

Suva Sangam College Year 10: Office Technology MODAY 05/07/2021 – FRIDAY 09/07/2021	
WEEK: 1	
STRAND	10.3 : OFFICE ADMINISTRATION
SUB STRAND	10.3.1 : OFFICE ROLES AND FUNCTIONS
CONTENT LEARNING OUTCOME	<ul style="list-style-type: none"> • Explore the components of Business Environment in an organization
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CHAPTER 5: BUSINESS ENVIRONMENT

Achievement Indicator:

1. Explore the components of business environment in an organization.
2. Identify the structure of an organizational chart and its lines of authority.

What is Business Environment?

- Business environment is the relationship between a business action and its environment. Environment is the surrounding of a business by which business influence directly or indirectly.
- Business environment is very important to an organization which will help the firm to identify opportunities and getting the first mover advantage and can improve performance of an organization.
- Environmental understanding helps an organization in improving their image by showing their sensitivity to the environment within which they are working.

Environment of a business involved the internal and external factors that influences a business decision.

Internal business environment

- Are the factors which will affect the business directly which involves customers, employees, shareholders, competitors, suppliers and stakeholders.

External business environment

- Refers to the factors that influence the organization indirectly which involves political, economic, social technology, legislation, environment and demographic.

Activity questions:

1. What is Business environment?
2. State some factors that affect internal business environment and external business environment.
3. Simply explain, what is an office?

Achievement indicator:

1. Identify the structure of an organizational chart.

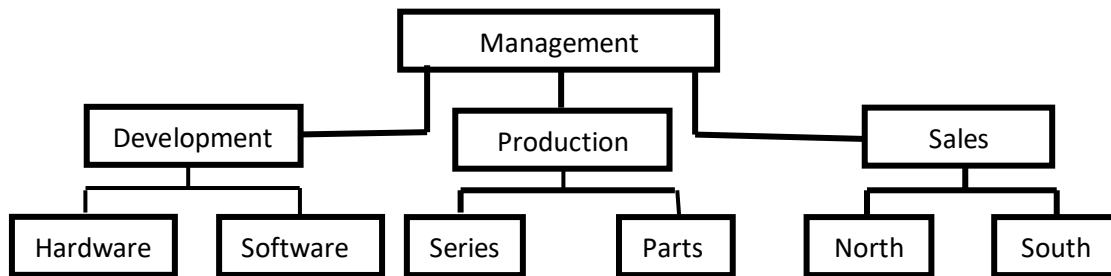
Organizational Structure

- An organization is a planned arrangement of operation. Preparation is required to achieve a smooth flowing operation of everyday task.

Organizational Chart

- The organizational chart includes the chain of command from top management to middle management and departmental operations.
- It shows the title and positions of who is responsible for which department and to whom they are responsible.

Example of an organizational chart



Management structure

Management structure of a large organization is based on three levels.

1. **Top Management** - consists of the chairperson, the managing director, other directors and general managers who specialize in areas such as finance, production and marketing.
2. **Middle Management** – consists of managers who oversee other managers and supervisors. They develop departmental goals and policies in line with organizational goals.
3. **Operating Management** – consists of managers and supervisors who put management’s plans into action and are the link between higher levels of management, office and other workers.
4. **Departmental operations** - are controlled by the management of each department where all other personnel perform their functions. This forms a base on which the whole organization operates and on which top management depends on productivity and support.

Activity Questions:

1. What is an organizational chart?
2. In your own words, list and discuss the three levels on which the management structure of a large organization is based on.
3. What is departmental operations?

Achievement indicator:

1. Identify the structure of an organizational chart and its lines of authority.

Lines of authority

- Lines of authority shows the hierarchical structure of an organization on the organisational chart with the names and the position of the person responsible for each department or specific area of the business and who reports to that person.
- There are three types of authority within an organisation

There are three types of authority within an organization are:

1. In line organisation

- Authority flows vertically down the line from top management level to operational level (top down)
- Responsibility flows vertically up the line from operational level to top management level (bottom up)
- This permits managers and supervisors to control workers immediately below them.

2. In line and staff organisation

- line managers are responsible for key areas and use staff specialist to assist them in specific ways

For Example: the accounts manager may use the skills of human resources department in selecting a new staff.

3. In functional organisation

- All managers have authority over a pool of workers or human resources.

The structure within large organisations is usually based on **line organisation** with some use of staff organisation and functional organisation.

The structure of any organisation depends on the following:

- Size of the business
- Form of ownership
- Industry ownership
- Type of industry classification it belongs to

Activity Questions:

1. What is lines of authority?
2. Identify four things on which the structure of any organization depends on.
3. In which line of authority the responsibility flows from bottom to up?

Achievement indicator:

1. Identify the features of business environment

Features of business environment

1. Totality of external forces

- Business environment is the sum of all things that affects the business firms such as aggregative in nature.

2. Specific and general forces

- Business environment includes both specific and general forces.

Specific forces

- Affect enterprise in their day to day working.

General forces

- Have impact on all enterprises and affect an individual firm only indirectly.

3. Dynamic nature

- Business environment is dynamic in that it keeps on changing whether in terms of:
 - i. technological environment,
 - ii. shift in consumer preferences or
 - iii. entry of new competition in the market

4. Uncertainty

- Business environment is largely uncertain as it is difficult to predict future happenings
Example: especially when environment changes are taking place too frequently as in case of information technology or fashion industries.

Types of environment

The environmental factors may be classified into two different types:

- I. internal business environment
- II. external business environment

The main function of a business is the purpose for which it is in business namely, which is:

- The manufacture of specific goods or the supply of specific services

Activity Questions:

1. What Is the main function of a business?
2. In your own words discuss the four features of business environment.
3. What are the two types of business environment?

Achievement indicator:

1. Identify the difference between internal business environment and external business environment.

Internal Business Environment

- This includes the business itself – the organization that is in business operation
- It comprises the owner, structure, how it is run, its entities, its finance, its workers, its equipment, buildings, policies, procedures.
- The internal environment is the environment that has a direct impact on the business.

Structure of internal business (Organization Structure)

- All employees are doing what they are qualified and trained to do in order to achieve their own goals and of the business.

a) Value System

- The value system has important bearing on the choice of business, the mission and the objectives of the organization, business policies and practices.

b) Mission, Vision and Objective

- Vision means the ability to think about the future with imagination and wisdom. Vision is an important factor in achieving the objectives of the organization
- The mission is the medium through which objectives are archived.

c) Management Structure and Nature

- The organizational structure like the composition board of directors influences the decision of business as they are internal factors.
- The structure and style of organization may delay are decision making or some other helps in making quick decision.

External Business Environment

- It refers to the environment that has an indirect influence on the business
- The factors are uncontrollable by the business

There are two types of external business environment

i. Micro Environment

- also known as the task environment and operating environment because the micro environmental forces have is direct bearing on the operation of the firm.

ii. Macro Environment

- Macro environment is also known as General environment and remote environment
- Macro factors are generally more uncontrollable than macro environment factors.
- When the macro factors become uncontrollable, the success of company depends upon its adaptability to the environment

Activity Questions:

1. Differentiate between internal business environment and external business environment.
2. What happens when the macro environment factors become uncontrollable?
3. List and discuss the two types of external business environment.

ADDITIONAL NOTES

An office is an area of a business where people-using materials, tools and resources –perform the administrative services required to support the main functions, objectives, plans, system process and ultimately the goals of the business.

There are different types of offices today.

- The traditional office
- The electronic office
- The remote control office
- The electronic remote-control office

Traditional Office

- This is just an area in a building where there is tables and chairs, a personal computer with printer, and telephone system, a filing cabinet and most probably couch for visitors to sit while waiting to be served.
- Traditional offices have paper-based filing system, which may include filing cabinets, folders, shelves, microfiche system, and drawing cabinets, all of which require maintenance, equipment, considerable space and are resource-intensive.

Electronic Office

- With today's electronic communication system, an office is not necessarily in one place.
- Many people are working from home linked to their employer's main office through computer networks.

Remote control office

- Let's users access another computer via dial-up networking (DUN), direct dial or network connections (including the internet). After remote users connect, they can perform file transfers, troubleshoot system, run remote applications and train another user, all but sitting in front of the remote computer.
- Other features include voice chat, text chat and disk cloning

The electronic remote-access office

- All this means is that the traditional office of the present day is going to change to a more electronically controlled and remote-access office.
- Already many businesses have information stored on a computer system at the reception desk, for easy access to customers' records and/or stock control of products.