

Unit 25: Global Business Environment

Unit code M/618/5076

Unit level 5

Credit value 15

Introduction

As globalisation of business continues the world is becoming smaller, this means developing complex opportunities and risks for business operations as organisations expand and transform in this dynamic environment. Understanding business from a global perspective is about being open to new ideas, issues and solutions, and opening business up to new opportunities and growth.

The aim of this unit is to explore the wider position that some organisations have in the global environment. Students will gain an appreciation of the complexities of operating in a global environment, enabling them insight in to an organisation's current or aspirational global presence.

On successful completion of this unit, students will understand the wider global environment in which organisations operate. This enables 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 large and small organisations) on global matters that they might not have otherwise considered.

Learning Outcomes

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

- LO1 Analyse the key factors which drive globalisation
- LO2 Determine the strategic complexities associated with operating in a global environment
- LO3 Evaluate how operating in a global market influences an organisation's structure, culture and functions
- LO4 Develop a global strategy to support decision making for a given organisation.

Essential Content

LO1 Analyse the key factors which drive globalisation

Globalisation:

Definition of globalisation.

The growth of international business and business activities.

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

Driving factors of globalisation:

Factors that drive globalisation, e.g. international economic integration, foreign direct investment, international business and trade.

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

Digital factors:

The significant impact of the digital revolution, including creating better products and services at lower cost, the impact of social media applications and cloud computing for connecting the global community and digitised design, making products and services available to a global market.

International support systems, e.g. payment methods and transactions, the internet and digital business.

The role of innovation:

Examples of global business success driven by innovative leadership, e.g. Apple, Tesla, Mitsubishi, Google.

The impact of different types of innovation on globalisation, including:

- product innovation, e.g. Fitbit
- process innovation, e.g. supply chain management
- business model innovation, e.g. Amazon, eBay.

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.

Challenges and opportunities faced by business in the global economy:

Different legislation and regulatory requirements.

Operating complexities across different time zones.

Cultural differences and cultural diversity

The monetary environment.

Political unrest and instability.

Managing global consumer needs and expectations.

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

Influences on structure, culture and functions:

Global market influences on organisations in the context of McKinsey's 7S model of organisational structure.

The governance of a multinational organisation and leadership in an international context.

Use of Hofstede's Cultural Dimensions Theory to demonstrate how national cultural differences have an influence on organisations.

The influence of ethical and sustainable globalisation.

LO4 Develop a global strategy to support decision making for a given organisation.

Influences on decision making and strategy:

The principles of leadership change and the process of internationalisation.

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

Global strategy:

Definition of global strategy.

Global strategy versus international strategy.

Benefits of a global strategy and why it is important.

Different types of global strategy, e.g. standardisation, transnational, export strategies for competing and expanding in international markets.

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

Balancing the need for global integration vs local responsiveness.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Analyse the key factors which drive globalisation		LO1 and LO2 D1 Critically evaluate the global business environment, including the opportunities and challenges faced by organisations.
P1 Analyse key factors of cost, market, environment and competition that drive global commerce and trade.	M1 Critically analyse the impact that key factors have on the global business environment in terms of opportunities and challenges.	
LO2 Determine the strategic complexities associated with operating in a global environment		
P2 Examine the complexity of strategic challenges faced by organisations when operating in a global environment, supported by specific examples.	M2 Evaluate strategic challenges in context of risk and diversification and the supply chain flow.	
LO3 Evaluate how operating in a global market influences an organisation's structure, culture and functions		D2 Make valid and justified recommendations of how organisations should adapt their organisational structure and strategy to support decision making in a global context.
P3 Evaluate the influences of globalisation on organisational governance and leadership, structure, culture and functions. P4 Discuss the influences of ethical and sustainable globalisation on organisational functions.	M3 Critically evaluate influences of globalisation on organisational structure and culture and functions.	
LO4 Develop a global strategy to support decision making for a given organisation.		
P5 Evaluate the different ways that decision making can work effectively in a global context. P6 Devise objectives and strategies to support global decision making to meet business objectives.	M4 Devise strategies that meet a range of different stakeholder perspectives in a global context.	D3 Develop strategies that embed an integrated approach across different countries to achieve competitive advantage.

Recommended Resources

Textbooks

BARTLETT, C. and BEAMISH, P. (2018). *Transnational Management: Texts, Cases, and Readings in Cross-Border Management*. 8th Ed. Maidenhead: McGraw-Hill.

DANIELS, J. D., RADEBAUGH, L. H. and SULLIVAN D. P. (2018) *International Business Environments and Operations*. 16th Ed. Harlow: Pearson.

DERESKY, H. (2016). *International Management: Managing Across Borders and Cultures*. 9th Ed. Harlow: Pearson.

PENG, M. (2016) *Global Business*. 4th Ed. Cengage Learning.

Websites

www.global-strategy.net	Global Strategy (General Reference)
www.worldbusinessculture.com	World Business Culture Country Profiles (General reference)
www.wto.org	World Trade Organization Document, Data and Resources (General reference)
www.velocityglobal.com	Velocity Global Resources Case studies (General reference)

Links

This unit links to the following related units:

Unit 1: The Contemporary Business Environment

Unit 50: International Marketing

Unit 56: Tapping into New and International Markets