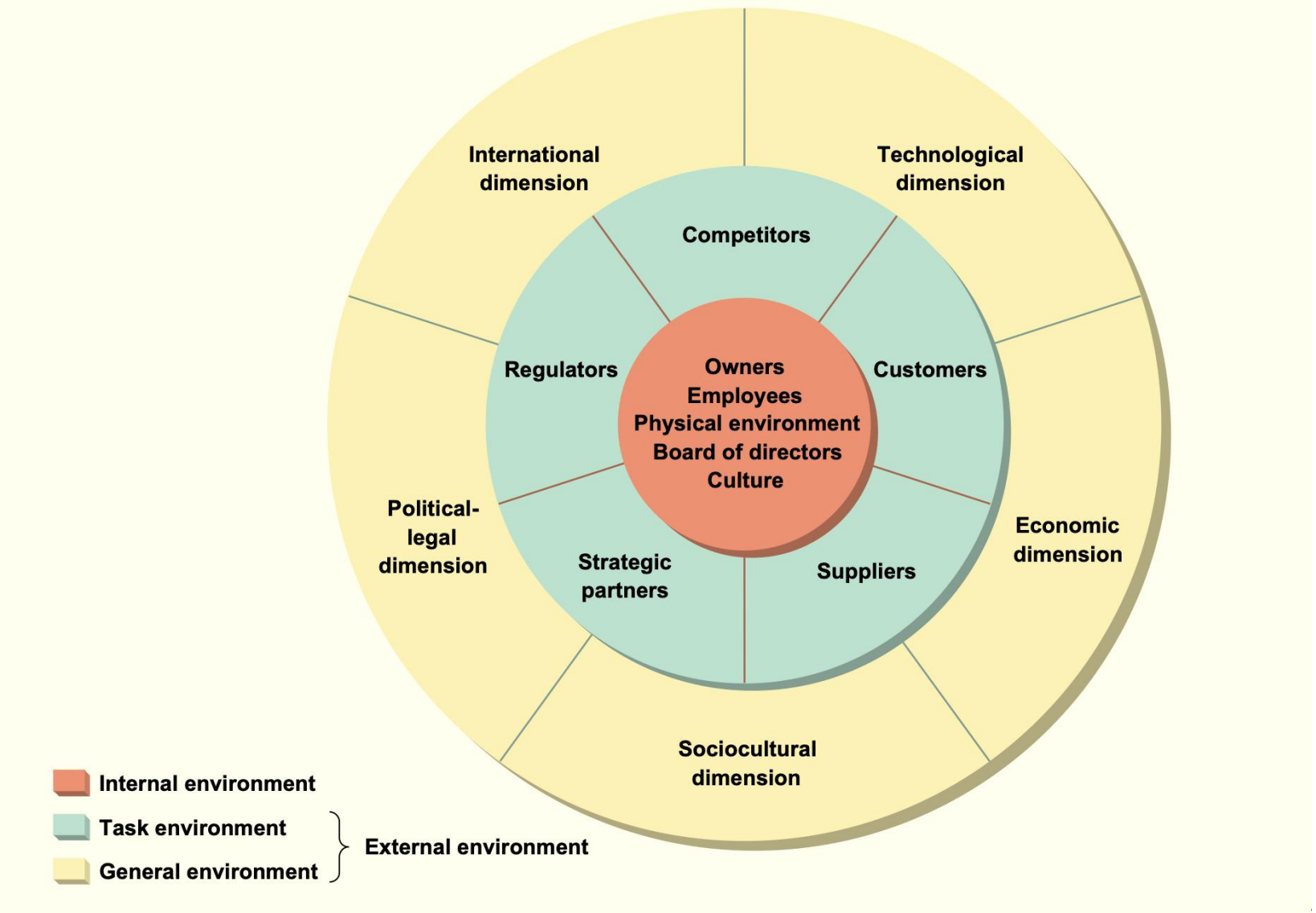
4. 1. Definition of organizational environment

An organization's environment is defined as all the factors and forces existing within and outside the organization that can directly or indirectly affect organizational performance& managerial decision-making.

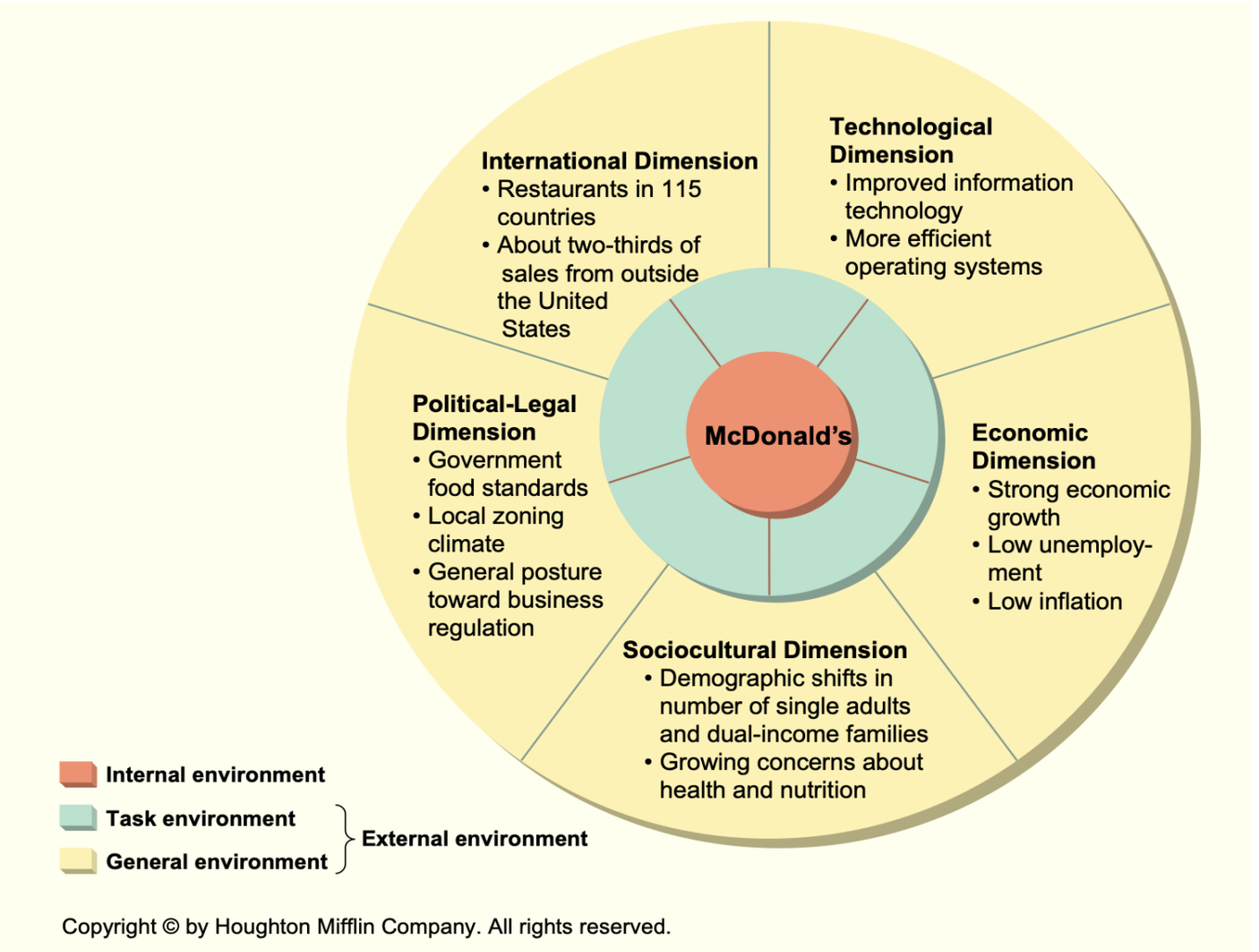


4. 2. Classification of organizational environment



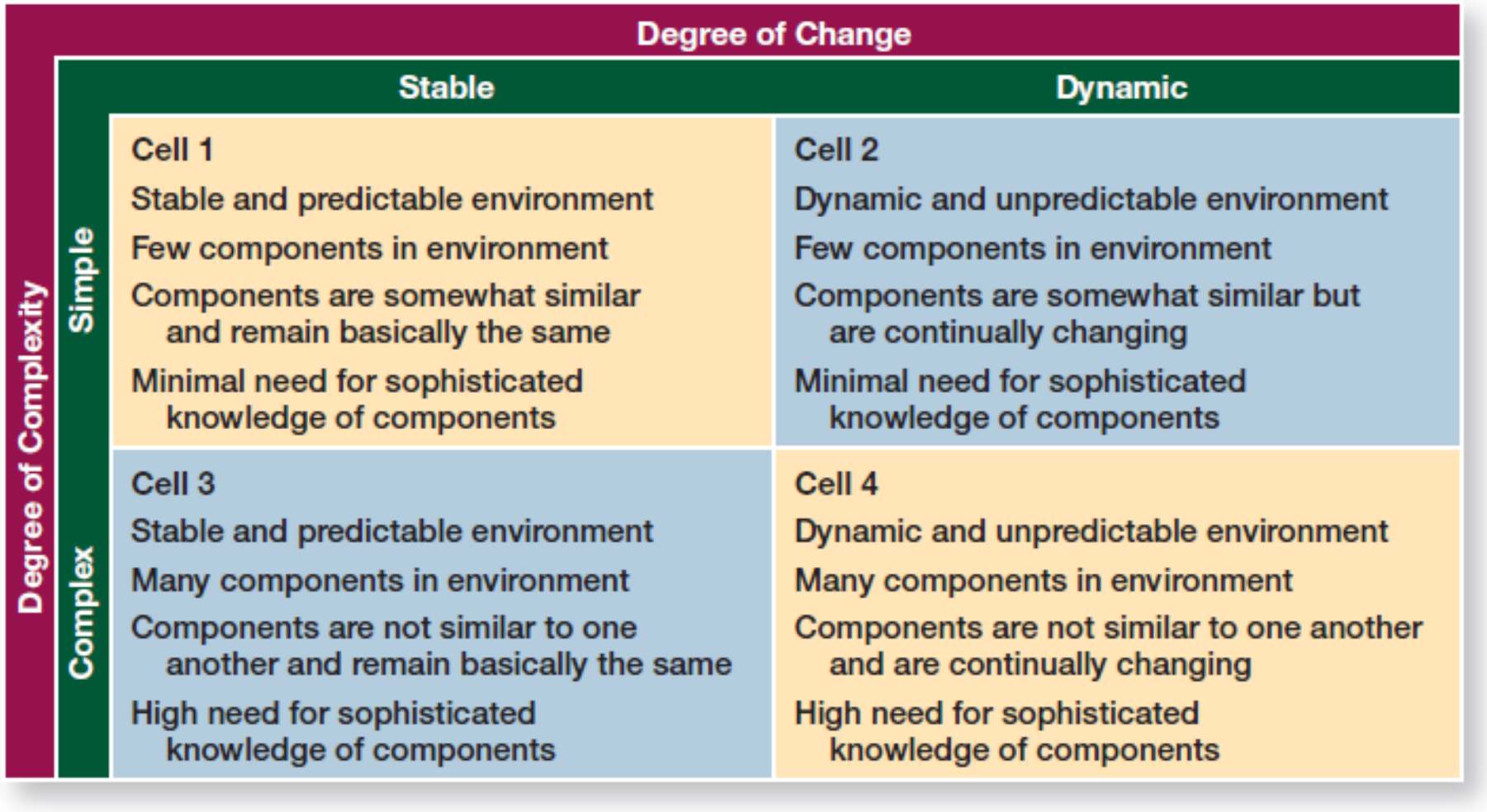
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McDonald's General Environment



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Assessing Environmental Uncertainty



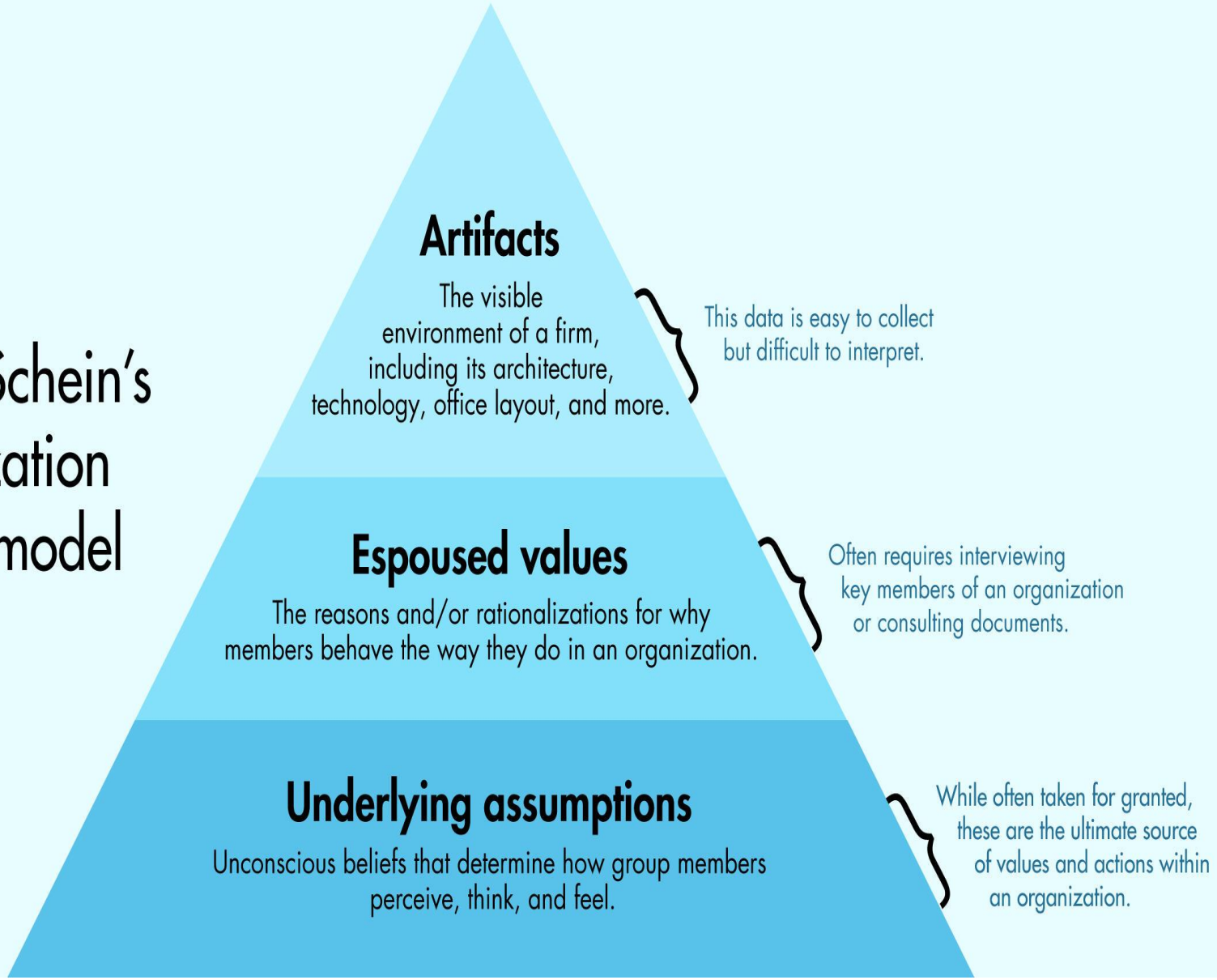
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4. 2. Classification of organizational environment

Organizational Culture

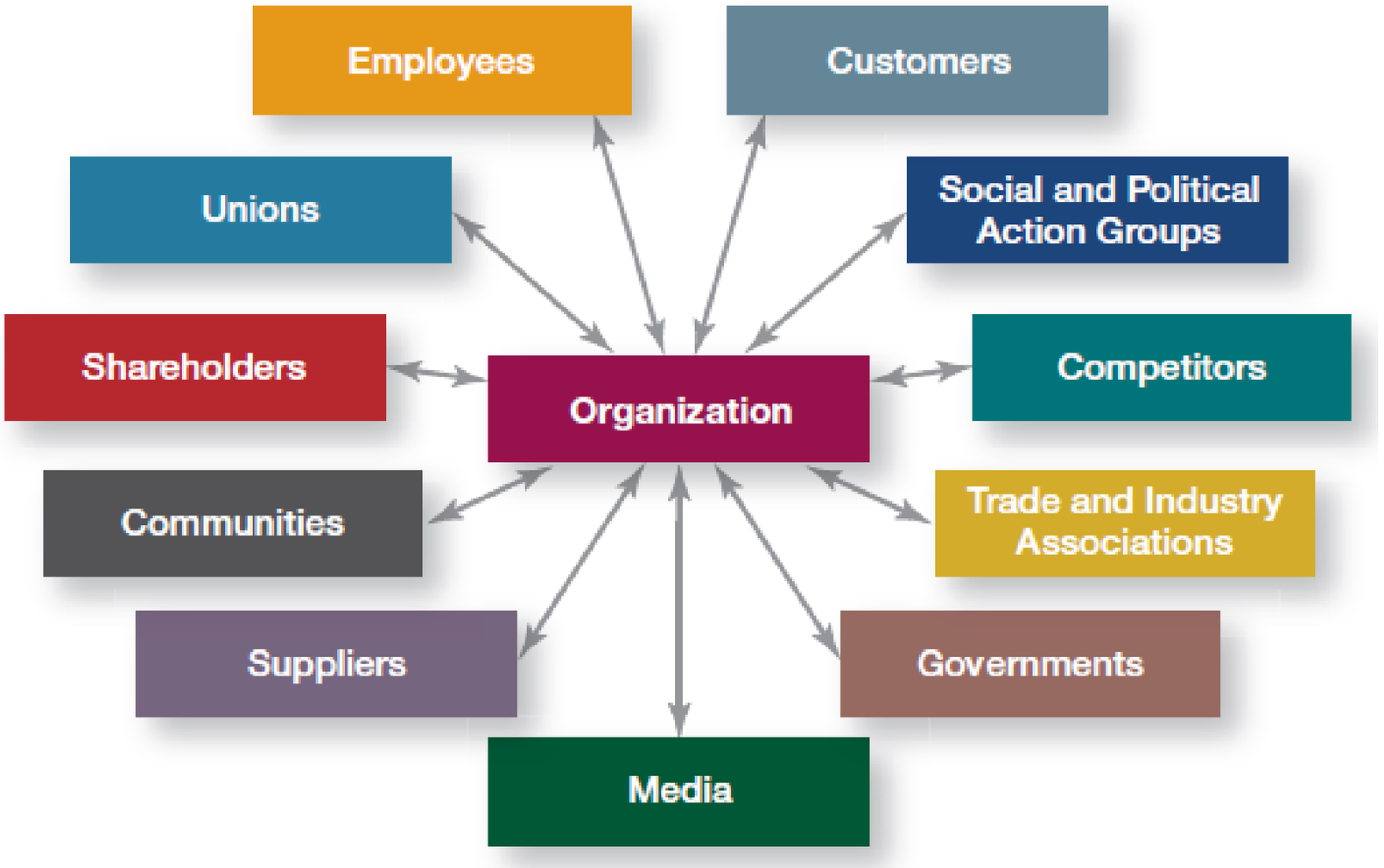
- A set of values, beliefs, behaviors, customs and traditions that affect organizational activities, feeling, thinking and behaviors of all members in pursuing organizational goals.
- Managers need to comprehend organizational culture to co-ordinate with others.

Edgar Schein's organization culture model



MIT MANAGEMENT SLOAN SCHOOL

Organizational Stakeholders



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Challenges and Opportunities for MANAGEMENT

- Expansion or downsizing
- Workforce diversity: transitioning from a "melting pot" approach to a "celebration of differences" approach
- Trend towards empowering employees
- Encouraging creativity
- Decreasing employee loyalty towards organizations
- CSR

Challenges and Opportunity

Melting Pot vs. Salad Bowl

- The Melting Pot theory requires that immigrants assimilate in order to become one common culture-"American"



- The "Salad Bowl" theory basically calls for us to celebrate our diversity along with our oneness.

