

# The impact of internal and external business environment on organizational perfor...

[Business](#)



## Impact of Internal and External Business Environment on Organizational Performance

### Conclusion

The paper has explored the impact of internal and external business environment on organizational performance. The report has sought to investigate the significant influence of the factors that contribute to achievement of organizational objectives and failure. The paper explored the structural model that has an influence on various sources of knowledge regarding the performance of the organization. The report has also explored the internal conditions of the organization through an analysis of collected data from relevant sources. Moreover, there has approximated structural model relationship in the methodology. The paper has given an insight on the internal conditions of the organization and external environment, which contributes through elements of task environment.

The paper has explored the internal environment in terms of the organizational culture, through focusing on the strengths and weaknesses of the organization. This section also focuses on the healthy and unhealthy aspects of the organization, ways through which the organization adapt to different conditions in the environment. The report also focused on the entrepreneurial aspect organization and their operations, whereby animals are used as metaphors. In the other section, the paper has conducted an environmental analysis of the conditions, by focusing on the characteristics of the environment. The next section has sought to determine the effects of the organization by focusing on the competitive forces through the Porter's Five Competitive Forces. The last section has focused on identifying ways in

which an organization can adapt and respond to the influence of the environment.

### Recommendation

The recommendation of the report will focus on the things that an organization should concentrate on their environment through recurrent testing. The organizations are recommended to focus on the external environments in order to be in position of acquiring loans from the bank and financial institutions. Other recommendations relates to focusing on the positive or negative impact of technology that can facilitate to increasing the level of productivity of the organization. Organization is urged to focus on the peripheral situation with effects on the inner conditions, which entail legal restriction. In fact, there are laws passed, which forms the external environment of the business, and they may contribute to the increase of taxes and services affecting the business.

Therefore, by focusing on the external factors, the organization is recommended to make relevant plans on ways to deal with the occurrence of a disaster. External business environments entail political, technological, economical, legal, demographic and social-cultural aspects. On the other hand, the organization should control the internal environment in order to facilitate effective management of resources. Organizations are recommended to focus on the immediate effects on the organization since there is a substantial role-played by these factors in shaping the business. For instance, the organization may face economic difficulties, and by focusing on these factors, the organization alters their spending habits in a way that can increase productivity. Moreover, organizations are

recommended to focus on changing their strategies in order to reduce the costs incurred through production as a way of increasing productivity.