**International Business Environment**

The unit will enable learners to explore the changing international business environment and develop knowledge and understanding of how organisations respond.

**Indicative Content**

**1. Be able to analyse the international business environment**

Analysis techniques: Environmental analysis and diagnostics, Environment audit, Porter’s diamond (The Competitive Advantage of Nations - Porter), PESTLE, ‘Five Forces’ analysis.

* Micro-environment: Stakeholders, Suppliers, Customers, Competitors, Market intermediaries.
* Macro-environment: External climate, Economic conditions, Political opinion, Legal environment (national and international), Cultural environment, Resources, for example capital, people and natural, Technology.
* International business environment: Culture, Corporate Social Responsibility, Politics, Environmental Issues, Globalisation.

**2. Understand the impact of globalisation and international trade**

History: Economic theory, Dependency theory, Non-western cultures, Maritime European empires, Industrialisation, Trade and empire, Bretton Wood, Development of communications, Information technology.

* Extent of globalisation – Trade, labour movement, cultural exchange, technical development and exchange and capital
* Effects of globalisation – Effects on markets, business change, capital, jobs and outsourcing, cultural dominance, natural resources, conflict; debates: benefits and challenges of globalisation, advocates and critics
* Operations: International business conduct, Competition in different markets, International brand development, Protection of IP, Trade partnerships, Politics and regulation, Security, Ethics.

**3. Understand the international markets in which businesses operate**

Sustainability

* Moral and Ethical issues: Organisation purpose, Nature of business ethics, Corporate responsibility, Social responsibility, Corporate accountability, Corporate governance, Cultural conflict (For example: nature of bribes and rewards), Different economic models, Different ethical frameworks (theories: deontological and utilitarianism), Hofestede, Hall (monochronic and polychronic cultures).
* Conflicts: Current conflicts and issues should be examined

Examples include: climate change and environmentalism, anti-globalisation and social responsibility, ‘Peak Oil’, greater insecurity, relationships with government, technological change and privacy concerns, social media, intellectual property issues

Legislation: UK, European, global and other national legislation and guidance; global agreements on carbon; legislation on pollution; agreements on issues affecting specific industries, for example fishing agreements; institutions; codes of practice and guidelines from international (e.g. OECD, ISGN), and industry (e.g. ISAR) bodies, reporting mechanisms (audit standards).