

Unit 1: Business and the Business Environment

| | |
|---------------------|-------------------|
| Unit code | L/508/0485 |
| Unit type | Core |
| Unit level | 4 |
| Credit value | 15 |

Introduction

The aim of this unit is to provide students with background knowledge and understanding of business, the functions of an organisation and the wider business environments in which organisations operate. Students will examine the different types of organisations (including for profit and not for profit), their size and scope (for instance, micro, SME, transnational and global) and how they operate.

Students will explore the relationships that organisations have with their various stakeholders and how the wider external environments influence and shape business decision-making.

The knowledge, understanding and skill sets gained in this unit will help students to choose their own preferred areas of specialism in future studies and in their professional career.

Learning Outcomes

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

- 1 Explain the different types, size and scope of organisations.
- 2 Demonstrate the interrelationship of the various functions within an organisation and how they link to organisational structure.
- 3 Use contemporary examples to demonstrate both the positive and negative influence/impact the macro environment has on business operations.
- 4 Determine the internal strengths and weaknesses of specific businesses and explain their interrelationship with external macro factors.

Essential Content

LO1 Explain the different types, size and scope of organisations

Different types of organisations:

Differences between for profit and not for profit and non-government organisations (NGOs).

Micro, small, medium-sized enterprises (SMEs). Different business purposes, objectives and supply of goods and services.

The range of legal structures associated with different forms of business: sole traders, partnerships and private limited companies.

Size and scope of organisations:

Differences between large, medium-sized and small organisations including objectives and goals, market share, profit share, growth and sustainability.

Global growth and developments of transnational, international and global organisations.

Differences between franchising, joint ventures and licensing.

Industrial structures and competitive analysis.

Market forces and economic operations e.g. scarcity and choice, supply and demand, income elasticity.

Stakeholders and responsibilities of organisations to meet different stakeholder interests and expectations.

LO2 Demonstrate the interrelationship of the various functions within an organisation and how they link to organisational structure

The various functions within an organisation:

The role of marketing, finance, human resource management and operations within an organisational context and the interrelationships.

How functions relate to overall organisation mission and objectives.

Organisational structure:

Different structures depending upon the size and scope of the organisation, including bureaucratic and post-bureaucratic, parent, strategic business units (SBUs), matrix and functional levels.

Organisation structures and complexities of transnational, international and global organisations.

L03 Use contemporary examples to demonstrate both the positive and negative influence/impact the macro environment has on business operations

The context of the macro environment:

The application of the PESTLE framework and how organisations need to monitor and forecast external influences.

How the macro environment influences/impacts upon business activities: the impact of the digital revolution on production and consumption; the impact of social technologies; cybersecurity; emerging BRICS markets, the global shift in economic and social power and ethical and sustainable growth.

How organisations go through the transformation process and overcome resistance to change in response to the changing market environment.

L04 Determine the internal strengths and weaknesses of specific businesses and explain their interrelationship with external macro factors

Frameworks for analysis:

Introduction to SWOT and/or TOWS analysis and how they can assist in the decision-making process within organisations.

Key external macro factors including the competitive environment and government intervention that influence organisations and business.

Learning Outcomes and Assessment Criteria

| Pass | | Merit | Distinction |
|--|---|-------|---|
| L01 Explain the different types, size and scope of organisations | | | L01 & 2 D1 Provide a critical analysis of the complexities of different types of business structures and the interrelationships of the different organisational functions. |
| P1 Explain different types and purposes of organisations; public, private and voluntary sectors and legal structures. P2 Explain the size and scope of a range of different types of organisations. | M1 Analyse how the structure, size and scope of different organisations link to the business objectives and product and services offered by the organisation. | | |
| L02 Demonstrate the interrelationship of the various functions within an organisation and how they link to organisational structure | | | |
| P3 Explain the relationship between different organisational functions and how they link to organisational objectives and structure. | M2 Analyse the advantages and disadvantages of interrelationships between organisational functions and the impact that can have upon organisational structure. | | L03 & 4 D2 Critically evaluate the impacts that both macro and micro factors have upon business objectives and decision-making. |
| L03 Use contemporary examples to demonstrate both the positive and negative influence/impact the macro environment has on business operations | | | |
| P4 Identify the positive and negative impacts the macro environment has upon business operations, supported by specific examples. | M3 Apply appropriately the PESTLE model to support a detailed analysis of the macro environment within an organisation. | | |
| L04 Determine the internal strengths and weaknesses of specific businesses and explain their interrelationship with external macro factors | | | |
| P5 Conduct internal and external analysis of specific organisations in order to identify strengths and weaknesses. P6 Explain how strengths and weaknesses interrelate with external macro factors. | M4 Apply appropriately SWOT/TOWS analysis and justify how they influence decision-making. | | |

Recommended Resources

BARON, P. (2012) *Business and its Environment*. 7th Ed.

London: Prentice Hall. PALMER, A. and HARTLEY, B. (2011)

The Business Environment. 7th Ed.

Maidenhead: McGraw-Hill.

WEATHERLEY, P. (Editor) and OTTER, D. (Editor) (2014) *The Business Environment: Themes and Issues in a Globalised World*. 3rd Ed. Oxford: Oxford University Press.

WORTHINGTON, I. and BRITTON, C. (2014) *The Business Environment*. 7th Ed. Harlow Pearson.

Links

This unit links to the following related units:

Unit 2: Marketing Essentials

Unit 12:

Organisational

Behaviour Unit 18:

Global Business

Environment

Unit 25: Principles of

Operations Management

Unit 32: Business Strategy

Unit 34: Business Systems