

An Empirical study on Managers Insight of Environmental Uncertainty and Business Performances in SMEs: Evidence from ITPL Bengaluru, India

*Chandra Shekar.H.M

*Research Scholar, Shri Jagdishprasad Jhabarmal Tibrewala, University, Chudela, Rajasthan.333 001.
Corresponding Author: *Chandra Shekar.H.M*

ABSTRACT: The inspiration behind this examination was to research the relationship of environmental uncertainty and business performance. The data is processed by using regression analysis to determine relationship. This study was conducted in ITPL (International Tech Park Bengaluru) sample of this exploration is managers, and utilizing study inquire about with primary data collection through questionnaire. The results of this study are apparent environment uncertainty, business performance drastically positively associated, business performance measurement systems significantly associated, but the pecuniary performance of the measurement system is not extensively related.

Keywords: Environmental Vulnerability, Managers insight, Business performance, ITPL

I. INTRODUCTION

Environmental uncertainty is the degree to which an organization lacks factual or competent information concerning the internal and external operating environment for the organization. Simply, it is the unknown in the organization and in the field of business relevant to company operation. External environmental factors for an organization form the structure for how businesses operate in their market. Factors include customer demand, product availability, resource availability, political influence and competition. Some environmental factors are ubiquitous while others are more unique to a specialized environment. For example, construction companies often deal with the Environmental Protection Agency (EPA) when building or proposing new sites. An internet based company will not have the same concern, but will deal with other regulatory agencies. However, both must be concerned with resource management and competition. Organizations can address environmental uncertainty in a variety of ways. Simplifying their operation is one method. The more complicated an organizational method is, the higher degree of environmental uncertainty because there are more external and internal factors to manage. Organizations can also manage their growth to control costs and diversify risk. There is no single best way to address environmental uncertainty. The best defense is information which is not always available (or poorly analyzed) or simply cannot be known. Uncertainty in the external environmental context has been shown to affect organizational change and innovation. Distributed work arrangement is an organizational innovation that has the potential to enable a firm to meet the challenges of an uncertain environment more effectively. With the emergence of virtual organizations, such work arrangements are likely to gain increasing popularity. Environmental dimensions are modeled to influence adoption of distributed work arrangements through shaping the organizational perceptions of three innovation characteristics: perceived relative advantage, compatibility and complexity. Data analyses using partial least squares statistical technique revealed that environmental complexity is negatively associated with perceived relative advantage, and perceived compatibility. Perceived relative advantage and perceived compatibility are in turn positively related to adoption intention for distributed work arrangements. However, environmental variability has no significant effect on the three innovation characteristics. Contrary to past findings that suggest organizations are more predisposed toward innovations in a complex environment; our study found that organizations in an environment of lower, rather than higher complexity are more likely to adopt distributed work arrangements

II. REVIEW OF LITERATURE

Concepción Garcés-Ayerbe et al (2016) the reason for this paper is to ponder ace natural change forms in firms, focussing on the width and the force of ecological measures executed in a three-year time frame in various territories. The relative investigation of these classifications drives the creators to portray the ace ecological change process as one with four phases that organizations can experience. The main star natural stage focusses on process measures. The second stage focusses on the appropriation of administration measures together with process measures. In the third stage, the firm moves in the wake of incorporating measures in the item and in the supply chains. Organizations that desire to progress

facilitate in this procedure, achieving the fourth phase of star natural change, do as such by expanding the force of the distinctive measures received in past stages, and through eco-development. Information of this advancement procedure, minimal concentrated in the past writing, causes us to comprehend the many-sided quality and key hugeness of embracing ecological insurance measures.

Evangeline Elijido-Ten (2007) this investigation expects to utilize partner hypothesis to break down corporate natural conduct by Australian recorded organizations. The discoveries propose that the level of possession scattering, the industry affectability described by the expanded legislative approvals and the administration's anxiety for the earth is the noteworthy elements impacting the choice to join prevalent ecological exercises in corporate key designs. Measures of monetary execution demonstrate no noteworthy connection with the organizations' ecological execution. In like manner, proposals that size and age of the organizations could go about as mediating factors are not bolstered by the outcomes.

Quality M. Owens, (2007) Improved advances for use of sustainable power source specifically fruitful application and appropriation of biogas digesters at the town level offer the possibility to advance reasonable, cost-effective development in farming with simultaneous positive natural effects. In light of the relative achievement of progressing endeavors to advance the selection of biomass innovations, a noteworthy extension of the bioenergy program is under thought by the Ministry of Agriculture. The contextual analysis recommends that there is potential for utilization of SEA as an apparatus for the foundation of territorial or common natural needs by assessing data on the monetary, social and ecological advantages, expenses and dangers of embracing a national system for biomass usage. Ocean is a current advancement in China and must be adjusted to nearby conditions.

Hanna Moon and Chan Lee (2015) this paper means to develop the comprehension of vital learning through the perspective of ecological jars. Vital taking in is clarified from the three ideal models of authoritative learning. Authoritative learning gives a firm establishment to create and expand the idea of vital discovering that can enable associations to increase upper hand and versatile ability. Alan Meyer's ecological jar display is significant in that it is gotten from boost reaction show, which still clarifies critical parts of vital learning. Implanting a vital learning capacity will enable associations' advancement to fit with outer conditions.

Hesan A. Quazi, (2001) the twenty-first century it gives the idea that for a developing number of ventures natural issues are rising with expanding recurrence as vital issues. On the off chance that human monetary action is to be supportable, at that point vital conduct of organizations must assess the auxiliary components. Specialists in the western social orders are attempting to see how the organizations incorporate the maintainability issues into their systems. No such examination has been accounted for on organizations working in the ASEAN nations. This paper reports the discoveries of a contextual analysis investigate on this issue which was directed on seven worldwide organizations working in Singapore. Two structures were connected to examine the nature and degree of joining of ecological administration hones into the authoritative key arranging process. The investigation uncovers that most of the specimen organizations have well-developed natural administration frameworks set up which fulfills the prerequisites of the vital arranging standard of the (Singapore) business greatness system.

Jerónimo de Burgos-Jiménez et al (2013) comes about demonstrate a beneficial outcome of natural insurance on midterm budgetary execution. Money related execution has a positive and huge connection with ecological proactivity and with natural execution, while it has a no critical connection with natural administration. The original copies exhibit a disaggregated investigation of natural assurance in association with monetary execution. The paper separates between ecological administrations rehearses, natural proactivity and ecological execution of the association in their association with monetary execution.

Nicholas O'Regan and Abby Ghobadian, (2005) SME can be ordered as either miners or protectors. This polarization was affirmed in this investigation. For instance, miners will probably take part in new item advancement, though safeguards are five times more inclined to alter a current item than present a recently protected item. Prospector-type firms have a tendency to send all the more new process advances and driving administration rehearses contrasted and protector sort firms, especially in a turbulent working condition. Protectors perceive the need to "make up for lost time" and show that they expect to present process advances throughout the following two years. Firms tend to put a more noteworthy accentuation on development in turbulent working conditions. The examination was confined to two diverse segment sorts:

building and hardware. Down to earth ramifications of the investigation are plot in the paper. CEOs are urged to adjust their key introduction to their development procedure. What's more, safeguard

sort firms ought to consider the more prominent utilization of process advancements and administration rehearses.

Riccardo Vecchiato (2012) the primary motivation behind this article is to advance further efficient investigation into the field of vital foreknowledge. It thoroughly means to re-examine the thought of ecological vulnerability; the fundamental hypothetical methodologies progressed by writing on procedure to adapt to vulnerability, and prescience exercises in corporate associations. A few critical issues and research inquiries on vital foreknowledge have remained to a great extent uncertain from both a scholarly and administrative point of view. The commitment of this paper is twofold. To begin with, it interfaces the work on vital premonition to an extensive variety of related writing streams, in this way noteworthy new associations and issues to be investigated. Second, it builds up an examination plan that may move facilitate hypothetical and observational work on the nature and impacts of key foreknowledge endeavors.

III. OBJECTIVES OF THE STUDY.

1.To study the environmental complexity in ITPL, Bangalore.

2.To assess the environmental uncertainty perceived by the managers at IT sectors.

Methodology

This study has adopted questionnaire method to assess the environmental uncertainty perceived by the managers of ITPL industrial areas in Bengaluru. Sample for the study is selected from the various industries, during March 2017 to June 2017. Selection of sample is based on the availability of manager and their readiness to fill response for the questions given in the questionnaire. Simple random sampling technique is administered to collect the sample for the study and primary data has been collected from 219 respondents. Descriptive research design has been adopted for this study. The data for the study is collected through presenting well-structured and non-disguised questionnaire in the hands of respondents. The data collected from the respondents has been examined with suitable statistical tools. Personal profile of the respondents has been checked with percentage analysis. Environmental uncertainty by managers are analysed through Multiple Linear Regression analysis.

IV. RESULTS ANALYSIS

Table 1: Industries Profile

| | | Frequency | Percentage |
|--------------------------|----------------|------------------|-------------------|
| Legal status of the firm | Private | 184 | 84.0 |
| | Public | 35 | 16.0 |
| Size of Employees | Small | 28 | 12.8 |
| | Large | 176 | 80.4 |
| | Medium | 15 | 6.8 |
| Job Title | Manger | 159 | 72.6 |
| | Head | 37 | 16.9 |
| | Business owner | 23 | 10.5 |
| Industry type | Automobile | 177 | 80.8 |
| | Electronics | 27 | 12.3 |
| | others | 15 | 6.8 |
| Total | | 219 | 100 |
| | | | |

Figure1: Industries Profile

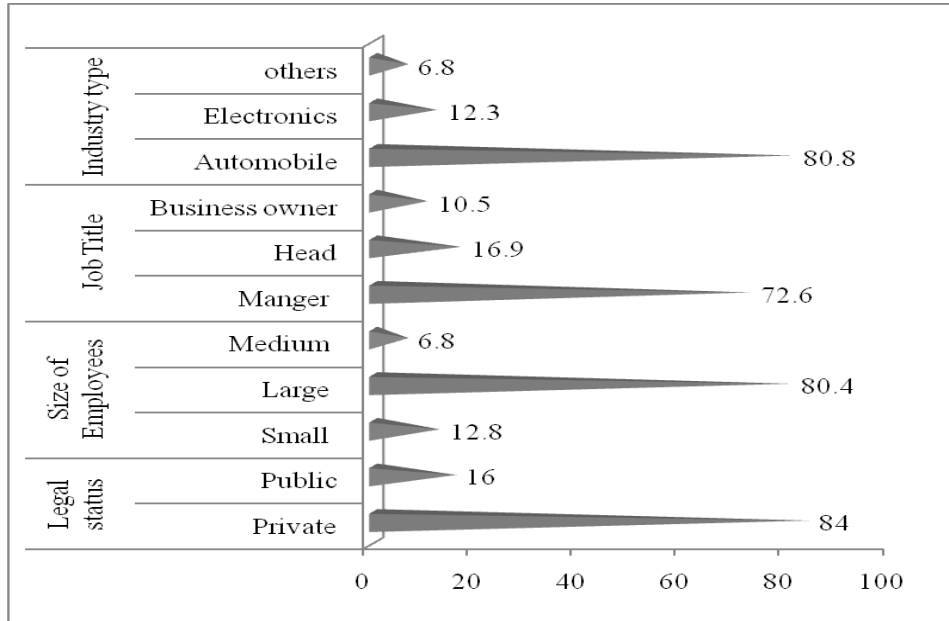


Table 2: Descriptive Statistics of Environmental Uncertainty

| | Mean | SD | Skewness | Kurtosis |
|--|------|------|----------|----------|
| Client preferences | 3.58 | 1.07 | -0.68 | 0.05 |
| Requirements for design quality | 3.45 | 1.02 | -0.81 | -0.01 |
| Supplier support and quality | 3.84 | 0.95 | -1.01 | 1.25 |
| Competitors' prices and marketing activities | 3.89 | 0.96 | -0.87 | 0.83 |
| Global market and demands | 3.47 | 1.08 | -0.31 | -0.65 |
| Applications of new materials | 3.79 | 1.06 | -1.00 | 0.40 |

Figure 2: Descriptive Statistics of Environmental Uncertainty

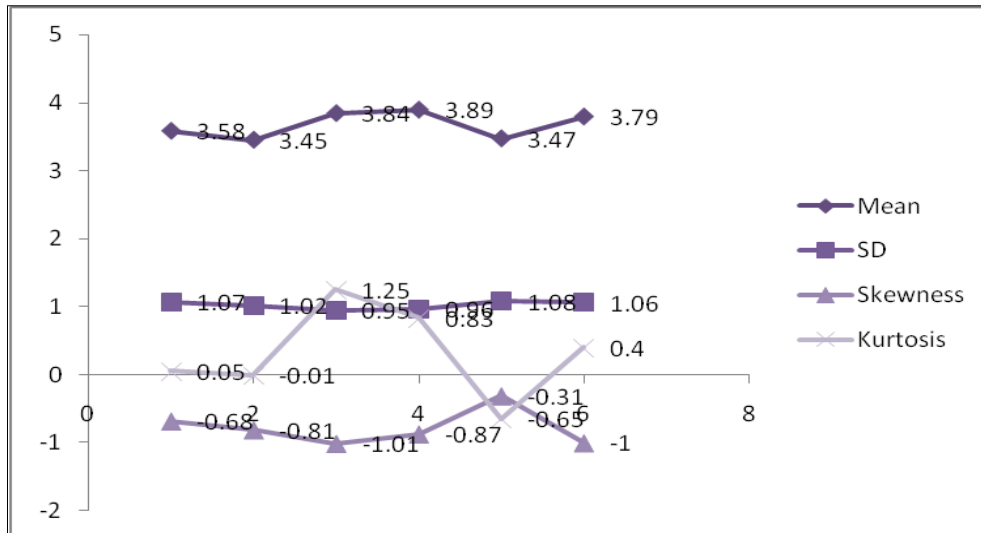


Table 3: Descriptive Statistics of Business Performance

| | Mean | SD | Skewness | Kurtosis |
|---|------|------|----------|----------|
| Alignment of design with strategy | 3.70 | 1.10 | -0.75 | 0.18 |
| Design innovations and team cooperation | 3.72 | 1.05 | -1.01 | 0.65 |
| Design budget and quality control | 3.63 | 1.03 | -0.66 | 0.23 |
| Quick adoption of new technology | 3.65 | 1.03 | -0.86 | 0.43 |

Figure 3: Descriptive Statistics of Business Performance

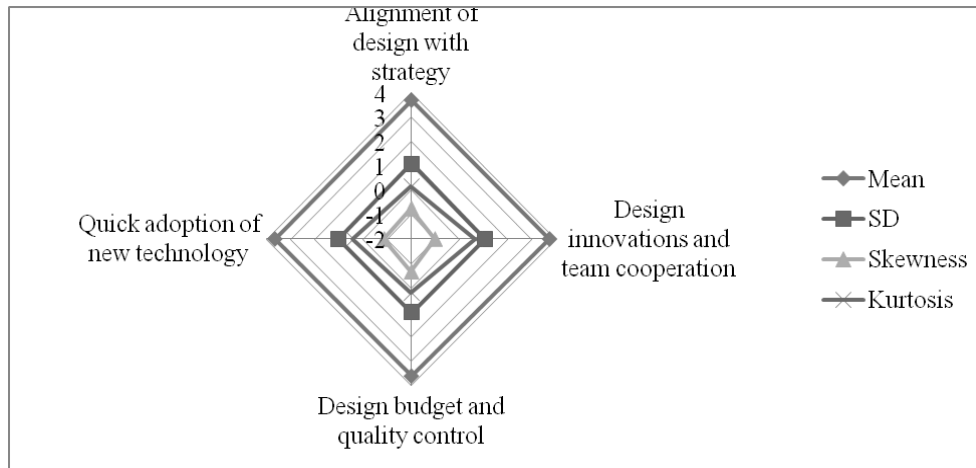


Table 4: T Test for Legal status of company Vs Independent Variables

H₀₁: There is no significant difference between Legal status of company Vs Independent Variables

| | | N | Mean | SD | t | Sig |
|---------------------------|---------|-----|------|------|-------|------|
| Environmental Uncertainty | Private | 184 | 3.72 | 1.06 | 0.897 | 0.00 |
| | Public | 35 | 3.71 | 0.99 | | |
| | Total | 219 | 3.72 | 1.05 | | |
| Business performance | Private | 184 | 3.63 | 1.06 | 0.962 | 0.00 |
| | Public | 35 | 3.66 | 0.87 | | |
| | Total | 219 | 3.63 | 1.03 | | |

This is the table that shows the output of the ANOVA analysis and whether there is a statistically significant difference between our group means. We can see that the significance value is 0.00 (i.e., $p = .000$), which is below 0.05 and, therefore, there is a statistically significant difference in the mean Legal status of company Vs Independent Variables between the legal statuses of company taken.

H₀₂: There is no significant relationship between Independent Variables Vs Managers perception

Table 5: Model Summary^a (Regression analysis) of Independent Variables Vs Managers perception

| R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | |
|-------------------|----------|-------------------|----------------------------|-------------------|----------|---------------|
| | | | | R Square Change | F Change | Sig. F Change |
| .661 ^a | .437 | .432 | .77359 | .437 | 83.851 | .000 |

a. Predictors: (Constant), Business performance, Environmental Uncertainty

b. Dependent Variable: Managers' perception

Table 6: ANOVA^a

| | Sum of Squares | df | Mean Square | F | Sig. |
|------------|----------------|-----|-------------|--------|-------------------|
| Regression | 100.361 | 2 | 50.180 | 83.851 | .000 ^b |
| Residual | 129.265 | 216 | .598 | | |
| Total | 229.626 | 218 | | | |

a. Dependent Variable: Managers' perception

b. Predictors: (Constant), Business performance, Environmental Uncertainty

Table 7: Coefficients^a

| | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| (Constant) | 1.028 | .209 | | 4.906 | .000 |
| Environmental Uncertainty | .333 | .067 | .340 | 4.950 | .000 |
| Business performance | .382 | .068 | .384 | 5.600 | .000 |

a. Dependent Variable: Managers' perception

Here, $p < 0.000$, which is less than 0.05, and indicates that, overall, the regression model statistically significantly predicts the outcome variable (i.e., it is a good fit for the data). The Coefficients table provides us with the necessary information to predict Business performance, Environmental Uncertainty and manager's

perception as well as determine whether income contributes statistically significantly to the model (by looking at the "Sig." column).

V. Discussion And Conclusion

Environmental vulnerability mirrors the feeling of uncertainty experienced by managers when confronting the issue of foreseeing future aggressive conditions. For quite a long time the idea of environmental vulnerability has drawn the consideration of specialists who have especially centered on how it influences corporate system. The connections organizations keep up with other monetary performing artists to guarantee access to assets and the overarching shakiness in such connections represents the noteworthiness of ecological vulnerability in corporate technique. The effect of vulnerability in vital procedures does not come to fruition indifferently, nor does it rise up out of complex reliance connections, but instead through administration observation. This has prompted bottomless research tending to administration impression of vulnerability, inquire about which has featured this present variable's subjective nature. Vulnerability has likewise been utilized as a variable to depict nature, applying certain effectively summed up quantitative markers. Regardless of this sort of vulnerability being portrayed as goal, it ought to be recollected that it likewise gets from recognition created by an outside eyewitness (whether a scientist, master or examiner). It might in this way be presumed that in the two cases assessment of vulnerability relies upon singular discernment which plans to reflect the troubles people confront while foreseeing future conditions in a business domain. In any case, human discernment is in no way, shape or form immaculate because of certain predisposition and twists and only gives a rough impression of the truth provoking it. Such bending falls into two gatherings: disentanglement emerging from people's psychological confinements and the emotional impact rising up out of an assortment of elements running from individual convictions to the sentiments of others. Recognition may in this way be seen as being defective and particular for every person to such a degree, to the point that the decent variety of discernment rises as the point of convergence for any exploration tending to seeing natural vulnerability.

The current study has simply served to feature the absence of any evident meeting between administration recognition and outcasts' apparent vulnerability. Nonetheless, defining the proposed recognition show enabled us to go further as it empowered us to represent disparities in singular discernment and served to underline interrelationships in people's (inside and outside onlookers) observation. Aggressive flow concerns the decent variety of intercompany and between organization recognition. Intra-organization decent variety of discernment advances assessing the foundation for an organization receiving a specific methodology yet prevents the vital agreement required while figuring procedure. Decent variety of between organization observations enables particular access to upper hands while incapacitating cross-organization assertions and collaboration. Certain result for future research and administrators ought to be featured. From the exploration stance, the examination has mirrored the need to investigate discernment in more prominent detail while dissecting vulnerability's effect on corporate system. The work likewise indicated the enthusiasm for perceiving the assorted variety of discernment as a key component from which to investigate the vital essentialness of vulnerability for aggressive elements.

VI. LIMITATIONS OF STUDY

Given the lack of experimental research on the issues analyzed in this examination, these discoveries are provisional instead of conclusive. Like any exact research exertion, this investigation is not without its confinements. The main confinement is the cross-sectional nature of the examination, which may restrain its capacity to catch the causal relationship among ecological vulnerability, time-based technique and business execution. In this way, a longitudinal research approach utilizing various witnesses would be helpful for giving confirmation of causation that can't be gotten utilizing the cross-sectional approach. Second in light of the fact that the specimen firms looked over the outline business were private companies, which have a particular preferred standpoint over bigger firms as in being little is probably going to permit more noteworthy responsiveness, and, thus, adaptability with respect to the earth, the outcomes ought to be mindfully connected to extensive firms, despite the fact that firm size did not altogether impact the connections examined. Last, not every single potential mediators of the linkage between time-based methodology and business execution have been investigated here.

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