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Influence of Environment on Organizational Performance; A Study of Selected Small and Medium Enterprise in Anambra State

[1]M. A. Ozoh [1]Prof. M.N Okeke & [2]Dr. C.J Jacobs
[1]Department of Business Administration, Chukwuemeka Odumegwu Ojukwu University, Igbariam, Anambra State Nigeria
[2]Department of Entrepreneurship Studies, Chukwuemeka Odumegwu Ojukwu University, Igbariam, Anambra State Nigeria

Abstract: *The study examined the effect of environment on the organizational performance of small and medium scale enterprises in Anambra State. The major problem of this study was as a result of instability of business environment in Anambra State, Nigeria. The broad objectives of the study were to examine the effect of environment on the organizational performance of small and medium scale enterprises. The study comprised adopted survey method. Primary sources of data were mainly used. The area of the study was the selected small amd mediun scale enterprises firm in Anambra state. Questionnaire and semi structured interview were used to collect data from manager-owners and other key officers in the selected SMEs. The population of the study was 1393 SMEs, and a sample size of 304 was determined using Borg & Gall (1973). The research adopted two sampling techniques; purposive sampling and stratified sampling. Ordinary Least Squares Method of regression analysis was employed. From the analyses tested, the study found out that , Economic environment has significant effect on profitability of small and medium enterprise, Technological environment has significant effect on performance of small and medium enterprise, Financial environment has significant effect on performance of small and medium enterprise, Political environment has significant effect on performance of small and medium enterprise. The study recommended that the government of the day should endeavour to create an enabling environment that would be truly conducive for business organisations to thrive without engaging in any act of fraudulent practices. Government should empower the SMEs to access and get credits from the commercial banks through formal and informal entrepreneurship education for SMEs to develop their managerial capabilities and be more creditworthy. Certificates of attendance obtained from such trainings should be made a prerequisite for obtaining loans. Policies should be properly defined, and the possibilities of establishing an indigenous mini-bank for small scale industries in the states to enable them access loans at low interest rate.*

Keywords: *Environment, Economic environment, Technological environment, Political environment, small and medium enterprise, Technological environment*

INTRODUCTION

1.1 Background to the Study

No business organization can operate successfully in isolation without dependence on supportive institutions, variables and factors (Oginni, 2010) i.e business organization exists and operates within an environment where there is complex interplay in terms of activities as well as networks of relationship between and among human resources, material resources and other systems. In the views of Aborade (2005) all business decisions are found to be contingent upon a good analysis of the environment which is often the bane of all the constraints as this environment creates the opportunities, threats and problems for the business organisation.

Evolving from this is the belief that business organization is an integral part of its environment on the ground that they are mutually interdependent and exclusive where the environment plays the role of providing the resources and opportunities to organization for its existence, and the business organization in turn, offers its goods and services to the people living in the environment for survival and enlightenment (Ajala, 2005). This is also in line with the views of Adi (2006) that the most important sole influence on organizational policy and strategy at any point in its development is the environment, both within and outside the organization.

Akanji (2013) was of the opinion that the more complex, turbulent and dynamic an environment becomes, the greater the impact on human attitudes, business, organizational structure, market and process as well as facilities, therefore there is need for all organizations to direct their attention to the environment when formulating their strategic management policies in order to facilitate their survival, growth and profit motives. Business environment means factors outside the control of the business that influence its objectives, functioning, strategies and the entire performance of the organization in an area (Ezedum; Agbo and Odigbo, 2011). The process of starting up and developing a business is more than an adventure. It is a challenge and it will be beneficial to the entrepreneur if a favorable business environment is created from the onset. According to Otokiti and Awodun (2007) , business environment is perceived to have been rarely exceeded in complexity, turbulence and in rapid change. As such, all organizations (large or small) must pay greater attention to their environment when formulating and implementing policies and strategies in order to survive and grow. The Nigeria business environment is characterized by factors such as low-sales; high cost of production: low capacity utilization; lack of foreign exchange to source needed inputs; poor power supply and low quality of goods and services, (Kennerly and Nelly, 2008). These issues have led to lack of proper integration and coordination of various corporate subsystems in Nigerian organizations. Thus, the likelihood of the vagaries and extremities of the environment affect the fortunes of organizations.

The environment aids business to embark on SWOT analysis. According to Idemobi (2010), SWOT analysis is a tool for auditing an organization and its environment, it is the first stage of planning, and it helps marketers to focus on key issues. SWOT stands for strengths, weakness, opportunities and threats, strengths and weakness are internal factors while opportunities and threat are external factors

Oginni & Adesanya (2013).SMEs in the whole world overplay a significant role towards the development of national economies, whether in the developed or developing countries. Studying the progress of SMEs is an activity that no country can take lightly because of the sector's significant contribution to a nation's economy. Wickert & Herschel (2015) suggest that 97.9% of all companies in Germany fall within the SME sector category. Concurring with the above, Wimmer & Wolter (2006) further add that SMEs provide 36% of all the industrial investments. SMEs account for 97% of all the private sectors businesses and produce 30% of the nation's output. A national policy on Small and Medium Enterprises formulated in July, 2002 to develop

SMEs in Zimbabwe by its report in 2012 maintains that 70% of the nation's Gross National Product came from the SMEs sector, (Magenisa, Dugal and Rafael 2013).

In Nigeria, the recent survey of formal sector of small and medium enterprises by the National Bureau of Statistics and Small and Medium Scale Enterprise Development Agency (SMEDAN) reveals that 92.8% of the enterprises are small scale, while 7.22% are medium scale enterprises,(NBS/ SMEDAN 2012). Small Scale enterprises also account for 70% of national industrial employment if the threshold is set at 10 - 50 employees and contribute 10% of manufacturing output in Nigeria (Ajayi 2006). More so, Eke (2007) states that Small scales business accounts for over 93% of the total entrepreneurs in Nigeria.

However, despite the number of SMEs, the performance of the sector still falls below expectation in Nigeria Abiodun (2011). This may be because the sub- sector has been bedeviled by several environmental factors militating against its performance. This calls for an empirical investigation. Thus this study examines Business environment and performance of SMEs in South East, Nigeria, with specific reference to the manufacturing subsector.

Business environment encompasses those factors within and outside that effect an industry operations and it includes customers, competitors, industry trends, technological developments etc. this implies that no business operates in a vacuum, Ezedum, Agbo andOdigbo (2011). Robbins (2007) averts that environment of organization is very crucial not only as a determinant of structure but because it is expedient that organizations have to adapt to their environment if they are to maintain and increase their effectiveness. The views of the National council on industry on micro, small, medium and large scale industry as well as that of European Commission (2003) were considered as forming the bases of SMEs classification in the Nigeria context. Firm performance was seen as a focal phenomenon in business studies and operation which refers to a firm's success in the market which may have outcomes and characterized by ability to create acceptable outcomes and actions, Salanak (2008). It can be measured by financial or non-financial factors. The study adopted the non-financial approach and reviewed non-financial factors such as Infrastructural accessibility, Government policies, Business credit Interest rates and the new Technology.

A careful examination of several studies both empirical and contextual in this study indicates a vast degree of literature on business environment and performance, thereby placing this study with framework of existing literature. Regrettably, this study noted that the result of most of these empirical works conducted have not been conclusive or did not treat at all the effects of business environmental factors (internal and external) on economic environment, technological environment, financial environment, and political environment all under external environment. More so, while these studies adopted financial indices to measure performance, this study intends to adopt the non-financial factors to measure the performance of the selected SMEs in Anambra state Nigeria in order to fill up this gap.

REVIEW OF RELATED LITERATURE

Business Environment

Business environment according to Ukeje (2002) encompasses all those factors within and outside that affect an industry's operation and it includes the following variables customers, competitors, suppliers, industry trends, regulations, other forms of government activities, social, economic and technological factors. By this, it means that no business operates in an environment where it constantly interacts with these internal and external forces. Robbin (2017) asserts that environment of business is very important not only as a determinant of structure but a factor that must be harnessed by organizations to ensure overall organizational effectiveness.

Earnest, Agbo and Odigbo (2011) perceive business environment as factors outside the control of business that influence its objectives, functioning, strategies and the entire performance of organization in an area. They further classified business environment into internal and external environments. Internal environment of business hinges on human activities like production, extraction or marketing and includes man, money, machinery, materials and management (5Ms). External environment of business are variables that a firm acts and reacts to outside the business which affect implementation and profitability of the business. External business environment may be subdivided into micro and macro environment. Micro environment is the crucial environment in the immediate ambience of the business known also as the operating environment. This according to Ezedum, Agbo and Odigbo (2011) maintain that the variables that affect the capacity of the business to work smoothly are suppliers, intermediaries, competitors, consumers and the public. Macro environments are those factors that may create both opportunity and threat to the business which may be economic and / or non economic.

Several environmental dimensions had been presented in the literature for describing the quality of business environment. Dess and Beard (2004) distinguish between dimensions such as munificence, dynamisms and complexity. Munificence refers to the environmental capacity as the extent to which the environment can support sustained growth. In general, a munificence environment is regarded as more favorable for business success than a scarce environment. Dynamism is related to the turbulence, that is, the dimension of stability versus instability. It has been found that small firms that face an environment with increasing dynamisms tend to grow faster than others, Wiklund (2008).

2.2*:* Theoretical Framework

Herzberg Two Factor Theory

The Two Factor Theory was advanced by Frederick Herzberg in 1959. This study is grounded on this theory that has been explored by various scholars to explain the relation between workplace environment and employee performance. Herzberg defined two sets of factors in deciding employees' working attitudes and levels of performance, named motivation and hygiene factors (Robbins and Judge, 2007). He stated that motivation factors are intrinsic factors that will increase employees' job satisfaction; wile hygiene factors are extrinsic factors to prevent any employees' dissatisfaction. The theory pointed out that improving the environment in which the job is performed motivates employees to perform better.

Herzberg's theory concentrates on the importance of internal job factors as motivating forces for employees. He wanted to create the opportunity for employees to take part in planning, performing and evaluating their work (Schultz et al., 2010). The content of the theory has been widely accepted as relevant in motivating employees to give their best in organizations. Further research has proved that the employee is more motivated by intrinsic factors as captured by Herzberg's motivator needs than anything else.

There are however other schools of thought that share a different opinion from Herzberg's. One such scholar is King (2005) who sought to eradicate and evaluate five distinct versions of the Two Factor theory. He concluded that two versions are invalid as they are not supported by any empirical studies. However, the two factor theory can be said to be a truly outstanding specimen for it to last a long period of time without disapproval. It has been a great influence on the body knowledge about workplace motivation and performance. It has generated a great amount of further research by many scholars. It draws its thought from Maslow's famous hierarchy of needs theory and human behaviour. However due to changes in organizational environment and the advancement in technology, it is necessary to develop new methods of analysis. This will provide new ways of conducting research and revaluating the results of existing findings.

Empirical Review

Mohammed, Ghazali, Awang, Tahir, & Azman, (2015) examined the effect of finance, infrastructure, and training on the performance of SMEs in Nigeria. The findings indicate that finance, infrastructure, and training have a positive and significant effect on the performance of SMEs in Nigeria. This suggests that there is a dire need for finance, infrastructure, and training to be given adequate concentration as they serve as the engine of boosting the performance of SMEs in Nigeria. Obokoh, & Goldman, (2016) examine the effects of infrastructure deficiency on the performance of manufacturing small and medium sized enterprises in Nigeria. To complement this, semi-structured interviews were conducted in 2007 and 2011 respectively. The deficiency in infrastructure negatively impacts the profitability and performance of SMEs, due to the high cost incurred by SMEs in the self-provision of infrastructure and distribution of finished goods. Furthermore, despite the successful privatization of electricity production in November 2013, there is still no significant improvement in the power supply in Nigeria.

Oduyoye, Adebola, & Binuyo, (2013) Studied the infrastructure support activities of the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) in her bid to ensure the growth of cooperative financed small and medium scale enterprises in Ogun State, Nigeria between 2005 and 2010. The study revealed that the provision of Infrastructure Support by the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) was not significant to the growth of some selected businesses (especially cooperative-financed small businesses) in Ogun State, Nigeria, within the study period of2005 – 2010. Akinyele, Akinyele, & Ajagunna (2016) examined the effect which infrastructures have on SMEs performance. The findings show that there is a significant positive correlation between infrastructures and SME performance, Harash, Yahya, Ahmed, & Alsaad, (2013) examined the effect of market practices on the performance mainly concentrated large companies. The review of the small and medium enterprises (SMEs) literature reveals limited research has attempted to investigate the moderating effect of government policy in SMEs, particularly in the Iraq context. This study general review the moderating effect of government policy on the relationship between market practices related to the provision of high quality products and market activities such as personal selling, sales promotion, advertising, pricing-related issues, and distribution coverage and financial performance of SMEs in the Iraq. Eniola, & Entebang, (2015) Government Policy and Performance of Small and Medium Business Management. The study reviews the relationship between government policies and small and medium enterprises (SMEs) performance in Nigeria. The study offered some relevant recommendations to policy makers, entrepreneurs, and SME managers to ensure the appropriate scheme to improve the SME sector in Nigeria.

Simiyu, Namusonge, & Sakwa, (2016) determine the effect of government policy and regulations on the growth of women owned Micro and Small Enterprises in Trans Nzoia County, Kenya. The study found out that Government policy and regulations had statistically insignificant relationship with growth of women MSEs at 0.05 level of significance. Jibrilla, (2013) examined the impact of government interventions on Small Scale enterprise in Mubi North local government Area. As a result SSEs operators do not feel the relevance of these interventions. Finally, based on the findings of the study the following recommendations are made: government should embark on the sensitization/awareness creation and also reduce the conditions to be met before accessing the interventions.

Sahrom, Tan, and Yahya, (2016). examine the relationship between regulation, incentives and government policy to R&D (research and development) engineers' innovative behaviour in Malaysia biotechnology SMEs. Incentives were insignificant to innovative behaviour. Shamsuddin, (2014) examined the relationship between the Government Business Support Services (GBSS) (relating to financial support and non-financial support) and the performance of Small and Medium Enterprises (SMEs) in Malaysia. The outcome of this study provides new knowledge and important insights for government agencies, such as SME Corp., to look further at the programmes and guidelines, and enforce new policies toward improving the performance of SMEs in Malaysia.

METHODOLOGY

Research Design

According to (Adams,2010), research design describes a number of decisions which need to be taken regarding the collection of data before ever the data is collected; A schematic guides which directs a researcher in solving research problem.

The research design that was adopted in this study is the survey design, Personal observation, interview and questionnaires were used in this study to seek clarifications and convenience on the part of the respondent given schedules.

Population of the Study

This describes characteristics of SMEs in, Anambra, which constitute the universe of this study. The population of interest therefore consists of all operational SMEs in the Anambra states (between 2006 and 2016) with not less than 10 employees. Thus the population of this study is 1393 SMEs. This population figure was derived from NBS/SMEDAN MSME collaborative survey for 2019.

Sample Size and Sampling Technique

Given the nature of this study, it was difficult to cover the entire population of (4871), so a fair representative sample of the population therefore was imperative. Accordingly, the sample size for the study was determined by using the Borg & Gall (1973) formular for calculating sample size as follows

$n = (1.960)^2 (0.05) [1393]$

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$n = (3.8461) (69.65)$

$= 304.88 \Longrightarrow 304$

$n = 304$

Sampling Technique

The research adopts two sampling techniques namely purposive sampling and stratified sampling. Purposive sampling enables the researcher to choose at respondents that was of interest to the study while the stratified random sampling permits each of the different respondents in the states to be selected without bias.

Method of Data Collection

Two methods of data collection involving quantitative and qualitative method were adopted for this study. The quantitative method makes use of questionnaire and for the qualitative, a semi structural interview was conducted which serves as a supplementary data for the quantitative method which was subject to data analysis.

Method of Data Analysis

Statistics such as frequency count and percentages were put to use in the analysis of research questions while research hypotheses were tested using correlation analysis and simple regression analysis. The research hypotheses were tested at 0.05 level of significance. Analysis was carried out with the aid of Statistical Package for Social Sciences (SPSS).

Presentation of Regression Result

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.149	3	6.287	40.530	.000[b]
	Residual	51.656	290	.155		
	Total	76.805	293			

a. Dependent Variable: ORP
b. Predictors: (Constant), EE, TCE, FE, POE)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.551	.153		10.111	.000	1.249	1.853
	EE	.279	.036	364	7.761	.000	350	-.208
	TCE	.190	.031	.296	6.112	.000	.129	.251
	FE	.058	.021	145	2.836	.005	.099	-.018
	POE	.030	.024	.063	3.267	.006	.077	.017

a. Dependent Variable: ORP

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.572[a]	.627	.619	.39386	.327	40.530	3	290	.000	1.758

a. Predictors: (Constant), EE, TCE, FE, POE
b. Dependent Variable: ORG

Interpretation of the Result

The Coefficient of determination otherwise known as the goodness of fit explains the percentages, proportion or total amount of variations in the dependent variables as a result of changes in the independent variables included in the model. This portrays the usefulness or rather the significance of the regression. The closer its values are to 1 the better the fit since the value is usually 0-1.

From our regression result, R^2 is 63%. This implies that the independent variables can explain about 63% of the variable in the dependent variable, leaving the remaining 47% which would be accounted for by other variable outside the model.

The F- statistics: This is used to test for the overall significant of the model. . From the result in table 4.4 above, our computed value of F- statistics are 40.530, while the probability is 0.000000. Since the probability of the F- statistics in the computed output is less than the desired 0.05 level of significance, we accept and state that there is a significant relationship between the variable of the estimate and that of the dependent variable

A'priori Criteria: This is determined by the existing business theories; it also indicates the signs and magnitude of the business parameter under review. In table 4.4 above, we find out that economic environment (EE) has a positive sign given its value as 0.279; this implies that a unit increase in economic environment (EE) increases the organizational performance by 27%, this conform to the a' priori technological environment (TCE) has a positive sign and its value is 0.190; this implies that a unit increase in technological environment (TEC) increases the organizational performance by 19%, this also conforms to theoretical expectations. Financial environment (FE) has a positive sign and its value as 0.058; this implies that a unit increases in financial environment (FE) increase the organizational performance by 5%; this conforms to a' priori expectation. Lastly it was observed that political environment (PE) has positive sign and organizational performance in Anambra state.

T- Statistics: This is carried out to measure the significance of individual explanatory variables in the model that is to find out the significant influence of explanatory variables on the dependent variables at chosen level of significance. It was discovered that economic environment (EE) is statistically significant at 5% level, it is highest among all (7.761), and this implies that it contributes significantly to organizational performance.

Technological environment (TCE) is positively significant at 5% level. This implies that it is one of the determining factors of firm performance as it contributes positively to organizational performance in Anambra state. Financial environment (FE) is also positively significant lastly political environment has no significant impact on organizational performance in Anambra state

Test for autocorrelation: This is used test whether errors corresponding to different observation are uncorrelated. If the value of the durbin-watson from the regression result is close to 2 no autocorrelation in that regression result, but if it deviates significantly then there is autocorrelation. The Durbin-Watson statistic (D.W) of 2 reveals no autocorrelation in the models. Hence, the result is good for business analysis because the Durbin Watson result is 1.7

Hypotheses Testing

Hypothesis One

The hypothesis formulated in chapter one of this study have to be verified in order to find out the validity or otherwise of such proposition. The research hypothesis is based on relevant statistics from the regression result which is tested on the basis of quantitative statistical analysis in this study.

Ho: Economic environment does not significantly affect the productivity of small and medium scale enterprise.

Drawing inference from our regression result in table 4.4 above, we found that the value of economic environment is 7.761, while its probability is 0.000, this shows that direct employees' participation is positively significant. Furthermore since its probability (0.000) is less than 0.05% level of significance, we reject the null hypothesis (H0) and accept alternative hypothesis (H1) which says that there is significant relationship between economic environment and small and medium scale enterprise.

Hypothesis Two

H_0: Technological environment has no significant effect on the productivity of small and medium scale firms.

From table 4.4 above, we find out that computed value for technological environment is 6.112 while it's probability is 0.00 this shown that the Delegation is positively significant at 5% level of significant. Based on this analysis we accept (Hi) and reject (Ho), which implies that there is significant relationship between technological environment and organizational performance in small and medium scale enterprise.

Hypothesis Three

H_0: Financial environment does not have a significant effect on the organizational productivity of small and medium scale enterprise

From table 4.4 above, we find out that computed value for financial environment is 2.836 while it's probability is 0.000 this shown that the financial environment is statistically significant at 5% level of significant. Based on this analysis we accept (Hi) and reject (Ho), which implies that there is significant relationship between financial environment and Organizational performance in the small and medium scale enterprise

Hypothesis Four

H_0: Political environment does not significantly affect organizational productivity of small and medium scale enterprise.

Drawing inference from our regression result in table 4.4 above, we found that the value of Political environment is 3.267, while its probability is 0.007, this shows that Political environment is positively significant. Furthermore since its probability (0.077) is greater than 0.05% level of significance, we reject the alternative hypothesis (H1) and accept null hypothesis (H0) which says that there is significant relationship between Political environment and Organizational performance in the small and medium scale enterprise

Discussion of the Findings

The study analyzed the business environment and organizational performance of small and medium scale enterprise. The findings revealed that there is significant relationship between business economic environment and organizational performance of small and medium scale enterprise. It was noted earlier in this work that Lack of a conducive business economic environment will give rise to poor organizational performance, as business environment is a crucial factor organizational performance. A conducive business economic environment gives rise to the feeling of comfort, security and above all increase in productivity thus giving rise to enhanced or increased organizational performance.. Therefore, organizations are advised to look into their business economic environment for maximum organizational performance. These findings is in line with the work of Adeojo, (2012) and Francis and Olori, (2017) who found out that there is significant positive relationship between business economic environment and organizational performance of small and medium scale enterprise.

Secondly, the study found out that there is significant relationship between technological environment and Organizational performance in the small and medium scale enterprise. Data analyzed in the light of this showed that Good technological environment are time saving, motivating and empowering to employees. These technological environments also provide avenues for managers to take on new opportunities (Ghosh, lafontaine and Lo, 2012). Good technological environment provides managers with more time to perform other tasks without getting overworked. However, managers should only delegate to individuals who are skilled enough to do the task at hand. The finding is in line with the study of Bell and Bodie, 2012 who found out that there is significant positive relationship between technological environment and small and medium scale enterprise.

Thirdly the study found out that there is significant relationship between financial environment and Organizational performance in the small and medium scale enterprise. Financial environment has been found to lead to reduced performance and increased levels of subjective strain" (Paridon & Kaufmann, 2010,). It is not debatable that the commercial banks form the largest source of funding for small SMEs. Because of the nature of credit available to them, commercial banks specialize in the short term lending and working capital funding in form of overdraft. Before a credit is granted the bank requires a well formulated business proposal to convince them as to financial needs of the business and how the credit can be serviced and repaid if granted. The purpose of borrowing determines the type of loan to be granted. If the potential borrowing is a credit risk, or if the amount of fund being applied for exceeds the amount that the bank manager considers reasonable on unsecure basis, then security is required

Fourthly, the study found out there is no significant relationship between political environment and Organizational performance in the small and medium scale enterprise. Political environment is important at every level of the organization including; top management, supervisors and lower level employees (Kotlar et al. 2018). The organization's political environment usually include the internal and external working procedures that bind all tiers of the organizational for improving productivity. Hence, it is also in the best interest of the organization to encourage and enlighten employees on adequate political environment procedures for increased productivity (Kotlar et al, 2018). Proper political environmental dictates involves establishing clear goals on a daily basis. A good political environmental dictates should be written and recorded for subsequent analysis. The finding is in line with the study of Arnold and Pulich, 2004who found out that there is significant positive relationship between political environment and small and medium scale enterprise.

CONCLUSION AND RECOMMENDATION

Conclusion

The study focused on the effect of Business environment on the performance of small and medium scale enterprises in Anambra state Nigeria. The study adopts descriptive statistics and ordinary least square method on a time series data. The study regressed Business environment on organizational performance in Nigeria. The regression result reveals that about 89.% of the systematic variation in the dependent variable is explained by the four independent variables.

The F-statistic is significant at the 5% level showing that there is a linear relationship between the Business environment and the four independent variables. The researcher selected five firms from the each senatorial zone in Anambra state. Three hundred and four copies of the questionnaire were distributed but only two hundred and ninety-three were successfully filled and returned, with a response rate of 98.4%. The analysis was done using E-view package. This was chosen because it gives us fast, accurate and reliable result. The study conclude that business environment has positive significant effect on small and small medium in Nigeria

Recommendations

In line with the findings of the study the following recommendations were made:

1. That the government of the day should endeavour to create an enabling environment that would be truly conducive for business organisations to thrive without engaging in any act of fraudulent practices.
2. The benefits and need to go for technology development through either technology transfer or technological innovations or inter-firm linkages should be emphasized in the light of dimensions of global competition and its negative fall outs as well as positive opportunities, to small and medium scale industries entrepreneurs through seminars and work shop, at the local level.
3. Government should empower the SMEs to access and get credits from the commercial banks through formal and informal entrepreneurship education for SMEs to develop their managerial capabilities and be more creditworthy. Certificates of attendance obtained from such trainings should be made a prerequisite for obtaining loans
4.Policies should be properly defined, and the possibilities of establishing an indigenous mini-bank for small scale industries in the states to enable them access loans at low interest rate.

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