External environmental factors as seen in 2021 during the coronavirus can highly influence the internal business environment. The coronavirus has made huge effects on our daily lives to help stop the virus from spreading, but this won’t be the only time that businesses and humans will face unexpected and unseen cases like the coronavirus. Businesses had to start working online with their employees due to the quarantine circumstances, this has affected many things such as interpersonal relations. Furthermore, it could have decreased time management speed as the employees of the business are not face-to-face working and its harder to organise a meeting that should be attended in 5 minutes as face-to-face this could be announced and gather employees to join on time. It was a tough time for employees as suddenly they started working from home and it’s hard to focus on a house environment as it was all new to employees to start working from home. Although there were difficulties adapting to the pandemic there were also positive sides to it, now employees no more needed to wake up earlier to go to work which was a waste of time now employees could sleep more and this would lead to them working more productive, an analysis of data collected through a survey (Maria Barrero, Bloom and J. Davis, 2021) supporting this showed that 6 out of 10 workers said that they are more productive working from home. The PESTLE analysis can be used to explain these changes in a clear and organised way.

The PESTLE analysis was invented by Francis Aguilar in 1967 (Post, 2018). The PESTLE analysis is a tool used to analyse the major external factors that influence businesses. The PESTLE stands for: Political, Economic, Social, Technological, Legal and Environmental. Going deeper into PESTLE into each factor, Political effects are these factors that affect how much a government can influence the economy or a particular business. Economic effects are the results of the economy that have a direct impact on a company and have long-term impacts. Social effects are these parameters that analyse the market's social environment and evaluate characteristics such as cultural trends and population analysis. Technological effects are the innovations in technology that affects the procedures in the industry in positive and negative ways such as automation as now its business’s goal is to reduce workers and focus on automation. Legal factors are things such as certain laws that affect the business environment that is not the same in every country, an example of this is consumer laws and labour laws as not every country have the same worker rights. Environmental factors include everything within the business that are affected by the surrounding environment. As described above PESTLE is very important for businesses to understand and use as it’s very beneficial due to being very in-depth and broken down into important different factors affecting the business. Throughout this essay, Technological and Economical factors will be discussed in detail.

Technology has developed at a huge speed in the years which was slowly pushing businesses year by year to start selling online, keeping data online and having online events etc. The coronavirus forced businesses to find ways to survive without having their physical stores open which only gave the online selling option to businesses as no stores were open. Most businesses were able to adapt to start opening an online retail store due to forced circumstances and this has long-term benefits for the business as in the near future all businesses in some certain time had to as we humans are getting lazier day after day and shop mainly online especially teenagers nowadays order hundreds of things online as its more convenient for them.

A new upcoming issue within 5 years is re-adapting employees to work back in office leaving their comfortable home environment and starting to wake up earlier as now the workers have to travel to work. According to research done by Gallup News “About two-thirds of remote workers want to continue to work remotely” (Gallup, 2020). By this obtained result by Gallup News, we can see that this upcoming potential issue is obvious as only 1 in 3 people doesn’t want to continue working remotely, this adaption process for the other 2 in 3 people will be very difficult and as a consequence will lead to employees dropping out of work to find work from home jobs. In the upcoming years, it will be very difficult for businesses to find employees that will come face-to-face work as during the coronavirus in quarantine people got used to this although things are going better and better due to vaccines and good precautions when all this pandemic will end in the near future the adapting back to office procedure will be a huge issue in the upcoming years.

Furthermore, another issue related to technology getting better and better each day is the lack of technical training as the more technology develops the more behind we are, in terms of technological capability such as basic tasks in newly developed systems that are complex to learn with no technological background. It's vital to get employees to a basic level of technical ability so they can use the company's business applications, automation tools, and other IT assets successfully. As more and more technology develops automation becomes more and more used for manufacturing when producing heavy and large items as it’s so much easier to manufacture with automation, as less labour physical power is required, employee safety is much higher compared to production manually with no automation. As automation works with technology not only do employees need it for day-to-day tasks but also the essential manufacturing process as if a process is done wrong, it could stop the whole manufacturing line from working. Consequences for businesses of employees with no professional technological training would decrease the efficiency and the maximum performance that could be obtained by the employees and the maximum performance that could be obtained in manufacturing processes.

The Economy is constantly changing in all parts of the world no matter how good or bad a country’s power is, there is no constant economy it always changes sometimes with huge effects and sometimes with minimal effects to the population and on businesses. The economic factors more specifically include Economic Growth, Interest Rates, Unemployment, Inflation, Exchange Rates. Economic growth is very important nowadays as more and more people get unemployed due to shops closing during quarantine and owners of shops have no choice but to reduce the staff to avoid bankruptcy, if there is good economic growth there would be more jobs available and more tax would be paid to the government, and this would reduce unemployment if there is a strong economy. As in every disadvantage, there is an advantage to it, if there is high unemployment then businesses have more people to pick from and due to unemployment being high the wages can be kept low as there is high competition for jobs.

A huge issue during the coronavirus was the supply change crisis as car manufacturers were not able to produce at their max capacity their new car models are very limited in amount and has caused the second-hand cars bought to increase in price as there are no first-hand cars and this has had a huge effect on the car sales businesses as now their customers were selling their cars that were sold to them for more than that they are supposed to be sold. Another example is face masks as masks were new to everyone and there was a sudden huge market demand and due to the demand, the prices of face masks were more than 10 times than they were originally before the coronavirus as there was a huge demand and this caused a huge price crisis.

These are just basic examples and due to these kinds of reasons in 2020 there was a market crash but got recovered afterwards, there is no guarantee that this won’t repeat in the near future as every day there are new unexpected things happening in the economy such as new tax regulations and sudden inflations in countries due to the country not having the economic power to support its economy with businesses being closed during quarantine.

As the examples described above an issue that can up come within 5 years could be huge inflation due to a new supply chain crisis if governments and businesses are not taking precautions to unexpected events, this time there could be huge inflation that the government can’t control leading to businesses selling for higher process their products due to buying for higher prices that would make people to buy with higher prices with the same salary. This would lead people to leave their jobs for higher paid jobs which force businesses to increase salaries, or they won’t survive a crisis with inflation and staff shortage.

If we were to summarize the main issues that I have considered and discussed during this essay that can affect businesses within 5 years included Technological and Economic issues. A very important issue discussed was the re-adaption process of employees to work in office leaving the home environment after all this quarantine and coronavirus circumstances are finally over. If this potential issue is not considered by businesses in detail it will lead to employees quitting jobs and searching for online jobs that can be done from the employee’s homes. I would give 2 recommendations to businesses to avoid this issue. My first recommendation would be that the business should have something special that would make it want for the employees to go such as a special software that does the employees work much faster that is only in the office. My second recommendation would be for businesses to add a special working break that all employees do at the same time which would make employees release stress while having a cup of coffee with their colleagues, as seen above these are easy things for a business to do, if these basic things are not done it would, unfortunately, lead employees not liking the workplace and prefer to work online which means leaving their workplace.

Technological training is very important as technology is developing at a great speed which we can’t catch up with if we don’t improve our technological abilities or else, we will be left behind. The more businesses expand their sales and their product portfolio the more technical knowledge will be needed by employees to be able to catch up with the current and future standards for example selling products online. For businesses not to face such issues, there would be 2 recommendations that I would recommend. Firstly, to prefer hiring employees with good technological by making them do a test. Secondly, businesses should constantly give tasks as learning new software with tutorials although they won’t use the software just expand their employee’s technological knowledge and improve their capabilities.

The final issue that was discussed during this essay was the risk of possible inflation as there may again be a new supply crisis due to a new unexpected event such as a new version of the coronavirus named omicron, as there was a supply crisis before in 2020 and businesses were not ready the government had power and was able to recover this issue, but the same solution may not work only with government power in the future so businesses should be prepared. My recommendation would be that businesses invest in assets to protect themselves from possible inflation as their assets would also increase in value and not get affected as other businesses.

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