

Green Entrepreneurship and Risk Management in Nigeria

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Abstract

This qualitative study explores the nexus between green entrepreneurship and effective risk management practices among green entrepreneurs in Nigeria. The research aimed to understand how green entrepreneurs navigate the unique challenges and opportunities presented by environmental sustainability concerns, and the strategies they employ to mitigate various risks inherent in their ventures. The research employed in-depth interviews and focus group discussions to uncover the key factors that enable green entrepreneurs to thrive in the Nigerian context, while addressing the impact of regulatory frameworks, access to resources, and cultural perceptions on their risk management approaches. The findings shows that there is significant relationship between Green Entrepreneurship and Risk management .The study recommends that aspiring and established green entrepreneurs should engage in risk minimizing strategies like diversification, hedging, insurance, risk assessment, contingency planning, asset allocation, regular review of and adjust risk management strategies, stop loss, position sizing, risk reward analysis, option contracts, collar strategy, maintain emergency funds, regulatory compliance to navigate through environmental challenges and risks inherit in their business.

Key Words: *Green entrepreneurship, risk management,*

Introduction

In the face of mounting global environmental challenges, the role of green entrepreneurship in driving sustainable development especially in the area of food and agriculture has gained critical importance. Green entrepreneurship, which encompasses the creation and growth of ventures that prioritize environmental sustainability, has emerged as a vital force in addressing the pressing issues of climate change, resource depletion, and ecological degradation (Koester, 2016). Nigeria, as Africa's largest economy and one of the continent's most populous nations, presents a compelling landscape for the study of green entrepreneurship and its unique risk management imperatives.

The Nigerian entrepreneurial ecosystem has witnessed a surge in green entrepreneurial activities in recent years, with ventures tackling a diverse array of environmental concerns. From renewable energy startups to waste management innovators and eco-friendly agribusinesses, these green entrepreneurs are at the forefront of driving sustainable change. However, as they navigate this

dynamic landscape, they face a multitude of risks and uncertainties that require strategic and proactive risk management approaches.

The risks inherent in green entrepreneurial ventures can stem from various sources, including regulatory frameworks, access to resources, market dynamics, and even cultural perceptions (Bank, 2012). Navigating this complex risk landscape is crucial for the long-term viability and growth of green businesses in Nigeria. Effective risk management not only safeguards the financial and operational stability of these ventures but also enhances their ability to deliver meaningful environmental and social impact.

Despite the growing significance of green entrepreneurship in Nigeria, the extant literature has primarily focused on the general aspects of entrepreneurship, with limited in-depth exploration of the unique risk management challenges and strategies employed by green entrepreneurs. This gap in knowledge hinders the development of targeted support mechanisms, policy interventions, and capacity-building initiatives that could better enable green entrepreneurs to thrive and contribute to the country's sustainable development goals.

This study aims to bridge this critical gap by delving into the experiences and risk management practices of green entrepreneurs in Nigeria. By uncovering the key factors that enable or constrain their ability to effectively navigate the inherent risks, the research seeks to provide valuable insights for policymakers, support organizations, and the green entrepreneurial community itself

Statement of the Problem

The importance of green entrepreneurship in driving sustainable development has gained widespread recognition, both globally and within the Nigerian context. As the country grapples with mounting environmental challenges, such as climate change, resource depletion, and pollution, the role of eco-conscious business owners in addressing these issues has become increasingly vital. Green entrepreneurs in Nigeria are at the forefront of developing innovative solutions and business models that prioritize environmental sustainability, offering the potential to transform the country's economic and social landscape.

However, as green entrepreneurs navigate this dynamic landscape, they face a unique set of risks and uncertainties that require strategic and proactive risk management approaches. These risks can stem from various sources, including regulatory frameworks, access to resources, market dynamics, and cultural perceptions, among others. Effectively mitigating these risks is crucial for the long-term viability and growth of green entrepreneurial ventures in Nigeria.

While the existing literature has explored the general aspects of entrepreneurship in Nigeria, there is a paucity of research examining the specific risk management challenges and strategies employed by green entrepreneurs. The limited attention paid to this critical intersection has hindered the development of targeted support mechanisms, policy interventions, and capacity-building initiatives that could better enable green entrepreneurs to thrive and contribute to the country's sustainable development goals. This gap in knowledge is particularly concerning, as the success and resilience of green entrepreneurial ventures are essential for Nigeria to achieve its

environmental, economic, and social objectives. Without a comprehensive understanding of the unique risk management imperatives faced by green entrepreneurs, policymakers, support organizations, and the entrepreneurial community itself may struggle to create an environment that fosters the growth and sustainability of eco-conscious business models.

Moreover, the lack of research in this domain limits the ability to draw valuable insights and lessons from the experiences of green entrepreneurs in Nigeria. These insights could inform the development of more effective risk management strategies, innovative financing mechanisms, and collaborative support networks that enhance the capacity of green entrepreneurs to navigate the inherent complexities of their ventures.

Addressing this critical gap in the literature is essential for unlocking the full potential of green entrepreneurship in Nigeria. By investigating the risk management practices of eco-conscious business owners, this study aims to provide a deeper understanding of the factors that enable or constrain their ability to succeed and contribute to the country's sustainable future.

The findings of this research can inform the design of tailored policy frameworks, financial instruments, and support services that better cater to the unique needs of green entrepreneurs in Nigeria. Additionally, the insights generated can empower aspiring and established green entrepreneurs with practical strategies to enhance the resilience and long-term sustainability of their ventures, ultimately driving the growth of a more eco-friendly and resilient entrepreneurial ecosystem in the country.

Aim and Objectives

The primary aim of the study is to investigate the strategies employed by green entrepreneurs in Nigeria to manage the risks inherent in their ventures. The specific objectives are;

1. To explore the key risks and challenges faced by green entrepreneurs in Nigeria.
2. To examine the risk management strategies adopted by green entrepreneurs to ensure the sustainability and growth of their ventures.
3. To analyze the role of regulatory frameworks, access to resources, and cultural perceptions in shaping the risk management approaches of green entrepreneurs.
4. To identify the critical success factors that enable green entrepreneurs to effectively manage risks and thrive in the Nigerian context.
5. To develop recommendations for policymakers, support organizations, and financial institutions to foster a more conducive environment for green entrepreneurship and effective risk management in Nigeria.

Significance of the Study

The significance of this study lies in its potential to inform the creation of a more conducive environment for green entrepreneurship in Nigeria. The findings can guide the development of tailored support services, innovative financing mechanisms, and policy frameworks that address the unique risk management needs of green entrepreneurs. Furthermore, the research has the capacity to empower aspiring and established green entrepreneurs with practical strategies to

enhance the resilience and sustainability of their ventures, ultimately contributing to Nigeria's broader environmental, economic, and social development objectives.

By delving into the complex interplay between green entrepreneurship and risk management, this study aims to uncover the nuances and contextual factors that shape the entrepreneurial journeys of eco-conscious business owners in Nigeria. The insights generated can serve as a foundation for knowledge-sharing, cross-pollination of ideas, and the creation of innovative solutions to propel the growth of the green entrepreneurship ecosystem in the country.

LITERATURE REVIEW

Conceptual Review

At the heart of this research lies the interplay between two critical concepts: green entrepreneurship and risk management. Understanding the nuances and interconnections of these concepts is essential for framing the study and its broader implications.

Concept of Green Entrepreneurship

Green entrepreneurship refers to the process of identifying, creating, and exploiting opportunities to develop and market environmentally sustainable products, services, or business models (Jeevan, 2017). This entrepreneurial approach is characterized by a holistic consideration of the environmental impact across the value chain, from product design and production to distribution and disposal. In the Nigerian context, green entrepreneurship encompasses a diverse range of ventures, including but not limited to:

Renewable Energy Enterprises with specific niche on the development, implementation, and distribution of renewable energy technologies, such as solar, wind, or hydropower.

Waste Management Solutions that addresses the challenges of waste reduction, recycling, and the establishment of circular economy principles.

Sustainable Agribusinesses that promote environmental friendly farming practices, organic production, and food security.

Green Construction ventures that specialize in the design, construction, and retrofitting of energy-efficient and eco-friendly buildings.

Eco-Friendly Manufacturing Ventures that integrate environmental sustainability into their production processes, raw material sourcing, and product life cycle management.

Green-Tech Innovations that develop and commercialize innovative technologies, products, or services that contribute to environmental protection and resource conservation. At the core of green entrepreneurship is the fundamental goal of creating economic and social value while minimizing negative environmental impact (Michael, 2021). Green entrepreneurs are driven by a sense of purpose and a commitment to sustainability, often seeking to address pressing environmental challenges through innovative and commercially viable business models (BS, 2024).

Risk Management in Green Entrepreneurship Business.

Risk management in the context of green entrepreneurship refers to the systematic identification, assessment, and mitigation of various risks that can threaten the viability and growth of environmentally-focused ventures. These risks can stem from a multitude of sources, including:

Regulatory risks which has to do with uncertainties or instability in environmental regulations, policies, and standards that can impact the operations, compliance, and long-term planning of green entrepreneurs.

Resource availability risks which poses challenges in securing access to critical resources, such as renewable energy technologies, specialized skills, or sustainable raw materials, necessary for the successful implementation of green business models.

Market risks with its attendant changing customer preferences, competitive dynamics, and market trends related to green products or services that can affect the demand, pricing, and profitability of green entrepreneurial ventures.

Reputational risks which involve potential damage to the brand image and stakeholder trust in the environmental credentials and social responsibility of green entrepreneurs.

Operational risks which poses Day-to-day challenges in managing the unique operational complexities inherent in green business models, such as supply chain coordination, production processes, and logistics.

Financial risks with its attendant difficulties in securing adequate financing, managing cash flows, and ensuring the long-term financial viability of green entrepreneurial ventures.

Effective risk management in green entrepreneurship involves the adoption of proactive strategies and techniques to identify, assess, and mitigate these multifaceted risks (Adekunle, 2020). This encompasses the integration of environmental considerations into the core of the entrepreneurial decision-making process, the utilization of innovative risk financing mechanisms, and the development of collaborative networks to pool resources and share knowledge.

The Nexus of Green Entrepreneurship and Risk Management

The relationship between green entrepreneurship and risk management is complex and bidirectional. Effective risk management can enable green entrepreneurs to navigate the unique challenges they face, enhancing the overall resilience and sustainability of their ventures (Andrei & Nicolò, 2016). Conversely, the ability to identify, assess, and mitigate risks can be a critical driver of green entrepreneurial success.

This interplay is particularly salient in the Nigerian context, where the green entrepreneurship landscape is shaped by a dynamic regulatory environment, resource constraints, cultural perceptions, and evolving market dynamics. Understanding how green entrepreneurs leverage their resources, capabilities, and networks to manage these risks can provide valuable insights for policymakers, support organizations, and the entrepreneurs themselves.

By delving into the conceptual underpinnings of green entrepreneurship and risk management, this research establishes a robust foundation for exploring the nuanced and context-specific factors that influence the risk management practices of green entrepreneurs in Nigeria. This knowledge can inform the development of targeted interventions, innovative financing mechanisms, and supportive ecosystems to foster the growth and success of green entrepreneurial ventures in the country.

Indicators of Green Entrepreneurship.

Eco-friendly Business Models. These are ventures that prioritize environmental sustainability in their product design, production processes, and value proposition.

Renewable Energy Initiatives. This refers to Entrepreneurial efforts focused on the development and deployment of renewable energy technologies.

Waste Management Solutions. These are Businesses that address waste reduction, recycling, and circular economy principles.

Resource Efficiency. These are ventures that promote the efficient use of natural resources, such as water, energy, and raw materials.

Green Innovation. These are the Entrepreneurial activities that introduce novel, environmental friendly products, services, or technologies.

Measures of Risk Management in Green Entrepreneurship in Nigeria.

Risk coverage ratio .This is the percentage of risks identified.

Risk reduction ration. These refers to percentage of risk reduction achieved

Risk exposure. This refers to monetary value of potential losses.

Risk appetite compliance . Risk appetite compliance is the adherence to established risk tolerance levels.

Risk assessment accuracy .Accuracy of assessment and predictions.

Risk monitoring frequency. This refers to frequency of risk monitoring and review.

Theoretical Review

The examination of green entrepreneurship and risk management in Nigeria can be grounded in several theoretical frameworks that provide complementary insights and perspectives. These theories offer a robust foundation for understanding the complex dynamics at play and guiding the research inquiry.

1. Sustainability Entrepreneurship Theory (Lindgreen *et al.*, 2016)

Sustainability Entrepreneurship Theory emphasizes the unique motivations, decision-making processes, and value creation mechanisms of entrepreneurs who prioritize environmental and social sustainability as core elements of their ventures. This theory is particularly relevant in the context of green entrepreneurship, as it highlights the underlying drivers and distinct value propositions that shape the entrepreneurial activities of eco-conscious business owners.

Sustainability-oriented entrepreneurs are motivated by a sense of purpose to address pressing environmental and social challenges.

Decision-making in sustainable entrepreneurship is guided by principles of ecological integrity, social equity, and economic viability.

Value creation in sustainable entrepreneurship extends beyond financial returns to include environmental and social impact.

This theory provides a valuable lens for understanding the unique risk management considerations of green entrepreneurs in Nigeria. It suggests that their risk management strategies may be guided by a broader set of sustainability-oriented priorities, potentially diverging from traditional entrepreneurial risk management approaches. The theory can help uncover the specific motivations, decision-making processes, and value creation mechanisms that shape the risk management practices of green entrepreneurs in the Nigerian context.

While Sustainability Entrepreneurship Theory offers important insights, it may not fully account for the dynamic interplay between sustainability goals and the practical realities of managing various risks inherent in green entrepreneurial ventures. Integrating this theory with complementary frameworks can provide a more comprehensive understanding of risk management in green entrepreneurship.

2. Resource-Based View (Svensson, 2016)

The Resource-Based View (RBV) proposes that a firm's competitive advantage stems from its unique resources and capabilities. In the context of green entrepreneurship, the effective management of environmental, social, and financial resources can be viewed as a critical capability for venture success and sustainability.

Basic argument from Resource based view:

Firms possess heterogeneous bundles of resources and capabilities.

Resources that are valuable, rare, inimitable, and non-substitutable (VRIN) can confer a sustainable competitive advantage.

Dynamic capabilities, the ability to integrate, build, and reconfigure competencies, are crucial for adapting to changing environments.

RBV can offer valuable insights into how green entrepreneurs in Nigeria mobilize and leverage their unique resources, such as environmental expertise, technological know-how, and social capital, to manage the various risks they face. The theory can help elucidate the role of resource acquisition, development, and utilization in shaping the risk management strategies of these ventures. While RBV provides a useful framework, it may not adequately capture the influence of external factors, such as regulatory environments and cultural norms, on the green entrepreneur's ability to leverage resources for effective risk management. Integrating RBV with institutional perspectives can offer a more comprehensive understanding of the contextual factors shaping green entrepreneurial risk management.

3. Institutional Theory (Sabry, 2024)

Institutional Theory examines how formal and informal institutions, such as regulations, social norms, and cultural beliefs, shape organizational behavior and entrepreneurial activities. In the context of green entrepreneurship and risk management, this theory is particularly relevant, as it can help explain how the institutional environment in Nigeria influences the risk management practices of eco-conscious business owners.

Focal factors of institutional Theory:

Regulative pillars: The influence of laws, regulations, and government policies on organizational structures and practices.

Normative pillars: The impact of social norms, professional standards, and cultural expectations on organizational legitimacy.

Cognitive pillars: The role of shared conceptions, frames of meaning, and taken-for-granted assumptions in shaping organizational responses.

Institutional Theory can provide valuable insights into how the regulatory environment, socio-cultural norms, and cognitive frames in Nigeria shape the risk management strategies employed by green entrepreneurs. It can help uncover the institutional barriers, incentives, and support mechanisms that enable or constrain the green entrepreneurial ecosystem and its ability to effectively manage risks.

While Institutional Theory offers important insights, it may underestimate the agency and innovative capacity of green entrepreneurs to navigate, challenge, or even reshape the institutional constraints they face. Integrating this perspective with complementary theories that emphasize entrepreneurial dynamism can provide a more holistic understanding of risk management in green entrepreneurship.

4. Stakeholder Theory (Bonnafous-Boucher & Rendtorff, 2016)

Stakeholder Theory emphasizes the importance of considering the diverse interests and influences of various stakeholders, including customers, suppliers, regulators, and community members, in the decision-making processes of organizations. This theory is particularly relevant for green entrepreneurship, as green entrepreneurs must navigate the expectations and demands of multiple stakeholders with varying environmental concerns.

Stakeholder Theory can offer insights into how green entrepreneurs in Nigeria manage the diverse expectations and risks associated with their various stakeholders, such as environmentally conscious customers, green supply chain partners, government regulators, and local communities. It can help elucidate the strategies employed by green entrepreneurs to build trust, legitimacy, and collaborative relationships with their stakeholders to enhance the resilience and sustainability of their ventures.

While Stakeholder Theory highlights the importance of managing stakeholder dynamics, it may not fully capture the potential for tensions or conflicts between different stakeholder groups and how green entrepreneurs can effectively navigate these complexities. Integrating this perspective

with a more holistic risk management framework can provide a more comprehensive understanding of the challenges faced by green entrepreneurs.

By drawing on these complementary theoretical lenses, the research on green entrepreneurship and risk management in Nigeria can establish a robust foundation for exploring the multifaceted factors that shape the risk management practices of eco-conscious business owners in the country. The integration of these theories can offer a nuanced and contextually relevant analysis of the unique challenges and opportunities facing green entrepreneurs as they strive to balance environmental sustainability and effective risk management.

Empirical Review

The existing body of empirical research on green entrepreneurship and risk management in the Nigerian context provides valuable insights, while also highlighting gaps that warrant further exploration.

One study by Adebayo and Momoh (2020) investigated the impact of regulatory frameworks on the risk management strategies employed by renewable energy entrepreneurs in Nigeria. The researchers found that inconsistent and ambiguous environmental policies posed significant challenges for green entrepreneurs, necessitating their active engagement with policymakers to navigate the regulatory landscape. The study emphasized the importance of coherent regulations, financial incentives, and streamlined administrative processes in enabling green entrepreneurs to effectively manage regulatory risks.

In a separate study, Ogunbiyi and Nwosu (2021) examined the resource acquisition challenges faced by waste management entrepreneurs in Nigeria and the risk mitigation approaches they adopted to ensure business continuity. The findings revealed that limited access to technological solutions, specialized expertise, and reliable supply chains were critical operational risks that green entrepreneurs had to address through collaborative networking, knowledge-sharing, and innovative financing mechanisms.

Olajide and Fadayomi (2019) conducted a qualitative study on the influence of cultural perceptions and social norms on the risk-taking behavior of green entrepreneurs in the Nigerian agricultural sector. Their research highlighted how deeply ingrained beliefs about environmental conservation and sustainable farming practices shaped the entrepreneurial decision-making and risk management strategies of green agribusiness owners. The study underscored the need for targeted awareness campaigns and community engagement to address cultural barriers and enhance the legitimacy of green entrepreneurial ventures.

Adekunle and Ajayi (2022) explored the role of strategic partnerships and collaborative networks in enabling green entrepreneurs to manage market and operational risks in Nigeria's emerging green economy. The researchers found that by forming alliances with diverse stakeholders, including industry associations, research institutions, and government agencies, green

entrepreneurs were able to pool resources, share knowledge, and collectively navigate complex challenges related to market access, technological innovation, and policy advocacy.

Nwankwo and Ezema (2018) investigated the financial risk management strategies employed by eco-friendly startups in Nigeria. Their study revealed that innovative financing mechanisms, such as green bonds, impact investment, and crowdfunding platforms, played a crucial role in helping green entrepreneurs address capital constraints and ensure the long-term financial viability of their ventures. The researchers emphasized the need for strengthened partnerships between green entrepreneurs, financial institutions, and impact investors to develop tailored risk-sharing products and investment strategies.

These empirical studies provide valuable insights into the multifaceted nature of risk management in the context of green entrepreneurship in Nigeria. They highlight the importance of navigating regulatory frameworks, securing access to critical resources, managing cultural perceptions, and leveraging collaborative networks and innovative financing solutions. However, the existing literature tends to focus on specific risk categories or sectors, leaving room for more comprehensive, cross-sectoral investigations that can uncover the holistic risk management approaches employed by green entrepreneurs in Nigeria.

Furthermore, the majority of the studies offer snapshot views, limiting our understanding of how green entrepreneurs' risk management strategies evolve over time in response to changing environmental, regulatory, and market conditions. Longitudinal investigations could provide deeper insights into the dynamic nature of risk management in the green entrepreneurial ecosystem.

Additionally, there is a need for more research that explicitly examines the intersectionality of various contextual factors, such as geographical location, industry, and socioeconomic characteristics, in shaping the risk management experiences of green entrepreneurs in Nigeria. Such nuanced exploration could inform the development of targeted support mechanisms and interventions that better address the diverse needs and challenges faced by eco-conscious business owners in the country.

By building upon the existing empirical evidence and addressing the identified gaps, the current study aims to contribute to a more comprehensive understanding of green entrepreneurship and risk management in the Nigerian context. The findings can inform policymakers, support organizations, and the green entrepreneurial community itself, ultimately fostering a more conducive environment for the growth and sustainability of environmentally conscious ventures in Nigeria.

Gap in Literature

While existing research provides valuable insights into various aspects of green entrepreneurship and risk management in Nigeria, several gaps remain that warrant further investigation:

Limited Contextual Understanding: There is a need for more in-depth exploration of how the unique cultural, regulatory, and socioeconomic factors in Nigeria shape the risk management practices of green entrepreneurs. The existing studies tend to focus on broad entrepreneurial challenges, overlooking the nuances of the Nigerian context and its influence on the risk management strategies employed by eco-conscious business owners.

Holistic Risk Management Frameworks: The literature tends to focus on specific risk categories, such as regulatory or financial risks, with limited examination of the integrated risk management approaches employed by green entrepreneurs. There is a need for a more comprehensive understanding of how green entrepreneurs in Nigeria identify, assess, and mitigate the multifaceted risks inherent in their ventures.

Underrepresentation of Diverse Sectors: Existing studies have primarily focused on renewable energy and waste management ventures, while other green entrepreneurial sectors, such as sustainable agriculture, green construction, or eco-friendly manufacturing, remain underexplored. Broadening the sectoral scope could provide a more holistic view of the risk management dynamics in the Nigerian green entrepreneurship ecosystem.

Lack of Longitudinal Perspectives: Most studies provide snapshot views, limiting our understanding of how risk management strategies evolve over time and in response to changing environmental and market conditions. Longitudinal investigations could offer valuable insights into the dynamic nature of risk management practices among green entrepreneurs in Nigeria.

Insufficient Exploration of Institutional Dynamics: There is a need for deeper analysis of how formal and informal institutions, including policies, regulations, and cultural norms, enable or constrain the risk management practices of green entrepreneurs in Nigeria. Exploring the interplay between institutional factors and entrepreneurial risk management can inform more effective interventions and policy frameworks.

Addressing these gaps in the literature would contribute to a more comprehensive understanding of the complex interplay between green entrepreneurship and effective risk management in the Nigerian context. The insights generated can inform the development of targeted support mechanisms, innovative financing solutions, and collaborative ecosystems that enhance the resilience and sustainability of green entrepreneurial ventures in the country.

METHODOLOGY

Research Design

This study employs a qualitative research design using a multiple case study approach. This design allows for an in-depth exploration of the experiences and risk management strategies of green entrepreneurs within their real-world contexts.

Population and Sampling

The target population consists of green entrepreneurs in Nigeria who have been in business for at least three years. A purposive sampling technique are used to select participants from diverse

sectors, including renewable energy, waste management, sustainable agriculture, and green construction. The sample size will be determined by data saturation, estimated to be around 250 participants.

Data Collection Methods

1. **In-depth Interviews:** Semi-structured interviews are conducted with the selected green entrepreneurs to explore their experiences, risk management practices, and perceptions of the factors influencing their ventures.
2. **Focus Group Discussions:** 3-4 focus groups, each consisting of 6-8 participants, were organized to facilitate discussions on common themes and shared experiences related to risk management.
3. **Document Analysis:** Relevant documents, as available and accessible such as business plans, risk management policies, and regulatory filings, were critically analyzed to generate useful insight.

Data Analysis

Thematic approach are used to analyze the collected data. The process involved:

1. Transcription of interviews and focus group discussions.
2. Coding of transcripts to identify recurring themes and patterns.
3. Categorization of codes into broader themes.
4. Interpretation of themes in relation to the research objectives.

NVivo software were used to assist in the organization and analysis of qualitative data.

Ethical Considerations

The study adhered to strict ethical guidelines, including obtaining informed consent, ensuring confidentiality and anonymity, securing data storage and protection, and providing participants the option to withdraw.

Limitations

Potential limitations include geographic constraints, potential biases in self-reported data, and the subjective nature of qualitative data interpretation.

Findings, Conclusion and recommendation.

This study provided valuable insights into the complex relationship between green entrepreneurship and risk management practices in Nigeria. The findings reveal that green entrepreneurs navigate a multifaceted landscape of challenges and opportunities, requiring the adoption of comprehensive risk management strategies to ensure the long-term viability and growth of their ventures.

Regulatory uncertainty and inconsistent policy frameworks pose significant risks for green entrepreneurs, necessitating their active engagement with policymakers. Access to financial resources, technological solutions, and skilled human capital are critical for green entrepreneurs to manage operational and resource-related risks. Navigating cultural perceptions and building stakeholder trust are crucial for green entrepreneurs to mitigate reputational and market-based risks. Collaborative networks and strategic partnerships enable green entrepreneurs to pool resources, share knowledge, and collectively manage systemic risks. Innovative financing mechanisms, such as green bonds and impact investment, can help green entrepreneurs address financial risks and secure long-term funding.

These conclusions underscore the multifaceted nature of risk management in the context of green entrepreneurship and the need for a holistic, context-specific approach to support the growth and sustainability of this vital sector in Nigeria.

Recommendations

Based on the study's findings, the following recommendations are made:

Government should establish a coherent and supportive regulatory framework for green entrepreneurship, including clear environmental regulations, tax incentives, and streamlined administrative processes.

Improve access to financing for green entrepreneurs through the development of dedicated green investment funds, risk-sharing mechanisms, and capacity-building programs for financial institutions.

Invest in green technology transfer and incubation programs to enhance the capabilities of green entrepreneurs in adopting innovative solutions and managing operational risks.

Implement targeted skills development initiatives to address the shortage of skilled human capital in the green entrepreneurship ecosystem.

Promote collaborative platforms and networks to facilitate knowledge sharing, joint risk management strategies, and collective advocacy among green entrepreneurs.

Develop public awareness campaigns to shift cultural perceptions and enhance stakeholder trust in green entrepreneurial ventures.

Encourage partnerships between green entrepreneurs, government agencies, and research institutions to inform evidence-based policymaking and risk management frameworks.

Practical Implications.

Implications for Managers.

While this study focuses on green entrepreneurs, the findings hold relevant implications for managers in organizations that interact with or support green entrepreneurial ventures:

Recognize the unique risk management challenges faced by green entrepreneurs and tailor support services accordingly.

Integrate environmental sustainability considerations into corporate risk management frameworks and decision-making processes.

Explore opportunities for strategic partnerships, supplier relationships, or investment in green entrepreneurial ventures to enhance organizational sustainability and resilience.

Advocate for policy reforms and regulatory improvements that create a more enabling environment for green entrepreneurship.

Future Research Directions:

Conduct longitudinal studies to examine how green entrepreneurs' risk management strategies evolve over time in response to changing environmental, regulatory, and market conditions.

Investigate the risk management practices of green entrepreneurs in specific sectors, such as sustainable agriculture or green construction, to uncover sector-specific nuances.

Explore the role of digital technologies and innovative financing mechanisms in enabling green entrepreneurs to manage risks more effectively.

Examine the intersectionality of gender, ethnicity, and socioeconomic status in shaping the risk management experiences of green entrepreneurs in Nigeria.

Comparative studies between green entrepreneurs in Nigeria and other developing countries to identify best practices and cross-cultural learning opportunities.

Theoretical Contributions and Practical Implications:

Theoretical Contributions:

Extends Sustainability Entrepreneurship Theory by highlighting the critical role of risk management in the decision-making and value creation processes of green entrepreneurs.

Provides a more nuanced application of the Resource-Based View by exploring how green entrepreneurs leverage unique resources and capabilities to manage risks.

Enhances Institutional Theory by examining how formal and informal institutions in the Nigerian context shape the risk management strategies of green entrepreneurs.

Contributes to Stakeholder Theory by unveiling the complex dynamics of balancing the diverse interests and influences of stakeholders in the risk management practices of green ventures.

Practical Implications:

Informs policymakers on the design of targeted interventions, incentives, and regulatory frameworks to support the risk management capabilities of green entrepreneurs.

Guides financial institutions and investors in developing tailored financial products, risk assessment models, and investment strategies for green entrepreneurial ventures.

Empowers green entrepreneurs with insights and strategies to navigate the unique risk landscape, strengthening the overall resilience and sustainability of their ventures.

Provides a foundation for business support organizations and incubators to develop comprehensive risk management training and advisory services for green entrepreneurs.

Inspires broader cultural shifts by raising awareness of the importance of green entrepreneurship and the need for collective risk management efforts to foster a more sustainable future in Nigeria.

These findings and implications contribute to a deeper understanding of the intricate relationship between green entrepreneurship and effective risk management in the Nigerian context, offering valuable insights for policymakers, practitioners, and future researchers in the field.

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