed or strongly agreed that government policies support their businesses, 58.5% agreed or strongly agreed that tax incentives enhance their business growth and 73.5% agreed or strongly agreed that business regulation makes for sustainability of their businesses.

Also, it shows that 64.2% of them agreed or strongly agreed that government loans are easily accessible to them, 65.3% agreed or strongly agreed that business registration has been liberalised and 70.6% agreed or strongly agreed that government spending on infrastructure (e.g., roads, electricity, etc.) has improved their business growth.

Financial stress was prominent with 72.1% of entrepreneurs worried about bill payments, 67.1% concerned about retirement savings, 65.3% worried about financial instability, 61.7% worried about not earning enough, 60.5% and 60.3% living from paycheck to paycheck and feared losing their health insurance respectively. Also, 58.8% felt overwhelmed by debt, 53.6% were worried about paying for children's education and 49.9% were worried about filing for bankruptcy (see Fig. 1 below).

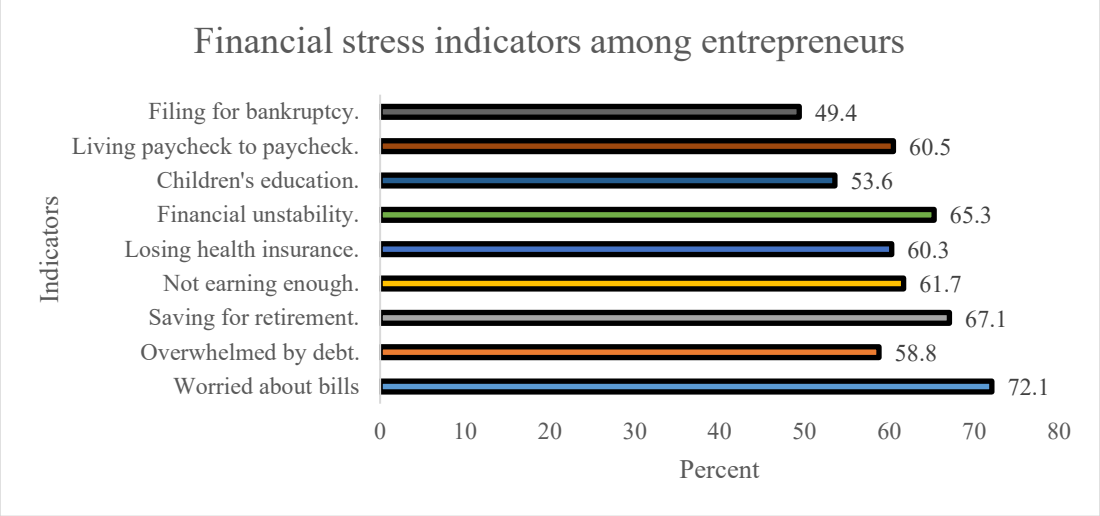


Fig. 1: Financial stress indicators among entrepreneurs in Shomolu LGA, Lagos State

Interpersonal stress findings showed that 60.8% felt they were walking on eggshells around their partners, 57.7% were worried about not meeting others' expectations, 57.1% felt that financial stress affected their relationship, 57.0% of the entrepreneurs felt unheard in their relationships, 54.4% worried about criticism, 53.5% were worried about being betrayed, and 53.3% worried about not being understood. Also, 53.0% feared abandonment and not being supported by their partners respectively, 52.7% worried about being valued in a relationship and 51.2% worried about being hurt (see Fig. 2 below).

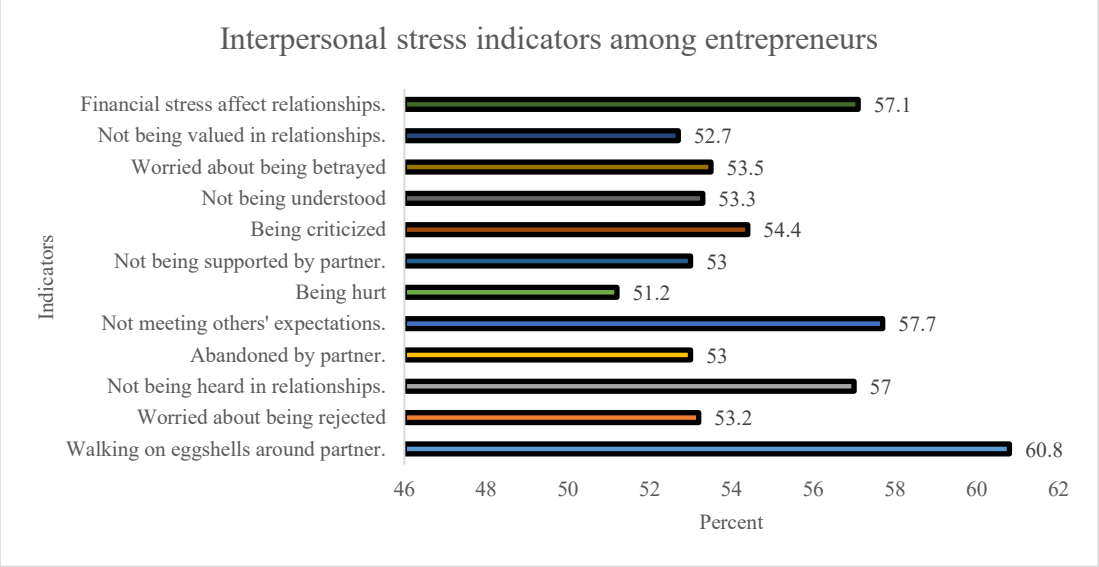


Fig. 2: Interpersonal stress indicators among entrepreneurs in Shomolu LGA, Lagos State

Physical stress symptoms included health fears (58.8%), sleep deprivation (55.3%), poor physical healthcare (55.3%, and chronic pain (55.0%), with over 50% of respondents reporting inadequate health practices (eating an unhealthy diet 50.9%, insufficient exercise 50.9% and being overweight 52.1%) and poor energy levels (50.3%) (see Fig. 3 below).

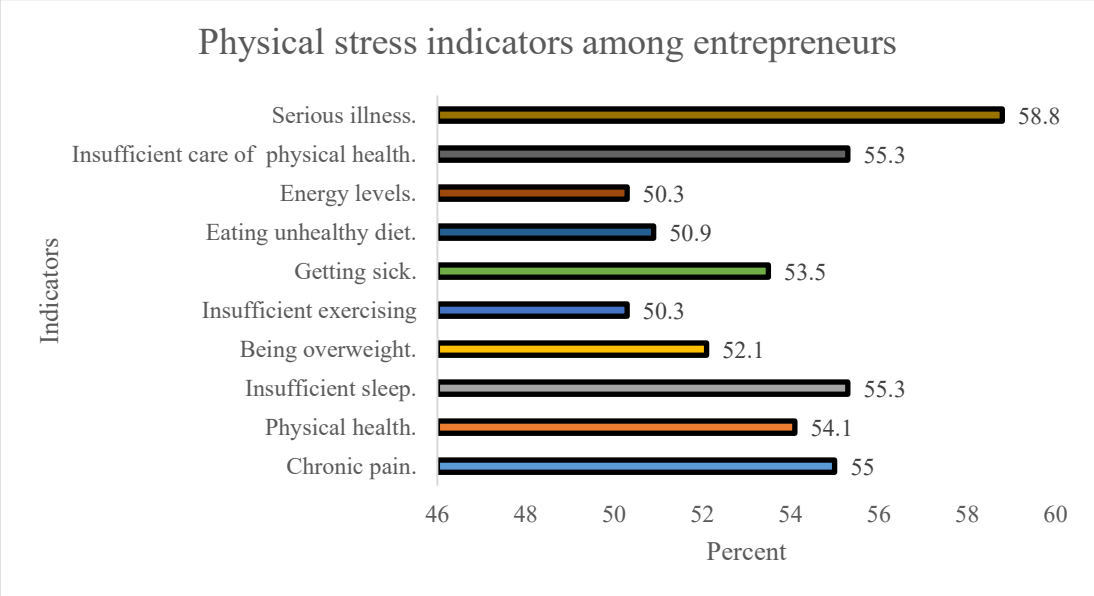


Fig. 3: Physical stress indicators among entrepreneurs in Shomolu LGA, Lagos State

Hypothesis Testing

The hypothesis stated in the study was tested using correlation analysis and regression analysis at a 5% level of significance.

Hypothesis One

H_0^1: Business governance in Nigeria does not significantly predict the financial stress status of entrepreneurs in Shomolu LGA, Lagos State.

Table 4: Correlation coefficient between business governance in Nigeria and financial stress status of entrepreneurs in Shomolu LGA, Lagos State.

Variables	Mean	Std. Deviation	n	r	p	Remark
Financial stress	44.32	20.49	340	0.181	<0.001	Sig.
Business governance in Nigeria	59.77	15.37				

Table 4 shows that the mean rating of financial stress was 44.32% (sd = 20.49%) and that of business governance in Nigeria was 59.77% (sd = 15.37%) while the correlation coefficient between then was 0.181. This shows that there is a weak, positive and significant relationship between business governance in Nigeria and the financial stress status of entrepreneurs in Shomolu LGA, Lagos State ($r = 0.181$, $p < 0.05$). This implies that increasing business governance in Nigeria will increase the financial stress of entrepreneurs in Shomolu LGA, Lagos State.

Table 5: Regression analysis of the impact of business governance in Nigeria on the financial stress status of entrepreneurs in Shomolu LGA, Lagos State.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	29.868	4.399		6.790	.000	21.216	38.521
Business governance in Nigeria	.242	.071	.181	3.391	.001	.102	.382
$F_{1,338} = 11.500$; $p < 0.001$; $R^2 = 0.033$							

Dependent Variable: Financial stress

The model of the impact of business governance in Nigeria on the financial stress status of entrepreneurs in Shomolu LGA, Lagos State in Table 5 is given as:

Financial stress = 29.868 + 0.242* Business governance in Nigeria

The model shows that increasing governance in Nigeria by 1 percent will increase the financial stress by 0.242% and this effect is significant ($B = 0.242$; $t = 3.391$; $p < 0.05$). The null hypothesis is therefore rejected and it is concluded that business governance in Nigeria does significantly predict the financial stress status of entrepreneurs in Shomolu LGA, Lagos State. The implication is that to reduce the financial stress of these entrepreneurs in Shomolu LGA, Lagos State, the burden of business governance must be reduced.

The coefficient of determination obtained is 0.033 which implies that business governance in Nigeria accounts for only 3.3% of the total variability in the financial stress status of entrepreneurs in Shomolu LGA, Lagos State. The histogram of the residual impact of business governance in Nigeria on the financial stress status of entrepreneurs in Shomolu LGA, Lagos State shows that it is independently and normally distributed implying that the model complies with the assumptions of a linear model (see Fig. 4 below).

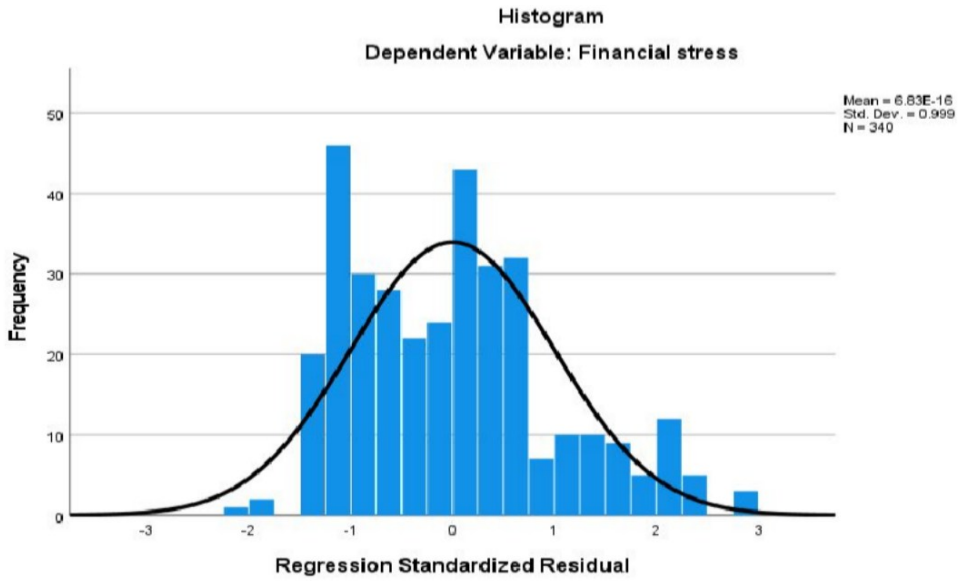


Fig. 4: Histogram of the residual impact of business governance in Nigeria on the financial stress status of entrepreneurs in Shomolu LGA, Lagos State

Hypothesis Two

H_0^2: Business governance in Nigeria does not significantly predict the interpersonal stress status of entrepreneurs in Shomolu LGA, Lagos State.

Table 6: Correlation coefficient between business governance in Nigeria and interpersonal stress status of the self-employed in Shomolu LGA, Lagos State.

Variables	Mean	Std. Deviation	n	r	p	Remark
Interpersonal stress	41.23	21.58	340	0.173	0.001	Sig.
Business governance in Nigeria	59.77	15.37				

Table 6 shows that the mean rating of interpersonal stress was 41.23% (sd = 21.23%) and that of business governance in Nigeria was 59.77% (sd = 15.37%) while the correlation coefficient between them is 0.173. This shows that there is a weak, positive and significant relationship between business governance in Nigeria and the interpersonal stress status of entrepreneurs in Shomolu LGA, Lagos State ($r = 0.173$, $p < 0.05$). This implies that increasing business governance in Nigeria will increase the interpersonal stress of entrepreneurs in Shomolu LGA, Lagos State.

Table 7: Regression analysis of the impact of business governance in Nigeria on interpersonal stress status of entrepreneurs in Shomolu LGA, Lagos State.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	26.692	4.641		5.751	.000	17.563	35.821
Business governance in Nigeria	.243	.075	.173	3.234	.001	.095	.391
$F_{1,338} = 10.460$; $p = 0.001$; $R^2 = 0.030$							

Dependent Variable: Interpersonal stress

The model of the impact of business governance in Nigeria on the interpersonal stress status of entrepreneurs in Shomolu LGA, Lagos State in Table 7 is given as:

Interpersonal stress = 26.692 + 0.243* Business governance in Nigeria

The model shows that increasing governance in Nigeria by 1 percent will increase interpersonal stress by 0.243% and this effect is significant ($B = 0.243$; $t = 3.234$; $p < 0.05$). The null hypothesis is therefore rejected and it is concluded that business governance in Nigeria does significantly predict the interpersonal stress status of entrepreneurs in Shomolu LGA, Lagos State. The implication is that to reduce the interpersonal stress of these entrepreneurs in Shomolu LGA, Lagos State, the burden of business governance must be reduced.

The coefficient of determination obtained is 0.030 which implies that business governance in Nigeria accounts for only 3.0% of the total variability in the interpersonal stress status of entrepreneurs in Shomolu LGA, Lagos State. The histogram of the residual impact of business governance in Nigeria on the interpersonal stress status of entrepreneurs in Shomolu LGA, Lagos State shows that it is independently and normally distributed implying that the model complies with the assumptions of a linear model (see Fig. 5 below).

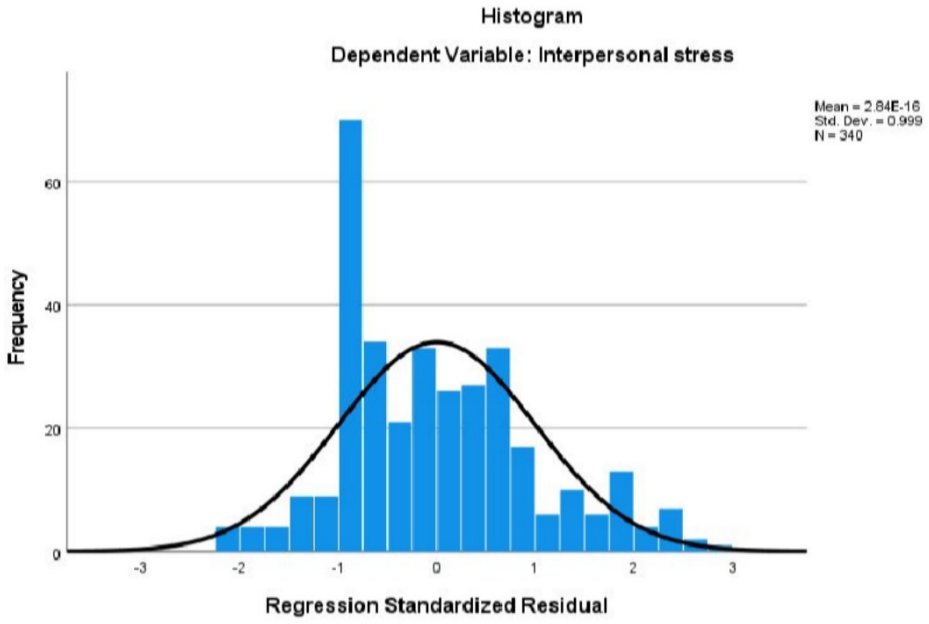


Fig. 5: Histogram of the residual impact of business governance in Nigeria on interpersonal stress status of entrepreneurs in Shomolu LGA, Lagos State

Hypothesis Three

H_0^3: Business governance in Nigeria does not significantly predict the physical stress status of entrepreneurs in Shomolu LGA, Lagos State.

Table 8: Correlation coefficient between business governance in Nigeria and physical stress status of entrepreneurs in Shomolu LGA, Lagos State.

Variables	Mean	Std. Deviation	n	r	p	Remark
Physical stress	41.40	21.81	340	0.192	<0.001	Sig.
Business governance in Nigeria	59.77	15.37				

Table 8 shows that the mean rating of physical stress was 41.40% (sd = 21.81%) and that of business governance in Nigeria was 59.77% (sd = 15.37%) while the correlation coefficient between then is 0.192. This shows that there is a weak, positive and significant relationship between business governance in Nigeria and the physical stress status of entrepreneurs in Shomolu LGA, Lagos State ($r = 0.192$, $p < 0.05$). This implies that increasing business governance in Nigeria will increase the physical stress of entrepreneurs in Shomolu LGA, Lagos State.

Table 9: Regression analysis of the impact of business governance in Nigeria on the physical stress status of entrepreneurs in Shomolu LGA, Lagos State.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	25.113	4.673		5.374	.000	15.922	34.304
Business governance in Nigeria	.272	.076	.192	3.598	.000	.124	.421
$F_{1,338} = 12.947$; $p < 0.001$; $R^2 = 0.037$							

Dependent Variable: Physical stress

Table 9 shows the model of the impact of business governance in Nigeria on the physical stress status of entrepreneurs in Shomolu LGA, Lagos State is given as:

Physical stress = 25.113 + 0.272* Business governance in Nigeria

The model shows that increasing governance in Nigeria by 1 percent will increase the physical stress by 0.272% and this effect is significant ($B = 0.272$; $t = 3.598$; $p < 0.05$). The null hypothesis is therefore rejected and it is concluded that business governance in Nigeria does significantly predict the physical stress status of entrepreneurs in Shomolu LGA, Lagos State. The implication is that to reduce the physical stress of these entrepreneurs in Shomolu LGA, Lagos State, the burden of business governance must be reduced.

The coefficient of determination obtained is 0.037 which implies that business governance in Nigeria accounts for only 3.7% of the total variability in the physical stress status of entrepreneurs in Shomolu LGA, Lagos State. The histogram of the residual impact of business governance in Nigeria on the physical stress status of entrepreneurs in Shomolu LGA, Lagos State shows that it is independently and normally distributed implying that the model complies with the assumptions of a linear model (see Fig. 6 below).

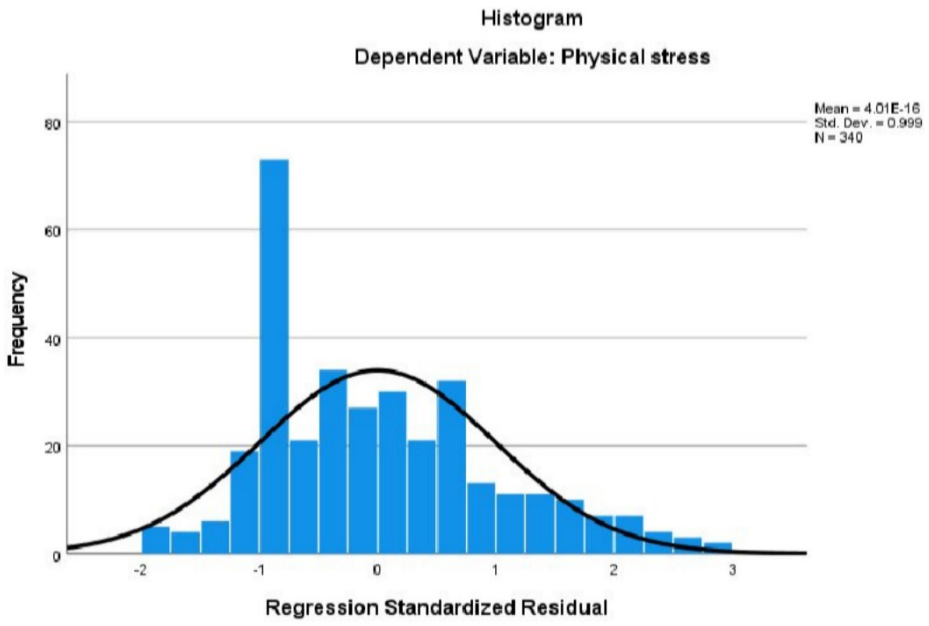


Fig. 6: Histogram of the residual impact of business governance in Nigeria on the physical stress status of the self-employed in Shomolu LGA, Lagos State

Hence, regression analysis revealed that governance factors significantly predicted financial ($R^2 = 0.033$), interpersonal ($R^2 = 0.030$), and physical stress ($R^2 = 0.037$), with p-values < 0.05 for all categories.

Table 10: Analysis of Variance of the difference in the stress status of entrepreneurs in Shomolu LGA, Lagos State by the type of business structure they operate

Stress Status		N	Mean	Std. Dev.	F (p)
Financial stress	Sole Proprietorship	123	51.44[a]	21.93	12.482 (<0.001)
	Partnership	161	40.08[b]	18.26	
	Limited Liability Company	56	40.85[b]	19.30	
Interpersonal stress	Sole Proprietorship	123	48.54[a]	24.26	11.831 (<0.001)
	Partnership	161	36.77[b]	18.15	
	Limited Liability Company	56	37.99[b]	20.49	
Physical stress	Sole Proprietorship	123	48.50[a]	23.89	13.222 (<0.001)
	Partnership	161	35.57[b]	18.70	
	Limited Liability Company	56	42.54[a]	20.86	
Business governance in Nigeria	Sole Proprietorship	123	59.30[a]	18.49	0.130 (0.878)
	Partnership	161	60.21[a]	13.12	
	Limited Liability Company	56	59.52[a]	14.04	

Table 10 shows that financial stress is more pronounced among the sole proprietor (mean = 51.44%; sd = 21.92%) than in limited liability companies (mean = 40.85%; sd = 19.30%) and partnerships (mean = 40.08%; sd = 18.26%) and the differences are significant ($p < 0.05$).

It also shows that interpersonal stress is more pronounced among the sole proprietor (mean = 48.54%; sd = 24.26%) than in limited liability companies (mean = 37.99%; sd = 20.49%) and partnerships (mean = 36.77%; sd = 18.15%) and the differences are significant ($p < 0.05$).

Lastly, it shows that physical stress is more pronounced among sole proprietors (mean = 48.50%; sd = 23.89%) and limited liability companies (mean = 42.54%; sd = 20.86%) than in partnerships (mean = 35.57%; sd = 18.70%) and the differences are significant ($p < 0.05$).

However, business governance was almost the same for all the business types operated with partnership showing more governance (mean = 60.21%; sd = 13.12%) than limited liability companies (mean = 59.52%; sd = 14.04%) and sole proprietorship (mean = 59.30%; sd = 18.49%) and mean differences and not significantly different from each other ($p > 0.05$).

Discussion

The results indicate that ineffective governance exacerbates multiple dimensions of stress among entrepreneurs. Poor financial regulations, limited loan access, and unstable policies increase economic pressure. Moreover, lack of social support structures and inadequate health services reflect the psychosocial consequences of neglectful governance. Entrepreneurs in urban Nigeria are affected not just economically, but emotionally and physically, as they attempt to sustain their businesses in a hostile environment. This agrees with Salami, Ekakitie & Ebinim (2023) who reported that government policies enhance entrepreneurial growth but vary in that they did not investigate any of the dimensions of stress to entrepreneurs. The study also reinforces the report of Okonkwo & Odita (2025) who reported that access to loans and provision of infrastructure improves SMEs' performance and where these do not exist, it adds to entrepreneurs' worries. The findings also reiterate the reports of Nwabuato (2024) that jurisdictions with uncertain frameworks exhibit poorer entrepreneurial growth because of the burden such governance impacts on business performance. The finding also agrees with Okumagba (2023) that certain government policies negatively affect SME businesses in Nigeria.

Also, the effect of ineffective governance applies to the different business structures with sole proprietors bearing the harsh brunt more than the other two types of business structures. This finding aligns with Sanni-Kamal (2025) who reported that the effects of government policies affect all business owners at varying degrees and that while some are positive, others negatively impact SMEs. This also aligns with Ifyalem (2025) who

reported that the harsh business environment like complex regulations, high compliance costs and bureaucratic red tape which fall into the dimensions of stress drive many entrepreneurs into the informal sector to avoid the burdens.

Conclusion

Governance plays a multidimensional role in shaping the experience of stress among entrepreneurs. This study confirms that poor governance directly correlates with heightened financial, interpersonal, and physical stress. Addressing these governance gaps is crucial for enhancing the well-being and productivity of entrepreneurs in Nigeria's urban centers. In the words of Ifyalem (2025), the government needs to bridge the gap between the formal and informal sectors by simplifying regulations, reducing bureaucratic barriers, invest in infrastructure, especially electricity, roads and ports to lower operation costs and improve efficiency. It also needs to extend access to finance for entrepreneurs to power growth and job creation, strengthen social security for workers, ensure access to healthcare, pensions and insurance and also leverage technology and digitalisation to drive innovation, transparency and inclusion across all sectors. These initiatives will help stem the financial, interpersonal and physical governance-induced stress faced by entrepreneurs in Shomolu LGA Lagos, in particular, and urban Nigeria in general.

Recommendations

- The following recommendations based on the findings of this study are put forward: Policymakers should streamline loan accessibility and introduce inclusive financial policies for small businesses. Government-backed microfinance programs should be restructured to be more inclusive, transparent and accessible to small business owners. Priority should be given to first-time entrepreneurs and sole proprietors who face the highest levels of financial stress as identified in the study.
- Policies surrounding business registration, taxation, and access to government services must be simplified and digitised. A| one-stop online portal for SME registration, licensing and tax payment can reduce administrative burdens and lower the dimensions of stress associated with navigating inefficient public systems.
- The government should prioritize the rehabilitation of roads, electricity networks, and transport systems in business districts. Infrastructure investment (e.g., power, roads, ICT) must be vigorously pursued to reduce operating costs and stress, enhance productivity and improve the working conditions of entrepreneurs who currently suffer from unreliable infrastructure.

- Establish community-based business clinics and mental health support centres to offer business advisory services, multidimensional stress management workshops and peer support networks for entrepreneurs. Community-based peer support and mentoring programs should be developed to alleviate interpersonal and emotional stress.
- Collaborations between local governments, private sector actors and development agencies should be encouraged to fund skill development programs, mentorship schemes, and digital transformation initiatives for small business owners. These partnerships can foster resilience among entrepreneurs and reduce long-term occupational stress.

References

African Business. (2020, April 3). *Nigeria's improving business climate*. African Business. https://african.business/2020/04/economy/nigerias-improving-business-climate

Ahmed, A. E., Ucbasaran, D., Cacciotti, G., & Williams, T. A. (2022). Integrating Psychological Resilience, Stress, and Coping in Entrepreneurship: a Critical Review and Research Agenda. *Entrepreneurship Theory and Practice*, *46*(3), 104225872110465. https://doi.org/10.1177/10422587211046542

Ahmed, S. K. (2024). Research Methodology Simplified: How to Choose the Right Sampling Technique and Determine the Appropriate Sample Size for Research. *Oral Oncology Reports*, *12*(100662). https://doi.org/10.1016/j.oor.2024.100662

Akinyemi, F. O., & Adejumo, O. O. (2018). Government policies and entrepreneurship phases in emerging economies: Nigeria and South Africa. *Journal of Global Entrepreneurship Research*, *8*(1). https://doi.org/10.1186/s40497-018-0131-5

Alli, W., & Oyedokun, T. (2024, August 24). Persistent traffic gridlock intensifies hardship for Lagosians. *The Punch Newspaper Online*. https://www.google.com/amp/s/businessday.ng/news/article/persistent-traffic-gridlock-intensifies-hardship-for-lagosians/%3famp

Anyaogu, I. (2024, December 11). Explainer: Why Nigeria's power grid is failing. *Reuters*. https://www.reuters.com/world/africa/why-nigerias-power-grid-is-failing-2024-12-11/

Ariemu, O. (2025, June 17). *PEBEC announces nationwide initiative to drive ease of doing business in Nigeria*. Daily Post Nigeria. https://dailypost.ng/2025/06/17/pebec-announces-nationwide-initiative-to-drive-ease-of-doing-business-in-nigeria/

Babalola, O., Ugah, U. U. K., & Ndimako, O. (2024). *Evaluating Governmental Constraints on Construction in Nigeria: A Review*. https://doi.org/10.20944/preprints202408.1636.v1

Bala, I. M., Tafida, M., Ahmed, I., & Bello, A. (2021). Determinant of Loan Repayment Performance among SMEs in Nigeria: A Conceptual Review. *Creative Business Research Journal*, *1*(1), 1–11.

Digil, A. M., Abubakar, U. F., & Mainu, J. W. (2024). The Impact of Tax Holidays in the Development of Small and Medium Scale Enterprises (SMEs) in Adamawa State. *Global Journal of Research in Business Management*, *4*(4), 170–175. https://doi.org/10.5281/zenodo.13375245

Etim, E., & Daramola, O. (2020). The Informal Sector and Economic Growth of South Africa and Nigeria: A Comparative Systematic Review. *Journal of Open Innovation: Technology, Market, and Complexity*, *6*(4), 134. https://doi.org/10.3390/joitmc6040134

Faryabi, R., Rahimi, T., Daneshi, S., Movahed, E., Yusefi, A. R., Shahrokhabadi, M. S., Chen, D.-G. (Din), Azaraeen, S., & Clark, C. C. T. (2022). Stress Coping Styles in Family and Relatives of Coronavirus Disease 2019 (COVID-19) Patients in the South of Iran: Application of Lazarus and Folkman's Theory of Stress Coping. *The Open Public Health Journal*, *15*(1). https://doi.org/10.2174/18749445-v15-e220927-2021-243

Fey, S., & Kock, A. (2022). Meeting challenges with resilience – How innovation projects deal with adversity. *International Journal of Project Management*, *40*(8), 941–950. https://www.sciencedirect.com/science/article/pii/S0263786322001296

Hallegatte, S., Rentschler, J., & Rozenberg, J. (2019). *Lifelines: The Resilient Infrastructure Opportunity*. International Bank for Reconstruction and Development.

Ifyalem, K. (2025, May 19). *How Government Policies and Economic Structures Shape Business Realities in Nigeria*. Opinion Nigeria; Opinion Nigeria. https://www.opinionnigeria.com/how-government-policies-and-economic-structures-shape-business-realities-in-nigeria-by-kator-ifyalem/

Jefferson, S. A. (2023). *Entrepreneurial Mental Well-Being: Strategies for Positive ell-Being: Strategies for Positive Business Outcomes*. Walden University. https://scholarworks.waldenu.edu/dissertations. PhD Thesis.

Joshua, C. O., Ediri, E. A., Ogayi, C. O., Okorie, W., & Rebecca, C. O. (2024). Factors Influencing Business and Entrepreneurial Survival in Africa: A Systematic Review. *African Journal of Economics and Sustainable Development*, *7*(2), 101–113. https://doi.org/10.52589/ajesd-krb0epaq

Kasal, S. (2022). What Are the Effects of Financial Stress on Economic Activity and Government Debt? An Empirical Examination in an Emerging Economy. *Borsa Istanbul Review*, *23*(1). https://doi.org/10.1016/j.bir.2022.10.007

Kazar, G., & Rahmanzadeh, P. (2024). The impact of mental health disorders and job demands on the individual job performance of construction workers. *Journal of Occupational Health*, *66*(1). https://doi.org/10.1093/joccuh/uiae060

Lazarus, R. S., & Folkman, S. (1984). *Stress, Appraisal and Coping.* Springer Publishing.

Mba, A. J., Omeje, A. N., Ugwu, M. O., & Okereke, C. U. (2020). The Effects of Institution on Enterprise Growth in Nigeria. *The International Journal of Business & Management*, *8*(1), 243–251. https://doi.org/10.24940/theijbm/2020/v8/i1/150389-371189-2-SM

Nathan, S. S. K., & Karthi, R. (2024). The impact of stress on IT employees' health and its consequential effects on productivity. *Multidisciplinary Science Journal*, *6*, 2024ss0516. https://doi.org/10.31893/multiscience.2024ss0516

Nnadi, E. O. E., Eneka, W. A., & Okwu-Delunzu, V. U. (2023). Mitigating Traffic Gridlock in Apapa and its Effects on Nigeria's Economy. *Newport International Journal of Scientific and Experimental Sciences*, *4*(1), 1–8. https://doi.org/10.59298/nijses/2023/10.1.1000

Nwabuatu, E. N. (2024). Impact of Government Policies on Entrepreneurial Relationships (Navigating Regulatory Challenges in Nigeria). *Journal of Business and African Economy*, *10*(5), 36–55. https://doi.org/10.56201/jbae.v10.no5.2024.pg36.55

Obafemi, T. O., Araoye, F. E., & Ajayi, E. O. (2021). Impact of tax incentives on the growth of small and medium scale enterprises in Kwara state. *International Journal of Multidisciplinary Research and Growth Evaluation*, *2*(3), 11–19.

Obbarius, N., Fischer, F., Liegl, G., Obbarius, A., & Rose, M. (2021). A Modified Version of the Transactional Stress Concept According to Lazarus and Folkman Was Confirmed in a Psychosomatic Inpatient Sample. *Frontiers in Psychology*, *12*(1). https://doi.org/10.3389/fpsyg.2021.584333

Obokoh, L. O., & Goldman, G. (2016). Infrastructure deficiency and the performance of small- and medium-sized enterprises in Nigeria's Liberalised Economy. *Acta Commercii*, *16*(1). https://doi.org/10.4102/ac.v16i1.339

Okamgba, J. (2023, November 16). *Govt policies impacting negatively on businesses*. Thepunchnewspaperonline; The Punch Newspaper Online. https://www.google.com/amp/s/punchng.com/govt-policies-impacting-negatively-on-businesses/%3famp

Oke, Y. (2017, August 23). *Conflicting laws keep Nigeria's electricity supply unreliable*. The Conversation. https://theconversation.com/conflicting-laws-keep-nigerias-electricity-supply-unreliable-81393

Okolie, U. C., & Edo, Z. O. (2023). Issues and Failure of Infrastructure Project Implementation in Nigeria. *Social Sciences, Humanities and Education Journal (SHE Journal)*, *4*(3), 580–596.

Okonkwo, J. E., & Odita , A. O. (2025). Effect of government policies on the performance of small and medium-sized enterprises in Delta State, Nigeria. *International Journal of Management & Entrepreneurship Research*, *7*(3), 214–230. https://doi.org/10.51594/ijmer.v7i3.1842

Olawuyi, O. T., Bamisile, A. O., & Umejuru, O. R. (2025). An Overview of the Imperatives and Challenges of the Nigerian Tax System. *Nnamdi Azikiwe University Journal of Commercial and Property Law*, *12*(1), 127–135.

Onokala, P. C., & Olajide, C. J. (2020). Problems and Challenges Facing the Nigerian Transportation System Which Affect Their Contribution to the Economic Development of the Country in the 21st Century. *Transportation Research Procedia*, *48*(1), 2945–2962. https://doi.org/10.1016/j.trpro.2020.08.189

Peter, W., & Orser, B. (2024). Women entrepreneurs in rural Nigeria: formal versus informal credit schemes. *International Journal of Gender and Entrepreneurship*, *16*(4), 602–623. https://doi.org/10.1108/ijge-03-2023-0053

Salami, C. G. E., Ekakitie, S. E., & Ebinim, L. O. (2023). Impact of government policy on entrepreneurship growth and development of small-scale business. *Journal of Global Social Sciences*, *4*(14), 73–102. https://doi.org/10.58934/jgss.v4i14.154

Sanni-Kamal, A. (2025, March 5). *The Impact of Government Policies on Entrepreneurs in Nigeria*. Entrepreneurs.ng. https://entrepreneurs.ng/impact-of-government-policies/

Santarpia, F. P., Consiglio, C., & Borgogni, L. (2024). "On the roots of interpersonal strain at work: The role of burnout and social self-efficacy." *Personality and Individual Differences*, *231*, 112825. https://doi.org/10.1016/j.paid.2024.112825

Shreffler, J., & Huecker, M. R. (2023, March 13). *Hypothesis Testing, P Values, Confidence Intervals, and Significance*. PubMed; StatPearls Publishing. https://www.ncbi.nlm.nih.gov/books/NBK557421/

Taber, K. S. (2017). The Use of Cronbach's Alpha When Developing and Reporting Research Instruments in Science Education. *Research in Science Education*, *48*(6), 1273–1296. https://doi.org/10.1007/s11165-016-9602-2

Tahar, Y. B., Rejeb, N., Maalaoui, A., Kraus, S., Westhead, P., & Jones, P. (2022). Emotional Demands and Entrepreneurial Burnout: the Role of Autonomy and Job Satisfaction. *Small Business Economics*, *61*. https://doi.org/10.1007/s11187-022-00702-w

Tayem, G. (2022). Credit Constraints and Investment-Cash Flow Sensitivity in Declining Economic Conditions: The Role of Reliance on Bank Debt. *Economies*, *10*(11), 288. https://doi.org/10.3390/economies10110288

Tonwe, O. F., & Mukoro, A. (2024). Tax Incentives and Entrepreneurial Development in Nigeria: Emphasis on Delta State Entrepreneurs. *Top Journal of Economics and Finance*, *9*(2). https://doi.org/10.5281/zenodo.10955418

Torrès, O., & Thurik, R. (2018). Small business owners and health. *Small Business Economics*. https://doi.org/10.1007/s11187-018-0064-y

Usman, G. (2019). Analysing the Role of Public Infrastructure Spending on the Nigerian Economy. *Lapai Journal of Economics*, *3*(1), 266–281.

Vallone, F., & Zurlo, M. C. (2024). Stress, interpersonal and inter-role conflicts, and psychological health conditions among nurses: vicious and virtuous circles within and beyond the wards. *BMC Psychology*, *12*(1). https://doi.org/10.1186/s40359-024-01676-y

Wach, D., Stephan, U., Weinberger, E., & Wegge, J. (2020). Entrepreneurs' stressors and well-being: A recovery perspective and diary study. *Journal of Business Venturing*, *36*(5), 106016. https://doi.org/10.1016/j.jbusvent.2020.106016

Welter, F., Xheneti, M., & Smallbone, D. (2017). Entrepreneurial resourcefulness in unstable institutional contexts: The example of European Union borderlands. *Strategic Entrepreneurship Journal*, *12*(1), 23–53. https://doi.org/10.1002/sej.1274

Williams, C. C., & Bezeredi, S. (2018). An Institutional Theory of Informal Entrepreneurship: Some Lessons from Fyr Macedonia. *Journal of Developmental Entrepreneurship*, *23*(03), 1850019. https://doi.org/10.1142/s108494671850019x

Williamson, A. J., Drencheva, A., & Wolfe, M. T. (2022). When do negative emotions arise in entrepreneurship? A contextualized review of negative affective antecedents. *Journal of Small Business Management*, 1–45. https://doi.org/10.1080/00472778.2022.2026952

World Bank. (2022). *Improving the Business Enabling Environment in Nigeria to Create Jobs and Boost Inclusive Growth*. World Bank. https://www.worldbank.org/en/news/press-release/2022/09/29/improving-the-business-enabling-environment-in-nigeria-to-create-jobs-and-boost-inclusive-growth