World Journal of Management and Business Studies *(ISSN: 2795-2525)*
WJOMABS
Vol. 3, No 2., March 2024

EFFECT OF ENVIRONMENTAL FACTORS ON THE PERFORMANCE OF ABUJA MARKETS MANAGEMENT LIMITED

ONYINYECHI TENIOLA SAMPSON[1] AND SAMPSON OLUMIDE HUKWUEMEKA[2]
Department of Business Administration
National Open University of Nigeria,

ABSTRACT: *Every business operation is surrounded by certain environmental factors. Hence, the study on the effect of environmental factors on the performance of Abuja Markets Management Limited which covered offices of five Area Councils of Abuja, the capital city of Nigeria was carried out in order to investigate how these factors influence business operation and how they can be addressed. The study was conducted with the following objectives (i) to examine the effect of political factors on the performance of Abuja Markets Management Limited. (ii) to assess the effect of economic factors on the performance of Abuja Markets Management Limited; and (iii) to determine the effect of social factors on the performance of Abuja Markets Management Limited. Based on the study objectives, three hypotheses were formulated and tested with the use of Pearson's product moment correlation. The result of the findings showed that political factors have a significant effect on the performance of Abuja Markets Management Limited. The findings also revealed that economic factors have a significant effect on the performance of Abuja Markets Management Limited. Findings further showed that social factors have a significant effect on the performance of Abuja Markets Management Limited. In view of this, it is highly recommended that reconsideration of such environmental factors that impose unnecessary constraints on businesses in Nigeria. Specifically, multiple tax systems should be jettisoned.*

INTRODUCTION

The environments of organization comprise of both internal and external environment, and both of them have various subdivisions. For instance, the external environments of a business are numerous ranging from political, economic, sociological, technological, cultural, and legal among others. Organizations exist to meet the needs and wants of a society. They use inputs from the environment and transform them into outputs such as food, clothing, housing, medical care, transportation as well as other things that add meaning to human existence (leisure and recreation). The extent to which these organizations achieve their objectives depends on several factors. Many organizations have failed to meet the objectives or purposes of their formation. This scenario is most noticeable in underdeveloped countries where many managers lack the requisite managerial skills in management; (Moti, 2013). For instance, a review of the publicly owned organizations in Nigeria, suggests that several of these internal and external environmental factors have played host to what happened to their service or product offerings to the public and ultimately influenced their overall performances. For instance, some organizations perceive randomized and turbulent environments as major threats to their survival while others use such environments as a wheel for innovating into new markets, products, processes and new organizational design that could give quantum leap improvement in their overall performance. It is a truism therefore that both internal and external environmental factors play leading roles in the success and failure of corporate organizations world over. Egwu (2012) maintains that, factors that account for business successes do equally account for business failures.

Ukpata and Onyeukwu (2012) posit that, in Nigeria, market-technology turbulence and competitive intensity highly moderated the relationship between market orientation and business performance and exerting a syntonic effect on organizational behavior particularly in the public sector organizations. The syntonic characteristics propel the public organizations as being unable to combat spontaneous realities that operate within the latent conditions of their strategic policy framework, which could breed failure. Here, many management misgivings interpenetrate with these realities that can lead to catastrophic situations in organizational performance analysis. Such misgivings include, the perception of top-management decision-makers of the business environment as threats rather than seeing opportunities, unparallel managerial succession framework that would tend to cover up the ineptitudes of former management team, and striking an unbalanced equilibrium between community culture and the organizational culture. From this, Nigerian Managers of human and material resources in public organizations tend to abandon all problems and leave organizations to fate and cover-up syndrome. Ihua (2009) posits that, Nigerian government needs to improve its infrastructural facilities which have been left dilapidated over time in order for the country to improve or positively impact on the well-being of Nigeria enterprises. Because, according to him, the situation of the infrastructures is one of the key external factors influencing operation of enterprises failure in Nigeria; hence a lot needs to be done in this direction with the view to revamping them.

The modern business manager operates in a 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 the 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 environments by the business.

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. It is on this note that this study came into being to investigate the effect of environmental factors on the performance of Abuja Markets Management Limited (AMML).

Statement of the Problem

Several variables in the business operating environments in Nigeria exert severe threats to organizational mortality. Particularly, the publicly owned organizations in Nigeria seem to be perennially facing turbulence that are seemingly endogenous and exogenous in nature. The organizations become apprehensive about uncertainties in their operating environment. Ukpata (2008) posits that, "uncertainties – is one the most perplexing elements that holds investors apprehensive with regards to investment decisions because of the fear of the unknown which he calls, 'the risk elements' in investment management." He went further to state: …because even the organizations themselves cannot be accurate or sure of the rise and fall of their companies' stocks, neither do they have control over the forces of demand and supply mechanisms that have direct impact on the overall efficiency of the market operation. Therefore, investment decisions are highly probabilistic to both the firm and the individual investor in relation to external market dynamics (Ukpata, 2008).

From the above position, it implies that uncertainty metaphorically, is a grandparent of different children. Which may include, though not limited to, regulatory policies, change in government, cultural impediments, technological variables, competitive nature of rivalry products, market demand saturation, leading to demand fluctuation and this ultimately trigger off greater propensity for failure incidence; (Anderson and Tushman, 2001). Based on the ongoing, this study therefore examines the effect of these environmental factors on performance of Abuja Markets Management Limited.

Objectives of the study

Arising from the above, the study aims at the following specific objectives:

i. To examine the effect of political factors on the performance of Abuja Markets Management Limited.
ii. To assess the effect of economic factors on the performance of Abuja Markets Management Limited.
iii. To explore the effect of social factors on the performance of Abuja Markets Management Limited.

Research Questions

The study formulated the following research questions from the objectives;

i. What are the effects of political factors on the performance of Abuja Markets Management Limited.
ii. What are the effects of economic factors on the performance of Abuja Markets Management Limited.
iii. What are the effects of social factors on the performance of Abuja Markets Management Limited.

LITERATURE REVIEW

Concept of Environment

The environments of organization comprise of both endogenous internal elements and the exogenous external variables and both of them have various subdivisions. Effort was made to make some essential review of key elements in the internal and external setting of business organizations. The external environments of a business are numerous ranging from political, economic, sociological, technological, cultural, and legal among others. Again, business managers are expected to identify, study, and correlate their strategies and activities to the various elements of the environment.

According to Riley (2012), a business does not operate in a vacuum. It has to act and react to what happens outside the factory and office walls. These factors that happen outside the business are known as external factors or influences. These will affect the main internal functions of the business and possibly the objectives of the business and its strategies.

According to UBC NetTutor Commerce (2008), an environment is the sum total of conditions that surround us at a given point of time and space. It comprises the interacting systems of physical, biological and cultural elements which are interlinked both individually and collectively. It states further that an environment is the sum total of conditions in which an organism has to survive or maintain its life process. It influences the growth and development of living forms. Pannerseelvan and Rarmarknshnan (2015) define an environment as the universe of a biotic and other physical elements as organized into a dynamic system. These systems are ecological systems or ecosystems which represent the integration of living (biotic) and non-living (abiotic) elements in the environment. Thus, environment refers to anything that immediately surrounds an object and exertes a direct influence on it. It consists of the interacting systems of business physical and cultural elements which are interlinked both collectively. Organizational performance is one of the most important variables in the management research and arguably the most important indicators of the small and medium scale enterprises.

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 the 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 the external environment of a business while strengths and weaknesses are associated with the 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.

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 which shape the life and continued existence of the business. These conditions and influences are outside the firm as a business unit, but which affect changes in the organization and the business entity cannot control but only adjust to them.

The elements of the business external environment constitute the external 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 macro environmental 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: In every democratic setting, it is the emergence of Political Parties coming into power – that gives rise to changes in Government that occasioned for changes in policy thrust. Even when changes to Political Parties reflect changes that will give rise to only one party system of government, generally, this does not mean that the system of governance will remain static in terms of policy and decisions in governance. For instance, one may think back or think into the forthcoming 2023 general election in Nigeria, and my wish to ask what happens, when the present ruling party ceases to be? O'Connor (2000) opined that Corporate organizations and businesses that depend largely on government funded contracts may be apprehensive of the waves of political or electoral maneuvering should the ruling party that has contracted them fail to win the election, what would happen to their business funding and the general survival of such operation?. Another probing question would be, even if the party wins the election, the question of candidature may arise if the incumbent lost out to a new promising candidate emerging from within the same party, there is the greater possibility that the new leader may come up with new ideologies that may lead to formulating new policies that may alter so many facets of government and private sector institutions. When this happens, organizations will start to plan what would be done to stay afloat in operations.

Political factors 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 incentives 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.

According to O'Connor (2000), political forces' influence on performance in the business world include: wars and diplomatic relations, trade agreements, sanctions and embargoes, political trends and events, legislation protecting consumers and safety and health of the employees. Political inputs are most likely to happen in branches that affect certain political goals, such as native access to national resources, defense and employment (Porter, 1998). If the market's economy is a centrally planned socialist economy, political factors tend to have an impact on the entry mode and performance of the business (Root, 2008). According to Cheverton (2004), government actions are together with suppliers and customers part of the business process. Some kind of legislation can also belong to either political or legal forces depending on its nature and local circumstances. The legislation is used to restrict for example marketing activities, particularly in industrialized countries (Yadin, 2002). According to Barkauskas (2015), ideal conditions for the development of revenue collection institutions are political stability, security, well-defined and functioning legal system, public goods provided by the state – infrastructure, environment, and information.

Economic Factors: Economic 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. According to Barkauskas (2014) economic factors have the biggest effect on the development of any given organization. Botezat (2003) states that the development and performance of organizations strongly depend on the growth of revenue. Ramanauskien (2010) noted that a rise in wages enables people to spend more money. This factor greatly affects institutions that collect revenue (Barkauskas, 2015). National taxation, interest rate fluctuations, currency and raw material prices are forces that strongly impact on the global market (Yadin, 2002). Other economic forces are business cycles, stock market values, GDP (gross domestic product per capita) figures and inflation (Johnson, 2005; O'Connor, 2000). When considering any business in a country, the size of these forces is very important for instance, the GDP size. Entry modes having low break-even sales volumes such as indirect exporting are favored by a small market (Root, 2008). This becomes more applicable when the industry is concentrating on a specific smaller segment of a large market (Johnson, 2005). An agreement with the local distribution channels is vital to gain access to each national market. Shipping arrangements, documentation, and other issues over and over again make it hard and expensive for small companies to export (Leonidou, 2004). Need for local sales services and groups, transportation time and complicated adjustments of price and performance are the factors that should be considered carefully. Cost can be hiked when it comes to a product that is of great value or needs to be delivered fast (Porter, 1998). Economic factors' analysis has shown that in the overall economic growth case, the performance of organizations attracts and increases good will from other sectors in a state (Barkauskas, 2015).

Tang and Thomas (2006) concluded in their research on modeling financial product purchases that economic factors play a vital role along with individual precise characteristics in determining the customers' purchasing behaviors. They additionally suggest that if an economy is unfavorable, then the organizations' marketing departments will need to be selective in targeting their products as only certain specific groups will probably purchase there. On the overall, Tang and Thomas. (2006) believe that the interaction between economic variables and sociodemographic variables are most significant in improving the segmentation or targeting of customers by providing predictive purchase rankings and providing accurate predictions of future purchases.

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 less-willing workforce (thus increasing the cost of labour); a 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 the 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 in 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 (2008) 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 strategy should match a 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 a 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 analyzed within the framework of Strength, Weaknesses, Opportunities and Threats (SWOT) Matrix Analysis Model. Information regarding a 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 a firm's internal and external environments and their factors. A firm's internal analysis involves 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 workforce (Paulson, Fondahl and Parker, 1992): This enhances rational decisions and fulfillment of project requirements (Abdul and Abdul, 1999).

Concept of Performance

According to Beatham et al. (2004) institutions measure their performance in financial terms; turnover and profit. Various research findings on performance management, however, advocate for an emphasis on both financial and non-financial dimensions of organizational performance such as service quality, competitiveness, organizational flexibility, customer satisfaction, resource utilization and technology (Harris and Monticello, 2001; Atkinson and Brander-Brown, 2001). Cadogan et.al (2002) explains that the macro environment of a company has significant influence on the performance; factors that influence firms include technology, market changes, and competition and customer demands. According to Bir Gonul (2010), managing the negative and positive effects of exogenous factors has the power to reform corporate-wide characteristics.

Theoretical Framework

The study is anchored on Resource dependency theory. Resource dependency theory is based on the principle that an organization, such as a business firm, must engage in transactions with other actors and organizations in its environment in order to acquire resources. Although such transactions may be advantageous, they may also create dependencies that are not. Resources that the organization needs may be scarce, not always readily obtainable, or under the control of uncooperative actors. The resulting unequal exchanges generate differences in power, authority, and access to further resources. To avoid such dependencies, organizations develop strategies (as well as internal structures) designed to enhance their bargaining position in resource-related transactions. Such strategies include taking political action, increasing the organization's scale of production, diversifying, and developing links to other organizations. Strategies such as diversifying product lines may lessen a firm's dependence on other businesses and improve its power and leverage.

Companies typically adjust their business strategies to adapt to changes in power relationships with other companies. One of the assumptions of resource dependency theory is that uncertainty clouds an organization's control of resources and makes its choice of dependence-lessening strategies imperative. As uncertainty and dependencies increase, the need for links to other organizations also increases. For example, declining profits may lead to expanded business activity through diversification and strategic alliances with other companies.

Research using resource dependency theory has sought to observe organizational adaptations to dependencies. One adaptation consists of aligning internal organizational elements with environmental pressures. Organizations also adapt by attempting to alter their environments. Those strategies contrast sharply with the classic conception of organizations, which treat firms as closed systems. Closed-systems frameworks hold that rational use of resources, personal motivation, and individual capabilities determine organizational success and that other actors in the environment figure minimally. Open-systems frameworks, on the other hand, stress the impact of the environment, which consists of other organizations, institutions, the professions, and the state. According to the open-systems perspective, an organization will be effective to the extent that it recognizes changes in its environment and adjusts itself to those contingencies.

Empirical Review

Several studies have attempted to analyze or appraise the effects of environmental factors on various aspects of business organizations. However, the following are reviewed in the course of the study.

Mark and Nwaiwu (2015) examined the impact of political environment on business performance of multinational companies in Nigeria. The population of this study consists of quoted manufacturing companies in Nigeria. About twenty-seven (27) of such companies were identified and the necessary data were sourced from the Nigerian Stock Exchange Fact Book of 2012 and the World Development Indicators of World Bank Group. Political environment was measured as the degree of political stability and absence of violence while business performance was measured by the Productivity of the companies for the period 1999-2013. The findings showed that political environment has a negative significant impact on business performance of multinational companies in Nigeria. Based on the above, we suggest that the Nigerian government should avoid frequent changes in government policies and programmes, and ensure stability of democratic institutions and political integration. These are necessary to make the political terrain stable and out of violence for business growth and development.

Eruemegbe (2015) examined the impact of business environment on organization performance in Nigeria using Union bank of Nigeria. The study relied on questionnaire to generate relevant data out of 39 questionnaires administered on officers in Union Bank of Nigeria, Lagos, only 20 were properly completed and returned. This gave an effective response rate of 51%. The method of data analysis and test of operational hypothesis is nonparametric technique which utilize chi-square statistic. The survey revealed that, among the top ten critical factors (i.e. teamwork, work based on contract, supervision based on leadership by example and provision of equipment) had great effect on motivation as well as impact on productivity. More so communication, love and belongingness, opportunity to undertake challenging task, identification with goal and overtime were among the critical factors.

Shehu and Mahmood (2014) examined the relationship between business environment toward small and medium enterprises (SMEs) performance among Nigerian firms. A quantitative approach was employed, using a cross sectional research design. The data was collected through the self-administration method from 640 respondents. SMEs are very important to economy growth of Nigeria, they serve as a major source of employment, contributes significantly towards industrial establishment, a source of income generation and help in the development of craftsmanship. A model was developed based on theoretical consideration to examine the relationship. Multiple regression analysis was employed, which reported a significant and positive relationship between the business environment and business performance of SMEs. Implications and future research directions were discussed.

Vasanth, Murugesan, and Kasilingam (2015) analyzed the impact of Productivity on environmental performance of the firm. The analysis has made use of descriptive statistics, correlation, and regression analysis. The results found that the Productivity variables like ROA, ROE, and ROS create the positive impact on energy intensity (proxy of environmental performance) of the sample firms. At the same time, one Productivity variable such as ROCE recorded negative impact on EI. This study offers useful suggestions to the corporate to reduce the level of energy intensity and to utilize the companies‟ capital for sustainable performance.

Muhammad (2014) examined the effects of internal and environmental factors on firm’s financial behavior: A comparative study of developed, emerging and developing economies. This study compares the dynamical economic effects of internal and environmental factors of capital structure in Spain, Malaysia and Pakistan to explore the empirical implications and hierarchical importance of firm, sector and country-level factors. Using cross-sectional regression of the panel data for the period 2001-2011, this study analyze the relative importance of each level of capital structure determinants and explanatory power of capital structure theories. The analysis findings documented several important indirect influences of variables at firm, sector and country-levels on firm determinants of leverage, as well as several structural differences in the financial behavior across developed, emerging and developing economies. From theoretical perspectives, findings of this study add important strands to capital structure literature and device lending mechanisms for firms on the basis of relative importance of environmental factors which also have the power to influence the firm’s leverage

Ghani et al. (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. They also analyzed some dimensions that represented these variables. Their study showed that a 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 a 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.

METHODOLOGY

Research Design: The study adopted a descriptive research design in order to provide a framework to examine the characteristics of the independent variables. This was appropriate to obtain information concerning the status of the phenomenon, to describe what the current situation is with respect to the variable of the study. Ghauri and Gronhaug (2017) asserts that in descriptive design the problem is structured and well understood, a fact that Kothari (2015) agrees that descriptive design is most preferred because it gives a report on things as they actually are. Thus, this study will use this design to get clear information from the respondents with much ease.

Sampling Size and Sampling Technique: The actual population which was a total of two hundred and eighty-three (165) was used as the sample size based on censored because the population is less than four hundred. A simple random sampling technique was used in administering the questionnaire to employees from the six departments of the agency and the reason is to afford every member of the sample an equal opportunity of being selected and also to reduce the bias to the barest minimum. The simple random sampling technique was adopted with a view to give every member of the population an equal chance of being selected. However, the study also adopted stratified random sampling as the techniques for sampling because the technique captures responses from different cadres that enabled the generalization of a larger sample size of percentage of the total population. Similarly, simple random sampling was used because it is cheaper to study a sample than the entire population. It also affords the study to be more thorough and to obtain quicker results than did a complete coverage of the population.

Source and Method of Data Collection: The data for this study were generated from primary sources. Data were collected through the administration of questionnaires and by interview which are instruments of the survey method of research.

Data collection instruments used for the study is the use of questionnaires which were designed using the variables identified as important for meeting the study objectives. A closed- ended and open -ended questionnaire was administered to the respondents. The questionnaire was used since it will be easy to administer and with data obtained will be easy to analyze (Kothari, 2015)). Secondary data was also used to collect data from existing sources in Abuja Market Management Limited. The study employs the use of primary sources which includes the use of questionnaires and also interviews. The questionnaire was structured into two sections. Section one will focus on the demographic data of respondents, Section two focused on questions related to “Effects of environmental factors on the performance of Abuja Market Management Limited.

Test of Validity and Reliability: The researcher subjected the instrument to face-to-face validity where the instrument was designed and presented to renowned experts for modification and corrections. Sampling validity is concerned with whether a given population is adequately sampled. To ensure that the research instruments used in this work are valid, a proper structuring of the questionnaire and a conduct of a pre-test of every question contained in the questionnaire was carried out to ensure they are valid.
Apart from examining the data collected on distribution and dispersion, the data was also subjected to validity tests to check whether the instrument tested what it should have tested. Content validity involved the examination of content to determine whether it covered a representative sample of the behavioural domains to be measured. Further, the items or factors within variables were compared to other research factors, covering parameters in question, to ensure that there was consistency. Validation was also done by dividing the instrument into several sections. Each section was carefully checked to ensure that it conveyed the necessary message and attracted the relevant feedback, as per the tested specific themes of the research objectives and hypotheses.

To test for reliability of the instrument, the researcher adopted a test retest method in which the researcher distributed 9 copies of the questionnaire to the organization studied. After some days, the instrument was collected and re-administered for the second time. The questionnaires distributed were completed and returned. Spearman Rank Order Correlation Coefficient was used to test the reliability of the research instrument which was found to be high, P = 0.0988 showing that there is consistency in the items of the survey.

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Data Analysis: The study will make use of frequencies (f) to show the number of times each score occurred. The frequencies will be converted to percentages (%), which will enable the researcher to compare the responses meaningfully. Translating frequency counts into percentages showed the number per hundred compared, using a common base of “100” for comparison. The statistical software packages named SPSS 20.0 will be used for analysis. According to the problem/requirement, statistical techniques such as linear regression model, t-test, ANOVA have been applied.

Regression analysis is used to determine if there is a relationship between survey results related to each independent variable and the dependent variable. The F-test will show the overall significance of the model. When the alpha is greater than the significant F, the null hypothesis is accepted and the overall model is significant. The F value will show the explained variations and how likely the model is the result of a random outcome. The Adjusted R Square determines the variance that is explained by the regression model; the more variance that can be explained by the regression model, the more dependable the model.

In order to carry out the Pearson Correlation model, the Statistical package for social sciences (SPSS) will be used to determine the outcome. The procedure entails a description of the dependent and independent variables. SPSS was run and the output shows the constant (b_o) coefficient of regression where (β) is obtained. The output shows that P- values the coefficient that resulted in either rejecting or failure to reject the hypothesis at 5% level of significance. The P-value therefore indicates the probability of getting results that show the critical value. The null hypothesis is rejected if the p-value is less or equal to the critical value. The output of the study would equally show the coefficient determination (R^2), which measures the proportion of the dependent variable that can be explained by the regression model. The P- value of less than or equal to critical value if the null hypothesis is rejected, there was a slope between the variables. In this case, a linear relationship exists when the P-value or significance level is less than or equal to the critical value.

Test of Hypotheses: Based on objectives postulated aforetime, hypothesis three will be tested with the aid of Pearson product moment correlation coefficient.

Hypotheses One

$H0_1$: Political factors do not have a significant effect on the performance of Abuja Markets Management Limited.

Table 1: Correlations

		Political factors	Performance
Political factors	Pearson Correlation	1	.293**
	Sig. (2-tailed)	245	.000
	N		155
Performance	Pearson Correlation	.293 **	1
	Sig. (2-tailed)	.000	245
	N	155	

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

According to above calculations it is observed that the correlation coefficient between political factors and Abuja Market Management performance is equal to 29.3 percent and considering that a significant level is greater than 5%. Then we can say that there is a positive relationship between political factors and Abuja Market Management performance.

Table 2: Regression analysis test of Political factors and Abuja Market Management performance

Model Summary

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	3.433	.187		18.342	.000
Political factors	.060	.057	.072	1.054	.293

a. Dependent variable: Performance

From the coefficients table above, the p-value was obtained to be 0.293 which is greater than 0.05 (5%). Therefore, the alternate hypothesis "Political factors have significant effect on the performance of Abuja Markets Management Limited" will be accepted and can conclude that the relationship between political factors and performance of Abuja Market Management Limited is significant.

In summary, based on the foregoing, the majority do support hypotheses one, political factors have significant effect on the performance of Abuja Markets Management Limited. Thus, hypothesis one supports the concept that the performance of Abuja Markets Management Limited is influenced by political factors.

Hypotheses Two

H0$_2$: Economic factors have no significant effect on the performance of Abuja Markets Management Limited.

Table 3: Table of Correlation between Economic factors and the performance of Abuja Market Management Limited

Correlations

		Economic factors	Performance
Economic factors	Pearson Correlation	1	.685**
	Sig. (2-tailed)	245	.000
	N		155
Performance	Pearson Correlation	.685 **	1
	Sig. (2-tailed)	.000	245
	N	155	

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

According to above calculations it is observed that the correlation coefficient between Economic factors and Abuja Market Management Ltd. performance is equal to 68.5 per cent and considering that a significant level is bigger than 5%. Then we can say that there is a positive relationship between Economic factors and the performance of Abuja Market Management Ltd.

Table 4: Regression Analysis Test of Economic factors and the performance Abuja Market Management Limited

Model Summary

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.559	.216		16.464	.000
	Economic factors	.027	.067	.028	.407	.685

a. Dependent Variable: Performance

From the coefficients table above, the p-value was obtained to be 0.685 which is greater than 0.05 (5%). Therefore, we can conclude that there is a significant relationship between Economic factors and the performance of Abuja Market Management.

In summary, based on the foregoing, the majority do support hypothesis two. Economic factors have a significant effect on the performance of Abuja Market Management Limited. Economic factors had a positive correlation with performance and supports the concept that economic factors are attributed to the level of performance of Abuja Market Management Limited. Therefore, hypothesis two which states that "Economic factors have significant effect on the performance of Abuja Market Management Limited." is accepted.

Hypotheses Three

$H0_3$: Social factors have no significant effect on the performance of Abuja Markets Management Limited.

Table 5: Table of Correlation between social factors and the performance of Abuja market management limited

Correlations

		Social factors	Performance
Social factors	Pearson Correlation Sig. (2-tailed) N	1 245	.736** .002 155
Performance	Pearson Correlation Sig. (2-tailed) N	.736 ** .001 155	1 245

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

According to above calculations, it is observed that the correlation coefficient of social factors is equal to 73.6% and considering that a significant level is greater than 5%. Then we can say that there is a positive relationship between social factors and the performance of Abuja market management limited**.**

Table 6: Regression Analysis Test of social factors and Abuja market management performance.

Model Summary

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.539	.447		5.685	.000
Social factors	.032	.096	.023	.337	.736

a. Dependent Variable: Performance

From the regression analysis table above, the p-value was obtained to be 0.736 which is greater than 0.05 (5%). Therefore, we can conclude that there is a significant relationship between social factors and the performance of Abuja market management. In summary, based on the foregoing, the majority do support hypothesis three. Social factors and performance had a positive correlation and supports the concept that effective Performance of Abuja Market Management Limited is as a result of social factors surrounding the environment. Based on the foregoing, hypothesis three which states that social factors have significant effect on the performance of Abuja Market Management Limited is accepted.

Discussion of Results

Hypothesis one was tested using Pearson's product moment correlation to determine the effect of political factors on the performance of Abuja Market Management Limited ($r = 0.682$; $F = 332.632$; $t = 14.223$; $p < 0.05$). The alternate hypothesis was accepted and the null hypothesis was rejected resulting in the conclusion that political factors have significant effect on the performance of Abuja Market Management Limited.

Hypothesis two was tested with Pearson's product moment correlation in order to determine if Economic factors have significant effect on the performance of Abuja Market Management Limited with a computed result ($r = 0.716$; $p < 0.05$), The alternate hypothesis was accepted and null hypothesis was rejected resulting in the conclusion that Economic factors have significant effect on the performance of Abuja Market Management Limited.

Hypothesis three was tested using Pearson product moment correlation coefficient to determine if social factors have significant effect on the performance of Abuja Market Management Limited (r =. 955, P < 05). The alternate hypothesis was accepted and the null hypothesis was rejected resulting in the conclusion that social factors have significant effect on the performance of Abuja Market Management Limited.

CONCLUSION / RECOMMENDATIONS

Environmental factors comprising political, economic, social among others are key determinants of business operations in diverse measures. Hence, the study on the effect of environmental factors on the performance of Abuja Markets Management Limited was carried out in order to investigate how these factors influence business operation and how they can be addressed. Three hypotheses were analyzed, tested and interpreted with the use of Pearson's product moment correlation. The findings proved beyond every reasonable doubt that environmental factors have a significant effect on the performance of Abuja Markets Management Limited.

Arising from the findings of this study and consequent upon these and other issues examined in the study, the following recommendations are made:

a) The study recommends reconsideration of such environmental factors that impose unnecessary constraints on businesses in Nigeria. Specifically, multiple tax systems should be jettisoned.
b) The passage of the Freedom of Information Bill into law should be hastened; infrastructure, especially electricity, should be strengthened.
c) Businesses should minimize their weaknesses by paradigm shift from internal factors that weaken management inefficiencies.

REFERENCES

Anderson, E. & Weitz, B. (1992). The use of pledges to build and sustain commitment in distribution channels. Journal of Marketing Research, 24, 18-34.

Cheverton, P. (2004). Key Marketing Skills: Strategies, Tools & Techniques for Marketing Success. London: Kogan Page Ltd.

Hamilton, D. I. (2009). Strategies for managing hospitality in a turbulent environment: Nigerian experience. International Journal of Management and Innovation, 1 (1), 24–36.

Jeff, S. (2017). Concept of Resource dependency Theory. A Review of Environmental Factors Affecting Business Performance.

Johnson, G., Scholes, K. & Whittington, R. (2005). Exploring Corporate Strategy. Harlow, US: Financial Times Prentice Hall.

Kakazoukis, C. (2011). How macro environmental forces affect business buying behavior after a recession: A case study of the second-hand truck business, Unpublished MBA Thesis. Blekinge Institute of Technology.

Leonidou, L. (2004). An analysis of the barriers hindering small business export development. Journal of Small Business Management, 42 (3), 279-302.

O'Connor, D. (2000). Business Planning. New York, NY: Scitech Educational

Porter, M. E. (1998). Competitive Advantage: Creating and Sustaining Superior Performance. New York, US: The Free Press.

Salihu, A. (2015). Effect of Environmental Factors on Small Scale Businesses Performance in Kano and Sokoto States. Unpublished Master’s Degree Thesis, Ahmadu Bello University, and Zaria.

Singh, J. & Sirdeshmukh, D. (2000). Agency and trust mechanisms in relational exchanges. Journal of Marketing, 66 (1), 15-37.

Tang, L. & Thomas L. C. (2006). It’s the economy stupid: modeling financial product purchases. International Journal of Bank Marketing, 25 (1), 22-38.

Thompson, A. A. (2008). Crafting and Executing Strategy– Concepts and Cases. Boston, MA: McGraw-Hill.