

**BUS4010**

**Contemporary Business Environment**

**Company Appraisal**

**Student Name:**

**University Name:**

**Date:**

**Table of Contents**

[Assignment Task 3](#_Toc133249330)

[a) Introduce your chosen organisations. Compare and contrast the forms, aims, objectives and operations of organisations and identify their legal structures. Include your companies’ key stakeholders. 3](#_Toc133249331)

[Introduction 3](#_Toc133249332)

[Main Body 3](#_Toc133249333)

[Conclusion 4](#_Toc133249334)

[b) Discuss the role and impact of digitisation on the business structure, operations, and strategies of contemporary business organisations. 5](#_Toc133249335)

[Task 1: Key components of micro- and macroeconomics theories and their impacts on organisational behaviour and the national economy 7](#_Toc133249336)

[Introduced 7](#_Toc133249337)

[Fundamental Elements of Micro- and Macroeconomic Theories and Their Effects on Organisational Behaviour and the National Economy 7](#_Toc133249338)

[Conclusion 8](#_Toc133249339)

[Task 2 9](#_Toc133249340)

[a) Examine leading theories of management, leadership and control and discuss the challenges posed by contemporary business models. 9](#_Toc133249341)

[b) Investigate and analyse real-world businesses using relevant tools such as Responsible Global Citizen: Understand global issues and their place in a globalised economy, ethical decision-making, and accountability. Adopt self-awareness, openness, and sensitivity to diversity in culture. 11](#_Toc133249342)

[References 13](#_Toc133249343)

# Assignment Task

## Introduce your chosen organisations. Compare and contrast the forms, aims, objectives and operations of organisations and identify their legal structures. Include your company's key stakeholders.

## Introduction

Microsoft Corporation has been selected as the international organisation for this evaluation. Microsoft is a global technology business with its US headquarters in Redmond, Washington (Mazorodze and Buckley, 2019). It was established in 1975 by Bill Gates and Paul Allen and has since expanded to become one of the biggest technology firms in the world. Microsoft creates, licences, and hawks personal computers, consumer gadgets, and software.

## Main Body

**Legal Structure and Stakeholders:**

Microsoft has a corporate legal framework and is a publicly listed firm. The company's board of directors is in charge of managing the business and setting its strategic course. The board of directors is chosen by the company's owners, the shareholders (Chen *et al.,* 2021). Customers, employees, suppliers, shareholders, and the communities in which Microsoft operates are some of its main stakeholders. Through its business operations, the organisation is dedicated to generating value for all of its stakeholders.

**Mission and Vision:**

The goal of Microsoft is to enable everyone and every organisation to do more. The company's mission is to develop cutting-edge technology that enhances people's lives and workplaces while being affordable to all.

**Environmental Pressures:**

Microsoft is a technology business that is subject to a variety of external forces. The desire to lessen its carbon footprint and become more sustainable is one of the biggest obstacles. Microsoft has pledged to eliminate all of the carbon it has ever emitted by 2050 and has set a goal of achieving carbon negative by 2030.

**Industry and market:**

Microsoft works in the fiercely competitive and rapidly changing technology sector. The company's key rivals are Apple, Google, and Amazon. Customers of Microsoft can be found in practically every nation in the world. The Windows operating system, Microsoft Office, Microsoft Azure, and Microsoft Surface are among the company's goods and services.

**Post-Covid-19 Challenges:**

Microsoft, like many other businesses worldwide, has faced major hurdles as a result of the Covid-19 outbreak (Slowik, 2019). The change to remote work has been one of the main obstacles, which has raised the demand for Microsoft Teams and other communication solutions. In addition, the company has seen changes in client demand and supply chain interruptions.

**Business developments:**

Microsoft has made a number of noteworthy business moves in recent years, such as acquiring GitHub and LinkedIn. The corporation has also raised its investments in cloud computing and artificial intelligence, which are anticipated to be major future growth sectors.

**Performance:**

With fiscal year 2021 revenue of $165 billion, Microsoft has a solid financial performance. For the same time frame, the business generated $61 billion in net income. One of the most valuable corporations in the world, Microsoft has a market valuation of over $2 trillion.

**Competitive Behaviour:**

Microsoft has received criticism in the past for engaging in anti-competitive activities, particularly when it comes to software bundling. However, the business has taken action to allay these worries and has sought to encourage innovation and competition in the technology sector.

## Conclusion

Microsoft is a well-known international technology corporation with a global market, a clear goal and vision, and a dedication to sustainability. The business is under intense environmental strain, and it also has to deal with post-Covid-19 issues like remote work and shifting client demands. Microsoft, on the other hand, has a solid financial record and is well-positioned for further expansion in the technology sector.

## b) Discuss the role and impact of digitisation on the business structure, operations, and strategies of contemporary business organisations.

The structure, functions, and tactics of modern corporate organisations have been significantly impacted by digitization or the process of turning information into digital form. The increased use of digital technologies has changed how companies run, communicate with, and compete in the global market (Dethine *et al.,* 2020). The shift towards flatter, more agile organisational structures is one of the primary effects of digitalization on organisational structure. This is brought on by the growing adoption of online tools and platforms that let workers collaborate and take decisions rapidly. New business models, like the platform economy, which are challenging existing firms and upending old industries, have also emerged as a result of digitization. The usage of automation, artificial intelligence (AI), and machine learning (ML) technologies has significantly increased as a result of digitisation in processes. Businesses have been able to do this to streamline operations, cut costs, and increase efficiency (Mirković *et al.,* 2019). Large volumes of data can now be collected, stored, and analysed by businesses more easily thanks to digital technologies, which offer useful insights into consumer behaviour and market trends.

Business tactics have been significantly impacted by digitization as well. Through channels like social media, e-commerce, and mobile apps, businesses now have new options to connect with and engage with customers. In an effort to satisfy the changing demands and expectations of their clients, businesses are placing a greater emphasis on personalization and the customer experience.

The growth of digital transformation is a significant effect of digitization on corporate strategies. Digital technologies must be incorporated into every facet of a company, from operations and customer support to marketing and product creation. Businesses that want to compete in the digital age are considered to need digital transformation since it gives them the ability to react swiftly to market changes and satisfy client requests (Matalamäki and Joensuu-Salo, 2022). Modern commercial organisations have experienced significant changes to their structure, methods of operation, and business strategy as a result of digitization. In the years to come, businesses that can adapt to these changes and adopt digital technology are likely to be the most prosperous. In order for businesses to succeed in the global market, they must manage the complicated and ever-evolving digital landscape, which offers difficulties for them.

Global organisational structures, operations, decision-making, and working methods have all been significantly impacted by the Internet of Things (IoT), evolving collaboration, networking, e-commerce, business, and social technologies. Businesses can now gather and analyse enormous volumes of data from sensors and devices thanks to IoT, which has improved their understanding of customer behaviour and product performance. In an effort to stay competitive and satisfy the changing needs of their customers, organisations have shifted towards more data-driven decision-making processes (Fauzi *et al.,* 2022). The way organisations run has also changed as a result of the development of collaboration and networking solutions that enable employees to collaborate more efficiently no matter where they are located. Due to this, online platforms and tools have been used by employees to cooperate and communicate in virtual teams.

Businesses can now access a global talent pool and work more effectively in a market that is undergoing fast change. By enabling businesses to access clients around the globe round-the-clock, e-commerce and eBusiness have altered the way companies sell goods and services. New business models, such as dropshipping, which enables companies to sell goods without maintaining inventory, have emerged as a result of this (Menz *et al.,* 2021). Business rivalry for the interest and allegiance of online customers has increased as a result of e-commerce. Instant messaging and other social technology, like social networking, have completely changed how businesses connect with their clients and advertise their goods. Social media has developed into a crucial tool for businesses to promote their brands, interact with clients, and get feedback. Additionally, it has made it possible for companies to keep an eye on their reputation and promptly respond to criticism.

Overall, these technologies have influenced organisational structures, operations, decision-making, and working methods in a more flexible and agile manner. Businesses that can make use of these technologies run more smoothly and successfully, reacting fast to market changes and satisfying the expectations of their clients. However, this also poses difficulties for businesses, as they must keep up with the quickly evolving technical environment and guarantee that their staff members are equipped with the skills needed to succeed in the digital age.

# Task 1: Key components of micro- and macroeconomics theories and their impacts on organisational behaviour and the national economy

## Introduced

The two independent fields of economics that makeup microeconomics and macroeconomics each have their own set of guiding principles, models, and theories. While macroeconomics is concerned with the performance and behaviour of the economy as a whole, microeconomics focuses on the actions of people and enterprises inside an economy. The main ideas of micro- and macroeconomics will be covered in this article, along with how they affect business operations and the overall economy.

## Fundamental Elements of Micro- and Macroeconomic Theories and Their Effects on Organisational Behaviour and the National Economy

The allocation of resources by individuals and businesses is a topic of study in microeconomics. The fundamental tenet of microeconomics is the "economic problem," which is the notion that society has finite resources but limitless demands and needs (Mitchell *et al.,* 2019). As a result, individuals and businesses must decide how to optimally deploy their resources.

Supply and demand is one of the most fundamental ideas in microeconomics. Demand is the quantity of a good or service that customers are willing and able to purchase at a given price, whereas supply is the amount of a good or service that producers are willing to provide for sale at a given price. The market equilibrium price and quantity are determined by where supply and demand intersect (Curtin, 2019). Another crucial aspect of microeconomics is market structure. The size of a market, the level of competition among enterprises, and the ease of entry and exit within the market are all examples of its structure. The four primary types of market structures are oligopoly, monopoly, perfect competition, and monopolistic competition (Fuleky, 2019). Varied market structures have varied effects on price strategy, product variety, and market dominance.

Microeconomic principles have an impact on organisational behaviour in a number of different ways. For instance, businesses must decide what products and services to offer, how much to charge for them, and how many staff members to hire (Nepal and Rogerson, 2020). The concepts of supply and demand, market structure, and cost-benefit analysis serve as the foundation for these choices. On the other hand, macroeconomics focuses on the operation and conduct of the economy as a whole. The circular flow of income, which depicts how money moves between people, corporations, and the government throughout the economy, is the foundation of macroeconomic theory. Gross domestic product (GDP), inflation, and unemployment are examples of macroeconomic activity indicators.

Governments can control macroeconomic conditions through the deployment of fiscal and monetary policy. Changes in government spending and taxation are referred to as fiscal policy, whereas changes in the money supply and interest rates are referred to as monetary policy (Wagner, 2020). The effectiveness of the economy as a whole may be significantly impacted by either of these measures. Organisational behaviour is significantly impacted by macroeconomic concepts as well. Businesses must decide, for instance, how much to spend on new initiatives, how much to pay staff, and how much to price for their goods. Macroeconomic factors like interest rates, inflation, and the overall level of economic activity have an impact on these choices.

## Conclusion

Finally, it should be noted that macroeconomics and microeconomics are two separate subfields of economics, each with its own set of guiding principles, models, and theories. While macroeconomics is concerned with the overall health of the economy, microeconomics focuses on the actions of people and businesses within the economy. Organisational behaviour and the national economy are both significantly impacted by both of these disciplines, therefore businesses must take both microeconomic and macroeconomic issues into account when making strategic decisions.

# Task 2

## Examine leading theories of management, leadership and control and discuss the challenges posed by contemporary business models.

Any organization's core components—management, leadership, and control—must function effectively if it is to accomplish its objectives. To explain these ideas, numerous theories have been established over time, including the transformational, behavioural, contingency, and classical schools of thought. These conventional beliefs are, however, severely challenged by modern business models, necessitating cutting-edge management and leadership strategies.

The classical philosophy of management places a strong emphasis on productivity and efficiency and is founded on the fundamentals of scientific management. According to this notion, workers are only driven by financial rewards, and a top-down strategy may standardise and regulate their output (Bergh et al., 2019). Modern business models, on the other hand, are more complicated and involve a variety of stakeholders, including customers, employees, shareholders, and communities. As a result, managers need to take a more cooperative stance, involving staff in decision-making and encouraging an innovative and creative culture.

Management theories that emphasise behaviour and motivation in people place a strong emphasis on the role that social and psychological elements play in accomplishing organisational objectives. These ideas emphasise the significance of employee motivation, communication, and leadership style while acknowledging the drawbacks of the conventional method. Contemporary business models, however, call for leaders who are able to manage intricate webs of relationships, comprehend cultural nuances, and adjust to quickly shifting market conditions.

The importance of situational considerations in choosing the best management strategy is emphasised by contingency theories of management. These theories acknowledge that there isn't a single management or leadership style that works for all circumstances and that the best course of action depends on the particular circumstances (Northouse, 2021). However, due to their complexity and uncertainty, modern business models provide substantial challenges that call for leaders who can quickly adapt to shifting conditions and make judgements based on limited information.

Theories of transformational leadership place a strong emphasis on the role that inspiration, motivation, and vision play in accomplishing organisational objectives. These theories take into account the fact that great leaders must inspire and motivate their subordinates to accomplish common objectives, frequently by questioning the status quo and encouraging creativity and innovation. Contemporary business models, however, call for leaders who are able to manage intricate webs of relationships, comprehend cultural nuances, and adjust to quickly shifting market conditions. Contemporary global business models present a number of obstacles that call for leaders who can manage conflicting demands and priorities, forge close bonds with a wide range of stakeholders, and quickly adjust to changing market conditions. Effective leadership in this situation necessitates a cooperative, participatory strategy that encourages a culture of innovation and invention while including staff, clients, shareholders, and communities in decision-making. This calls for leaders who can encourage and inspire their team members, communicate clearly, and forge lasting bonds with a variety of stakeholders.

It is impossible to exaggerate the value of control in achieving effective organisational performance. Control systems assist managers in tracking performance, spotting deviations from expected results, and taking appropriate remedial action as needed (Lee, 2021). However, modern business models might not work well with conventional control techniques like hierarchical structures and centralised decision-making. Instead, supervisors need to take a more flexible stance, allowing staff members to accept responsibility for their job and fostering experimentation and creativity.

To sum up, modern business models seriously undermine established notions of management, leadership, and control. Effective leadership in this situation necessitates a cooperative, participatory strategy that encourages a culture of innovation and invention while including staff, clients, shareholders, and communities in decision-making. Effective control systems must be adaptable and flexible, enabling staff to take responsibility for their job and fostering creativity and experimentation. Managers and leaders may create resilient organisations that can adjust to changing conditions and achieve long-term success by accepting these difficulties.

## Investigate and analyse real-world businesses using relevant tools such as Responsible Global Citizen: Understand global issues and their place in a globalised economy, ethical decision-making, and accountability. Adopt self-awareness, openness, and sensitivity to diversity in culture.

Businesses must act as good global citizens in today's interconnected world by considering the effects of their decisions on a global scale and prioritising social and environmental responsibilities. From this perspective, it is helpful to examine actual companies that exhibit responsible global citizenship, utilising pertinent methods to comprehend their strategy and gauge its efficacy (Corbett and Spinello, 2020). Patagonia, a clothing brand dedicated to sustainability and environmental protection, is one example of a firm that exemplifies responsible global citizenship. Patagonia has implemented a number of initiatives to lessen its impact on the environment, including using recycled polyester and organic cotton in its products, encouraging customers to mend and reuse their clothing through its "Worn Wear" programme, and donating 1% of its sales to environmental causes through the Patagonia Action Works programme.

We may make use of resources like the Global Reporting Initiative (GRI), which offers a framework for reporting on sustainability issues, to comprehend Patagonia's strategy for responsible global citizenship. In accordance with Patagonia's most recent sustainability report, the company has accomplished a number of significant objectives, including a 40% decrease in greenhouse gas emissions since 2015 and a 73% waste diversion rate. In the 2020 Fashion Transparency Index, which evaluates the social and environmental transparency of firms, Patagonia also received top marks.

Unilever, a global manufacturer of consumer goods that has incorporated sustainability as a crucial component of its business strategy, is another example of a firm that exemplifies responsible global citizenship. In order to lessen its negative effects on the environment, Unilever has set ambitious objectives, such as becoming carbon neutral in its operations by 2039 and obtaining all of its agricultural raw materials responsibly by 2023. Additionally, Unilever has started a number of programmes to encourage social and environmental responsibility. One of these programmes is the Sustainable Living Plan, which seeks to improve the health and well-being of 1 billion people while minimising the environmental impact of the corporation.

The companies may use resources like the Triple Bottom Line (TBL) methodology, which assesses a company's performance based on its social, environmental, and financial effects, to comprehend Unilever's strategy for responsible global citizenship. According to Unilever's most recent sustainability report, the firm has improved in all three areas. Particularly noteworthy are its initiatives for sustainable procurement, which have improved the lives of more than 800,000 smallholder farmers and allowed it to reduce its greenhouse gas emissions by 46% since 2008. Even businesses like Patagonia and Unilever, though, have difficulties in their efforts to act as responsible global citizens. For instance, because both businesses depend on international supply chains to manufacture their goods, it may be challenging to maintain social and environmental responsibility along the full value chain (Golensky and Hager, 2020). It might be difficult to keep a long-term emphasis on sustainability because both companies are under pressure from investors to put financial performance ahead of social and environmental responsibilities.

Businesses need to take a comprehensive approach to responsible global citizenship that takes into account the whole impact of their actions on society and the environment in order to overcome these concerns. This calls for a dedication to openness and responsibility as well as a readiness to interact with stakeholders and pay attention to their issues (Yoder-Wise and Sportsman, 2022). It also necessitates an understanding that sustainability is not only a moral requirement but also a financial requirement, as organisations that place a priority on social and environmental responsibility are more likely to draw in and keep clients, staff members, and investors in the long run.

Businesses that practise responsible global citizenship are aware of how their actions affect people throughout the world and prioritise social and environmental responsibility in their ethical decision-making. By examining actual companies like Patagonia and Unilever using pertinent tools like the GRI and TBL frameworks, we can learn more about how they approach practising responsible global citizenship and judge how successful they are. But even these businesses struggle to act as good global citizens, demonstrating the necessity for a comprehensive strategy for sustainability.

# References

Bergh, D.D., Ketchen Jr, D.J., Orlandi, I., Heugens, P.P. and Boyd, B.K., 2019. Information asymmetry in management research: Past accomplishments and future opportunities. *Journal of Management*, *45*(1), pp.122-158.

Chen, R., Xie, Y. and Liu, Y., 2021. Defining, conceptualizing, and measuring organizational resilience: A multiple case study. *Sustainability*, *13*(5), p.2517.

Corbett, F. and Spinello, E., 2020. Connectivism and leadership: harnessing a learning theory for the digital age to redefine leadership in the twenty-first century. *Heliyon*, *6*(1), p.e03250.

Curtin, R.T., 2019. *Consumer expectations: Micro foundations and macro impact*. Cambridge University Press.

Dethine, B., Enjolras, M. and Monticolo, D., 2020. Digitalization and SMEs’ export management: Impacts on resources and capabilities. *Technology Innovation Management Review*, *10*(4).

Fauzi, T.H., Harits, B., R Deni Muhammad Danial, D.M.D. and Kokom Komariah, K.K., 2022. Adaptive strategies of external environmental effects in digital entrepreneurship in the strategic management perspective. *Academic Journal of Interdisciplinary Studies www. richtmann. org*, *9*(3), pp.38-45.

Fuleky, P. ed., 2019. *Macroeconomic forecasting in the era of big data: Theory and practice* (Vol. 52). Springer Nature.

Golensky, M. and Hager, M., 2020. *Strategic leadership and management in nonprofit organizations: Theory and practice*. Oxford University Press.

Lee, M.R., 2021. *Leading virtual project teams: Adapting leadership theories and communications techniques to 21st century organizations*. CRC press.

Matalamäki, M.J. and Joensuu-Salo, S., 2022. Digitalization and strategic flexibility–a recipe for business growth. *Journal of Small Business and Enterprise Development*, *29*(3), pp.380-401.

Mazorodze, A.H. and Buckley, S., 2019. Knowledge management in knowledge-intensive organisations: Understanding its benefits, processes, infrastructure and barriers. *South African Journal of Information Management*, *21*(1), pp.1-6.

Menz, M., Kunisch, S., Birkinshaw, J., Collis, D.J., Foss, N.J., Hoskisson, R.E. and Prescott, J.E., 2021. Corporate Strategy and the Theory of the Firm in the Digital Age. *Journal of Management Studies*, *58*(7), pp.1695-1720.

Mirković, V., Lukić, J., Lazarević, S. and Vojinović, Ž., 2019. Key characteristics of organizational structure that supports digital transformation. In *International Scientific Conference Strategic Management and Decision Support Systems in Strategic Management*.

Mitchell, W., Wray, L.R. and Watts, M., 2019. *Macroeconomics*. Bloomsbury Publishing.

Nepal, R. and Rogerson, A.M., 2020. From theory to practice of promoting student engagement in business and law-related disciplines: The case of undergraduate economics education. *Education Sciences*, *10*(8), p.205.

Northouse, P.G., 2021. *Leadership: Theory and practice*. Sage publications.

Slowik, J., 2019. Evolution of ICS attacks and the prospects for future disruptive events. *Threat Intelligence Centre Dragos Inc*.

Wagner, R.E., 2020. *Macroeconomics as systems theory*. Springer International Publishing.

Yoder-Wise, P.S. and Sportsman, S., 2022. *Leading and Managing in Nursing E-Book*. Elsevier Health Sciences.