

Business Environment Analysis: Globalization Era Imperative For Small Scale Industries

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ABSTRACT It is of little use to look at only the structure and the internal environment of an organization without giving full weight to the external environment in which a business has to conduct its operation. It is on this framework the study was conducted. A cross-sectional field study was applied to seventeen small-scale manufacturing firms that were randomly selected among the fifty-one companies. External environmental factors were measured using 5-point and nominal scaling methods. The data were collected through the use of interview schedule and focus group discussion specifically on variables pertinent to developmental issues. Results of the analysis show that economic variables had highly influenced the management decisions of the firms especially devaluation of currency, and energy availability. The socio-cultural variables had almost highly influenced management decisions. These are variables like regional shifts in population, and growth of population. Results also show that productivity improvement through automation had highly influenced technological management decisions, while foreign trade regulation was found highly influencing political-legal management decisions. The results further revealed that globalization, liberalization, information technology and technological trends, and social responsibility were among the major key developmental issues in business environment influencing small-scale management decisions in Nigeria.