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# Environmental Policy and Survival of Printing Firms in Nigeria: An Assessment of Government Policy Inconsistency

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**Abstract:** *Organizations continue to face a highly uncertain and chaotic environment caused by capital problems, rapid changes in government policies and processes and other stresses which call for increased adaptability, resourcefulness and innovativeness. The study adopted a cross-sectional survey of the quasi-experimental design wherein 253 respondents were surveyed and data gathered were analyzed using Pearson's product-moment correlation and the results reveal a strong positive and statistically significant relationship exist between environmental policies and survival of printing companies in Nigeria. Hence we recommend that: Printing companies should carefully analyze the legal trend and device strategies on how to exploit or shield it from the prevailing inconsistency in the legal policies of the government. And that Printing companies should intermittently carry out environmental and technological scanning in order to acquire more environmentally friendly technology and energy source in carrying out their business operation.*

**Keywords:** *Environmental policy, Adaptability, Resourcefulness, Innovativeness, and Printing*

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## INTRODUCTION

No business organization can operate effectively in isolation without dependency on supportive institutions, variables and factors (Oginni, 2010) business organization exist and operates within an environment where there is complex interplay in terms of activities as well as networks of the relationship between and among human resources, material resources, and government. In the views of Aborade (2005), all business decisions are found to be contingent upon a good analysis of the policies of the government which is often the bane of all the constraints as these policies create the opportunities, threats and problems for the business. Moreover, the adaptation of printing companies to the prevailing government policies is key to their strategic success, efficient performance and survival; as the major factor that influences business and ultimately the growth of the business is government environmental policy (Onwukwe and Ifeanacho, 2011).

Also, Umoh, Amah and Wokocha (2014) opined that in order for organizations to survive, they must rely on strong leadership, awareness, understanding the ideology and policy of government in their operating environment and an ability to manage weak and vulnerable segments of their environment. Moreover, the high level and frequent instability in government policies have caused notable printing companies to collapse. Eniola and Ektebang

(2014) observed that the incessant change in environmental policies is an issue in point, every new government come with their own policies all to be changed in four years when a new one comes in, the present high mortality rate of printing business in Nigeria is awful to contemplate and constitute danger to the entire economic system. It represents serious financial pressure on the entrepreneurs in the economy as well as a waste of valuable resources. Thus, any entrepreneur who wants to succeed must identify business opportunities, be creative, visionary, daring, risk-taking, courageous and sensitive to changes in the policies of the government.

The printing companies in Nigeria are subjected to multiple levies and taxes such that it becomes difficult to operate under such a burden of tax and other levies. The operating environment of printing companies is very unfriendly and many public officials often deal harshly with entrepreneurs as they are often crude in their operation, excessive in their assessment and destructive in their relationship with the printer, (Dandago and Usman, 2011). They tax everything in their bid to generate revenue without considering the net effect on household incomes and employment. Ifedi (2009) revealed that infrastructural deficiencies are so enormous especially in respect to the power supply, which is critical to the survival of printing businesses; hence their small capital base puts them in a disadvantaged position since the cost of generating power affects their financial bottom line. Therefore, the motivation for this article is that in literature, works regarding the cognition of how Environmental policies impact the functioning and survival of printing companies are scarce and this is worthy of review, hence we seeks to examine the influence of Environmental policies on the survival of printing companies in Nigeria.

### **THEORETICAL/EMPIRICAL REVIEW**

The Survival-base theory was adopted in explaining the interplay between the variables under examination. The survival-based theory centres on the premise that firms need to always adapt to their competitive environment for it to survive. Survival based theory was propounded by Herbert Spencer (Khairuddin, 2005). He stated that business firms have to regularly adjust to fluctuations in the environment in order to survive. He further asserts that it's only natural for the firms that evolve as the environment evolves that survive. More so, efficiency is a vital strategy for survival.

Businesses only survive if they provide the best products and services that are manufactured in the shortest possible time using the minimum amount of resources (Khairuddin, 2005). This theory further restates that a business cannot adopt a single strategy as they have to select a set of strategies that will result to efficiency and by nature, the best strategy is the one that adapts to the current environment (Lynch, 2000).

This theory is also applied in turning around the company based on the fact that most of the problems that organizations face are related to inefficient systems, and all that is needed is to build efficiency to get back on track. The objective of turning around an organization is to

primarily run that organization in an efficient manner to adapt to its environment. To achieve the ultimate goal of survival and improvement of profitability an organization has to aim to become efficient in a competitive market (Baker and Duhaime, 1995). Therefore, the survival-based theory stresses that if an organization does not adapt to the environment which is ever-changing, it primarily will not survive.

### **Environmental Policies**

Governments create the rules and frameworks in which businesses are able to compete against each other. From time to time the government changes these rules and frameworks forcing businesses to change the way they operate of the survival of the business is keenly affected by these policies, Hamilton (2014). Sathe (2006) argued that Government policies, regulations, and bureaucratic procedures can hinder as well as facilitate entrepreneurship activity such as new business origination.

Nowadays, organizations are either mandated by law or encouraged to adopt measures that can either reduce the negative impact of their economic activities on the natural environment or contribute to environmental preservation and re-generation (Kuckertz and Wagner, 2010). Environmental policy is any measure by a government or corporation or other public or private organization regarding the effects of human activities on the environment, particularly those measures that are designed to prevent or reduce harmful effects of human activities on ecosystems. An organization is viewed to have high levels of commitment to the preservation of the natural environment when they implement sustainable business strategy and activities that trigger a wide feeling of responsibility and accountability for the firm's conduct and its potential impact on the natural environment (Branzei and Vertinsky, 2002).

Environmental policies influence business as well as their survival. The survival of a business depends on the environment, hence, business firms need to make sure its operations and actions do not neglect the sustainability of the environment in which they carried out their business activities. From the standpoint of supply, businesses exploit natural resources from their environment, thus, they are supposed to ensure the environment is not left in a deplorable state, therefore, polluting the atmosphere with toxics arising from their production activities should be shunned. Also, the means of disposing of the waste is another concern that disturbs the wellbeing of the environment; business by extension manufacturing firm should develop a decent way of managing their waste. Business firms are corporate citizens, and ought to implement strategic plans for environmental sustainability. As businesses carryout exploratory activities which impact negatively on the environment, it is expected that these firms give back to the environment through proper environmental management. Proper environmental management can be achieved through afforestation and reduction of the amount of carbon been emitted through production activities.

The natural environment serves as the resource reservoir of business firms; thus, this entails that if the natural environments are not managed properly, the business won't have adequate

resources for its operations. Again, business with a strategic mindset promulgate environmentally friendly policies that align and positions it in line with government policies for the environment. Furthermore, as the natural environment goes through changes due to the activities of business firms, the concerns for environmental conservation and improved health of the environment informed consumption, conservation practices and investment in renewable energy through recognition of the balance between humans and various natural eco-systems.

### **Survival**

The conception of organizational life cycle is modelled from the pattern seen in living organisms (Bernstein, 1955). In the opposite direction, the organization is assessed in phases of growth and development rather than in chronological years. The phases are linked up in a subtle and unpronounced manner, but it is essential noting that not every organization displays the features of each phase as it progresses. Also, the survival of a firm depends on its ability to survive with its internal and external environmental factors.

Businesses exist to survive in the midst of forces emanating from the environment that have a tendency to impinge on their performance. These firmstry to sustain their current state of activities. Basically, their efforts are skewed towards survival (Mindy, 1998). The rivalry in the business world is sturdier and organizations are implementing diverse policies to engender competitiveness in their sectors. Surviving in the global struggle to meet with increasing demand on firms in the market place has seen many researchers and academicians having a resort to pay attention to the individual employees in the organization since innovation in product and services are brought about by these individuals. Here we consider survival in terms of adaptability, resourcefulness and innovativeness.

### **Adaptability**

Adaptability has been defined as the “capacity of actors in a system to influence resilience” (Walker, Holling, Carpenter and Kinzrg, 2004). Also, Denison, (2007) sees adaptability as the degree to which an organization has the ability to alter behaviour, structures; and systems in order to survive in the wake of the environmental change. It entails translating the demands of the business environment into action. Organizations as open systems exist in an environment that is complex and uncertain. To survive and make a profit, organizations need to adapt continuously to the different levels of environmental uncertainty (Amah and Baridam, 2012). Environmental uncertainty represents an important contingency for organizational structure and internal behaviours (Daft, 1998). Organizations need to have the right fit between internal structure and the external environment. According to strategic choice theorists, adaptability is the ability to adjust to changes in the external environment in order to maintain organizational viability (Child, 1972; Miles, Snow, Meyer and Coleman, 1978). Child (1972) sees an adaptive organization as one whose role is open to continual redefinition and colure coordination is achieved by frequent meetings and considerable lateral communication.

Adaptation is not viewed as a one-stop process of organizational change but as a continuous process during an organization's life cycle. Davenport (1993) stresses that adaptation is a process of organizational change that should be practised in the context of the continuous process of human and organizational improvement over time. This enables an organization and its people to effectively adapt to environmental change (Guha, Grover, Kettinger, and Teng, 1997).

### **Resourcefulness**

Resourcefulness refers to the ability of the entrepreneur to cope with difficult, stressful and challenging situations and engage in cognitive self-regulating or self-controlling adaptive responses (Rosenbaum, 1983). Highly resourceful entity self-regulate and direct their behaviour to tolerate aversive environments and sustain coping behaviours (Rosenbaum, 1990). A resourceful organization is, therefore, an enterprise that demonstrates competence in scanning its environments to cope with policy arises from the instability in the polity. Again, Resourcefulness can be defined as a set of generic competencies that enable adaptive responses to the demands of the environment (Kanungo & Misra, 1992). It requires the ability to deal with information gathering, to think analytically and synthetically, to reason in an analogical way, to understand linkages or dependencies among components, to plan and evaluate alternative courses of actions.

Entrepreneurs face challenges in building new ventures even in stable and munificent environments (Aldrich, 1999). Often, these challenges are exacerbated by environmental dynamics, including policies that alter the level of environmental munificence and often destroy firms that are unable to adapt. This policy shocks from the environment can test a firm's resilience, its capacity for positive adaptation against adverse conditions (Sutcliffe & Vogus, 2003). As firms grapple with challenges, the manners in which these challenges are managed have a significant impact on their longevity and viability.

### **Innovativeness**

The concept of innovation was first introduced by Schumpeter (1949). Innovation was emphasized in the entrepreneurial process by describing the growth of economies as driven by changes made to the existing market structure through the introduction of new goods and services. Similarly, the entrepreneurial orientation literature describes innovativeness as efforts focused on the discovery of new opportunities and solutions (Dess and Lumpkin 2005). Thus innovativeness are described in terms of individuals creative ability who strongly believe in what they do and promote it through organization stages to arouse support for the business concept among key stakeholders, creates internal acceptance of the new idea, and represents the venture to resource allocators to ensure sufficient resources are released for development (Howell and Boies, 2004; Howell, *et al.*, 2005; Markham, 1998). These changes include providing resources for technical development and acquiring the support of others in the organization or in outside organizations. Gaining this support requires negotiation, bargaining, and coalition building. Organizational change, which, is a very complex process. Change of this

sort can be very difficult. Significant innovations can be resisted; fall victim to competing ideas, or fail to be sustained (Massachusetts Institute of Technology).

Evans (2013) argued that organizational innovations are instances of organizational change that: result from a shift in underlying organizational assumptions, are discontinuous from previous practice, and Provide new pathways to creating public value. He further explained that innovation takes an organization and its programs, down a new, previously unpredictable path which turns out to be deeply linked to the organizations' purpose. The benefit of innovativeness to both cooperation and economy as a whole is overwhelming. From a firm perspective: innovativeness leads to new products, process and services, which allow a firm to reduce its production costs, new markets or develop new ways of doing things. Innovative companies augment the general competence-base on their field and trigger learning processes, which may benefit, or spillover into, other areas or sectors.

**METHODOLOGY**

Data were generated from a survey of 253 printing and minting companies in Nigeria. This study was conducted in a non-contrived setting as a cross-sectional survey. With a 92.34% response rate attained, 241 copies of the questionnaire were returned and used for analysis in this study that was built around the purpose of hypotheses testing. The data generated from the survey were analyzed using frequencies, mean scores and Pearson’s product-moment correlation in assessing the relationship between the variables with the help of statistical package for social sciences (SPSS).

**DATA ANALYSIS AND DISCUSSIONS**

The results of univariate analysis revealed that the mean scores (x) obtained for the study variables are: environmental Policy(3.22), organizational survival (3.09) Furthermore at the secondary level of analysis, inferential statistics such as Pearson’s product-moment correlation coefficients including the p-values, were calculated for the purpose of testing the stated hypotheses.

*H01: There is no significant relationship between environmental policy and the adaptability of printing companies in Nigeria.*

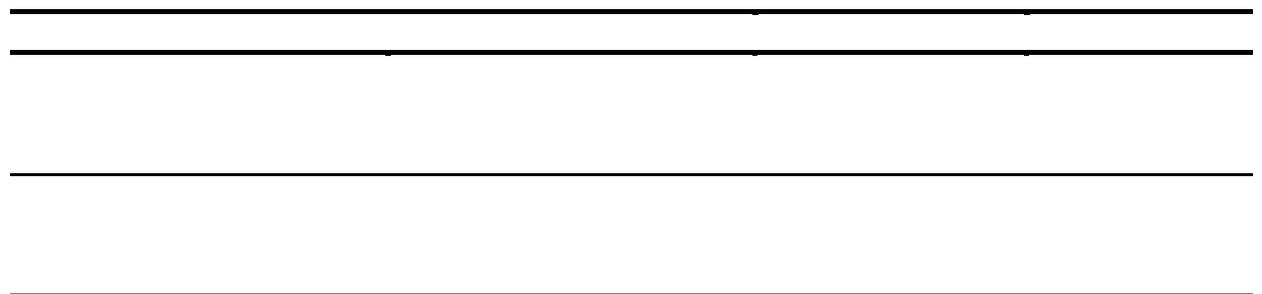


Table1, showed the ( $r = 0.905$ ,  $P < 0.000 < 0.01$ ) indicates a strong positive and significant relationship. Therefore, based on the empirical result the null hypothesis is hereby rejected and the alternate accepted. Thus, it stated that there is a strong positive and significant relationship between environmental policy and the adaptability of printing companies in Nigeria.

*H02: There is no significant relationship between environmental policy and the resourcefulness of printing companies in Nigeria.*

**Table 2 Correlations on Environmental Policy and Resourcefulness**

		Environmental Policy	Resourcefulness
Environmental Policy	Pearson Correlation	1	.753**
	Sig. (2-tailed)		.000
	N	241	241
Resourcefulness	Pearson Correlation	.753**	1
	Sig. (2-tailed)	.000	
	N	241	241

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 2, showed the ( $r = 0.753$ ,  $P < 0.000 < 0.01$ ) indicates a positive and significant relationship. Therefore, based on the empirical result the null hypothesis is hereby rejected and the alternate accepted. Thus, it stated that there is a positive and significant relationship between environmental policy and the resourcefulness of printing companies in Nigeria.

*H03: There is no significant relationship between environmental policy and the innovativeness of printing companies in Nigeria.*

**Table 3 Correlations on Environmental Policy and Innovativeness**

		Environmental Policy	Innovativeness
Environmental Policy	Pearson Correlation	1	.780**
	Sig. (2-tailed)		.000
	N	241	241
Innovativeness	Pearson Correlation	.780**	1
	Sig. (2-tailed)	.000	
	N	241	241

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 3, showed the ( $r = 0.780$ ,  $P < 0.000 < 0.01$ ) indicates a positive and significant relationship. Therefore, based on the empirical result the null hypothesis is hereby rejected and the

alternate accepted. Thus, it stated that there is a positive and significant relationship between environmental policy and the innovativeness of printing companies in Nigeria.

## **DISCUSSION**

Mitchell, Agle and Wood (1997), noted that the environment has a legitimate claim on organizations in the sense that managers must act to preserve the environment for themselves and future generations. The immediate power of the environment is provided by legislation and public pressure, both of which have significant effects on the management of an organization. The environment is also widely cited as an important stakeholder, either as part of the community or separately. From table 4.1, 2 and 3 showed the values of  $r$  and  $P$  as,  $r$ -value = 0.905,  $P$ -v  $0.000 < 0.01$ ;  $r = 0.753$ ,  $P$ -v  $0.000 < 0.01$ ;  $r = 0.780$ ,  $P$ -v  $0.000 < 0.01$  respectively indicates a strong positive and significant relationship between environmental policies and the measures of survival. This supports the views of Tiras, Ruf and Brown (1998) who found that the natural environment has a direct influence on the market value and survival of an organization.

The survival of printing companies in Nigeria is constrained by internal factors and external factors, such as the carrying capacity of the environment, government policies on environmental preservation. The resource-based view of the firm proposes that survival issue from the assets and an array of resources that are superior to those of its competitors. Surveys had shown that Nigeria consists of a huge number of SMEs with the majority in the printing sector) which are the chief provider of job opportunities for the legal age of the population. However, these firms face many challenges such as government policy, which affect their growth and survival

According to Werner, Brouters, and Brouters, (1996); Radical industry changes, intense regulation, fierce competition among competitors, competitive market, and product-related uncertainties, precarious industry settings, overwhelming business climates and the lack of exploitable opportunities are the attendant effect of government policies inconsistency. More so, it is vital to seek input from different internal and external persons to gather ideas on how the organization can make use of nature's resources without exploiting the environment but formulate and implement strategies that will preserve the environment (Rogers, 2001). Also, Hubbard, (2009) stated that organization tries to benefit the natural order as much as possible or at the least do no harm and minimise environmental impact by carefully managing its consumption of energy and non-renewable and reducing manufacturing waste as well as rendering waste less toxic before disposing of it in a safe and legal manner. Again, proactive organizations are innovative which help them to produce products that do not negatively affect the environment. Therefore, these organizations are able to forecast the policies on environmental trends and climate changes which help them to strategically position themselves to avert any negative effect on their operations and survival.

## **CONCLUSIONS**

With increased competition in this era of globalization and knowledge economy, the role of government policies in building good relationships and maximizing the value of the stakeholders has become important for the survival and sustainable growth of printing companies. The purpose of this research was to assess the influence of government environmental policies on the survival of printing companies in Nigeria. Thus, the findings of the study reflect that environmental policy has an impact on organizational survival. Hence, the policies of the government in Nigeria impinge on the operations of printing companies other than the availability of capital and the ability of the manager. The study also revealed that all things being equal, controlling of the policies can be done to some extent through trade unions and regional trade blocs. This entails and calls for constant monitoring and scanning for policies. However, a firm that wants to survive must develop a clear understanding of the trends of policies and forces that shape competition, this understanding will enable an organization to choose the appropriate strategy or strategies that fit the prevailing policy. Hence we recommend that: printing companies should carefully analyze the legal trend and device strategies on how to exploit or shield it from the prevailing inconsistency in the legal policies of government and that printing company should intermittently carry out environmental and technological scanning in order to acquire more environmentally friendly technology and energy source in carrying out their business operation.

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