Exploring the Relationship Between Internal Business Environment and Organisational Performance in the Real Estate Sector in Lagos State

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ABSTRACT

This study explores the relationship between internal business environment and organisational performance. The objectives of the study are: to examine the impact of organic business function (personnel) on organisational performance; to assess the effect of sales on organisational performance and to examine the influence of leadership on organisational performance. This study sampled 100 participants via google forms and the data was analysed with descriptive and inferential statistics using SPSS version 26. From the findings, it reveals that internal business environment is a crucial factor that impact on the performance of an organisation. It was shown that organisations which focus on internal factors and enhance the internal context of a business are likely to post better levels of performance. It is recommended for managers and leaders to be interested in enhancing the efficiency, and effectiveness of the organisation's internal resources. In conclusion, concentrating on the organisation's internal business environment is a key driver of growth, innovation, and competitive advantage.

Keywords: *Internal Business Environment, Organisational Performance, Sales, Leadership, Organic Business Function.*

CHAPTER ONE
INTRODUCTION

➢ Background to the Study

In the constantly changing business landscape of today like that of the real estate sector, organisations have to overcome the difficulty of working in complex and dynamic ecosystems made up of both internal and external factors (Roundy et al., 2018). An organisation's internal business environment is a reflection of its internal circumstances and components, including its resources, capabilities, structure, and culture. On the other hand, everything outside of an organisation that affects its operations and plans is referred to as the external environment (Buye, 2021). This includes political, technological, social, legal and economic influences and considerations. An organization's capacity to govern and make decisions depends on its comprehension of the interactions between its internal and external environments (Atuahene et al., 2023). According to Kraja and Osmani (2015), an organization's external environment presents possibilities and difficulties that need to be managed, while its internal environment affects how it operates. To achieve organisational success, the complex relationships and interactions between these two contexts need to be carefully considered and comprehended (Indris & Primiana, 2015). The interplay between an organization's internal and external environments has a significant impact on its performance. In today's intricate and competitive business world, businesses can prosper in the long run by realising and managing the significance of the internal-external interaction well.

➢ Statement of the Problem

The real estate enterprise cannot survive in total isolation; it is evident that they operate inside and engage with the linked and related components of this kind of environment. Businesses like real estate are concerned because of the numerous issues that they encounter nowadays, which makes it tough for them to survive in the uncertain ecosystem. Economic entities and their environment have a mutually beneficial interaction that is without debate. The components of the internal business environment are those that are present within the organisation and are directly supervised by higher management. These elements determine the setting in which the business works (Wheelen & Hunger, 2017). The primary problem is in the fact that organisation's changing internal environments demand adjustments in order to keep up with these developments.

According to Onodugo and Ewurum (2013), managers in all types of business organisations must thus constantly monitor the environment and keep up with its advancements if they are to succeed. A full understanding of the connections and impacts between these settings is still necessary, even with the importance of the internal-external relationship recognised (Rizal et al., 2017). Although previous research has provided valuable insights into certain aspects of each environment independently, a comprehensive knowledge of the relationship between the external and interior environments remains elusive (Atuahene et al., 2023).

➢ Aim and Objectives of the Study

The aim of the study is to explore the relationship between internal business environment and organisational performance. The specific objectives of the study are to:

- Examine the influence of leadership on organisational performance
- Examine the impact of organic business function on organisational performance
- Assess the effect of sales on organisational performance
- Evaluate the combined effect of the dimension of internal business environment on organisational performance

➢ Research Questions

The study seeks to answer the following questions in the course of this research:

- How does leadership influence organisational performance?
- What is the impact of organic business function (such as finance & marketing, production, R&D, personnel) function on organisational performance?
- What is the effect of sales on organisational performance?
- What is the combined effect of the dimension of internal business environment on organisational performance?

➢ Research Hypotheses

The following research hypotheses will be tested in this study

- $H0_1$: Leadership has no influence on organisational performance
- $H0_2$: Organic business function (such as finance, production, marketing, personnel & R&D) has no impact on organisational performance
- $H0_3$: There is no significant relationship between sales and organisational performance
- $H0_4$: There is no combined effect of the dimension of internal business environment on organisational performance

CHAPTER TWO
LITERATURE REVIEW

➢ *Preamble*

This chapter deals with the conceptual, theoretical and empirical review of the study. It describes the key concept of the subject matter, the theories underpinning the study and the review of past findings.

➢ *Conceptual Review*

• *Concept of Internal Business Environment*

Businesses today, particularly those with an entrepreneurial spirit, must navigate complex business settings (Washington et al., 2016). The commercial scene (business environment) is a group of people, environmental elements, and forces that together can be described as special rules for conducting business that serve as the foundation for the establishment and growth of commerce (Sardak 2018). According to Haruna Muhammad Khalid et al. (2018), the business environment needs to be prioritized. An organisation is impacted by its surroundings.

The internal business environment of an organisation consists of the internal factors and situations that affect its operations and decision-making processes (Oliveira, 2022). Among its many components are organisational structure, resources, capabilities, and culture. The organisational structure of an organisation determines its formal connections and hierarchical structure (Dyer, 2021). On the other hand, collective values, conventions, and beliefs that guide behaviour comprise corporate culture (Barney & Hesterly, 2021). Both talents (knowledge and skills) and resources (financial, human, and material) have a significant impact on the internal environment (Grant, 2022; Dyer, 2020).

Internal environments are impacted by good leadership because it fosters a positive work culture, promotes teamwork, and sets a good example (Grant, 2022; Stewart, 2022). Employee motivation and attitudes influence the internal environment, which in turn influences employee engagement, productivity, and job satisfaction (Robbins, 2021). Having effective communication channels inside the organisation facilitates information sharing, decision-making, and coordination (Boxall & Purcell, 2022). The organisational climate, which consists of components like appreciation, empowerment, and teamwork, also has an impact on the internal environment (Barney & Hesterly, 2022).

• *Concept of Organic Business Function*

An organic business function refers to internal operations of a business that allow it to develop, adapt, and maintain itself without depending on outside factors like acquisitions, mergers, or artificial interventions. Organic growth, sustainable business methods, and naturally changing corporate activities are frequently associated with this idea. (Kotler & Keller, 2015).

Organic business functions focus on internal resources such as innovation, talent development, and operational efficiency to drive growth. Organic business functions include core departments such as:

✓ Marketing – Developing brand identity and reaching customers naturally.
✓ Finance – Managing cash flow, investments, and cost optimization.
✓ Operations – Ensuring smooth production and service delivery.
✓ Personnel – Hiring, training, and developing employees internally.
✓ R&D – Research, innovation, Design, Development

In the real estate sector, organic business functions emphasize internal development, sustainable practices, customer engagement, and technological innovation to drive long-term success without relying on external mergers or takeovers.

• *Concept of Organisational Performance*

Bennett, Lance, and Woehr (2014) state that assessing an organization's performance involves figuring out how well predefined goals are being achieved. It offers information on the efficiency with which resources are transformed into goals and services, the calibre of those outputs and outcomes, and the effectiveness of organisational activities with respect to their specific contributions to organisational objectives. Several qualitative and quantitative metrics are used to evaluate an organisation's performance, according to Luhangala and Anyieni (2019).

These include making a profit, meeting customer demands, and creating goods of superior quality. Moreover services, encouraging innovation and creativity, and winning over employees. Organisational performance is an entity's ability to accomplish its goal through intelligent administration, sound governance, and an unwavering dedication to achieving results (Gathungu & Mwangi (2012). Mclvor, Humphreys, Wall, and McKittrick (2013) state that companies that provide services should consider productivity in a broader sense than merely from a commercial standpoint.

> *Theoretical Framework*

• *Resource Based View Theory*

Pearce and Robinson (2011) claim that this idea is an analytical model that aids in examining the one corporate competency that may have an effect on a vitally significant advantage over rivals. These exceptional qualities could include association resources, staff expertise, and other intangible business elements. This method categorizes the organisation as a wealth of resources that can be used to generate internal competencies that will provide the association a competitive edge by looking at the firm's internal competencies and how they affect execution (Grant, 1991). All businesses get capabilities from these resources that provide them a competitive edge. The company is seen as diverse, and it is believed that they have a unique combination of resources and abilities that provide them an edge over competitors and the capacity to perform better.

This theory, which favours firm-specific characteristics over industry-wide ones, will be essential in understanding the differences in productivity amongst different industry firms. Representatives are an essential resource for the business since they offer special abilities that can be used to improve productivity and profitability. The idea played a major part in supporting worker competency, the association's secret weapon.

• *Contingency Theory*

The contingency Theory posits that the internal environment's efficacy is contingent upon its alignment with external factors and conditions. The theory further suggests that in order to attain optimal performance, organisations must modify their structures, procedures, and strategies to fit the specific context in which they operate (Kapoor, 2020). Organisations should align their internal environment, including structure, culture, and processes, with external factors such as market dynamics, technological advancements, and regulatory changes to enhance performance.

Success is achieved by aligning organisational structure and strategy with external environmental conditions and internal capabilities. The better the fit between these elements, the more effective the organisation will be (Burns et al, 1961). This viewpoint highlights the necessity for companies to modify their internal environment in reaction to evolving external conditions. (Wade, 2021; Kapoor, 2021).

> *Empirical Review*

In a competitive environment in Nigeria, Oladimeji and Muhammed (2016) investigated the effect of the international business environment on the growth of small and medium-sized enterprises (SMEs). The information used was gathered from the Nigerian Bureau of Statistics and the Central Bank of Nigeria (CBN) annual reports. The effectiveness of the independent variable was tested via the OLS technique applied to the data generated in the study. E-views (v7)) have been used to analyse the data. The outcome showed that measure competitiveness (trade openness) and FDI do not have a significant effect on SMEs growth in Nigeria. Moreover, it was found out that exchange rate was an influential variable that is indirectly responsible for SME growth in Nigeria, and the level of influence of exchange rate on SME growth is high. It also showed that the marginal effect of the exchange rate has a negative effect, indicating that the more reduction in the exchange rate, the more growth for SMEs.

In Nyeri Town, tertiary institutions were surveyed to study the effect of leadership on organisational performance as studied by Mureithi (2012). The survey design methodology had been used in the study. Postsecondary institutions within the town of Nyeri town within the county were the focus of the investigation. It focused on the 305 employees from 16 colleges who were split up into three categories: The sample comprises middle management, low-level management, and teaching and non-teaching staff. In selecting the respondents, a sample was based on simple random sampling. Content analysis and descriptive statistics were used in examining the compiled data. The results of the study illustrated that organisational success depended heavily on leadership.

> *Conceptual Framework*
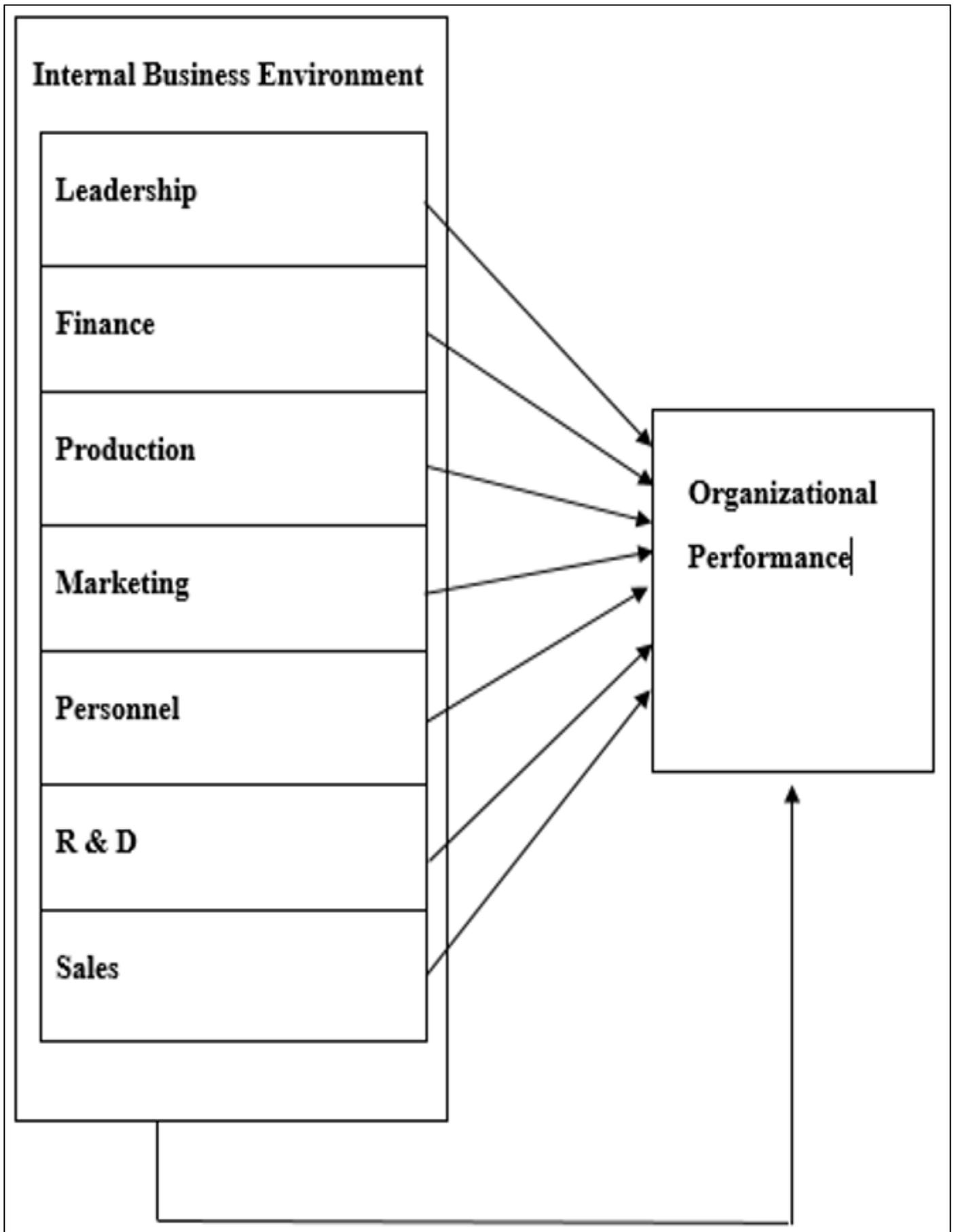
Fig 1 Conceptual Model
Source: Researcher, 2024

CHAPTER THREE
METHODOLOGY

> *Methodology of Research*

- *Preamble*

In this chapter, the methodology of the study is discussed. It provides an explanation of the chosen and applied study methodology and strategy. The statistical methods employed in the data analysis, sampling, and data gathering are also covered in this chapter.

- *Research Design*

Bryman (2008) defined research design as a methodical approach in collecting, analysing, and creating information that is consistent with the researcher's goals and a certain set of criteria. Creswell (2009) defines research design as plans and procedures for research, from the broad assumptions to the methods of data collection and analysis. There are many reasons why the choice of research design is decided upon, based on the nature of the research question, research emphasis, and the composition of the study population. Different types of research designs exist, such as comparative, explanatory, longitudinal, experimental, survey, descriptive, and case study designs.

- *Research Approach*

Creswell (2009) defines research design as plans and procedures for research, from the broad assumptions to the methods of data collection and analysis. There are many reasons why the choice of research design is decided upon, based on the nature of the research question, research emphasis, and the composition of the study population.

Quantitative research is about evaluating objective theories with regards to the relationship of variables. Since measurement of these variables is possible, their statistical analysis is therefore possible. Survey research is a quantitative or numerical description of the attitudes, trends, or opinions of a group by means of a sample of a population. Cross-sectional and longitudinal studies, which use structured surveys or interviews to collect data, so that results are extrapolated from the sample to the entire population (Fowler, 2008). In contrast to prescriptively, the hallmark of inductive approaches arises from the development of hypotheses through inquiry rather than a project starting from a prior notion. Deductive methods, on the other hand, begin with a theory and employ research to develop (or test) it. While quantitative research is more concerned with numerical data.

- *Population of Study*

According to Cooper and Schindler (2014), the population is the entire set of components to which all references must be made. The survey's target audience was limited to owners and managers of real estate firms since they are usually responsible for the strategic planning, decision-making, and management strategies of their organisations. Since they were the best suited to answer inquiries about the environmental analysis employed by their organisations, it was imperative that attention be paid to this particular set of people.

- *Sample Size and Sampling Technique*

For a specific kind of research objective, sampling is the act of selecting a sample from a large population or from an individual (Bhardwaj, 2019). Sampling is the practice of selecting a subset of people or items from the population for additional study. The primary objective of sampling is to allow researchers to present accurate and reliable data without having to sample every member of the real estate sector under investigation. The quantitative survey component was carried out in Lagos state using convenience sampling. The study cannot get the exact amount of overall population required for the study. In research, especially when the total population of the area of study for instance real estate may not be easily estimated, researchers turn to sampling methods as means of getting information. A total of 100 people were selected for the study in Lagos state.

- *Research Instrument*

The study employed a questionnaire as a research instrument to collect primary data (Taherdoost, 2021). The objective was to collect the information needed to ensure the validity of the study and successfully complete it. The questionnaire is structured with closed-ended questions. The closed-ended questions in the study were on a 5-point Likert scale, where 1 is represented Strongly Disagree (SD), 2 disagree (D), 3 neutral (N), 4 agree (A), and 5 strongly agree (SA). The first section asked questions about socio-demographics. The Likert scale was used because, by putting the replies into a quantitative framework, it allowed the researcher to quickly and simply use IBM software (SPSS) to analyze the data.

- *Validity and Reliability*

Validity and reliability were established in order to standardize the research instruments that would be used in the investigation. Reliability is the extent to which a research tool yields consistent outcomes following several trials. Babbie (2007) asserts that the consistency with which a procedure produces the same result when applied to the same thing is a key indicator of its reliability. As

a result, for a measurement to be deemed reliable, it must produce consistent results when repeated. Reliability is the capacity of survey results to be repeated and consistent when collected by various researchers or at a different period.

In research, validity can be classified as either internal or external. Other elements that impact the validity of the research include the population size, the time frame for data collecting, and if the issue being studied is temporary (Collis and Hussey, 2014). According to Cohen et al. (2011), there are numerous ways to evaluate validity, such as concurrent validity, face validity, internal validity, external validity, criterion validity, content validity, and concept validity. For this study, face and content validity was be adopted.

- *Method of Data Collection*
  This research employed a survey design to aid in achieving the objectives of the investigation. It involves applying quantitative research analysis and using primary sources of data for a thorough examination. Assembling data for this investigation was carried out concurrently, in accordance with the selected cross-sectional study design, utilizing questionnaires (a quantitative survey) as the research institute. The questionnaire was self-administered and also administered online to get a quick response.

- *Method of Data Analyses*
  Data collection, data cleaning was done to ensure that respondents completed the questionnaires accurately. The collected data was organized, coded, and inputted into (SPSS). Scholars from a wide range of disciplines utilize the statistical package for the social sciences, to evaluate complex statistical data. It is a well-liked program for statistical analysis in social science. The collected data was analyzed using descriptive data analysis because most of the responses were quantitative in nature with graphs, and tables. To illustrate the relationship between the dependent variable and the independent variables, regression analysis and correlation analysis was employed.

CHAPTER FOUR
RESULTS

➢ *Preamble*

This chapter presents the analysis of the study and its findings. Descriptive and inferential statistics explanations are included. The demographics of the participants are discussed in this chapter. This chapter examines the study's hypotheses using Pearson correlation and regression.

➢ *Descriptive Analysis*

This section examines the data obtained from respondents by means of questionnaires. The responses were presented using percentages, frequency distribution and graphs.

Table 1 Gender

GENDER	Frequency	Percent
Female	33	33.0
Male	67	67.0
Total	100	100.0

Source: SPSS Output, 2024
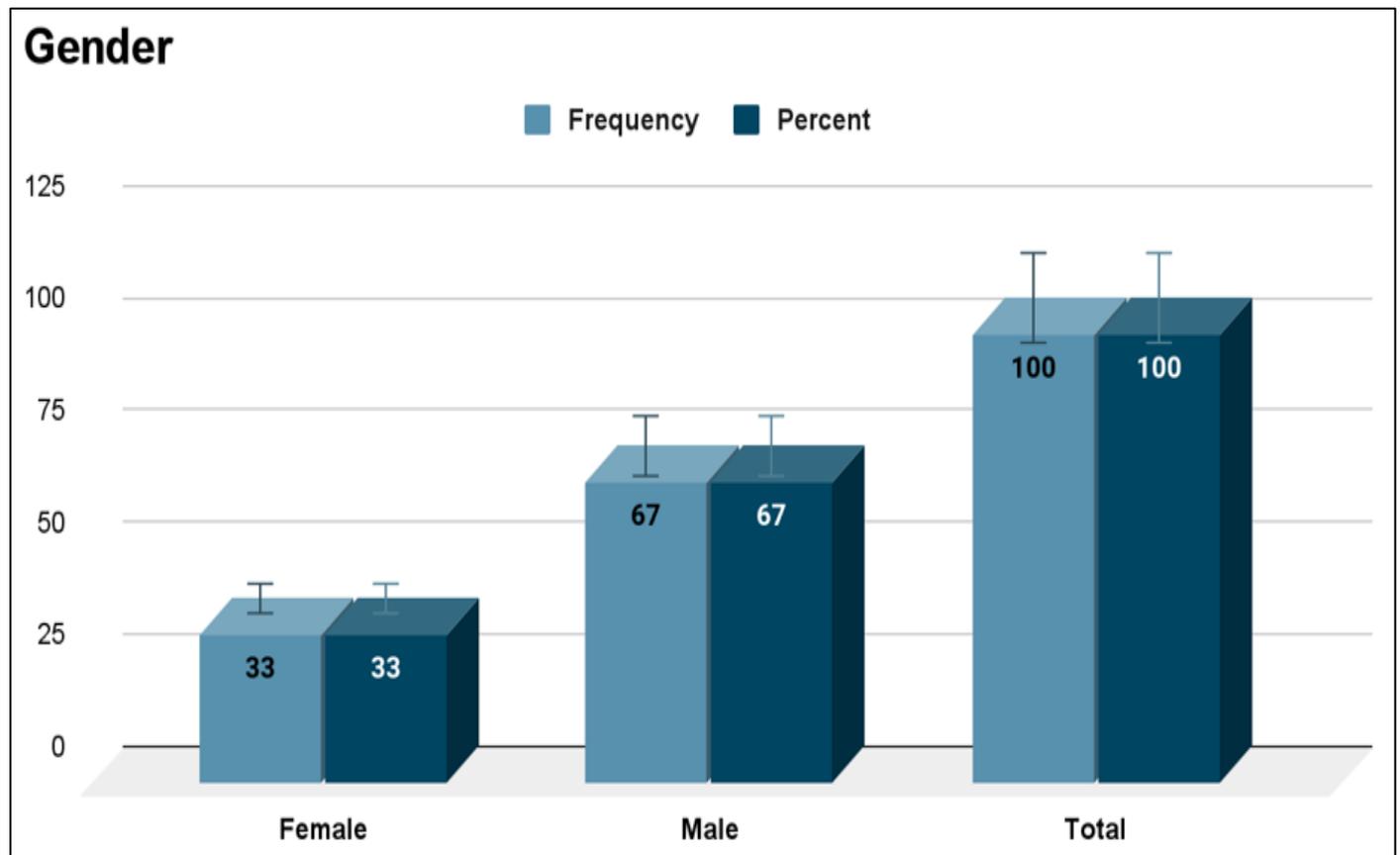
Fig 1 Gender

According to the table and graph 4.1 above, of the 100 respondents, 33 are females, representing 33%, and 67 are males, representing 67%. As shown by the results, most of those who responded are male.

Table 2 Educational Qulaification

EDUCATION QUALIFICATION	Frequency	Percent
College	23	23.0
First degree	39	39.0
Others Specify	11	11.0
Second degree	27	27.0
Total	100	100.0

Source: SPSS Output, 2024
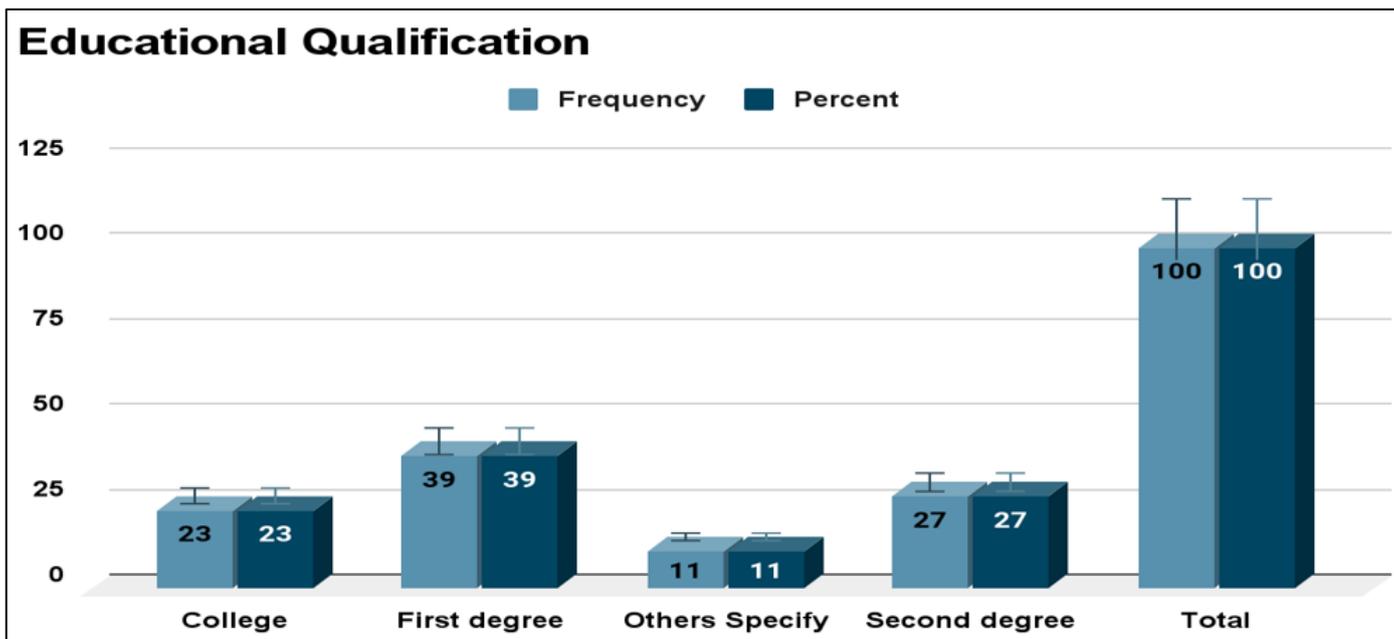
Fig 2 Educational Qualification

The educational background is shown in the table above: 23 participants have a college degree, accounting for 23%; 39 participants have a first degree, accounting for 39%; 27 participants have a second degree, accounting for 27%; and 11 participants have other degrees, accounting for 11%. The majority of the participants have first degrees, as can be seen from the table above.

Table 3 JOB Level

JOB LEVEL	Frequency	Percent
Junior staff	39	39.0
Management staff	24	24.0
Senior staff	37	37.0
Total	100	100.0

Source: SPSS Output, 2024
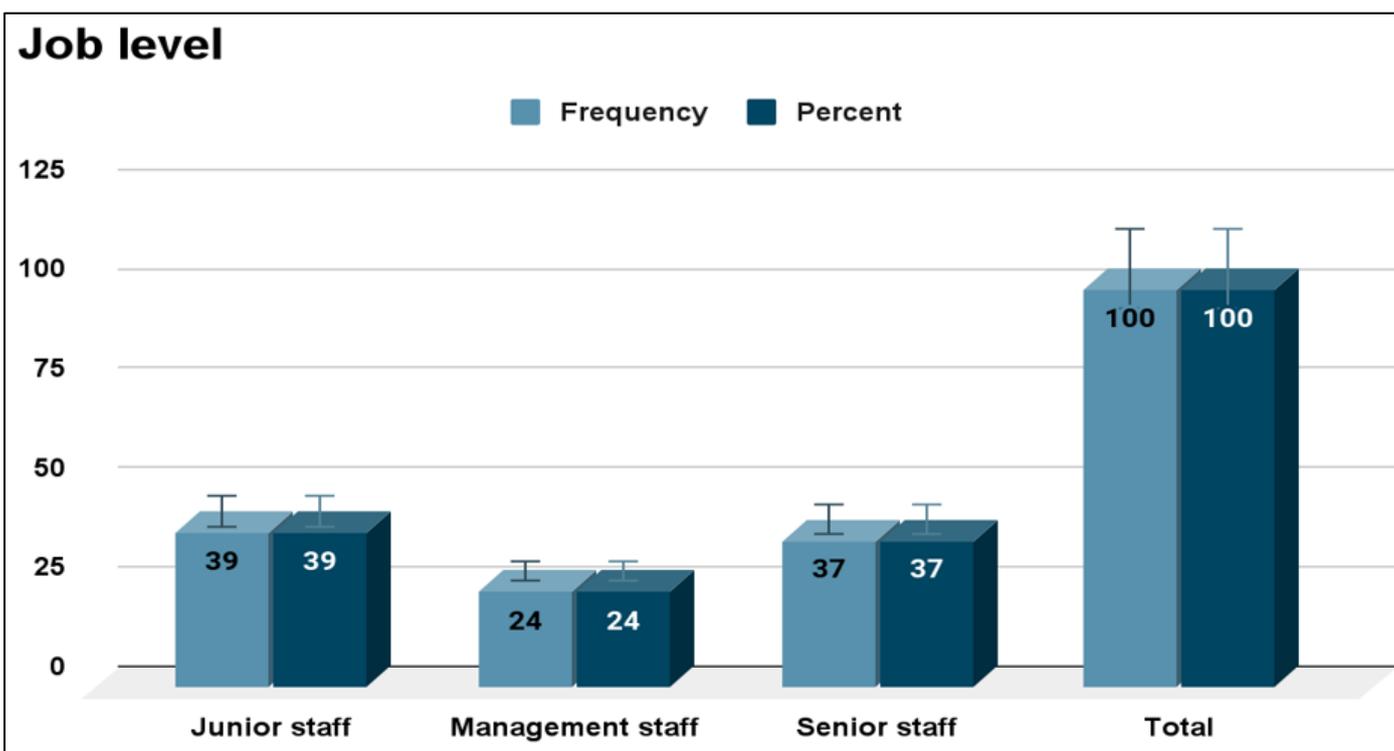
Fig 3 Job level

The job level of the respondents is shown in the table above: 39 of the respondents belong to the junior staff, which represents 39%, 24 of the respondents belong to the management staff, which represents 24%, and 37 of the respondents belong to the senior staff, which represents 37%. According to the table, the majority of the respondents are junior staff members.

➤ *Variables*

Table 4 Organic Business Function

|	Organic business function	SA	A	U	N	D	SD
Q1	I believe that organic businesses contribute positively to environmental sustainability	25 (25.0)	61 (61.0)	2 (2.0)	5 (5.0)	1 (1.0)	6 (6.0)
Q2	Organic functions promote open communication, internal growth and development	20 (20.0)	64 (64.0)	5 (5.0)	2 (2.0)	5 (5.0)	4 (4.0)
Q3	Organic businesses functions generate enough revenue to support their operations and growth	15 (15.0)	60 (60.0)	8 (8.0)	5 (5.0)	8 (8.0)	4 (4.0)
Q4	Organic businesses prioritize internal development and expansion	23 (23.0)	57 (57.0)	4 (4.0)	6 (6.0)	5 (5.0)	5 (5.0)

Source: SPSS Output, 2024
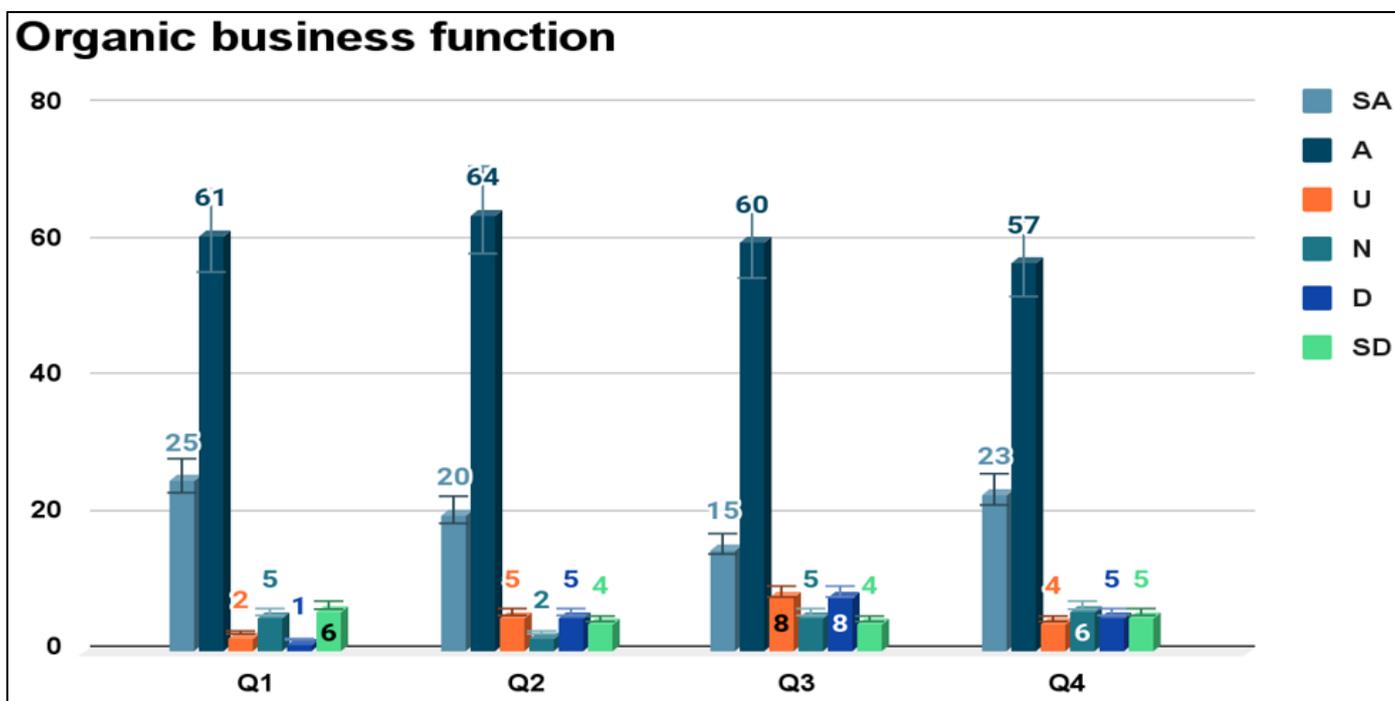
Fig 4 Organic Business Function

Respondents view on "Organic business function". The data reveals that 61% of the respondents support the idea that organic businesses have a positive impact on environmental sustainability. Additionally, 64% of the respondents agree that organic functions encourage open communication, internal growth, and development. Furthermore, 60% of the respondents believe that organic business functions generate sufficient revenue to sustain their operations and growth. Finally, 57% of the respondents are in agreement that organic businesses prioritize internal development and expansion.

Table 5 Sales

|	Sales	SA	A	U	N	D	SD
Q5	Real estate sector explores strategies to boost sales, such as diversifying product lines, improving customer service, or enhancing marketing efforts.	18 (18.0)	64 (64.0)	6 (6.0)	4 (4.0)	2 (2.0)	6 (6.0)
Q6	Our companies regularly assess sales to identify areas where there might be need for improvement in quality.	21 (21.0)	67 (67.0)	3 (3.0)	5 (5.0)	2 (2.0)	2 (2.0)
Q7	Customer satisfaction is essential to recurring business and brand loyalty.	31 (31.0)	56 (56.0)	3 (3.0)	4 (4.0)	2 (2.0)	4 (4.0)
Q8	Setting definite sales goals is essential to tracking progress.	26 (26.0)	61 (61.0)	5 (5.0)	2 (2.0)	4 (4.0)	2 (2.0)

Source: SPSS Output, 2024
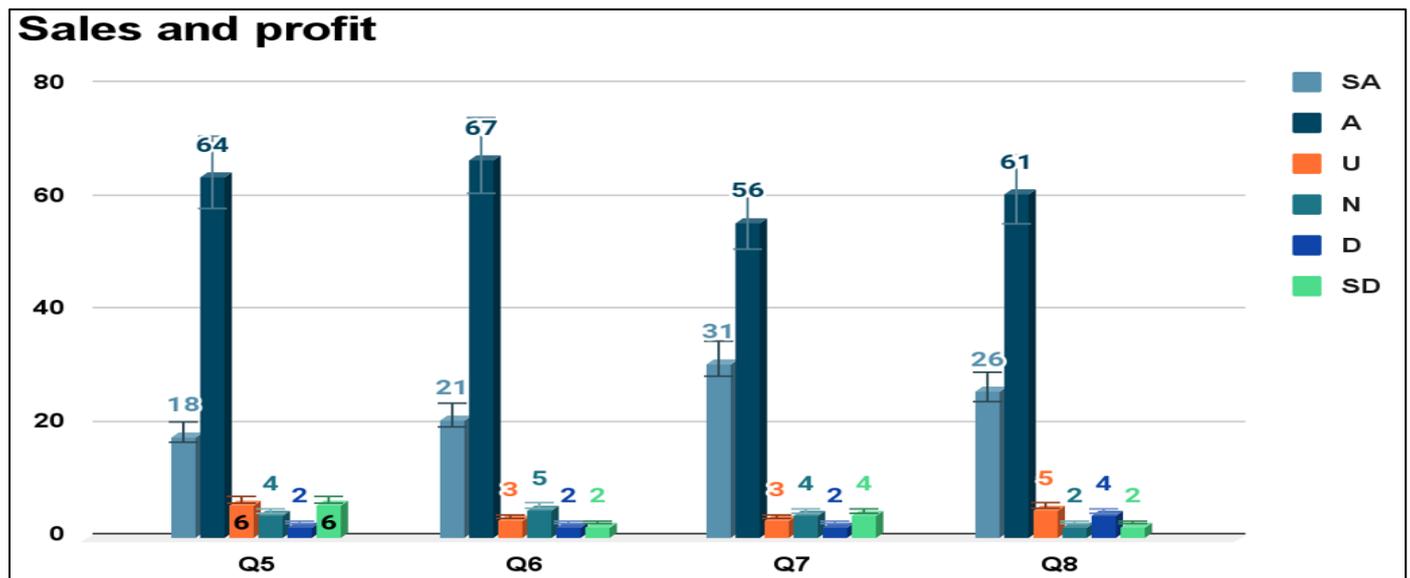
Fig 5 Sales

"Respondents' view on "Sales and profit". Approximately 64% of survey participants indicate that the real estate industry is looking into methods to increase sales, such as expanding product ranges, enhancing customer service, and improving marketing efforts. Additionally, 67% of these individuals believe that our companies regularly review expenses to identify potential areas for cost reduction without compromising quality. Moreover, 56% emphasize the importance of customer satisfaction in generating repeat business and building brand loyalty. Furthermore, a significant 61% of respondents recommend that establishing clear sales objectives is crucial for monitoring progress.

Table 6 Leadership

|	Leadership	SA	A	U	N	D	SD
Q9	Leaders modify their approaches to fit the demands of the objectives of the company	34 (34.0)	50 (50.0)	10 (10.0)	2 (2.0)	1 (1.0)	3 (3.0)
Q10	Leaders foster an atmosphere that promotes innovation and creativity.	35 (35.0)	53 (53.0)	5 (5.0)	3 (3.0)	1 (1.0)	3 (3.0)
Q11	Leaders shape and reinforce the values and norms within an organisation	29 (29.0)	58 (58.0)	7 (7.0)	3 (3.0)	0 (0.0)	3 (3.0)
Q12	Leadership encourages open communication	33 (33.0)	51 (51.0)	7 (7.0)	4 (4.0)	1 (1.0)	4 (4.0)

Source: SPSS Output, 2024
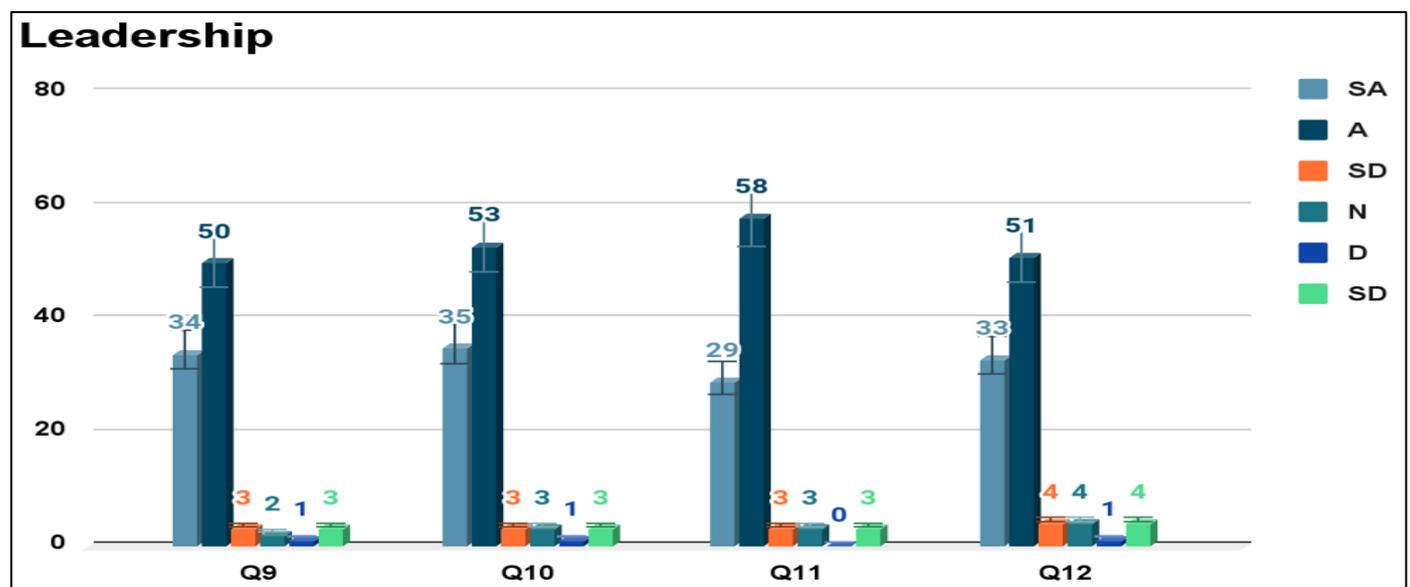
Fig 6 Leadership

Respondents' view on "Leadership". Approximately half of the survey participants indicate that leaders adapt their approaches to align with the company's objectives. In addition, 53% of these respondents are of the opinion that leaders cultivate an environment that encourages innovation and creativity. Similarly, 58% show that leaders influence and uphold the values and norms within an organisation. Lastly, a significant 51% of respondents propose that leadership promotes transparent communication.

Table 7 Organisational Performance

	Organisational performance	SA	A	U	N	D	SD
Q13	The organisation sets strategic goals that is aligned	26 (26.0)	56 (56.0)	8 (8.0)	4 (4.0)	3 (3.0)	3 (3.0)
Q14	In today's dynamic business environment, adaptability is key	32 (32.0)	50 (50.0)	6 (6.0)	8 (8.0)	1 (1.0)	3 (3.0)
Q15	Our organisation encourages creative thinking and innovation	28 (28.0)	56 (56.0)	5 (5.0)	5 (5.0)	2 (2.0)	4 (4.0)
Q16	Our organisation consistently meets the quality standards	33 (33.0)	51 (51.0)	7 (7.0)	5 (5.0)	2 (2.0)	2 (2.0)

Source: SPSS Output, 2024
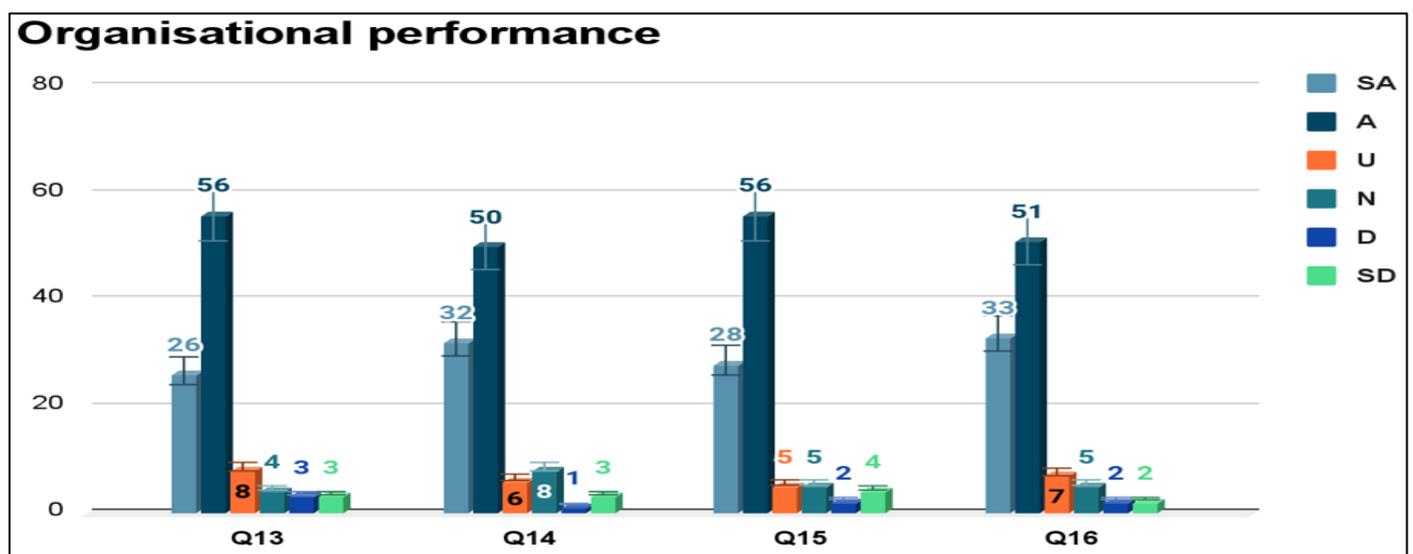
Fig 7 Organisational Performance

Respondents view on "Organisational performance". The majority of respondents, accounting for 56%, are in agreement with the assertion that the organisation establishes strategic goals that are aligned. Likewise, 50% of respondents concur with the statement that adaptability is crucial in today's dynamic business environment. Moreover, 56% of respondents support the idea that our organisation fosters creative thinking and innovation. Finally, 51% of respondents believe that our organisation consistently upholds quality standards.

➢ *Correlation*

• *Test of Hypothesis One*

✓ H0- Leadership has no influence on organisational performance
✓ H1- Leadership has an influence on organisational performance

Table 8 Pearson Correlation of Hypothesis One

		Leadership	Organisational performance
Leadership	Pearson Correlation	1	.807**
	Sig. (2-tailed)		.000
	N	100	100
Organisational performance	Pearson Correlation	.807**	1
	Sig. (2-tailed)	.000	
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			

As can be seen from the above table, the correlation coefficient of 0.807 clearly indicates a very strong positive relationship between leadership and organisational performance. The p value of correlation, 0.000 (with significance level 5%), is less than 5%, so the null hypothesis is rejected and the alternate hypothesis is accepted. And therefore, the study can say that leadership affects organisational performance.

- *Test of Hypothesis Two*

✓ H0- Organic business function has no impact on organisational performance
✓ H1-Organic business function has an impact on organisational performance

Table 9 Pearson Correlation of Hypothesis Two

		Organic business function	Organisational performance
Organic business function	Pearson Correlation	1	.745**
	Sig. (2-tailed)		.000
	N	100	100
Organisational performance	Pearson Correlation	.745**	1
	Sig. (2-tailed)	.000	
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			

The organic business functions and organisational performance are reflected in the correlation value. This strong correlation with a value of 0.745 suggests that organic business functions greatly influence organisational performance. A thorough evaluation of the correlation coefficient and significance level was conducted to gauge the extent of the correlation. The significance criterion is 5% (0.05), and the significance value for this correlation is 0.000, which is lower than 0.05. Therefore, the P-value being below the significance level leads to the rejection of the null hypothesis and acceptance of the alternative hypothesis. Therefore, it can be concluded that "Organic business function has an impact on organisational performance."

- *Test of Hypothesis Three*

✓ H0- There is no significant relationship between sales and organisational performance
✓ H1-There is a significant relationship between sales and profit and organisational performance

Table 10 Pearson Correlation of Hypothesis Two

		Sales	Organisational performance
Sales and Profit	Pearson Correlation	1	.831**
	Sig. (2-tailed)		.000
	N	100	100
Organisational performance	Pearson Correlation	.831**	1
	Sig. (2-tailed)	.000	
	N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).			

A strong relationship was demonstrated between sales and organisational performance with the correlation coefficient of 0.831. It then calculated the correlation coefficient and significance level to check the strength of the association between sales and organisational performance. Having a P value of 0.000 is less than 0.05 (5%) significance level, the study rejects the 'null hypothesis' and accept the 'alternate hypothesis.' This statistical result implicates a strong correlation between sales and the organisation's performance.

- *Test of Hypothesis Four*

✓ H0: There is no combined effect of the dimension of internal business environment on organisational performance
✓ H1: There is a combined effect of the dimension of internal business environment on organisational performance

Table 11 Pearson Correlation of Hypothesis Four

		Internal business environment	Organisational performance
Internal business environment	Pearson Correlation	1	.796**
	Sig. (2-tailed)		.000
	N	100	100
Organisational performance	Pearson Correlation	.796**	1

Sig. (2-tailed)	.000	
N	100	100
**. Correlation is significant at the 0.01 level (2-tailed).		

As expected, there was a very strong positive correlation of 0.796 in the table given above between the combined impact of the internal business environment dimension and organisational performance. At a significance level of 5%, the p value of the correlation is significantly smaller than 0.000, and so it rejects the null hypothesis and accepts the alternate hypothesis. Therefore, we said that there exists a statistically significant relationship between the combined effect of the dimension of internal business environment and organisational performance.

➢ *Regression Analysis*

Table 12 Model Summary

Model Summary					
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**Durbin-Watson**
1	.871[a]	.758	.750	1.96576	1.797
a. Predictors: (Constant), LEADERSHIP, ORGBUSINESS_FXN, SALES					
b. Dependent Variable: ORGANISATIONAL_PERFORMANCE					

The model shows a positive relationship (R=0.871) between the independent variables (Leadership, Organic Business Function, Sales) and Organisational Performance, explaining 75.8% of the variability (R-squared). The model is well-specified, and there are no indications of autocorrelation.

Table 13 Anova

ANOVAᵃ						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	1160.746	3	386.915	100.128	.000[b]
	Residual	370.964	96	3.864		
	Total	1531.710	99			
a. Dependent Variable: ORGANISATIONAL_PERFORMANCE						
b. Predictors: (Constant), LEADERSHIP, ORGBUSINESS_FXN, SALES						

The ANOVA table evaluates the significance of the regression model in predicting Organisational Performance. The Regression Sum of Squares (1160.746) signifies a significant amount of explained variability, while the Residual Sum of Squares (370.964) indicates unexplained variability. The F-statistic (100.128) and p-value (.000) show that the model is statistically significant, confirming that the predictors (Leadership, Organic Business Function, Sales) collectively have a noteworthy impact on organisational performance.

Table 14 Coeffcient

Coefficientsᵃ						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	.341	1.161		.294	.769
	ORGBUSINESS_FXN	.034	.086	.038	.396	.693
	SALES	.514	.103	.493	5.011	.000
	LEADERSHIP	.431	.091	.397	4.734	.000
a. Dependent Variable: ORGANISATIONAL_PERFORMANCE						

The coefficients table illustrates that Sales (B=0.514) and Leadership (B=0.431) significantly and positively influence Organisational Performance with p-values of .000, signifying strong statistical significance. In contrast, Organic Business Function (B=0.034) has minimal impact and is not statistically significant (p=0.693). The findings suggest prioritizing enhancements in Sales and Leadership to effectively improve organisational performance.

CHAPTER FIVE
DISCUSSION, CONCLUSION, RECOMMENDATIONS

➢ *Discussion of Findings*

The first findings (Organic business function relates to the findings of Oladimeji and Muhammed (2016) which investigated the effect of the international business environment on SMEs growth in a competitive environment in Nigeria. The Nigerian Bureau of Statistics and the Central Bank of Nigeria (CBN) annual report served as the secondary data used. The resulting data generated in the study were processed through the OLS technique, which was used to test the entire effect of an independent variable on a dependent variable. E-Views (v7) was used to analyse the data gathered. Results of the finding show that competitiveness, as measured by trade openness, neither has a strong effect on SMEs growth nor FDI in Nigeria. It is also found out that the exchange rate has a great effect on the growth of SMEs in Nigeria, and the level at which the exchange rate affects SMEs growth is very high. More interestingly, it also found that the coefficient on the exchange rate is negative, such that SMEs growth increases as the exchange rate falls.

The second finding (There is a significant relationship between sales and organisational performance) is in line with the study of Airtel Uganda Limited, Judith and Devis (2023) examined how sales promotion affects organisation performance. The study aimed at determining the influence of Airtel Uganda Limited sales promotion on the financial performance (profitability), sales volume as well as the Use of promotional packages. Additionally, descriptive design was used in the study; a sample size of 52 respondents was used, and a population target of 100 was chosen. We used the Sloven formula developed by Wilkinson (2005). The study population was Airtel Uganda Limited's finance, production and sale and marketing departments. The authors of the study discovered that organisational performance would be influenced by sales promotion. It will thus be shown that sales promotion had major and direct effects on organisational performance.

The third (Leadership has an influence on organisational performance) relates to the findings of Mureithi (2012) which studied the effect of leadership on organisational performance by surveying tertiary institutions in Nyeri Town. The study used survey design methodology. The emphasis of the investigation was on the postsecondary institutions in Nyeri Town. It focused on the 305 employees from 16 colleges who were split up into three categories: low-level management, middle management, and teaching and non-teaching staff. A sample of the respondents was selected by simple random sampling. Content analysis and descriptive statistics factors were used to examine the collected data. The study revealed that leadership was critical to organisational success.

➢ *Conclusion*

Consequently, the results of this study reaffirmed the importance of the internal business environment in determining organisational performance. From discussion and review of the internal environment, including leadership, culture, resources, and capability, one can determine that all these factors collectively influence the strategic plan and organisational performance of the enterprise. Research has established that companies or organisations that engage in the management and enhancement of the internal environment are likely to perform better than organisations that do not, because the former are in a better position to address liabilities and opportunities. Internal environment optimality positively correlates with the achievement of organisational objectives, fosters creativity, boosts employees' morale and organisational effectiveness resulting in competitive advantage. Generally, there is combined effect of the dimension of internal business environment.

➢ *Recommendations*

The following recommendations were provided based on the findings of the study:

- Business entities should perform administrative and policy audits and assessments of the internal business environment on a frequent basis. This involves assessing a functional leader, organisational culture, employee engagement, or a particular resource.
- It becomes pivotal to foster a strong and healthy organisational culture. It is crucial for organisations to cultivate a culture for strategic management, cohesion, and creativity.
- Leaders should take a proactive part in establishing and maintaining this culture so that it is cascaded throughout the entire organisation.
- Leadership can be considered as one of the key factors of the internal business environment. Leadership development programs should be established in organisations so that present and future leaders can acquire all the skills necessary to handle various tasks and encourage their subordinates.

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APPENDIX I

Questionnaire on exploring the relationship between internal business environment and Organisational performance in real estate sector in Lagos State.

➢ *SECTION A: Bio Data*

Pls tick whichever applies

Section 1 Bio Data

GENDER	Male	Female		
EDUCATION QUALIFICATION	College	First degree	Second degree	Others Specify
JOB LEVEL	Junior staff	Senior staff	Management staff	

➢ *SECTION B: Variables*

1 SD (Strongly disgree), 2-A (Disgree), 3- U (Undecided), 4 - D (Neutral) 5- D (Agree), 6- SD (Strongly agree)

SN	INTERNAL BUSINESS ENVIRONMENT ORGANIC BUSINESS FUNCTION	SD	D	U	N	A	SA
4	I believe that organic businesses contribute positively to environmental sustainability						
5	Organic functions promote open communication, internal growth and development						
6	Organic businesses functions generate enough revenue to support their operations and growth						
7	Organic businesses prioritize internal development and expansion						
SN	INTERNAL BUSINESS ENVIRONMENT SALES	SD	D	U	N	A	SA
8	Real estate sector explores strategies to boost sales, such as diversifying product lines and improving customer service						
9	Our companies assess expenses to identify areas where expenses might be reduced without compromising quality.						
10	Customer satisfaction is essential to recurring business and brand loyalty.						
11	Setting definite sales goals is essential to tracking progress.						
SN	INTERNAL BUSINESS ENVIRONMENT LEADERSHIP	SD	D	U	N	A	SA
12	Leaders modify their approaches to fit the demands of the objectives of the company						
13	Leaders foster an atmosphere that promotes innovation and creativity.						
14	Leaders shape and reinforce the values and norms within an organization						
15	Leadership encourages open communication						
SN	ORGANISATIONAL PERFORMANCE	SD	D	U	N	A	SA
16	The organization sets strategic goals that is aligned						
17	In today's dynamic business environment, adaptability is key in our organisation						
18	Our organization encourages creative thinking and innovation						
19	Our organization consistently meets the quality standards						