**INTRODUCTION**

Understanding the external environment is crucial for organizations, particularly in the context of sustainable development (Uitto, 2016). This understanding is negotiated through communication and shapes organizational strategic norms (Dirsmith and Covaleski 2023). However, the assessment of the external environment is complex and requires clear definitions and measures (Miller *et al*, 2016). The impact of the external environment on management information systems is also significant, with different states of the environment requiring different information characteristics and collection approaches (Ewusi-Mensah, 2021). Therefore, a critical evaluation of the external environment is essential for organizations to effectively navigate and respond to its challenges and opportunities.

The PESTEL analysis framework, which considers political, economic, social, technological, environmental, and legal factors, has been widely used in various industries to assess the external environment. Mokhtar (2021) and Schütz *et al* (2018) both highlight the relevance of this framework in strategic management, with Mokhtar specifically applying it to event management and Schütz demonstrating its use in analysing a company's macroenvironment. The environmental aspect of the PESTEL framework is particularly important for companies like Microsoft, as it helps them understand the impact of environmental factors on their operations and strategic position. This is further supported by Zhang *et al* (2011), who emphasizes the need for a holistic strategic analysis framework, and Galindro *et al* (2019), who suggests the use of data envelopment analysis to benchmark environmental product declarations. These studies collectively underscore the rationale for using the PESTEL framework to explain the environmental analysis of Microsoft, as it provides a comprehensive and structured approach to understanding the environmental factors that can influence the company's performance.

**MACRO-ENVIRONMENT ANALYSIS**

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