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## Impact of Political Environment on Business Performance in Nigeria

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### Key words

Political environment, business performance, government regulations,

### Abstract

*This study examined the impact of political environment on business performance in Nigeria. To achieve this purpose, research questions were raised, hypotheses were formulated, and a review of relevant literature was made. The population of the study consisted of quoted manufacturing companies in Nigeria. The necessary data for the study were sourced from the Nigerian Stock Exchange Fact Book of 2012 and the World Development Indicators of World Bank Group. Our findings in this study revealed that the political environment in Nigeria has a significant negative impact on business performance. The environment is characterized by frequent changes in government policies and programmes thereby negatively affecting corporate long-term planning has been very volatile because of party politics with threats of conflicts and wars, growing levels of crime and terrorism, kidnapping, bomb blast among others thereby hindering business patronage and scaring away foreign investors in the country. Based on our analysis in this study, we recommended that Nigeria should practice a one party system with homogenous political ideologies and also avoid frequent changes in government policies and programmes to ensure stability in the political terrain of the country for growth and development of business sector of the economy.*

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