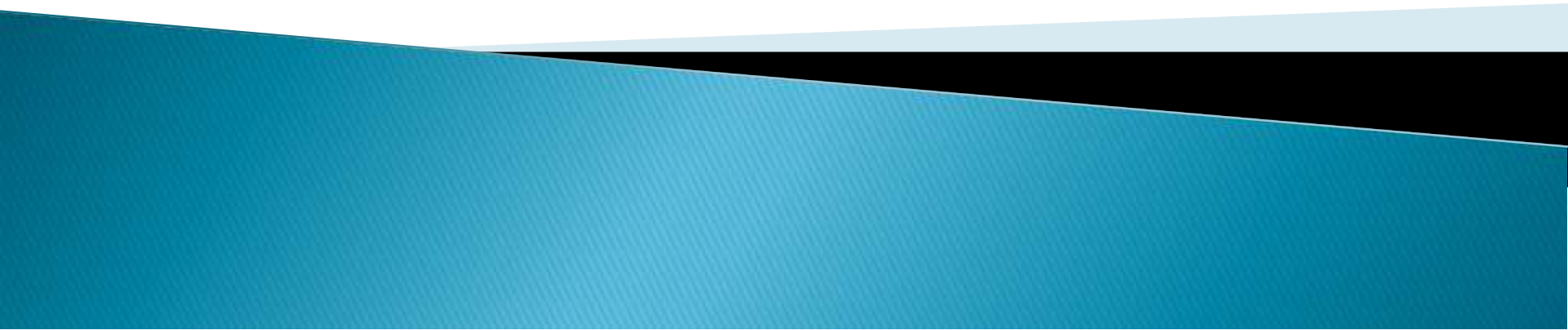
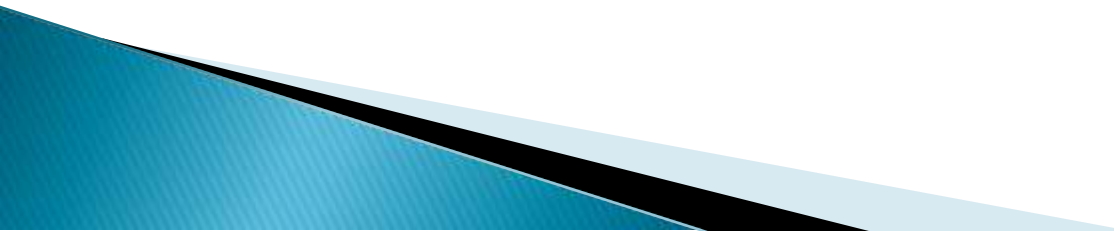


Environment of an Organization, Social Responsibility, and Ethics

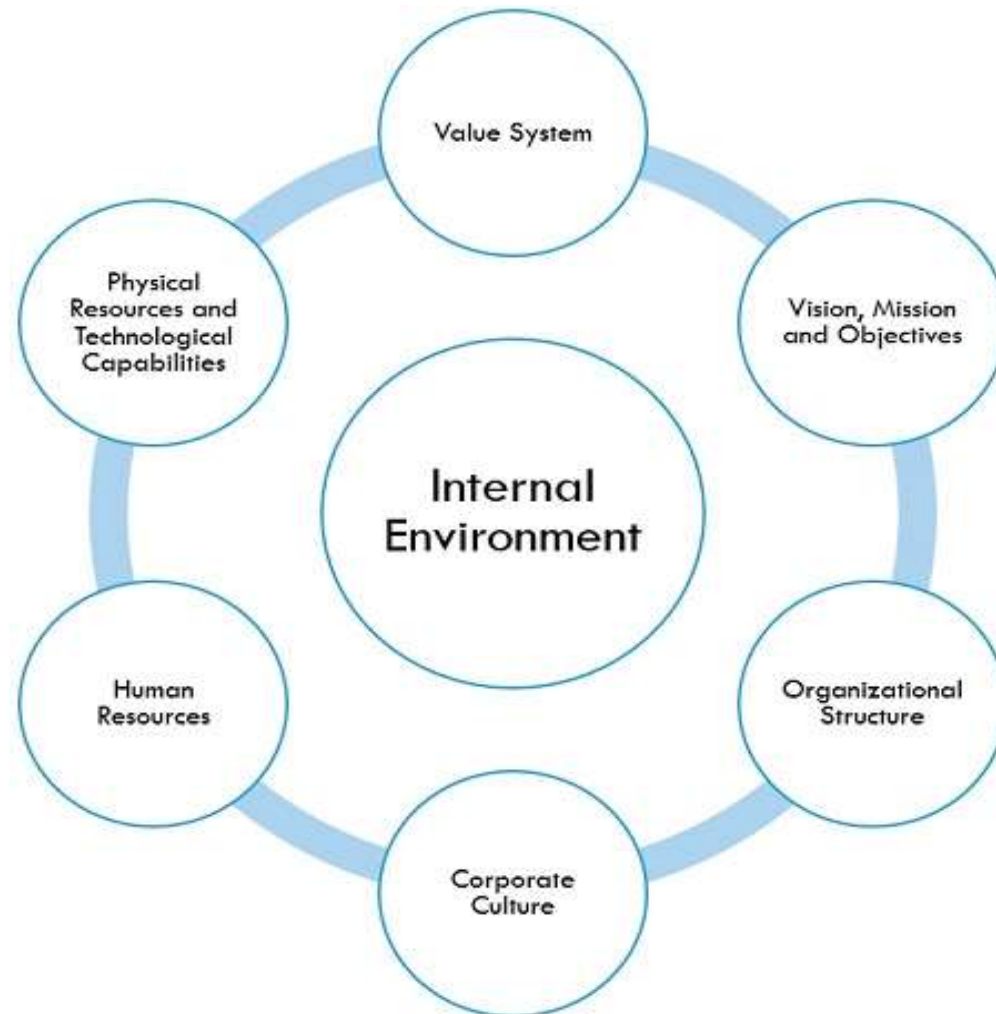
Session 4



Definition of Environment of an Organization

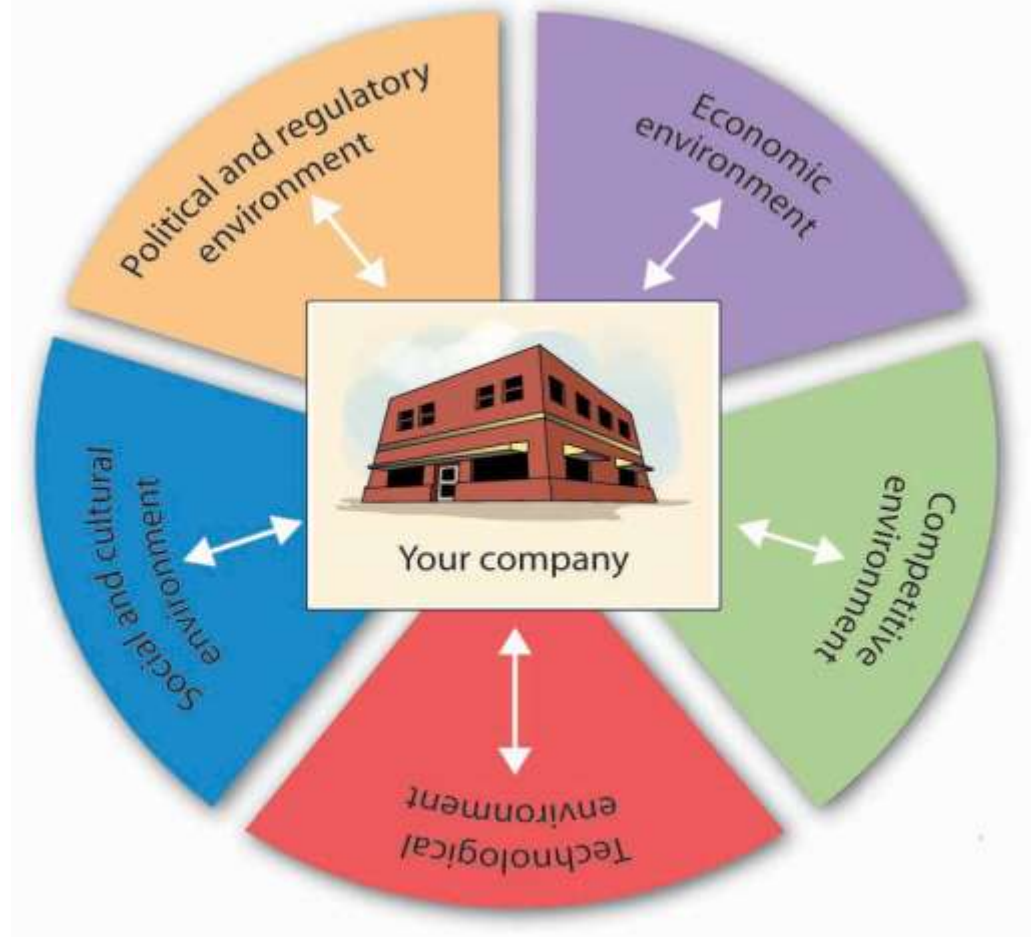
- ▶ The organizational environment is the set of forces surrounding an organization that have the potential to affect the way it operates. Scholars have Divided these environmental factors into two main parts as,
 - A. Internal environment
 - B. External environment
- 

Internal environment



External Environment

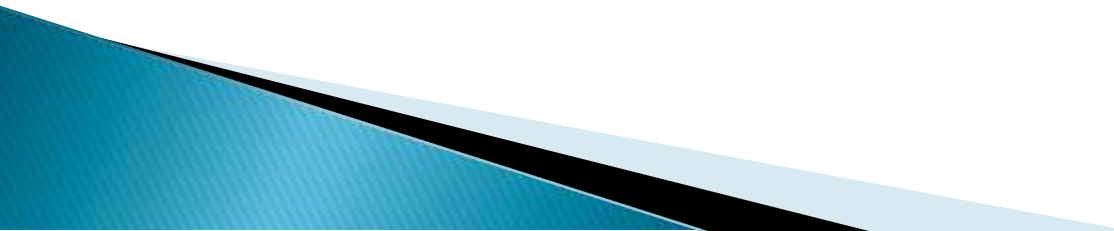
- In addition to this we have Ecological environment



Political and Legal Environment

- ▶ Legislature(Parliament and assembly)–Law making body
- ▶ Executive(Government)–Law implementing body
- ▶ Judiciary

Articles in constitution:

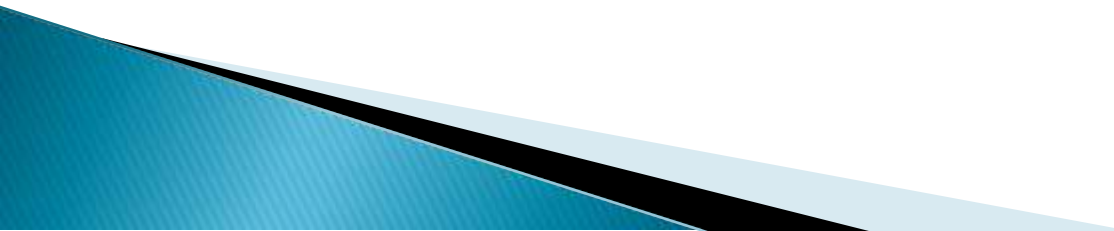
- ✓ Article 14–Guarantees equality before law
 - ✓ Article 15–Prohibits Discrimination
 - ✓ Article 23–Prohibits forced labor
- 

Economic environment

All businesses, whether domestic or international, are affected by the dynamic economic environment conditions prevalent in the market. Among many economic factors affecting business some are; interest rates, demand and supply, recession, inflation, etc.



Competitive environment

- ▶ Nearly every work environment is a competitive environment.
 - ▶ The primary source of the competition can vary from one work area to another, but there's competition from other local or area firms, from out-of-state firms and from companies located all over the world.
 - ▶ Competition can emerge seemingly from nowhere, with the emergence of new products that replace current products with more desirable products or with products that provide the same benefits at dramatically lower costs.
- 

Technological factors



How Technology Affects **Businesses Today**

1. Diminish Security Risks

Technology replaces & reduces human labor; speeds up tasks & helps prevent cyber threats

2. Business Growth

Technology and tools can help grow and flourish a business and generate higher revenue

3. Boosts Online Presence

Technology helps finding the right audience that is in need of your business services/products

4. Online Mishaps

Due to some loopholes in the functioning of technology, there is a possibility of a mishap

Socio-Cultural factors

- ▶ The buying and consumption habits of the people,
- ▶ their language,
- ▶ beliefs and values,
- ▶ customs and traditions,
- ▶ tastes and preferences,
- ▶ Health consciousness
- ▶ education are all factors that affect business



Ecological factors

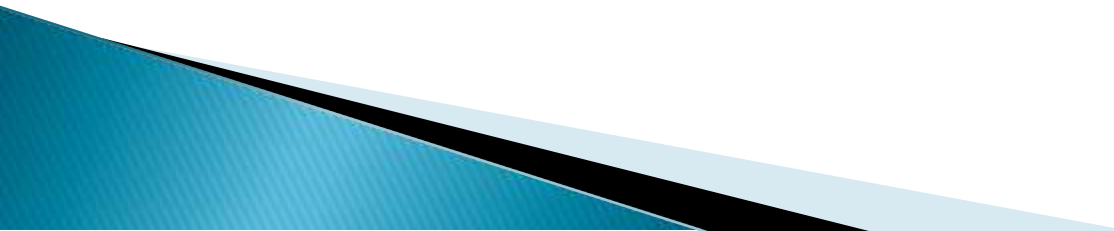
- ▶ Environmental Policies
 - ▶ Climate change
 - ▶ Green agenda
 - ▶ Pollution
 - ▶ Availability of natural resources
 - ▶ Recycling
 - ▶ Waste disposal
- 

The Social Responsibility of Managers

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations.



Potential business benefits

- ▶ Triple bottom line
 - ▶ Human Resources
 - ▶ Risk management
 - ▶ Brand differentiation
 - ▶ Reduced scrutiny
 - ▶ Supplier relations
 - ▶ Crisis management
- 

Ethics in Managing



Unethical business practices

- ▶ Misleading product information
 - ▶ Unfair competition
 - ▶ Mistreating employees
 - ▶ Manipulating accounts
 - ▶ Bribery
- 