

Department of Education  
National Capital Region

**SCHOOLS DIVISION OFFICE  
MARIKINA CITY**

**ACCOUNTANCY, BUSINESS AND MANAGEMENT**

# **Organization and Management**

## **The Firm and Its Environment**

### **Quarter 1 – Module 3**



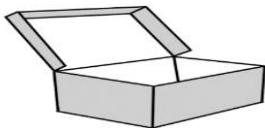
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## What I Need to Know?

This module was written to help you understand the lesson in Organization and Management, specifically, the topic on The Firm and Its Environment.

It was carefully designed so that you can work at your own pace and allow self-discovery of the concept or ideas through different activities that you will perform. Activities were selected for independent learning which also aims to develop students' reading comprehension skills through understanding written texts.

At the end of the module you will be able to analyze various forces/elements influencing local and international business environment using PESTLE and SWOT strategies.

1. Identify various forces/elements influencing local and international business environment.
2. Describe each forces/elements influencing local and international business environment.
3. Discuss the PESTLE and SWOT analysis
4. Summarize the various forces using the PESTLE and SWOT analysis

This module is divided into two (4) lessons namely:

Lesson 1: The Firms' Environment

Lesson 2: The Local and International Business Environment

Lesson 3: Environmental Scanning using SWOT Analysis

Lesson 4: Environmental Scanning using PESTLE Analysis

***Before we start may I remind you to write your answers on your notebook (any notebook will do) thus this notebook will also serve as your answer sheet. Do keep your notes for this module too.***



## What I Know

Based on the previous module, Classify the following word/s if it is under **FUNCTIONS**, **ROLES OR SKILLS** of a Manager by checking the appropriate column.

	<b>Functions</b>	<b>Roles</b>	<b>Skills</b>
1. Leading			
2. Conceptual			
3. Staffing			
4. Informational			
5. Human Skills			



## What's New?

We have to understand that the modules under the course has a relativity with each other and they were interconnected from each other. In line with this, to make a clear jump off from a particular topic, learners must know the essence of these knowledge about the managerial skills and roles and contemplate its importance to become fully aware about the next topic,

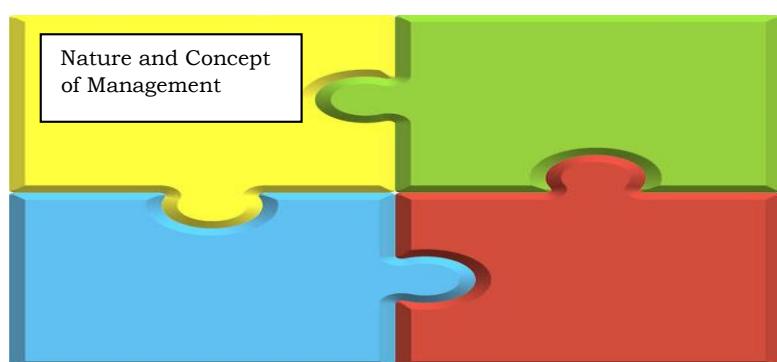


Source: <https://www.lawyersweekly.com.au/images/articleImages-850x492/puzzle-two-merge-lw.jpg>

## What's In

Mind-Puzzle making: Fill in the puzzle piece of the first four topics in organization and management: Nature and Concept of Management, Functions, Roles and skills of a Manager, Business Firm Environment and slowly consider the puzzle approach that this course build on your capacity in understanding the topic on forms of business organization and phases of economic development.

Answer on a separate sheet of paper and post it near your study area to serve as guide in the learning process.



Source: <https://b.rgbimg.com/users/a/am/ambroz/600/osovIwq.jpg>



# Lesson 1

## The Firm's Environment



### What is It?

Business firm may be visualized as an institution in society surrounded by environment, various internal and external forces influencing its functions. It is said that business is a product of environment or Business is the creation of its environment.

The firm can alter or modify internal factors to its advantage. The examples of internal factors are nature and number of personnel, physical facilities, organization and functional means, such as marketing mix, to suit the environment.

The external or environmental factors are beyond the control of the business firm and the success of the firm will depend to a very large extent on its adaptability to the environment like, its ability to properly design and adjust the internal factors/variables to take advantage of the opportunities and to fight the threats of the environment.

### **Business Environment**

Business Environment refers to the factors or elements affecting a business organization. It may be divided into the External and Internal Business Environments. The External Business Environment includes the factors and elements outside the organization which may affect its performance, either positively or negatively while the Internal Business Environment refers to the factors or elements within the organization which may affect its performance, either positively or negatively. The environment in which a business operates is a major consideration in determining an organization's design or structure. Considerations such as uncertainty, procurement, and competition are linked with the external environment. A company's strategy and approach to operations must also be aligned with the limitations of its external environment as well as its internal environment.

#### **Elements of External Business Environment:**

**Economic** situations may affect management practices in organizations. Examples are inflation, rates of interest, changing options in stock markets, and people's spending habits.

**Sociocultural** situations include the customer's changing values and preference; customs could also affect management practices in companies. Examples are Filipino customers are now conscious about the importance of avoiding fatty foods, so may food companies now make sure that the products they offer are cholesterol-free or low in cholesterol. In doing so, they avoid losing their customers.



**Politico-legal** situations refer to national or local laws, international laws, and rules and regulations that influence organizational management. Examples are labor laws related to preventing employers from firing their employees without due process require the former to allow the latter to exercise their right to present their position during disciplinary action before their employment can be terminated.

**Demographic** situations such as gender, age, education level, income, number of family members, geographic origin, and other demographic factors. It may also influence some managerial decisions in organizations. For example, decisions regarding hiring of human resources may be affected by an organization's management policy that shows prejudice to the hiring of married females who are in the child-bearing age because they would like to minimize payment of maternity leave benefits.

**Technological** situations of companies involve the use of varied types of electronic gadgets and advanced technology such as computers, robotics, microprocessors, and others that have revolutionized business management, e-commerce, teleconferencing, and sophisticated information systems.

**World and ecological** situations are related to the increasing number of global competitors and markets, as well as the nature and conditions of the changing natural environment. Products produced by companies must cater to the changing needs of the people in the global community at the same time, considering their impact on the natural environment. For example, car manufacturing managers must give the go signal for the development of vehicles that are environmentally friendly instead of only being focused on the product's speed, fuel economy, and design.

**Specific Business Environment** focuses on stakeholders, customers, pressure groups, and investors or owners and their employees.

**Stakeholders** are parties affected by the activities of the organization, while **customers** are those who patronize the organization's products and services. Increasing customer sophistication makes it necessary for managers of organizations to make crucial decisions regarding the development of products with higher value and the improvement of their services to meet their patrons' increasing demands. This has prompted companies to solicit feedback from their customers to avoid dissatisfaction that may lead them to patronize another company offering similar products and services.

**Suppliers** are those who ensure the organization's continuous flow of needed and reasonably priced inputs or materials required for producing their goods and rendering their services. Managers decide what, where, and when to buy their supplies and which supplier to favor with their organization's supply orders.

**Pressure groups** are special-interest groups that try to exert influence on the organization's decisions or actions. For example, pressure from the Food and Drug Administration on some department stores and drug stores led them to stop selling beauty products containing lead and to stop ordering or importing such products from their suppliers.

The organization's **investors or owners** provide the company with the financial support it needs. The company, cannot exist without them; thus, they greatly influence organizational management. Top-level, middle-level and lower-level managerial decisions are all influenced, in one way or another, by the investors or owners of the organizations. Branching out, offering new products and services, and applying for needed loans are all affected by the investors' or owners' way of thinking.



Employees are comprised of those who work for another or for an employee in exchange of salaries/wages or other considerations. Employees execute the company's strategies and are important for the maintenance of the company's stability. For example, managerial decisions are influenced by the company's knowledge workers.

## **Internal Business Environment**

An organization's internal business environment is composed of its resources, research and development, production, procurement of supplies and the products and services it offers.

The internal environment generally consists of elements that exist within or inside the organization such as **physical resources, financial resources, human resources, information resources, technological resources, organization's goodwill, corporate culture** and the like.

The internal environment includes everything within the boundaries of the organization. Some of these are tangible, such as the physical facilities, the plant capacity technology, proprietary technology or know-how; some are intangible, such as information processing and communication capabilities, reward and task structure, performance expectations, power structure management capability and dynamics of the organization's culture.

Based on those resources, the organization can create and deliver value to the customer. This value is fundamental to defining the organization's purpose, and the premise on which it seeks to be profitable

### **Elements of Internal Business Environment**

Internal factors/elements which are under the control of the organization, but can influence business strategy and other decisions. It includes the following:

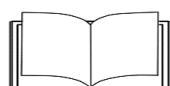


Image taken from: <https://businessjargons.com/internal-environment.html>



- Value System:** Value system consists of all those components that are a part of regulatory frameworks, such as culture, climate, work processes, management practices and norms of the organization. The employees should perform the activities within the scope of this framework.
- Vision, Mission and Objectives:** The company's vision describes its future position, mission defines the company's business and the reason for its existence and objectives implies the ultimate aim of the company and the ways to reach those ends.
- Organizational Structure:** The structure of the organization determines the way in which activities are directed in the organization so as to reach the ultimate goal. These activities include the delegation of the task, coordination, the composition of the board of directors, level of professionalization, and supervision. It can be matrix structure, functional structure, divisional structure, bureaucratic structure, and other related structures in the organization.
- Corporate Culture:** Corporate culture or sometimes called an organizational culture refers to the values, beliefs and behaviour of the organization that ascertains the way in which employees and management communicate and manage the external affairs.
- Human Resources:** Human resource is the most valuable asset of the organization, as the success or failure of an organization highly depends on the human resources of the organization.
- Physical Resources and Technological Capabilities:** Physical resources refers to the tangible assets of the organization that play an important role in ascertaining the competitive capability of the company. Further, technological capabilities imply the technical know-how of the organization.

Internal environmental factors have a direct impact on a firm. These factors can be altered depending on the needs and situation, so as to adapt in the fast-changing business environment.



## What's More

Identify the following if it is under **Local** or **International Business**

Business	Local Business	International Business
1.KFC		
2.Valentino Shoes		
3.Mc Donald's		
4.Mang Inasal		
5.Gibi Shoes		





## What I Have Learned



Based on my understanding about firms environment, the component which should be given utmost priority \_\_\_\_\_

because  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Source: <https://thumbs.dreamstime.com/b/vector-flat-illustration-businessman-manager-thinking-business-man-83925939.jpg>



## What I Can Do

Identify the following words below if it is **Internal** or **External Business Environment**  
Write your answer inside the box

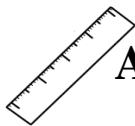
### INTERNAL BUSINESS ENVIRONMENT

### EXTERNAL BUSINESS ENVIRONMENT

1. Innovative products
2. Good location
3. Online sales to reach broader market
4. Cash flow problem
5. Poor webpage design

6. Emerging competitors
7. Few competitors in your area
8. Legal and regulatory threats
9. Tap into foreign markets
10. Production of quality goods





## Assessment

Read each statement carefully and choose the correct answer from the choices below:

1. Refers to the factors within the organization which may affect the performance of the organization.
    - a. Business Environment
    - b. Internal business environment
    - c. External business environment
    - d. none of the above
  2. Refers to the factors outside the organization which may affect the performance of the organization.
    - a. Business Environment
    - b. Internal business environment
    - c. Environmental scanning
    - d. External business environment
  3. Refer to national or local laws, international laws, and rules and regulations that influence organizational management.
    - a. Politico-legal
    - b. Demographic
    - c. socio-cultural
    - d. world and ecological
  4. Refers to gender, age, education level, income, number of family members, geographic origin and other factors which may influence some managerial decisions in organization.
    - a. Politico-legal
    - b. Demographic
    - c. socio-cultural
    - d. world and ecological
  5. This may involve the use of varied types of electronic gadgets and advanced technology such as computers, robotics, microprocessors, and others that have revolutionized business management.
    - a. Demographic
    - b. Politico-legal
    - c. technological
    - d. socio-cultural
  6. It is related to the increasing number of global competitors and markets, as well as the nature and conditions of the changing natural environment.
    - a. Politico-legal
    - b. Demographic
    - c. world and ecological
    - d. socio-cultural
  7. This refer to customers' changing values and preferences, practices and customs which may affect practices in companies.
    - a. Socio-cultural
    - b. Demographic
    - c. politico-legal
    - d. technological
  8. Refers to the factors or elements affecting a business organization.
    - a. Business environment
    - b. Environmental forces
    - c. environmental scanning
    - d. none of the above
  9. They provided the financial need of the organization.
    - a. Employees
    - b. Stakeholders
    - c. investors/owners
    - d. suppliers
  10. They are the one who worked for the organization in exchange of salaries/wages or other considerations.
    - a. Investors/owners
    - b. Stakeholders
    - c. suppliers
    - d. Employees

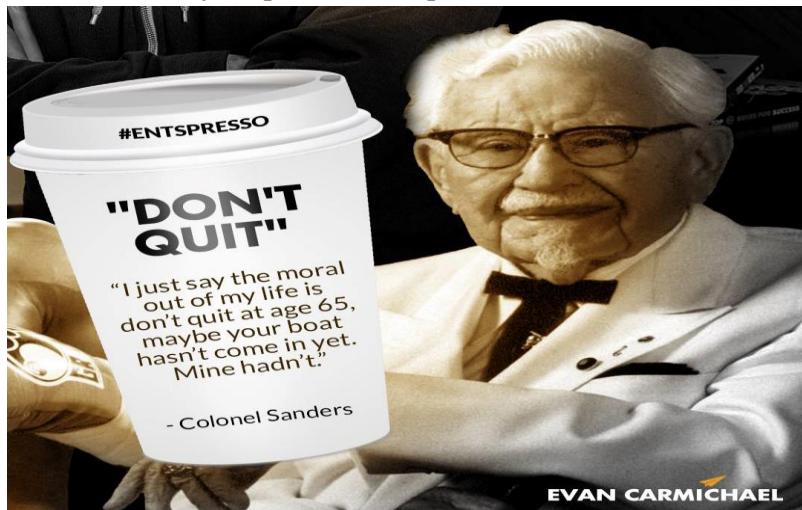




## Additional Activities

### ACTIVITY #1

Read a book or a journal about famous businessmen who were popular in the field because of good interpersonal relationship with *internal* and *external* environment considerations and became successful. Prepare a creative identity catalog with photo and descriptions and be ready to present output in the virtual class. See sample below:



[https://scontent.fmn19-1.fna.fbcdn.net/v/t1.09/42803109\\_10155849219148907\\_3693106824367570944\\_o.jpg?nc\\_cat=100&\\_nc\\_sid=9267fe&\\_nc\\_eui2=AeGX98yTc\\_oTKZeHHaTTVS5V6pi-K](https://scontent.fmn19-1.fna.fbcdn.net/v/t1.09/42803109_10155849219148907_3693106824367570944_o.jpg?nc_cat=100&_nc_sid=9267fe&_nc_eui2=AeGX98yTc_oTKZeHHaTTVS5V6pi-K)

### Scoring Rubrics:

Criteria	Proficient 25pts	Emerging 15pts	Not Acceptable 5 pts	Incomplete 0 pts
Procedures 25%	Followed most procedures and directions.  Clarification of ideas about the topic is solidly presented.	Followed many procedures and directions.  Clarification of ideas about the topic is presented sufficiently enough.	Followed a few procedures and directions.  Clarification of ideas about the topic is poorly presented.	None of the procedures are followed.  Ideas were not even once presented.
Layout 30%	Objects are mostly organized and very easy to understand.	Objects are drawn with difficulty and a little hard to understand.	Objects have wasted space and poorly organized.	No drawing to gauge.
Line Work 25%	Line weights follow assigned criteria and staged a very clear discussion.	At least 70% of line weights follow criteria with just enough details of discussion.	Few of the line types follow the assigned criteria but worry some for discussion.	No line criteria are followed.
Accuracy 20%	Measurements and specifications are fully in detail and thoughts were compacted for smooth understanding.	Some of the measurements and specifications are given in detail and thoughts were easy to understand.	Measurements and specifications are quite given in detail and thoughts were not easy to understand.	No measurement and specifications can be identified.



## ACTIVITY #2

Change the given sample of factors in business environment which you think are the most important and should be given utmost priority if you will handle your own business establishment. Briefly explain the arrangement of your priority for business success.



Reflection: Write your insights on the topic Firm/Business Environment

Self-Rating in 10 pts. basis: \_\_\_\_\_

Teachers Rating in 10 pts basis: \_\_\_\_\_

## ACTIVITY #3

Create a poster about the importance of insights and deep understanding on business environment. You can make a creative interpretation of your business perspective after the given discussion. Sample poster was given below:



Source: <https://web.facebook.com/photo/?fbid=131574325075085&set=bc.Abrdt0gumXFsNrgJU4xArn0sdShJrbXu8ZqRu0tA18DqrG-iYixhxN7j06Xn0cnEqwhj-kE1XxAyhsEfGpaexVFbBA5rDftNaGn>

## CRITERIA FOR GRADING:

Criteria	10points	8points	5points
*IDEAS -originality -interest	many original ideas in material and display are evident and stimulate a great deal of interest	several original ideas in material or display are evident to stimulate much interest	few original ideas in material or display are evident to stimulate interest
*VISUAL IMPACT -effectiveness of overall presentation	overall visual impact is very effective	overall visual impact is effective	overall visual impact is limited



# Lesson 2

## The Local and International Business Environment of the Firm



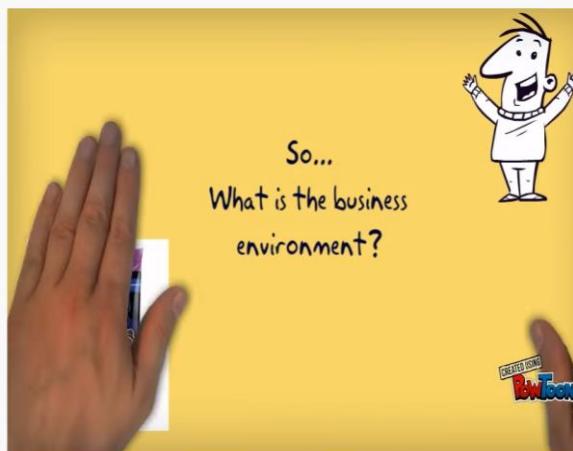
### What's In

Write **TRUE** if the statement is correct and **FALSE** if the statement is incorrect

1. Organizational culture refers to the values, beliefs and behavior of the organization that ascertains the way in which employees and management communicate and manage the external affairs.
2. Corporate culture consists of all components that are a part of regulatory frameworks, such as culture, climate, work processes, management practices and norms of the organization.
3. The company's vision describes its future position, mission defines the company's business and the reason for its existence
4. Technological capabilities imply the ultimate aim of the company.
5. Corporate culture refers to the values, beliefs and behavior of the organization that ascertains the way in which employees and management communicate and manage the external affairs.



### What's New?



Source: <https://www.youtube.com/watch?v=PCBcdk9hAF0>

What is your expectation in the next lesson? How do you think this will help you gain reliable and applicable skills in business organization and management? Write down your general and specific expectation in this lesson.



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## What is It?

The following definition of terms will help you understand the topic. You may use dictionary or search for other meaning of the terms. You may encounter these words as you go along the lesson.

**Inflation rate**- rate reflected during a period of above normal general price increases

**Gross National Product (GNP)**- total domestic and foreign output claimed by the residents of a country.

**Gross Domestic Product (GDP)**- total final output of goods and services produced by the country's economy, within the country's territory.

**Currency exchange product**- the rate at which central banks will exchange the country's currency for another.

Understanding the local and international business environment of the firm requires managers of organizations to sharpen their cultural intelligence. Cultural intelligence is an individual's ability to favorably receive and adjust to an unfamiliar way of doing things. This will enable them to develop their ability to accept and adapt to different cultures, both local and international, that may affect the organization to which they belong.

Anthropologist Edward T. Hall, as cited by Schermerhorn (2008), noted that the way people approach and deal with time varies across cultures.

**Monochronic cultures** refers to cultures wherein people tend to do one thing at a time, these cultures emphasize punctuality and sticking to set rules.

**Polychronic cultures** are more flexible as regards time; accomplishing many different things at once. It may be very frustrating for one who is influenced by a monochronic culture to be dealing with one who is influenced by a polychronic culture if he or she does not possess cultural intelligence.

Geert Hofstede, also cited by Schermerhorn (2008), showed how selected countries ranked on the five cultural dimensions he studied:



**Power Distance**- the degree to which a society accepts or rejects the unequal distribution of power among people in organizations and the institutions of society.

For example, India and the Philippines have high power distance, while the US and Australia have low power distance. The use of terms “sir” and “Madam” to refer to the boss/superior by subordinate employees in the Philippines shows respect for authority figures, or high-power distance. In the US, subordinates just use the name or nickname of the boss when addressing him or her, indicating low power distance.

**Uncertainty Avoidance**- the degree to which society is uncomfortable with risk, change, and situational uncertainty.

Managers in the US are risk takers. Filipinos are *seguristas* that are afraid of taking risks within business endeavors in the market.

**Individualism-collectivism**- the degree to which a society emphasizes individual accomplishments versus collective accomplishments.

Individualistic cultures like those of the US and Australia are characterized as “I” and “me” cultures where employees prefer to work alone without help from others. Mexico, Thailand, and the Philippines exhibit collectivism or preference group or team work.

**Masculinity-Femininity**- the degree to which a society values assertiveness and feelings of material success versus concern for relationships.

The Japanese and Mexicans do not hesitate to push or express what they want, unmindful of hurting others’ feelings, thus showing masculinity. Filipinos, Thais, and Swedes would rather keep quiet and accept defeat if what they want is not acceptable to others, thus exhibiting femininity.

**Time Orientation**- the degree to which a society emphasizes short-term thinking versus greater concern for the future or long-term thinking.

The Americans, who are risk-takers, prefer short-term thinking, while the Filipinos and the Japanese are not risk takers. They are long-term thinkers.

The local culture of a particular country also influences the management practices of firms. An example is the **mañana habit** which is part of local culture and practiced by some Filipino workers. It is counterproductive since it encourages the postponement of performing tasks that can be done immediately to another day.

Managing and disciplining workers who practice this habit would be easier said than because it is difficult to explain a country’s unique cultural characteristics.



## **Managing in a Worldwide Environment: Cultural, Politico-legal, and Economic Environments**

The call for businesses to go global is hard to resist as this is the trend prevailing in the 21<sup>st</sup> century. The economic and social benefits that come with globalization are said to be among the positive outcomes. Globalization advocates, however, fail to realize the very serious challenges faced by managers in adjusting to the cultural differences among different countries where they intend to do business. The culture of different countries is rooted in their history, religion, traditions, beliefs, and deep-seated values, and because of these managing globally can be very complicated.

Besides the cultural environment, the politico-legal and economic environments must also be considered. The politico-legal environment refers to the laws and political climate of different countries. Some countries have stable laws and good political climate while others have the opposite-unstable laws and risky political climate. Awareness of the economic issues of countries where organizations intend to establish business is also important. For instance, do they have a free market or a planned economy? Answering this question is the first step because the country's economic system has the potential to influence the organization's decision-making. Other economic matters that must be considered are inflation rates, the gross national product/gross domestic product, the currency exchange rates, taxation system, and others.

Source: adopted from DepEd Organization and Management Teacher's Manual



# Lesson 3

## Environmental scanning Using SWOT Analysis

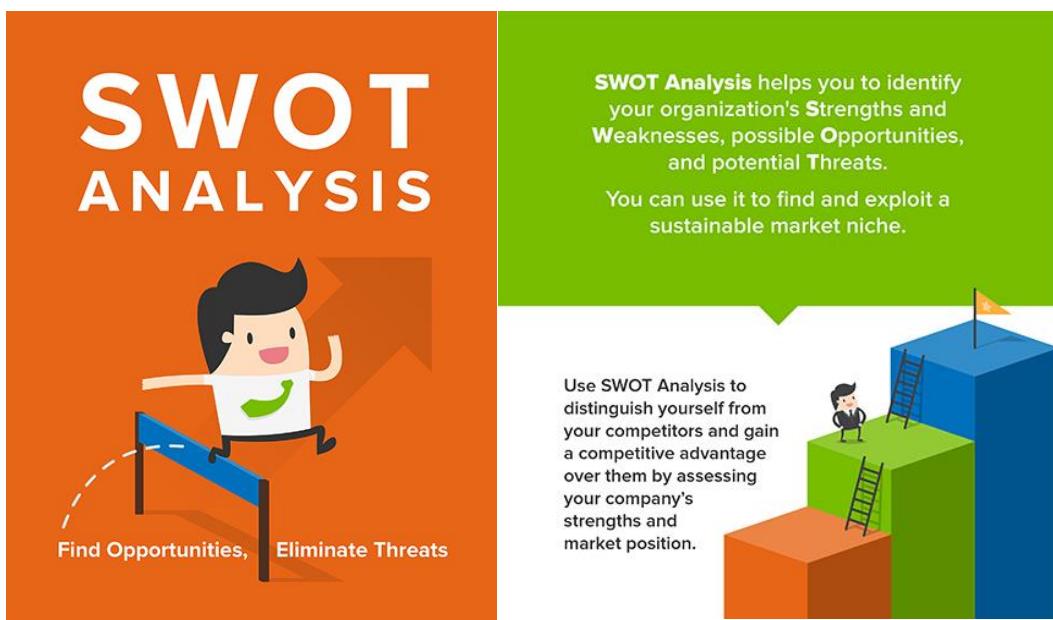
In this lesson you are expected to:

1. Define SWOT analysis
2. Identify the factors affecting Firm/Business Environment
3. Analyze the forces/elements influencing local and international business environment using SWOT strategy

What is SWOT Analysis?

SWOT analysis is a strategic planning technique used to help a person or organization identify strengths, weaknesses, opportunities, and threats related to business competition or project planning. It is a simple but useful framework for analyzing your organization's strengths, weaknesses, opportunities, and threats. It helps you to build on what you do well, to address what are still lacking, to minimize risks, and to take the greatest possible advantage of chances for success.

Read and analyze the infographic below; it will help you understand the Environmental scanning using the SWOT analysis.





Source: [https://www.mindtools.com/pages/article/newTMC\\_05.htm](https://www.mindtools.com/pages/article/newTMC_05.htm)



Here are some examples of SWOT analysis

<b>S</b>	<b>Strengths</b>	<b>W</b>	<b>Weaknesses</b>
	<ul style="list-style-type: none"> <li>• Things you are good at</li> <li>• Experience, knowledge</li> <li>• Unique characteristics</li> <li>• Resources</li> <li>• Geographical location</li> <li>• Competence, capabilities</li> <li>• Quality, reputation</li> <li>• Flexibility on Product, Pricing, Distribution</li> </ul>		<ul style="list-style-type: none"> <li>• Things you need to improve</li> <li>• Gap in skills, knowledge</li> <li>• Financial issues</li> <li>• Market awareness and reputation</li> <li>• Right people doing the right job</li> <li>• Poor location</li> <li>• Leadership and Management issues</li> <li>• Staff motivation and involvement</li> </ul>
<b>O</b>	<b>Opportunities</b>	<b>T</b>	<b>Threats</b>
	<ul style="list-style-type: none"> <li>• Strategic alliances, acquisitions</li> <li>• Diversify the business</li> <li>• Take advantage of new trends (PESTLE)</li> <li>• New Product Development</li> <li>• Enter new markets</li> <li>• Reduce costs</li> <li>• Be faster, better, easier, more stylish,</li> <li>• Innovation and technology development</li> </ul>		<ul style="list-style-type: none"> <li>• Change in the environment (PESTLE).</li> <li>• Loss of major customers.</li> <li>• Raw material, energy and transport costs</li> <li>• Strong competition</li> <li>• Competitors new products and innovation</li> <li>• Change in technology</li> <li>• Fashion</li> <li>• Seasonality</li> </ul>

Source: <http://www.consultants-on-line.com/default.asp?contentID=25>

By knowing the information above an organization/business can plan a successful project that is ready to work around certain problems effectively and to avoid failure. Strengths and Weaknesses(S-W) elements are internal factors and managers can exercise control over these, while Opportunities and Threats (O-T) elements are external factors and managers cannot control these factors.



## What's More

Analyze the environmental forces below influencing Angel's Burger business  
(write the answer in your notebook)

Strength	Weakness	Opportunity	Threat



1. Poor management
2. Poor sanitation
3. Friendly staff
4. Affordable price
5. Accessible location
6. More competitors around
7. Safety and security of the place
8. Low Quality of the product
9. Give employment
10. Change of Preference of the customers



## What I Have Learned

Identify a Company/business establishment within your locality and analyze the environmental forces using SWOT strategy

Name of business:

Nature of business:

Address of the business

<b>STRENGTHS</b>	<b>WEAKNESSES</b>	<b>OPPORUNITIES</b>	<b>THREATS</b>
1.			
2.			
3.			
4.			
5.			



## Lesson 4

# Environmental scanning Using PESTLE Analysis

In this lesson you are expected to:

1. Define PESTLE analysis
2. Identify the factors affecting Firm/Business Environment
3. Analyze the forces/elements influencing local and international business environment using PESTLE strategy

What is PESTLE Analysis?

PESTLE Analysis is a simple and widely used tool that helps the organization, analyze the External Environment namely: Political, Economic, Social/socio-cultural, Technological, Legal, and Environmental changes of business environment.

"Big Picture" of Opportunities and Threats.

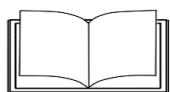
PESTLE Analysis helps organizations take better business decisions and improve efficiency by studying various factors which might influence a business.

These are the examples of PESTLE Analysis

Political	<ul style="list-style-type: none"><li>➤ Political stability</li><li>➤ Regulation and deregulation</li><li>➤ Government policy</li><li>➤ Corruption</li><li>➤ Foreign trade</li></ul>
Economic	<ul style="list-style-type: none"><li>➤ Economic trends</li><li>➤ Economic stability -inflation, wage growth, GDP, GNP</li><li>➤ Exchange rate</li><li>➤ Consumer purchasing power</li><li>➤ Economic growth</li></ul>
Social/socio cultural	<ul style="list-style-type: none"><li>➤ Demographic changes</li><li>➤ Consumer attitude</li><li>➤ Social influencer</li><li>➤ Lifestyle</li><li>➤ Cultural barriers</li></ul>



Technological	<ul style="list-style-type: none"> <li>➤ Innovation- breakthrough</li> <li>➤ Technology incentives</li> <li>➤ Automation</li> <li>➤ Technological change</li> <li>➤ Technological awareness</li> </ul>
Legal	<ul style="list-style-type: none"> <li>➤ Employment laws</li> <li>➤ Consumer protection</li> <li>➤ Copyrights and patent laws</li> <li>➤ Health and safety laws</li> <li>➤ Product labeling</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>➤ Decline of raw materials</li> <li>➤ Pollution and greenhouse gas emission</li> <li>➤ Environmental legislation</li> <li>➤ Climate change</li> <li>➤ Health in the workplace</li> </ul>



## What's More

List down 10 famous companies who have made a stable and strong business environment for the last 2 years. Highlight achievements, if possible.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.





## What I Have Learned

### Activity 1

I understand that based on the given lessons about local and international business environment those will affect the local and international business because \_\_\_\_\_.

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### Activity 2

Based on your own SWOT Analysis, you may draw your recommendations on how to improve your weaknesses and threats.

WEAKNESSES	THREATS
1.	1.
2.	2.
3.	3.
4.	4.
5	5



## What I Can Do

### Activity 1

List down at least 5 famous business establishments and identify their best practices

Name of Business	Best Practices
Example: Jollibee	Strong advertising campaign
1.	
2.	
3.	
4.	
5	



## Activity 2

Using the PESTLE analysis template, list down three (3) example of PESTLE that influence the Business Environment in this time of pandemic

POLITICAL	ECONOMIC	SOCIAL	TECHNOLOGICAL	LEGAL	ENVIRONMENTAL
EXAMPLE: Diversification of government policies	More jobless Filipinos	Less face-to- face contact	Increase in internet usage	Discrimination of health workers	Health risk due to covid-19
1.					
2.					
3.					



## Assessment

1. An individual's ability to accept and adapt to different cultures, both in local and international.
  - a. Cultural Intelligence
  - b. Monochronic cultures
  - c. socio-cultural
  - d. polychromic cultures
2. The degree to which a society accepts or rejects the unequal distribution of power among people in organizations and institutions.
  - a. Cultural intelligence
  - b. Uncertainty avoidance
  - c. Power Distance
  - d. time orientation
3. Refers to changes in the dimensions of external environment that result to independence and integration of people and organization around the world.
  - a. Cultural intelligence
  - b. Globalization
  - c. power distance
  - d. worldwide environment
4. The degree to which a society emphasizes short term thinking versus greater concern for the future or long-term thinking.
  - a. Uncertainty avoidance
  - b. Masculinity-femininity
  - c. individualism-collectivism
  - d. time orientation
5. The degree to which a society values assertiveness and feelings of material success versus concern for relationship.
  - a. Uncertainty avoidance
  - b. Masculinity-femininity
  - c. individualism-collectivism
  - d. time orientation
6. The degree to which society is uncomfortable with risk, change, and situational uncertainty.
  - a. Uncertainty avoidance
  - b. Masculinity-femininity
  - c. individualism-collectivism
  - d. time orientation



7. The degree to which a society emphasizes individual accomplishments versus collective accomplishments.
  - a. Uncertainty avoidance
  - b. Masculinity-femininity
  - c. individualism-collectivism
  - d. time orientation
8. Refer to cultures wherein people tend to do one thing at a time; these cultures emphasized punctuality and sticking to set rules.
  - a. Monochronic cultures
  - b. Cultural intelligence
  - c. polychronic cultures
  - d. none of the above
9. These cultures are flexible as regard to time; accomplishing many different things at the same time.
  - a. Monochronic cultures
  - b. Cultural intelligence
  - c. polychronic cultures
  - d. none of the above
10. Refers to the external business environment around the world.
  - a. Globalization
  - b. External business
  - c. Internal Business Environment
  - d. worldwide Environment
11. It helps the organization to build on what they do well, to address what they're lacking, to minimize risks, and to take the greatest possible advantage of chances for success.
  - a. PESTLE
  - b. SWOT analysis
  - c. SWOT
  - d. PESTLE analysis
12. It refers to cultures wherein people tend to do one thing at a time, emphasizing punctuality and sticking to set rules.
  - a. Polychronic
  - b. Power distance
  - c. Monochronic
  - d. none of the above
13. The degree to which a society accepts or rejects the unequal distribution of power among people in organizations and the institutions of society
  - a. Power distance
  - b. Polychronic
  - c. monochronic
  - d. none of the above
14. It is more flexible as regards to time and accomplishing many different things at a time.
  - a. Power distance
  - b. Polychronic
  - c. monochronic
  - d. none of the above
15. It helps the organizations take better business decisions and improve efficiency by studying various factors which might influence a business.
  - a. SWOT analysis
  - b. PESTLE
  - c. SWOT
  - d. PESTLE Analysis
16. Which among the choices is not a PESTLE?
  - a. Growth rate
  - b. Energy use and cost
  - c. economic growth
  - d. company reputation
17. Which among the choices is a threat?
  - a. more competitors in the area
  - b. local business partnership
  - c. lack of company resources
  - d. still using paper appointment book
18. Which among the choices is an opportunity?
  - a. excellent customer relation
  - b. high demand for services offered
  - c. poor liquidity position
  - d. none of the above
19. A culture where employees prefer to work alone without the help from others.
  - a. Uncertainty Avoidance
  - b. Cultural intelligence
  - c. Individualism-collectivism
  - d. Individualistic cultures



20. Uncertainty Avoidance- the degree to which society is uncomfortable with risk, change, and situational uncertainty.

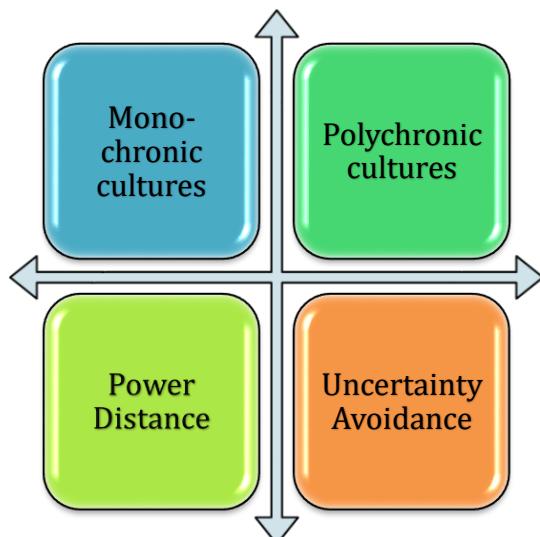
- a. Uncertainty Avoidance
- b. Cultural intelligence
- c. Individualism-collectivism
- d. Individualistic cultures



## Additional Activities

### ACTIVITY:

Copy the format below on a blank sheet of paper. Try to recall in the previous lesson the difference of each culture approaches that reflect on their business environments. Write down your assessment in each box the advantages and disadvantages.



I understand that \_\_\_\_\_.

I believe that \_\_\_\_\_.

I learned that \_\_\_\_\_.





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