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Effect Of Environmental Factors On Firm Productivity In Manufacturing Firms In Anambra State, Nigeria

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ABSTRACT
This work examined the effect of environmental factor on firm's productivity in manufacturing firms in Anambra State, Nigeria. The study specifically is designed to determine the effect of economic, technological and political environment on firm's productivity. Relevant theoretical and empirical literature were reviewed. System Theory was employed as the theoretical framework. The population of the study is one thousand nine hundred and twenty-nine (1929). Descriptive statistics and multiple regression analysis were employed to analyze the data generated. The study found that economic environment; Technological environment has a significant positive effect on firm's productivity. While political environment has a significant negative effect on firm's productivity. The study concludes that environmental factors had a significant positive effect on firm's productivity. The study recommends that there should be proper assessment of economic factors by firm's by management. Proper assessment of economic factors would help to determine the effects of these environmental factors on the productivity of the firms and federal ministry of environment and other regulatory agencies in Nigeria, should formulate statutory requirements for firms to comply with.
Keywords: Economic Environment, Technological Environment, Political Environment and firm's productivity

INTRODUCTION

Business organizations the world over are sufficiently environmental dependent and environmental serving because they do not exist in a vacuum (Abdulsalam and Mustapha, 2013). They depend on their environment for plethora of issues ranging from input resources such as information, ideas, raw materials, finance and labour among others, to the consumption of finished goods or services by the environment. Besides, their activities are also influenced and shaped by such environmental forces as social, economic, technological, competitive, and regulatory forces. According to Abdulsalam and Mustapha (2013) to succeed and achieve organizational objectives, business organizations adopt strategies that align them properly with operating environment, the aim of which is to avoid any mismatch between the organization and its environment. So, for business firms in general and manufacturing firms in particular to succeed in their operating environment, they need to formulate and adopt appropriate policies and programmes.

Luthans(2005) assert that business environment is marked by different dynamic features such as global competition, information technology, quality service revolution and corporate social responsibility which are compelling managers to rethink and reshape their approach to their various operation responsibilities. Due to this paradigm shift, new firms are emerging that are more responsive to both their internal and external environments (Luthans, 2005). Alexander (2000) observed that the dynamic and rapidly changing business environment in which most businesses operate has made business environment to have significant impact on organizational survival and growth of the firm. This implies that the external environment is complex and constantly changing and its significant characteristic is competition. Azhar,

(2008) ascertain that recognition of the presence of an intense competition often compel the need to seek more information about customers for the purpose of evaluation and to use such information to their advantage thus enabling competition to drive business organizations to look for their customers in order to understand better ways to meet their needs, wants, and thereby enhances organizational performance.
Michael (2007) noted that managing the business environment is not an easy task but, to be able to take advantage of competitive opportunities, managers need to be aware of external and internal forces that are likely to affect firm performance. By becoming aware of these factors, the firm can respond appropriately to competitive challenges in the environment and this can be achieved through process of environmental forecasting. Business environment has two major dimensions, the internal environment and external environment. The internal factors exist within the operational base of an organization and directly affect the different aspect of business. These internal factors include "firms Mission, resistance to change, poor quality staff, lapses in internal control, bad resource/financial management, operational weaknesses, high staff turnover and over-leveraging while the external factors include government regulation, economic recession, political turmoil, low cost competitors, changes in customer behavior, environmental/ health issues, technological changes, natural disasters, change in input supply, changes in macro economic variables and terrorist attacks" (Ghani, Kay, Nayan, Izaddin, Ghazali andShafie, 2010). Hence, it is important for a business to keep pace with the various changes in the environment in order to survive in the long run.(Adeoye, 2012) assert that the uncertainties prevailing in the Nigerian business environment today, managers and stakeholders must be poised and prepared to compete favorably under these rapidly shifting conditions.

Statement of the Problem

Osuagwu, (2009) and Ekpunobi, (2008) assert that Nigerian business environment, performance of Nigerian companies is predicated on factors such as low-sales, high cost of production, low capital utilization, lack of foreign exchange to source needed inputs, poor power supply, and low quality of goods and services, among others. These issues have led to lack of proper integration and coordination of various corporate subsystems in Nigerian organizations, resulting in the failure to achieve the stated goals and objectives Osuagwu, (2009) and Ekpunobi, (2008). Enterprises are subsumed in the environment with which they interact by importing inputs and exporting outputs. Thus, the vagaries and the extremities of the environment affect the fortunes of organizations (kennerly and Nelly, 2003).Adeoye and Elegunde (2012)
The environment poses opportunities and challenges which may impact positively or negatively on business operations and performance Anugwon (2005), Ogundele (2005), Kotler (2003), In fact, organizations and their environment are in mutually inter-dependent interaction with one another. An organization exists in the world of resources, opportunities, and limits. It can survive and thrive only when the environment desires its output of goods and services and is prepared to approve and endorse its activities. Adeoye and Elegunde (2012) posit that environmental forces which "influencing the firm's Productivity in Nigeria business environment are economic environment, socio-cultural environment, technological environment, political environment, and legal environment Anugwon (2005), Ogundele (2005), Kotler (2003), Some of these forces are external to the firm and the organization has little control over them. The activities of these stakeholders can affect business operations either positively or negatively. Recent studies show that, in a turbulent business environment, adaptability is one of the major pre-requisites of successful business performance (Samra-Fredericks, 2003). Zuniga-Vicente et al, 2004; Andersen, 2004; and Child and Tsai, 2005; Zuniga-Vicente and Vicente-Lorente, 2006) who have investigated strategies for adaptive responses following large-scale industry-wide environmental change have assumed an environmental homogeneity within industry. Furthermore, to Osuagwu, (2009), Ekpunobi, (2008), Anugwon (2005), Ogundele (2005), Kotler (2003), Imaga (2003), Stoner, Freeman and Gilbert (2002), and Wilson, Gllingan andPearsin(1992), "environmental factors that influence business organizations operations can be categorized into economic factors, socio-cultural factors, political and legal factors, technological factors, competitive factors, ecological factors, demographic factors" . This study therefore examines the effect of environmental factors on firm Productivity. In the face of all these

challenges, how effectively can an organization respond to its basic operational function of survival, growth, productivity and profit maximization, hence the need to examine the effect of environmental factors on firm's productivity.

Objectives of the Study

The major objective of the study is to examine the effect of environmental factors on firm Productivity, while the specific objectives include:

1. To determine the effects of economic environment on firm's productivity
2. To examined the effect of technological environment on firm's productivity
3. To find out the effect of political environment on firm's productivity

Research Questions

The following research questions guided this study.

1. To what extent does economic environment affect firm's productivity?
2. To what extent does technological environment affect firm's productivity?
3. To what dimension does political environment affect the firm's productivity?

Hypotheses

The following hypotheses were formulated to guide this study:

Ho_1: Economic environment has no significant effect on firm's productivity.

Ho_3: Technological environment has no significant effect on firm's productivity

Ho_4: Political environment has no significant effect on firm's productivity

REVIEW OF RELATED LITERATURE

Conceptual Review

Environment

The business environment is constantly changing and thus presenting new opportunities and threats. A manager's task is to correctly analyze the environment and design a marketing mix, which will fit the environment. The ultimate purpose of the environmental analysis is to facilitate the firm's strategic response to the environmental changes. The firm can attain its objective with strategic planning in order to tap from the environmental opportunities. Oginni and Faseyiku, (2012) assert that "environment is expressed as the sum total of the external forces that influences individuals, businesses and communities". In the views of Adebayo,Ogunyomi and Ojodu(2005), "environment is summarized as the surrounding of a phenomenon which from time dictate and shape the direction". Business organization does not operate in vacuum; it operates within the environment where the production and distribution of goods and services are carried out. Duncan (1972) cited in Azhar (2008) opined that "as any other activity of the individual is greatly affected and usually controlled by his total social environment so is the business activity in which individuals or groups of individuals participate". In the process, there is interaction between business and environment.

Carrasco (2007) in Oginni (2012) environment has been seen "as the totality of the factors that affect, influence, or determine the operations or performance of a business and this was interpreted by Azhar (2008) that environment determines what is possible for the organization to achieve". In a nutshell, environment is the combination of many factors both tangible and non-tangible elements that provides lifeblood support for the organizational success through provision of market for its products and services and also by serving as a source of resources to others. The environment of a business is the aggregation of the pattern of all the external and internal conditions and influences that affect the existence, growth and development of the business.

Oluremi and Gbenga (2011) asserted that "business organization that wants to succeed must develop a clear understanding of the trends of business environment and forces that shape competition". The understanding in question will enable the organization to choose the appropriate strategy or strategies that fit the trends in the business environment arrived at through environmental scanning analysis with focus on the variables such as strengths, weaknesses, opportunities and threat (SWOT). The views of Adeoye (2012) was in support as he opined that "the dynamic and rapidly changing environment in which most business organizations compete is important that organizations maintain their performance measurement system through adoption of appropriate strategies that would provide information found to be relevant to the issues that are of paramount importance. Ibidun and Ogundele (2013) was of the opinion that "understanding the nature of business environment which can be classified into three namely dynamic (continuous changes), stable (relative changes) and unstable (frequent changes) would further help in repositioning the organization through appropriate strategies while Ogundele (2005) added that the perception of the organizations about the nature of the business environment to a large extent depends on their size and industry in which it operates".

Productivity

The term productivity was applied for the first time by François Quesnay, the mathematician and economist who was an adherent of physiocracy school. He believes authority of any government is relied on increasing of productivity in the agriculture sector by proposing the economic table. Another French man in 1883 called Littere defined productivity as knowledge and technology of production. Fredrick Venislo, Taylor and Frank and Lillian Gilbert conducted studies about labor division, improving the methods and determining the standard time in order to enhance efficiency simultaneous with the beginning of scientific management movement period at the beginning of 1900 (Darvish, 2008).

Productivity is maximization of utilizing the resources, human force and schemes scientifically to decrease expenses and increase employees, managers and consumers' satisfaction. Other definitions consider human force productivity as appropriate maximized utilization of human force towards goals of the organization with the lowest time and minimum expense. According to the National Productivity Organization in Iran, productivity is an intellectual attitude towards work and life. This is similar to a culture that its purpose is to make activities more intelligent for a better and excellent life. Productivity is achieving maximum possible profit from the labor force, power, talent and human force skill, land, machine, money, equipment's of time, place, etc to enhance welfare of the society so that increasing of it is considered by the clear-sighted in politics, management and economy as a necessity towards enhancement of humans' living standard and society (Darvish, 2008).

Mathis and Jackson (2000) defined productivity as a measure of the quantity and quality of work done considering the cost of the resource it took to do the work. Steers (1991) is of the opinion that it is useful from a managerial standpoint to consider several forms of counter-productive behavior that are known to result from prolonged stress. Productivity refers to the real output per unit of labor. It is a powerful driver of international capital flows. Productivity levels seem to be the highest in United States as compared to the euro area, because of higher employment rates in U.S. (Skoczylas and Tissot, 2005). Meneze (2006) defined productivity as the employee's ability to produce work or goods and services according to the expected standards set by the employers, or beyond the expected standards. Productivity is calculated by comparing total amount of output to the total amount of input used to produce this output (Bojke 2012).

Productivity is defined by Amah (2006) as the measure of how efficiently and effectively resources (inputs) are brought together and utilized for the production of goods and services (out puts) of the quality needed by society in the long term. This implies that productivity is a combination of performance and economic use of resources. High productivity indicates that resources are efficiently and effectively utilized and waste is minimized in the organization. Productivity balances the efforts between different economic, social, technical and environmental objectives (Amah, 2006)

Theoretical Framework

The study is anchored on open system theory propounded by Biologist Ludwig von Bertanlanffy between 1930 and 1956. The Systems Theory Nwachukwu (2006) defines a system as "a set of interrelated and interdependent parts arranged in a manner that produces a united whole" while Kuhn (1974) considers a system as "any pattern whose elements are related in sufficiently regular way to justify attention". Laszlo and Kripper (1997) view a system as a boundary maintaining entity with complex interacting components that sustain relationships. With the social Sciences these boundaries do not only become weak but keep changing as behaviours change. The systems theory holds that an organization is a system that needs to work harmoniously not only within itself but that it is a system within a collection of other systems and, therefore, needs to work also in congruence with the other systems around it. What happens in the larger system is capable of affecting the organization either positively or negatively. Boulding (1956), the economist torched on the systems theory but termed it 'The General Empirical Theory' slightly different from Bartalanffy's (1968) 'General Systems Theory'.

The system theory, therefore, has its origin in Biology with the work of Bertalanffy. The theory started with two major assumptions that were later adjusted to the contrary. These are, one that a system could be broken into its component parts and each part analysed separately, two that the different sections of a system can be added linearly to get an understanding of the total system. These assumptions were later adjusted to the effect that a system is not a summation of its component parts which is linear, but a non-linear aggregation of the interactions of these component parts All researchers concur on the usefulness of the Systems Theory. The theory is not only interdisciplinary but integrative in nature. As Laszlo and Kripper (1997: 6-7) put it " Systems theory promises to offer a powerful conceptual approach for grasping the interrelation of human beings and the associated cognitive structures and processes specific to them in both society and nature". It is "concerned with the holistic and integrative exploration of phenomena and events". The term conveys "a complex of interacting components together with the relationships among them that permit the identification of a boundary-maintaining entity or process" The General Systems theory aims at looking at the entire world as a composite of co-existing, interacting and interrelating elements. This is not to undermine or downplay the value of studying units, subsystems or even systems within a larger context {a reductionist approach) as is done in specialization, but to place all disciplines within proper perspective of the whole. As captured by Laszlo and Kripper (1997:),"the General systems approach encourages the development of a global, more unitary consciousness, teamwork, collaboration, learning for life and exposure to the universal storehouse of accumulated knowledge and wisdom". Boulding (1956) as cited in Walonick (1993: 10) had earlier indicated this by stating that the general systems theory "aims to provide a framework or structure on which to hang the flesh and blood of particular subject matters in an orderly and coherent corpus of knowledge"

In 1974, Kuhn extended the theory to include the fact that the knowledge of a part of a system facilitates the knowledge of another part. A system can either be controlled (cybernetic) or uncontrolled. A controlled system sensed information (Detector), applies rules to take decision on what is sensed (Selector), and makes some transaction or communication between the system (Effector). According to Kuhn (1974), the aim of decision (communication and transaction) between systems is to achieve equilibrium. A system can either be a closed system in which case interactions occur only between elements within the system and not with any system outside it, or an open system where interactions occur both within the system and outside it. Closed systems tend towards negative entropy with the likelihood of decaying due to the absence of exchanges with outside systems. Kuhn (1974) also gave insights into how systems could be studied. They could be studied by crosssectional method where the interactions between two systems are examined or by developmental approach by which changes that take place in a system over a period of time are looked at. A system can be evaluated holistically by looking at its functioning in totality or by a reductionist manner where subsystems within the system are studied. Lastly a functionalist approach could be used where an upward examination of the interactions of the system with a larger system is carried out.

This open system is applicable and relate to this study and facets of human endeavour and believes that the use of external resources by individual organizations in any form is the application of open system principles. The concept of open systems theory, Bastedo, (2004), views organizations as being strongly influenced by their environment which exerts various forces of an economic, political, or social nature and provides key resources that sustain the organization and lead to change and survival. In the world of commerce and industry, business organizations regularly interact with its environment, and have permeable boundaries that allow feedback exchanges from inside and outside the business. With regular interactions, organizations develop different ways of solving particular goals in their existing environments. This is made possible using the open system eclectic concepts of subsystems, holism, input-transformation-out, system boundaries, negative entropy, steady state, feedback, hierarchy, internal elaboration, multiply goal seeking and equifinality (Kast and Rosenzweig, 1985) However, organizations exist in a society. Society has long recognized that it cannot leave economic interaction to the free play of market forces because this might not lead these organisations to pursue a course that will bring the greatest happiness to the greatest number. As a result the society through her agencies regulates the activities of business operations. In cases where the society disregards the principles of open system and engages actively in business operations the result can have a profound impact on organisations.

Empirical Review

Several studies have investigated effect of environmental factors on firm productivity for example Abubakar (2015) examined the impact of environmental factors on SSBs performance in Kano and Sokoto states. Questionnaire methods were mainly used to collect data from the sampled SSBs. The data was analyzed using multivaried discriminant analysis and multiple regression technique in order to assess the level of performance as well as establish the significance of the relationship. The findings of this study clearly show that SSBs record low performance within the period studied and environmental factors have significant impact on their performance in Kano and Sokoto states. The study recommends that government should create enabling environment for both existing and potential investors in the sector, through provision of adequate infrastructures, financial support and formulation of policies favorable to SSBs.

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

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

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

Vo-Van (2015) studied the effects of local business environments on SMES' performance: empirical evidence from the Mekong Delta. Hypotheses in a survey data from 63 manufacturing and service SMEs locating in three provinces of the Mekong Delta within the period of 2011 and 2012. Using fixed effect and random effect models, the empirical results release that local government's favour policies for private firms and labour force have positive effects on SMEs' performance. The results revealed that although bribery has positively related to SME's performance, this relation becomes negatively when the level of bribe is high. A major implication is that the study provides better understanding for SMEs in addressing the local environment factors, which significantly affect SMEs' performance. The results of this study can also be used as reference for anyone who is interested in start their own business providing insights into decision-making in starting a business and also for any SMEs which are interested in continuing to sustain and grow.

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

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

Apsalone and ĒrikaŠumilo(2015) examined the impact of socio-cultural factors on international competiveness in small, open economies. Survey research was adopted and Correlation and regression analysis were used in testing hypotheses. Analyzing reveal the relationship between 400 socio-cultural indicators and competitiveness indicators such as productivity, economic development, business and government efficiency, innovation capacityand infrastructure in 37 countries, six socio-cultural factors have emerged: Collectivism and Hierarchy; Future, Cooperation and Performance Orientation, Self-expression, Monochronism and Rationality, Economic Orientation and Social structure. The first factor – Collectivism and Hierarchy – tends to reduce the international competitiveness; the other five affect it positively.

METHODOLOGY

Research Design

This research work adopted descriptive survey method. The researcher focused attention on the effect of environmental factors on firm Productivity using some selected firms located in Anambra state. With respect to this research work, the researcher made use of primary sources of data.

The population of study is made up of 1929 which includ management senior and junior staff of Innoson Motor Manufacturing Company, Nnewi, Cutex Cable Manufacturing Company, Nnewi, Ano Plastic and Metal Industries Ltd., Ozalla Plastic Enterprises Ltd, Ezemwe Foam Ontisha, Nigeria Breweries Ontisha and Continental Foam.

3.5 Sample and Sampling Techniques

The sample size of 371 was determined using Borg and Gall (1973) formula. Questionnaire was used to generate the data needed for the analysis. Face and content validity was adopted. Test – retest and Cronbach's Alpha was used in testing the reliability of the instruments.

Method of Data Analysis

The data generated through questionnaires were analyze using table and percentage analysis. Furthermore, multiple regression analysis was conducted to test the hypotheses formulated exclusively for this study. Multiple regression analysis was conducted to assess the relative predictive power of the independent variables on the dependent variable.

DATA PRESENTATION AND ANALYSIS

In this section, the data generated from the employee of the sampled banks were presented, analyzed and interpreted. A total of three hundred and seventy one (371) questionnaires were distributed to the respondents, out of which three hundred and was properly filled and found relevant to the study71 copy were not properly filled and some got missing . Therefore, the analysis in this section will be based on the three hundred relevant copies. The first section covers the demographic features of the respondents. The second section will analyzed the data relevant to research questions.

Test of Hypotheses

Here, the three hypotheses formulated in chapter one were tested using t-statistics and significance value of the individual variables in the regression result. The essence of this is to ascertain how significant are the effect of individual independent or explanatory variables on the dependent variables. The summary of the result is presented in the table below.

Table 1: T-Statistics and Probability Value from the Regression Result

Model		T	Sig.
1	(Constant)	8.632	.000
	Economic Environment	1.251	.212
	Technological Environment	-2.112	.026
	Political Environment	-2.674	.036

Source: Authors Compilation from the Regression Result

Test of Hypothesis One

Ho: Economic environment has no significant effect on firm's productivity. .

Hi: Economic environment has a significant effect on firm's productivity.

In testing this hypothesis, the t-statistics and probability value in table 4.7 is used. Economic environment has a t-statistics of -2.674 and a probability value of 0.036 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypothesis which states that economic environment has a significant effect on firm's productivity.

Test of Hypothesis Two

Ho: Technological environment has no significant effect on firm's Productivity.

Hi: Technological environment has a significant effect on firm's Productivity.

Technological environment has a t-statistics of 3.014 and a probability value of 0.003 which is statistically significant. Therefore, we reject the null hypothesis and accept the alternative hypothesis which states that Technological environment has a significant effect on firm's productivity.

Test of Hypothesis Three

Ho: Political environment has no significant effect on firm's Productivity.

Hi: Political environment has a significant effect on firm's Productivity.

Political environment has a t-statistics of -1.251 and a probability value of 0.212 which is statistically insignificant. Therefore, we accept the null hypothesis and reject the alternative hypothesis and conclude that political environment has no significant effect on firm's productivity.

DISCUSSION OF FINDINGS

This work examined the effect of environment factor on firm's productivity in selected firms in South-East Nigeria. A total of five banks were studied. The hypotheses formulated were tested using multiple regression analysis. At the end of the analysis, the following were discovered.

The result of the analysis shows that economic environment has a significant effect on firm's productivity. This finding is consistent with that of Mulugeta and Getaendale (2015)Muhammad (2014) whose study showed that there was a negative correlation between Economic factors affect productivity and how difficult it is to be successful and productivity at any time because they affect both capital availability and cost, and demand.

The study also revealed that Technological environment has a significant effect on firm's productivity. This finding conforms with that of Ekpunobi (2011) which ranked technology first among other environmental factors in terms of its impact on organisational activities as well as that of the work of Eseroghene (2011) that discovered that continuous analysis of the technological factor in organisations environment has impact on the strategic decisions and performance of Nigerian organisations. Norzalita and Norjaya (2010) whose study found that market-technology turbulence and competitive intensity did not moderate the relationship between market orientation and business productivity. This agrees with the findings of Mulugeta and Getaendale (2015).whose finding revealed environment, technological environment and factors associated with entrepreneurial commitment have a clear significant relationship with firms productivity.

Finally, the study found that Political environment has no significant effect on firm's productivity. This study agrees with the findings of Mark and Nwaiwu,(2015)that showed that political environment has a negative significant impact on business performance of multinational companies. According to Ekpunobi, (2008) Investment restrictions are a common way governments interfere politically in international markets by restricting levels of investment, location of facilities, choice of local partners and ownership percentage. Grosse(2005),(Buckley, 2003).Politics environment has come to be recognized as the major factor in many business decisions, especially in terms of whether to invest and how to develop markets.

Summary of Findings

This study examined the effects of business environment on firm's productivity using selected firms in South-East Zone, Nigeria, as the case study. The data analyzed shows that:

1. Economic environment has a significant positive effect on firm's productivity.
2. Technological environment has a significant positive effect on firm's productivity.
3. Political environment has a significant negative effect on firm's productivity.

CONCLUSION

This study covered the effect of environmental factor on firm's productivity using selected firms in South-East Nigeria as the case study. From the analysis, the study shows that economic environment and Technological environment had a significant positive effect on firm's productivity. Political environment had a significant negative effect on firm's productivity. Therefore, the study concludes that environmental factor has a significant positive effect on firm's productivity.

RECOMMENDATIONS

Base on the findings of this study, it is recommended that:

1. There should be proper assessment of economic factors that affect firm's productivity by firm's management. Proper assessment of economic factors by the firm would help to determine the effects of these environmental factors on the productivity of the firms.

2. Managers in the organizations should note that the technological factor in their operating environment has profound influence on the production strategies and programmes of the firms. Managers in the manufacturing firms need to be proactive in dealing with the pace and trend of invention and advancement
3. Nigerian government should avoid frequent changes in government policies and programmes, and ensure stability of democratic institutions and political integration. These are necessary to make the political terrain stable and out of violence for business growth and development.

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