**A STUDY ON THE STRATEGIES FOR MANAGING ENVIRONMENTAL FACTORS IN BUSINESS ORGANISAITONS IN NIGERIA**

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**ABSTRACT**

This research work is aimed at finding out the strategies for managing environmental factors in Nigerian business organizations. A total number of one thousand employee which include the workers and top management staff. Questionnaire was the major instrument used in collecting data from the sample size of the population in conjunction with personal interviews, while the content of the questionnaires were presented and analyzed using simple tables and percentages, the two hypothetical questions were tested using the chi-square statistical tool. The following findings were made, that goal attainment is affected by environmental uncertainty. Business environment has an impact on manufacturing firms productivity and that strategic planning management of business environmental uncertainty. Based on the findings, it was concluded that effective strategic planning is vital in the management of business environmental uncertainty, which hinders the organizational performance and productive.

**CHAPTER ONE**

**INTRODUCTION**

* 1. **BACKGROUND OF STUDY**

The environment is a major source of uncertainly to a business manager, and as such both influences the design of any organisation and the configuration of organizational structure.

Therefore, without a thorough analysis of the environment, a manager finds it almost impossible to make important operational decisions in his organization, which are vital in the attainment of various business objectives.

Hence no business organization can operate successfully in isolation, it has to exist and operate within an environment where there is complex interplay between human resources, material resources and other system. This creates the opportunities, threats and problems for the management.

Imaga (1996:40) said, we ought to realize that an organisation is an integral part of it environment and that they are mutually interdependent where the environment plays the role of providing the resources and opportunities to organisation for its existence, and the organisation in turn, offers its goods and services to the people living in its environment.

 Fayol (1949:43) said that of all the basic functions of management such as planning, organizing, commanding, co-ordinating and controlling, planning is the most important and yet the most difficult responsibilities of management. This is because when goals and objectives have been determined, the next step is to choose the methods, approaches and or strategies of attaining them. All when and how this is to be done is for the planner.

However, plans alone cannot ensure success of an organization; this is because organization operates in has a big or vital role to play in the success of the organization.

Stanner (1998:207) observed that the most important sole influence on organizational policy and strategy is the environment, both within and outside the organisation. The more complex, turbulent and dynamic an environment becomes, the greater the impact on human altitudes, organizational structure and process, therefore since the environment is very complex, all organizations should direct its attention to their environment when formulating their strategic management policies, to facilitate their survival.

**1.2 STATEMENT OF PROBLEM**

There is a vital need to map out a strategy, which will enable a business organization to operate successfully in its ever-changing environment. The environment, which business organizations operate in, is highly complex, turbulence, dynamic, therefore all organization, large or small for survival, should pay more attention to their environment more than ever before when formulating and implementing organizational policies and strategies.

Chairman, “John Holt” in the year 2000 Annual Report said “the Nigerian economic environment during this year witnessed unsatisfactory growth rate high rate of unemployment, low industrial output, coupled with poor demand. Energy crisis continued an unabated supply of petroleum product was epileptic; serious bottlenecks were thus created in the production processes culminating in increased operating cost. Electricity supply from NEPA was too disruptive; our operating units were forced to reply heavily on power generating facilities at exorbitant cost of diesel.

Kazmu (1992:05) over the relationship between industry and government stated that the industry after blames the government for exercising excessive control through plethora of rules and regulations. Consequently, how to pinpoint the right strategies at the right time, constitutes a problem to various organizations. This research will therefore investigate the following;

-The impact of business environment if not properly managed.

-The process of formulating of policies and strategies for proper management of the environment.

-The right strategies and the appropriate time to apply them.

**1.3 PURPOSE OF THE STUDY**

This study will focus on the strategies adapted by manufacturing organizations in Enugu state in managing environmental factors. The aims are as follows:-

* To identify major environmental factors that creates opportunities and threats for the manufacturing organizations.
* To determine who and which department is responsible for strategies planning.
* To examine strategies adopted in relation to the environmental factors.
* To examine the processes of strategic planning used and its relationship with environmental information in organizations.
* To determine the impact of business environment in organizational attainment of objectives.
* Proffer solutions as to some other possible ways, which these organization can adopt in changing business environmental factors.

**1.4 RESEARCH QUESTION**

1. Is there major environmental factors that create opportunities and threats for the manufacturing organizations?
2. What departments in organization are responsible for strategic planning?
3. What strategies can be adopted in solving the problems of environmental factors uncertainly?
4. What are the processes of strategic planning can be used to respond to the environmental information in an organisaiton.
5. Does the business environmental factor uncertainty affect or influence the attainment of organizational objectives?
6. Are there any other solution or ways, which the problem of environmental factor on business can be tackled?

**1.5 HYPOTHESIS**

**HYPOTHESIS 1**

**H0:**  Organizational productivity and performance is not dependent on environmental factors.

**H1:**  Organizational productivity and performance is dependent on environmental factors.

**HYPOTHESIS 11**

**H0:** There is no significant association between strategic planning and environmental factors.

**H1:** There is a significant association between strategic planning and environmental factors.

**1.6 SIGNIFICANCE OF THE STUDY**

The study will provide an insight into the problems of environmental factors uncertainty on manufacturing firms, and strategies with which to manage the problem. The following benefits will be derived from the study:-

* Thorough understanding of the environmental factors in which policies are made.
* Knowledge of varieties of strategies and when to apply them in policy formation and implementation.
* insight into the problems, threats, opportunities, weaknesses and strength in competitive business environment.

**1.7 SCOPE OF THE STUDY**

The use of manufacturing firms limits the application of the findings that emerged from the research work to other manufacturing organization, since the findings can be generalized due to the fact that every organization has its own unique environment.

**CHAPTER TWO**

**LITERATURE REVIEW**

**INTRODUCTION**

The word strategy is a derivative word from Greek (stratum), which means general its usage according to James (1979:105) dates back to 400 BC. Unfortunately, there is no consensus about the meaning of the word strategy, either in management, literature and/or practice.

Stanier et al (1999:200) posited that strategy is the forging of company’s missions, setting objectives for the organisation in light of external and internal forces, formulating specific policies and strategies to achieve objective with and assuring their proper implementation so that the basic purposes and objectives of the organizations will be achieved.

Udaze (1996:27) said that strategies means for all practical purposes on and the same things.

Churchman (1997:307) saw strategic management as encompassing all the decisions and actions leading the attainment of long-term objectives. The entire organization is considered as a system with its interacting elements, which include its external environment. He went further to say that without this system perspective, managers ten see problems in isolation failing to recognize the dynamic inter-relationship among subsystems of the organization and with other external systems. These external forces include economic, political cultural E.B.C, which affects the success of the organization.

The environment is a major sources of uncertainty to a business manager and influences an organizations in many ways its understanding is of great importance to the growth of the business, therefore in order to ensure survival of the business, the manager must adopt to environment and also allow for exchange of values which create opportunities and solutions to problems arising from different types of environment.

Onwuchekwa (1993:128) quoting Churchman (1968:307) in his book “Business Policy”, defines environment as something that lies outside the organization, he went further to say that “the environment of the system is what exists outside of it and this environment partly determines the performance of this system”. He maintained that the environment is a fixed constraint for the organization and that managers cannot change/avoid or do anything about it.

Precisely, the chapter will be considered in three sub-headings:

* Conceptual Framework

**2.1 CONCEPTUAL FRAMEWORK**

**Environment.**

The modern business manager operates in more dynamic and turbulent environment. The change in the environment has been rapid and unpredictable. Economic variables have been complex both in form and impact on the practice of business in Nigeria. Consumers and clients have been showing complex behaviours both in local and international markets. The most dramatic change has been that exhibited by competitive pressures. Competitors have been applying one strategy or the other to adapt to the dynamic and unpredictable nature of the business environment.

The dynamic environment in which a business operates provides opportunities for it to grow develop and create value and wealth. It also poses some threats to the business. The primary concern is how the business affects people and natural environment as it produces and sells products necessary to satisfy customers, stakeholders and other constituents. By building key stakeholder relationships among government agencies, consumer entities, environmental groups and other constituents, a business can anticipate and manage issues and concerns that might otherwise have gone undetected until they had grown into major problems (Rainey, 2008). These entail conscientious analysis of both external and internal environment by the business.

Businesses are faced with challenges of social considerations which focus on specific issues that relate to their activities and transactions with employees, customers, shareholders, suppliers, etc. Further, social considerations include protecting the health and safety of the general population, avoiding harm to the natural environment, developing and deploying ethical standards and practices, meeting cultural and social norms, balancing interest of the business with the interests of the society, and being a proactive entity (Rainey, 2008). Political considerations are also of significant relevance as they have direct impact on the functioning and success of the business. Political and regulatory changes are usually manifestations of the social and economic conditions and issues. Equally of primary concern to the businesses, their customers and stakeholders are economic considerations which often focus on the direct effects of the exchange of goods and services, the flow of money and the relationships between the participants. Customers are either satisfied, dissatisfied or have a neutral opinion (KPN Report, 2007). Economic considerations also cover indirect implications of economic activities such as hidden costs of transactions and the externalities borne by the society. In this regard, the most crucial economic questions often pertain to environmental-related impacts. Usually, they are some of the multifaceted negative and unintended outcomes of products, processes and operations. The foregoing implies that the environment of a business is the pattern of all the external and internal conditions and influences that affect its life, growth and development. Consequently, since growth and development through conspicuous industry and market positions are central to mission statement and vision of a thriving business, it is onerous on the corporate strategist to keep abreast with the factors of the business environment and the evolving trends of their features over time. In nature, the environmental factors and their influences are economic, political-legal, sociocultural and technological. Since strategy formulation process incorporates futuristic tendencies in terms of business environment, business executives who simulate the process must be conversant with such factors in the environment, especially the external environment, which can potentially and significantly exert effects on their business and its future.

The environment of a business is the aggregation of the pattern of all the external and internal conditions and influences that affect the existence, growth and development of the business. Analysis of business environment is the examination and appraisal of the opportunities and threats provided by the environment as well as the potential strengths and weaknesses the business possesses. Opportunities and threats are associated with external environment of a business while strengths and weaknesses are associated with internal environment of the business. Consequently, external analysis examines opportunities and threats that exist in the environment while internal analysis examines strengths and weaknesses within the business. Both opportunities and threats exist independently of the firm. If an issue would exist when a given business did not exist, then such an issue must be a factor in the external environment; otherwise, it is an internal environmental factor. Alternatively, an issue is an external environmental factor if it coexists with a business but the business cannot control or influence the issue. Opportunities are favorable conditions in the external environment that could produce rewards for the organization if acted upon properly. That is, they exist but must be acted on if the business is to benefit from them. Threats are conditions or barriers that may prevent the business unit from reaching its objectives.

Several studies have attempted to analyse or appraise the effects of environmental factors on various aspects of business organizations. These include Narver and Slater (1990); Jaworski and Kohli (1993); Nwokah (2008). Norzalita and Norjaya (2010), investigated the role of the external environment in the market orientationperformance linkage among SMEs in the agro-food sector in Malaysia and found that markettechnology turbulence and competitive intensity did not moderate the relationship between market orientation and business performance.

Pulendran, Speed and Widing (2000) observe that the external environment in which organizations operate is complex and constantly changing; a significant characteristic of the ext e rna l envi ronment i s compe t i t ion. Organizations that recognize the presence and intensity of competition have a greater tendency to seek out information about customers for the purpose of evaluation and to use such information to their advantage (Slater and Narver, 1994). Recognition of the threat from competition drives business organizations to look to their customers for better ways to meet their needs, wants, and thereby enhances organizational performance (Bhuian, 1997). Accordingly, when competition is perceived as a threat by the organization, there is a greater tendency to adopt a market orientation (Pulendran et al.,2000). There has been a long tradition of support for the assumption that environmental factors influence the effectiveness of organizational variables (Appiah-Adu, 1998). Indeed, several studies have investigated the association between different environmental factors and established the effects of moderating influences on organizational variables (e.g., Slater and Narver,1994; Jaworski and Kohli, 1993; Greenley, 1995 and Han, Kim and Srivastava, 1998). Researchers have argued that firms should monitor their external environment when considering the development of a strong marketoriented culture (Kohli and Jaworski, 1990). To determine the influence of the external environment on business performance in transition economies, Golden et al. (1995), as cited in Appiah-Adu (2998), examined four factors: demand changes, product obsolescence, competitive pressures and product technology. These variables appear to mirror, respectively, four external factors, namely market growth - demand, market turbulence, competitive intensity and technological turbulence, which were identified as p o t e n t i a l mo d e r a t o r s o f t h e ma r k e t orientation–performance link by Kohli and Jaworski (1990).

In a study on the impact of external environment and self-serving motivation on physician's organizational citizenship behaviours, Ming-Chang and Tzu-Chuan (2006) found that external environment does not have significant impacts on job satisfaction, but does have significant negative effect on organizational citizenship behaviours. They also found out that self-serving motivation and job satisfaction also have positive effects on organizational citizenship behaviours, and that the meditative effect of job satisfaction is also significant. In a related study,

Ghani, Nayan, Izaddin, Ghazali, Shafie Nayan (2010) analysed the critical internal and external factors that affect firms strategic planning in Malaysia. The internal and external factors examined in their study included strengths, weaknesses, opportunities and threats. They also analysed some dimensions that represented these variables. Their study showed that firm's strengths are related to their financial resources and the weaknesses are related to the firms' management. The study further revealed that the external factors which become opportunities to the firms are support and encouragement from the government, and that threats are the bureaucratic procedures that firms have to face in order to get plan approval and certificate of fitness. Thus, they emphasized that while firm's internal analysis is important to identify its strengths and weaknesses, its external analysis is important in order to identify current and future threats and opportunities, know its position and performance so that it can plan, compete and stay in business.

**Business Environments and Factors**

In analyzing and appraising Nigeria business environments and factors, we adapt the SWOT Matrix used by Wheelen Hungar (2010). The SWOT Matrix analysis technique combines firm's internal and external environments and their factors and, thus, helps visualize the analysis of business environment and enhance understanding of how environmental factors work together, culminating in the synthesis that when a business entity matched internal strengths to external opportunities, it creates core competencies in meeting the needs of its customers, and emphasizes that business should act to convert internal weaknesses into strengths and external threats into opportunities. However, we anchor detail analysis of external environment on PESTLE Model adapted from Wikipedia encyclopedia (www.wikipedia.org, 2010).

**SWOT MATRIX**

|  |  |
| --- | --- |
| **INTERNAL** | **EXTERNAL** |
| Strength | Opportunities |
| Weakness | Treats |

External Environment and its Factors (PESTLE Analysis Mode

**Source:** [www.wikipedia.org](http://www.wikipedia.org)

**External Environment and its Factors (PESTLE Analysis Model)**

The external environment of a business consists of a set of conditions and influences outside the business but which shape the life and continued existence of the business. These conditions and influences are outside the firm as a business unit, but which effect changes in the organization and the business entity cannot control but only adjusts to them.

The elements of the business external environment cons t i tut e the ext e rna l environmental factors. Since strategy formulation is futuristic, it is pertinent for strategic managers to keep abreast with the external environmental factors and align their strategic processes with the dynamism of such external factors. The external environmental factors can be captured with the acronym PESTLE. This describes a framework of macroenvironmental factors used in the environmental scanning component of strategic management (www.wikipedia.org). Therefore, in this paper, analysis of external environment and its factors is referred to as PESTLE Analysis Model, where:

**P** Political Factors;

**E** Economic Factors;

**S** Social Factors;

**T** Technological Factors;

 **L** Legal Factors; and

**E** Ecological Factors.

**Political Factors:** These entail the extent and process of government direct or indirect intervention and influence on businesses in an economy. Specifically, political factors include such areas as tax policy, labour law, environmental law, trade restrictions, tariffs, incentives, other encouragements and political stability. Political factors may also include goods and services which the government wants to provide or be provided (merit goods) and those that the government does not want to be provided (demerit goods or merit bads). Furthermore, governments have great influence on the health, education, and infrastructure of a nation.

**Economic Factors:** These includes, exchange rate, unemployment, demand and supply trend, economic growth, lending rates, exchange rates and the inflation rate. These factors have major impacts on how businesses operate and make decisions. For example, lending rates affect a firm's cost of capital and therefore the extent to which a business grows and expands. Exchange rates affect the costs of exporting goods and the supply and price of imported goods in an economy.

**Social Factors:** These are the cultural aspects and include health consciousness, population growth rate, age distribution, career attitudes and emphasis on safety nets. Trends in social factors affect the demand for a company's products and how that company operates. For example, an aging population may imply a smaller and lesswilling workforce (thus increasing the cost of labour); government enhanced social insurance scheme may increase the demand for insurance services in a country. Furthermore, companies may change various management strategies to adapt to these social trends (such as recruiting older workers).

**Technological Factors:** This component of external environment includes technological aspects such as Research and Development (R&D) activity, automation, technology incentives and the rate of technological change. They can determine barriers to entry, minimum efficient production level and influence outsourcing decisions. Technological shifts can affect costs, quality, and stimulate further invention, innovation and competition.

**Legal Factors:** Included in this component are discrimination law, consumer law, antitrust law, environmental law which result to the establishment of (NESERA), employment and labour law, and health and safety law. These factors can affect how a company operates, its costs, and the demand for its products.

**Ecological Factors**: These include environmental aspects such as weather, climate, and climate change, drought; earthquake, and erosion which may affect industries like tourism, farming, and insurance. Growing awareness of the potential impacts of climate change is affecting how companies operate and the products they offer, both creating new markets and diminishing or destroying existing ones.

Internal Environment and its Factors (SWOT Analysis Model)

The internal environment of a business consists of a set of conditions, influences and elements within the business which are directly controlled and influenced by management of the business to shape the life and continued existence of the business in the direction of attainment of organizational goals and objectives. These conditions and influences are within the firm as a business unit, and it can control them.

The elements of the business internal environment constitute the internal environmental factors. Essentially, they are the employee attitudes, new equipment, processes, strategy, work environment, etc, which are encapsulated in the strengths and weaknesses of the business. The organization has the control of these matters because they happen within the organization unlike external environmental factors. Thompson and Strickland (2001) state that “Developing strategies is one of the tasks needed to achieve unity and coherence between the firm's internal ability, sources and skills with the external factors which are related to the firm”. In line with this, David (1999) submits that any strategic should match firm's strengths and weaknesses with the surrounding to identify the best effective alternative strategy to be implemented. Therefore, the SWOT analysis technique can be explored to enhance firm's strengths and weaknesses so as to prepare for threats and opportunities provided by the external environment.

In this subsection, however, the thrust is on the internal environment of a business and its factors analysed within the framework of Strength, Weaknesses, Opportunities and Threats (SWOT) Matrix Analysis Model. Information regarding firm's strengths and weaknesses is generated from within the firm itself. Therefore, we emphasize strengths and weaknesses here as the aggregate components of internal environmental factors of a business entity, though SWOT analysis technique combines firm's internal and external environments and their factors. A firm's internal analysis involve examination and appraisal of such factors as its management, marketing, finance, operational/production and human resource. Ghani et al (2010) identify strength variables or factors of the business entity to include:

Experienced and skillful work force (Paulson, Fondahl and Parker, 1992): This enhances rational decisions and fulfillment of project requirement (Abdul and Abdul, 1999). Feasible Objectives: The business should have achievable strong short and long term objectives, and strategic managers could analyze the performance of any projects undertaken and at the same time plan for potential future development projects.

**Environment, Companies and Environmental Management**

**Business Organisational Survival**

Business survival is described as the operation of business organisation on – going concern sometimes refers to as manage to stay in business (Akindele etal, 2012). In an attempt to respond to the activities that will enable organisation to operate on going – concern, organisations are constantly in the process of structuring and restructuring to keep abreast with these activities which do come in form of complexities to include leadership styles, changes, uncertainty, conflict, culture, technology, structure, competitive market, profitability and workplace motivation (Adeoye, 2012). In view of these complexities as challenges, organisation needs to strategically plan and develop the most appropriate and adaptive structure that will enable it to utilise and maximise its resources and ultimately achieve organisational objectives (Mullins, 2002 and Akindele etal, 2012).

**Business Organisational Growth**

In the views of Laosebikan etal (2013) organizational growth means different things to different organizations because there are many parameters a company may use to measure its growth. This is so because the ultimate goal of most organisations is profitability, most organisations will measure their growth in terms of net profit, revenue, and other financial data. Other criteria for assessing the organisational growth are volume of sales, number of employees, physical expansion, success of a product line, or increased market share (Lipton and Mark, 2003). In the views of Roberts and John (2004), organisational growth will be gauged by how well a firm does relative to the goals it has set for itself and in the same vein, Coffman etal (2002) in Oginni (2010) were of the opinion that the intention and desire to keep the business to operate on going concern definitely calls for growth of the organisation otherwise such organisations will cease to exist. Aluko etal (1999) however added another dimension to what organisational growth is all about by saying that it is something for which most organisations strive, regardless of their size.

**Relationship between environmental factors, Business survival and Growth**

Asika (2001) was of the opinion that analysis of business environment is the examination and appraisal of the opportunities and threats provided by the environment as well as the potential strengths and weaknesses the business possesses. Carrasco (2007) in Oginni (2012) however, opined that opportunities and threats are associated with external environment of a business while strengths and weaknesses are associated with internal environment of the business. Consequently, external analysis examines opportunities and threats that exist in the environment while internal analysis examines strengths and weaknesses within the business with a view of using these to combat the external forces. However, both opportunities and threats exist independently of the firm. To Oginni (2010), the internal environment is always manipulated in response to the dictate of the external environment in an attempt to meet organisational objectives and this belief was supported by the views of Ghazali etal (2010). Ghazali, etal (2010) analyzed the critical internal and external factors that affect firms strategic planning in Malaysia. The internal and external factors examined in their study included strengths, weaknesses, opportunities and threats. Their study showed that firm’s strengths are related to their financial resources and the weaknesses are related to the firms’ management. The study further revealed that the external factors which become opportunities to the firms are support and encouragement from the government, and that threats are the bureaucratic procedures that firms have to face in order to get plan approval and certificate of fitness.

In the works of Norzalita and Norjaya (2010) which investigated the role of the external environment in the market orientation-performance linkage among SMEs in the agro-food sector in Malaysia and found that market-technology turbulence and competitive intensity did not moderate the relationship between market orientation and business performance. Pulendran etal (2000) in their related work on business environment observed that the external environment in which organizations operate is complex and constantly changing and found that a significant characteristic of the external environment and business organisation is competition. This was supported by the views of Asika, (2001) that organizations that recognizes the presence and intensity of competition have a greater tendency to seek out information about customers for the purpose of evaluation and to use such information to their advantage thus enabling competition to drive business organizations to look for their customers in order to understand better ways to meet their needs, wants, and thereby enhances organizational performance (Azhar, 2008). According to Alexander (2000), the dynamic and rapidly changing environment in which most organizations compete had made business environment (political, economic, socio-cultural, technological, e.t.c.) to have significant impact on organizational survival and performance (effectiveness, efficiency, increase in sales, achievement of corporate goals e.t.c.) thus, organizations should pay more attentions to their environment by conducting and embarking on periodic scanning. In a related work by Adeoye (2012), it was stated that in the manufacturing industry, environmental changes are continuously exerting new pressures on company performance and to respond to these changes, some companies within the apparel industry have formulated and implemented strategies to reorganize and reform the way products are manufactured and distributed to final consumers, thus, the impact of environmental factors on business performance towards profit objective is found to have an increasingly stronger interrelationship which require a more sophisticated business strategies. Ogundele and Opeifa (2004) summed it up in their related work on environment and entrepreneurship by saying that external environment and their factors helps visualize the analysis of business survival and growth in an attempt to enhance understanding of how environmental factors work together with the variables of business survival and growth to determine the future of business organisation.

**Effects of business environment on organizational performance**

The business environment and its application to work environment is an outcome of his work as director of the institute of social research, university of Michigan, USA. In his book “New Pattern of Management” about high producing supervisors who achieve the highest level of productivity at the lowest production costs with the highest level of employee motivation. In his research work, he indicates that high producing managers tend to build their successful achievement around their interlocking work groups employees whose level of co-operation is sustained through range of business incentive that extend motives and involves the ego and creativity motives. The research noted that the high producing manager utilized the tool of the classical management work-study while recognizing the aspirations of the employees by encouraging participative approaches. Okunola stressed the important of supportive relationship; management can thus achieve very high productive performance when the employees see their membership of the work group as “Supportive”, that is, when the experience a sense of personal worth, importance and recognition from belonging to the work group. Okunola (1998) is on e management philosopher who focused on the differences between individuals and the class of needs in addition to the market strategy, which include the need for achievement, power and for affiliation. He further related the strength and/or dominance of each need in individual with high need for achievement strive on jobs projects that tax their won skills and abilities. They also set realistic goals and objective for them, such people are usually individualistic and would want to be appraised as to how well they are. However, the greatest disadvantage for those with achievement need is that they tend to be more task-oriented and less concerned with strong power needs to dominate or gain power influence of control over people. That the motivation managers and supervisors to possess some reasonable degree of all three kinds of needs. However, the dominant need, according to Okunola’s findings, is the need for achievement. Nevertheless, his ideas are very important as a contribution to our understanding of business environment how best the concept of achievement need might be applied in practice at the work place, and especially when dealing with young, ambitious employees. Business environment is formed not merely on some sense of objective reality, but on its own perception of reality, business needs to properly taken care of, for profit margin to be accurate. In consonance with this theory, individuals attempt to determine the probability of a measure of expectancy of outcome. The personal outcomes are rewards that organization can provide like pay increase, promotion, bonus, allowances, level and even relationship with workmates etc, while the expected to such outcomes refers to expectancy, the measure of importance attached to such outcomes or reward isa known as valence, the value of which are a result of the attractiveness and the opinion of the beneficiaries about the reward in questions. In order to improve business environment therefore, managers should improve the skill and motivational level or conditions of the employee. In establishment where promotion is perceived as attractive prospect (valance) by a newly appointed staff, it allows the effective performance of works, it encourages the perception of the workers, which they have toward their job, on ‘god fatherism’, and his output is discouraged. All efforts directed towards performance do not necessarily lead to reward but it’s been ascertain that reward increase the effective performance of employees. The exhibition of negative business environment understanding of course proves to the management the need to control environmental factors by the creation of certain adequate adjustment and motivational incentives. Lack of free environment problems among workers, employers and customers in the organization allow frustration and negative uncompromising behaviour which are exhibited as apathy, increased, absenteeism, planning and execution of fraudulent acts etc. they become disgruntled, pessimistic, counter-productive and develop defensive mechanisms. In effect, workers indulge in acts and practices that jeopardize and negate the attainment of organizational goals. The managers should work out the appropriate plans that would enable the workers to be highly task-oriented towards the fulfillment of the organizations ultimate goal in his bid to reach personal goals and achieve them. It is here that the worker intensifies goals-oriented action in his pursuits of both company incentives and personal goals. At the attainment of his final goals, the previously aroused tension reduces and fails completely. Thus, a continuous exhibition of the same incentive package may fail to elicit further favourable and positive behaviour from the same person. There the manager’s job is more demanding as he is expected to know the proper solution to the situation he might be in the process of achieving the ultimate goals of the organization.

**Strategy**

The word strategy has so many meanings itself and all these meanings are useful, important and relevant to the people who are setting strategy for their organizations and corporations. Various authors have drawn their attention on the concept of strategy. Author entailed the past definitions of various scholars and proposed a new definition on the term strategy.

The word strategy derives from the Greek word “strategos”, the meaning comes from the roots of “army”. The meaning of stratego is planning of destroying enemies by effectively using the resources. Therefore the concepts of strategy have been formerly used in the context of military and it is remaining as the benchmark of all the definitions of strategy.

After World War ll due to the reason of moving the business from a relatively stable environment to a dynamic and competitive environment the need became greater for a concept of business strategy which is the strategy related to business. Various writers have given various definitions for the concept of business strategy time to time as briefly described below.

The series of actions which is decided by the firm according to the situation is known as strategy (Neumann and Morgenstern, 1947). The first writers who were able to relate the concept of strategy with business were Neumann and Morgenstern (1947). Based on this definition many authors developed concepts of business strategy.

Analyzing the present situation and changing if it is necessary is known as strategy (Drucker, 1954). According to this definition its need to find out what are the resources a firm has or need to acquire to realize its mission and objectives. A strategy is a guideline for decision making based on the determinants market scope, growth rate, competitive advantage, and synergy ( Ansoff, 1969). According to Alfred D. Chandler (1962), strategy is the formulating basic long term goals and objectives of an organization and the implementation of course of actions and the allocation of necessary resources for carrying out these goals.

A long term Harvard professor and editor of the Harvard Business Review Kenneth Andrews (1980) has defined the strategy as a pattern of decisions in an organization which formulates goals, objectives, and purposes and produces principle policies and plans to achieve those goals and defines the economic and non-economic contribution it going to make to its stakeholders.

The Harvard professor Michel Porter has made a narrow definition on strategy based on the competition. According to his definition the strategy is a wide formula which helps an organization to compete, sets goals and decides what policies will be needed to carry out those goals.

A strategy can be a plan, a pattern, a perspective, a position and also it can be a ploy or a maneuver which can help an organization to avoid its competitors (Mintsberg, 1994). When all the above definitions taken into consideration there are similarities, but despite of the similarities there are some important differences too. Therefore all these definitions are different opinions and views of different scholars.

In this paper the author proposes a new definition for the strategy as follows.

“A strategy is a plan of actions that one use to formulate goals and objectives and the means of achieving these goals and objectives” Following this definition, the strategy is a plan of actions which make the each and every member of the organization can understand the reason for the organization’s existence. And also it implies how a given target can be achieved.

**The Importance of Strategy in Business Organizations**

Thompson, Strickland and Gamble (2007) identify two primary reasons why strategy is important in business organization. The first important aspect about strategy is that management needs to proactively craft how the organization’s business will be conducted. They further assert that a clear and well thought out strategy is management’s prescription for doing business, its road map to competitive advantage, its game plan for pleasing customers and improving financial performance. Secondly, they say that a strategy-focused enterprise is more likely to be a strong bottom line performer that a company whose management views strategy as secondary and puts its priorities elsewhere. Effective strategy formulation and execution have a significantly positive impact on revenue growth, earnings, and return on investment.

Dyson etal (2007) prefer terming the strategic management process a ‘strategic development process.’ They assert that the strategic development process embraces the management process that inform, shape and support the strategic decisions confronting an organization. Their inclination towards the term strategic development process is premised on three key issues which they highlight. Firstly these authors argue that strategy formulation and implementation are inseparable business activities in which organizations engage on a continuous basis; hence the idea of ongoing development is central to their thinking. Their second reason for their approach is that the widely used term ‘strategic planning’ has become debased by association with the creation of deterministic, one-shot 5-and 10-year plans, which suggests rigidity in thinking about the future. Their third argument is that ‘strategic management’ is too loose a term to describe the emphasis that has to be placed upon reflective engagement and analytical questioning that characterizes their recommended approach.

Despite their slight digression from the conventional approach to strategic management, they share a common view with Thompson, Strickland and Gamble (2007) who assert that crafting and executing strategy are core management functions; excellent execution of an excellent strategy is the best test of managerial experience – and the most reliable recipe for turning companies into standout performers. It is the latter authors’ contention that how well an organization’s management team charts the company’s direction, develops competitively effective strategic moves and business approaches, and pursues what needs to be done internally to produce good day-in, day-out strategy execution and operating excellence, determines an organization’s ultimate success or failure.

**The Strategic Management Process**

The strategic management process can be summarized into two broad concepts, that is, strategy-making and strategy executing. According to Thompson, Strickland and Gamble (2007), the strategy-making, strategy executing process consists of five interrelated and integrated phases:

1. Developing a strategic vision of where the company needs to head and what its future product/market/customer technology focus should be.
2. Setting objectives and using them as yardsticks for measuring company’s performance and progress.
3. Crafting a strategy to achieve the objectives and move the company along the strategic course that management has charted.
4. Implementing and executing the chosen strategy efficiently and effectively.
5. Evaluating performance and initiating corrective adjustments in the company’s long-term direction, objectives, strategy or execution in light of actual experience, changing conditions, new ideas and new opportunities.

**Crafting a Strategy**

According to Thompson, Strickland and Gamble (2007), the task of crafting a strategy entails answering a series of ‘hows’:

 how to grow the business,

 how to please the customers,

 how to outcompete rivals,

 how to respond to changing market conditions,

how to manage each functional piece of the business and develop needed competencies and capabilities and,

how to achieve strategic and financial objectives

Baumol and Blackman (1991) postulate that in crafting strategy, there is need to proactively search for opportunities to do new things or to do existing things in new or better ways. This process entails developing and choosing among various strategic alternatives. In developing and weighing these strategic alternatives, organizations need to be conscious of the environment within which they operate and as such a process of scanning the environmental both internally and externally should be undertaken. The scanning process may take different approaches or use different models but largely involves both PESTLE and SWOT analyses for an organization’s management to have a clear understanding of both internal and external environments. Under PESTLE analysis, organizations seek to understand the Political, Economic, Socio-cultural, Technological, Legal and Environmental factors that affect their business operations. The SWOT analysis also assists organizations to appreciate their internal Strengths and Weaknesses and the Opportunities and Threats that characterize the external environment. Only after understanding both the internal and external environments can organizations effectively craft strategies that can guarantee them competitive advantage in their respective spheres of influence (markets). According to http://worldacademyonline.com/article/18/1/strategy\_development\_process.html, an organizational strategy must be developed for each functional area within its mission statement. The resulting strategies must contain a clear purpose, measurable expected outcomes, fall-back plans in the event the primary strategy cannot be implemented, and a cost and benefit analysis.

Mitchell (2010) asserts that in strategy formulation, organizations attempt to modify the current objectives and strategies in ways that make the organization more successful, creating sustainable competitive advantage in the process. He further states that a good strategy should be effective in solving the stated problem(s), practical (can be implemented in this situation, with the resources available), feasible within a reasonable time frame, cost-effective, not overly disruptive, and acceptable to key "stakeholders" in the organization. An important aspect to consider at this point is the strategic fit between an organization’s resources plus competencies with opportunities, as well as the fit between risks and expectations. According to Mitchell (2010) there are four primary steps in this phase:

* Reviewing the current key objectives and strategies of the organization, which usually would have been identified and evaluated as part of the diagnosis
* Identifying a rich range of strategic alternatives to address the three levels of strategy formulation, including but not limited to dealing with the critical issues
* Doing a balanced evaluation of advantages and disadvantages of the alternatives relative to their feasibility plus expected effects on the issues and contributions to the success of the organization
* Deciding on the alternatives that should be implemented or recommended.

According to Thompson, Strickland and Gable (2007), the strategy making task involves four distinct types or levels of strategy, each of which involves different facets of the company’s overall strategy:

1. **Corporate Strategy** consists of the kind of initiatives the company uses to establish business operations in different industries, the approaches corporate executives pursue to boost the combined performance of the set of businesses the company has diversified into, and the means of capturing cross-cutting business synergies and turning them into competitive advantage. Senior corporate executives normally have lead responsibility for devising corporate strategy.
2. **Business Strategy** concerns the actions and the approaches crafted to produce successful performance in one specific line of business. The key focus is crafting responses to market circumstances and initiating actions to strengthen market position, build competitive advantage, and develop strong competitive capabilities. This level of strategy is for the manager in charge of the business.
3. **Functional-area Strategies** concern the actions, approaches, and practices to be employed in managing particular functions or business processes or key activities within a business. This level represents strategies for functional departments within an organization such as marketing, finance, human resource management, and purchasing. The heads of functions are entrusted with the lead responsibility of crating functional strategies for their respective functional departments or sections.
4. **Operating Strategies** concern the relatively narrow strategic initiatives and approaches for managing key operating units (plants, distribution centers, geographic units and specific operating activities with strategic significance (advertising campaigns, the management of specific brands, supply chain-related activities and Web site sales and operations.

These four levels of strategy largely relate to large corporate organizations that have more than one strategic business unit. In single-business entities, the corporate and business levels strategies are usually collapsed into one level – the business strategy, leaving these type of organizations with only three levels of strategy; business, functional and operational. Beckman and Rosenfield (2008) emphasize the importance of consistency or strategic fit not only in crafting strategy but also in implementation. They allude to Nath and Sudharshan (1994) who contend that there are three critical elements that need alignment in strategy development/crafting; 1) internal alignment to the firm where the implementation of strategy focuses on obtaining fit between the strategy and the structure of the organization, 2) external to the firm, where the strategy formulation process seeks a fit between the firm’s strategy and the environment in which it operates, and 3) internal-external fit, where the formulation and implementation of strategy are considered to be interactive elements.

**Implementing and Executing the Strategy**

The fourth phase of the strategy-making, strategy-executing process is the implementation and execution stage. Barrows (2010) looks at strategy execution as a step-by-step process. In his article on “What is Strategy Execution” on http://www.amanet.org/training/articles/What-Is-Strategy-Execution.aspx, Barrows summarizes a 10-step process, postulating that these steps provide both high level direction and the intricate detail for guaranteeing strategy execution success:

**Step 1:** Visualize the strategy. One of the most pressing challenges in all of strategy is simply understanding what a strategy is. An effective way to improve this understanding is to visualize the strategy via an illustration that shows both the important elements of the strategy and how each relates to one another. Frameworks such as the Strategy Map by Kaplan and Norton, the Activity Map by Michael Porter, or the Success Map by Andy Neely help in this regard.

**Step 2:** Measure the strategy. Key elements of the visualized strategy should be assigned an easily understood performance measure. The full set of strategic performance measures can be organized into a dashboard, a Balanced Scorecard, or some other framework so the reader can determine that progress is being made toward completion of the strategy.

**Step 3:** Report progress. In the same way that a budget is reviewed monthly to ensure financial commitments are being kept, the strategy should be reviewed regularly, but with more of an eye toward determining if the strategy is producing results, versus controlling performance.

**Step 4:** Make decisions. Strategy execution is much like sailing a boat toward a planned destination. A defined course and a full complement of navigational charts will never eliminate the need to remain vigilant, to assess the environment, and to make corrections as conditions change. As part of the regular reporting process leaders must make ongoing strategic decisions to keep the strategy current and on course.

**Step 5**: Identify strategy projects. Organizations may have scores, if not hundreds, of projects ongoing at any point, but they rarely have a firm grasp on the type and range of these projects. The first step in improving project-oriented strategy execution is to capture and organize all projects—strategy projects in particular—that are underway in throughout an organization.

**Step 6: Align strategy projects.** Once projects are captured they must then be aligned to the strategies or goals for the organization. This step entails comparing each project, either proposed or ongoing, to the strategic goals to determine if alignment exists. Only those projects that directly impact the strategy should be resourced and continued.

**Step 7: Manage projects.** Organizations must develop a capability in project management if they are to execute strategy effectively. In some settings, projects receive very little management. In others, projects persist well beyond their scheduled completion. The full complement of projects in any organization should be coordinated and controlled by a central project office or officer with the responsibility for monitoring both progress and performance.

**Step 8: Communicate strategy.** It is difficult to execute strategy when the strategy itself isn’t well understood, or performance relative to it is not communicated. Leaders must communicate their visualized strategy to the workforce in a way that will help them understand not only what needs to be done, but why.

**Step 9: Align individual roles.** Employees want to know they are making a meaningful contribution to their organization’s success. It’s up to senior leaders to ensure that employees at all levels can articulate and evaluate their personal roles toward achievement of specific strategic goals. This is perhaps one of the most critical aspects of the execution process.

**Step 10: Reward performance.** In strategy execution, as in any other area of management, what gets measured gets done. Taking this one step further, what get measured and rewarded gets done faster. After explaining the strategy and aligning the workforce to it, senior managers institute

According to Thompson, Strickland and Gamble (2007), managing the strategy execution process includes the following principal aspects:

* Staffing the organization with the needed skills and expertise, consciously building and strengthening strategy-supportive competencies and competitive capabilities, and organizing the work effort.
* Allocating ample resources to these activities critical to strategic success.
* Ensuring that policies and procedures facilitate rather than impede effective execution.
* Using best practices to perform core business activities and pushing for continuous improvement. Organizational units have to periodically reassess how things are being done and diligently pursue useful changes and improvements.
* Install information and operating systems that enable company personnel to better carry out their strategic roles day in and day out.
* Motivating people to pursue the target objectives energetically and, if need be, modify their duties and job behavior to better fit the requirements of successful strategy execution.
* Tying rewards and incentives directly to the achievement of performance of objectives and good strategy execution.
* Creating a company culture and work climate conducive to successful strategy execution.
* Exerting the internal leadership needed to drive implementation forward and keep improving on how the strategy is being executed. When stumbling blocks or weaknesses are encountered, management has to see that they are addressed and rectified in timely and effective fashion.

Barrows’ 10 step process in essence captures the principal aspects that Thompson Strickland and Gamble emphasize as being critical for successful strategy execution.

**Relationship between the Business Environment and Business Strategy**

**Business Environment**

The business environment is an external variable that impacts organizational strategies and the correlated strategic decision-making. Environmental changes are increasingly faster and continuously pose new challenges to companies (Barkema, Baum & Mannix, 2002) e.g. due the ongoing globalization process or the necessity to adapt new electronic means of communication. As companies operate in an increasingly competitive environment they must rethink and propose new strategies to enhance their competitive position (Mohd, Idris & Momani, 2013; Tushman & Nadler, 1986). Various researchers have examined the environment taking into account various dimensions in many cases referred as external opportunities and threats. However, Mohd, Idris &Momani, 2013) and Suarez and Lanzolla (2007) focused on the environment’s dynamism. Lee (2010), Subramanian, Kumar & Strandholm (2009), Olson, Slater & Hult, (2005) and Han, Kim & Srivastava et al. (1998) focused on market and technology turbulence. Aragón-Correa and Sharma (2003) examined uncertainty, complexity and munificence, as related to proactive corporate strategies. Koka, Madhavan & Prescott 2006) only looked at uncertainty and munificence. Subramanian, Kumar & Strandholm (2009), and Wan and Hoskisson (2003) also examined munificence in their studies. Miller (1991) looked at the uncertain and heterogeneous environment, while Duncan (1972) establishes a difference between complex and dynamic environment and Tidd (2001) focuses on uncertainty and complexity. In most of these and other studies, environmental dimensions are grouped under two large concepts, although authors referred to them with different names. On the one hand, there are components related to the frequency of (unpredictable) changes in external factors what could be interpreted the description of uncertainty. On the other hand, there are those relating to the number of such external factors what expresses the complexity of the business environment. The above points to the importance of examining the environment to understand and explain how companies come out with strategic decisions. This study takes examines the two environmental dimensions complexity and uncertainty, because adapting to them requires organizations to adopt the various approaches regarding both their decision-makingand management. Aragón-Correa and Sharma (2003) hold the greater the number of environmental factors perceived by manager, the more complex the business environment; and the greater the perceived turbulence in environmental factors, the more uncertain and risky will be business decision-making.

**Business Strategies**

Drucker (1954, 1999), Chandler (1962) and Ansoff (1965) contributed to the pioneer definitions of strategy to help managers take their decisions with regard to environmental behaviors and circumstances as a significant components (Ronda- Pupo & Guerras-Martin, 2012). They mostly focus on the concepts of “company”, “environment”, “actions” and “resources”, same which have been subjected to few changes and are still at the core of strategy definitions. Nevertheless, the emphasis on corporate performance enhancement has evolved (Ronda- Pupo & Guerras-Martin, 2012). Sumer and Turkey (2012) show that interest on business strategies increased after the strategy typology was proposed by Miles, Snow, Meyer & Coleman et al. (1978). In line with the above, various studies – including Ronda-Pupo and Guerras-Martin (2012), Lee (2010), Wan and Hoskisson (2003) and Grant (1991) – characterize business strategies as a dynamic but long term oriented relationship of a corporation with its business environment. With regard to the various types of business strategies, Borch, Huse & Senneseth (1999) posit the classic generic strategies put forth by Porter (1980): costs leadership, differentiation and focus; and the business strategies proposed by Miles, Snow, Meyer and Coleman (1978) proposing the classification in prospectors, analyzers, defenders, and reactive. Slater, Olson and Hult (2006) indicate that the approaches to explain business strategies elaborated by Miles, Snow, Meyer and Coleman (1978) and Porter (1980) are the two dominant axes of present strategy typologies. According to Miles, Snow, Meyer and Coleman (1978) companies which implement prospectors business strategies encourage a more dynamic organizational corporate environment, develop new goods and market opportunities. Defender companies act in the opposite way, and are bent on preserving a stable organization in their search to defend and keep a market positioning through a limited set of goods. Companies that apply the analyzers strategies adjust their initiatives between the two ends, as they aim at minimizing risk while maximizing profits, and search only demonstrably viable new products and markets (table 1 shows key features of strategic typology that companies should solve). Finally, companies that practice the fourth or reactive type of strategy act inconsistently regarding their strategies, technology, structure and processes

|  |  |  |
| --- | --- | --- |
| **Prospector** | **Analyzer** | **Defender** |
| How to locate and exploit new product and market opportunities. | How to locate and exploit new product and market opportunities while maintaining a firm base of traditional products andcustomers. | How to “seal off” a portionof the total market to createa stable set of products and customers. |
| How to avoid long-termcommitments to a singletechnological process. | How to be efficient in stable portions of the domain and flexible in changing portions. | How to produce and distribute goods or services as efficiently as possible. |
| How to facilitate and coordinate numerous and diverse operations. How do differentiate the organization`s structure | How do differentiate the organization`s structure and processes to accommodateboth stable and dynamic areas of operation. | How to maintain strict control of the organization inorder to ensure efficiency. |

**Key features**

**Source: Miles et al. (1978).**

Other authors have delved into the characteristics of the various types of strategies proposed by Miles, Snow, Meyer & Coleman (1978). Sumer and Turkey (2012), Aragón-Correa and Sharma (2003), Hambrick (2003) and Borch, Huse, Senneseth (1999) analyze the concepts of the four types of strategies. They described that defenders strategies are typical for businesses that prosper thanks to stability, confidence and efficiency. Prospector´s strategies are typical for businesses exploring new products and opportunities in markets, and encourage a more dynamic environment. However, companies applying analyzers strategies are typically more innovative than those with defenders strategies but more cautious than prospectors while, finally, reactive strategies are typical for businesses responding to the environment as a reaction and do not totally manage to move forward or prosper. It can be stated that authors have reached a consensus about prospectors, analyzers and defenders strategies, as stable approaches, while the reactive strategy is regarded unstable. For this reason, neither Blumentritt and Danis (2006) nor Olson, Slater & Hult (2005) include the reactive strategy in their studies, which they regard as non-viable, difficult to sample and weak as a strategic proposal. Consequently, the reactive strategy will not be taken into account in this study. Regarding these types of strategy, several researchers have confirmed their importance additionally. Ketchen (2003) has mentioned that Miles, Snow, Meyer & Coleman (1978) has been quoted in more than 1,100 research works, translated into several languages and its core tenets are being taught around the world. Paulson (2009) gives a review of over thirty years of literature and shows the wide variety of applications of these strategies.

**Relationship Between a Complex Environment and Types of Business Strategies**

Various studies about strategies have drawn the conclusion that their use is related to the environment’s behavior (Ronda-Pupo and Guerras- Martin, 2012). Consequently, corporations should aim at getting information about their environment to improve their strategic understanding and thereby enhance the quality of their decisions (Forbes, 2007). In line with this proposal, Christmann (2000) holds companies should look for resources and competitive advantages to address various types of environmental patterns in an adequate way. Corporate strategies respond differentially to environmental behavior patterns because they result from the perceptions of their managers, who are in charge of making decisions. Companies that do not act based on defined strategies are unstable in the way they adapt to environmental changes (Sumer & Turkey, 2012). On the other hand companies that consequently engage in strategic planning outperform those that do not (Andersen, 2000). companies come from the external environment, including their competitors, clients and new technologies (Jaworski & Kohli, 1993). All these may have an impact on their internal resources’ management and strategic perspectives. With regard to the business strategies proposed by Miles, Snow, Meyer and Coleman (1978), Blumentritt and Danis (2006) identify several potential research areas. They mention organizations that adopt prospectors strategies put a greater emphasis on innovation, compared to those engaged in defenders and analyzers strategies, because the former seek to preserve their leading strategic positioning. On the contrary, businesses enforcing defenders strategies engage in conservative organizational behavior, and direct their activities to cost cutting and building good and long lasting client relationships. In a complex environment, i.e. when a greater number of components is perceived, companies adopting prospectors strategies assume they will find greater business opportunities and potential for their activities, while companies adopting analyzers strategies will think in terms of identifying greater opportunities for successfully introducing their products and penetrating markets at a lower risk, and provided other companies have already explored those markets. Defenders companies, finally, see more opportunities in building client confidence and better develop their elected market segment.

**CHAPTER THREE**

**RESEARCH METHODOLOGY**

**3.1 Area of Study**

A total of 4 selected organizations in Enugu State form the area of the study. The selected organizations includes;

PADE Business Consulting, Supreme innovation, NACSWOT KONSULTS, and Anambra Motor Manufacturing Company Limited (ANAMMCO).

**3.2 Research Design**

Research designs are perceived to be an overall strategy adopted by the researcher whereby different components of the study are integrated in a logical manner to effectively address a research problem. In this study, the researcher employed the descriptive survey research design. This is due to the nature of the study whereby the opinion and views of people are sampled.

**3.3 Population of the study**

According to Udoyen (2019), a study population is a group of elements or individuals as the case may be, who share similar characteristics. These similar features can include location, gender, age, sex or specific interest. The emphasis on study population is that it constitutes of individuals or elements that are homogeneous in description.

This research was carried out on The Strategies For Managing Environmental Factors In Business Organisaitons In Nigeria. About one thousand five hundred (1500) senior and junior staff of the four (4) selected organizations in Enugu state form the population of the study.

**3.4 Sample size determination**

A study sample is simply a systematic selected part of a population that infers its result on the population. In essence, it is that part of a whole that represents the whole and its members share characteristics in like similitude (Udoyen, 2019). In this study, the researcher adopted the simple random sampling (srs.) method to determine the sample size.

**3.5 Sample size selection technique and procedure**

The Taro Yamane (1967:886) provides a simplified formula to calculate sample sizes.

Assumption

95% confidence level

P = .5

n= 1500/1+1500(0.05)2

n= 1500/1+1500(0.0025)

n= 1500/1+5.5

n=1000

Therefore, for this study, the sample size is 1000

**3.6 Research Instrument and Administration**

The research instrument used in this study is the questionnaire. A 15 minutes’ survey containing 10 questions were administered to the enrolled participants. The questionnaire was divided into two sections, the first section inquired about the responses demographic or personal data while the second sections were in line with the study objectives, aimed at providing answers to the research questions.

**3.7 Method of data collection**

Primary and secondary sources of data collection were used. The primary sources include oral interviews and questionnaires while the secondary sources include textbooks, journals, internet, published and unpublished articles.

**3.8 Method of data analysis**

The responses were analyzed using the frequency tables, which provided answers to the research questions. And the hypothesis were tested using Chi-square statistic tool SPSS v23.

**3.9 Validity and Reliability of the study**

The reliability and validity of the research instrument was determined. The Pearson Correlation Coefficient was used to determine the reliability of the instrument. A co-efficient value of 0.68 indicated that the research instrument was relatively reliable. According to (Taber, 2017) the range of a reasonable reliability is between 0.67 and 0.87.

**CHAPTER FOUR**

**DATA PRESENTATION AND ANALYSIS**

**4.1 DATA PRESENTATION**

**Table 4.1: Demographic data of respondents**

|  |  |  |
| --- | --- | --- |
| **Demographic information** | **Frequency** | **percent** |
| GenderMale |  |  |
| 600 | 60% |
| Female | 400 | 40% |
| Religion |  |  |
| Christian | 850 | 85% |
| Muslim | 150 | 15% |
| Age |  |  |
| 21-30 | 200 | 20% |
| 31-40 | 450 | 45% |
| 41-50 | 250 | 25% |
| 51 + | 100 | 10% |
| **Education** |  |  |
| HND/BSC | 350 | 35% |
| MASTERS | 450 | 45 |
| PHD | 200 | 20% |
| **Position**  |  |  |
| Junior staff | 550 | 55% |
| Senior staff | 450 | 45% |

**Source: Field Survey, 2021**

**ANSWERING RESEARCH QUESTIONS**

**Question 1:** Is there major environmental factors that create opportunities and threats for the manufacturing organizations?

**Table 4.2:**Respondent on question 1

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage %** |
| Yes | 700 | 70 |
| No | 100 | 10 |
| Undecided | 200 | 20 |
| **Total** | 200 | 100 |

**Field Survey, 2021**

From the responses obtained as expressed in the table above, 700 respondents constituting 70% said yes. 100 respondents constituting 10% said no. While the remaining 200 respondents constituting 20% were undecided.

**Question 2:** What departments in organization are responsible for strategic planning?

**Table 4.3:** Respondent on question 2

|  |  |  |  |
| --- | --- | --- | --- |
| **Options** | **Yes** | **NO** | **Total %** |
| Executives/Board of directors | 1000 | 00 | 100 |
| Administrative Department | 1000 | 00 | 100 |
| Human resource Department | 1000 | 00 | 100 |
| Marketing Department | 1000 | 00 | 100 |
| Financial Department | 1000 | 00 | 100 |

**Field Survey, 2021**

From the responses obtained as expressed in the table above, All the respondents constituting 100% said yes to all the options provided. There was no record of no.

**Question 3:**  What strategies can be adopted in solving the problems of environmental factors uncertainly

**Table 4.4:** Respondent on question 3

|  |  |  |  |
| --- | --- | --- | --- |
| **Options** | **Yes** | **NO** | **Total %** |
| Knowledge Generation | 1000 | 00 | 100 |
| Employing the Precautionary Principle | 1000 | 00 | 100 |
| Adaptive Management  | 1000 | 00 | 100 |
| Stakeholder Involvement  | 1000 | 00 | 100 |

**Field Survey, 2021**

From the responses obtained as expressed in the table above, All the respondents constituting 100% said yes to all the options provided. There was no record of no.

**Question 4:**  what are the processes of strategic planning that can be used to respond to the environmental information in an organisaiton?

**Table 4.5:** Respondent on question 4

|  |  |  |  |
| --- | --- | --- | --- |
| **Options** | **Yes** | **NO** | **Total %** |
| Identify Your Strategic Position | 1000 | 00 | 100 |
| Gather People and Information | 1000 | 00 | 100 |
| Perform a SWOT Analysis  | 1000 | 00 | 100 |
| Formulate a Strategic Plan | 1000 | 00 | 100 |
| Execute Your Strategic Plan | 1000 | 00 | 100 |

**Field Survey, 2021**

From the responses obtained as expressed in the table above, All the respondents constituting 100% said yes to all the options provided. There was no record of no.

**Question 5:** Does the business environmental factor uncertainty affect or influence the attainment of organizational objectives?

**Table 4.6:** Respondent on question 5

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Yes | 750 | 75 |
| No | 50 | 5 |
| Undecided | 200 | 20 |
| **Total** | **1000** | **100** |

**Field Survey, 2021**

From the responses obtained as expressed in the table above, 750 respondents constituting 75% said yes. 50 respondents constituting 5% said no. While the remain 200 respondents constituting 20% were undecided.

**Question 6:** Are there any other solution or ways, which the problem of environmental factor on business can be tackled?

**Table 4.7:** Respondent on question 6

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Yes | 900 | 90 |
| No | 00 | 00 |
| Undecided | 100 | 10 |
| **Total** | **1000** | **100** |

**Field Survey, 2021**

From the responses obtained as expressed in the table above, 900 respondents constituting 90% said yes. 100 respondents constituting 10% were undecided. There was no record for No

**Question 7: Is** Organizational productivity and performance dependent on environmental factors?

**Table 4.8:** Respondent on question 7

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Yes | 850 | 85 |
| No | 50 | 5 |
| Undecided | 100 | 10 |
| **Total** | **1000** | **100** |

**Field Survey, 2021**

From the responses obtained as expressed in the table above, 850 respondents constituting 85% said yes. 50 respondents constituting 5% said No. while 100 respondents constituting 10% were undecided.

**Question 8:** Is there any **s**ignificant association between strategic planning and environmental factors.?

**Table 4.9:** Respondent on question 8

|  |  |  |
| --- | --- | --- |
| **Options** | **Frequency** | **Percentage** |
| Yes | 800 | 80 |
| No | 50 | 5 |
| Undecided | 150 | 15 |
| **Total** | **1000** | **100** |

**Field Survey, 2021**

From the responses obtained as expressed in the table above, 800 respondents constituting 80% said yes. 50 respondents constituting 5% said no. 150 respondents constituting 15% were undecided.

**2.3 TEST OF HYPOTHESES**

**H01:**  Organizational productivity and performance is not dependent on environmental factors.

**H11:**  Organizational productivity and performance is dependent on environmental factors.

**H02:** There is no significant association between strategic planning and environmental factors.

**H12:** There is a significant association between strategic planning and environmental factors.

**Hypothesis One**

**Organizational productivity and performance is dependent on environmental factors.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response**  | **Observed frequencies** | **Expected frequencies (E)** | **O-E** | **(O-E)2** | **(O-E)/ E** |
| **Yes****No****Undecided** | 85050**100** | 333.33333.33333.33 | 516.67-283.33-233.33 | 578294176 | 75521.2**128.2** |

**Source: Extract from Contingency Table**

X2 = ∑ (fo – fe)2/fe = 240.0

Fe= 850+50+100 = 333.33

 3

Degree of freedom = (r-1) (c-1)

 (3-1) (2-1)

 (2) (1)

 = 2

At 0.05 significant level and at a calculated degree of freedom, the critical table value is 5.99.

**Findings**

The calculated X2 = 128.2 and is greater than the table value of X2 at 0.05 significant level which is 5.99.

**Decision**

Since the X2 calculated value is greater than the critical table value that is 128.2 is greater than 5.99, the Null hypothesis which states that Organizational productivity and performance is not dependent on environmental factors is rejected and the alternative hypothesis which states that Organizational productivity and performance is dependent on environmental factors.. is accepted.

**Hypothesis Two**

**There is a significant association between strategic planning and environmental factors.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Response**  | **Observed frequencies** | **Expected frequencies (E)** | **O-E** | **(O-E)2** | **(O-E)/ E** |
| **Yes****No****Undecided** | 80050150 | 333.33333.33333.33 | 466.67-283.33-183.33 | 277.56868.43-1027.75 | 6895.2-15.2**148** |

**Source: Extract from Contingency Table**

X2 = ∑ (fo – fe)2/fe = 148.0

Fe= 800+50+150 = 333.33

 3

Degree of freedom = (r-1) (c-1)

 (3-1) (2-1)

 (2) (1)

 = 2

At 0.05 significant level and at a calculated degree of freedom, the critical table value is 5.99.

**Findings**

The calculated X2 = 148 and is greater than the table value of X2 at 0.05 significant level which is 5.99.

**Decision**

Since the X2 calculated value is greater than the critical table value that is148 is greater than 5.99, the Null hypothesis which states that there is no significant association between strategic planning and environmental factors is rejected and the alternative hypothesis which states that there is a significant association between strategic planning and environmental factors accepted.

**CHAPTER FIVE**

**SUMMARY, CONCLUSION AND RECOMMENDATION**

**5.1 SUMMARY**

In this study, our focus was to examine the strategies for managing environmental factors in business organizations in Nigeria using organizations in Enugu State as case study. The study specifically was aimed at finding out the strategies for managing environmental factors in Nigerian business organizations; Identify the strategies adapted by manufacturing organizations in Enugu state in managing environmental factors.

The study adopted the survey research design and randomly enrolled participants in the study. A total of 1000 responses were validated from the enrolled participants where all respondent are either junior or senior staff of the selected organizations in Enugu State.

**5.2 Conclusions**

Based on the finding of this study, the following conclusions were made:

1. There are major environmental factors that create opportunities and threats for the manufacturing organizations
2. It was concluded that department such as Executives/Board of directors, Administrative Department, Human resource Department, Marketing Department and Financial Department are responsible for strategic planning;
3. It was also reveal that strategies which includes; Knowledge Generation, Employing the Precautionary Principle, Adaptive Management and Stakeholder Involvement can be adopted in solving the problems of environmental factors uncertainly.
4. It was also concluded that business environmental factor uncertainty affect or influence the attainment of organizational objectives
5. There is a significant association between strategic planning and environmental factors
6. Organizational productivity and performance is dependent on environmental factors.

**5.3 Recommendations**

1. Organizations should use SWOT analysis to analysis the environment to enable than fit and keep on going.
2. Businesses should minimize their weaknesses by paradigm shift from internal factors that weaken management inefficiencies.
3. That management of these manufacturing organisations should constantly scan the environment in order to understand the major trends of events and make proactive decisions that would neither jeopardise nor mortgaged the future of the organisations.

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**APPENDIXE**

**QUESTIONNAIRE**

**PLEASE TICK [√] YOUR MOST PREFERRED CHOICE(S)**

**SECTION A**

**PERSONAL INFORMATION**

**Gender**

Male [ ] Female [ ]

**Age**

20-30 [ ]

31-40 [ ]

41-50 [ ]

51 and above [ ]

**Educational level**

WAEC [ ]

BSC/HND [ ]

MSC/PGDE [ ]

PHD [ ]

Others……………………………………………….. (please indicate)

**Marital Status**

Single [ ]

Married [ ]

Separated [ ]

Widowed [ ]

**Duration of Service**

0-2 years [ ]

2-5 years [ ]

5 and above [ ]

**Position**

Junior staff [ ]

Senior Staff [ ]

**SECTION B**

**Question 1:** Is there major environmental factors that create opportunities and threats for the manufacturing organizations?

|  |  |
| --- | --- |
| **Options** | **Please Tick** |
| Yes | 700 |
| No | 100 |
| Undecided | 200 |

**Question 2:** What departments in organization are responsible for strategic planning?

|  |  |  |
| --- | --- | --- |
| **Options** | **Yes** | **NO** |
| Executives/Board of directors |  |  |
| Administrative Department |  |  |
| Human resource Department |  |  |
| Marketing Department |  |  |
| Financial Department |  |  |

**Question 3:**  What strategies can be adopted in solving the problems of environmental factors uncertainly

|  |  |  |
| --- | --- | --- |
| **Options** | **Yes** | **NO** |
| Knowledge Generation |  |  |
| Employing the Precautionary Principle |  |  |
| Adaptive Management  |  |  |
| Stakeholder Involvement  |  |  |

**Question 4:**  what are the processes of strategic planning that can be used to respond to the environmental information in an organisaiton?

|  |  |  |
| --- | --- | --- |
| **Options** | **Yes** | **NO** |
| Identify Your Strategic Position |  |  |
| Gather People and Information |  |  |
| Perform a SWOT Analysis  |  |  |
| Formulate a Strategic Plan |  |  |
| Execute Your Strategic Plan |  |  |

**Question 5:** Does the business environmental factor uncertainty affect or influence the attainment of organizational objectives?

|  |  |
| --- | --- |
| **Options** | **Please tick** |
| Yes |  |
| No |  |
| Undecided |  |

**Question 6:** Are there any other solution or ways, which the problem of environmental factor on business can be tackled?

|  |  |
| --- | --- |
| **Options** | **Please Tick** |
| Yes |  |
| No |  |
| Undecided |  |

**Question 7: Is** Organizational productivity and performance dependent on environmental factors?

|  |  |
| --- | --- |
| **Options** | **Please Tick** |
| Yes |  |
| No |  |
| Undecided |  |

**Question 8:** Is there any **s**ignificant association between strategic planning and environmental factors.?

|  |  |
| --- | --- |
| **Options** | **Please Tick** |
| Yes |  |
| No |  |
| Undecided |  |

**Field Survey, 2021**