

Factors affecting organisational environment



One of the factors that affects organization-environment relationships is environmental change and complexity. The environment can be described along two dimensions which are its degree of change and its degree of homogeneity. The degree of change is the extent to which the environment is relatively stable or relatively dynamic. The degree of homogeneity of the environment is relatively simple (with some elements, a small portion) or complex (multi-element, much segmentation). These two aspects interact to determine the uncertainty facing the organization. The least environmental uncertainty is faced by organizations with stable and simple environments. The degree of homogeneity and the degree of change combine to create uncertainty for organizations. For example, a simple and stable environment creates the least uncertainty, and a complex and dynamic environment creates the most uncertainty. The University of Manchester provides exceptional learning environments which are highly interactive online learning tools with our high quality, face to face teaching to provide all the students with a richer learning experience.

The University of Manchester committed to creating contemporary, technology-rich and learning specs that bring students into the heart of a required learning experience through their investment in their campus and facilities. And they have the largest collection of books electronic resources of any UK university, and extensive coverage of Wi-Fi on campus. The university library is one of the largest and best-resourced in the UK. With more than four millions books, it also provides a collection of electronic resources unrivalled by any other British university. Professional library staff provides every student with a full introduction to services, resources and

how to make the most of them, and are also on hand throughout your time at the university to provide advice, training and help whenever you need it. And of course, if you have any special needs, facilities and help are provided here too. Manchester's IT provision is constantly growing and being updated to satisfy the rigorous demands of the most computer-literate of students. But even if you've never graduated beyond a games console, there's no cause for concern.

The University provides guidance, training and support to help you keep abreast of the latest computer programmes and electronic information resources. When you become a student at Manchester, you will be registered for email, file storage and internet access. Computer clusters pepper the campus, many within individual Schools and halls of residence. The biggest computer clusters are located in the main Library and George Kenyon Building. Several of these clusters are open 24 hours a day. More powerful workstations are available to support specialist research applications.

Organizations with dynamic but simple environment generally face a moderate degree of uncertainty. Examples of organizations functioning in such environments include music producers (catering faces relatively few competitors (diesel, Lee, and Wrangler), has few suppliers and few regulators and uses limited distribution channels. This relatively simple task environment, but also changes very rapidly as competitors adjust prices and styles, changing consumer tastes and new fabrics become available. Another combination of factors is one of stability and complexity. Toyota, Honda and Nissan face these basic conditions. After all, they must interact with consumer groups, regulators, suppliers and competitors. However, occurs

quite slowly in the automobile industry. It is just like how the University of Manchester used the same concept of the environmental change and complexity. The second point of how environments affect organizations is competitive forces. Competitive forces is forces in the marketing environment or educational environment that are based on competition among customers and compete with other firms. As the organization looks out at its business environment, competition is a critical factor. Who is buying goods and services and who is providing them to those customers? Are there many competitors or are there just a few? Maybe none. Knowing what competitive forces exist helps an organization develop strategic planning to attract customers. As for the university, the university has a very high-quality research profile. In the first national assessment of higher education research since the university's founding, the 2008 Research Assessment Exercise, the University of Manchester came 3rd in terms of research power after Cambridge and Oxford and 6th for grade point average quality (8th when including specialist institutions).

Accordingly, Manchester enjoys the largest amount of research funding behind Oxbridge, UCL and Imperial (these five universities being informally referred to as the 'golden diamond' of research-intensive UK institutions). Manchester also has a particularly strong presence in terms of funding from the three main UK research councils, EPSRC, MRC and BBSRC, being ranked 3rd, 7th and 1st respectively. In addition, the university is also one of the richest in the UK in terms of income and interest from endowments: at a recent rank, it was placed at 3rd place behind Oxbridge. Historically, Manchester has been linked with high scientific achievement: the university

and its constituent former institutions combined had 25 Nobel Laureates among their students and staff, the third largest number of any single university in the United Kingdom behind Oxford and Cambridge; in fact, excluding Oxbridge, Manchester has graduated more Nobel laureates than any other university in the UK. Furthermore, according to an academic poll two of the top ten discoveries by university academics and researchers were made at the University (namely the first working computer and the contraceptive pill). The university currently employs 4 Nobel Prize winners amongst its staff, more than any other in the UK. The 2009 THE-QS World University Rankings found Manchester overall 26th in the world and 5th by employer reviews by receiving a maximum 100% rating which the university has retained since 2008. The separate 2010 QS World University Rankings (in 2010 Times Higher Education World University Rankings and QS World University Rankings parted ways to produce separate rankings) found that Manchester had slipped to 30th in the world. The Academic Ranking of World Universities 2008 published by the Institute of Higher Education of Shanghai Jiao Tong University ranked Manchester 5th in the UK, 6th in Europe and 40th in the world. After several years of steady progress, Manchester fell back in 2009 to 41st in the world and 7th in Europe, falling back further to 44th in the world and 9th in Europe in 2010. Excluding US universities, Manchester is ranked 13th and 11th in the world for 2009 by THES and ARWU respectively. According to the ARWU rankings, the university is ranked 9th in Europe for natural sciences and 4th in engineering. Similarly the HEEACT 2009 rankings for scientific performance place Manchester 5th in Europe for engineering, 8th for natural sciences and 3rd for social sciences. And finally THES ranks Manchester 6th in Europe for

<https://assignbuster.com/factors-affecting-organisational-environment/>

technology, 10th for life sciences and 7th for social sciences. More recently a survey by the Times Higher Education Supplement has shown that Manchester is placed 6th in Europe in the area of Psychology & Psychiatry. According to a further ranking by SCImago Research Group Manchester is ranked 8th in Europe amongst higher education institutions in terms of sheer research output. In terms of research impact, a further ranking places Manchester 6th in Europe.

According to the High Fliers Research Limited's survey, University of Manchester students are being targeted by more top recruiters for graduate vacancies than any other UK university students for three consecutive years (2007-2009). Furthermore, the university has been ranked joint 20th in the world for 2009 according to the Professional Ranking of World Universities. Its main compilation criterion is the number of Chief Executive Officers (or number 1 executive equivalent) which are among the " 500 leading worldwide companies" as measured by revenue who studied in each university. The ranking places the University only behind Oxford nationally. Manchester is ranked 5th among British universities according to a popularity ranking which is based on the degree of traffic that a university's website attracts. Also, a further report places Manchester among the top 20 universities outside the US. At a recent ranking undertaken by the Guardian, Manchester is placed 5th in the UK in international reputation behind the usual four: Oxbridge, UCL and Imperial. However, while as a rule world rankings (such as the ARWU, THES and HEEACT) typically place the university within the top 10 in Europe, national studies are less complimentary; The Times ' Good University Guide 2011' ranked Manchester

30th out of 113 Universities in the UK, 'The Complete University Guide' 2011 in association with The Independent placed it at 31st out of 115 universities whilst 'The Guardian University Guide 2011' ranked Manchester at 51st out of 118 universities in the UK. This apparent paradox is mainly a reflection of the different ranking methodologies employed by each listing: global rankings focus on research and international prestige, whereas national rankings are largely based on teaching and the student experience. The last point on how environments affect organizations is environmental turbulence. Environmental turbulence refers to the amount of change and complexity in the environment of a company. The greater the amount of change in environmental factors, such as technology and governmental regulations, and the greater the number of environmental factors that must be considered, the higher the level of environmental turbulence. For many reasons, environmental volatility and instability have been increasing for the past 100 years. Although often experience unexpected changes and upheavals, the five could still compete for the review and evaluation system, and development plans to address these issues. At the same time, despite the changes in the environment or the occasional long-wave instability is not the most common form of the organization warned, there may be some form of crisis. One of the crisis is to get the attention of managers in recent years is workplace violence-situations in which disgruntled workers or former workers assault other employees, resulting often in injury and sometimes in death. The recession began in 2009 and concerns about the H1N1 (swine) flu virus in 2009 are other recent examples. The impact of crisis affects the organizations in different ways, and some organizations have developed crisis plans and teams. For example, during the H1N1 virus scare in 2009,

<https://assignbuster.com/factors-affecting-organisational-environment/>

one investigation reported that only 27 per cent of all United States employers had their plans for dealing with such a potential health crisis. In view of numerous problems, difficulties, and the environment in an organization, how should the organization adapt? Clearly, each organization must assess its own unique situation and adapt according to the wisdom of its senior management. Organizations attempt to their environments.

The most common methods are information management; strategic response; mergers, acquisitions, and alliances; organization design and flexibility; direct influence; and social responsibility. One way in which organizations adapt to their environments is through information management. Information management (IM) is the collection and management of information from one or more sources and the distribution of that information to one or more audiences. This sometimes involves those who have a stake in or a right to that information. Management means the organization of and control over the structure, processing and delivery of information. Throughout the 1970s this was largely limited to files, file maintenance, and the life cycle management of paper-based files, other media and records. With the proliferation of information technology starting in the 1970s, the job of information management took on a new light, and also began to include the field of Data maintenance. No longer was information management a simple job that could be performed by almost anyone. An understanding of the technology involved and the theory behind it became necessary. As information storage shifted to electronic means, this became more and more difficult. By the late 1990s when information was regularly disseminated across computer networks and by other electronic

means, network managers, in a sense, became information managers. Those individuals found themselves tasked with increasingly complex tasks, hardware and software. With the latest tools available, information management has become a powerful resource and a large expense for many organizations. In short, information management entails organizing, retrieving, acquiring and maintaining information. It is closely related to and overlapping with the practice of Data Management. Other than information management, there is another way that an organization adapts to its environments is through a strategic response. If the market is growing rapidly as a company, the firm may decide to invest even more heavily in products and services for that market. Similarly, if the market is shrinking or without the possibility of reasonable growth, the company may decide to cut back. A related strategic approach that some organizations use to adapt to their environments involves mergers, acquisitions, and alliances. A merger is the combining of two or more companies, generally by offering the stockholders of one company securities in the acquiring company in exchange for the surrender of their stock. An acquisition, also known as a takeover or a buyout, is the buying of one company (the 'target') by another. Consolidation is when two companies combine together to form a new company altogether. An acquisition may be private or public, depending on whether the acquiree or merging company is or isn't listed in public markets. An acquisition may be friendly or hostile. Whether a purchase is perceived as a friendly or hostile depends on how it is communicated to and received by the target company's board of directors, employees and shareholders. It is quite normal though for M&A deal communications to take place in a so-called 'confidentiality bubble' whereby information flows are

restricted due to confidentiality agreements (Harwood, 2005). In the case of a friendly transaction, the companies cooperate in negotiations; in the case of a hostile deal, the takeover target is unwilling to be bought or the target's board has no prior knowledge of the offer. Hostile acquisitions can, and often do, turn friendly at the end, as the acquirer secures the endorsement of the transaction from the board of the acquired company. This usually requires an improvement in the terms of the offer. Acquisition usually refers to a purchase of a smaller firm by a larger one. Sometimes, however, a smaller firm will acquire management control of a larger or longer established company and keep its name for the combined entity. This is known as a reverse takeover. Another type of acquisition is a reverse merger, a deal that enables a private company to get publicly listed in a short time period. A reverse merger occurs when a private company that has strong prospects and is eager to raise financing buys a publicly listed shell company, usually one with no business and limited assets.

Achieving acquisition success has proven to be very difficult, while various studies have shown that 50% of acquisitions were unsuccessful. The acquisition process is very complex, with many dimensions influencing its outcome. A business alliance is an agreement between businesses, usually motivated by cost reduction and improved service for the customer.

Alliances are often bounded by a single agreement with equitable risk and opportunity share for all parties involved and are typically managed by an integrated project team. An example of this is code sharing in airline alliances. An organization may also adapt to environmental conditions by incorporating flexibility in its structural design. For example, a company in an

uncertain business environment, relatively low levels may choose to use many of the basic rules, regulations and standard operating procedures of the design. The latter sometimes referred to as an organic design, is considerably more flexible and allow the organization to respond quickly to environmental change. Organizations are not necessarily helpless in the face of their environments. In fact, many organizations are able to directly influence their environments in many different types of ways. The organization also influences their customers by creating new users for a product, stealing customers away from competitors, and also convincing customers that they need something more new and updated. Another way that an organization adapts to its environments is through social responsibility. Social responsibility is the principle that companies should contribute to the welfare of society and not be solely devoted to maximizing profits. This responsibility can be “ negative”, meaning there is an exemption from blame or liability, or it can be “ positive, ” meaning there is a responsibility to act beneficently (proactive stance). Specifically, social responsibility is the set of obligations an organization has to protect and enhance the societal context in which it functions. A number of organizations recognize that in all three areas of responsibility, every effort to meet each of them, while others emphasize only one or two areas of social responsibility. And a few acknowledge no social responsibility at all. In addition, the views of social responsibility vary in different countries.