

**THE IMPACT OF BUSINESS ENVIRONMENT ASSESSMENT IN
BUSINESS GROWTH AND DEVELOPMENT**

CASE STUDY OF SIR APOLLO KAGGWA PRIMARY SCHOOL

BY

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**A RESEARCH PROPOSAL SUBMITTED TO THE UGANDA BUSINESS
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FULFILLMENT OF THE REQUIREMENT FOR A
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MANAGEMENT**

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DECLARATION

I Magala John declare that the work presented in this report is my original work with all its contents compiled and produced out of my efforts under the guidance of my supervisor. It has never been presented for any award in any university/ institution and where the work of other authors has been consulted, due acknowledgement has been made.

Signature.....

Date.....

APPROVAL

This research proposal entitled “The impact of business environment assessment in business growth and development” presented by Magala John has been under my supervision and it is now ready for submission to Uganda Business and Technical Examinations board with my approval.

SUPERVISOR: MR. KALULE BEN

Signature

Date

DEDICATION

This research proposal is dedicated to my beloved parents, my brother and my sisters for their guidance, moral and financial support they have wholeheartedly rendered to me towards the success of this research project and my Education. May the Almighty God bless you abundantly.

ACKNOWLEDGEMENT

First and foremost, I thank the Almighty God for His faithfulness throughout my studies. Without Him, I would not have been able to make it this far.

I would like to express my innermost appreciation to my parents who have worked tirelessly to see me reach this level of education. I truly thank them for their endless love and support during this period.

I wish to express and extend my sincere gratitude to my supervisor, for his professional guidance which facilitated the accomplishment of this research.

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CHAPTER ONE

GENERAL INTRODUCTION

1.0 Introduction

This chapter presents the background of the study, statement of the problem, study objectives, specific objective, research questions, geographical scope, and significance of the study.

1.1 Background of the study

According to Oghojafor, (2008) Business is any commercial or economic activity that tends towards business profit. Oyebanji (1994) 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.

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Ola (1993) 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 (1994) 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 (1979) 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.

According to Balinzu (2011) Business growth, however, means different things to different organizations. Indeed, there are many parameters a company can select to measure its growth. The most meaningful yardstick is one that shows progress with respect to an organization's stated goals. The ultimate goal of most companies is profit, so net profit, revenue, and other financial data are often utilized as "bottom-line" indications of growth. Most firms, of course, desire growth in order to prosper, not just to survive.

Sir Apollo Kagwa Primary School is located along Wakaliga road in Mengo town opposite Mengo and Awab mall. It is 3km away from Kampala city Centre. It has many branches in Kampala.

1.2 Statement of the Problem

Most firms, of course, desire growth in order to prosper, not just to survive. Organizational growth, however, means different things to different organizations. Indeed, there are many parameters a company can select to measure its growth, (Okoth 2010).

Despite the fact that organization (Sir Apollo Kagwa Primary School) has implemented to increased its growth such as training its workforce, recruiting of experienced teachers among others. But still the school is not performing well as expected. Business environment assessment could be the solution for the threat.

This therefore prompted the researcher to conduct a study on the impact of business environment assessment in business growth and development using a case study of Sir Apollo Kagwa Primary School.

1.3 Objectives of the study

1.3.1 General objectives

The main objective will be to assess the impact of business environment assessment on business growth and development.

1.3.2 Specific objectives

- i. To find out external and internal environment factors affecting the growth of the organisation
- ii. To establish the relationship between business environment assessment and growth and development of the business.
- iii. To find out the factors affecting business growth and development.

1.4 Research questions

- i. What are the external and internal environment factors affecting the growth of the organisation?
- ii. What is the relationship between business environment assessment and growth and development of the business?
- iii. What are the factors affecting business growth and development?

1.5 Scope of the study

1.5.1 Geographical scope

The study will be conducted at sir Apollo Kagwa Primary school which is located along Wakaliga road in Mengo town opposite Mengo and Awab mall. It is 3km away from Kampala city Centre.

1.5.2 Content scope

The study will investigate on the external and internal environment factors affecting the growth of the organisation, relationship between business environment assessment and growth and development of the business and factors affecting business growth and development.

1.5.3 Time scope

The study will be carried out within a period of 6 months that is starting from May 2019 up to November 2019.

1.6 Hypothesis

This research shall on the stated hypothesis relationship or correlation. However, the study would seek to examine the correlation between business environment and organization growth.

1. HO: The general business environment have no effect on the growth of an organization
HI: The general business environment have effect on the growth of an organization
2. HO: Profit maximization has no impact in the growth of an organization
HI: Profit maximization has impact in the growth of an organization

1.6 Significance of the study

- i. The study will be of importance to the researcher to his partial fulfillment of his academics or education at diploma level
- ii. The research study will be of importance to other researchers that will carry out research related study on researched topic.
- iii. The study will enable the company to defect the environmental hurdles that impede the growth of business, thus putting them in a position to make effective decision
- iv. Once environment problem are defected organizational problem will be minimal since decision will be based on such factors.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter presents a review of related literature that was written by others researchers and authors which is in line with the business environment and business growth.

2.1 Business environment

According to Adebayo et al. (2005) business environment can be broadly categorized into internal and external environment with the former comprising variables or factors within the control and manipulation of the firm to attain set objective while the latter encompasses factors that are outside the control and manipulation of the firm. Hence, firm must develop a plan that will help it to cope with the various environmental forces.

Adeoye (2012) opined that in order for business to cope with the dynamic and rapidly changing business environment, there is a need to develop and implement appropriate strategies that would safeguard their operations and yield the desired results. Similarly, Ogundele (2005) added that a firm perception of the nature of the business environment is a function of its size and industry. Similarly, the nature of business environment are said to be classified as dynamic, stable and unstable which often help a firm in the selection of appropriate strategies.

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 performance. This implies that the external environment is complex and constantly changing and its significant characteristic is competition. The 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.

Porter (2004) developed the five forces of competitive position analysis as a simple framework for assessing and evaluating the competitive strength and position of a business organisation. His theory is based on the concept that there are five forces which determine the competitive intensity and attractiveness of a market and helps to identify where power lies in a business situation. This is useful both in understanding the strength of an organisation's current competitive position, and the strength of a position that an organisation may look to move into.

Ogundele and Opeifa (2004) submit that external business environment and their factors helps visualize the analysis of business survival and growth in an attempt to enhance understanding of how environmental factors work together with the variables of business survival and growth to determine the future of business organisation.

Ghazali et al. (2010), showed that the internal source of firm's strengths are related to their financial resources while the weaknesses are related to the firms' management. On the other hand, the external source of opportunities to the firms are support and encouragement from the government while threats come from the various bureaucratic procedures that firms have to face in order to get plan approval and certificate of fitness.

Adeoye (2012) reported that environmental changes are continuously exerting new pressures on company performance and in order to adapt with these changes, companies often formulate and implement strategies to reorganize and reform the way products are manufactured and distributed to final consumers. Thus, the impact of environmental factors on business performance towards profit objective is found to have increasingly stronger interrelationships which require more sophisticated business strategies.

2.2 Types of Business Environment

According to (Lawal, 1993) there are two types of environment namely, External environment and internal environment

The Internal Environment

According to Lawal, (1993) this includes situational factors within the organization. These factors are largely the result of decisions of the management process, most times under

management control. It is described as the resources, behaviour, strengths, weaknesses, synergy and distinctive completeness within or internal to the organization. An organization uses different types of resources produces synergy or energy within an organization which leads to the development of strengths of weaknesses over a period of time. Organizational capability in the design and implementation of corporate policy and strategy rests on the organization's capacity and ability to use its distinctive competencies to excel in a particular field.

There are five major variables within the organization that management must consider: i) Objectives (ii) Structure (iii) Tasks (iv) Technology (v) People

Objectives; Adeoye (2012) reported that these are the specific desired results, the group wishes to attain, by working together. Management's development of objectives through the planning process is a powerful mechanism of co-ordination. It helps the members of the organization know what they are expected to accomplish. It helps the members of the organization know what they are expected to accomplish. The objectives could be in terms of increase in profit, productivity, cost-effectiveness, market shares, quality service, and new product development, management training and selection, Social responsibility etc.

Structure; Ogundele Opeifa (2004) submit that formal organizations are made up of several levels of management and sub-units called functional areas in marketing, personnel, finance, productions etc. Structure of an organization is the logical relationship of specific management levels and functional areas arranged in such a way as to permit the effective attainment of objectives.

Technology; Ghazali et al. (2010), says that this is a management raw material - people, information, or physical; materials - into desirable goods and services. It also includes machines, equipment supplies of knowledge used in the transformation process.

People; When we speak of organization, management, subordinates, workers we are simply describing groups of people. When a factory close an abstract man management did not make that decision some individual did. When a company's product is of low quality, it is people who have not done their job correctly. Management attains its objectives through people-therefore,

people are important and these differences must be learned. Research has shown that the probability of any two people behaving in an absolutely identical manner in all situations is nil.

External environment

According to Willian (2008) an organization's external environment consists of those things outside an organization such as customers, competitors, government agencies, suppliers, labour, financial firms that are relevant to organization's operations. It consists of all elements existing outside the boundary of the organization, which have the potential to affect the organization. They are relevant to organizations operation and must be carefully monitored.

According to Bruse (2012) People and organizations in the environment who acquire goods or services from the organization is the organizations success. The only valid business purpose is to create customers. Competitors: Other organizations in the same industry or types of business that provide goods or services to the same customers. Unique competitive issues, entry difficulty etc are key issues to be addressed here. Suppliers: People and organizations who provide the raw material the organization uses to produce its output (materials, equipment, energy, and capital, labour). Government Regulatory Agencies: There are several government agencies regulate the activities of business through politics and laws which have great influence on business. These laws and policies have positive or negative influence on the businesses.

Griffin (1997), in his write-up stressed much on the overall health of the economic system in which many organizations operate. The important economic factors, which affect many businesses, are inflation, interest rates and unemployment. In order to recover such money, companies raise price of their product and the consumer demand will fall because they will be unwilling to pay more on a product. When there is high rate of unemployment, the company becomes selective in the recruitment of personnel and this could cause low production, which eventually makes the company to lose its customer's demand.

Oyebanji (1994) believed that a stable political environment enhance growth and development and also encourages both foreign and local investors. As regards to legal environment, it encourages the business organization to stay abreast to any business legislation. For business organization to be legally fit, the big ones need to establish the legal departments while the small ones hire the service of legal experts. Government passes regulations on industries, this has

considerable effect and impacts on business the regulatory being set up by government to prevent the public from certain business practice for example the FEPA, NAFDAC and NDLEA.

2.3 Relationship between business environment on organizational growth and performance

According to Okunola (2009) the business environment and its application to work environment is an outcome of his work as director of the institute of social research, university of Michigan, USA. In his book "New Pattern of Management" about high producing supervisors who achieve the highest level of productivity at the lowest production costs with the highest level of employee motivation. In his research work, he indicates that high producing managers tend to build their successful achievement around their interlocking work groups employees whose level of co-operation is sustained through range of business incentive that extend motives and involves the ego and creativity motives. The research noted that the high producing manager utilized the tool of the classical management work-study while recognizing the aspirations of the employees by encouraging participative approaches. Okunola stressed the important of supportive relationship; management can thus achieve very high productive performance when the employees see their membership of the work group as "Supportive", that is, when the experience a sense of personal worth, importance and recognition from belonging to the work group.

Okunola (1998) is management philosopher who focused on the differences between individuals and the class of needs in addition to the market strategy, which include the need for achievement, power and for affiliation. He further related the strength and/or dominance of each need in individual with high need for achievement strive on jobs projects that tax their won skills and abilities. They also set realistic goals and objective for them, such people are usually individualistic and would want to be appraised as to how well they are. However, the greatest disadvantage for those with achievement need is that they tend to be more task-oriented and less concerned with strong power needs to dominate or gain power influence of control over people. That the motivation managers and supervisors to possess some reasonable degree of all three kinds of needs.

According to Vox (2009) Business environment is formed not merely on some sense of objective reality, but on its own perception of reality, business needs to properly taken care of, for profit margin to be accurate. In consonance with this theory, individuals attempt to determine the

probability of a measure of expectancy of outcome. The personal outcomes are rewards that organization can provide like pay increase, promotion, bonus, allowances, level and even relationship with workmates etc, while the expected to such outcomes refers to expectancy, the measure of importance attached to such outcomes or reward is known as valence, the value of which are a result of the attractiveness and the opinion of the beneficiaries about the reward in questions.

According to Jameson (2011) In order to improve business environment therefore, managers should improve the skill and motivational level or conditions of the employee. In establishment where promotion is perceived as attractive prospect (valance) by a newly appointed staff, it allows the effective performance of works, it encourages the perception of the workers, which they have toward their job, on 'god fatherism', and his output is discouraged. All efforts directed towards performance do not necessarily lead to reward but it's been ascertain that reward increase the effective performance of employees.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter provides a detailed research methodology that shows how the study will be conducted in order to achieve the objectives of the research. This chapter highlights and explains the study research design, total population and sample size, data collection methods, procedures and data analysis and anticipated limitation of the study.

3.1 Research Design

Creswell (2003) defines a research design as the scheme, outline or plan that is used to generate answers to research problems. The study will adopt a descriptive research design, which according to Kothari (2004), is used when the problem has been defined specifically and where the researcher has certain issues to be described by the respondents about the problem.

3.3 Target Population

According to Ngechu (2004), a study population is a well-defined or specified set of people, group of things, households, firms, services, elements or events which are being investigated. The target population will comprise of respondents from Sir Apollo Kagwa primary school from different departments such as accounts and finance, marketing, teaching departments, among others. Hence the study population will have a total population of 60 respondents.

3.4 Sample Size

According to Krejcie & Morgan (1970), the study will use a total sample of 52 respondents who will be selected from different departments such as accounts and finance, marketing, teaching departments, among others.

Sampling Techniques

The study will use simple random sampling; this is the method where every respondents will be given a chance to take part in the study. This method will be adopted because it is simple to use and gives everyone chance to be part of the study. A purposive sampling technique with a critical case sampling will be used to identify respondents. Purposive sampling is virtually synonymous with qualitative research (Lisa, 2008).

3.5 Data Collection Methods

3.5.1 Questionnaires

According to Abuja (2001), a questionnaire is a document that contains a set of questions, answers to which are to be provided personally by the respondents. The questionnaires will be

designed in strategic way comprising of both open and close ended questions. Open ended questions will require the respondents to write responses they want. This type of questionnaire shall be used because it will allow a respondent to freely discuss their opinions and close ended questions shall require straight forward answers in order to save the researcher's time during research process.

3.5.2 Interview

This is the type of method where the researcher asks questions face to face the respondents. This method will be employed to find necessary information from the group more quickly just to allow individual self-expression.

3.5.3 Observation

The use of an observation method is commonly associated with a qualitative research (Bruce, 2001). It aims at observing the flow of events or behaviors in their natural settings without intrusion. The procedures will be implemented under this research to try to accomplish the results on the study topic. This method will be adopted in the way that the researcher will use his eyes to observe different phenomenon. This method will be used because it is cheap to use.

3.6 Data Sources

3.6.1 Primary Data

Primary data will involve direct extraction of information from the respondents using self-administered questionnaires.

3.6.2 Secondary Data

Secondary data will be collected from journals, text books, management reports, previous dissertations and internet. These sources will help derive meaningful interpretation of findings.

3.7 Data Processing

Data processing includes coding and editing all the responses collected from the fields which will be edited with the view of checking for completeness and accuracy to ensure that data is accurate and consistent. It will also help to remove unwanted responses which would be considered insignificant. Coding will be done after editing which will be done manually and by the use of computer through word processing and Excel.

3.8 Data Presentation and Analysis

The data will be presented in tabular form, with frequencies and percentages for classifications of responses, easier analysis and visual impression. Data will be manually entered in Excel. Analysis will be carried out by use of frequencies and percentage.

3.9. Limitations of the Study

In conducting the research, the researcher might face a number of methodological and practical problems as highlighted below:

Bias from the respondent, Most of the respondents might be unwilling to provide the required information to the researcher; the researcher will overcome this by telling respondents that the study is purely for academic reasons therefore they should feel free to provide the needed information

The researcher may also face financial problems in terms of photocopying, secretarial services, transport costs; however this will be addressed through acquiring more funds for the study.

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