

Information Pack

Unit-507

Understanding the Organisational Environment



INTRODUCTION

Organisations today find themselves operating in an environment that is quick changing. The process of analysing the implications of these changes and modifying the way that the organisation reacts to them is known as business strategy.

'Strategy is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences'

(Johnson et al, 2009)

While your role as a manager is unlikely to require you to make decisions at the strategic level, you may be asked to contribute to meetings where strategic concerns are being discussed. You may be asked to comment on pilot schemes, presentations, reports, or statistics that will affect strategy.

This information pack will break down strategic processes that will allow you to identify external factors within the environment that could have an impact on your organisation. Many of these will be things the organisation has no control over, but the implications of which need to be understood.

A popular tool for identifying these factors is the PESTLE Analysis, which can be used to help you consider Political, Economic, Social, Technological, Legal and Environmental issues.

SAMPLE

GUIDANCE

This document is prepared to break the unit material down into bite size chunks. You will see the learning outcomes above treated in their own sections. Therein you will encounter the following structures:

Purpose

Explains *why* you need to study the current section of material. Quite often learners are put off by material which does not initially seem to be relevant to a topic or profession. Once you understand the importance of new learning or theory you will embrace the concepts more readily.

Theory

Conveys new material to you in a straightforward fashion. To support the treatments in this section you are strongly advised to follow the given hyperlinks, which may be useful documents or applications on the web.

Example

The examples/worked examples are presented in a knowledge-building order. Make sure you follow them all through. If you are feeling confident then you might like to treat an example as a question, in which case cover it up and have a go yourself. Many of the examples given resemble assignment questions which will come your way, so follow them through diligently.

Question

Questions should not be avoided if you are determined to learn. Please do take the time to tackle each of the given questions, in the order in which they are presented. The order is important, as further knowledge and confidence is built upon previous knowledge and confidence. As an Online Learner it is important that the answers to questions are immediately available to you. Contact your Unit Tutor if you need help.

Challenge

You can really cement your new knowledge by undertaking the challenges. A challenge could be to download software and perform an exercise. An alternative challenge might involve a practical activity or other form of research.

Video

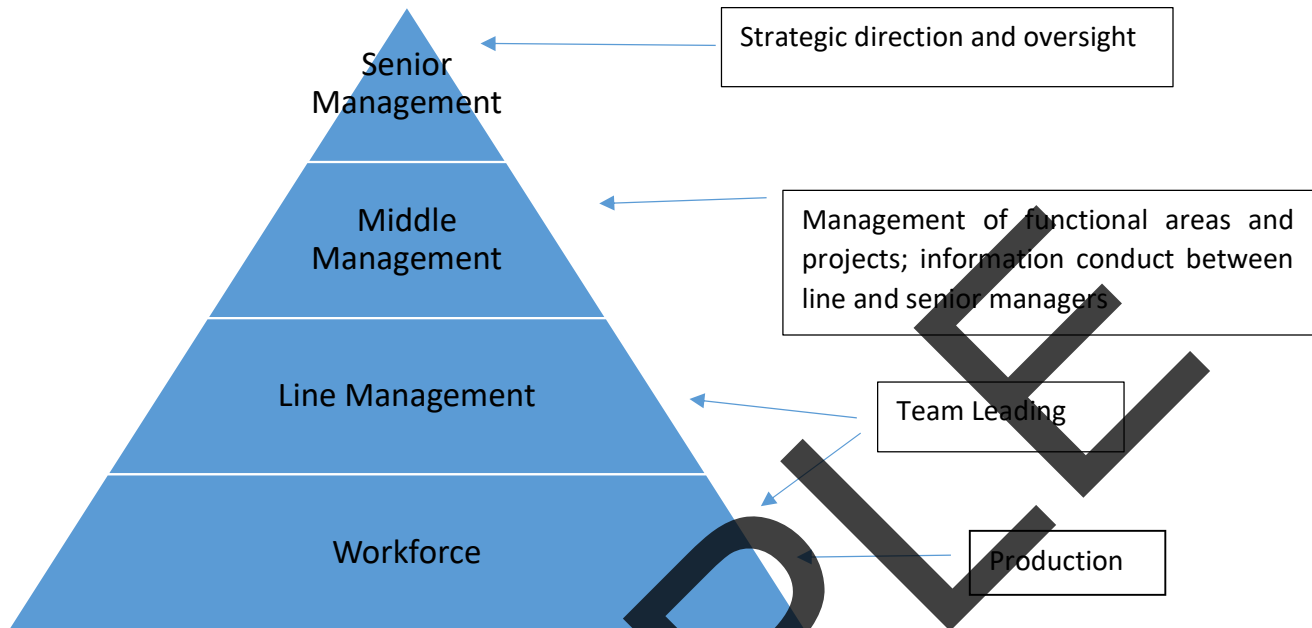
Videos on the web can be very useful supplements to your distance learning efforts. Wherever an online video(s) will help you then it will be hyperlinked at the appropriate point.

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SAMPLE

Organisational Infrastructure Pyramid



From the diagram above, we can see that, at the very top of the organisation, there will be a Board or a Senior Management Team, comprising the chief executive and the directors, providing strategic direction and governance. The top level, or layer, will be supported by a number of managers with responsibility for complete functions (e.g. marketing) and discrete projects - the middle management. This layer acts as a 'bridge' between line management and senior managers. The third layer comprises managers whose responsibility is to lead the teams that produce the organisational output (the workforce). Within the workforce, supervisors may be employed to lead sub-teams and/or to supervise discrete tasks and activities.

The Role of Managers and Management

Closer analysis of each of the different types of organisational structure reveals one thing in common: there is a requirement for Managers and management to oversee the work undertaken by the organisation. The Organisational Infrastructure pyramid indicates 3 broad levels of management - senior, middle and line - and highlights the typical day-to-day responsibilities of each level. Further analysis of the role of middle managers discloses that these managers have, in general terms, quite broad responsibilities.

On the one hand, they are responsible for one or more functions within an organisation-sales and marketing, for example-and that they will often be project leaders, leading organisational change as well.

Challenge

Obtain the job descriptions of, say, 3 middle managers in your organisation. What specific responsibilities do they have? What are the key elements of their roles as middle managers?

Your analysis might suggest that middle managers are responsible for the following core functions:

Organisational Performance

Middle managers oversee delivery of the organisation's output, through effective:

- Resource management, including recruitment of staff, and prioritisation and coordination of work
- Trouble-shooting and problem-solving
- Employee motivation and reward
- Resolution of workforce conflict and maintenance of a positive working environment
- Enforcement of quality and safety standards
- Employee development, including training and succession planning.

Watch this short video:

[Video](#)

Now answer the following questions:

- What strategic developments are currently taking place in your organisation?
- How are these changes likely to impact on your department and your team?
- What information do you think would be most useful to help team members understand the strategy?
- What goals, activities and tasks do you need to set to focus team efforts on helping deliver the strategy?
- How might you check progress along the way?
- What practical steps can you put in place to ensure clear communication between you and your team, and with senior management?

Supporting Strategic Development

Middle managers contribute to the development of organisational strategy by providing timely, meaningful information and advice to senior managers. They can also contribute by identifying and promoting talent.