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Effects of Unpalpable Business Climates on Large Scale Businesses in Imo State

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Abstract: *This paper investigated effects of unpalpable business climates on large scale businesses in Imo state. Descriptive survey research design was used for this study. One research question guided this study. Population of this study is 6,000 which comprised 3500 males and 2500 females staff of Coca bottling company Owerri and triple three lager beer company, Awomama in Imo State. Stratified random sampling technique was used to select 35 male each from production and marketing department of triple star lager beer industry, Imo state. On the other hand, 40 female each was selected from accounting and quality control department of coca cola industry limited Owerri Imo state. This gave a sample size of 150 students. Instrument used for data collection was a researcher developed questionnaire "titled effects of unpalpable business climates on large scale businesses in Imo state was used, with four rating scale of strongly agree, agree, dis agree and strongly disagree. The instrument was validated by two specialists from department of Business Education, Madonna University Okija campus, Anambra State. Cronbach alpha statistics was used to determine the reliability coefficient of this study at 0.78 and 0.97, which shows that the instrument was reliable for use in this study. A total of 150 questionnaire were administered to the respondents and a total of 150 questionnaires were returned by respondents, non- got missing. Mean scores were used to analyze the data. The finding from this study reveals varied unfavourable business climate in Imo state such as, insecurity, high tax charges, bad weather conditions, unreliable customers and high charges on borrowed funds. It was recommended in this study that Imo state government should provide adequate security enforcement in Imo state. This would reduce the run out of most large scale businesses in Imo state due to fear of being kidnapped, killed and maimed by hoodlums in Imo state.*

Keywords: Large Scale Businesses in Nigeria, Concept of Palpable Business Climate, Concept of Unpalpable Businesses Climate, Significant Backdrops on Large Scale businesses in Nigeria, insecurity.

Introduction

In Nigeria, both small and medium scale businesses exist alongside with each other, respecting government order and directives through collective bargaining. A densely populated state or country is an eye of investors. A Favourable business climate is a road map to business success. It gives room for effective business growth and development. Compatibility of most businesses with government legislations is observed when an erudite economist and astute leaders are in power controlling resources. The rise and fall of a nation is dependent of the leadership machinery of that state or country. In Nigeria, more than 96% of people are business men. In this dispensation, educated men and women have come to join production or manufacturing businesses in Nigeria, because it is a lucrative business whether small or large scale business. No human being wants to be idle. Small and medium scale businesses are strong pressures groups that have outstanding remarks for nations development in both Nigeria and in the whole world (Oluwunmi, 2022). In Nigeria, some small and medium scale businesses have rose to large scale businesses. They include: Soap making, can drinks, grains, beer production, noodles, cereals, textile, pharmaceutical, health treatment businesses among others. Vast majority of large scale businesses are sources of human sustenance. Some people are into large scale businesses to produce physical or tangible goods, while some people engage in large scale service businesses for human consumption and earning a living. Those large scale service businesses include: School business, transportation, medical services, legal services, hotel services among others. Activities of large scale businesses that are into production of tangible goods and services are felt by people that are in need of the products or services of those large scale business organizations. Management of any large scale business requires professional expertize on planning, organizing, directing, coordinating and controlling men and materials for realization of predetermined goals of establishing the large scale business. Management of large scale businesses hinges on mutual collective bargaining that cut across the community where the business is sited, labour unions, security agencies and synergy with government. Effective management of large scale businesses entails that government policies that are favourable should be pursued especially, when there is mutual synergy between the government and large scale business operators, if not, there will be large scale business relocation to another state or country (Boyce, 2022). Most functional large and small scale businesses in Nigeria especially, in Imo state are sources of economy generations (Agwu, 2022). Vast majority of large scale businesses are settled or sited in both urban and rural villages in Imo state and the entire states in Nigeria. A good number Large scale businesses in Nigeria do not only involve their workers on training or mastery of large scale business skills, but to a high extent, training of industrial future industrial giants that starts from small to medium up to large scale businesses in Nigeria (Dantata, 2023). It is clear to understand that large scale businesses are the highest in employers of labour both skilled and unskilled labourers in Nigeria and in the whole world. Chronic unemployment exacerbated by state and federal government inability to employ significant number of graduates from tertiary institutions in Nigeria, is controlled by employability of graduates by large scale businesses in Nigeria thus, helping to boost Nigerian economy. Some large scale businesses are owned by the government, while majority are owned and financed by the public individuals that owned them. Majority of large scale businesses are managed by any human gender for the fact that the needed skills are used. Some large scale businesses are seasonal, while some operate at any season. In Nigeria, there are internal and external factors that constitute threats to large scale businesses in Nigeria and in the whole world. Some of those internal constrains include: Staff taking order from more than one superior due to power tussle among leaders in large scale business environment, role conflicts, faulty machines, gossips, inadequate team building or team relationship (Hofstede, 1980, Robbins, 1989, Mullins, 2000 & Christian, 2025). External factors that constitute threats to businesses include: Insecurity, inadequate raw materials, inadequate skilled manpower, inadequate collateral securities for borrowing funds and harsh government legislations on businesses in Nigeria.

Large Scale Businesses in Nigeria

Large scale businesses are businesses that deal on large scale production of tangible goods and delivery of services. Large scale businesses exist in both Nigeria and in the whole world. Majority of large scale businesses deals on whole sale services to their customers, while some deal on retail services to their customers. However, operation of large scale businesses either on large scale or small scale businesses depends on the social demands of their goods. Decision are mostly taken by large scale business managers to supply goods on large or on retail basis based on financial capacities of their customers, customers proximity, buying habits of people in the area where the retail business outlets are situated and mostly, by large scale organizations decisions to bring their services closer to their customers, though, some internal and external circumstances may constitute impediments to delivery of large scale business to their customers (Albanese, 1998). Taxes and other revenues generated from large scale businesses are used for provision and rehabilitation of new and old social amenities in especially, in Nigeria in which Imo state is among. However, incomes government of diasporas countries of the world generates from large scale businesses operating in their territories, are used to add more values to the economy of diasporas countries in the world. Most indigenous large scale businesses in Nigeria have transcended into international businesses thus, boosting the economy of Nigeria and the country where their products or services are sold and consumed.

Statement of the Problem

Impalpable or unfavourable business environment is a serious set back to both medium and large scale businesses in Nigeria especially, in Imo state. Nigeria is a country where mixed economy is practiced. Nigerian mixed economy, provided enabling grounds where government and private sector businesses exist together with government businesses in Nigeria. However, drift on prices on Nigerian crude oil has led to impalpable memorandum of understanding between government and large scale businesses in Nigeria. This has thus, caused imposition of high tax charges on large scale businesses in Nigeria.

In the same vein, cost og importing raw materials in Nigeria from abroad, coupled with series of kidnapping, maiming, killing, sporadic gun shots, imposition of luckdown on major Nigerian roads, markets in Imo state and the entire South East of Nigeria among hoodlums, have caused tremendous retrogressions on large scale businesses in Imo state and Nigeria economy. However, increased insecurity, in Imo state and the entire South East part of Nigeria, have caused pile up of unsold goods due to inability of large scale businesses access to their customers, and fear of gun shots. These have tremendously caused significant set backson large scale businesses that cannot withstand the prevailing insecurity, high tax charges and harsh government legislations in Imo state. Vast majority of large scale businesses in Imo state, have relocated to neigbouring states, mostly, in countries where insecurity, high tax charges and unfavourable government legislations on large scale businesses do not constitute set backs to their businesses.

Concept of Palpable Business Climate

Palpable business climate is a situation whereby large scale businesses operate in a peaceful condition. It is a peaceful condition devoid of insecurity, strict government laws, and all manners of threats to both small, medium and large scale businesses in a country or state. It is also, a favourable and attractive atmosphere of businesses that are free from internal and external kick backs to a business. Large scale businesses are sources of manpower training to people in various capacities in the whole world. It survives in states and countries where there are availability of labour, raw materials, faire government legislations, favourable tax charges, good security networks, reliable customers, new markets and reliable weather conditions.

Concepts of Unpalpable Businesses Climate

Impalpable business climate is a situation whereby internal and external variables constitutes set backs to a business especially, large scale businesses. It is ideal for a country or state to enact policies that could control the operation of businesses, whether small or large scale business (Oluwunumi, 2022). Large scale businesses collaborate or synergize with government in obedience to the policies provided by the government where they are situated through collective bargaining between government and large scale business operators. A situation where government legislations and other variables constitutes threats to a business, confusion or conflicts sets inn on many businesses. It is very alarming that most renowned large scale business outfits have left Nigeria, while some have abandoned their businesses to fallow due to high cost of importing raw materials, inadequate customers, competitions, customers negative perceptions, and above all, large volume of tax demands by government, including harassment, maiming and destructions of properties of large scale businesses using power of dis-strain (Akinyili, 2020, Adideran, 2022). Fear of government use of power of dis-strain has caused both new and old investors to leave Nigerian shores especially, in Imo state to areas where investors felt their businesses will survive. These have caused significant set backs on Imo state economy and Nigeria in general. Other issues that possess significant threats to large scale businesses include: High charges on hiring skilled and unskilled labouers, bad road networks, unfavourable weather conditions and unavailability of new markets (Bredino, Fiderkumo,& Adesina, 2018).

Significant Backdrops on Large Scale businesses in Nigeria

In Nigeria, many foreign businesses have left Nigeria shores majorly, on high tax charges, cost of importation of raw materials, insecurity and unavailability of consumers. In the same vein, many indigenous businesses in Nigeria have also, left Nigerian shores to countries where there goods and services will be highly patronized thus, causing jeopardy or uproarious situation to Nigerian economy.

Exodus of large scale businesses have caused shortage of professionals on different sectors of Nigerian economy. Such as; education, engineering, accounting, media and health sector (Christian, 2024 & Christian 2025). These have raised significant blows on Nigerian economy thus, causing sudden human deaths due to no medical experts, brain drain in educational sectors due to inadequate educational administrative experts, lecturers and teachers in educational sector. Also, inadequate erudite practicing specialists in agriculture have been observed as significant causes of scarcity of foods in Nigeria. Unprecedented movement of experts out of Nigerian shores for search of more rewarding jobs abroad have caused significant set- backs to Nigerian economy (Ademola, 2022).

Insecurity

Insecurity is majorly a strong set back on large scale businesses in Nigeria. Directors, managers and senior and junior staff of large scale businesses in Imo state are in palpable fears, because of the fears of being kidnapped, maimed or killed. Most large scale business organizations in Imo state are financially exploited on un-official taxees from hoodlums on daily basis. In the same vein, fears of being killed with gun have caused some large scale businesses to seek better business environments where they will carry out their businesses without being killed, exploited or molested. No business can thrive in a dreadful environment. Persistent sounds of guns, news about people that have been killed in a gun battle have scared majority of investors from engaging into business in Imo state and the South East part of Nigeria.

Special luck down in Imo state and the entire eastern part of Nigeria have caused clamp down on sales of large scale business products. Sometimes, drivers conveying finished products are confronted maimed or killed at a spot. On several occasions, vehicles conveying goods to urban cities and villages in Imo state are burnt into ashes. These uproarious situations have caused retrogressions and cramp down on most large scale businesses in Imo state thus, retarding new and old investors from establishing or operating large scale businesses in Imo state. In some cases, when vehicles of some large scale businesses break down, the goods they are conveying are stolen, sometimes, huge taxes are demanded from drivers conveying goods to wholesale and retail shops for personal selfish use without government awareness.

The essence of tax demands or collection is to attract more economic growth and development in countries or state where they are demanded. Inability of tax collectors to remit the collected taxes to government coffers, proliferated tax collectors, and tax over demand, have caused hitches on large businesses operating in Imo state. These have thus caused owners of large scale businesses to pay from their noses or have their business premises seized by Imo state government. Vagaries of this miss- march on tax collection have caused vast majority of large scale businesses to relocate to neigbouring state or countries in some part of the world thus, causing huge set backs on Imo state economy and Nigeria in general.

Theoretical Review

Maslow theory was glued to this study.

Maslow theory of (1943).

Abraham Maslow propounded a theory of motivation in the year (1943). This theory, classified human needs into two. They include: Primary needs and secondary needs. This theory explained that human primary needs are need for food, water, air, excercise and rest. Others include: Need for security. This implies that human beings and his property needed protection against physical harm or high handedness of the sun, rain, cold, physical injury or threats of any kind.

However, human secondary needs that motivate man in his environment include: Need to association. This incude: Need to love and to be loved, esteem needs: Need to accord respect to someone and need to be respected. Finally, the self actualization needs, hinged on the need to attain or achieve up to the expected heights one needed to achieve or attain. In this theory, the need for security or protection was adopted for this study. This means that no human being and his property will exist in a place where there is insecurity and other harsh conditions of living. This theory depicts that better conditions of living is a panacea for achieving or attaining greater technological, health, economic, cultural, social and philosophical heights. Hence, the need for this theory in maintaining or assuring safe places for business.

Methods

This paper investigated the effects of unpalpable business climates on large scale businesses in Imo state. Descriptive survey research design was used for this study. One research question guided this study. Population of this study is 6,000 which comprised 3500 males and 2500 females' staff of Coca bottling company Owerri and triple three lager beer company, Awomama in Imo State. Stratified random sampling technique was used to select 35 male each from production and marketing department of triple star lager beer industry, Imo state. On the other hand, 40 female each was selected from accounting and quality control department of coca cola industry limited Owerri Imo state. This gave a sample size of 150 students. Instrument used for data collection was a researcher developed questionnaire "titled, effects of unpalpable business climates on large scale businesses in Imo state was used, with four rating scale of strongly agree, agree, dis agree and strongly disagree. The instrument was validated by two specialists from department of Business Education, Madonna University Okija campus, Anambra State. Cronbach alpha statistics was used to determine the reliability coefficient of this study at 0.78 and 0.97, which shows that the instrument was reliable for use in this study. A total of 150 questionnaire were administered to the respondents and a total of 150 questionnaires were returned by respondents, non- got missing. Mean scores were used to analyze the data.

Results

Recommendations

1. Imo state government should beef up with security enforcement. These would reduce, killing, maiming and kidnapping in Imo state thus, attracting more investors who would raise the economy of Imo state to great expectations.
2. Effective tax management practices should be enforced in Imo state. These would reduce over taxing and non-remittance of some taxes collected to Imo state government coffers.
3. Imo state government should conduct re-orientation to large scale business owners. These would reduce persistent run out of large scale business owners in Imo state and assuring most large scale businesses in Imo state of continued government protection by Imo state government.

Conclusion

Most businesses weather small, medium or large scale businesses generate economic growth and development to a country or state where they are situated or established. It is worrisome that some large scale businesses in Imo state are retrogressing and relocating to safer business areas mostly, out of Imo state due to persistent growth of insecurity in Imo state. Insecurity has retarded the desires of old and new investors to continue setting up there industries in Imo state as some investors are kidnapped, maimed and killed on different occasions.

However, exorbitant tax charges on large scale businesses in Imo state has caused most large scale businesses to relocate to neigbouring states and countries that have a good tax management system (Zohry, 2022). Also, lack of reliable customers, cultural differences and poor weather conditions have retarded the operation of most large scale businesses in Imo state and Nigeria in general.

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