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**DEMOCRACY AND ANALYSIS OF ENVIRONMENT OF BUSINESS  
ORGANIZATIONS IN NIGERIA**

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**ABSTRACT**

The focus of this study is to assess the democratic system and factor analysis of environment of business organizations in Nigeria. This paper examined the practice, problems and prospects of Nigerian democratic system and the relationship between democracy and environment of business organizations in Nigeria. This paper discusses the process of environmental analysis using the concept of strength, weakness, opportunities and threat (SWOT) model approaches. The methodology utilized for this study is descriptive and content investigation with qualitative reporting. The study largely employs secondary data sourced from textbooks, journal publication, newspapers articles, internet materials and academic papers. The research reveals that Nigerian democratic system has not achieved much success in bestowing to the people their fundamental desires or even the requirement to participation in management of the affairs of the country. This study contends that despite, the hope of a politically steady and democratically feasible country, obviously the citizens' eagerness to take part in the electoral practice and the general awareness in the country that the only acceptable and popular route to the attainment of political power is to vote. The paper recommends that further research be done on the subject using appropriate statistical and econometrics tools for the analysis of linkage between democracy and the tangential features of the environment of industrial organizations.

## **Introduction**

Democracy and Nigeria are like Siamese twins; despite the fact that they are together they are uncomfortable and under intense pressure that could hurt them and even death. The universal recognition of democracy as the paramount system of governance is incontrovertible. This is based on the participatory prospect which democracy affords the citizenry in the selection and election of their leaders and representatives. Democracy assured some recipe for good governance and the fundamental human rights of all law abiding citizens. These enviable attractions together with the global urge lead to swift return of the country (Nigeria) to democracy on May 29, 1999 after a prolonged heinous military despotism. However, the envisaged opportunities and hope appear to have given way for illusion and bewilderment years of the experimentation with democracy (Omotoso, 2004).

The Nigerian democracy has three main Characteristics such as: it is spendthrift. The democratic system of this country cost a great deal to accomplish so little (where and when it achieves anything at all); it invests in the comfort of leaders rather than in human beings and material resources. In fact, the welfare of the common man is not being taken into consideration in the scheme of things. Lastly, Nigerian democracy is overwhelmed by corruption that ensures that the impact of any seeming good policy is either extremely negligible or almost exactly nil.

However, Ajayi and Ojo, (2014) posit that while the equilibrium of democracy in Nigeria may be inadequate; all hope is not lost as the desire for the practice of factual democracy amid Nigerians remains unassailably high. In this democratic dispensation the Nigerian business has been appraised and assessed by several scholars and several suggestions have been recommended but there has been no perceptible change, particularly in the area of unemployment (Ajayi & Ojo, 2014).

An environment of business organization comprises of certain factors such as infrastructure, cultural, economic, social and political environments. These environmental forces have been found to be capable of either impeding or facilitating business activities in any economy. The World Bank (2004) is of the opinion that improvements in the enabling environment account for greater levels of investment by the private sector organizations, more wealth, job creation, and ultimately more poverty alleviation.

As the private sector organizations are actively involved in nation's building, to improve the enabling environment of business organizations, government should involve the private sector through consultation and dialogue to understand and address their desires and priorities. The Nigerian government has initiated several programmes that are geared towards the mobilization, training and supporting initiatives that will promote financial literacy and business development.

Despite all these, the efforts seems abortive, this can be linked to the problems embedded in the Nigerian democratic system and environment of business organizations, some of which are corruption, unavailability of good roads, erratic power supply, political instability, existence of

inflation, inadequacy of information and unemployment. Others are credit situation and security situation (Sule, 2009).

However, core democratic values appear not to have firmly taken root in the polity, especially in the following respects: accountability by the political leadership at all levels, transparency in the management of public finance; rule of law, separation of powers and the innate checks and balances; and quality of democratic institutions – Electoral bodies, Laws enforcement agencies, judiciary etc at all levels of government: citizen engagement and federalism. The relationship linking democratic system and business and its environment is one of mutuality: that is, the environment exerts pressure on the businesses while the business, in turn, influences some aspects of its environment (Newswatch times, 2015).

The significance of this study is that there is a close and constant dealing linking democracy, business organization and its environment. This interface facilitates in strengthening businesses and using its wherewithal effectively. The environment of business is multifaceted, multifarious, and dynamic in character and has a far-reaching positive impact on the performance and intensification of the business.

The proper perceptiveness of the social, political, legal and economic environment will help the society to determine opportunities and threats to the environment of business. The environmental analysis of business organizations makes the tasks easier in dealing with business challenges, image building and meeting with competition to achieve performance and growth.

The broad purpose of this study is to examine the impact of democracy on environment of business organizations in Nigeria. In achieving the main objective there are specific objectives and these are to: examine the relationship linking democratic system of governance and environment of business organizations; reveal the processes of environmental analysis, review the various components of business environment and models for analyzing the Nigerian business environment.

The methodology adopted for this study is descriptive and content analysis with qualitative reporting. Descriptive research is used to explain the uniqueness of a phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred. Rather it addresses the "what" question (Adeoye, 2013). The study largely utilized secondary data that were gathered from textbooks, journal publication, newspapers articles, internet materials and academic papers.

### **Review of Literature and Conceptual Issues**

In this section terms such as democracy and environment of business are explained for clarity. Democracy: Conceptualizing democracy is a difficult task. This is because the term democracy has been an area under discussion and contradictory operationalization as it has turned out to be smart for regimes and government to claim to be democratic, even when they are not.

Democracy, either as a concept or a system of rule, has become excessively ambiguous in contemporary political analysis. Politicians from the extreme left to the extreme right always insist that the form of politics or rule they support is the one that is democratic in character (Ajayi & Ojo, 2014). According to Oke, (2010) democracy involves the opportunity to participate in

decision making in the political process. It repudiates arbitrariness and authoritarianism. It extols the consent of the governed and it protects human personality and values.

Democracy whether liberal or African or modern includes fundamental recognition of popular sovereignty, equal opportunity for all, majority rule, representativeness, minority rights, right of choice between alternative programmes, popular consultation, consensus on fundamental issues and more essentially periodic elections. The concept of democracy confers the opportunity to participate in decision by all adult citizens ( Oke, 2010; Ghali, 1995). This is ostensibly because democracy is what is virtuous for a state to be – even in Africa, where liberal democracy has suffered several severe setbacks; since the 90s, it has gained a momentum akin to that of science in the world of technology since the Industrial Revolution. One major effect of the worldwide research attention democracy has received is what can be described as its contestation.

Ghali (1995) may therefore not be mistaken in including democracy in the catalogue of what he referred to as, essentially contested concepts, since a term that means anything means nothing. This appears to be the case with democracy which nowadays is not so much a term of precision or restricted. Ajayi and Ojo (2014) assert that any meaningful attempt at understanding democracy must proceed from the ancient definition of democracy as peoples’ rule. The Greek words *demos* and *kratia* mean people and rule or authority respectively. Thus, democracy refers to rule by the people and for the people. This definition means that there are things the people may not be capable of doing or cannot do well. The questions then are: what are these things? Who then do such things? This study will revisit this issue later.

Abraham Lincoln offers what has since become the most well-known meaning of democracy. In the Address, delivered at the dedication of the Soldiers National Cemetery on 19 November 1863 in Gettysburg, Pennsylvania, Lincoln asserted that all men are created equal and defined democracy as “government of the people, by the people, for the people” Lincoln (n.d.). This definition makes the people the subject and object of democracy or what Obianyo, (2008) terms “the *raison d’être* of governance.” This definition has lots of intrinsic worth; while, like any other, it has its limits. The description stresses the principle of equality since all men are supposedly created equal.

### **The Practice and Problems of Democracy in Nigerian**

Although, democratic system is a universal concept, its practice differs from one country to another with regard to acquisition of (and disposition to) power and institutional arrangements. Hence, one can talk of American democracy, British democracy, Irish democracy, Canadian democracy and so on.

The concept of egalitarianism has more theoretical connotations than practical application. There is nowhere in the world where democracy is a republic of equals. Thus, socio-economic and political inequality is a prominent and permanent feature of democracy particularly in Nigeria where democracy has widened the gap between those who have access to power and public funds and those who do not.

In view of the fact that democratic system of government is “Government of the people by the people and for the people,” it is therefore assumed that democratic system is the most appropriate type of government (Manzer, 1984). It is therefore generally taken that the pursuit of the interests of the generality of the people is the epicenter of democracy wherever it is practiced. While this may be so in some democratic states, the reverse is the case in others. According to Omotoso (2004) Nigeria probably personifies the latter. He made it clear that while some countries aspire to and do indeed practice democracy for the socio-economic gain of the generality of the populace or at least as several people as feasible; others, like Nigeria, make their own brand of democratic system government of the few by the few and for the socio-economic benefit of the few.

Conversely, the less privileged rural dwellers that are in a clear majority, live in palpable darkness, drink all sorts of contaminated water and contact all kinds of water-borne diseases there from and are regularly harassed, wounded or killed by armed bandits. Only recently, the Inspector-General of the Nigeria Police Force publicly admitted that the Force was being grossly under-funded thereby making its task of protecting the lives and properties of Nigerians an uphill one (Newswatch Times, 2015).

Malaria fever, which has been permanently conquered in some countries, still kills’ dozens of hundreds of children whose parents cannot patronize privately-owned hospitals, while many indigent school age children are either out of school or learn under the most horrific conditions in state-owned schools. In most parts of Nigeria, power supply is almost exactly nil, potable water is a scarce commodity, health care facilities are either altogether nonexistent or in complete shambles while hundreds of people die in motor accidents annually owing to extremely poor road networks (FRSC, 2013).

In a newspaper article entitled “The Story of Cain, Abel and Nigeria” Ademola Adedokun cited in Ajayi and Ojo (2014) captures the practice of Nigerian democracy thus:

Nigeria is literally bleeding. There is too much violent behavior. Those who are not killed by Boko Haram are killed by the Joint Task Force. Those who escape the JTF fall into the hands of mind-bending illiteracy. Those who manage to escape all those are consumed by road accidents. Some die in poorly equipped hospitals. Those lucky to bypass all of the above are either killed by hunger, poverty, or frustration practically turns them to the living dead... The earth antagonizes people who needlessly shed blood. Recently, multiple road accidents claimed almost 100 lives. In a country where life counts, that should have led to a major social change. Sadly, not even a paragraph of official response came from the government, not even the local government chairmen of the areas the accidents happened. Unfortunately, the government aides who explain away these deaths are the same ones who rush to twitter to console President Barack Obama over the Boston bombing. They are not their own brother’s keepers, because their brothers’ life is worthless (Ajayi & Ojo, 2014).

## **Prospects of Nigerian Democracy**

From the above analysis, it is apparent that the poise area of democratic system of governance in Nigeria is less than satisfactory; yet all hope is not lost (Ajayi & Ojo, 2014). Despite myriads of frustration of trust, contradiction of constitutional rights and perfidy of hope by consecutive governments in Nigeria, the aspiration for democratic state in the midst of the populace has continue to be high. Ever since the beginning of the present democratic dispensation, Nigerians have constantly articulated their yearning and favorite for democracy by their vigorous involvement in the various switch programmes and electoral processes notwithstanding their doubts and misgivings in excess of aspects of these programmes and processes.

Additionally, there is a general realization in Nigeria that the only acceptable and popular route to the acquisition of political power is the ballot box. The relative stability and sustenance of multi-party democracy holds good prospects for democracy in Nigeria. According to Oke (2010) “a cursory glance at the political history of Nigeria reveals that the current democratic dispensation has one of the largest numbers of political parties.” However, in a country like Nigeria where illiteracy level is very high, confronting the electorate with too many political parties breeds confusion. It is gratifying however to note that the most important signal to the prospect of the survival and strengthening of democracy in Nigeria is perhaps the ability to transit from one civilian administration to another even if through heavily flawed and widely flayed elections.

Although, Nigeria gained independence from Britain in 1960, it was in 2007 that the country, for the first time, successfully transited from one civilian administration to another (Ajayi & Ojo, 2014). All earlier attempts generated suffocating political logjams that ended in the intervention of the military in the democratic process. While, the results of the 2007 elections attracted widespread condemnations, the overall result was a rather smooth and peaceful handover of political power from one civilian government to another. Again, on 29 May 2011, Nigeria once again transited from one civilian government to another thereby accomplishing what it could not a few years back (Ajayi & Ojo, 2014). For a third time, in 2015, the electoral process recorded yet a huge success when the then President GoodLuck Ebere Jonathan conceded defect before the conclusion of the announcement of the election results by the Independent National Electoral Commission (INEC).

The 2015 general election has been contested and won; we must begin the very critical process of healing all the wounds inflicted by the resentful and divisive electioneering campaign. It is on record that the Former President Jonathan worked to give Nigerians a credible electoral machine, his ability to discipline his aspiration, cannot easily be ignored. He will be remembered as a great Nigerian statesman who put God and the Nation first. And that is ineffaceable mark of reputation which money cannot buy. It is a mark of character and honour. The human race will not fail to remember that President Jonathan saved our country from doom.

## **Related Literature and Conceptual Issues on Environment of Business**

The nature and extent of the impact of the environment on any one company depends on the internal configuration of such a company. Researchers have categorized the environment of business organizations into three components, the preparedness of any one business being referred to as the external environment. These are the macro environment, the industry environment and the internal environment. It has also been shown that the internal environment affects performance, followed by the industry environment and last of all, the macro environment (Gado, 2015)

The environment of business organizations in Nigeria had been in existence since the colonial era and it was mostly by the colonial masters. It was after Nigeria got her independence that the state started clamoring for indigenization. This led to the period where the country got involved in the business sector. The business environment has not been encouraging for people to tap into judging by the current level of unemployment and high inflation rate. The environment itself as an area under discussion is to a large degree of change. The affiliation between business and its environment is one of mutuality: that is, the environment put forth beleaguer on the business, while the business, in turn, influence various aspects of its environment. The nature of the environment in which the business enterprise operates therefore needs to be clearly understood by managers (ATSWA, 2009)

The concept of environment of business organizations according to the Business Dictionary (2013) can be defined as the combination of internal and external factors that manipulate a firm's operating state of affairs. The business environmental factors are: clients and suppliers; its competition and owners; improvements in technology; laws and government activities; markets, social and economic trends.

The environment of business has been described as the physical and operational factors, such as internal and external, which affect the flow of activities in business organizations. Most of these factors are: customers, competitors, suppliers, distributors, industry trends, substitutes, regulations, government activities, the economy, demographics, social and cultural factors, innovations and technological developments. A business is influenced by the environment in which it operates and the success of any business is dependent on its ability to adapt to its environment (Ask.com, 2013).

The convolution of this actuality for business owners is multifaceted by the fact that there are many diverse environments that each business organization operates in. There is the macro environment, which in today's global economy refers to the whole world, where events often indirectly impact on businesses and there is the microenvironment, local events and circumstances which directly affect and interact with a business (GIBS, 2013).

In defining the environment of business organizations Blurrit, (2013) posit it to be as a set of factors or conditions that are external to the business but which have influence on the operations of the business enterprise. External in the context means that these factors or forces are not usually within the control of the business enterprise. It further describes it as the web of forces which form the setting in which firms makes its decisions. To succeed, a business organization must

take its environment into account in making its decisions. The conditions or factors within the business organization represent its internal environment.

Contrasting the basis of the internal environment, these factors are usually regarded as controllable by the business. Examples are the quality of interpersonal and inter-grouped relationships, the nature of the production and delivery facilities, financial and human resources, etc are matters to the control of the firm. The external environment is typically interpreted as uncontrollable as no single business can ascertain or influence it. Erstwhile the external environment is the surrounding in which all firms in the industry operate.

Whether firms are large or small, private or public, organizations must consider all the elements in the environment of the business organizations that shape and influence their various activities. Managers need to understand the relationship between their business and the environment in which they operate. Hassan (2009) posits that the environment of business organizations has many features; events and conditions that influence the business within its environment are also many and varied. Hence, it is important for managers of business organizations to understand the salient features of the environment such as complexity, dynamism, uncertainty (unpredictability) partially controllable, multidimensional, far-reaching amongst others.

### **Component of Business Environment**

The constituent of business environment can be classified into internal and external environment. The internal environment consists of features which manipulate business that are currently within the organization. These features can be controlled within the organization. The learning of internal issues is actually essential for the study of internal background of any existing organization. These internal issues of environment of business organizations are: Objectives of business; Policies of business; Production capacity; Production methods; Management information system; Participation in management; Composition of board of directors; Managerial attitude; Organizational structure; Features of human resource. All the above factors do influence the decisions of business, but since all these factors are usually under the control of business, they cannot be wholly included in the business environment (Pujari 2014). The internal factors shaping the business organizations include the firms' owners, its boards, management, employees and local unions, its ideas, products, services and organizational cultures. It is in the internal environment that the strength and weaknesses of the firms lies.

Just as the strength and weaknesses of the firms lies in its internal environment, so also are opportunities and threats to the firms found in the external environment. The external environmental factors are the factors that affect organizations and exist outside the enterprise and draw from democratic system of the country. Organizations have no power over these factors and the information regarding these issues is vital for the learning of the external environment of business organizations. Traditionally, the external environment of business organizations was viewed as uncontrollable so that Organizations seeking accomplishment of the organizational goals had to set-up means of dealing with this environment (Wheelen & Hungers, 1995).



This view is still useful today with the added knowledge that organizations can proactively shape their environment through their collective behaviour. The usefulness of the external environment is in the fact that business organizations should be conversant with their environment by periodically scanning or analyzing it to identify altogether the driving forces and threatening factors. This prepares them to garner their internal factors (within their control) to take advantage of the driving forces and also to shield themselves from the threatening factors. This exercise has been described by the acronym SWOT (Strength, Weaknesses, Opportunities, and Threats) analysis or strategic group mapping (Thompson & Strickland, 2004). Abimbola and Agboola (2011) state the following as the features of external business environment:

**Economic Environment:** This study takes knowledge of the point that these factors could and do operate concurrently. Consistently, managers in the organization should be worried about the trends in the economic conditions in their decision making. This economic environment is defined by issues such as: Gross Domestic Product (GDP); Government Fiscal and Monetary policies; Unemployment rate; Exchange rate; Inflation rate, and capacity utilization.

**Socio-cultural Environment:** This is a composite series of social and cultural conditions established in the society which have far reaching effects on business conditions. The social and cultural conditions in which organizations operate can be understood by studying the demographic characteristics of the population, nature and lifestyle of the populace, the groups they form and the nature of interactions among the groups and the institutions they have formed for themselves; culture and beliefs.. For example, clothing fashions change with the season, and there is a current trend towards green construction and organic foods.

**Political Environment:** Political factors are governmental activities and political situations that could impinge on business. Cases consist of laws, regulations, tariffs and other trade barriers, war, and public protest etc. The government of every country should be considered with the interest of the nationals in any political pact. It should ensure that there are arrangements put in place for the maintenance of law and order, provision of basic infrastructure and security of life and property to create an atmosphere where significant business activities thrive.

Also, the government must make sure that while developing or making policies, laws and regulations, it should help to accelerate and improve the welfare of the society. Based on the abovementioned, business organizations that are armed with the policy thrust of the government are able to anticipate the pulse and direction for the government and thereby adjust their operations accordingly.

**Technological Environment:** The technological environment could be viewed as the state of the applying scientific principles and mechanical arts to different tasks in the society. In the Nigerian context, the local technology is applied by those who engage in peasant farming, small scale businesses and even in the mining, quarrying and construction business. Additionally, more advanced technology is engaged in the steel industry, the breweries, textile, banks, hospitals, etc. Nigeria, Ghana, Liberia etc are not self sufficient in their technological input as they rely heavily on modern technologies from America, Japan, India, Korea, Europe, etc. However, their

dependence on foreign technologies has to some extent, advanced the technological climate positively (Adeoye, 2013).

**Ecological (Physical/Natural) Environment:** The Ecological Environment covers the trends in the supply and cost of natural resources such as raw materials availability or scarcity and the problems of environmental deterioration and pollution control. It also covers the impacts of acts of God on business, such as natural disasters, climate changes or drastic weather situations, flood etc. There is also general damage to the ecological system by the activities of business such as heat emission; global warming, pollution; chemical discharge, noise etc are common occurrences.

**Legal/public Policy Environment:** This consists of the laws, regulations and procedures of a Nation which business enterprises are anticipated to comply with in the course of their operations. These laws may facilitate successful business conduct as well as constitute major handicaps to successful business performance. Furthermore, in carrying out their business operations, business enterprises are required by law to pay taxes, value added tax, capital gains tax, and education tax, import duties etc.

**International Environment:** This refers to elements on the international scene, which can help or inhibit the decisions and operations of the business organizations. Changes in the economic, social, technological, and political and public policy issues influence the operations of businesses, since majority organizations depend on imported raw materials, technology and other services or export their goods and services overseas. According to Agbonifoh (2008) the global environment sets the tone, not only for international business organizations' transactions, but as well as other enterprises whose activities and operations are limited to the domestic market. Consequently, as trade and flow of resources across national boundaries become more liberalized, the international business environment also becomes more significant to domestic business organizations

### **Process of Environmental Analysis:**

Given the importance of the business environment, no meaningful and adequate definition or explanation of strategic management is possible without reference to environmental analysis. Every strategist strives to gain an in-depth perceptive of the environment and its implications for the business and its strategy.

Attempts to read and understand the environment can be viewed as a deliberate, systematic and continuous process embarked on by the strategist. This process is often referred to as environmental analysis, environmental audit and environmental scanning and forecasting. The process involves attempts at understanding the current and immediate state of the elements that make up the environment, the underlying trends, the anticipated changes, the forecast changes and the set assumptions upon which the forecasts are based. Environmental analysis can be conceptualized as consisting of the following steps:

*Identify the key factors in the environment of business organization:* All environmental factors do not have the same impact on the firm. The key environmental factors do not have the same impact

on the firm. The key environmental factors are those which the organization must reckon with or those which it cannot afford to ignore: doing so would be at the peril of the company because of the high probability that it would have a ruinous effect on it.

*Gather previous and current data about the key factors.*

The stage entails some systematic and sustained effort to obtain up to date and reliable data about these key elements of the environment. Of interest here is both the direction and magnitude of changes in these key variables and the causes of the changes.

*Identify trends in the past and current data*

The data obtained about each key element of the environment should be aimed for any possible trend. Do the data reveal some stability, an upward trend or a downward trend? Statistical tools such as moving averages, regression and trend analysis can be quite useful at this stage.

*Forecast the future:* Based on some knowledge of the past and current stage of the environment, the strategist attempts should be to estimate the potential state of key fundamentals of the environment. Some commonly applied forecasting techniques are opinion based while others, such as the methods of moving averages, exponential smoothing, simple and multiple regression techniques can be useful this stage.

*Identify the implications of the analysis:* This stage requires that the strategist determines the summary impact the present and probable environment on the business. The interpretative state should lead to the classification of the various factors as either favourable or unfavourable. Some factors may perhaps have foreseeable impact.

*Specification of opportunities:* At this final stage, the strategist takes stock of the opportunities that he perceives in the environment. An opportunity is a manifest anticipated change in the environment which is perceived as beneficial to the firm. The benefit could be in conditions of the supply or demand side of the economy. Environmental threats are the opposite of opportunities. They could reflect negatively on the demand and/or supply side of the company's business.

### **Models for Analyzing Nigerian Business Environment**

The above discussion suggests that environmental analysis results in the identification of threats and opportunities. An interrelated examination is concerned with evaluating the company in terms of its strengths and weaknesses. A mixture of both methods results in the fashionable and dominant SWOT analysis model. SWOT is an acronym for Strengths, Weaknesses, Opportunities and Threats. The detail discussion will be made below. This is without prejudice to the other various models or approaches for analyzing business environment. These are structural, attribute, PESTLE, competitor analysis and five forces approaches (Ayodele, 2010).

#### **SWOT Analysis.**

SWOT is an acronym and it stands for "strengths, weaknesses, opportunities and threats." It is an instrumental framework which is used to identify and evaluate the external and internal

environment of business organizations. Thus, a SWOT analysis becomes an essential step to be undertaken. The main features for sustaining or hindering the Nigerian organization's competitiveness as obtained by SWOT are as follows:

### **Strengths:**

Nigeria is a mixture of people of all ethnicities, and languages. There are numerous tough features which make certain successful organizations in the country and a variety of the strengths of business environment are: strong banking and financial sector, access to provision of medium and long-term loans, growing oil and gas as well as telecommunication sector, various investment opportunities for the local entrepreneurs and foreign investors, availability of young, active and mobile labor force, great potentials for future growth and investment, and increased competitiveness and profitability in the petroleum market globally. This strength in all-encompassing stage will robotically enhance all other business organizations in Nigeria.

### **Weaknesses**

In view of the fact that, Nigeria is a developing country; there are several features that are accountable for hampering the country's competitiveness locally and worldwide. The lack of infrastructure, such as power supply, road networks, and security, has been worsening. These tribulations have been compounding for several years and have lead the manufacturers and businessmen to either shut down their businesses or move to other foreign countries (Ayodele, 2010). The frail allocations of infrastructure gap and unproductive transportation have kept the costs of starting the business or producing the services high in the country. Other defects are: lack of financial and capital resources, lack of information system, new technology, and scientific base, inability to diversify its Markets, inadequate internal resources and lack of managerial capabilities and management skills in its organizational environment.

### **Opportunities in SWOT analysis**

The element of opportunities signifies the externally available resources or chances of expansion or improvement that a business organization can respond to. Nigeria is a place where there are extensive business opportunities. Having a high populace concentration, the request for products and services is high and probably there will be shot supply due to bad and unfavorable environmental conditions (Ahmed, 2005). Opportunities are existing in banking and finance industry, taxation, mining, and other sectors; high concentration of people generates high request for goods and services; economic and political improvements create more prospect and attracts investors; petroleum industry, courier services and oil sector provides employment opportunities to locals and foreigners; opportunities of outsourcing, good bilateral relations, and more availability of ideas; supplier relationships, cross-country trading, and inter-firm linkages can give opportunities of learning and improvements to developing countries such as Ghana, Nigeria, amongst others; more opportunities for diversification and ultimately progressing economy.

### **Threats analysis**

Threats refer to those aspects of a place or organization, which if taken up, can harm the reputation, profitability, or any other aspect of business organizations. The Nigerian business

environment is very threatening for itself. There is an increasing rate of crimes, frauds, and scams in the country. Generally, Nigeria as a country is faced with various threats such as: economies of scale, product differentiation, capital requirements, access to distribution channel, experience and learning curve advantages, and government policies. Threats of import substitutions affect local markets, increasing competitors in the local markets and tougher competition globally (Sule, 2009).

### **Relationship/ Link between Democracy and Business Environment**

Democracy is development imbued; the more democratic ethics in a society, the higher the benefits of democracy, the better the level of sustainable development of business activities. Development of business activities can hardly be felt or achieved when democratic ethics are not imbibed and adhered to by the leaders and administrators.

This is because the accommodation of ethics of democracy enhances performance and facilities development. Democracy and business environment are inseparable. Components of business environment that could be linked to democratic environment discussed in this paper are: Socio-cultural environment, political environment; technological environment, legal/public policy environment and international environment etc. These are moreover embedded in democracy.

The achievement of one leads to the success of the other and vice versa. The actual indication of the functions and roles of democratic system in socio-economic development have often been ascribed to the existence of certain factors in the external environment of the business organization which the business has little or no jurisdiction to control. Borkowski and Kulzick (2006) list the interface between business and environment as follow:

- (a) new venture strategies are formed in response to environmental forces
- (b) business organizations are negative towards and will refuse to go along with political interference
- (c) unstable business organization environments are negatively related to growth opportunities.

There has been an assortment of viewpoint put up to scrutinize the links between democratic activities and the environment. Outstanding among these is the study of Adeoye (2013) who attributed democratic actions in a society to the following elucidation: Supply-side and Demand-side perspectives. The supply-side perspective emphasizes the role of individuals in creating organizational environment. According to Adeoye (2013) the supply-side, holds that “special types of individuals create business activities.” This is further linked to economic development or undevelopment. This perspective attributes economic development of any society to an adequate supply of “special” individuals with traits that are well-matched with practices skills. He defines the demand side perspective, which actually came from the works of Marxists, economists and geographers, as an “opportunity structure, an ‘objective’ structure of economic opportunity and a structure of differential advantage in the capacity of the system’s participants to perceive and act upon such opportunities”.

A democratic system is also anticipated to classify business prospects as well as taking the risk of utilizing the business opportunities and business development in the society. A business depends

on its environment for the supply of all its input and at the same time absorbs the output of the business organizations. The environment of democratic system provides opportunities for alternative investment which the business manager can exploit to the organizations advantage.

Conversely, the business environment could start a threat or constraint. For a business to survive in the long run it must be seen as coping, adapting, and responding favorably to the environment it operates (ATSWA, 2009). Changes in the external environment of a business organization may induce a change in the strategy, structure, technology or the nature of human resources that the firm employs, into the business enterprise if changes in it are unfavourable.

### **Conclusion**

It is to be noted that in Nigeria, democracy has not achieved much success in bestowing to the people their basic needs or even the requirement of partaking in decision making. Neither has it been providing the peaceful atmosphere that can bring about development and the well being of the people (Agagu, 2004). The democratic experiments we have had in Nigeria are only democratic in name and on paper without ethics by which it can be driven. Neither do they meet up the demands of liberal democracy foisted on the country by the western world, let alone of the inclusive nature expected of a developing country under unique circumstances. The type of democracy operating in the country does not concede any aspect of decision making to the masses. Even the common one which is that of electoral choice is often derived through rigging and harassment. It is not amazing that our own form of democracy does not in actual sense grant concrete political, social and economic rights. It is a democracy that heightens conflict, crude use of force, intimidation and discord and the underdevelopment of the state and the citizenry (Agagu, 2004). The paper recommends that further research be done on the subject using appropriate statistical and econometrics tools for the analysis of linkage between democracy and external factors of environment of business organizations

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