

# **Unit 18: Global Business Environment**

<b>Unit code</b>	<b>M/508/0530</b>
<b>Unit level</b>	<b>5</b>
<b>Credit value</b>	<b>15</b>

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## **Introduction**

The aim of this unit is to explore the wider position some organisations have in the global environment. Students will appreciate the complexities of operating in a global environment, and this will enable them to offer greater breadth and depth to an organisation's current or aspirational global presence.

On successful completion of this unit students will have developed an understanding of the wider global environment in which organisations operate. This will enable students to add value to an organisation as they will be able to apply their knowledge in such a way that they could advise senior managers (in either large or small organisations) on global matters which they may not have ordinarily considered.

## **Learning Outcomes**

By the end of this unit a student will be able to:

- 1 Analyse the key factors which drive globalisation.
- 2 Determine the strategic complexities associated with operating in a global environment.
- 3 Evaluate how operating in a global market influences an organisation's structure, culture and functions.
- 4 Evaluate the influence of globalisation on organisational decision-making and strategy.

## Essential Content

### LO1 **Analyse the key factors which drive globalisation**

*Driving factors of globalisation:*

Analyse the concept and theory of globalisation in terms of cultural, economic, political and social dimensions.

What are the factors that drive globalisation? International economic integration, foreign direct investment, international business and trade.

Factors in relation to cost, market, environment and competition.

The significant impact of the digital revolution: creating better products and services at lower cost, the impact of social media and other applications (e.g. cloud computing) connecting the global community and digitized design, manufacturing, and distribution systems making products and services available to a global market.

### LO2 **Determine the strategic complexities associated with operating in a global environment**

*Global strategic complexities:*

The impacts of international trade law.

The economics of globalisation and the environmental impacts of globalisation in the context of the challenges they pose for risk and diversification strategies.

The complexities of the international supply chain management.

### LO3 **Evaluate how operating in a global market influences an organisation's structure, culture and functions**

*Influences on structure, culture and functions:*

How does the global market influence organisations in the context of McKinsey 7S model of organisational structure?

The governance of a multi-national organisation and leadership within an international context.

Using Hofstede's Dimensions of Culture demonstrate how national cultural differences have an influence upon organisations.

The influence of ethical and sustainable globalisation.

**LO4 Evaluate the influence of globalisation on organisational decision-making and strategy**

*Influences on decision-making and strategy:*

The principles of leadership change and the process of internationalisation.

International expansion strategies and strategic decision-making in relation to risk and diversification.

The impact of barriers to international trade upon decision-making and strategy.

## Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
<b>LO1</b> Analyse the key factors which drive globalisation		<b>LO1 &amp; 2</b> <b>D1</b> Critically evaluate the global business environment, including the opportunities and challenges faced by organisations.
<b>P1</b> Analyse key factors of cost, market, environment and competition that drive global commerce and trade.	<b>M1</b> Critically analyse the impact that key factors have upon the global business environment in terms of benefits and challenges.	
<b>LO2</b> Determine the strategic complexities associated with operating in a global environment		
<b>P2</b> Explain the complexity of strategic challenges faced by organisations when operating in a global environment supported by specific examples.	<b>M2</b> Critically analyse strategic challenges in context of risk and diversification strategies and the supply chain flow.	
<b>LO3</b> Evaluate how operating in a global market influences an organisation's structure, culture and functions		<b>LO3 &amp; 4</b> <b>D2</b> Critique strategies that can be adopted by organisations operating in a global business environment, making valid and justified recommendations of how they should adapt their organisational structure and decision-making processes.
<b>P3</b> Evaluate the influences of globalisation on organisational governance and leadership, structure, culture and functions.	<b>M3</b> Critically evaluate global market influences in application to appropriate theories and models relating to organisational structure and culture.	
<b>P4</b> Evaluate the influences of ethical and sustainable globalisation on organisational functions.		
<b>LO4</b> Evaluate the influence of globalisation on organisational decision making and strategy		
<b>P5</b> Evaluate the different ways decision making can work effectively in a global context.	<b>M4</b> Critically evaluate the key barriers in doing business internationally and make recommendations on how they can be overcome.	
<b>P6</b> Determine and articulate the various routes to internationalisation an organisation may adopt, including key barriers.		

## **Recommended Resources**

BARTLETT, C. and BEAMISH, P. (2011). *Transnational Management: Texts, Cases, and Readings in Cross-Border Management*. 6th Ed. Maidenhead: McGraw-Hill.

DANIELS, J. D., RADEBAUGH, L.H. and SULLIVAN D.P. (2013) *International Business Environments and Operations*. 14th Ed. Harlow: Pearson.

DERESKY, H. (2014). *International Management: Managing Across Borders and Cultures*. 8th Ed. Harlow: Pearson.

GUAY, T. R. (2014) *The Business Environment of Europe: Firms, Governments, and Institutions*. Cambridge: Cambridge University Press.

PENG, M. (2014) *Global Business*. 3rd Ed. Cengage Learning.

## **Links**

This unit links to the following related units: *Unit*

*1: Business and the Business Environment Unit*

*12: Organisational Behaviour*

*Unit 40: International Marketing*

*Unit 43 Tapping into New and International Markets*