The Impact of Organizational Environment on Corporate Performance

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ABSTRACT
The Nigerian business sector should play a major role in the economic development of the country and the actualization of the Millennium Development Goals. However, its performance indices - profit, capacity utilization and contribution to GDP indicates that some sectors has performed poorly. The general objective of this study is the assessment of the impact of the external environment on the operations of business sector in Nigeria with a view to determining the level of adaptability of the firms and its implications on their corporate performance. Specifically, the study tend to; ascertain the impact of information management on corporate performance of business organizations, to find out the extent to which organizational rigidity contributes to the high level of business mortality, to ascertain the extent to which environment turbulence contributes to the poor corporate performance. The study adopted evolution theory and from the reviewed literature, we discovered that business environment impacts negatively on the corporate performance of business organizations. The implication of the findings is that, given that Nigerian business environment is general hostile; the owners of business organization should adopt appropriate strategies that would enable them to manage environmental turbulence effectively and help minimize the negative effects of environment on their performance. Based on the findings, we conclude that the business environment impacts negatively on the corporate performance of business organizations. We therefore recommend that organizations should make information management a priority, ensure greater heterogeneity of the dominant coalition and should intensify efforts on research and development.

INTRODUCTION
Organizations are systems. The Oxford English Dictionary defines a system as a set or assemblage of things connected, or interdependent, so as to form a complex unity; a whole composed of parts in orderly arrangement according to some scheme or plan. Systems can be considered to be either closed or open. A system is regarded as open if it exchanges information, energy or material with its environment as happens with biological or social systems; otherwise it is regarded as closed (Koontz et al, 1981). Researchers have long discovered that organizations are open systems that constantly interact with their environment and in the process affect and are affected by the environment. According to Hicks and Gullet (1987), an organization does not exist in a vacuum but exist in an environment that provides resources and limitations. If it is to remain prosperous, an organization must continually adapt to its environment which is constantly changing. They also believe that failure to adequately adapt to the environment is a major cause of organization failure.

The environment in which organizations operate in Nigeria as in other parts of the world is dynamic and is becoming increasingly so. As the environment changes, there is the need for organizations to change in order to adapt to such environmental changes. Organizations that are unable to adapt eventually die or fold up. The increase in the rate of change, complexity as well as level of competition in the Nigerian business environment can be attributed to a number of factors. First among such factors is globalization. Propelled by accumulated developments in transportation and information technology, globalization has transformed the economics of the world into one global market where local market boundaries to a large event have been affected. This simply implies that a
firm in Nigeria is not just competing with other firms in its industry in Nigeria but with every other firm in the same line of business anywhere in the world. Globalization therefore spells intense competition and for firms in developing countries like Nigeria, this poses a big threat. Of course, it also increases the range of opportunities open to each individual firm if they are to remain competitive.

Commenting on the importance of organizational flexibility, Blyton(1993) states that greater market uncertainty and changes in technology and production processes are widely associated with giving added significance to organization flexibility and that other factors include growth in international trade and competition stemming from the increased activities of Japan and other industrialized nations, expansion of multi-national corporations, increase in cross border trade due to liberalization and the collapse of the east-west divide in Germany. Blyton believes that this growth in competition and expansion of multinationals into a wider range of markets have made the markets more volatile and less dependable for individual companies and that this has in turn heightened the need for organizations to increase their responsiveness and consequently to develop greater flexibility.

Another factor that has increased the level of turbulence in the Nigerian business environment is the extensive and comprehensive economic reform programme which the Federal government has for some time been implementing. This reform initiative involves among other things the privatization and commercialization of government owned companies (Needs, 2004). This has introduced competition into economic sectors that hitherto were monopolies and has also expanded the scope of business opportunities available to operators in the private sector. There is also the recapitalization requirement for the banking and insurance sub sectors which has led to the consolidation of that sector through mergers and acquisitions. Globalization and the economic reform programme by the government together comprise what Kazmi(2005) refers to as the LPG (Liberalization, Privatization and Globalization) of the business environment. Combine this with the constant changes occurring in all the other aspects of the business environment especially government policies and it becomes clear that any organization that remains irresponsible is doomed to failure.

Organization performance is a multi-dimensional concept that generally indicates how well an organization is managed and also the quality of corporate governance of such organizations. There are so many measures of organizational performance. Some of them are quantitative. Quantitative measures of organizational performance exist for the determination of specific aspects or organizational performance mainly in the areas of profitability, liquidity, activity and efficiency measures tend to be the most popular to researches in the area of organizational management and this may be due to the fact that profitability is often the grand objective of business organization and also, profitability somewhat sums up the other measures of performance. However, the Central Bank of Nigeria, the Manufacturers Association of Nigeria and most researchers also use capacity utilization in measuring the performance of the business sector (CBN, 204: MAN,2008; Aluko et al. 2004).

STATEMENT OF THE PROBLEM

From the perspective of this study, the major problem hindering the corporate performance of the Nigerian business sector is that of inability to adapt expeditiously to or effectively manage its external environment. This has led to a list of issues which could equally be seen as major problems.

The first issue is that of organizational rigidity/flexibility which to a large extent determines the level of adaptively achievable by organization. Since the external environment of business is constantly charging and in the process, presenting organizations with opportunities and threats, organizations need to remain flexible in order to effectively adapt to such changes. Given a turbulent environment, flexibility to a large extent determines performance of organizations; this may be an indication that such organizations are rigid.

Managing the external environment effectively for good performance requires proactive management of information. This enables organization to be aware of current as well as likely future developments in their environment and therefore remain environmentally alert. Information management constitutes the primary and perhaps the most important aspect of organizational adaption. Being aware of developments in the environment early enough gives organizations enough response time and therefore enables them to manage their environment more effectively. This activity also
provides the information required for strategic planning. How effective is the sector in managing information?

The structure of the industry which forms part of the external environment of business impacts corporate performance, especially profit. Unlike other aspects of the external environment, industry structure is to a large extent under the control of firms and in fact the structure of the industry is a reflection of the series of decisions made by them. Since the structure of the industry is the primary determinant of competition and consequently profit, an inappropriate structure will impact negatively on performance. How does the structure of the Nigeria business sector affect its performance?

Environmental turbulence, which is different from a hostile environment, can greatly undermine performance if it is not properly managed. Turbulence in this case refers to the rate at which the environment presents firms with new developments and also the extent to which firms can see the future. When managed properly, turbulence can even impact positively on performance.

OBJECTIVES OF THE STUDY

The general objective of this study is the assessment of the impact of the external environment on the operations of business sector in Nigeria with a view to determining the level of adaptability of the firms and its implications on the their corporate performance. While the specific objectives are;

(1) To determine the impact of external environment on the corporate performance of business organizations in Nigeria.
(2) To ascertain the impact of information management on the corporate performance of business organizations.
(3) To find out the extent to which organizational rigidity contributes to the high level of business mortality.
(4) To determine the impact of industry structure on the corporate performance of organizations.
(5) To ascertain the extent to which environmental turbulence contributes to the poor corporate performance.

THE SCOPE OF THE STUDY

The study focuses on the Nigeria business sector. The business environment is very large and is usually divided into the internal and external environment. Most studies on the business environment usually concentrate on the external environment and since the study leans toward organizational adaptation, this work also focuses on the external environment. This however does not mean that the internal environment is not important.

THE SIGNIFICANCE OF THE STUDY

The business sector is one of the largest sectors of our economy and the well being of the citizens is significantly affected by the development in the sector. This study therefore will be very significant to both government and the governed. In other words, the findings of this study will furnish the federal and state government with useful information that will help to fine tune the policies that are geared toward creating an enabling environment for the private sector to flourish.

The academic world, especially Universities will benefit from this study for it will become a source of academic research material for the scholars both within and outside the Universities.

EMPERICAL AND THEORETICAL REVIEWS

CONCEPT OF BUSINESS ENVIRONMENT - Most definitions of the business environment reflect the fact that the business environment comprises all forces or factors that are external to the organization and that are likely to affect its operations. Farnham (1994) sees the external organizational environment as all elements existing outside the boundary of organization that have the potential to affect the organization. Davis (1975) sees it as the aggregate of all conditions, events, and influences that surround and affect an organization, and Glueck and Jauch (1972) defines it simply as including all factors outside the firm which can lead to opportunities for or threats to the firm. Complex, dynamic, multifaceted and having far reaching effects and these characteristics make it
imperative that any organization that wishes to survive for a long time must take the environment very serious. According to Tate and Taylor (1983) in Fakhar et al (2012), organization in two major ways; they provide threats and opportunities to organization. In this context, threat refers to any factor or development that impairs the ability of an organization. According to Hicks and Gullet (1989) in Ifeabuchi (2011), environment factors affect an organization in two ways: they set limits, and they provide opportunities and challenges; the limits and the challenges could be seen as sources of threats to the organization. The relationship between the organization and its environment is that of mutual dependency- the organization depends on the external environment for resources and the external environment depends on the organizations for products and sources.

COMPONENTS OF THE BUSINESS ENVIRONMENT

Griffin (1996) sees the business environment surrounding organizations to be made up of the internal task and general environment. The internal environment consists of conditions or forces within the organization and includes such factors as the owners, board of directors, employees and organized labor and the organizations culture; the general environment which has economic, technological, socio-cultural, political-legal and international dimensions is the set of board dimensions and forces surrounding an organizations which creates its overall context while the task environment consists of specific organizations or groups that influence the organization. Competitors, suppliers, regulators or groups that influences the organization; competitors, suppliers, regulators and strategic allies are part of task environment of organizations. Griffin's general and task environments form, what is usually referred to as the external environment which is the major focus of this work.

Lynch's (1997) identification of the components of the business environment is more comprehensive than that of Griffin. Discussing the business environment from the perspective of analyzing it for the purposes of strategy formulation, Lynch identifies six basic aspects of the general environment that affect organization. Such analysis usually starts with a general consideration of the nature of the external environment and the objective is to determine the level of changeability and predictability where changeability refers to the degree to which the environment is likely to change and predictability refers to degree with which such changes can be predicted.

The second phase in the analysis is the consideration of factors that affect many organizations. Lynch (1997) refers to this as PEST analysis and PEST is an acronym for political, economic, socio-economic, socio-cultural and technological components of the environment. Next will be an examination of the key factors for success. That is, those factors that are specific to particular industries that determine the success or otherwise of particular organizations. These factors according to Lynch vary from industry to industry and from time to time. Then comes the analysis of the competitive balance of power in the industry. The key instrument for this analysis is porter's five forces model and it revolves around suppliers, substitutes, buyers, potential new entrants and industry competitors. The analysis then narrows down to immediate competitors. This involves competitor profiling and product portfolio analysis. Finally, comes an analysis of the customers of the organization.

Generally, the key components of the external environment highlighted by Lynch are political, economic, socio-cultural, technological, as well as suppliers, substitutes, buyers, potential new entrants and industry competitors and also customers.

According to Kazmi (2005), the major aspects or components of the external environment of business are the market, technological, supplier, economic, regulatory, political, socio-cultural and international environments. One thing that stood out in Kazmi's discussion of the business environment is his inclusion or consideration of liberalization, privatization and globalization as aspects of the business environment. He refers to them as the LPG of the economic environment. Traditionally, this had never been so but going by the definition of the business environment as everything outside an organization that might affect it, it is obvious that liberalization, privatization and globalization are vital aspects of the business environment because they have far reaching effects on the operations of business organizations and therefore should be considered as aspects of the business environment. Koontz (1981) as cited in Okeke (2011) sees the business environment as being made up of the
economical, technological, social, political legal and ethical environment. Although this approach is a bit simplistic, it introduced an important aspect - the ethical environment - which other commentators neglected.

TURBULENCE

Turbulence is a key product of the environment. In discussing turbulence, Griffin (1996) cited in Andrew (2010) observes that organizations face the possibility of organizational change or turbulence occasionally without warning and that the most common form of organizational turbulence is a crisis of some sort and that such crises can be devastating to the organization. In a study of the relationship existing between turbulence, flexibility and performance, Power and Reid (2003) estimate turbulence by firms over their life time. In this case, a relatively high number of changes signal that the firm in question is operating in a turbulent environment. This approach is in consonance with the work of Markusen and Teitz (2009). They studied the underlying dynamics of the competitive environment in which mature small firms operated and came to the conclusion that such firms were operating in a turbulent market in the form of a crisis or in the form of a growth opportunity. The approach for measuring turbulence adopted by Power and Reid above is appropriate for measuring turbulence at the industry level. Beesley and Hamilton (1994) as cited in Abubakal (2010) suggest that turbulence should be approximated by accounting for flows in birth and death of firms in the industry. In their study, Power and Reid (2003) found that there is a negative relationship between turbulence and performance and furthermore, that this impact is relatively large. They developed the model:

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\text{Perform} = \beta_0 + \beta_1 \text{Turbulence} + \beta_2 \text{Precipitation} + \beta_3 \text{Adjust} + \beta_4 \text{Precipitator Time} + \beta_5 \text{Adjust Time} + U_1; 
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Which shows that, performance of an organization is a function of the level of turbulence in its external environment and the level of flexibility achieved by the organization in its operations.

However, while discussing the expected casual relationship between the variables, they observed that "As compared to the unambiguous effect of flexibility, the effect of turbulence on performance is less clear. In general, a higher number of organizational changes would reflect a greater degree of turbulence and vice versa, however it does not automatically imply improved performance. Reid and Smith (2000) found that both poorly performing (stagnant) firms and high performing (adaptive) firms have relatively active discretionary policies. Whereas stagnant firms frequently adopt organizational changes to counteract the consequences of inflexibility in terms of poor performance, adaptive firms frequently adopt organizational changes to facilitate greater growth and other aspects of improved performance”.

ENVIRONMENTAL SCANNING

Environmental scanning is an activity that enables organizations to monitor the environment and in the process gather, evaluate and disseminate information from the external environment to key people within the organizations (Hunger and Wheelan (1996), Wright et al (1996), Hatum and Pettigrew (2006)). Choo (2001) defines it as acquisition and use of information about events, trends and relationships in an organizations external environment, the knowledge which would assist management in planning the organizations future course of action. Choo also believes that the essence of environmental scanning is to avoid surprises, identify threats and opportunities, gain competitive advantage and improve long-term and short-term planning.

The importance of environmental scanning can never be over-emphasized. Thomas et al (1994) argue that “when managers implement the mechanism to increase information use by scanning the environment, they increase the likelihood of interpreting issues quickly and sensing the controllability of the process”. Pettigrew and Whip (1991) emphasize that companies that can absorb signals and mobilize resources from the environment will be more proactive and able to complete successful change. Furthermore, responses to a survey of fortune 500 firms that were asked to identify the major pay-offs of their environmental activities include an increased general awareness of environmental
changes, better strategic planning and decision making, greater effectiveness in environmental matters, sound diversification and resource allocation decisions. However, the respondents also indicated that the results of their environmental analysis were often too general or uncertain for specific interpretations (Diffenbach, 1983 in Johnson 2010).

Environmental scanning impacts significantly on key measures of organizational performances such as profitability and competitiveness. For instance, according to Hunger and Wheelan (1996) research has identified a positive relationship between environmental scanning and profit, implying of course that, the more an organization engages in environmental scanning, the more profit the organization will be able to generate. This is supported by the fact that less than 5% of United States Corporations have fully developed intelligence programmes while in contrast, all Japanese Corporations involved in international business and over half of German and Swedish companies have active intelligence programmes (Hunger and Wheelan 1996). This may in part explain why Japanese firms tend to be highly competitive and are considered to be a major threat to US firms in international trade. According to Choo (2001), there is enough empirical evidence from the research works of Miller and Friesan (1977), Newgren et al (1984), Dolinger (1984), West (1988), Daft et al (1988) and Suramanian et al (1993) to prove convincingly that there is a strong direct relationship between environmental scanning and profit. He presents the case of Newgren et al (1984) that compared the economic performance of twenty-two non practicing firms. They measured performance over a five year period (1975-1980) using the firms share price/earnings ratio, normalized by the industry. The results of their data analysis show that scanning firms significantly out-performed non-scanning firms and also that the average annual performance of the scanning firms was also consistently better than the non-scanning firms throughout the period. They therefore conclude that environmental scanning and assessment has a positive influence of corporate performance.

The link between environmental scanning and organizational flexibility is equally strong. Mata (1993) discovers that being able to detect the environmental factors that precipitate change can be a source of flexibility in small firms and that this ability differs across owner managers. He also found out that, if owner managers within the small firms sector were not alert to detecting environmental changes, their firms will not grow thereby also establishing a link between environmental scanning and organizational growth. Also Hatum and Pettigrew (2006) studied two highly flexible firms and two inflexible firms in Argentina and discovered that under-serve competition, the highly flexible firms sought new sources of information and also set up formal structures as well as informal mechanisms to scan the environment. An executive director in one of such firms commented that “watching what was going on outside the company and observing the trends and changes in the competition was the only way of succeeding we found. This external orientation helped us to seize the opportunity while others were more concerned with domestic problems”. In contrast, the less flexible firms had no formal structures for scanning the environment. The authors came to the conclusion that, the highly flexible firm in this research sought new sources of information much more actively and applied a rich array of formal and informal mechanisms for scanning the environment. The outcome of the scanning behavior was self-accident: flexible firms anticipated changes in the sector and seized the opportunities, while the less flexible firms could not. Murphy (1987) in Orji (2010) links scanning to effective strategic planning and adaptiveness.

Choo (2001) warns that the practice of scanning by itself is not enough to ensure performance. To have the desired impact on performance, scanning must be aligned with strategy and scanning information must be effectively utilized in the strategic planning process.

**ORGANISATIONAL ADAPTATION**

To manage change effectively, organizations must learn to adapt. According to March (1995) “adaptation is essential to survival; those companies that do not adapt seem destined to expire”. Cameron (1984) in Orji (2010) defines organizational adaptation as the modifications and alterations in the organizations or its components in order to adjust to changes in the external environment. Its purpose is to restore equilibrium to an unbalanced condition. “This definition obviously does not adopt the inertia approach. Those favoring the inertia approach see organizations as being at the mercy of
their external environment. “They are swept along by environmental pressures” (Hatum and Pettigrew, 2006). The authors are of the opinion that organizations are not necessarily at the mercy of the environment they operate in, but can challenge the environment by introducing new practices and strategies. Coming from a social science perspective, Tomlinson (1976) defines adaptation as “the ability of an organization to change itself or the way in which it behaves, in order to survive in the face of external changes which were not predicted in any precise way where the organization was designed. Lawrence and Lorsch (1986) in Orji (2010) approach adaptation from the perspective of the contingency theory which according to the author claims that the organizational structure or managerial approach that will prove to be effective will depend on such factors as the core technology and the nature of competition in the industry. Building on this theory, Evans (2011) points out that the implication of this theory is that there is no one best way to organize. ‘In stable and certain environments, organizations develop mechanistic structures with centralized hierarchies and fixes procedures. Rapidly changing environments and uncertain technology require organic structures characterized by horizontal and vertical autonomous actors and high and adaptability’.

In their work on organizational adaptability, Gumport and Sporn (2000) catalogue other interesting definitions and approaches to organizational adaptation including population ecology, isomorphism, strategic choice, and resource dependency. According to the population ecology approach, organizational adaptation comes about as a rest of a process of natural selection by environment demands. This approach sees the environment as a very strong force that determines the success or otherwise of organizations. This process of natural selection derives from biology where the fittest survive because they have been able to develop characteristics that enable them to cope with environmental challenges (Orji 2010). This approach de-emphasizes the role of good corporate governance in organizational adaptation but behaves that organizations adapt not because of intelligent or creative managerial action but because of random or evolutionary development of characteristics that are compatible with the environment.

The strategic choice and resource dependency approaches clearly take a different and opposing view. They believe that individuals in organizations play active roles in the struggle for survival. Recognizing that the key issue in organizational adaptations is that of finding a fit or balance between environmental demands and the structure and process of the organization, the strategic choice approach believers that the key to effective organizational adaptation will be the successes or failure of adaptation. A major proponent of this approach, child (1972) is of the opinion that the key decision makers in an organization, a group he referred to as the dominant coalition, can actually adapt the organization proactively rather than merely accommodating uncontrollable changes.

For instance, organizations can choose which environment or market to operate in, manipulate and control their environment or market to operate in, manipulate and control their environment, etc. the resource dependence approach, characterized by the open systems approach, state that in an interchange with the environment. According to Scott (1992), the need to acquire resources creates dependencies between organizations and external units and that the scarcity of resources determines the degree of dependency. He also believes that economic dependencies can lead to political problems that will eventually require political solutions. According to Pfeffer and Salancik (1978) cited in Orji (2010), the main contribution of the resource dependence is that it gives a detailed analysis of adaptation strategies that includes merging with other organizations, diversifying, co-opting important others through interlocking directorates, or engaging in political activities to influence issues such as regulations. This approach also makes it clear that organizations can either adapt by making internal changes in order to fit environmental requirements or on the other hand, attempt to modify the environment so that it fits the capabilities of the organization.

THEORETICAL FRAMEWORK OF ANALYSIS

The study adopts the evolution theory of Charles Darwin. In his theory of evolution, Charles Darwin sought to explain the nature of the relationship that exists between organizations and their environment. The theory suggests that environmental change forces each specie to incremental, but continuous mutation or transformation. Through such a change, a living entity can adapt to its
environment and survive. A species that cannot conform to its environment requirements is doomed, eventually becoming extinct “(Wright et al, 1996). This theory emphasizes that animals evolve as time goes on and that the direction of this evolution depends on the nature of the environment in which the animal lives. When life was purely aquatic, animals evolved features that enable them to live in water, when life moved from water to land, the amphibians that effected the transition evolved features that enable them to survive in both land and water when life become terrestrial, terrestrial animals developed features suited for life on land.

On closer examination, the theory of evolution itself seems to be an exposition of a primordial universe law that manifest with an uncanny similarity in biology and in the corporate world. For instance, in management literature, co-evolution refers to the corporate strategic process by which business organizations "routinely change the web of collaborative links among business to exploit fresh opportunities for synergies and drop deteriorating ones". The links could be in the form of exchange of information, shared business assets and strategies, etc. Only organizations that master this process are able to synergize. But the term co-evolution is an aspect of the general theory of evolution and therefore has its origin in biology and “it refers to successive changes among two or more ecologically independent but unique species such that their evolutionary trajectories become intertwined overtime; as the species adapt to their environment, they also adapt to one another. The result is an ecosystem of partially interdependent species that adapt together. (Eisenhard and Galunic, 2001).

Management and organization theorists have been significantly influenced by this perspective of emulation. As a result, they believe that organizations are influenced by the environment; that environmental change is gradual, requiring concomitant organizational change; and that effective organizations are those that conform most closely to environmental requirements. Firms that cannot or do not adapt to gradual external change eventually find themselves outpaced by their competitors and forced out of business.

FINDINGS.

From the review literature, we discovered that the external environment of business impacts negatively on the corporate performance of the firms in Nigeria. The finding is in consonance with the findings of Aluko et al (2004) who studied the impact of globalization on the Nigerian manufacturing sector and came to conclusion that it had impacted negatively on the sector.

The study also found that information management impacts negatively on the performance of the business organization. Our literature review provides ample evidence that there is a strong link between information management and of organization performance such as profitability, competitiveness and adaptivity. Hunger and wheelman (1996) state that research has identified a positive relationship between environment scanning and profit implying of course that the more an organization engages in environmental scanning, the more profit the will be able to generate. Also Orji (2010) concludes that environmental scanning and assessment has a positive influence on corporate performance after comparing the performance of scanning and non-scanning firms over a period of five years.

The study also found that rigidity contributes to a large extent to the high level of mortality of business organizations. The finding is in consonance with that of Reid and Power (2003) when they developed a model that shows clearly that the performance of organizations in any given environment will be function of the level of turbulence of such environment and the level of flexibility of the organizations. The study finally found that environmental turbulence contributes to a large extent to the poor performance of the business organization in Nigeria.

IMPLICATION(S) OF THE STUDY

The inertia school of thought will hold that negative impact on performance is as a result of very hostile business environment while the adaptable school of thought will hold that the explanation of the negative impact of the external environment on performance of the firms lies in the inability of the firm in question to make appropriate strategic choices that will constantly adapt them to the ever
changing business environment. The explanation is somewhere in-between. Given that Nigerian business environment is generally hostile and globalization has significantly increased the level of turbulence in the global business environment to which the Nigerian business environment is significantly integrated, adoption of appropriate strategies would enable organizations to manage environment turbulence effectively and help minimize the negative impact of the environment on their performance.

CONCLUSION
This study was motivated by an observed lacuna in the discussion of the Nigeria business organizations. Practically all the empirical studies in this area had adopted the inertia approach in the sense that there is an implied assumption in these studies that organizations are at the mercy of the environment, selects the organizations that will survive and those that will not based on this, we conclude that the business environment impacts negatively on the corporate performance of business organizations.

RECOMMENDATIONS.
Based on the findings and conclusion of this study the following recommendations aimed at the negative impact of the business environment on the organizations and improving their performance. Organization may not have much control over the condition of the business environment, but they can manage turbulence effectively if they are flexible enough and by so doing they will improve their performance. To achieve this, the organization should make information management a priority, should ensure greater heterogeneity of the dominant coalition and should intensify efforts on research and development.

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