

**EXTERNAL BUSINESS ENVIRONMENT AND THE  
PERFORMANCE OF MICRO, SMALL AND MEDIUM  
ENTERPRISES IN JOS-SOUTH LOCAL GOVERNMENT,  
PLATEAU STATE**

**Agada Emmanuella Ojonya<sup>1\*</sup>, Olabisi Shittu<sup>2</sup> & Peter A. Aroge<sup>3</sup>**

<sup>1,2,3</sup>Department of Business Administration, Faculty of Administration, Bingham University,  
Karu, Nasarawa State

\*agadaella15@gmail.com

**ABSTRACT:** The dynamic nature of the business environment today calls for critical attention in sustaining MSMEs. This study, however, seeks to investigate the effect of Business Environment on the performance of Micro, Small and Medium Enterprises in Jos-South, Plateau State, Nigeria. The specific objectives were to examine the effect of the external business environment, which includes the social environment and the technological environment, on the performance of Micro, Small and Medium Enterprises in Jos-South, Plateau State, Nigeria. The study adopted a survey research design. The method of data collection was a questionnaire for obtaining primary data. The population of the study comprised 7,987 Micro, Small and Medium Enterprises in Jos-South, Plateau State, Nigeria, while the sample size of the study was 419 respondents using a stratified sampling technique. The method of data analysis employed was multiple linear regression. Findings revealed that the social environment positively and significantly affects the performance of Micro, Small and Medium Enterprises in Jos-South, Plateau State, Nigeria. Meanwhile, the technological environment positively but insignificantly affects the performance of Micro, Small and Medium Enterprises in Jos-South, Plateau State, Nigeria. The study concluded that the social environment influences the performance of MSMEs in Jos-South Local Government, Plateau State. It was recommended that, managers and owners of MSMEs in Jos-South, Plateau State, Nigeria, should remain committed to understanding the local culture, lifestyles, and relationship dynamics of the people. Also, the government should ensure that affordable and accessible financing schemes are established to enable MSMEs to acquire and maintain modern technological facilities without excessive cost burdens. This will reduce the incidence of businesses collapsing due to an inability to adapt to rapid technological changes.

**Keywords:** Business Environment, Social Environment, Technological Environment, Organisational Performance, MSMEs Growth.

## **INTRODUCTION**

Micro, Small, and Medium Enterprises (MSMEs) play a crucial role in economic development by generating employment, driving innovation, and contributing to poverty alleviation. However, their success is highly dependent on their ability to adapt to environmental factors, which can present both opportunities and challenges. The business environment is a dynamic mix of internal, task-related, and external factors, including employees, suppliers, distributors, as well as political,

economic, social, technological, and natural factors, all of which shape the operational landscape of MSMEs (Adeola, 2016). The external factors are generally regarded as uncontrollable and have a direct and intimate impact on the firm (Gošnik et al., 2023), whereas the internal environment, including employees, suppliers, and distributors, is controllable.

Today, in any economy worldwide, businesses operate in a dynamic, complex, and competitive environment. The success and failure of organisations depend on internal and external factors, as well as the organisation's ability to analyse them and respond accordingly. Therefore, the organisational processes must be based and adapted to the environment in which the organisation operates (Pulaj & Pulaj, 2015). The business environment is described as the factors and situations that can dictate and influence the performance of firms (Jabeen et al., 2016). These factors, such as political, economic, social or technological, have a bearing on organisational performance. Mohsin et al. (2020) stipulate that various issues affect different environmental aspects of an organisation. These factors, which are ranked differently by professional bodies, include technological, market, economic, the threat of substitutes, the bargaining power of suppliers, industry competition, socio-cultural and environmental factors, labour market factors, the threat of new entrants, and legal factors. Kuznetsova and Alekseeva (2016) posit that the survival and success of an organisation depend on the skilful interaction of the company's management with the business environment and timely response to changes in this environment, analysing and accounting for its impact on the organisation and business in general. The current study adopts and investigates the social and technological environment as postulated by Adeola (2016) as a measure of the business environment.

The social environment refers to the various social factors that influence an individual's life, including their relationships with friends and family, the community in which they live, the broader society they are part of, and the cultural norms and values that shape their experiences. This environment has a direct impact on an individual's health and well-being (Taylor & Francis, 2023). The social environment comprises the totality of a society's beliefs, customs, practices, and behaviours (Akhter, 2017).

The technological environment refers to the state of technological development, including the rate of technological advancement (Saleem et al., 2021). *Innovation and technology environments* relate to the context (places) where open innovation and technology are encouraged, supported, and where infrastructure, human capital, and knowledge resources are available (Baierle et al., 2021).

Organizational performance is a multidimensional concept that reflects how effectively a business meets its strategic objectives and delivers value to its stakeholders. Traditionally, it is assessed through financial metrics such as profitability, revenue growth, and return on investment (ROI); however, it is increasingly incorporating non-financial aspects, including employee satisfaction, customer loyalty, innovation, and environmental impact (Gupta et al., 2022). For organisations adopting sustainable practices, such as green supply chain management, performance encompasses environmental indicators, including resource efficiency, waste reduction, and regulatory compliance (Ali & Younis, 2023). Thus, organisational performance in the modern context combines financial success with sustainable practices, enabling long-term growth and resilience.

Sustaining consistent performance is a critical objective for all business organisations, including manufacturing firms, as it serves as the foundation for growth and competitiveness. Improved performance enables organisations to expand their operations and achieve long-term success. Consequently, organizational performance has emerged as a key focus area for managers, warranting continuous monitoring and strategic planning (Oga & Onouha, 2020). Among the various measures of organisational performance, the growth of Micro, Small, and Medium Enterprises (MSMEs) is considered a key measure in the current study.

Micro, Small, and Medium Enterprises' growth can be defined as the process of improving the capacity and ability of a firm to succeed (Adofu, 2023). The firm's ability to employ more people demonstrates its strength and can be likened to growth (Kadiri, 2018). When a business sells more products, generates more revenue, employs more people and cuts costs, then it is considered to be growing (Gbande & Aikor, 2019).

### **Statement of the Problem**

The performance and sustainability of Micro, Small, and Medium Enterprises (MSMEs) are critical to economic growth and development, particularly in developing countries like Nigeria. However, MSMEs in Jos-South, Plateau State, face numerous challenges due to the complex and dynamic nature of the business environment. While these enterprises often focus on their internal capacities, they frequently neglect the critical influence of external factors, which can significantly impact their growth and performance.

The business environment comprises several dimensions, including the social environment, where norms, customs, and traditions influence consumer behaviour and market operations; the technological environment, which demands adaptation to innovations and digital transformation; the economic environment, characterized by high inflation rates, fluctuating exchange rates, and rising operational costs; the natural environment, marked by threats such as floods and storms; and the political environment, where inconsistent government policies and political instability undermine business confidence. These factors collectively create a challenging landscape for MSMEs, limiting their ability to compete, grow, and sustain operations.

Although numerous studies, such as Ngutiku et al. (2021), Mbah and Nwajei (2019), and Adu (2016) have explored the relationship between the business environment and organizational performance, most have been conducted in different geographical regions (e.g., Indonesia, Kenya, Pakistan, Uganda), industries (e.g., manufacturing, health, and aviation), or contexts (e.g., public versus private sector). These studies often utilise varying proxies for independent and dependent variables, leading to geographical, institutional, variable, and time gaps in the literature. However, to the best of the researcher's knowledge, no study has been conducted on the combined effect of two key dimensions, social and technological environments, on the performance of MSMEs in Jos-South, Plateau State, Nigeria. Furthermore, existing studies often focus on profitability and efficiency as performance indicators, while neglecting growth as a critical measure of MSME success. In light of these challenges and identified gaps, this study is designed to examine the effect of the business environment on the performance of MSMEs in Jos-South, Plateau State, Nigeria, providing insightful strategies for enhancing MSMEs' resilience and sustainability.

### Research Question

In line with the statement of the problem, the following questions were formulated.

- i. How does the social environment affect the performance of MSMEs in Jos-South, Plateau State, Nigeria?
- ii. To what extent does the technological environment affect the performance of MSMEs in Jos-South, Plateau State, Nigeria?

### Test of Hypotheses

In line with the statement of the problem, research questions and objectives, the following null hypotheses were tested.

**H<sub>01</sub>:** Social environment has no significant effect on the performance of MSMEs in Jos-South, Plateau State, Nigeria.

**H<sub>02</sub>:** Technological environment has no significant effect on the performance of MSMEs in Jos-South, Plateau State, Nigeria.

## LITERATURE REVIEW

### Conceptual Framework

#### Business Environment

In the view of Hans (2018), the environment is viewed as encompassing all elements surrounding a system. For businesses, this includes both physical surroundings and external influences, which are critical in shaping operations. Firms operate within unique environments that offer opportunities or pose threats, influencing their ability to adapt and remain competitive (Adewole & Umoru, 2021). The business environment refers to the array of internal and external forces that influence a company's success or failure. These forces play a significant role in shaping the performance, growth, and sustainability of firms. The external environment, comprising political, legal, economic, infrastructural, socio-cultural, demographic, religious, technological, and security factors, largely operates outside the control of organisations. These factors can create opportunities while simultaneously presenting challenges and threats that impact strategic operations. In contrast, internal forces such as a firm's vision, mission, customers, intermediaries, shareholders, and vendors are more manageable, allowing organisations to leverage their strengths and address weaknesses effectively. Tools like SWOT analysis help evaluate these factors in relation to business performance (Ogunmuyiwa, 2022).

#### Social environment

The social environment comprises elements such as customs, traditions, values, beliefs, and the overall standard of living, which tend to influence business operations (Akpoviroro & Owotutu,

2018). The social environment is shaped by cultural aspects such as health awareness, population growth rates, age distributions, career attitudes, and an emphasis on safety nets. These trends affect how companies operate and adjust to societal demands. For instance, an ageing population may result in fewer workers, while societal changes, such as increased literacy, may raise consumer expectations regarding product quality (Adagba & Shakpande, 2017). These diverse social factors—including customs, traditions, literacy rates, life expectancy, and others—strongly influence the demand for products and the operational strategies of businesses (Adeola, 2016). The socio-cultural environment consists of the activities and relationships people engage in within their personal and private lives. It encompasses factors such as population characteristics, age, ethnicity, religion, values, attitudes, lifestyles, health consciousness, population growth, and social associations. Trends in these social factors influence both the demand for a company's products and its operations. For instance, an ageing population may lead to a smaller and less willing workforce, thereby driving up labour costs, while government policies such as enhanced social insurance schemes could increase the demand for insurance services (Liman et al., 2020).

### **Technological Environment**

Technology is broadly defined as the application of scientific or organised knowledge to practical tasks, and it evolves rapidly. Businesses must stay alert to technological advancements to remain competitive (Akpoviro & Owotutu, 2018). The technology dimension encompasses the processes and methods used to transform resources into finished goods and services, often through the adoption of advanced machinery and innovative practices. Technology originates from the broader external environment, encompassing inventions, improvements to existing techniques, and material advancements. It facilitates organised, systematic approaches to tasks, favouring mechanical over manual operations, thus influencing production methods, design, and service quality (Eruemegbe, 2015). The technological environment includes elements such as Research and Development (R&D) activities, automation, technological incentives, and the pace of technological change. These factors influence entry barriers, production efficiency, and outsourcing decisions, while also driving cost reduction, quality enhancement, innovation, and competition (Liman et al., 2020).

### **Organizational Performance**

Organisational performance, on the other hand, refers to the ability of a group of people to effectively pursue and accomplish these goals and objectives, typically through careful planning and strategy (Ombaka et al., 2015). Organisational performance also involves optimising resource use to prevent wastage. Given the dynamic interaction between organisations and their environments, performance is closely tied to how an organisation responds to and influences changes in its external surroundings.

Performance measurement systems help evaluate the efficiency of an organisation, assessing aspects like financial performance, cost reduction, customer satisfaction, and asset utilisation. Organisations often navigate rapidly changing environments, leading to complex and interconnected challenges. These external changes influence organisational structure, work processes, and resource allocation, all of which affect financial performance (Mohsin et al., 2020).

Numerous measures have been posited and used as proxies for organizational performance, and these include; organizational productivity, organizational efficiency, organizational effectiveness, organizational productivity, marketing performance, customer loyalty, customer satisfaction and organizational growth. Growth was adopted and is important to MSMEs.

Growth is a fundamental aspect of organisational performance, signifying an organisation's capability to expand its operational scale, market influence, and financial standing over time. It encompasses various dimensions, including financial gains, market expansion, product or service diversification, workforce development, and sustainability practices. Each of these areas play a significant role in determining an organization's competitive positioning, adaptability, and overall value creation. Growth through market expansion involves entering new geographic areas or customer segments, reflecting an organisation's ability to adapt and compete in different environments. This type of growth is crucial for companies seeking to diversify their risk and reduce reliance on a single market. For example, multinational enterprises and expanding small and medium-sized enterprises (SMEs) alike benefit from capturing additional market share, which contributes to stability and resilience (Singh & Verma, 2023).

### **Empirical Review**

Liman et al. (2020) examined the impact of the external business environment on the performance of small and medium-scale enterprises in Yobe State, Nigeria. The questionnaire was distributed using cluster sampling, and 233 copies of the questionnaire were used for analysis with a population of 300 registered SMEs operating within the three senatorial districts in Yobe state. Multiple regression analysis was employed to process the data. The findings revealed that the economic and socio-cultural environment has a positive and significant effect on the performance of SMEs at a 5% significance level, while the technology environment has a positive effect on SMEs' performance, but not at a 5% significance level. The study concluded that the external business environment has a positive effect on the performance of Small and Medium Enterprises (SMEs). The study, therefore, recommended that owners/managers of SMEs should have a positive perception towards the economic environment. The study did not specify the variables used for the external environment; however, the current study will utilise political, economic, social, and technological environments.

Adeola (2016) examined the impact of the external business environment (economic, political, legal, socio-cultural, demographic, natural, technological, global, and financial environment) on the organisational performance of Micro, Small, and Medium-Scale Enterprises in Nigeria. It also reviewed literature on MSMEs, business environment and organisational performance. Secondary sources of data were utilised for the study. The findings from the reviewed literature showed that the external business environment (economic, political, legal, socio-cultural environment, demographic, natural, technological, global and financial environment) has an influence on MSME operators in Nigeria. It was also discovered that there exists a relationship between SMEs and the environment in which they operate. The study concluded that SME operators should understand all these types of external business environment and their implications on the organisational performance of their business activities. Also identify opportunities and threats to their businesses and update their knowledge, understanding and skills to meet the predicted changes in the realm

of their enterprises. This study was based on qualitative analysis using observation, while the current study will be quantitative.

Ifedoro and Kurah (2020) examined the impact of external business environment factors (political, economic, technological and legal factors) on the performance of Small Enterprises in Bauchi Metropolis. Data was collected by the use of questionnaires, which were analysed using the Statistical Package for the Social Sciences (SPSS). The results showed a positive relationship between macro-environmental factors (political, economic, technological, and legal factors) and a positive relationship between industry forces (threat of entry, power of buyers, power of suppliers, threat of substitutes, and competitive rivalry) and performance. In addition, the research results showed a moderate relationship between competitive and market environment factors (strategic group, market segment, and strategic customers) and performance. It was therefore recommended that relevant governmental organisations should continue the government policies on economic matters that will improve the performance of small businesses and small-scale businesses. The study did not state the actual population and sample size for adequate review.

Ukpata (2017) examined the “external environmental technological changes, regulatory policies, cultural influences and market competitions) on performance in publicly-owned organisations in Benue State, Nigeria.” The methodology used was a correlational design with descriptive survey method involving the use of questionnaires designed on a ‘five-point’ Likert Scale, which were distributed to 213 respondents, comprising both staff, major distributors of the companies’ products, and some staff of the State Controlling Ministry. While Cronbach’s Alpha Coefficient was used to test the reliability of the instrument, the Pearson Product-Moment Correlation Coefficient ( $r$ ) and the t-test were used to test the hypotheses. The results led to the rejection of the four “null” hypotheses. The study found that technological changes, regulatory policies, cultural influences and market competition highly influenced the performance of publicly-owned organisations in Benue State of Nigeria, and that community culture moderated the associations between leadership style and top-management decision-making, thereby affecting organisational performance negatively. The study used publicly owned organisations as a sample, but the current study uses MSMEs from various sectors.

### **Theoretical Framework**

The Open System Theory, introduced by Bertalanffy (1956), conceptualises organisations as living, dynamic systems that continuously interact with their external environments. Unlike closed systems, open systems have permeable boundaries, enabling the exchange of resources, information, and energy with their surroundings. Organisations must maintain equilibrium with the environment to survive and succeed. The theory emphasises relationships, interdependence, and structure over static characteristics. It highlights that organisational performance depends on how well an organisation adapts to environmental changes—including political, economic, social, technological, ecological, and legal (PESTEL) factors. Key points include: Organisations draw inputs (resources, people, capital) from the environment, transform them internally, and return outputs to the environment. A continuous process of environmental scanning helps organisations identify opportunities, threats, strengths, and weaknesses, leading to strategic responses. Success lies in maintaining a dynamic fit between the organization and its external environment. Although

organisations cannot control the external environment, they must respond proactively to environmental constraints and opportunities. Thus, Open system theory asserts that open interaction with the external environment is essential for organisational adaptation, resilience, and performance.

## **METHODOLOGY**

The study population will comprise owners and managers of MSMEs situated and operating in Jos-South Local Government, Plateau State, Nigeria. According to the National Bureau of Statistics and SMEDAN report of 2021, registered Micro, Small, and Medium Enterprises (MSMEs) stood at 1,240,965 in Nigeria. Of these, Jos-South Local Government, Plateau State, Nigeria, has 7,987 MSMEs, spanning various types of businesses in Jos-South, Plateau State, Nigeria. The study employed Taro Yamane's (1967) formula to determine the sample size. Multiple linear regression analysis was used to test the earlier formulated hypotheses of this study, aided by Statistical Package for Social Sciences (SPSS) *version 28.0*

The sample size of a study is derived thus:

$$n = N/1+N(e)^2$$

Where N = the population size

e = the margin of error (assumed at 5%)

1= constant

$$n = 7987/1+7987(0.05)^2$$

$$n = 7987/1+7987 (0.0025)$$

$$n = 7987/1+19.96$$

$$n = 7987/20.97$$

$$n = 380.9 \text{ MSMEs}$$

According to Israel (2013), 10% of the already calculated sample size can be added to the sample to enable the researcher to administer more questionnaires and obtain a reliable number of valid questionnaires for analysis.

$$\begin{aligned} \text{Hence; } & 10 \\ & \frac{\quad}{100} \times 381 \\ & = 38.1 \end{aligned}$$

Therefore,  $381 + 38.1 = 419.1$  respondents

Based on the estimated sample size, 420 SMEs were considered for the study using a stratified sampling technique to administer the questionnaire to managers and owners.

### Reliability Test

A reliability test was used to assess the internal consistency of each question (variable) in the questionnaire. The most convenient method for testing internal consistency is Cronbach's Alpha, which is computed with the following model:

$$\alpha = \frac{Nr}{1 + r(N-1)}$$

Where:

$\alpha$ = Cronbach Alpha

N= the number of items in the scale

r= the mean inter-item correlation

A minimum Cronbach's Alpha value of 0.7 is stated to be reliable (Ritter, 2010). The result of the reliability of the instrument is presented in the table below:

**Table 1: Scale reliability of variables**

Variables	Item	Cronbach's Alpha
Social Environment	4	.85
Technological Environment	4	.81
MSMEs Growth	4	.88

**Source:** SPSS Output Version 28 (2025)

The above table indicates the reliability of the instrument of the variables, showing the Alpha value above the threshold of 0.7, which means that the instrument is reliable.

The regression model is stated as:

$$Y=a+bx \quad - \quad - \quad - \quad - \quad - \quad - \quad (3.1)$$

Where y is the dependent variable

a is constant or intercept.

b is the coefficient

x is the independent variable

However, the above model is expanded to:

$$OP = \alpha + \beta_1 SE + \beta_2 TE + \mu \quad - \quad - \quad - \quad (3.2)$$

Where:

OP: Organisational Performance (MSMEs Growth)

SE: Social Environment

TE: Technological Environment

$\alpha$  = Intercept or Constant

$\beta$  = Slope of the regression line with respect to the independent variables

$\mu$  = error term

## ANALYSIS AND RESULT

### Regression Analysis

**Table 2: Model Summary**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.821 <sup>a</sup>	.674	.672	.49977

*a. Predictors: (Constant), TE, SE*

**Source:** SPSS Output version 28 (2025)

Table 2 above shows the coefficient of the regression  $R^2$  with a value of 0.674, which means that 67.4% of the variation in organisational performance can be explained by social environment and technological environment. While the remaining value of (0.32.6) representing (32.6%) can be explained by other related factors not stated in the regression model.

**Table 3: ANOVA**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	198.879	2	99.439	398.129	.000 <sup>b</sup>
	Residual	96.160	385	.250		
	Total	295.039	387			

*a. Dependent Variable: OP*

*b. Predictors: (Constant), TE, SE*

**Source:** SPSS Output version 28 (2025)

Table 3 shows the fitness of the model earlier formulated. Considering the F-statistic value of (398.129) with a tabulated p-value of (0.000), which is less than the 5% level of significance, i.e., (0.000<0.05). The implication is that the model is well-fitted and the null hypotheses can be

rejected, allowing for the conclusion that the business environment has a significant effect on the Performance of MSMEs in Jos-South, Plateau State, Nigeria.

**Table 4: Coefficients**

		Coefficients <sup>a</sup>				
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.369	.137		2.694	.007
	SE	.825	.044	.766	18.607	.000
	TE	.080	.044	.075	1.815	.070

*a. Dependent Variable: OP*

**Source:** SPSS Output version 28 (2025)

**Decision Rule:** 5% level of significance

Table 4 showed that the coefficient of social environment (0.825) is positive and significant, considering the T-statistic (18.607) value and the p-value of (0.000) in enhancing the performance of MSMEs in Jos-South, Plateau State, Nigeria. The Performance of MSMEs in Jos-South, Plateau State, Nigeria increased by 82.5% for every 1% improvement in the social environment of MSMEs in Jos-South, Plateau State, Nigeria. This implied that the social environment of MSMEs in Jos-South, Plateau State, Nigeria stimulate business activity.

The coefficient of Technological environment (0.080) is positive and insignificant considering the T-statistic (1.815) value and the p-value of (0.070) in enhancing the performance of MSMEs in Jos-South, Plateau State, Nigeria. The Performance of MSMEs in Jos-South, Plateau State, Nigeria increases by 8% for every 1% threat posed by the technological environment on MSMEs in Jos-South, Plateau State, Nigeria. This implies that MSMEs in Jos-South, Plateau State, Nigeria, are not properly harnessing the opportunities embedded in the environment.

### Test of Hypotheses

**H<sub>01</sub>:** Social environment has no significant effect on the performance of MSMEs in Jos-South, Plateau State, Nigeria.

The result from the coefficient table shows that the social environment has a coefficient value of 0.825, which implies that the social environment has a positive effect on the Performance of MSMEs in Jos-South, Plateau State, Nigeria, as the probability value of 0.000 is less than the p-value of 5% (0.05). This suggests that the social environment has a positive influence on the performance of MSMEs in Jos-South, Plateau State, Nigeria. The study, therefore, fails to accept the null hypothesis.

**H<sub>02</sub>:** Technological environment has no significant effect on the performance of MSMEs in Jos-South, Plateau State, Nigeria.

Finally, the result from the coefficient table also shows that technological environment has a coefficient value of (0.080), which implies that technological environment has a positive effect on the Performance of MSMEs in Jos-South, Plateau State, Nigeria, as the significant value of (0.070) is greater than the p-value of 5%(0.05). This indicates that the technological environment still poses enormous threats, despite the opportunities it contributes to the Performance of MSMEs in Jos-South, Plateau State, Nigeria. The study therefore fails to reject the null hypothesis.

## **DISCUSSION OF FINDINGS**

The first hypothesis revealed that the social environment has a positive and significant impact on the performance of Micro, Small, and Medium-Scale Enterprises in Jos-South, Plateau State, Nigeria. This was observed from responses gathered from the target respondents who state that; consumers' life style in Jos-South, Plateau State, Nigeria create more opportunities for business initiatives, the rapid changes in consumers taste and preference possess enormous competition amongst Small and Medium Scale Enterprises in Jos-South, Plateau State, Nigeria, increasing number of population and household in Jos-South, Plateau State, Nigeria has always translate into increasing patronage, and the presence of social class Jos-South, Plateau State, Nigeria has stimulated high involvement of business activities. The result of this finding aligns with the study of Liman et al. (2020), which revealed that the socio-cultural environment has a significant positive effect on the performance of SMEs.

The result of the second finding reveal that technological environment positively but insignificant affect the performance of Small and Medium Scale Enterprises in Jos-South, Plateau State, Nigeria as most of the respondents indicated that; the introduction of technological facilities such as social media, POS and Automated Teller Machines has brought about much ease in the conduct of business in Jos-South, Plateau State, Nigeria considering the rate of cybercrime currently affecting the sustainability their business, there has been high level of competition amongst MSMEs in Jos-South, Plateau State, Nigeria considering the recent advancement in the technological space, the speed of technological changes places limitation in the adoption of technological facilities and constitute cost to the firm, and Some MSMEs have gone out of business due to inability to adjust to the technological terrain which could be attributed to failure to engage in research and development. This study contradicts Adeola's (2016) findings, which stipulate that technology has no influence on MSME operators in Nigeria.

## **Conclusion**

This study supports several empirical studies on the External Business Environment and its effect on the Performance of MSMEs in Jos-South, Plateau State, Nigeria. The following specific conclusions were deemed crucial and presented as follows;

The study concluded that the social environment has a positive and significant impact on the Performance of MSMEs in Jos-South, Plateau State, Nigeria. This is evident from the responses gathered from the respondents, revealing government policies that encourage the internationalisation of Micro, Small, and Medium-Scale Enterprises in Jos-South, Plateau State, Nigeria. Meanwhile, the technological environment has a positive but insignificant effect on

Micro, Small, and Medium-Scale Enterprises in Jos-South, Plateau State, Nigeria, as evident from the perspective of frequent technological changes and the associated costs of adopting advanced technological facilities.

### **Recommendations**

The following recommendations are based on the study's findings on the business environment and Performance of MSMEs in Jos-South, Plateau State, Nigeria.

Managers and owners of MSMEs in Jos-South, Plateau State, Nigeria, should remain committed to understanding the local culture, lifestyles, and relationship dynamics of the people. This cultural awareness will enable them to tailor their products and services effectively, thereby carving a niche for the sale of specialised offerings in the local market.

The government should ensure that affordable and accessible financing schemes are established to enable MSMEs to acquire and maintain modern technological facilities without excessive cost burdens. This will reduce the incidence of businesses collapsing due to an inability to adapt to rapid technological changes.

### **REFERENCES**

- Adagba, D. T. & Shakpande, C. (2017). Effect of Environmental Factors on Business Performance. *Nigerian Journal of Management Sciences*, 6(1).
- Adeola, A. (2016). Impact of External Business Environment on Organizational Performance of Small and Medium Scale Enterprises in Osun State, Nigeria. *International Journal of Business Policy & Governance*, 3(10), (ISSN 2394-3351), pg155-166.
- Adewole, E. G., & Umoru, T. A. (2021). Perceived Influence of Business Environment on Small and Medium Scale Enterprises Success in Nigeria. *European Journal of Business and Management Research*, 6(6), 195-200. Adeola, A. (2016). *Impact of External Business Environment on MSMEs in Nigeria*. Scholedge International Journal of Business Policy & Governance.
- Adofu, I. O. (2023). Alleviating Poverty through the Use of Entrepreneurship Skills Acquisition in Kogi State, Nigeria. *International Open Journal of Economics* . 1 (1).14-23.
- Akhter, N., 2017. Influence of social environment on students' behaviour. *International Journal of Academic Research in Business and Social Sciences*, 7(3), pp.527–536. DOI: 10.6007/IJARBS/v7-i3/2849.
- Akpoviro, K. S., & Owotutu, S. O. (2018). Impact of external business environment on organizational performance. *International Journal of Advance Research and Innovative Ideas in Education*, 4(3), 498-505.

- Ali, A. A. (2016). Harnessing alignment concept, its level, elements and factors. *Journal of Economic & Management Perspectives*, 10(4), 500-511.
- Baierle, I. C., Siluk, J. C. M., Gerhardt, V. J., Michelin, C. d. F., Neuenfeldt Júnior, Á. L., & Benitez Nara, E. O. (2021). *Worldwide Innovation and Technology Environments: Research and Future Trends Involving Open Innovation. Journal of Open Innovation: Technology, Market, and Complexity*, 7(4), 229. <https://doi.org/10.3390/joitmc7040229>
- Bertalanffy, L. V. (1956). General System Theory. *General Systems*, 1: 1–10.
- Eruemegbe, G.O. 2015. Impact of business environment on organization performance in Nigeria - A study of Union Bank of Nigeria. *European Scientific Journal*, 478-494, Special Issue.
- Gošnik, D., Kavčič, K., Meško, M., & Milost, F. (2023). Relationship between Changes in the Business Environment, Innovation Strategy Selection and Firm's Performance: Empirical Evidence from Slovenia. *Administrative Sciences*, 13(4), 99.
- Ifedoro, N. N. & Kurah, J. T. (2020). The Impact of Business Environmental Factors on Performance of Small Businesses in Bauchi Metropolis. *African Scholar Journal of Mgt. Science and Entrepreneurship*, 19(7).
- Jabeen, R., Aliyu, M. S., & Mahmood, R. (2016). The moderating effect of external environment on the relationship between market orientation and business performance: A quantitative approach. *International Postgraduate Business Journal*, 8(1), 16-25.
- Kuznetsova, N. V., & Alekseeva, E. A. (2016). The role of the external environment in increasing the competitiveness of the organization. In the collection: *Achievements of Modern Science: A Materials Collection of the XIII International Scientific and Practical Conference*, 417-423.
- Liman, M., Burah, B. & Jibir, I. J. (2020). Competitor orientation and innovation among small and medium enterprises (SMEs) in Yobe State, Nigeria. *European Journal of Business and Management*, 12(3), 83-88.
- Mohsin, H. J., Ahmed, S. A., & Streimikiene, D. (2020). Evaluating the financial performance by considering the effect of external factors on organization cash flow. *Contemporary Economics*, 406-414.
- Oga, K. C. & Onouha, B. C. (2020). Economic Environment and Organizational Performance of Manufacturing Firms in Rivers State, Nigeria. *International Journal of Scientific and Research Publications*, Volume 10, Issue 5, May 2020 992 ISSN 2250-3153 This publication is licensed under Creative Commons Attribution CC BY. <http://dx.doi.org/10.29322/IJSRP.10.05.2020.p101119> www.ijsrp.org

- Ogunmuyiwa, (2022) Analyzing the Influence of Business Environment on Performance of ICT Firms in Nigeria. *Acta Universitatis Danubius OE*, Vol. 18, No. 2/2022, pp. 77-87
- Okeyo, W.O. (2015). The Interactive nature of Business Development Services in the relationship between external business environment and firm performance. *Advances in Social Sciences Research Journal*, 2(2)164B177.
- Ombaka, B., Machuki, V. N., & Mahasi, J. (2015). Organizational resources, external environment, innovation and firm performance: a critical review of literature. *DBA Africa Management Review*, 5(1).
- Pulaj, E. B. & Pulaj, I. (2015) "The effects of strategic environmental analysis on organizational performance". UBT International Conference. 27. <https://knowledgecenter.ubt-uni.net/conference/2015/all-events/27>
- Saleem, I., Qureshi, T. M., Hussain, M., & Verma, A. (2021). *Gulf business environment for the Arabic family firms: Evidence from Oman during the COVID-19 pandemic*. In *Impact of Infodemic on Organizational Performance* (Chapter 14, pp. 231-249). IGI Global. <https://doi.org/10.4018/978-1-7998-7164-4.ch014>.
- Taylor & Francis. (2023). *Social environment*. In *Knowledge & References – Medicine and Healthcare / Psychiatry*. Taylor & Francis. Retrieved from <https://www.taylorandfrancis.com/knowledge/medicine-and-healthcare/psychiatry/social-environment/>
- Ukpata, I. S. (2017). External Environmental Correlates of Performance in Publicly-Owned Organizations in Benue State, Nigeria. *Environment*, 9(9), 27 - 54