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Ability of Nigerian Companies to Go Global

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Chapter 1: Introduction

1.1 Background of the Problem

Globalization is an international phenomenon: its action is mainly to achieve a global penetration of capital (financial, commercial and industrial), has allowed the world economy (mechanisms that comprise: trade, production, and finance) modern, open spaces for active integration intensify global economic life arises from the ever increasing internationalization of the economic, social conflict and political-cultural phenomena. Globalization has been defined as the process of denationalization of markets, law and politics in the sense of linking peoples and individuals for the common good. Although it may be arguable that this leads to this well, can be defined as the stage is global capitalism, characterized by the elimination of economic borders that prevent the free movement of goods, services and capital primarily.

It is also a historical process, the result of human innovation and technological progress. It refers to the extension beyond national borders, to the growing interdependence among countries, the increasing integration of economies around the world (this at all levels of human economic activity), particularly through trade and financial flows also covers the cultural, political and environmental impacts. Then we can say that globalization is a concept that aims to describe the immediate reality as a global society, beyond borders, barriers, ethnic, religious beliefs, political ideologies and socio-economic or cultural, or an attempt to a world that is not split, but widespread, in which most of the things are the same or mean the same thing.

In economic terms, Globalization goes beyond the "simple" international, as many economic agents are little more national in scope (Hill, 2004). There is a global standardization

of products and production technologies. Economic globalization has three main features (WB, 2003):

1. Foreign Trade (International Trade): An essential characteristic of globalization is the increasing share of imports in the domestic consumer goods and services, combined with simultaneously increasing share of exports to the domestically produced goods and services. In developing countries ("low and middle income countries") the foreign trade share in GDP (imports plus exports relative increased GDP) in 1990 was 33.4% and 51.8% in 2002 (WDI, 2004);
2. Foreign Direct Investment (FDI) globally has prompted companies to invest abroad in order to produce new and there (sales) to open up markets. In 2000, FDI amounted to U.S. \$ 1.4 trillion primarily due to the unstable World economy in 2002 to U.S. \$ 651 billion declined;
3. Capital Market Flows: Another sign of globalization is that investors are increasingly diversifying their portfolios to foreign stocks and bonds and grant loans in foreign countries. Domestic borrowers looking not only capital domestically but also abroad.

In this context, globalization can be understood as (economic) integration of World economies.

The concept of globalization is based on a relatively simple approach. Globalization is the division of labor leads to productivity growth, as everyone does what he does best. If everyone does not do everything himself, everyone is on products and services of others. This exchange process is beneficial for all involved, because everyone can make it, which he has a lot and gets what he needs. The specialization of these derived labor productivity leads to an

increase of the common good. A British economist Ricardo developed the approach of comparative costs proving that trade can contribute even in the absence of absolute cost advantages to the prosperity of both trading partners (Coughlin, 2002). A country will produce a good comparatively cost-effective with its critical production resource and it is relatively better because its purchase is relatively favorable (Coughlin, 2002).

Nigerian economy is one of the most dynamic economies of the African continent showing a growth of 6.8% in GDP. However, the global crisis has been felt by a significant drop in the price of oil (divided by three), a credit crunch and a financial sector weakened by toxic assets: on behalf of oil surplus - when the excess barrel is beyond 45 U.S. dollars - no longer receives revenue in the actual context. Under these conditions, inflation, which had long contained a number, ended 2008 at 15.1%, the naira has lost 20% of its value at the official rate for a year (Doan et al, 2009). These underperformances threatened the precarious balance that had been achieved between 2003 and 2007 and make less credible the ambitious "Vision 2020" displayed by the authorities, which is to make Nigeria the 20th world economy by 2020.

1.2 Statement of the Problem

A key issue for economy of Nigeria is how local businesses benefit from liberalization and globalization of their businesses. For most Small and Medium Enterprises, the problems are of two types: first, is the company make productions for regional and global markets or is it excluded from the process; second, modernization of the companies.

Small and Medium Enterprises (SMEs) are the backbone of Nigeria's economy and are a vital source of economic growth, dynamism and flexibility. These companies play a vital role in job creation and are now the dominant form of business organization. Funding is needed,

however, to help create and develop their activities. Economy of Nigeria, therefore, cannot flourish if the various forms of financing offered by financial institutions do not allow SMEs to meet their needs.

The micro-enterprise sector is the visible manifestation of disadvantaged populations having different stress conditions particularly since the implementation of structural adjustment policies and economic strategies. SMEs help in the proper functioning of the nation; because of its informal status, SMEs evade tax revenues. It is described as "unfair" competition as SMEs products sold at disproportional price with the purchasing power of the population. It has grown to become and recognized today as a full-fledged sector which is reckoned in the same way that the modern sector due to its heavy weight and growth, at least as the main source of employment and relevant part of the fight against poverty.

This trend is the result of several reforms introduced. Indeed, for the last several years, SMEs are considered as a phenomenon that has increased employment opportunities for the public sector and become the main source of employment for graduates in Nigeria. The state has become aware of its limits to absorb alone the number of students out of high schools and vocational training centers. Given this context, the economic policy, through action on consumption, investment and government spending, would become more appropriate to increase the national income. As such, the Small and Medium Enterprises (SMEs) have been identified as one of the major growth poles of the Nigeria's economy.

In parallel, a current of thought gradually developed describing micro enterprises not only as a means to fight against poverty, but also as a solution to problems of growth. It is in this perspective that since last several years, authorities with the support of partners, engaged in

promoting the business category. However, the proportion of SMEs based on their efforts in ways still seems disturbing. In fact, these companies face many difficulties that constrain their development. Among which include the problem of access to bank financing (Beck & Demirguc-Kunt, 2006).

For most industrial companies in developing countries, previous decade is different because in the previous one or two decades, business enterprises are facing more competition and brings into play many more factors. Liberalization and globalization have compelled the companies to face pressures of prices, quality etc. the developing countries like Nigeria has an advantage over the developed countries, i.e. they have to pay lower wages to their employees. This has provided an opportunity for countries like Nigeria to expand their businesses globally.

The economic boom in Nigeria has generated an unexpected economic recovery at the time of the crisis, translated in cumulative annual growth of 9% of GDP in the last three years. This exponential growth rate has also been reflected in the business which experienced a remarkable leap forward. The decision of the national government, followed by the provincial governments of developing investment projects of public works infrastructure, has boosted activity and increasing budget amounts (Ogunlana, 1999).

However, in international markets, Nigerian companies, have to face invasive and generally unfavorable environment which make them less able than large countries in America and Asia to organize on a regional basis and to resist the proliferation of initiatives of their partners. Unlike rich countries, their obligation is made to worry at the same time the competitiveness of the environmental protection, the fight against the poverty, governance, democratization, regional integration etc. It is a disservice to Nigerian companies to ignore the

fact that states and institutions dominated by the colonial powers are still extremely young. The priority, since independence, is given to the assertion of state and territory, the search for national identity could not be more logical from emerging countries. Similarly, the extension of the essential model of governance and economic options of the colonial era is a natural behavior. The transformations that have occurred in the country, in the period 1960-1990, shows that the past decades have not been "lost" for the development, as is often claimed.

1.3 Aim of the study

The main purpose of this study is to observe different factors, problems and constraints faced by the Nigerian companies in expanding their businesses to global markets. This study also tries to identify and analyze material factors of public and private sectors which are restricting the success of global business projects in Nigeria. The result of the research is expected to minimize the rate of failure of Nigerian companies international operations.

1.4 Research Objectives

- To identify the constraints, faced by the Nigerian companies, in expanding business globally;
- To examine the challenges, Nigerian companies have to face, for involving in developing global markets;
- To identify the key practices which facilitate the development of global markets for Nigerian companies;
- To discuss the unique situation of Nigerian manufacturers' in international trade.

1.5 Research Questions

1. What are the constraints to business expansion?
2. What are the challenges involved in developing global markets?
3. What are the constraints and supports available to facilitate international trade?
4. What practices facilitate the development of global markets?
5. To what extent is the trade situation for the manufacturer in Nigeria unique?

1.6 Significance of the Study

Given the statement of this study is to define the basic elements that will allow the industry to absorb the necessary and sustainable work plans without generating throttling processes demand with consequent price increases, delays and low quality works in the same, or supply bottlenecks works with consequent unsustainable price declines of works, price war, divestment of equipment and finally constraints to expand their business globally. The investment process will require action by public sector reorganization linked to the investment process, as inefficiencies in managing low capacity impact on prices and quality of the works and policies of reinvestment of private activity. It is therefore necessary to advance methodologically know the situation in the sector and this situation and prospects for immediate investments, analyze what is the real capacity absorption of works (Turner, 1990).

In every international project, there are different groups involved, indirectly or directly, from the very beginning of the project (Frooman, 1999). Stakeholders participated and share their knowledge, experiences, and insights to encourage the project throughout the project time

and so it is important to capture their contribution. The requirement and needs of all stakeholders should be recognized and correctly controlled to better support the growth of the project.

This research concentrates on the major issues, faced by the Nigerian companies, in expanding their business globally. Major strategies and issues of stakeholders to controlling the stakeholders are recognized throughout the literatures. This study will take an in-depth assessment on the factors that impact the globalization of Nigerian companies and the outcome of this research will be of great value for the future of Nigeria's economy as a whole. It will give related and helpful knowledge that will be of worth to the client (both private and public institutions) for their actions and for future study on the issue (Sivonen, 2009). This study is significant and timely because it provide insight into how to facilitate and increase the internationalization of businesses in order to improve and achieve country's (Nigeria) socio-economic goals. This paper will participate to the body of information in the Nigerian business by presenting comprehensive understanding into the aim, value and productivity of method.

Chapter 2: Literature Review

Numbers of international players are being increased due to globalization by the world market. Due to this increase of international players there is an increase in the competition on a global level. In order to compete with this international level the multinational organization needs to have managers who can work in different subsidiaries in different regions of the world (Gregersen & Black, 1998). According to the figure of UNCTAD (2005) there are more than 79,000 multinational corporations and foreign affiliates of over 850,000. Which are operating in different parts of the world, in recent decades, the numbers of employees employed by the multinational corporation (MNCs) have increased. In 1982 this figure was 21 million and by 2005 it became 82 million. It rises 3 times in quarter of a century. These employees are now producing 11% of total GDP (UNCTAD, 2005).

According to Mendenhall & Oddou (1985) culture can affect a person's and a firm's international assignment. It is very difficult for them to adapt into the new culture and environment, where they are not aware of the host country language, the cultural shock, and inability to interact with the host country nationals and like past research suggests that such persons and firms face these challenges because of which they perform poorly.

There are numerous issues and challenges which have always hindered the success and steady growth of Nigerian companies in global markets. Raw material inputs primarily comprises on calico, chemicals, dye stuffs, khaki fabrics, finished garments and textiles (such as clothing, blankets and curtains etc). Most of these supplies are primary input material for manufacturers. Some of the common challenges and issues which are affecting the trade are packaging and poor finishing of products which are major export hurdles when it comes to exporting in US and EU markets.

There are few technical difficulties and high tariffs rates which are contributing in Nigeria's inability to fulfill their commitments and make timely delivery. Smuggling is considered as one of the biggest hindrances by many manufacturers in Nigeria in actualizing its true production and export potential. In many cases, textile products are smuggled from adjacent countries without fulfilling custom services regulation. This results in the invasion of foreign products in Nigeria's markets, the massive price difference among smuggled products and Nigeria's original brands further squeeze the domestic market for local manufacturer who are trying to manufacture quality products and fulfilling regulations. The drop in output, generally, is an outcome of low market demands, high production cost, dumping, imitation and smuggling from foreign markets abroad. Unfortunately, growth in the imports of textile usually concurs with a turn down in an export which traditionally was a major source of bringing and raising foreign exchange in Nigeria.

As part of its economic and social development, the Governments of Nigeria has focused on the promotion of private initiative and participatory development. As such, the Small and Medium Enterprise (SME) has been identified as a key lever for development and has effects on the rest of the economy in terms of job creation, production diversification and utilization of productive resources. The emergence of SME companies is a response to a changing socio-economic context, rural exodus, failure of economic reforms, unemployment and income inequality. To date, the number and importance of jobs of these companies have not shown properly. Present era is witnessing the expansion of micro enterprises for rural and urban populations to fit them into the economy. To the point, this group today creates number of jobs, and contribute a major share in Nigeria's economic fabric. However, funding is needed to help create and develop their activities. Economy of a country, therefore, cannot flourish if the

various forms of financing offered by financial institutions do not allow SMEs to meet their needs.

Since independence, Nigeria has experienced a double pressure: a population growth of rare magnitude accompanied by a sudden access to global markets. This pressure, which has profoundly influenced the development of the region, is expected to remain high in the next thirty years, causing further changes, which is why the long-term thinking is required. Despite the magnitude of these challenges, thanks to the flexibility of the popular economy, the Nigerian economy has been able to provide essential goods and services to their populations; but this was done at the expense of more traditional economic growth.

The most visible manifestation of the process of adaptation of Nigerian population is the importance of migratory movements towards the south, towards the coast, and especially to cities. More generally last period saw the peak and decline of organized around systems of rent sharing and the emergence of economic and social competition.

The African, Caribbean and Pacific (ACP) show a growing interest in trade in services, and they are right. Between 1990 and 2006, world exports of services have more than tripled, reaching more than 2.8 billion U.S. dollars. A growing service sector is generally associated with higher exports of goods and higher productivity. The EU trading partner longstanding ACP is the largest exporter and importer of services in the world. In 2007, it imported more than \$ 400 billion of services from the rest of the world. Trade in services is known to be difficult to measure and monitor. Identification of barriers to exports of services is equally difficult. Barriers to trade in services are generally in the form of non-tariff barriers instead of simple tariffs.

Some of these barriers are an integral part of national laws and regulations. These legal barriers to cross-border trade in services are often overlooked in discussions on access to markets, as they are not an explicit and direct discrimination against foreigner service providers, but rather intended to protect existing providers of newcomers, as they are domestic or foreign. Taken together, all these factors tend to reinforce the misperception that service contracts are relatively open. In truth, it is only recently, with the adoption of the EU directive on services in 2006, the European internal market for services actually began to open.

Corruption is a concept exploded with many related offences, criminal law differs from the corruption in the strict sense but is a single unit on the offence as that of the sanction. Corruption is a global phenomenon. It affects all areas of private and public business in Nigeria, at all stages of the formation of a public contract, either in the award or during execution. It is usually a trans-national phenomenon, which must, therefore, be arrested and fought across the world by public authorities. Corruption is a common notion that it is extremely difficult to identify. However, as a hardship within the economic endeavor of a nation; different stakeholders should combine forces to ensure perfection in terms of trade affairs.

Facilitation payments in Nigerian economy pose problems of interpretation, business managers and legislators alike want to discriminate between acceptable and unacceptable practices. The problem is to find a formulation that acknowledges the difficult situations in which companies may find themselves without creating gap in the anti-corruption standards. Some companies prohibit facilitation payments altogether and, in general, seem reluctant to use it. Some organizations tolerate them explicitly while other offer transparency mechanisms (e.g. require that facilitation payments are pre-authorized by the senior management of the company and duly recorded in the books) (Rose-Ackerman, 1998).

Most of the companies of Nigeria do not fully prohibit accepting gifts or entertainment from business partners. The boundary between acceptable business practices and corruption is rather vague, which is probably inevitable. Companies use terms and very different concepts to indicate what is allowed or not (Gordon & Maiko, 2001). The concepts include, for example, gifts and entertainment "whose value is not excessive" or that are "consistent with the standard business practices: etc. Considering the importance given to the notion of gift and entertainment, one might think that the public opinion and social pressure play a role in the evaluation of companies what is or what is not an acceptable conduct.

In recent years, Nigerian companies have faced many obstacles which limit its ability to expand and participation in global activities and maintenance of infrastructure. Even if the work does not require high technical skills and could be performed efficiently with intensive labor techniques by small local businesses, most of them are unable to obtain contracts to bid for public tenders because their low managerial capacity does not allow them to submit acceptable proposals or to meet the multiple administrative requirements implied by the complex procedures of public procurement. On the other hand, delayed payments to businesses, due to excessively long administrative procedures and the difficulties of public finances, are straining their cash and working capital. Only large companies with substantial resources can afford to wait that long (Halpin & Senior, 2011).

There are challenges normally associated with Nigerian companies, which want to expand their business globally. These are generally risk for the contractor: compensation and / or insurance may be required by the contractor to avoid damage or loss of plant, equipment, injury of third parties and damage to property or loss. It may require supervision by an adviser of insurance which is necessary to cover challenges that are not covered in the contract. Each type

of contract contains different types of challenges between the parties. It is possible to select the most suitable contract for the customer's requirements and, if necessary, make corrections to make it more effective.

Governments have shown interest in intervening in the economic process. Despite the proposal of the classics, the state had to intervene on several aspects of the economy in the nineteenth century. Due to the impact of industrialization, governments had to intervene to alleviate the appalling working conditions of the working class (Grossman & Helpman, 2011). The regulations applied by the government must ensure that it would not jeopardize the equitable market access (Karagiannis, 2001). Designing and applying regulations is also a matter of prime importance at a time when the globalization of the business is dependent upon the less intrusive regulatory framework. It is important that government regulations must not interfere with the business's rights to manage its affairs locally as well as to accommodate the needs of the stakeholders.

Thus, in a nutshell, governments should be more cautious while applying regulations because any regulation which negatively affects the free market access, control, fair competition, ownership etc. of the businesses, would jeopardize not only the expansion plans of the businesses but also proved to be an impediment in the effective, efficient and economical communication and trade between the states and governments.

In recent decades, changes in the investment policies of the State has generated great impact on business organization, equipment and training staff. Simultaneously cyclical adjustment processes of public investment and Disorganization State in the areas devoted to investment have created problems in the capabilities of principals to resolve critical situations.

The absence of an executable investment plan has also affected the formation of human resources. The level of investment in both the maintenance and replacement, and in the development of growth and modernization of infrastructure, is scarce and requires a great effort to change the capitalization of the infrastructure through rational plans and sustained policy of public investment (Ashworth, 2006). Despite such challenging conditions, Nigerian companies have maintained and increased their equipment and organization, adapting to short cycles and investment setting the state has faced (Oladapo, 2005).

The cost estimation is a technical process of predicting business costs. Oladapo (2005) argue that the estimate may not be a precise technical and analytical process; it is to a large extent a subjective process. Corroborating this position, Jobber (2010) argues that it is generally understood that the cost estimate is not an exact science. The accuracy of the cost estimate is crucial for all parties involved in business. Actually one inaccurate estimation can lead to invest in a project that is actually economically unfeasible (Daneshgari, 1999). The Nigerian businesses today are characterized by a generalized abandonment due to excessive costs of projects beyond the means of most clients (Aibunu, 2002). Not surprisingly, the general public is blaming the project consultants, and in a very special way, to the analysts of the projects. While it can be argued that most of the businesses in Nigeria suffer from excessive costs because it is not possible to accurately predict inflation trends, this does not absolve the cost professionals responsibility for generating preliminary cost estimates exactly (Oladapo, 2005).

The economic performance of industrialized countries during the twentieth century confirms the important role of SMEs, both in the growth in innovation and job creation. By studying the capitalist economies it is confirmed that entrepreneur is an economic leader and that SMEs are substantial cells of the market economy, and a key to the success of capitalism. These

companies have become key players in the economy which promotes and accelerates the pace of development. The growing importance of SMEs also confirmed statistically. They represent more than 90% of total companies in most countries in transition (RAM, 2005), or 98.1% in China, 96% in Vietnam and 99.9% in Hungary. They are an effective instrument jobs and contribute significantly to GDP.

Despite the interest shown by governments, SMEs in transition countries face still difficulties in their growth and development. Their difficulties of funding have long been an issue since the lack of capital remains a problem in many countries, even in industrialized countries. Although governments have created programs to support and exert pressure on financial institutions, SME access to external finance is a chronic problem. Several studies, including those of Beck and Demirgüç-Kunt (2006), SQW (2005), RAM (2005) and Bukvic and Barlett (2003) find that these difficulties are a major obstacle to the development and global expansion of SMEs, especially in countries in transition, where the financial system is still underdeveloped (Feakins, 2004).

Several studies like Cassar & Holes (2003) show that financial structure of SMEs can be explained by the theory of hierarchy that states to finance their activities, companies would favor, in order to internal to external financing and, in the latter case, the debt financing than by equity. A financial structure dominated by debt could be the result of a management strategy to maintain control over their business. Moreover, the dominance of external debt financing there among SMEs, they are particularly sensitive to the loss of power generated by financing by external equity. Bank lenders, whose mission is not to take risks, do grant funds only if they observe high capacity repayment in borrowers. In other words, the primary concern is the

preservation of lenders capital or repayment capacity of borrowers while business risk may increase the probability of default.

By cons, from the perspective of entrepreneurs, the risk is a normal part of any project and is part of the activities of daily business. According to Gasse & D'amours (2000), entrepreneurs are passionate people who take calculated risks. This difference in vision between entrepreneurs and donors raises conflicts which make them difficult to reconcile risk assessment and its importance. Entrepreneurs monitor performance in determining the level of risk, while bankers control the risk by focusing on performance. There is therefore a context of asymmetric information often high between the two sides which is the main source tensions in their relationship. In the credit relationship between donors and SMEs, information asymmetry is defined as the fact that borrowers have more information than lenders about their own business (Fraser et al. 2001).

Some of the most important legal barriers for Nigeria on trade in services include access to distribution channels restrictions, quotas regulating the number of suppliers in a given market, territorial restrictions, requirements of nationality and residence, of authorization and registration procedures long and complicated restrictions on property purchases, and difficulties for the recognition of professional qualifications.

In addition to that the demands and requirements of buyers, although not binding, may also constitute serious obstacles for exporters of services. In the minds of consumers, the quality of services is closely linked to the image and reputation of the supplier. Consumers want to be assured that their needs and requirements are understood. Barriers exist, therefore de facto when the foreign services are unable to demonstrate their abilities in a market or to communicate with

their potential customers. These "soft" obstacles, determined by the market, may constitute barriers as important as the legal obstacles border trade in services, although exporters and trade support institutions are often given little importance. Examples of these barriers include lack of profile and credibility, poor language skills, cultural distance, the difficulties of moving to the market and the lack of access to networks and appropriate information systems.

New trends that have led to environmental regulations increase the due diligence responsibilities required of contractors. The businesses must respond with innovation issues that arise in terms of cost, quality and respect for the environment. The cyclical nature of the business makes labor a crucial issue for the performance. In fact, the numbers are steadily reduced peak, which poses a problem for the recruitment of skilled labor when the need arises.

Some of the basic problems of Nigerian companies want to expand globally are as follows:

- Delay: the administrative procedure to launch a business is very long, complicated and involves making representations to several state entities;
- Lack of infrastructure: inadequate reception facilities limit the birth and the growth of the modern sector;
- Shortage of local raw materials: insufficient input from local market mainly because the entrepreneurs do not have the opportunity to buy quantity and that because market size is generally small and there is no special organizations or associations to which they may delegate such task;
- Absence of policy: governments have little interest (they currently have other priorities) in the construction sector. The role of the construction contractor is not recognized on the

economic and the absence of a chamber of trade does not allow them to receive the necessary support in financial terms;

- Lack of technical support: entrepreneurs have difficulties to engage in modern productive activities. They have good intellectual and technical potential but their basic training does not give them the means to undertake their own business in the modern sector with a real chance of success. This explains the very large number of small individual companies and jobbers

Such challenges may result in:

- Failure to stay within the budget;
- Failure to stay within the stipulated delivery time in the contract (Majid, 1998);
- Failure to maintain the required technical standards in a satisfactory manner in the product quality (Ogunsemi & Jagboro, 2006)

Challenges can be transferred in several ways, either from the client to the contractor or to the insurer, of the contractor to the subcontractor or the insurer or the designers to the insurer. The most common concern of each of the parties that wraps a project is constructive to maximize revenues, because otherwise, these parties would suffer major economic impact. Different perspectives of the challenge depend on the parties involved, such as the perspective of customer, of the insurance company and the contractor or builder etc. The contractor should provide all information related to the construction contract, i.e., the time of term, the cost of the project, the rate of return etc. to all the stakeholders in order to impart information which will help to maintain the cash flow in the short term and so maximize the profits of the company in the long run (Haris & McCaffer, 2005).

The retention of risk by a client may mean an extension depending on the terms that exist in the contract between the client and third parties involved in the project. Contractual relations may vary from one contract to another. The choice of the type of contract, the acceptance of the conventional way, and any correction made, can affect the location of challenge between the parties (Mosaku et al, 2006).

Many technically capable companies fail to appreciate the importance of proper documentation regarding customer organizations/employers by concentrating widely on technology, processes and data. By including knowledge of relationship and communication management within the general matrix of abilities required to create a business plan or cost plan, etc.; the company can change the perspective and use documentation not as an 'administrative overhead' but as a precious resource. By applying suitable communication plans, the builder supports the access to the knowledge required to grow and update the strategies accordingly. Though concerns can differ from jurisdiction to jurisdiction, similar stakeholders are related throughout the procedure in differing areas. Relationship management of Stakeholders in the business relates considering the duty of every stakeholder in order to ensure that particular entities can perform jointly on behalf of business and their customers.

Probably the greatest consequence for managing challenge in these non-traditional contractual arrangements comes from the administrative structure and in particular the responsibility given to the management. In many of the agreements mentioned above, the contractor involved in the pre-construction phase and the direction of design and construction are integrated (Clogh, 2004).

In Nigeria, young people still prefer to remain unemployed than to work in the small organization (Roper et al, 2010). Many businesses have been forced to rely on the foreign workforce and, especially, to workers coming from the nearby countries. According to official estimates, foreign labor would have constituted 80 per cent of the workforce of the construction in 1992. Employers in this sector agree that it will continue to rely on imported hand- lumber in the foreseeable future.

There is a growing demand of workers but the salaries and other benefits do not appeal the worker towards it. It is unfortunately not a problem of short duration but instead a problem that cannot be resolved unless the small businesses happen to touch a new generation of potential workers. Casual and temporary employment is now the standard in the SME sector. This changing structure of employment has greatly affected the working, rights as well as training of human resource in construction sector.

2.1 Risks Associated with expansion in Global Market

In addition to the traditional advantages of seeking customers globally makes it imperative for every company no matter how small should think from the start to seek other markets. This sounds interesting, but there are a lot of failed attempts to leave international markets for businesses of all types and sizes. Many investors usually strategize and invest without prior research on the political effect in their new country of interest. Most business owners therefore ignore all the parameters of sovereign governments if they have well articulated business strategies.

Nigerian companies, who pursue global business expansion plan, involve themselves in vigorous competition. These organizations and business are usually guided by policy of result

oriented and quality performance. Through this demand to achieve more by creating new market niche, their strategies are always formulated with the aim of gaining greater market environment. International business strategies in many instances prioritize on taking all advantages of customer needs and availing to them as they require. In this case, best strategies must articulate and steer a course between inevitable business pressure and constant demand of rampant growing world.

Business organizations in international level must always cut a clear line between strategic action and strategic plans. Business strategy should therefore not be just the laid down statements that are aired out more like political speech. They should thus have a clear outlook of what the business is mandated to do in the market level. All business strategies should have a concrete meaning to both the employees and the entire management of the organization.

Political risk is one of the fiercest calamities that hinder progress of many business strategies in Nigeria. Investors and major corporations face this threat in the running of their businesses. Many investors face this problem due to political decisions within a country. Any political risk that a business faces can be viewed as the risk of strategic, monetary, and in some instances personnel loss for an organization. The non market constraints like fiscal and macro economic policies business strategies in international level become hard to implement them.

Broadly speaking, political risk refers to problems that businesses face due to poor decision making, planning and implementation. This can also be due to any political change that automatically diverts business from achieving its objectives. Getting full awareness of probability of risk and its impact sheds light on the political risk scenario. Many business strategies fail to materialize due to likelihood of various political events such as taxes which

hinder the realization of goals by the organization. Political risk in many countries affects businesses by reducing their anticipated yields and proper investment. This is usually because they lack proper atmosphere in which to carry out their businesses effectively. Political risks are categorized into macro and micro level risks.

Macro-level political risks usually have similar impacts all over the world when they occur i.e. they have similar characteristics. Macro-level political risk targets non specific risks. There is a huge misunderstanding that macro-level political risk is only experienced at the height of country level risk. In other terms, events that are based on local level in many instances affects businesses at macro-level. There are many types of macro-level political risks which include regulatory changes, government currency, corruption, sovereign credit defaults and government composition changes. All these kind of events pose great challenge to portfolio investment and foreign direct investment risks that can affect the entire investment adversely.

Micro-level political risk is project specific risks. In addition to this scenario of political risk, businesses always have to guarantee attention to the entire industry in which they are operating and that of their firms in the local economy. Analysis of these political risks in any economy that businesses are intending to operate may give political climate situation in that sphere of business and how it may affect the business endeavor. Knowledge of political risk is also an important aspect to government project decision making in instances where government projects can be complicated due to availability of problem. Political risks that hinder progress of business strategies can also be analyzed in views of international political issues, corporate responsibility, business practices, and risk mitigation strategies.

2.2 Support Available to Facilitate International Trade

Established in 1995, the World Trade Organization's (WTO) mission is to liberalize trade in goods and services worldwide. Conferences of the WTO Seattle to Hong Kong in 2005, showed vividly the new weight of this organization, become a major issue in North-South relations, but also in debates through civil society. Heir to the GATT (General Agreement on Tariffs and Trade General Agreement on Tariffs and Trade) and numerous rounds of negotiations on the liberalization of world trade since World War II, it has emerged as a key organization in the 'international economic architecture, with four main tasks:

- Manage and control the free trade agreements established by the Final Act of the Uruguay Round of 15 April 1994;
- Arbitrate trade disputes between States;
- Broaden the scope of free trade to new areas by opening rounds and
- Periodically assess the trade policies of the Member States according to the mechanism of TPR.

Two principles are used by WTO to ensure that the bilateral trade between countries are impartial and non discriminatory. These two principles are the Most Favored Nation (MFN) status and National Treatment. In giving Most Favored Nation (MFN) status different members of WTO allow a specific member of WTO some preferential treatment in trade than that provided to other members. For example, if a country changes its tariff for a particular product from a particular country, this rate is applied to all the members of WTO. While the National Treatment is the principle in which the goods which were imported from other countries must receive the similar treatment as that of domestic products. The tariff does not violate the national treatment.

Bilateral and regional investments have increased over the last ten years and new agreements are being negotiated. The investment agreements have their common clause in the Most Favored Nation (MFN), which ensures that parties to a treaty granting a treatment no less favorable than that accorded under other treaties in the areas covered by the clause. MFN clauses have thus become a significant instrument of economic investment liberalization. Moreover, the MFN clause, giving investors all party beneficiaries, in similar circumstances, treatment no less favorable than the closest or influential partners a given country may negotiate in areas covered by the clause, avoids the economic distortions that further selective liberalization, country by country. This treatment may result from the application of treaties or laws or administration of the country as mere practice (Davey & Pauwelyn, 2000).

Nigeria has repeatedly stressed that its service exporters and trade support institutions need support to understand the complexities of international services markets. The information and resources available online are on the increase but remain limited in number and scope. The World Trade Organization (WTO) provides a wealth of information on trade in services through its service "Services Gateway Page - WTO," but the information is designed for policy makers, negotiators and researchers, and non-exporters.

Under the General Agreement on Trade in Services (GATS) of the WTO, each member of the EU has established a GATS inquiry points to provide direct support to exporters of services and facilitate access to Information for service providers from developing countries. However, that aid is effective, potential exporters should be able to make requests for specific information. In addition, the information point must be able to provide very detailed feedback and sector specific information. This is not always the case. In several EU countries the information point GATS employs only one person in the Ministry of Commerce or the economy.

This person, who often has other functions, often does not have time to respond to each application in detail. In the best case, when a specific application receives a complete response, it is not necessarily documented and made public, and therefore other potential exporters cannot benefit.

But knowing how to find and systematize all relevant information to assess the constraints and opportunities requires a good deal of time and effort, as information is scattered among different sources and often only available in the language. It remains difficult for service exporters in Nigeria and aid agencies to have access to specific information, structured and ready to use. While online resources are growing, they usually provide only general information on the various aspects of trade in services. It is only recently that studies on the constraints and opportunities by sector service contracts have been made available.

The actual removal of the information gap still requires additional efforts. One way to achieve this would be to encourage the creation of an umbrella organization to help Nigeria trade a market access of EU and US online information portal comparable to the database. Through easy access to the center of user information, potential service exporters would be able to evaluate sub-sector conditions and market access requirements in different countries.

Although it is likely that in its initial stages as a tool cannot be able to respond to all requests, it could over time become a busy reference center. Its success will depend largely on its ability to effectively compile the increasing amount of information to assist exporters of services that is currently scattered in different places. Another possibility would be to expand the Export Helpdesk of developed countries to include services exporters. These two possibilities are not

necessarily mutually exclusive of each other, but coordination is necessary to avoid duplication of effort and ensure wide coverage.

2.3 Practices that Support the development of Global Market

The MFN clause has for centuries been a cornerstone of trade policy. Its existence dates back to the 12th century but the term *Most Favored Nations* was actually coined in the 17th century (Yi, 2004). In the 15th and 16th centuries, different countries have proliferated MFN clauses in the treaties to promote bilateral trade and commerce between them. The U.S. has inserted an MFN clause in their first treaty, concluded in 1778 with France (Yi, 2004). In 19th and 20th centuries, clauses of MFN were usually included in trade, commerce and friendship treaties between different countries (Davey & Pauwelyn, 2000). The MFN treatment was fundamental obligation of trade policy under the Havana Charter, the members to commit to take due account should be avoided discrimination between foreign investors.

Treaties and bilateral trade and investment agreements which were concluded after 1950 usually contained the MFN clauses; especially, after the abandonment of the proposed implementation of the Havana Charter (Yi, 2004). Its importance in international economic relations is evidenced by the fact that the MFN treatment provision of the General Agreement on Tariffs and Trade (GATT) (Article 1, General treatment of the most favored nation) and the General Agreement on Trade in Services (GATS) (Article II, Treatment of Most Favored Nation) states that it will be granted "Immediately and unconditionally" (although in the case of GATS, a Member may maintain a inconsistent measure with this provision provided that it is contained in the Annex on exemptions the obligations and meets the conditions set out in that Annex.)

The international political issues are the main contributors of political risk. This occurs through nationalization of activities within the country that have formulated business strategies. In recent scenario what has emerged is the issue of 'creeping nationalization' under which a sitting government through legislation and regulation may alter all terms guiding the operation of the businesses. To protect against this type of political risk, businesses need to critically analyze their business strategies and discuss on stabilization and equilibrium issues with the government in place. Through this, businesses will be able to operate freely and effectively under their laid down international business strategies. Also, those kind of strategy clause helps in the attainment of fiscal or economic benefits that may accrue in that particular country where the business is operating. To protect an international business strategy from perils of currency controls, a business enterprise should make sure that no issues arises that pertains to currency and financial transactions. The business management should also be endowed with vast knowledge on how to convert payments and cash flow into currencies that are in tandem with market rates.

Corporate responsibility formulation as a business strategy in a host country demands proper review and check up that is efficient to reduce any political risk that may arise. A business that is operating in a foreign country should always bear in mind that it ranks as an outsider in that country and thus it should steer away from political issues within that nation. In this case, a business should always be keen to operate within the required parameters so as to keep away from being affected by the political risk problems. These issues include matters of the business being connected with labor unions and other internal groups in the country that have a national outlook. Therefore businesses in foreign countries need to uphold diligence in all their activities and more so be effectively alert on cultures and traditions of that country. This analysis of the country by the business entity will enable it to equip itself with appropriate approaches that will

facilitate international strategies. This analysis will also enable the business to operate ethically within the foreign country.

In many foreign nations, some business organizations are always welcomed whereas other business enterprises are restricted from initiating their business entities within that country. Relationships are therefore much effective for business to prosper and achieve its targets and goals. Therefore a business entity that carries its activities as an efficient corporate citizen and also indicates its willingness in corporate responsibility will always reap considerable yields due to its connection with the government of that nation. On matters pertaining to corporate social responsibility, a business should involve itself in local promotion of infrastructure projects and other effective projects that will guarantee a reputable name in the country at large. In a nutshell, activities of corporate social responsibility are many and thus it is upon the business entity to choose which ones are the most applicable.

A business that has an intention of prospering in foreign field should always check effectively on the importance of international business strategies. A business should thus involve in practices that are well recognized in the international level. These practices should be issues to connect with ethical standards and fair dealing in business activities. Most companies or businesses design a code of ethical conduct which their employees must adhere to when formulating their business activities duties. Many organizations avoid political risks in this manner by developing seminars and workshops that enlighten their employees on how to carry out their businesses.

Risks are some of the common elements in a business enterprise. Therefore it is mandatory and important for any business organization to analyze all the risks that a business is

likely to encounter and how they can be solved. Political risks can also be categorized into three parameters including ownership risk, operating risk and transfer risk. Ownership risk refers to the danger in which a business entity or a firm is threatened by means of confiscation. This threat derails a business from achieving its targets and goals in foreign land. Operating risk is a threat which business experiences in international level due to various operations that limit the safety of employees in their working environment. Employees in this case are threatened through changes in laws of that country, radical change in environment standards, policies concerning taxation, and many more negative issues. Transfer risk is an aspect of political risk whereby government of the foreign country directly interferes with businesses ability to transfer funds out and within the country. Therefore the business strategies are avoided and as a consequence, the business growth is limited.

In a nutshell, political risks can be categorized into international political strategies, corporate responsibility, business practices and risk mitigation strategies. These elements are very effective for any business that has intention to expand its growth tentacles. International political strategy enables business to look into ways in which it can operate within a country without encountering major problems from the government in place. Corporate responsibility aids businesses to venture effectively in business at the same time gaining public acceptance due to the type of projects that it is supporting in that country. These projects are usually not related to the core business activities of the organization. Risk mitigation strategies are also effective for a business because they facilitate the business in identifying the risks that may occur and how these problems can be solved. Therefore a business with intention of operating beyond borders should always consider the effects of government in foreign country on its operation once it has started the operations.

Chapter 3: Methodology

3.1 Introduction

In this chapter we will be looking at the ways through the help of which the different steps involved in the research can be streamlined and can be put effectively into practice. At the same time it also helps in understanding and applying of different methodological principles through the help of which research can be conducted and the steps that are necessary for it. With the help of all these salient features and steps and their subsequent implementation substantial credibility is added to the research on the whole.

It is important to mention here that the nature of methodology applied and used is dependent upon the kind of research that is conducted. The nature of methodological principles applied varies in terms from usage whether it is quantitative or qualitative and changes in methodology are incorporated accordingly (Bryman, 2008)

3.2 Research Philosophy

The term 'research philosophy' is used as a collective term that denotes to all different research methodologies and belief systems that can be used and implemented when conducting the research and resolving different questions that comprise the integral part of research. The different dimensions of research that are actually applied when conducting and fulfilling the different stages of research include axiology, epistemology and ontology (Malhotra & Burks, 2007). During the course of the different stages of research methodological principles related to the fundamentals of research will be complied and under the light of these research features the different stages of methodology will be conducted.

3.2.1 Positivism

There are different research approaches that are used and derived when conducting a methodology in research. In this context the most prominent approach that is applied is in the form of positivism. This approach and its use in methodology basically accentuate upon the fact that data from social and natural sciences is derived on the basis of sensory information and observation. In addition to this the data derived from these branches are also based on the logical and mathematical treatment of such data. The positivist school of thought holds the view that the society is operated on the basis of laws that are governed by the physical world (Malhotra & Burks, 2007). The different stages of the methodology will be governed and dictated by the salient features of positivism and the ways through which an effective methodological study and research can be conducted and established.

One way through which this relationship is determined is with the help of the correlation that exists between the variables being investigated the deductive processes either conforms to or reject the assumptions. This can be done in the form of preparing research questions or survey forms which can be circulated among the professionals that are related to the nature of the research statement which is being investigated. On the basis of the results and the responses that are obtained with the help of these research questions the validity or the authenticity of the formulated hypothesis is determined. In addition to this, another way through which this process is conducted is with the help of devising certain research questions that form the crux of the research statement or the possible outcomes that the research intends to develop. During the course of entire research the primary aim of the researcher is to find answers of the devised research questions which in turn determine the reliability and validity of a research (Bryman, 2008).

3.3 Research Approach

The approach towards this research will be the one that is applied to all different kind of researches. The researcher will focus upon the ways and procedures that are applied in research to study the behavioral responses and along with all other different phenomenon that continually confront and conform to the theoretical model that has been crafted for the conduction of the research. Validity in any research must be of constant concern to the research since it plays an important role in establishing credibility of a research but also in the reproduction of results that form the basis of research. However, in this context it is also important to understand and apply the research approach which is applied (Cooper & Schindler, 2003)

The nature of approach that will be applied for this research is in the form of inductive approach. Inductive approach is the assessment applied based on the individual instances of life that respondents had experienced in the different phases of their life. On the other hand deductive approach used which is based on general statements and the logical conclusion derived on the basis of these statements (Eisehartdt, 2008).

3.4 Research Strategy

Strategy employed for the conduction of research is mainly influenced and dependent on the type of research which is being conducted, whether it is qualitative or quantitative. The principles and features that comprise the research nature of each type differ considerably. In qualitative research the strategy employed is mainly in the form of extracting information and response obtained from the feedback and opinions provided to people regarding an issue.

In comparison to this quantitative research mainly comprises and is based on the mathematical and statistical information and calculation through which results are obtained.

However, during this research the key strategy employed will be in the form of qualitative research through the help of which results will be obtained through the feedback and responses obtained with the help of research questions that have been formulated during the course of this research (Cooper & Schindler, 2003).

This particular research, however, will be based on the qualitative nature of methodology which will be conducted on the basis of the questions that have been formed. Since the nature of research statement being dealt is pre-dominantly business related it is important that people either to this field and those who have closely been observing the global operations of Nigerian companies for some time are chosen as the population to present their views and perspectives on the questions.

3.4.1 Primary Data Collection

Since the nature of research is completely qualitative in nature, it is important to state here that the method of data collection that will be employed for the purpose of this research will be based on the utilization and processing of results that will be obtained from the responses of the research questions that were formed in the research process.

The questions that comprise the research process encompass all necessary dimensions and aspects that cover all necessary aspects of the research statement which is being analyzed. It is on the basis of the responses obtained for these questions that analytic strategies will be employed in the different stages of the research for obtaining clear results. The nature of research does advocate the use of questionnaire. With the help of the research question will be utilized for the subsequent phases of discussion.

3.4.2 Research Method

This chapter aims to describe the implementation of research and try to answer the research questions. The data is collected through secondary sources like books, journals, articles, and Internet. In addition to these sources, data is also collected through a survey questionnaire. The questionnaire survey is a tool that allows observation to quantify and compare the information. This information is collected from a representative sample of the population under evaluation. A questionnaire is a set of questions built to obtain information relevant to the issues of the evaluation. Respondents are not required to meet directly to them: a good questionnaire comes in the fact basic problem in which the basic questions meeting will meet perfectly.

Investigations often combine two types of questionnaires with a dominant closed-ended questions and some open questions richer but more difficult to treat statistically. In a closed questionnaire, the questions require the respondent, a specific form of response and a limited number of answers. Closed questionnaires are used to obtain factual information; a judge agreed or disagreed with a proposal, knowing the position of the respondent for a range of judgments, etc.

The open-ended questionnaire is a questionnaire in which the interviewee develops an answer that the interviewer takes notes. In this case, the investigation off open questionnaire is like a personal interview of directive type. An open question left open in its response form and length. The questionnaire survey is the tool that is best to collect information from the population with the possibility to compare and quantify the weight.

3.4.3 Sample

The survey questionnaire collects the views of the participants regarding companies of Nigeria who want to expand their operations for global market. This questionnaire was distributed among all the participants. The methodology to analyze the data collected is a type of Probability Sampling, i.e. Purposive Sampling because the sample size is very small. After getting the response the answer of each question is calculated and then the analysis was done. Purposive Sampling method of analysis helped the researcher to deduce the correct judgment and enable the researcher to answer the research question of this study.

3.5 Time Horizon

With the help and application of cross-sectional nature of research the researcher is provided with the convenience of exploring more than one frontier for the researcher through which he can easily collect and explore multiple areas of information regarding the research. With the help and use of cross-sectional strategy in the research process the researcher gets ample time so that it can go through with each of the stages of research with complete detail effectively filling each of the loopholes that might be present in the work (Saunders et al., 2007)

However, apart from the time saving feature of cross-sectional research, a major setback of this application is in the form of its scope. It cannot be applied to researches or areas of research that involve the usage or application of information that is personalized in nature (Yin, 2003). Even though time horizon and cross-sectional nature of research might come in very handy for different type of researches, it might not prove very helpful in the kind of research that is under discussion.

3.6 Research Designing

The segment of research designing particularly focuses upon the ways through the help and application of which data can easily be collected during the course of research conduction. As mentioned earlier in the initial phase of our research, for the purpose of accomplishing our research objectives we have formed a questionnaire.

It is on the basis of this questionnaire that data will be collected from the target population that has been chosen for the research. Once their feedback and responses are obtained regarding the research questions, the research design will definitely prove helpful in the streamlining of other related processes. However, a major limitation that is associated with the use of questionnaire is that the information used in the preparation of research questions is already utilized in some form or the other in secondary research.

3.7 Data analysis method

In a sociological research or for that matter a research statement which is subjected to the fundamentals and pre-requisites of research conduction it is important that the data obtained from research findings is properly analyzed with the help of properly analyzed tools. An important function that this intends to do is to basically verify the authenticity or nullify the credibility of the hypothesis which is being researched.

Under the light of this context the study that has been conducted will examine and analyze the findings made in the form of responses made under the light of the research questions that were formed for the research.

For this study, based on the nature of responses that will be obtained regarding different research questions, answers will be written based on the feedback and the answer that has been provided by the members of the target population that has been selected for the purpose.

3.8 Ethical Consideration

The research is completely aware of the ethical conditions involved in this research. It is the responsibility of the primary researchers to take care of all the ethical conditions and all processes related to the research. Study will be carried out in a way that the entire negative impacts, which can cause failure, will be avoided and its reliability will be maintained. All the data, which is going to be used, will not from public or granting agencies. Objectivity and integrity must be focused properly. The research must be handled carefully. Researchers should respect confidentiality and intellectual property. Some of the main ethical issues like legality, responsible mentoring and respect of contestants will be considered in this research study.

3.9 Validity and Reliability

Reliability and validity are two core factors that actually play an immensely pivotal role in determining the level of credibility that can be related with the research which is being done. The component of reliability is determined on the number or the frequency of a particular result based on its level of repetition. This actually provides the research an element of consistency which is pivotal when performing a research experiment. In comparison to this validity of a research is based on the nature and kind of research tools that have been employed for the process, since this has immense influence on the nature of results that are obtained and how it can affect overall results on the whole (Yin, 2004).

For reliability, the research ensured that the data were collected from quality sources and that all data and conclusions were reported accurately and with integrity to the meaning acquired from the individuals to the best of his ability. Validity was established by using collection methods that were appropriate for this study to ensure that the data sources and collection methods answered the main questions being asked by this research study. The inquiry reflected the theory and research questions, and the conclusions being drawn from the research were conducted based on triangulation. Validity was also accomplished by bracketing all personal experiences related to the phenomena so that emphasis was placed on the information provided by the participants of the study.

Chapter 4: Results and Discussion

4.1 Results

As stated and mentioned in the methodology of the research that the primary tool of research used for this particular research statement was with the help of research questions. The research questions that were prepared focused on the multiple dimensions that encompass the effects and reasons that have been extremely helpful in strengthening the position of Nigerian companies want to expand their services in global market. It is important to consider the views of the experts that were chosen to shed light on these questions. These people include specialists from the corporate sector of Nigerian market and also people who have been related with the financial institutions of the country and who have a clear idea about the ways in which international business policies and strategies are designed and how they play an influential role in determining and dictating the future of a country and its economy.

Since the questions required detailed answers, in most of the cases the answers provided by people were recorded in a special tape or in a cell phone so that any errors in the registering of information can easily be overcome and the possibility of any loopholes taking place in the usage and application of provided information is as minimal as possible. With the help of this technique the process of information collection, its registering and its application were subsequently eased down.

As discussed in the literature review and in the questionnaire that Nigerian companies which want to expand their business for global market are facing many obstacles and challenges. The analysis of primary and secondary data revealed that different people have different understanding of these challenges. They consider challenge management as the process of

ensuring the down times or losses to be kept at the minimum during the cycles of construction which starts from the tender reviews to the procurement and delivery. Moreover, all activities that are related run as the sequential to maximize available resources as a part of the process. Being an important component of the mutual delivery it should strive to be delivered at the best time. Furthermore, it is important to keep both, standard and quality, in consultancy. Nonetheless, it is more appropriate on the architects in coordinating services of other consultants.

The "quality" of services or products could be determined by knowing the contributions net (benefit-cost). Since the process of identification, evaluation and selection methodology does not rely on of this nature; it is difficult to calculate the productivity factor to correct for the amount actually executed. Even though the companies are willing to aid their suppliers to increase their capability, they are unwilling to extend beyond those suppliers as the result shows that 85% see it as important, 11% sees it as unimportant while 4% are undecided. This would give us the "Effectiveness" of quality in global market.

The failure to analyze the quality of the works with the overall performance criteria can made only in the analysis of each work itself, and mainly related to the implementation of the same technique. Despite the firms knowing about various practices of management, most of them feel it is unimportant to source decisions for participating suppliers, while some of them think it is important while 10% feels it is highly important. Besides the institutional weaknesses of the aforementioned agencies and the level of litigation with contractors, general conspire with optimizing cash used public investment.

4.2 Discussion

For Nigerian companies to have global presence the country's market must be exposed to modern equipment. Nigerian companies have not shown greater adaptability to international business environment because they find international business environment highly unpredictable for them. In fact, the prospective approach vis-à-vis institutions play the same role as the dream for individuals. Different features that increase the risk of failure and doubt, then spread cynicism among experts and public opinion.

Nigerian companies need to withstand the high natural growth rate, whereas in contrast to the developed countries, Nigeria cannot spill, by conquest or emigration, its overflow of population in other continents. This rapid population growth is accompanied with intense population mobility within the regional area, including migratory balances give only a partial picture. This mobility, inherited from history, was initially facilitated by the absence of a rural settlement previously stabilized by the relative weakness of National belonging and has contributed to the solution of problems posed by population growth, but also generates difficult to manage tensions.

The lack of financial support and distrust of depositors in the system, whether improvements or extensions, or to develop new business endeavors even with the lack of mortgage credit which was complemented by strong increase in public investment budget from 2003 (Rawlins, 2008). The improvements in the fiscal situation caused by foreign trade taxes and beginning of the positive trend of the economy, operated as a lever to generate resources for Small and Medium Enterprises to create successful global business ventures. The increase in gross domestic product in recent years, generating an increased demand in services sector as well as generated an inflation rate that is, manageable though, higher than that of all the countries in

the region, a situation over which the Nigerian government devotes increasing efforts to achieve a significant reduction (Southey, 2010).

As discussed earlier, skilled human resource is one of the biggest challenges for Nigerian companies to operate successful global business. The entrepreneurs feel the need of more information on youth on career paths and specialty in the industry. They wish to emphasize more about learning programs at the secondary level like the registered learning or the Youth apprenticeship program, mentoring programs, the summer programs for students. They add to make career choices in the trades before high school. The resumption classes-workshops would also present careers to young people in the skilled trades. Further, should take measures to facilitate the first job and the youths complete their learning and pursue a career in the industry. To get there, the entrepreneurs and the Governments must commit to support apprentices during periods of economic fluctuations. Entrepreneurs and employers must be better informed on the performance potential of an investment in training and employment of apprentices. Owners should also support, promote and facilitate the employment of apprentices and programs learning.

Unfortunately, the conditions and regulations of Nigerian government, do not provide a level playing field for private companies to expand their business globally. Institutional and organizational weaknesses of the government agencies in their own operations, in coordination and inter-jurisdictional relationships with contractors and owners of works have not been overcome (Ogunlana 1999). On the other hand, as verified in other branches of productive activity, it is repeated the phenomenon of shortage of skilled human resources; a reality that imposes rapid cooperative action between unions and companies to develop strong and quick actions and training. For the government suggests a revision in the prioritizing budgetary

allocations to see support for this action. Also as in other economic sectors, the lack of credit, the design imposes of new financing instruments; appropriate to the particular structure of capitalization of the business, as well as regulations that encourage a growing presence of financial sector in support of construction activities in general and of infrastructure in particular (Omoregie & Radford, 2006).

The international environment, particularly aggressive for Nigerian companies and imposes a set of constraints that increase the difficulty of the demographic transition. In terms of trade, for example, the recent reversal of flow of global food trade is a heavy consequences phenomenon. Rich countries, which traditionally been the net importers of food commodities, have become net exporters, looking for opportunities for their surplus. Nigerian companies are strongly encouraged to open to food imports, unable to compete with rich countries in this market and are being confined to the relatively small market of exotic products they compete with each other. Similarly, subsidizing exports of manufactured goods and used products at unbeatable prices, rich countries create unfavorable conditions for the development of crafts and small business.

External transfers, instead of depreciating or compensate instability or downward trend in exchange terms, tend to amplify shocks. As for the regional market could also play the buffer role of external shocks, its development is hampered by the balkanization of the region, the cutoff is between Anglophone and Francophone countries and extreme permeability of imports.

In the general perspective outlined by these long trajectories, images of the region in 2020 have been outlined, taking into account the specificities of the Nigerian companies to cope with the changes imposed by the international environment and assumptions about the evolution

of some variables exogenous. These images were supplemented by a few medium-term scenarios, illustrating the contradictions between the goals and long-term developments expressed by these images and the constraints and trends in the short and medium term. The choice of strategy is to policy makers to look at any time the best compromise between the vision of the image along with terms and constraints of short and medium term.

The emphasis in these long-term images for the issue of settlements is not accidental. If the fashionable concept of sustainable development has a sense, it is that of the reasonable and rational management of settlement process in the world. It is in this time that the settlement process takes place at the maximum speed. In less than half a century, this process is largely complete. So now that needs attention.

Although Nigeria is trying its utmost in reforming its economy, a number of difficulties remain to be resolved. Firstly, it should strive to reduce the high rate of domestic savings and, consequently, to increase domestic low consumption so that the recovery of the economy relies less heavily on exports. In a second step, the employment growth should remain good for the tens of millions of immigrants and newcomers to the labor market are able to find a job. Many rural workers and their families have moved to urban centers in order to find a job. In a third step, the countries must curb corruption and make greater efforts to protect intellectual property and other copyrights. Finally, Nigeria needs to limit the environmental and social impacts of the rapid economic transformation taking place.

The general downturn in the economy only reinforces the urgent need for social reform. The problem of the slowdown in domestic consumption is becoming increasingly worrying, especially as Nigeria must now turn to the demand and foreign investment, forcing the Nigerian

economy to strengthen its competitiveness and to carry out reform companies to minimize the negative effects of this reform on the financial sector, the labor market and living standards of the population. The restructuring of Small and Medium Enterprises has led to a series of layoffs. Many other job cuts will certainly inevitable in view of an adjustment of the Nigerian economy. Under heavy international competition that will face Nigeria, it will be difficult for it to justify the existence of surplus labor in the industrial sector, in companies of State in particular, while maintaining a growth rate comparable to the period 1991-1994. New foreign-funded enterprises should be able to absorb some of the staff laid off by state enterprises and that especially in areas of intensive labor. However, the bulk of new FDI should be conducted in areas of heavy industry and capital intensive. We have seen, choosing a form of investment or another dependent on the speed of adjustment of the economy and labor market, as opportunities that result.

The importance of good performance of international relations in the development, political, commercial, cultural worldwide today is paramount to achieving the development of nations. No single nation can be considered self-sustaining itself and does not need the assistance and support of other countries, even the richer nations need which lack resources and that through negotiations and global agreements supplement their needs and wants elsewhere. The weather conditions of each nation make exchange with areas where they produce goods needed for survival and development of vital areas between nations. The development of international trade makes countries flourish, to produce better leverage their assets, and then exchanged with other countries, which in turn they produce best.

When companies are interested in participating in international trade or looking to diversify markets; they need to negotiate with foreign businessmen. International negotiations involve two or more parties, each seek to obtain a satisfactory result. To achieve this they have to

resolve conflicts or setbacks that may arise when negotiating, not an easy task because many times a party is not willing to give, so you need to plan strategies to collaborate to reach an agreement. It is important to know the essentials of international negotiations, definitions and the parties involved in it, the aspects that are commonly traded and the stages through which most international negotiations go through, i.e. the general scheme negotiation.

Proper planning is an essential part of commercial negotiations, as well as learn as much as possible and care should be taken to communicate. Also, there are strategies that allow negotiators achieve better results in international trade negotiations. However, an essential aspect that must be taken into account before any negotiation is the cultural aspect.

There was a unanimous agreement on the fact that the country needs to expand its reach and explore every possible frontier and avenue through which it can provide people its own products and services. The strategy has worked well for many countries but not for Nigeria. From US to any other country in the world Nigeria has failed to successfully penetrate itself in their economies and labor. In addition to this factors such as access to future technologies which Nigeria desperately required to transform its image and position and at the same time also explore frontiers through which with the usage and influx of modern technologies Nigeria could make use of these modern and state of art methods to reform and remold its economic visage according to contemporary needs and requirements.

Many in the corporate sector are also of the view that the presence of WTO has also helped Nigeria to increase its scope in terms of exporting its products and services to anywhere in the world. All these factors have collectively and within their individual capacity have played an important role in influencing the decision of companies of Nigeria to expand their business globally.

Conclusion

In order to clearly understand the research that we have conducted with so much effort it is important that its analysis is also conducted effectively. In order to conduct this analysis effectively it is important that the results that have been obtained are properly studied and scrutinized. Beginning from the first step it is important to mention that when the study compares different studies on the issue of the challenges faced by the companies of Nigeria who want to expand their business globally; it has been found that majority of the scholars and researchers have agreed in advocacy of the fact that managing these challenges properly is one of the best strategies to improve and enhance the performance of construction industry of Nigeria.

Nigeria is one of the most populous and one of the most rapidly urbanizing countries of African region. Since 1980s, the pace of people migrating from rural areas to urban centers has slowed, but it is still about 3.4% (2005-2010) per year means a doubling of the urban population in less than twenty-five years. As a result, the lack of housing facilities posed a real challenge for construction industry of Nigeria. The aim of this paper is to find out what are the real challenges faced by the companies of Nigeria who want to expand globally and how these challenges can be managed in order to enhance the performance within the construction sector in Nigeria. For this purpose author overviewed management processes and its benefits, using the performance metrics of cost saving and quality of the services and products. The clearly outlined research questions and objectives in Chapter one has to be met during the course of this research in order to make this research study meaningful.

Constraints and opportunities that shape the environment of trade change over time, sometimes dramatically. Different economic circumstances can generate new non-legal barriers created by the market, which may discourage foreign companies in areas where they once had

easier access. In contrast, changing economic circumstances may also create opportunities traditionally to exports of services. National trade agreements and regulations meet, sometimes slowly to changes in markets and economic conditions. Therefore, in addition to improved access to markets, developing countries like Nigeria should also seek to improve their ability to monitor and react to market trends and the economy. Through the identification and management of supply constraints in their respective areas of services, Nigeria has the opportunity to take an important step in this direction.

Competitiveness of any country is evident in the adequacy and quality of physical infrastructure and appreciated more when compared with other countries, where the quality of services enjoyed by its inhabitants are present on roads, ports, airports, energy availability, cleaning, supply and distribution of water among others, and a decisive influence on the competitiveness, economic growth, employment, productivity and income distribution. It is also important to mention here that from the corporate sector a major area of concern remained that some of the increases in importers cost would likely be absorbed in the subsequent chain of distribution, relative costs increases at the level of retail. This particularly takes place on products of low-margin and goods that are moderately priced at consumer level. On the flip side it has repeatedly been accentuated by Nigerian trade experts that such changes would have an adverse effect on Nigeria and its economic growth since it would significantly reduce US demand of such products and would eventually lessen and alleviate its percentage of exports and the precious foreign exchange that it earns from it. Moreover, it is also important to state here that the adverse repercussions of such changes in export priorities will not be restricted to Nigeria but will also have a negative effect on neighboring economies.

Same problems particularly well illustrated in the case of the Nigeria, where the fragmentation of labor and short-term contracts create obstacles to any collective defense action of working conditions. The two unions are relatively small and insufficiently developed and depend on extent of financial support from the State. In addition, they are poorly represented on the place of work, especially in small business and on important construction sites. Employers' organizations have similar problems.

Unfortunately Nigerian companies have not taken into account the management of challenges and if certain kinds of companies or institutions, try to take these challenges seriously, other related sectors ignore it. This translates into financial and legal problems that can be avoided if there is a good challenge management. In regards to global products and services, large or small, the challenges represent a very important part which must be studied in detail, in order to have an analysis and control of risks among others, to achieve an appropriate risk management. In order to thoroughly understand the concept of challenge within the operational and constructive activities, relevant people must consider that the challenge always implies the possibility of loss, damage or injury. Once considered this, it is necessary to create a challenge administrative area, which is in charge of the analysis, control, measurement and treatment of the risks involved in the construction company.

Productivity gains offer a solution to meet the demands in labor. However, these gains will help to fulfill the demand in the long run; however, at present, the productive proportion hours are low in segments of the industry (up to 60%). In some cases it could be achieved in a more than 20 per cent increase. The improvement practices in the workplace, promoting technological innovation and training management and supervision in the trade's techniques produce an important increase in productivity and contribute a reduction of workers shortages.

To improve the situation, the industry must tackle the root cause of problems of productivity by including factors such as leadership and monitoring, the lack of experience, engineering, procurement, the overstaffing, deficient leadership and the lack equipment, tools and planning.

The findings of this paper showed that the mere practice of Management is not enough to achieve performance. In other words, to achieve performance, implementation of management must be incorporated into all chains to be managed to make it a reality. Effective knowledge of management must be imbibed in the organizations partaking in a specific project and must be seen as part of the construction process.

For the better performance of Nigerian companies, which want to expand their business globally, a change is required in the way the major participant view themselves. It must be shifted from adversarial to partnership. A structure has to be put in place where all the firms undertaking a business see themselves as members of a chain and not as individual companies. They must be committed to client who is the main reason for the project in the first place. The management process within many organizations still needs to be improved.

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