

Analysis of Interrelation Between Business and Environment

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Abstract :-
Business and Environment are very important and closely related. Well-known concept environment considerable mean more, just a natural or natural elements. Environment concept is used in business widely. The factors surrounding business are good and bad and less than obvious. Therefore in recent decades, the environment has gain unique importance in modern business. The combination of these two factors can lead to success or failure of the business. The business environment is closely linked to the factors and conditions affecting the business. There are different types of factors found around the business, mainly these component are internal and external in nature. While these factors do not directly or indirectly affect the business. Workers, Consumers and Investors as well as various laws, customs and policies etc. also affect the business organization. Also the internal and the external environment of business also have good and bad effect on the business. Business organization have limited control over internal factors. Business organization have to make various decisions in their daily activities. It is very important for a businessman to be efficient in environmental factors, when deciding, how product to sale and where to sell it. Businessman need to closely monitor the external factors affecting the business are outside the control of the business organization. These factors vary according to different environmental policies in the country. For Example, Social environment, Cultural environment. The traditionalism and purchasing power of consumers may vary between India and the United States. That's why multinational companies like MacDonald have transformed the product in the way consumers consume goods in India.

Important Definitions by some scientist -
1. Andruz :-
The external environment influencing the existence and development of a business is a diagram of the business environment.

2. Prof. B. C. Tandon :-
The Business environment is collectively known as a factor that influence the business functions and determine the effectiveness of the business.

After studying the above proposed definitions, it seems that changes in environmental factors can have a long lasting and sometime permanent impact on functioning of the business. Also business environment is complicated and unpredictable in nature. Environmental factor, especially the internal ones are uncontrollable. Planning is the key success for every business. Environment and planning are closely interlink, as the environment affect the business planning. The elements of the business environment have the maximum impact on the planned activities of the business. The business also going to slow the pace of a business development, due to the uncertain threat of the environment. The business is established at the point where it meets the requirements of the business. Although the availability of equipment and resources are there, the business environment affecting the business.

Objectives of the study :-

1. To study the relationship between business and its environment.

2. To understand the concept of business environment.

3. To correlate the relationship between Business and Environment.

4. To understanding how the business environment is mainstay of the business.

5. To learn how to use the business environment to accelerate regular business development.

Importance of the Study:-

1. The study of business environment helps an organization in developing its broad strategies and long term policies.
2. With the help of this study, an organization can come to know about and analyse its competitor’s strategies. On the basis of these the organization can formulate its own counter strategies.

3. Environment is dynamic in nature and in every changing i.e., knowledge of the changing environment will keep the organization dynamic in its approach.

4. The study of environment enables the organization to foresee the impact of socio-economic changes at the national and international level on its stability.

5. The business managers will be able to adjust themselves to the prevailing conditions and influence the environment as far as possible to make it congenial for the business.

**Interrelationship between Business and Environment :-**

**Introduction :-**
The relationship between Business and Environment is very close. The environment is comprise of all the elements surrounding the business. Environmental factors are constantly changing. Therefore, the business strategy has to change accordingly. That is the environment is affected by the business and to some extent. The business is also seen as having an impact on the environment. That is the environment and business are interdependent.

**Factors affected for greater interrelationship between Internal and External factors of Environment :-**

Newly established businesses need to closely monitor internal and external environmental factors. Because, manpower is like the walls of a newly built and lifelong building. Therefore, it is binding on the businessman to adjust the internal and external environmental factors as per the nature of the business. It is important to take into account which factor should be given more emphasis on what kind of product to buy. In addition, the consumer needs to pay close attention to the lifelong consumer segment, the competitive strategy of buying manufactured goods. Considering the external environment, customers have to convince the marketers, how the product quality in their business is outstanding. One or more such factors affect that the overall business performance of the
business. External Factors Also known as External Constraints. Let's get to know some of them at Business Environmental Key Factors -

1. Business and Natural Environment :
The Business and Natural Environment is closely linked. Natural factors like raw material, water etc. affect the production function of the business. For example, the furniture business breaks down until a certain level of teakwood or solid wood is available. It is also planned to meet the future demand received by the business, considering the availability of water required for each business. Natural environment is a physical environment. Industry viewed nature as the basic element of business in the natural environment is available. Environmental resources, available in the environment, affect the business location. For example, sugar factories in the state of Maharashtra as well as coal mines in Bihar. Establishing a business where there is an abundance of natural resources is less costly, as transportation costs are much lower for transporting resources, and the business also faces a catastrophic disaster.

Just as a change in the natural environment can affect a business, so does the impact on business organizations. If nature's easy-to-use and non-reproducible tools are used by the property business too fast and negligently, there is no time to break the balance of nature. Moreover, in the production division of the business organizations, large quantities of hazardous and toxic gases are released into the air during the production process through machines. Therefore, the atmosphere is threatened. By releasing chemical water into the sea via the river, the survival of aquatic animals is at stake. By studying the other side of the impact of the business environment, the level of production can be maintained by utilizing some of the business processes properly. For example, using fertilizers can increase productivity. The business has to adapt to the environment. When using ingredients available in nature, one has to consider their availability. So the natural environment has a profound impact on every business function.

At the same time, the balance of the environment depends on the functioning of the business. For this, the business should adopt a pollution free production system. In the agricultural business, the soil should be maintained by the use of organic constituents rather than chemical fertilizers. This will make it easier to harmonize between the environment and the business.

2. Business and Economic Environment :
Economic system affects business. The economic situation and economic policies prevail in the country. For example, if the country is a capitalistic one like USA, a business organization enjoy a lot of freedom, with respect to framing its internal policies provided. It is within the Memorandum of the company. In the social economy, the state determines which product should be produced as well as
where its advertising and marketing should do. Businesses also need to consider the changing economic policies from time to time. Import policy, Industrial policy, Tax policies etc. have an impact on business. Globalization of economic policies changes the business nature and also privatization liberalization etc. Any change in economic policies, whether positive or negative, impacts regular business planning. Proper financial policy helps to maintain national income levels and standard of living. It also helps in strengthening the economy as a whole, through the growth and development of the industrial sector by increasing foreign direct investment. It is important for the business to understand the financial environment in order to overcome the market conditions, the economically inappropriate situation.

Similarly business organizations can also influence the economic policies of the government by framing pool, cartels etc. if they feels hassle about policy.

3. Business and Political Environment:

Political environment factors affect the functioning of the business, as it has to modify its policies according to the decision taken by the government. The political factors affecting business are often given a lot of importance. Several aspects of government policies can affect business. All forms must follow the law. Management must find how upcoming legislation can affect their activities. A recent example of the recent ministerial elections in the state of Maharashtra will be the result of the policy decisions taken by the new cabinet on business in the entire state. Also liberalization policies were introduced in our economy in 1991, small business units where compelled to close down, while many were taken over by the multinational. The political environment can impact business organization in many ways. It could added risk factor and lead to a major loss. Businessman should understand that the political factors have the power to change result. It can also affect government policies at a local to Federal level. Increase or decrease in tax would be an example of a political elements.

The political environment also affects the production of business organizations. For example, many printing companies of political affiliation have benefited from the use of external advertisements used for the recent election campaign in Maharashtra State. Banner material is taken from the organization concerned and it shows that business needs politics and politics needs business.

4. Business and Technological Environment :-
Technology has gained a very important place in the modern world. Business organizations appear to take a huge leap of technology to enhance the professionalism of their industry. The dynamic Technology environment impact business activities in a big way. Technology refers to the sets of processes in an organization. It includes not only the knowledge and methods but also entrepreneurial expertise that enhance the competitiveness of a nation. Instruments are often used to provide precisely the time needed for the mass produced. The foreign technology needed in that regard is being studied extensively by the professionals. Various production systems are widely used to produce good quality goods, at least in the raw material. In addition, production capacity is further emphasized by reducing cost. Due to administrative tasks such as inventory, accounting and file keeping, large and small businesses rely on computers to perform their administrative tasks. The birth of the internet and online social networking sites has significantly reduced the extra cost of their businesses. It also makes it easier for companies to use Six Sigma management method. Some companies have switch to Outsourcing because of the associated low cost rather than hiring there on employees, due to the huge impact of technological innovation in companies.

On the other hand, business is a responsible for technological up gradation, as a huge amount of spend on research and development to introduce new product and concept in the business. This technological revolution became a compelling reason for internationalization and globalization.

5. Business and Demographic Environment :-
Demography is the study of human population with reference to their age gender status occupation income education etc. In India, there are different living people in different regional areas. Demographic environment differs from country to country and has a significant implication on business. The product used in the business varies according to the taste of the people in a particular segment. Business organization should manufactures product after studying these a demographic factors. For example, the income of the people in India is quite low. This affect their purchasing power. These factors has to be taken into account by the manufacturer's while fixing the price of their product. Due to diversified demographic environment, a business is compelled to adopt different functional and marketing strategies. The business firm has to adjust with the changing demographic pattern of the country.

On the other hand, business organization also affect demographic environment. For example, business organization often undertake various communities welfare
program, like health camp, literacy drives etc. A public awareness campaign organized by various business organizations was alerted to the public on the occasion of World AIDS Day celebrated all over the world on December 1st. As a result, public awareness was shown to protect our health. They contribute toward upliftment of the people. In the same way, rise in the income level of consumers help in rise in demand for a product. The continuous promotion of high quality goods by business organizations also leads to higher living standards. The cost of advertising for the business is paid off in the form of product purchased by the consumer. In this way, the demographic environment affects the production functions of the business and the costs of awareness raising by the business.

6. Business and Social-Cultural Environment :-
In a developing country like India, it is customary to preserve the traditions of social work and long-standing traditions. The social environment of business include social force like customs and traditions, values, social trend, society's expectation from business etc. Some valuable festival to be considerable like Diwali, Eid, Christmas and Guru Parv in India provides significant financial opportunities for greeting card companies, sweet or confectionery manufacturers, tailoring outlets and many more related with business affect the business of heritage in various parts of the country. For example, Kerala, Calcutta, such as traditional cultural states affected business to buy their costumes.

Values refers to concept that society hold in high esteem. In India, individual freedom, Social justice equality of opportunity and national integration are examples of measure values cherished by all of us. In business term, these values translate into freedom of choice in the market, business responsibility towards the society and non - discriminatory employment practices, social trend present various opportunities and threats to business enterprises. For example, the health and fitness trend has became popular among large number of urban dwellers. This has created a demand for product like organic food, diet, soft drink, gyms, bottle (minerals) water and food supplement.

Review of Literature :-
1. Ankur Y., Business Management Ideas, article, to succeed in capturing customer a business must try it's best to know, what people want and will buy. The researcher provides overall review and analysis for strengthening business policies over business environmental surrounding.
2. Ridwan Ibrahim, Ina Primiana, influences of business environment on the organization’s performance, International Journal of scientific and Technology research Volume 4, issue 4, April 2015 page 284, expert term the management of the external environment as a place where the bargaining power of buyers, bargaining power seller, the entry of potential new entrants, their substitutes and the intensity of competition in the industry, which all of these are beyond the control of the company. This study focused on how business environment affect the business and why environmental factors are considerable while running the business in the competitive era.

3. Tanuja A., Business management ideas, article, relationship between environment and business, the environment offers Threats and opportunities to business systems, which the overcome and exploit through their strength and weaknesses, this study, in these article expressed that business must consider each and every factor in environment influence to the business because, instead of these consideration of business environment, one cannot stay business alive.

**Research methodology :**
The nature of the study is based on correlation basis. The data for the present study is a collected mostly from the secondary sources. Various official websites, books, articles and various market survey related study material. Internet website are used for the purpose of the study.

**Conclusion and Recommendations :**
From the above study, it is a concluded that business and business environment are two sides of the same coin and a business without business environment cannot continue. At every stage of the business, the business need the environment and the environment is in a dire need of the business and nobody can stop the growth of the business by providing an environment, that influences the business, mainly by providing raw material to the business, economic policies as well as conductive environment to consumers, suppliers and other political parties. Moreover, depending on the technology change in the modern age, our business will be able to accelerate the business progress.

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2. Tanuja A., Business management ideas, article, relationship between environment and business,


5. Ankur Y, article, business management ideas.