



ENVIRONMENTAL FACTORS AND PERFORMANCE OF SELECTED MANUFACTURING COMPANIES IN ABA, ABIA STATE, NIGERIA

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Abstract

This study examined environmental factors and performance of

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manufacturing companies using selected manufacturing companies in Aba, Abia State as the focal point. The objectives of the study focused on identifying the extent socio-cultural environment enhances customer patronage, political environment effects customer acquisition, the significant relationship between organizational structure and customer retention, and influence of employee

INTRODUCTION

It has been asserted that business exists in an environment and there are many environmental factors that may affect the effective functioning of a business organization. That is why Agulanna and Madu (2018) stated that an organization and its environment are inter-dependent. Workplace environment is the sum of the interrelationships that exists within the employees and the environment in which they work (Kohun, 2012). According to Tripathi (2014) the business environment can be defined as the environment in which people work that includes physical setting, job profile, and culture. Each aspect is inter linked and impacts on employees overall performance and productivity. It is the quality of the employees' workplace environment that most impacts on their level of motivation and subsequently performance. The environment in which business organizations operate is a complex, multi-focus dynamic and has a far reaching effect on such organization. PZ and Starline companies operate in a

effectiveness on customer loyalty in manufacturing sector in Nigeria. In line with the study objectives, four corresponding research questions and null hypotheses guided the study. The researchers employed survey research design and the population of this study consists of the entire 77 management staff in the Starline and the 58 management staff of PZ Cussons (making a total of 135) all in Aba, Abia State from where 101 were sampled using Taro Yamane. Questionnaire was used as

the primary source of data which were validated using content and face validity methods. Data collected were analyzed using simple percentage and mean statistics while the hypotheses were tested using Pearson correlation, with the help of SPSS 21.0 and Microsoft Excel software. Based on the data analysis, it was discovered that socio-cultural environment, political environment, organizational structure, and employee effectiveness significantly and positively effects customer patronage,

customer acquisition, customer retention and customer loyalty respectively in manufacturing sector in Nigeria. It was recommended that business organizations should understand the challenges and benefits in the socio-cultural environment (language, religion, culture) and utilize such to achieve organizational performance. More so, the government should make and implement political policies that will be of benefit to manufacturing industry to enhance their growth.

Turbulent environment. This is reflected in socio-cultural changes, political changes, technological changes, organizational structural problems and high employee turnover. The environment tends, shape the outlook, and goal of the organization by placing constraints on them (Dessler, 2011). These constraints in the environment of organizations goal could be in the form of competition, this sets a limit on the goals specify by the organization. For instance, trade union asking for increase in salary, will affect the shareholder dividend. Unethical behaviour also affects profit. All these settings provide multiple contexts that influence how the organization operates and how and what it produces (Oghojafor, 2018). In management, the word "Environment" does not necessarily mean physical surroundings, but is used to describe all those influences that bear upon the individual organizations. Business environment is used to mean anything, which surrounds the business organization. It affects the decisions, strategies, process and performance of the business. The environment is consisting of factors which are beyond the control of the business (STEP) social, technological, economical, legal and political. It provides opportunities or poses threats to the organization (Becker, 2012). Since business makes demand on the society and the society makes demands on the business, managers in any organization must interact with and respond to environmental factors internal or external to their organizations.

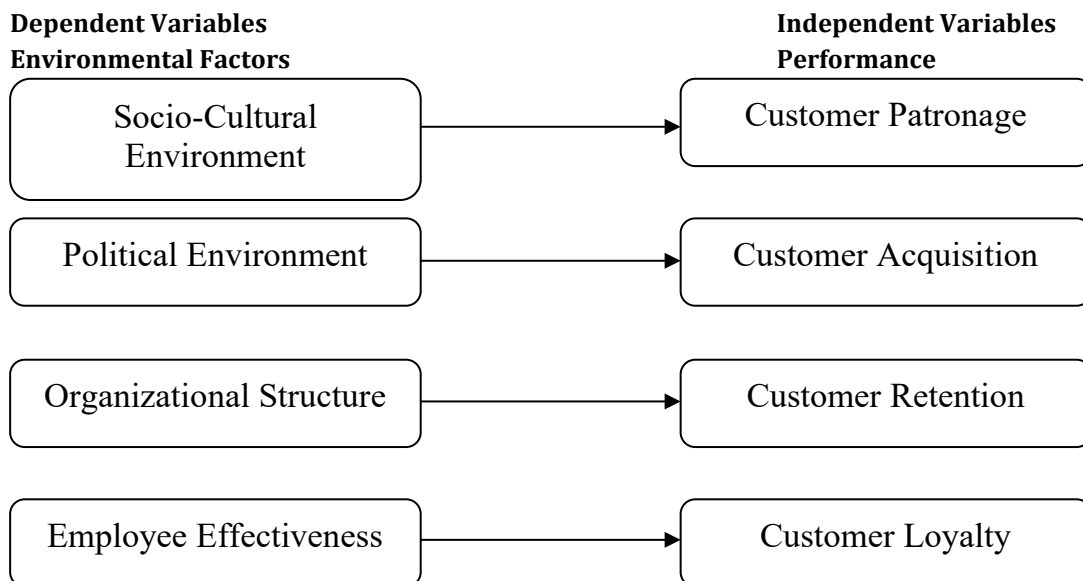
The sum of these interrelationships within the business and between the business and the society is what is the management regarded as business environment. Organizations survival and success depend on the appropriate adoptions to a complex and over changing environment. It is pertinent for top management of organization to identify opportunities and threats in the external environment. Internal environment, it should focus on strengths and weakness, potential and existing ones. It should respond swiftly, in order to know where it can have competitive advantage over its rivals. Therefore, any organization should look or search its environment continuously (Oghojafor, 2018). The Nigerian business environment has witnessed a lot changes

from the period of the oil boom in the 1960s and the early 1970s. Austerity measures in the early 1980s and the structured adjustment programme in the late 1980s from the company act of 1960s allied matter decree in the 1990s, undoubtedly brought in the eighty's the opportunities to be exploited by some firms or the problems that inhibit the survival of so many business firm (Armstrong, 2017).

STATEMENT OF THE PROBLEM

The environment of manufacturing companies which involve forces inside and outside the organization are constantly changing. In Nigeria, many manufacturing companies experience poor performance seen in a drag in their profit, low sales, poor return on investment, employee turnover and loss of customer loyalty. The heightened uncertainty in the operating environment of these manufacturing organizations threatens their success and survival. Forces that emanate from both internal and external environment of these firms include but not limited to financial problems, economic forces, technological forces, socio-cultural forces and political forces. Managers of manufacturing companies are constantly faced with the constraints these forces impose on the organization.

Starline Nigeria Ltd Aba and PZ Cussons manufacturing companies are not left out in the battle. Multiple taxation, insecurity, dismal power supply, volatile exchange rate, high cost of profitability, inflation impose hardship which has affected the performance of these companies. Performance challenges in these companies as reflected by their profitability, asset base, market share and their goal achievement which has been on the decline. The reduction in the purchasing power of consumers as a result of raising inflation, unemployment and other economic problems negatively affects demand for products of Starline and PZ Cussons. This further affects the revenue contributions. In a technological fueled environment where consumers' competition, technology and other environmental forces change rapidly and consequences triple, managers who fail to pay attention to how these environmental factors affect performance are at a very high risk of failure. This study therefore seeks to investigate these problems and proffer appropriate solutions.



Source: The Researcher, 2023

OBJECTIVES OF THE STUDY

The main objective of this study focused on environmental factors and performance of manufacturing companies. The specific objectives are to:

1. determine the influence of socio-cultural environment on customer patronage in manufacturing sector in Nigeria.
2. identify the extent political environment enhances customer acquisition in the manufacturing sector of Nigeria.
3. find out the relationship between organizational structure and customer retention in manufacturing sector in Nigeria.
4. examine the influence of employee effectiveness on customer loyalty in manufacturing sector in Nigeria.

RESEARCH QUESTIONS

Based on the objectives of the study, the following research questions were posed for the study.

1. What is the influence of socio-cultural environment on customer patronage of manufacturing sector in Nigeria?
2. To what extent does political environment enhance the customer acquisition of manufacturing sector in Nigeria?
3. What is the relationship between organizational structure and customer retention of manufacturing sector in Nigeria?
4. What is the influence of employee effectiveness on performance of manufacturing sector in Nigeria?

RESEARCH HYPOTHESES

Based on the objectives of the study, the following research hypotheses guided the study.

Ho1: There is no significant influence of socio-cultural environment on customer patronage of manufacturing sector in Nigeria.

Ho2: Political environment does not significantly enhance customer acquisition of manufacturing sector in Nigeria.

Ho3: There is no significant relationship between organizational structure and customer retention of manufacturing sector in Nigeria.

Ho4: There is no significant influence of employee effectiveness on customer loyalty of manufacturing sector in Nigeria.

CONCEPTUAL REVIEW

Environment

Environment is the totality of the surroundings of the organization for wider concept. Harrison (2016) defines environment as all the conditions circumstances, and influences surrounding and affecting the development of the total organization or any of its internal systems. He argued that environment contains forces of complexity that are dynamic to varying degrees at differences, and under different circumstances. Atsegbua (2012) described environment as the system of abiotic, biotic and interact and simultaneous to which he adapts and transforms and uses in order to satisfy his needs. The Black Law Dictionary (6th edition) physical, economical, cultural, aesthetic and social circumstances and factors which surround and affect the desirability and

value of property and which also affect the quality of peoples' lives. In environment, the word "environment" is used to describe all those influences that bear upon the individual organization. Bernard (2019) notes that environment consists of atoms and molecules, agglomerations of things in motion, laws of men, emotions of physical laws, social laws, social ideas, norms, action, of forces and resistances. Their number is infinite and they are always changing. The nature of the constituting the environment often confronts management with the need to make decisions under considerable uncertainty. The dynamitic nature of variables that are seldom well identified their controls over the outcomes of events initiated within the organization are also complex. However, the frequent lack of control does not mean that management should disregard the environment, but rather that it must undertake continuous surveillance of the environment so it may respond to adverse reactions or outside changes. Every organization must exist in some extent; no organization is an island unto itself. Each organization has goals and responsibilities relates to others in its environment. Not only must or organization deal with its environment in coordinating its everybody's affairs, but it is must also give consideration to the goals of others, as it establishes its own goals and conducts its operations.

Business Environment

Environment as a general term refers here to all those arenas the firm is operating in and is attached to (Kauranen, 2016). Moreover, environments and their components affect firm performance in many ways, directly or indirectly. Hence, the firm operates in many environments simultaneously collaborating with other actors in the market and at the same time competing for scarce resources with others. According to Akanwa and Agu (2011), Business environment is the sum total of internal and external milieu of a business which include all categories of workers, shareholders, customers, government and other forces like political system, economic, legal, socio-cultural and technological etc. Since the organization is a system, each of these environments overlaps and influences the others, yet each is distinct and unique in some ways. All of the environmental factors are important because they help the organization to attain its objectives and can also mar such objectives. That is why Alugbuo (2004) opined that business exists in an environment which consists of actors and forces that are external to the firm.

Oyebanji (2014) defined business environment as those factors that can influence the individual's business organization. He stressed further by saying that every organization must take into consideration the environmental constraints, material and human resources in their respective business in spite of their differences in status and that the effect of the environment carries from one situation to another. Ola (2013) classified Nigerian business environment as the Nigerian economy since the businesses are established and managed within an economy. He was of the opinion that the state of affairs has a significant on the business within that economy. Oyebanji (2014) further testified that Nigerian business environment has witnessed a total change, which started from the oil boom era in 1960s austerity measure in the early 70's and structural adjustment programme in the 80s. Aldrich (2019) said the environment was made up of stable and unstable homogenous, heterogeneous, rich and poor, complex and simple, unpredictable variables. He further stressed that business environmental factors change along with factors of production and environmental influences may be stable over a certain period of time.

The assertion was supported by Ashley and Van de Van (2016), which had the view that the manager's basic role is to be able to manage and control the organization in the difficult and emergency period. Changes take the form of adaptation. The manager must perceive the process

and respond to a changing environment by re-arranging the internal organization structures so as to ensure survival and effectiveness. The need for studying business environment is important considering the fact that business organization do not operate in a vacuum, effective management to complex and dynamic society requires the assessment of strength and weakness of the organization and the opportunity and threat posed by the challenges of the external environment. For survival and growth, organization must adapt these changes. According to Tripathi (2014) the work environment can be defined as the environment in which people work that include physical setting, job profile, culture and market condition. Each aspect is inter linked and impacts on employees overall performance and productivity. It is the quality of the employees' workplace environment that most impacts on their level of motivation subsequently performance.

Organizational Performance

Organizational performance involves the using of resources wisely to avoid wastage. Given by the interaction between organizations and environment, it follows that performance relates to how an organization reacts, understands and influence to certain environment changes (Ogunyemi, Akinlaja, Adesoye, Abayomi, Rasaq & Omolade, 2015). Unfortunately, people do not want to perform those duties without a concession. For example they can perform their duties in short time if well planned. Through firm money intending to take unnecessary action and decision such as embarking on research and development, which may displease the investors who have a short time to stay.

Okunola (2018) described organization as an entity formed by or comprising a group of people with the aims and objective carrying out some specific functions or performance of responsibilities or the other. Derek (2018) defined performance as the willingness of an individual to carry out the goals and objectives of an organization. Organization performances is however, defined as a group of people that come together and are willing to carry out goals and objective and planned or strategize. Organization performance is the ability of group of individual to achieve certain of specific goals.

Measures of Organizational Performance

In this study, organizational performance was measured using:

- 1. Patronage:** Patronage is the act of buying product or receiving service from a firm. In this case, customer patronage occur when people, organizations and even government show high interest in a particular (or some) business, product of a firm, service of a firm, etc (Riketta, 2012). Such positive interest motivates the customers to always buy products, receive services, and even engage in indirect business promotion for the firms. Patronage is the support, encouragement, privilege, or aid that an organization or individual bestows to another (Assael, 2018). Patronage is burn out of a desire to be committed to an organization either based on its service quality or perceived service qualities. Hence, the extent to which a customer will patronize the services of a bank depends on how the customer perceives the banks services (Scanzoni, 2019). According to Degenova (2019) patronage is the impulse desire and consideration with the consumer or customer which induce the purchase of goods or services from certain organization like banking sector. According to Onu (2010) the patronage can be said to mean "the material help and encouragement given by a patron (in this instance the

patron in seen to be a customer) in an exchange transaction. It could also mean “the act of being a regular customer to a particular business firm.

2. **Customer retention:** Customer retention makes customers to be part and parcel of the particular organization and therefore contributes in business sustainability. Here, Dhar (2012) argued that sales volume, high patronage and customer satisfaction could be achieved through customer retention. In this direction, business firms that want to retain their customer should offer good products, adopt affordable prices and promote customer care services. If such is neglected for any organization, it may encourage customers to switch over to other firms thereby affecting customer retention (Cui, Lin & Tang, 2009). Customer retention is an intensely held commitment to re-patronize a preferred products/service continuously in the future, thereby leading to repetitive purchasing of the same brand, despite conditional influences and marketing efforts. The retained customers most times do not mind paying a little higher prices and look forward for discounts as compared to the new customers (Ang and Buttle, 2006). Successful customer retention consists of more than giving the customer what they need. Acquiring loyal advocates of the brand might connote exceeding customer expectations. The strategy is geared towards understanding the dynamic needs of the customer as well as establishing and sustaining customer relationships for better retention of the customer. However, Lindgreen (2011) argue that the firm should not just focus on any other customer, but the key customers who are identifiable through customer lifetime value analysis.
3. **Customer acquisition:** Customer acquisition enables organizations to achieve high customer based while retention makes them to remain with the firm and patronize it. Seanzoni (2019) opined that acquiring more customer based is one of the goals of manufacturing and service industries. They therefore adopt numerous strategies (like advertising, price reduction, public relations, sales discount, repackaging) to acquire new customers and make them understand the needs for constant patronage. Customer acquisition is possible when firms have positive image within public and use new business promotion strategies which will be attractive to new customers (Valdivia, 2010). Customer acquisition entails the extent a business or product attract new customers regularly, retain them and utilize them for business promotion and business performance (Emery, Ault and Agee, 2014). A firm is achieving customer acquisition when it continued to attract new customers and retain/satisfy the old ones so as to achieve high performance. When a business adopt customer focus strategy, new customers will continue to request for the product, buy and use it and even help the firm to expose the product to other prospective customers. In this direction quality consumer goods and appliances is a key to woo, attract and retain customers for the market growth of the firm (Panda, 2014). Even when new products are developed or old product modified, quality and affordable prices play critical role by exposing the product to the public.
4. **Customer loyalty:** Customer loyalty is a strategy aimed at achieving customer happiness and comfortability with products, services and firms. A customer Hite and Hite (2014) argue who is loyal to a particular product/service will always add value to organizational growth, encourage patronage/sales growth of the firm, carry out business promotion for the firm and give information for the firm which will help it to achieve expansion. A

customer who is loyal to a business will always patronize such business and even help in business promotion. Here, customer loyalty entail customer love for a business, customer care for a business, customer understanding of a business, customer assistance to a business, customer playing effective reference group roles for business growth, and many more (Lingreen, 2011). When this is the case, there will be high level of customer patronage. However, this is achieved through organizational responsiveness. Akbaba and Pervez (2009) stated that “responsiveness is positively related to customer loyalty and customers can refer others if satisfied”. Providing products/service in a timely manner is highly appreciated by customers’ hospitality firms. Furthermore, firms that value efficiency pay attention to the services that they offer so that they can have an advantage and use this to keep off competitors (Karim & Chowdhury, 2014). Customer loyalty may be achieved in the business sector when the operators are willing to assist its customers when required. Therefore, the goal of customer loyalty is to improve organizational standard.

THEORETICAL REVIEW

Open Systems Theory

According to Enemuo (2017), open systems theory was popularized by Ludwig Von Bertalanffy (1956). Other seminal thinkers that contributed to this theory include Alfred North Whitehead, Chester Bernard, Anatol Rapoport, Kenneth Boulding, Paul A. Weiss, Ralph Gerard, Kurt Lewin, Roy R. Grinker, William Gray, Nicholas Rizzo, Karl meninger, Silvano Arieti. Open systems theory is based upon on the concept that organizations are strongly influenced by their environment. The environment contains resources needed by the organization to survive and so creates both opportunities and constraints for the organization. Organizations as an open system collects and process strategic information about its external environment on which to base organizational actions (Daft and Weick, 1984). This requires the firm to be actively involved in strategic environmental scanning which offers a process by which internal and external environmental can be diagnosed in order to evaluate strengths and weakness, opportunities and threats there in (Enemuo, 2017).

Aspects that are critically important to open systems include the external environment, boundaries within systems, subsystems also characterized by clear boundaries which reside within larger systems, principles of equifinality implying that a system can reach the same final state from differing initial conditions and by a variety of paths. Open systems theory emphasizes the influences which the external environment exerts on the organization. The external environment of PZ and Starline firms offers wide range of opportunities, problems, threats and pressures and hereby influences the activities and performance of the organization. These influences can be political, socio-cultural, ecological, organization, societal and technological in nature. These environmental influences that affect manufacturing firms can be described as either internal or external. The external environment covers the socio-cultural and political issues which influence and affects the organization. This means that if Starline Nigeria Ltd and PZ Cussons must achieve their objectives through improved business performance, the manufacturing firms must recognize the value, benefits and challenges in the external environmental factors.

Here, they should be able to understand the culture, language and religion of the people so as to achieve improved performance. Also, they should understand the political terrain; hence

government policies and programmes influence organization. On the other way round, the nature of the organizational structure and level of employee dedication are the internal environmental issues. For that, manufacturing firms like PZ and Starline should therefore have a clear cut organizational structure with distinct roles and hierarchical authority/division of labour so as to improve performance (patronage, retention, loyalty and acquisition of customers). The workers should be made effective and dedicated in doing their job as such environmental variable can determine the extent of organizational growth in the manufacturing industries.

Human Relations Theory

This study is based on Human Relations Theory developed by Elton Mayo. The theory believes in the importance of recognizing human beings and their needs as paramount in achieving organizational commitment and high productivity. Human relations theory emphasizes the fact that participation aid management in integrating workers with the organization. Both managers and employees can realize goal and attain stronger commitment and satisfaction. The theory asserts that, there are many rewards, which managers expect from participative management. These include conducive work environment, greater commitment, motivation, manageable workload, greater freedom to manage resources to reach objectives and greater job satisfaction (Elias, 2015). This theory is relevant to this study because it talks about building in human elements into the organizational processes and procedures. Ergonomics in organizations is part of building in human factors, arranging and designing the work stations in such a way as to suit the individuals and this will most likely lead to better job satisfaction and greater performance by employees.

EMPIRICAL REVIEW

Some studies have been done related areas of this subject matter. Some of them are reviewed in this empirical work thus:

Ikeh (2020) focused on business environment and growth constraints of micro, small and medium scale (MSMES) producing organizations in Akwa Ibom State. The study adopted a cross sectional survey research design using 120 randomly selected operators of SMEs in Uyo, Akwa Ibom state for the purpose of questionnaire administration. The population of study consists of the 1,200 registered operators of SMEs in Uyo, Akwa Ibom state. The sample size of 120 was judgmentally determined from 10% of the population size. The sample respondents were selected using shuffling of cards method (without replacement) in which each registered SME operator's name was written on a small card and the name on the topmost card was selected each time, the cards were shuffled until all the sample respondents were selected. Data collected were presented using tables, analyzed using non-parametric simple percentages while the z-test statistical technique was used in confirming stated hypotheses. A total of 120 copies of the questionnaire were administered, 10(8.33%) were not returned while 110(91.67%) were used for the analysis. The study discovered that poor financing constitutes a major challenge in the performance of micro, small and medium scale firms in Akwa Ibom business environment; inadequate social infrastructures do not constitute a major challenge in the performance of micro, small and medium scale firms in Akwa Ibom business environment; lack of managerial skills does not constitute a major challenge in the performance of micro, small and medium scale firms in Akwa Ibom business environment; and multiple taxation does not constitute a major challenge in the performance of micro, small and medium scale firms in Akwa Ibom business environment.

Chukwu (2019) focused on Nigeria economic environment and it's implication on the growth of manufacturing industries. This study employed ex-post facto research design using secondary data. The required data were sourced from financial statements of selected listed manufacturing companies on the Nigerian Stock Exchange for the period of 2014-2018. The target population for this study comprises 45 of all the listed manufacturing companies on the Nigerian Stock Exchange listed as at December 2018. A proportional sampling technique was applied in determining the selected companies from each of the categories for the consumables and industrial industry for this study were selected. The data collected were analyzed using mean, median and standard deviation. It was discovered that economic environment have a significant impact on the earnings per share (EPS) of manufacturing sector in Nigeria; economic environment have a significant influence on the return on asset (ROA) of manufacturing sector in Nigeria; economic environment have a significant impact on the return on equity (ROE) of manufacturing sector in Nigeria; and economic environment have significant influence on the firm value of Nigerian. Based on the findings, it was recommended that government should direct its expenditure towards the productive sectors like manufacturing sector as it would reduce the cost of doing business as well as raise the standard living of poor ones in the country.

Ushie, Agba, Ogaboh and Okorie (2015) examined the effect of work environment on employees' commitment in agro-based industries in Cross River State, Nigeria. The study drew participants from two major agro industries in the state. One thousand, one hundred and ninety four (1194) respondents were purposively selected for the study. Information was elucidated from participants using four point likert scale questionnaire. Data obtained was analyzed using Pearson Product Moment Correlation (r). Findings revealed that work environment such as consistent communication flow, manageable workload, availability of electricity, and work place that is free from known dangers are positively associated with employees' commitment, and hence performance. The study recommended among others that management of agro-based industries in Cross River State should establish and promote good work environments in their organizations so as to boost employees' commitment, wellbeing and overall performance and productivity.

Nnamani and Ajagu (2014) studied the effect of environmental factors and organizational performance in Nigeria: a study of Juhel Company Ltd Emene, Enugu in Enugu Metropolis. The study had a population size of 1,152, out of which a sample size of 297 was selected using Taro Yamane at 5% error and 95% level of confidence. Instrument for data collection was structured questionnaire. The total numbers of 275 copies were returned. Data were analyzed using tables and percentages. Two formulated hypotheses were tested using Pearson's correlation coefficients and test statistical tools. The study revealed that there was unsafe and unhealthy work place environment, poor motivation, lack of innovation, high cultural interference and allows organizational interpretation process. Also, the result showed that there is relationship between employees and their work environment and that workplace factor play a positive and significant role on employee performance.

Ikonne (2014) investigated the influence of workstation and work posture ergonomics on the job satisfaction of librarians in the Federal and State University libraries in Southern Nigeria. The study adopted survey research design. The total enumeration technique was used to include the 500 librarians from the 37 Federal and State University libraries in Southern Nigeria. Descriptive statistics was used to analyze the data collected. The findings revealed that there was a positive relationship between ergonomics (suitability of workstation and equipment and work posture

designs) and job satisfaction. It was, therefore, recommended that ergonomic measures that would involve the set-up of adequate and healthy workstation equipment designs, which would allow the users to adopt optimal working postures suitable for a greater job satisfaction, be implemented in the Nigerian University libraries.

Ogunyemi, Akinlaja, Adesoye, Abayomi, Rasaq and Omolade (2015) in their study examined the contribution of work environment, organizational culture, to employees' job performance. Proportional stratified and simple random sampling techniques were utilized to select 500 participants from three oil companies in River State, Nigeria (Agip = 150, Schlumberger = 185, Nigerian Agip exploration = 165). Two standardized self-report questionnaires were used for data generation. Two hypotheses were raised and tested using multiple regression and t-test statistics. Findings revealed among others that the two predictor variables (work environment and organizational culture) combined and individually, predicted the criterion variable (job performance). Based on the findings of this study, a number of recommendations were made among which were: employers of labour should provide suitable work environment for increased job performance of employees; and make the organizational culture favourable so as to enhance productivity of the work force.

Makbere (2019) examined environmental management and sustainable development in Ogoni Land. The researchers focused on examining the contributions of ineffective environmental management on sustainable development in Ogoni Land in general and Niger Delta in particular. The study discovered that oil spillage, gas flaring and other environmental damage has negative impact on the people of Ogoni Land in particular and Niger Delta in general. Although, the activities that come with the oil exploration and exploitation causes alterations to the environment. Which significantly have negative effects; some of the effects that come with petroleum development can be reduced or prevented basically by taking some steps in terms of prevention. Monitoring is also essential, but is lacking in the Niger Delta region. Monitoring the location of the oil companies; the terrain, the accessibility, revenue, man power availability for the monitoring agency, qualified personnel are not available. This restricts the ability and efficiency of monitoring by the government. Environmentalist and people generally give blame to the oil companies but the Federal Government provides the laws, legislations and license, which the oil companies must adhere too. The Federal Government and oil companies have to take step to enhance environmental management in Niger Delta in general and Ogoni Land in particular.

RESEARCH GAP

Many studies have been executed on business environment and related areas. However, one of these studies was not carried out within the Nigerian environment. It paid attention to other countries of the world without Nigeria examples. Some that covered Nigerian environment and organizations did not use firms in south east as specific focal point. Most of the past studies did not used manufacturing firms, but used other organizations. Most of the studies did not lay emphasis on the major variables used in the objectives, research questions and hypotheses of this work. Such variables are the impact of economic environment on productivity of manufacturing sector in Nigeria; the impact of political environment on the profitability of manufacturing sector in Nigeria; the impact of socio-cultural environment on stability of manufacturing sector in Nigeria; the implication of technological environment on employee efficiency in manufacturing sector in Nigeria. The empirical gap revealed that most studies have looked at related areas and did not cover the exact subject matter on this work. Therefore, notwithstanding what has been

done in the past, research gap exist on (on the impact of environmental factors on manufacturing companies using selected manufacturing firms in Abia State). This study therefore focused on filling the identified lacuna so as to contribute in knowledge for further studies.

RESEARCH METHODOLOGY

- **Research design:** In this study, survey research design was used. In view of Nwizu (2011), survey research has as its aim not only the collection of data per say, but the discovery of meaning in the data collected so that the facts and events can be better interpreted, explained and understood. To him, in survey, we study a large number of units and try to reach generalization on the basis of data so collected.
- **Population of the study:** The population of this study is therefore made up of the entire 77 management staff in the Starline Nigeria Ltd Aba, Abia State and the 58 management staff of PZ Cussons Aba, Abia State, making a total of 135 as study population (**Source:** Personal Unit of the Organizations, 2023).
- **Sample size determinations:** Sample is the total number of elements actually studied from the entire population. Since the population was finite, the researcher adopted Taro Yamani formular for sample size determination. The formula reads as follows:

$$n = \frac{N}{1+N(e)^2}$$

Where n = Sample size
 N = Population Figure
 e = Error Margin (0.05)
 1 = Constant figure

Substituting the population variables of this study into the formula above, the sample size can be neatly computed as follows:

$$n = \frac{135}{1 + 135(0.05)^2}$$

$$n = \frac{135}{1 + 135 \times 0.0025}$$

$$n = \frac{135}{1 + 0.3375}$$

$$n = \frac{135}{1.3375}$$

$$n = 100.93$$

$$n = 101.$$

- **Research instrument:** In this study, the researcher used both primary and secondary sources of data. The use of questionnaire was employed to gather necessary and relevant primary data from the respondents. More so, secondary data were collected through literature review.
- **Validity and reliability of instrument:** Content and face validity were used to validate the instrument. More so, the researchers used test retest reliability method.
- **Methods of data analysis:** Data collected were analyzed using simple percentage, and mean statistics. Also, Pearson correlation, with the help of SPSS 21.0 and Microsoft Excel software, were used to test the hypotheses.

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

Out of 101 Questionnaire distributed, only, 100 were returned and used.

Data Presentation and Analysis

a) Demographics of respondents

Table 1: Sample profile.

PERCENT	
AGE	
18-35	52
36-45	41
46-55	07
56 AND ABOVE	02
MARITAL STATUS	
MARRIED	49
SINGLE	51
GENDER	
MALE	64
FEMALE	36
YEARS OF SERVICE	
1-5YEARS	39
6-10	38
11-15	19
16 AND ABOVE	4

Source: field survey, 2023

Table 4.1 summarizes Demographic data of respondents, Age has respondents of 18-25(52%), 36-45(41%), 46-55(07%), and 56 & above(02%); Marital status has respondents of married(49%) and single(51%); Gender has respondents of male(64%) and female(36%); while Years of service has respondents of 1-5yrs(39%), 6-10yrs(38%), 11-15yrs(19%), and 16 and above(4%).

Table 2: Socio-cultural influence and patronage.

S/N	QUESTIONNAIRE ITEMS	SA	A	D	SD	N	EX	X	DEC
1	Good understanding of the culture of the people can encourage patronage	50	47	2	1	100	346	3.5	A
2	People of same language always patronize each other	40	41	10	9	100	312	3.1	A
3	Sometimes religious recognition encourage patronage	51	46	1	2	100	346	3.5	A

4	There is a significant positive impact between cultural influence and sales volume	48	45	4	3	100	338	3.4	A
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Source: field survey, 2023

It is seen in table 1 that all the items were accepted. This is because item 1 has a mean of 3.5, item 2 has a mean of 3.1, item 3 has a mean of 3.5 and item 4 has mean of 3.4; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that there is significant of influence of socio-cultural environment on customer patronage of manufacturing sector in Nigeria.

Table 3: Political environment and customer acquisition.

S/N	QUESTIONNAIRE ITEMS	SA	A	D	SD	N	EX	X	DEC
5	Government policy can make the organization to have more customers	47	43	6	4	100	380	3.8	A
6	There is positive impact of government programme on business customer base	41	47	7	5	100	324	3.2	A
7	Political decision can lead to customer acquisition	55	39	4	2	100	347	3.5	A
8	There is significant impact of customers on trade policy of the state	49	47	3	1	100	344	3.4	A

Source: field survey, 2023

The above table shows that all the items were accepted. This is because item 5 has a mean of 3.8, item 6 has a mean of 3.2, item 7 has a mean of 3.5 and item 8 has a mean of 3.4; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that political environment significantly enhances customer acquisition of manufacturing sector of Nigeria.

Table 4: Organizational structure and customer retention.

S/N	QUESTIONNAIRE ITEMS	SA	A	D	SD	N	EX	X	DEC
9	The work relationship among workers can lead to customer retention	42	51	4	3	100	332	3.3	A
10	There is significant impact of division of labour in organization and customer satisfaction/retention	48	49	1	2	100	343	3.4	A
11	Customer retention can be achieved when there is workable and effective structure in the system	43	51	2	4	100	333	3.3	A
12	Organizational structure leads to customer happiness in the system	50	47	2	1	100	346	3.5	A

Source: field survey, 2023

The data in the above table indicated that all the items were accepted. This is because item9 has a mean of 3.3, item 10 has a mean of 3.4, item 11 has a mean of 3.3 and item 12 has a mean of 3.5; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that

there is significant relationship between organizational structure and customer retention of manufacturing sector in Nigeria.

Table 5: Employee effectiveness and customer loyalty.

S/N	QUESTIONNAIRE ITEMS	SA	A	D	SD	N	EX	X	DEC
13	Positive character of the workers leads to customer loyalty	49	47	3	1	100	344	3.4	A
14	Customers interest in a particular business depends on the nature of quality service they received from the employees	48	45	4	3	100	338	3.4	A
15	Effective handling of customers complaint will lead to customer loyalty	39	40	11	10	100	308	3.1	A
16	Quality products offered to the customers will encourage customer retention	55	39	4	2	100	347	3.5	A

Source: field survey, 2023

It could be seen in table above that all the items were accepted. This is because item 13 has a mean of 3.4, item 14 has a mean of 3.4, item 15 has a mean of 3.1 and item 16 has a mean of 3.5; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that there is significant influence of employee effectiveness on customer loyalty of manufacturing sector in Nigeria.

TESTING OF RESEARCH HYPOTHESES

Ho1: There is no significant of influence of socio-cultural environment on customer patronage of manufacturing sector in Nigeria.

H1 **THERE IS SIGNIFICANT OF INFLUENCE OF SOCIO-CULTURAL ENVIRONMENT ON CUSTOMER PATRONAGE OF MANUFACTURING SECTOR IN NIGERIA** **PEARSON CORRELATION = 0.80** **VALID**
SIG (2 TAILED)= 0.05
N=100

From the table above, the Pearson correlation is 0.80. It means there is significant and positive relationship. The significance result which is 0.05 is lower than the Pearson correlation result meaning the variables (socio-cultural environment and customer patronage) significantly related. Therefore, there is significant of influence of socio-cultural environment on customer patronage of manufacturing sector in Nigeria.

Ho2: Political environment does not significantly enhance customer acquisition of manufacturing sector of Nigeria.

H2 **POLITICAL ENVIRONMENT SIGNIFICANTLY ENHANCES CUSTOMER ACQUISITION OF MANUFACTURING SECTOR OF NIGERIA** **PEARSON CORRELATION= 0.82** **VALID**
SIG (2 TAILED)= 0.05
N= 100

From the table above, the Pearson correlation is 0.82 It means there is significant and positive relationship. The significance result which is 0.05 is lower than the Pearson correlation result

meaning the variables (political environment and customer acquisition) significantly related. Therefore there is significant impact of political environment on customer acquisition of manufacturing sector in Nigeria.

Ho3: There is no significant relationship between organizational structure and customer retention of manufacturing sector in Nigeria.

H3 **THERE IS SIGNIFICANT RELATIONSHIP BETWEEN ORGANIZATIONAL STRUCTURE AND CUSTOMER RETENTION OF MANUFACTURING SECTOR IN NIGERIA** **PEARSON CORRELATION= 0.81** **SIG (2 TAILED)= 0.05** **N= 100** **VALID**

From the table above, the Pearson correlation is 0.81 It means there is significant and positive relationship. The significance result which is 0.05 is lower than the Pearson correlation result meaning the variables (organizational structure and customer retention) significantly related. Therefore, there is significant relationship between organizational structure and customer retention of manufacturing sector in Nigeria.

Ho4: There is no significant influence of employee effectiveness on customer loyalty in manufacturing sector in Nigeria.

H4	There is significant influence of employee effectiveness on customer loyalty of manufacturing sector in Nigeria	Pearson Correlation= 0.83 Sig (2 tailed)= 0.05 N= 100	VALID
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From the table above, the Pearson correlation is 0.83. It means there is significant and positive relationship. The significance result which is 0.05 is lower than the Pearson correlation result meaning the variables (employee effectiveness and customer loyalty) significantly related. Therefore, there is significant the implications of employee effectiveness on customer loyalty of manufacturing sector in Nigeria.

Concise Table for Hypotheses Testing

S/N	HYPOTHESES	STATISTICAL TOOLS APPLIED (SOFTWARE R STUDIO)	RESULT
H1	There is significant of influence of socio-cultural environment on customer patronage of manufacturing sector in Nigeria	Pearson Correlation = 0.80 Sig (2 tailed)= 0.05 N=100	VALID
H2	Political environment significantly enhances customer acquisition of manufacturing sector of Nigeria	Pearson Correlation= 0.82 Sig (2 tailed)= 0.05 N= 100	VALID
H3	There is significant relationship between organizational structure and customer retention of manufacturing sector in Nigeria	Pearson Correlation= 0.81 Sig (2 tailed)= 0.05 N= 100	VALID

H4	There is significant the implications of employee effectiveness on customer loyalty in manufacturing sector in Nigeria	Pearson 0.83 Sig (2 tailed)= 0.05 N= 100	Correlation= VALID
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DISCUSSION OF FINDINGS

In line with the hypothesis one, this study discovered that there is significant of influence of socio-cultural environment on customer patronage of manufacturing sector in Nigeria. Armstrong (2017) said that the economic environment can mar or enhance organizational growth. Harrison (2016) was of the view that when there is favourable exchange rate in the economic environment, it leads to organizational growth.

Based on the hypothesis two, this study discovered that political environment significantly enhances customer acquisition of manufacturing sector of Nigeria. Derek (2018) ascertained that government political decision enhances organizational stability or affects its. Becker (2012) noted that government programmes, policies and actions determine the stability in the manufacturing sector.

From the hypothesis three, this study discovered that there is significant relationship between organizational structure and customer retention of manufacturing sector in Nigeria. Ikeh (2020) said that good organizational structure will lead to goal accomplishment in the organization. Bernard (2019) was of the view that the division of work and hierarchy in the organization is a basic strategy to achieve productivity.

The test of hypothesis four discovered that there is significant influence of employee effectiveness on customer loyalty in manufacturing sector in Nigeria. Aldrich (2019) asserted that employee effectiveness is one of the basic strategies used in achieving high level of organizational stability and growth. Noe (2018) opined that poor performance of many organizations is based on the ineffectiveness of the workers to perform their functions as it should be.

CONCLUSION

It should be noted here that work environment influence performance of manufacturing firms. This is because the issue of work environmental factors like economic environment, political environment, organizational structural environment and personnel in the organization, all can contribute to enhance performance of manufacturing sector. However, the issues of environmental factors have been neglected by many manufacturing sectors and this is one of the reasons for poor performance in Nigerian manufacturing industries. This study therefore concludes that the achievement of needed objectives and improved performance in the manufacturing industries depends on the extent to which environmental factors are made favourable.

RECOMMENDATIONS

The following recommendations were made.

1. Business organizations should understand the challenges and benefits in the socio-cultural environment (language, religion, culture) and utilize such to achieve organizational performance.
2. The government should make and implement political policies that will be of benefit to manufacturing industry to enhance their growth.

3. Organizations should establish positive and beneficial structure which will indicate division of labour, and encourage hierarchy so as to achieve organizational growth.
4. The manufacturing sectors should always train and develop their human resources so that they can play positive role in enhancing the performance of the organization.

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