

A Relationship between Owner-Manager's Environmental Awareness and Small Business Performance

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Abstract

As one of the important components of strategic planning process, environmental scanning has received importance to explore new opportunities and to identify threats for making important strategic decision. The present study indicates between owner-manager's environmental awareness on business performance of the Small Business. Bollinger (1994) found that scanning is positively correlated with the firm's financial performance. Similar results were also found by Orpen (1993) reported that small firm which posses more information about themselves and their environment engage in formal strategic planning and they perform better financially than their counter parts. Authors in the area of small business and entrepreneurship have recognized the need for conscious and continuous study of the environment and integrate the environmental information into their strategic planning. Finally, Environmental awareness contributed significantly to the relationship with overall performance of small business under the study