

THE OPEN UNIVERSITY OF TANZANIA

FACULTY OF BUSINESS MANAGEMENT

COURSE OUTLINE

OBS 403: BUSINESS ENVIRONMENT.

INTRODUCTION

Business Environment is a course offered by the Open University of Tanzania, Faculty of Business Management to Undergraduate Students. The course introduces the importance of having a society with major and basic understanding of all business environments. Business environment influences the strategic direction of organizations; therefore this assists the managers to recognize the role played by external and internal environment in any business organization and how to deal with them so that they make positive impact in their business undertakings.

COURSE OBJECTIVES

This course focuses on the external and internal environment in which companies operate, looking at the level of markets and industries. The course aims at creating more understanding of the different types of responses that companies, profit seeking and not for profit have to their environments and to the types of competition they will be facing. The main objective for having such course is to enable the students to have a clear understanding of the theories and models that provides a fundamental building block of business as well as blending theory with practical scenarios at different levels. The course will also equip students with interrelated environmental forces that may act upon a variety of types of business organizations and hence influence business performances. The course will further help students to identify the nature and complexity of the competitive environment, the technological environment, the dynamic and multifaceted social environment, the political issues that may have a potential impact on the business organization and the nature of changes in any business environment and organizational, individual, group and governmental reactions to dynamisms of the business environment.

COURSE ORGANISATION

The course contents are organized in the form of a series of lectures covering six Lectures with various sub- topics under each lecture.

COURSE ASSESSMENT COVERAGE

There will be two assignments, two timed tests and one final examination.

- Assignment one and timed test one shall cover lectures 1- 3 while Assignment two and timed test two shall cover lectures 4-6. However, the final exam shall cover the internal syllabus.

COURSE CONTENTS

LECTURE ONE: THE BUSINESS ENVIRONMENT CONTEXT

Introduction:

This lecture introduces/explores key terminologies to be understood when learning this course. The lecture will further cover general issues surrounding business environment from within and outside the organizations/firms.

Learning Objectives:

After completing this lecture you should be able to:

- Define the term business environment and understand a number of models of the contextual environment of organizations
- Recognize environmental forces that may act upon a variety of circumstances within and outside the organizations
- Identify the stakeholders of the business environment
- Demonstrate the range and complexity of the external and internal influences on business activities

Subtopics:

- The External Environment
 - The social environment
 - The cultural environment
 - Demographic environment
 - Technological environment
 - Ethical environment
 - Legal environment
 - Organization resources
 - The firm's customers
 - The firm's competitors
- The Internal Environment
 - The firm's/Organization's structure

- Business environment: Overcoming Constraints

LECTURE TWO: THE ORGANIZATION'S/FIRM'S BUSINESS ENVIRONMENT

Introduction:

There are various complexities of the business organizations/firms with regard from the simple ones to huge Multinational Corporation. What ever the nature of these organizations, business environment has a great impact on their effectiveness and functionality. This lecture introduces insights on important environmental factors that that may influence business operations in both public and private sector.

Learning Objectives:

After completing this lecture you should be able to:

- Identify types and forms of business organizations/firms
- Recognize the complex relationship between business organizations and environment
- Recognize role played by public and private sector on the business organizations/firms
- Identify legal of the Tanzanian business organizations/firms
- Identify factors, processes, institutional weakness or regulatory failures that are perceived by enterprises themselves as impediments to growth.

Subtopics:

- The organization's/firm's legal structures
- The organization's/firm's size of the firms
- The organization's/firm's relationship with the government
- Public sector business organizations

LECTURE THREE: THE MARKETS ENVIRONMENT

Introduction:

The business organizations'/firms' marketing environment consists of actors and forces within and outside marketing that may affect marketing management's ability to build and maintain successful relationship with stakeholders. This lecture will expose different environmental forces and trends that may eventually affects the business organizations'/firms' performance.

Learning Objectives:

After completing this lecture you should be able to:

- Describe the environmental forces that affect the organization/firm's ability to acquire and serve their customers
- Explain how changes in the demographic, economic, technological, political and cultural environments affect marketing decisions
- Identify the major trends in the firm's global environment discuss how companies can react to the international marketing environments

Subtopics:

- The market systems
- The market structure
- The organization/firms' macro-environment (organization/firms, suppliers, competitors, intermediaries, customers and publics)
- The organization/firms' macro-environment (Demographic, economic, natural, technological, political and cultural environments)
- International markets and globalization environment (FDIs, MNC etc)
- Government and market systems
- Responding to marketing environment

LECTURE FOUR: PRIVATE SECTOR ENVIRONMENT

Introduction:

This lecture introduces to you the nature and role of the private sector environment to the performance of businesses. The lecture will further expose the challenge for the private sector that is, ensuring it has the necessary evidence to make clear and persuasive arguments for reform and therefore a better business environment by trying to seek change in public policy, in the way that regulations are implemented or, occasionally, when it needs to make sure existing legislation is enforced.

Learning Objectives:

After completing this lecture you should be able to:

- Discuss the rationale for the existence of public sector organization
- Determine the changing political agendas and objectives which affect public sector organizations
- Understand the structural and managerial changes that have occurred within the public sector
- Determine the dynamism in the public sector

- Recognize the establishment of an economically enabling and competitive environment for the private sector, with special reference to the small enterprise sector.
- Examine specific components of the legal and regulatory, economic and political environment facing private business, especially small business;
- Conduct a number of studies with high empirical content, develop policy options and recommendations for improvements to those aspects of the operating environment that need reform to encourage expansion and productivity growth of the private sector;

Subtopics:

- Private sector problems and constraints
 - Different aspects of the regulatory, economic and political environment, researching the causes which hinder private-sector-led economic growth, and recommending measures to solve or alleviate them.
- Private sector, investment, competition and enterprises in Tanzania
- The private sector business environment key stakeholders/ actors
- The contribution of private enterprises to production and support for livelihoods
- Policies for private sector

LECTURE FIVE: THE PUBLIC SECTOR ENVIRONMENT

Introduction:

This lecture introduces to you various political forces that shape the public sector organizations. However, the mechanism of influence between the wider business environment and political activity is a two-way, as government decisions profoundly influence those environmental forces that includes: Skilled labor, protected markets, Good investment climate; skills; training; quality standards and technology; suppliers networks; logistics and ICT; FDI, promotion; including targeting of foreign firms; selected incentives; capacity of local suppliers; matchmaking and information dissemination, financing etc.

Learning Objectives:

After completing this lecture you should be able to:

- Identify what is comprised in a public sector environment
- Recognize the existing relationship between the government and its environment and establish how they are interrelated
- Establish how can the public sector environment influence the private sector
- Explain how can the public sector structure be altered to level the playing field for all sort of business organizations of any country

Subtopics:

- The structure of the public sector
- The public sector market systems
- Public-private sector environment relationship
- Public sector change: drivers and resistors

LECTURE SIX: THE GLOBAL BUSINESS ENVIRONMENT**Introduction:**

This lecture introduces to you the political, legal, technological and cultural systems that managers are likely to encounter and the factors they need to consider as they make strategic decisions about operations in different countries.

Learning Objectives:**After completing this lecture you should be able to:**

- Describe some basic environmental issues emanating from global business perspective
- Recognize how multinationals enterprises operate in countries that are characterized by different political, legal, technological, cultural and economic development conditions
- Identify the competition countries are exposed to while operation in a globalized economy
- Discuss the global business environment implications for organizations, individuals, groups and to the government

Subtopics:

- Political, legal, cultural and economic global environment
- The technological environment and e-business
- Corporate responsibility and the environment
- The challenges and changes of business environment
- Innovation & Entrepreneurship: Key challenges in a Globalized World

References:

Charles Hill, (2001), "*Global Business Today*", Mac-Graw Hill, New York

Ian W, and Chris B, (1994), "*The Business Environment*", Prentice-Hall, London, 4th edn

Ian Brooks and Jamie Weatherston, (1997), The Business Environment, "*Challenges and Changes*", Pearson education Ltd, Great Britain

Barbara Parker, (1998), Globalization and Business practice, “*Managing across boundaries*”, Sage publications ltd, London

Johan Hough, (2003), Global Business, “*Environments and Strategies*”, Managing for global competitive advantage

Kotler P. and G. Armstrong (2008), **Principles of Marketing**, Pearson International Edition, Pearson Education Inc. Twelfth Edition

Michael Czinkota, et all (1992), “*International business*”, 2nd edn, Harcourt Brace Jovanovich College, USA

Philip Cateora and John Graham, (2005), “*International marketing*”, Mc-Graw Hill, New York

POINT TO NOTE: There are many Books, Articles, News Papers, Journals with materials on this Course, you are advised to use them though are not written on this Course Outline. Also visit the internet you will get a lot of materials on this course. Please read as many materials as you can.

COURSE ASSESMENT:	Two assignments	@ 07.5 Marks.
	Two timed tests	@ 12.5 Marks.
	One annual Exam	60.0 Marks
	<u>TOTAL MARKS</u>	<u>100.0</u>