

Chapter 2

The impact of business operations on the environment

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Definition of Business Environment

Business Environment (Business Environment) means “the key factor influencing the success or failure of the operation of a business organization. both directly and indirectly affecting factors

in general often divided The business environment is divided into 2 types: the environment outside the organization and the environment within the organization.

External Environment

External Environment Means important factors influencing success or Failure in the operation of a business organization And it is a factor that a business organization cannot manage, control, supervise, modify, modify. As for the concept of categorizing the external environment, there are many different concepts that have been made as follows:

External Environment

1. The idea of Wheelen and Hunger

Societal Environment Divided into the following factors

- 1 Sociocultural Forces
- 2 Technological Forces
- 3 Economic Forces
- 4 Political-Legal Forces)

External Environment

The idea of Wheelen and Hunger

Task Environment Divided into the following factors

- 1 Shareholders
- 2 Governments
- 3 Suppliers
- 4 Customers
- 5 Employees/Labor Unions

External Environment

The idea of Wheelen and Hunger

Task Environment Divided into the following factors

6 Competitors

7 Creditors

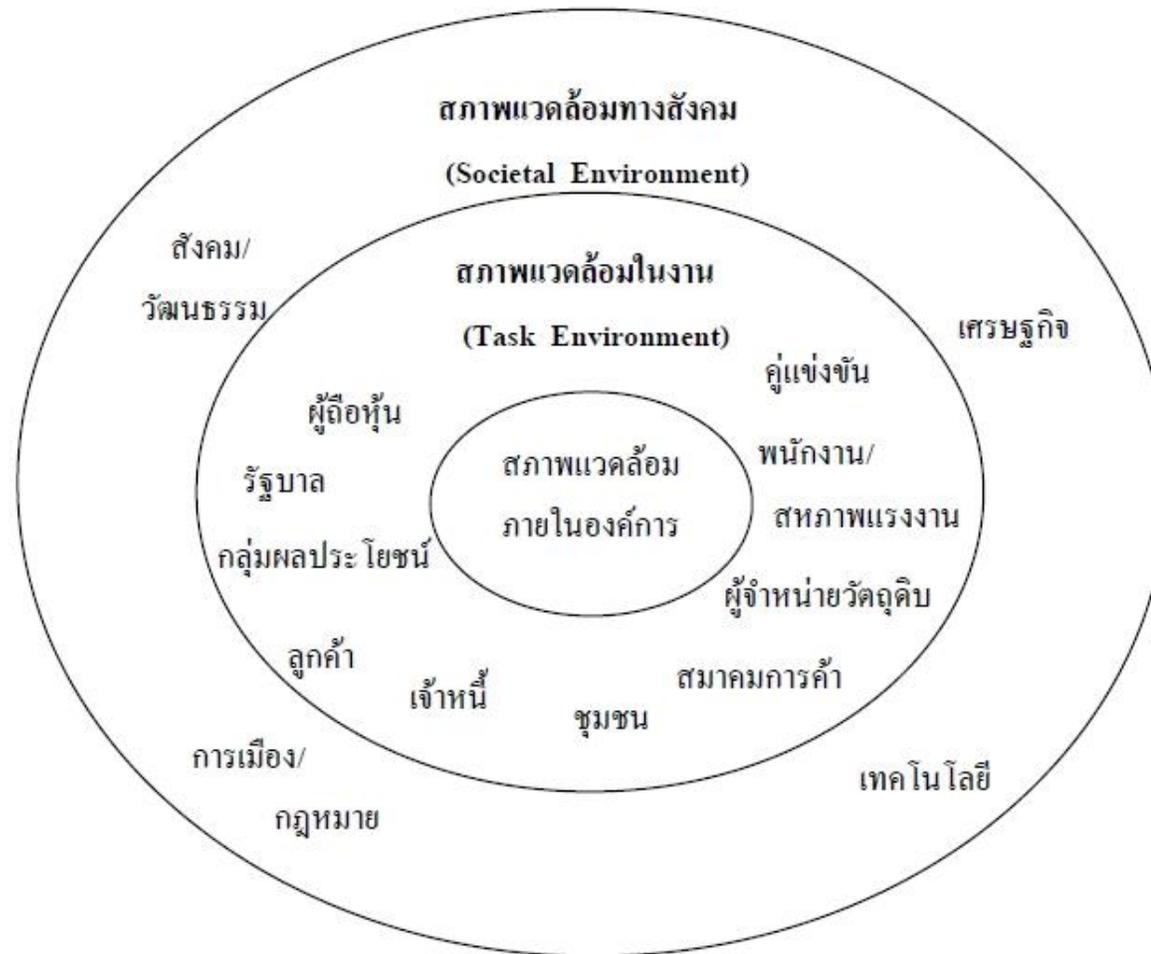
8 Trade Associations

9 Special Interest Groups

10 Communities

External Environment

Wheelen and Hunger's Business Environment



External Environment

2. The idea of Thompson and Strickland.

Divided the external environment into two categories

1. **Macro Environment** Divided into the following factors:

- 1 The Economy at Large
- 2 Legislation and Regulations
- 3 Technology
- 4 Societal Values and Lifestyles
- 5 Population Demographics

External Environment

2. The idea of Thompson and Strickland.

2. Immediate Industry and Competitive Divided into the following factors:

1 Suppliers

2 Substitutes

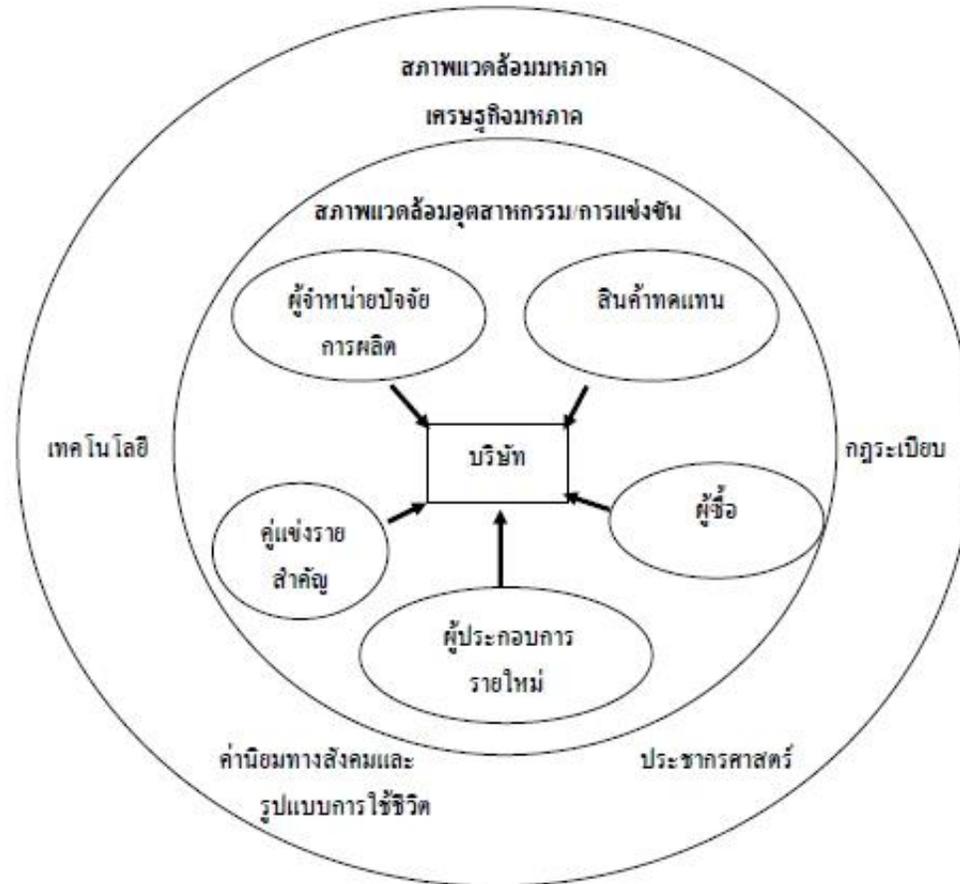
3 Rival Firms

4 Buyers

5 New Entrants

External Environment

The idea of Thompson and Strickland



Internal environment

Organizational environment refers to various important factors influencing success or Failure in the operation of a business organization and is a factor that a business organization can manage, control, supervise, correct, adjust. which consists of owners and shareholders Board of Directors employee or employee and organizational culture which can be explained as follows:

Internal environment

1. Owners and Shareholders in business Owners are involved in all forms of operations and as the business grows. Inevitably there is a need for more capital, always seeking shareholders. to invest in businesses that will support the organization have a good image and does not cause problems to the organization in the future

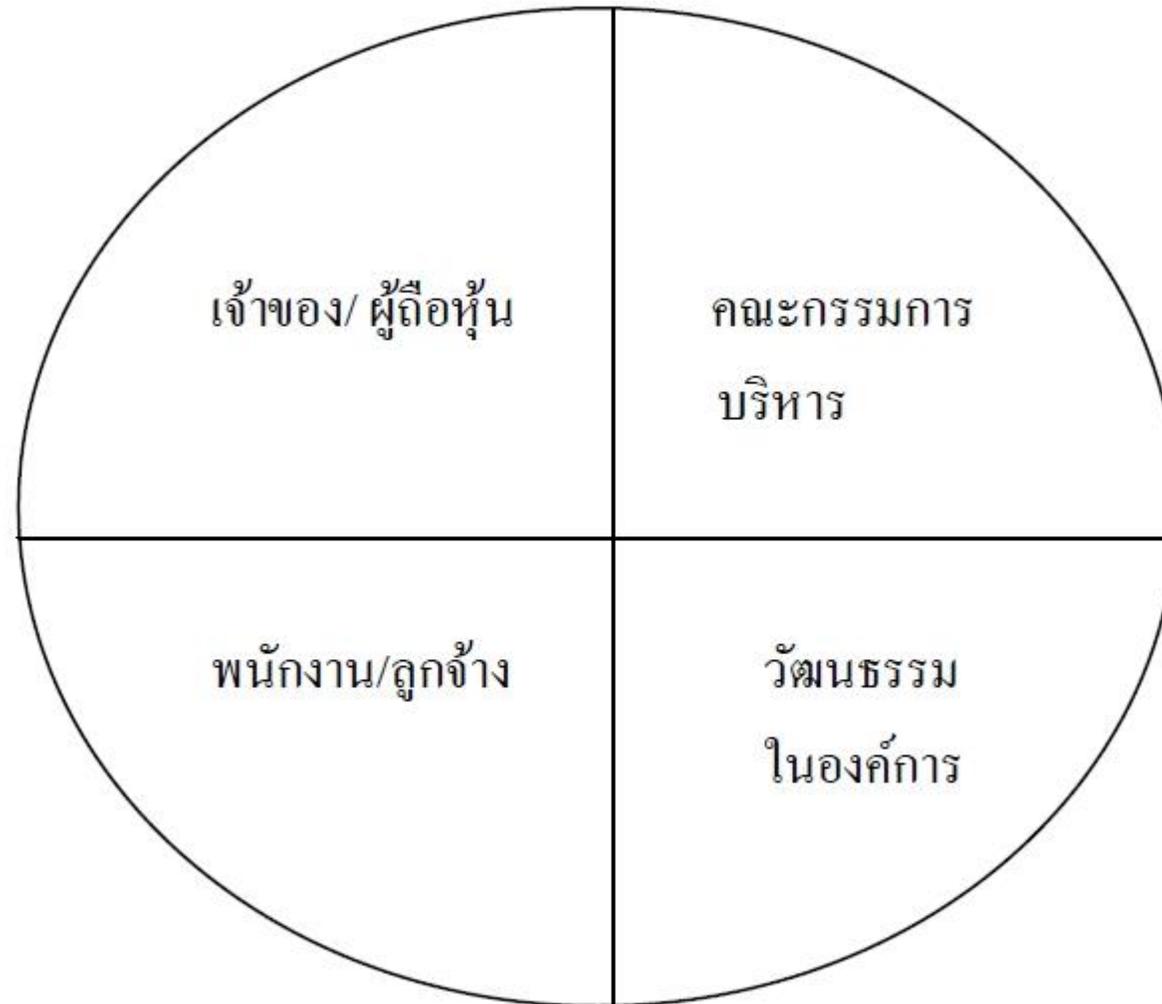
2. Executive Committee The Board of Directors is generally elected by the shareholders of the business as their representatives. themselves to set policies Introduce the work of the management of the entity. Including the maintenance of general interests, the Executive Board can therefore be regarded as another factor affecting the success or failure of the business.

Internal environment

3. Staff or employees Employees or employees are recruited and selected by executives to work in the business. Employees or employees have great influence in making the organization successful

4. Organizational culture refers to what people in the organization have practiced continuously for a long time. that have operated for a long time will develop their own culture in terms of Communication, dress and work practices which are factors that are difficult to change or take a long time to change, all of which have a great influence on the success of the organization

Internal environment



Aaptation when the environment changes

Environmental factors can change over time. Business executives must be the ones who monitor, manage, and correct the situation that occurs. As for the method of adapting when the environment changes, there are many ways that the executives must decide on the best method. By means of organizational adaptation, it can be done in 3 ways:

Adaptation when the environment changes

1. Adaptation to the environment When the environment changes, executives choose to adjust activities within the organization to suit the changing situation. by means of adaptation Can be divided into 2 methods:

1.1 Organization structure change in order to support urgent situations such as management restructuring division of organizational divisions

1.2 Foresight The management will make forecasts. predict what will happen in the future Then make a plan to support the upcoming changes. especially the economic factor competitors and behavior Consumption of target customers

Adaptation when the environment changes

2. Using environmental influences When the environment changes Executives choose to exert some influence. trying to adapt to the changing environment There are three methods used for adaptation:

2.1 Use for political activities Many management organizations will attempt to use inclusion in Be a club or association or rely on experts to guide to negotiate various changes that occur, such as negotiating the enforcement of various laws or financial support for political parties

Aaptation when the environment changes

2.2 Joint ventures In many organizations, executives choose joint ventures to deal with With changes in the environment that occur, for example, many commercial banks in Thailand choose to jointly invest with foreign banks to support the change.

2.3 Advertising and Public Relations Management chooses to use the method Advertising and public relations to influence change, such as advertising that focuses on public consciousness. There is a greater awareness of the value of society as a whole.

Aaptation when the environment changes

3. Changing the scope of work In many organizations, executives choose to use methods to change the scope of work, such as changing new products in line with consumer behavior. change of service method Changing target customers Changing or relocating business areas

Effects of the environment on unethical organizations

If business executives do not pay attention to their responsibilities will have a direct impact on the work environment (Tank Environment) is clearly

1. Customers will have bad feelings towards the organization. especially in the present When the customer at the heart of a business organization is not satisfied There will be many attacks and campaigns. Business organizations cannot survive because customers will not buy or use services.

2. Labor When outsiders have bad feelings about business organizations, there will also be labor effects. That is to say, existing workers will have a feeling of not wanting to stay with them any longer. Recruiting workers is difficult. No one wants to be involved with an organization. causing a lack of quality workers to work

Effects of the environment on unethical organizations

- 3. Competitors will bring this weakness to attack a lot** Especially the competitors who have a good image and are socially responsible. cause the business to be disadvantageous to competitors
- 4. Raw material producers may not want to cooperate** because they have an impact on society as a whole.
- 5. Government agencies** will not be very cooperative and will act and monitor more closely.

Activity at the end of Chapter 2

- Ask students to analyze the establishments (1 establishment) whose business operations affect the environment and communities in society. And let the students suggest ways to solve the problem.

Thank You!

