

# THE IMPACT OF THE ENVIRONMENT ON ORGANIZATIONAL PERFORMANCE IN SELECTED TEXTILE FIRMS IN NIGERIA

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## ABSTRACT

The study examined the impact of the environment on organizational performance in selected textile firms in Nigeria. The main objectives of the study were (1) to identify the impact of four environmental variables- (a) the economy (b) the socio-cultural (c) the political and (d) the technological and (2) determine which one had the strongest impact on organizational performance.

The data were collected from multiple sources comprising of (1) interviews (2) observations (3) self-administered questionnaire and (4) documents and records. In all, 630 respondents were used for the study. The respondents were selected using multiple sampling techniques - comprising of (i) stratified random sampling (ii) quota sampling and (iii) systematic sampling techniques. The data were analyzed using parametric and non-parametric statistics.

In the main, the study showed that the organizations under focus were not performing very well because they appear to be operating in an unfavourable economic political and technological environment in the period between 1993 and 1998. Only the socio-cultural environment appears to be favourable but this did not help to enhance organizational performance.

**KEY WORDS:** Performance, Effectiveness, Turbulence, collectivism, Individualism and absenteeism.

## INTRODUCTION

The studies of the relationship between organizations and their environment have a long history. It started in the latter part of the 20<sup>th</sup> century when organizational practitioners and researchers began to realize that organizations couldn't seal themselves off from the rest of society without a penalty. For organizations to survive, justify their existence, by enhancing performance and effectiveness, they must monitor, adapt and relate very closely with their environments. Why is this so? This is because organizations require resources and markets from the environment to continue to operate. Legal, social, technological and political conditions generate pressing requirements, which demand attention. Organization cannot afford to take these requirements for granted. Increasingly, the desire to enhance organizational performance means being alert and responsive to a complex, dynamic world.

In the past, most especially in the early part of the 20<sup>th</sup> century, organizations did not have to be much concerned with their environments. Environments back then were relatively stable compared to the dynamic and turbulent environments of today. Once these early organizations had established themselves, there was relatively little need to pay attention to environmental conditions. Again, organizational environments at the time were less complex than they are today. There was less governmental involvement in organizational affairs. In addition, the number of different customers, competitors and suppliers an organization had to contend with was not as many as it is in contemporary times. (Brown and Moberg, 1980).

Today, it is no longer possible for an organization to insulate itself from its environment for any reason; otherwise such an organization will be doing so at its own peril. Ongoing and continuous environmental vigilance is required of nearly all modern organizations in order to survive, grow and enhance performance and effectiveness. In the words of Terreberry (1968) the simplicity of earlier environments has turned to complexity and tranquillity to turbulence.

At this juncture, it is necessary to describe briefly the main concepts that will be used in this study. Such concepts include - organization, environment and performance. According to George and Jones (1996) an organization is a collection of people who work together to achieve a wide variety of goals. Again, Hellriegel et al (1999) defined an organization as any structured group of people brought

together to achieve certain goals that the same individuals could not reach alone. In organization theory, a distinction is usually made between 'social' and 'formal' organizations. However in this study we are concerned with formal organizations. Formal organizations are established for the explicit purpose of achieving certain goals and they exhibit a formal status structure with clearly marked lines of communication and authority.

The environment is defined as everything outside the boundaries of an organization. It is a concept, which is often used very broadly to refer to all those phenomena outside the work organization, individuals, institutions, cultures and socio-political processes and sometimes the international arena. Performance is simply defined as the quantity and quality of the work accomplished by an individual, group, or organization. It is the execution or accomplishment of work, tasks or goals to a certain level of desired satisfaction. It is the manner in which or the efficiency with which an organization fulfils its intended purpose (Aluko, 2001).

Several forces stand out as responsible for increasing the concern for "environments" in organizational studies; problems changed, political sociology began to contribute insights, new sources of funds arose, and interorganizational studies became popular in certain sub fields. (Aldrich and Marsden, 1988).

Sociologists interested in organization studies have been concerned, on the one hand, with basic problems of social organization, and, on the other, with issues of efficiency, effectiveness and performance. On the basic research front, two fundamental, related social science problems are central; organizational related social science problems are central; organizational environments and organizational performance. Most applied concern in contemporary times is focussed on the issue of organizational performance. The differences between these kinds of work should not be overemphasized because they inform one another, but the distinction does point to important differences in emphasis among investigators.

## Significance of Study

From the Nigerian setting there has not been many empirical studies and scholarly work aimed at investigating the impact of the environment on organizational performance. In the light of this observation, it is envisioned that the results of this study will help to compensate for the dearth of research in

this area and the same time help to fill some gaps and omissions.

More importantly, this study seeks to examine critically the nature and the uniqueness of the Nigerian environment in particular and its impact on organizational performance in general.

It is also hoped and envisaged that the findings will be useful and of immense benefits to organizational practitioners and consultants who are always on the lookout for strategies and avenues through which problems arising from organizational-environmental relations can be alleviated.

**Statement of the Problem**

The problem of designing and managing large, complex organizations both in the private as well as in the public sector are baffling, critical and thus deserve attention. The rapid development of organizations and the fast rate at which new ones are emerging, changes in government regulations and policies, recent developments in technology and the dynamism of culture and its attributes is making the environment more complex, turbulent and sometimes unpredictable. Organizational practitioners and management continue to be bedevilled by a multitude of organizational problems that have their roots in the environment in which the organization is located.

The pertinent and the logical question to be asked now is "why is the optimal performance of organizations so important and crucial?" It is argued that organizations characterized by poor performance have a kind of negative impact on the economy, owners, workers, supplies, creditors, and customers among others. According to Stoner and Wankel (1988) for the economy, it could lead to heavy reliance on imports as against exports thus reducing foreign reserves and or the long run discourage both domestic and foreign

investments. For the owners, it could be a threat to their investments because of low marginal returns on profit, while for the employees it could mean poor and irregular wages and a threat to job security and as such an organization may be forced to downsize its labour force. For the suppliers it could mean a poor effective demand for raw materials; while for the creditors it could mean inability to pay back loans and advances in good time and on schedule. On the side of the customers, it could mean dissatisfaction with the services and products of the organization.

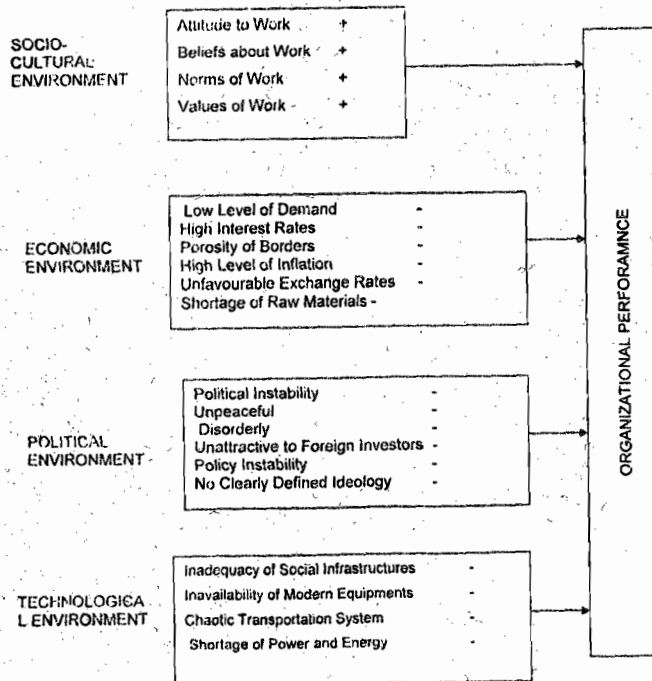
From this background, it becomes a categorical imperative and a matter of utmost necessity to examine critically the impact of the environment on organizations in Nigeria with a view to expose how organizations can relate more closely with their environments in order to enhance organizational performance.

**THE LITERATURE**

The 'environment' is a wide and a complex concept that one cannot hope to deal with it in its entirety in a single study. Generally, there are four environmental parameters commonly used by organization theorists and this is found in the works of Kast and Rosenzweig (1974), El-Namaki (1979), Stoner and Wankel (1988) Bovee *et al* (1993) and Hellriegel *et al* (1999). These environmental parameters are (i) Economic (ii) Political (iii) Socio-cultural and (iv) Technological.

**The Economic Environment**

In the literature, the economic environment refer to such variables like the level of inflation, tax, monetary supply, value of the domestic currency and the exchange rate, government fiscal policies, interest rate, demand for imports and exports, level of employment and unemployment and competitors among others.



SOURCE: ORIGINAL ILLUSTRATION BY THE AUTHOR

**Figure 1**

**DIAGRAMATIC ILLUSTRATION OF FINDINGS SHOWING MEASURES AND SCORES OF ENVIRONMENTAL PARAMETERS IN RELATION TO ORGANIZATIONAL PERFORMANCE**

The Nigerian economy had been in a state of distress in the last decade. In two separate instances, Adebayo (1994) and Akinlo (1995) assessed the impact of the economy on some manufacturing firms in Nigeria. They observed that:

the free fall of the naira had the effect of substantially increasing costs incurred by manufacturers for importing essential inputs leading to the closure of many firms;

the deregulation of interest rates saw interests rising as much as 60% and served as a further disincentive to firms who found it hard to source funds at such exorbitant rates;

the liberalization of trade encouraged dumping activities on the local consumer markets, further undermining local production. Many of the foreign producers took advantage of trade liberalization to flood the local market with all manner of imports to the detriment of the indigenous firms;

the level of profitability of the firms fell drastically as a result of the falling purchasing power of people in the economy;

capacity utilization fell significantly and this was attributed to increased costs of production due to exchange rate depreciation; and

a very sharp decrease in the sale of manufactured

goods.

In a recent publication by the ministry of Economic Matters tagged 'Obasanjos Economic Direction 1999-2003' the President had this to say about the Nigerian economy.

'The economy was generally riddled with myriads of problems and had virtually collapsed. In addition to the inherent fundamental structural defects which persisted, the economy was burdened by mismanagement, which brought additional problems, such as energy crises, manifested in the scarcity of petroleum products and an epileptic and erratic power supply; high fiscal deficits, which threw macro-economic fundamentals out of order and a near - total collapse of infrastructure and services. Low output, high unemployment and a crushing external debt overhang prevailed (Obasanjo, 2000)'.

The foregoing assessment of the Nigerian economy was further corroborated in some of the subsequent sections of this same document. The publication said that the manufacturing sector is characterized by:

- (i) Low capacity utilization, which averaged 30% in the last decade;
- (ii) Low and declining contribution to national output, which averaged 6% from 1997 - 1999;
- (iii) Reducing and negative real growth rates;
- (iv) Dominance of light assembly type consumer goods manufacture;
- (v) Low value - added production due to high import dependence for inputs;
- (vi) Prevalence of unviable state - owned enterprises;
- (vii) Accumulation of large inventories of unsold finished products; and
- (viii) Dominance of sub-standard goods, which cannot compete internationally.

Furthermore, the deplorable condition of the manufacturing sector was due to a horde of factors principal amongst which are:

- (i) Lack of an enabling environment, which included;
  - (a) poor macro-economic environment;
  - (b) bureaucratic bottlenecks;
- (ii) Poor implementation of incentives to manufacturers, including export incentives;
- (iii) Policy errors of the past;
- (iv) Low access to investible funds due to underdeveloped long-term capital market that match industrial projects' needs;

- (v) Dearth of foreign investors and capita! due to unfavourable environment;
- (vi) Inadequate domestic demand;
- (vii) Massive dumping of substandard products that are smuggled into Nigeria; and
- (viii) Inefficient institutional framework.

In the light of the foregoing presentations, it is clear that the Nigerian economic environment is such that cannot positively enhance organizational performance.

### The Political Environment

The Nigerian political environment is complex, relatively unstable and baffling. This is because Nigeria is an independent nation which has been experimenting with different systems in an attempt to find suitable patterns of governance. It is not our intention here to delve into these complexities in depth, but it is clear that political realities are a crucial element of the contents in which organizations in Nigeria function and operate. In our search for the literature, we did not come across any study that attempted to assess the impact of the political environment on organizational performance. This notwithstanding, we shall give a description of the Nigerian political climate.

From the works of the following scholars - Fashoyin (1980), Amucheazi (1980), Nnoli (1980) and Obasanjo (2000), one can discern the true picture of the Nigerian political environment. The Nigerian political environment is characterized by the following:

- (i) No clearly defined political ideology or doctrine;
- (ii) Political instability resulting from incessant *coup d'etat*;
- (iii) Frequent changes in government policies and lack of continuity of programmes and policies;
- (iv) Unnecessary political interference in organizational operations most especially public concerns;
- (v) Lack of budgetary discipline;
- (vi) Widespread cases of corruption and embezzlement;
- (vii) Poor legal environment which could not guarantee property right and safety;
- (viii) Lack of good governance;
- (ix) Low commitment of past governments to industrial development;
- (x) Victimization and annihilation of political opponents, rigging and manipulation of elections and other political vices that tend to make the political environment relatively unstable.
- (xi) The emergence of ethnic militias (OPC- Odua People's Congress, APC- Arewa People's Congress, Egbesu Boys, NDPVF- Niger Delta People's Volunteer Force, and others) who have separationist agenda and thereby making the polity unstable and unattractive to foreign investors.

It is clear from the foregoing description that the Nigerian political environment is not in any way conducive or favourable for organizational operations. A reference case is the instability and the crisis that characterized military rule and the 'June 12' violence in 1994. The June 12' crisis crippled and brought the whole economy to a standstill. The perpetual political instability also made the nation unattractive to foreign investors.

### The Socio-cultural Environment

The socio-cultural environment encompasses the culture of the whole society that determines the psyche and behaviour of people. It is conceived in terms of the values, attitudes, needs, and demographic characteristics of the societies where the organization operates. The values of a culture are the beliefs that shape individual and group attitudes. Again, the values, norms, beliefs and attitudes of a

society influence how individuals feel about organizations and how they feel about work.

According to Brown and Moberg (1980), Ahiauzu (1986) the socio-cultural environment affects organizations in a number of ways. The first is through the actions and expectations of its personnel. Workers bring with them a wide variety of backgrounds, values and influences. Second, since organizations ultimately derive their success from service to clients or customers, they devote considerable time and effort to ensure that their service or product is appropriate and acceptable.

This now leads us to the concept of national culture. A national culture is the particular set of economic, political, and social values that exist in a particular nation. (George and Jones 1996). The U.S. national culture, for example, is based on capitalistic economic values, democratic political values, and individualistic, competitive social values - all of which characterize the way people in America live and work. The Japanese model is virtually the extreme opposite of the American typology.

Sociologically speaking, Nigeria does not have a 'national culture' similar to what obtains in the Western nations. This is because Nigeria is a nation of pronounced cultural diversity because of the heterogeneity of its people. This notwithstanding, the following attributes of the Nigerian culture have been identified both in the literature and research thesis by Aluko in 2001, Ahiauzu (1986), Olugbile (1997) and Mohr (1986).

- (i) The collective tradition is in place;
- (ii) Nigeria is a fatalistic society where people believe more in divine intervention or luck rather than hard work in all they do;
- (iii) Workers moonlight and engage in private practice;
- (iv) Both Christian and Moslem virtues reflect in the work place;
- (v) There is commitment to materialism; and a ruthless and aggressive rush for wealth;
- (vi) The culture of corruption is completely institutionalised in Nigeria. This is otherwise known as the 'settlement syndrome';
- (vii) The desire for self-employment is high, as workers like to work on their own;
- (viii) Nigerian workers are extrinsically oriented and are largely motivated by monetary rewards;
- (ix) Workers are not time conscious.

The extent to which all these attributes influence organizational performance shall be examined in the study. But it is clear from Aluko's 2001 study that some of these attributes of the Nigerian culture impact on organizational performance adversely and some positively.

### The Technological Environment

The technological environment refers to the totality of knowledge, techniques, expertise, procedures, and systems used by organizations to make profound changes in the transformation process and in goods or services. Organizations exist within an environment of scientific and technical knowledge and therefore draw upon some type of knowledge base in order to accomplish their goals.

Technology is the means by which a people exploit the cumulative core and cognition in their generation to enable them cope more easily with their environment. Again, technology refers to various elements of productive knowledge which help to transform materials into goods, create new or improved products, provide better and efficient services, and generate further knowledge which is more advanced and more potent than hitherto available (Aduhifa, 1990).

At the organizational level, technology is the term used to describe the combination of human resources (skills, knowledge, abilities, techniques) and raw materials and equipments (machines, computers and tools) that workers use to convert raw materials into finished goods and services

(George and Jones, 1996). From this background, one can infer that the technological environment refers to the knowledge and methods in the organizational environment relevant to the organization's transformation process.

Brown and Moberg (1980) argued that while all organizations face the technological environment, some must be more attentive to it than others. According to them, organizations using a knowledge base that is: (a) rapidly changing, and (b) complex, are particularly vulnerable. Not all organizations use technologies that are complex or even changing. Some organizations use a knowledge base that has not changed markedly in years and is not particularly complex e.g. mining companies. However, technology poses challenges for organizations. To avoid being caught with obsolete equipment or systems and to gain competitive edge, organizations must stay abreast of developments in technology.

With regard to the Nigerian technological environment, three main problems were identified in the literature by Akinbinu (1998), Obasanjo (2000) among others. These are:

- (i) Poor and inadequate infrastructure (inadequate power supply, water, communication, bad roads etc); and
  - (ii) Prevalence of obsolete technology (aged equipments, inability to acquire the state – of art equipments etc);
  - (iii) Heavy reliance on foreign technology and expertise.
- From the foregoing discussions, it is clear that Nigeria's heavy reliance on foreign technology, foreign personnel and expertise, sometimes necessitating in the importation of raw materials, the low level of our technological capability coupled with the absence of the needed infrastructures has not provided a favourable technological environment which organizations in Nigeria require in order to enhance performance.

### Research Design

#### Selection of Organizations

The data for this study were collected from three textile mills from different ethno-geographical locations in Nigeria. These are:

- (i) Nigerian Textile Mills, Ikeja, Lagos, Lagos State
- (ii) Asaba Textile Mills, Asaba, Delta State
- (iii) Gaskiya Textile Mills Plc, Kano, Kano State.

#### Population and Sample

The study population consists of the following categories:

**Categories A:** Workers. In this group, seven hundred and fifty workers in all, with two hundred and fifty drawn from each of the work places were used after a random selection.

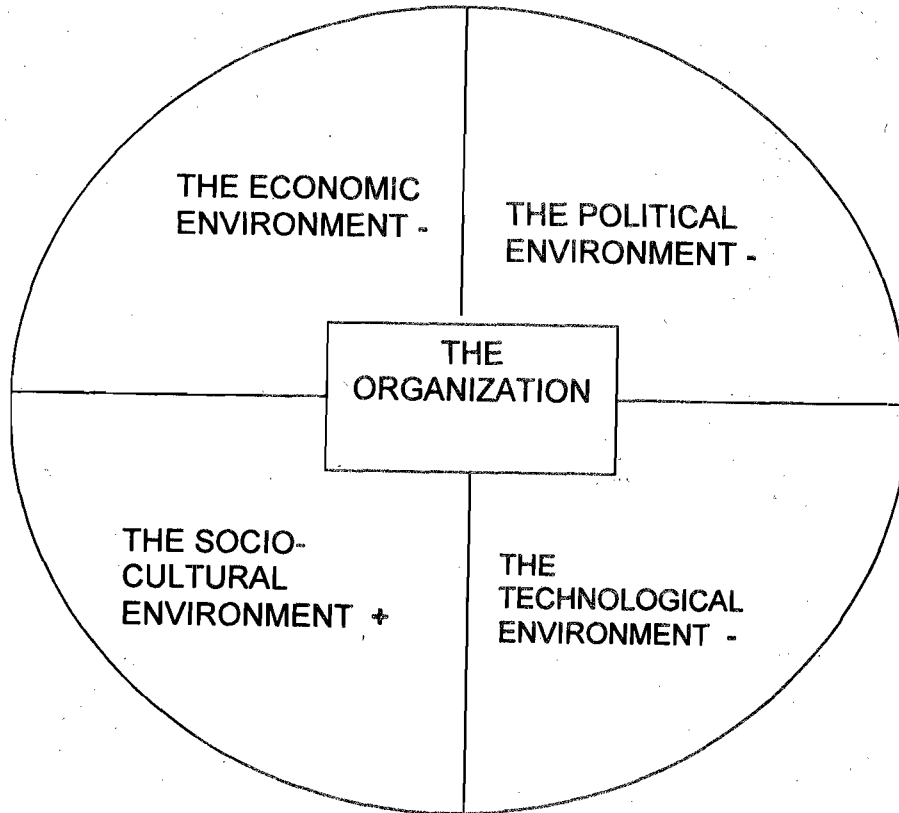
**Category B:** Customers. In this group, customers with ten drawn from each location were interviewed.

**Category C:** Owners. In this group, forty-five respondents with fifteen drawn from each location were randomly selected and interviewed.

**Time of Study:** This study was conducted between 1999 and 2000. But the organizations under study were assessed from 1994 – 1998.

**Techniques of Data Collection:** The following techniques were used:

- (i) **Sample Survey:** Facilitated through the use of a structured self-administered questionnaire.
- (ii) **The case study Approach.** In-depth interviews were conducted among the following categories of stakeholders. (a) Personnel Managers in the three locations (b) Customers (30) and (c) Owners (45)
- (iii) **Direct observations.** We observed the situation of things in the immediate environment of these firms. The notable points of focus include – the availability of social infrastructure such as network of roads,



SOURCE: ORIGINAL ILLUSTRATION BY THE AUTHOR

**FIGURE 2**  
**DIAGRAM ILLUSTRATING THE RELATIONSHIP BETWEEN THE ENVIRONMENTAL PARAMETERS AND ORGANIZATIONAL PERFORMANCE**

water and electricity, telephone services, finance houses, market, population among others.

Additional information was obtained from documents about each of these organizations.

#### Procedure for Data Analysis

The data were analysed using simple percentages, cross tabulations, and ranking as well as logistic regression because some of the variables used are dichotomous in nature. Furthermore, the use of triangulation method was adopted in this study. The triangulation method has the benefit of raising 'social scientists' above the personal biases that stem from single methodologies. By combining methods in the same study, observers can partially overcome the deficiencies that flow from employing one method.

#### Measurement of Variables

In this study, the environment is treated as the independent variable while performance is taken as the dependent variable. The environment is measured in terms of (i) The economy (ii) The Polity (iii) The socio-cultural environment and (iv) The Technological environment.

Performance is also a multidimensional variable. It is measured in terms of the satisfaction expressed by the three stakeholders used in this study – owners, customers and workers. The satisfaction of owners is measured in terms of the ability of these organizations to make profits to a level acceptable to the owners. The satisfaction of customers is measured in terms of the ability of these organizations to come out with prompt services and quality products. The workers satisfaction is measured in terms of their satisfaction with

work, pay wages and incentive systems, style of supervision and management, and job security.

#### Analysis of Data, Findings and Discussions

The data collected from the three sources used for this study are reported simultaneously here.

#### The Economic Environment

The economic problems, which affect organizational performance, consist of:

- (i) Lower consumer demand for domestic prints occasioned by preference of Nigerians for imported wax;
- (ii) Low level of wages in general leading to low effective demand;
- (iii) Low level of effective demand for domestic wax leading to under-utilization of capacity;
- (iv) Low value of the nation's currency thus making it difficult to replace ageing equipments;
- (v) Shortage of raw materials and other production inputs due to shortage of foreign exchange;
- (vi) Porosity of our national frontiers, which makes the smuggling of textile materials a lucrative business;
- (vii) Problem of under-invoiced textile products from the Asian countries, which makes foreign prints cheaper than domestic ones;
- (viii) The problem with the importation of fairly used clothes which affects the demand for domestic prints; and
- (ix) The problems associated with World Trade Organization' - an agreement that emphasizes the liberalization of trade.



The results of the logistic regression revealed that there is significant positive relationship between the economic environment and organizational performance ( $P < 0.01$ ).

#### The Political Environment

The political environment in Nigeria has not been stable in the year's preceding the take off of democracy in May 1999. The polity has been very chaotic and turbulent. There were frequent strikes and work stoppages, sometimes due to 'political' considerations outside the competence of management and employers. Again, perpetual political instability made the nation unattractive to foreign investors.

#### The Socio-cultural Environment

The result obtained from the analysis of data shows that all the indices of culture used in this study exhibit a correlation; positive and significant relationship with organizational performance. There was no evidence in any of the three textile mills that the culture of work among employees constituted a hindrance to organizational performance.

To the contrary, empirical evidence shows clearly that workers in general exhibited positive work values and attitudes. The incidence of lateness to work, labour turnover and absenteeism is very low and insignificant, while the level of commitment is very high. The results of logistic regression revealed that there is significant positive relationship between the socio-cultural environment and organizational performance ( $P < 0.05$ ). Again, there is significant positive relationship between punctuality at work, collectivism and organizational performance both at  $P < 0.05$ .

#### The Technological Environment

The technological environment in this study is characterized by the following:

- (i) Inadequacy of social infrastructures most especially electricity and water;
- (ii) The transportation system is chaotic; and
- (iii) Problem of obsolete technology;
- (iv) Heavy reliance on foreign technology and expertise.

Technology is an important variable in organizational performance. Without the needed technology, an organization cannot enhance performance. Empirical evidence in this study indicate that the organizations under focus are operating within an unfavourable technological environment while the table of logistic regression of performance by selected variables showed that the availability of appropriate technology is significantly related to organizational performance ( $P < 0.01$ ).

In general, decline in capacity utilization and the inability of their prints to match and compete with imported ones was partially attributed to the use of aged and obsolete equipments. Thus, these mills therefore need to acquire the state-of-the-art technology in order to enhance the quality of their prints and at the same time boost performance.

All these findings and discussions the impact of the environment is illustrated in the diagrams below in figures 1 and 2.

#### SUMMARY, RECOMMENDATION AND CONCLUSION

The Nigeria environment from all indications is an unfavourable one. Out of the four environmental parameters used for this study, only the socio-cultural environment appears to be favourable to a level, which positively enhances organizational performance. Other environmental parameters like the economy, the polity and the technological environment have negative impact on organizational performance.

In the main, the following problems emanating from the Nigerian environment were identified.

- (i) Inadequacy of technology, that is the inability of the mills to replace aged equipments and acquire the state-of-the art technology;

- (ii) Inadequacy of social infrastructures most especially electricity and water;
- (iii) Incessant fuel crisis that usually pervade the nation;
- (iv) Low effective demand for domestic prints;
- (v) Lower quality of domestic prints when compared with imported ones;
- (vi) Low level of capacity utilization occasioned by low effective demand and the preference of the average Nigerian for imported prints;
- (vii) The impact of the 'World Trade Organization', an agreement which led to the globalization and liberation of trade; and
- (viii) Impact of the murky political and economic climate most especially between 1993 and 1998.

#### Policy Implications

From all indications, it clear that government must do something positive to alleviate the problems associated with the Nigerian environment in order to help organizations enhance their performance. To this end, the government should do the following:

First, the government should do all within its power to combat smuggling. These foreign and smuggled textile products have taken over the Nigerian markets because they are usually comparatively cheaper having successfully evaded import duties payable on them.

Second, the government should ban the importation of fairly used clothes otherwise known as 'Tokunbo', 'Toks' or 'Yamu'. Nigerians patronage of second hand clothes has meant lower effective demand for domestic prints and as such on outright ban of second hand clothes is recommended. Third, the government should encourage its citizens to be patriotic and patronize homemade goods. It is by patronizing home made goods that organizations in Nigeria can grow. The low level of effective demand for homemade goods constitutes a bottleneck for organizational performance. Patronage of locally made goods should form the bedrock of any self-reliance policy and should form the anchor of any genuine economic programme for Nigeria.

Fourth, it is recommended that the government should review the value of the naira. The depreciation in the value of the naira since the turn of this decade and resulting high cost of production have been responsible for a decline in profit of most organizations in Nigeria. Again, the government should make the foreign exchange processes less cumbersome as there are indications that these organizations are unable to acquire other production inputs due to shortage of foreign exchange. Fifth, Nigeria must revisit her membership of World Trade Organization (WTO). An industrializing nation like Nigeria attempting to venture into liberal trade finds that it must compete with already established firms in developed countries with vastly superior technology (and also superior managerial skills, financial abilities, and even tangible assets such as brand-name loyalty).

In the presence of competition, it is very difficult for the firms from an industrializing nation to survive in their own domestic market, not to speak of breaking into export markets, if free trade prevails. The policy implication is that some protection for the domestic organizations would be required initially before exposing them to international competition.

Sixth, the government should take urgent steps to address the problem of inadequate social infrastructure most especially electricity. This problem is one of the reasons partially responsible for low capacity utilization in the manufacturing sector. Therefore, the provision of adequate electricity both for people and industrial use becomes a categorical imperative and a responsibility that the government cannot run away from. No investor is encouraged to come to a country bereft of good roads, electricity, efficient telephone service and other basic infrastructure.

Moreover, something positive and concrete must be

done about the poor state of our technological environment. Naturally, Nigerian government, scholars and organizational practitioners are greatly distressed about the low level of our technological development. The technological policy should be one that addresses the needs of the mass of the local people, draws on their skills and builds upon their technological tradition.

On a final note, we like to say that it doesn't require much wisdom to assert that no serious investor will bring his money to a country that is replete with great economic risks, political instability through manipulation of religion and ethnicity; and a country whose terrain is controlled by social miscreants, ethnic militias, dangerous criminals and sophisticated tricksters. The government needs to do something very serious about all these, otherwise the globe trotting efforts of President Obasanjo all in the name of attracting foreign investors will be an exercise in futility,

## CONCLUSION

In this study, the relationship between the environment and organizational performance were examined across three ethno-geographical locations in Nigeria. The findings showed that there is significant relationship between environment on one hand and organizational performance on the other. And that if all things remain equal, organizations that are performing to the satisfaction of the owners, employees and customers will be found in environments that are favourable and suitable for their operations. However, the results of this study showed clearly that all things do not remain equal. It was found that only the socio-cultural environment appear to be favourable to organizational performance as workers seem to have imbibed the values of industrial life. Other environmental parameters such as the economy, polity and technology were in the main not favourable to organizational performance.

Our final thesis in this study is that a single environmental parameter may not lead to enhanced organizational performance. Relying largely on the functionalist framework, it is clear that organizational performance depends exclusively on the suitability of most or all the environmental parameters simultaneously. No one variable or parameter will work or should be treated in isolation of others in the match towards the enhancement of organizational performance.

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