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Major Components of an Organization's General Environment

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Content

- Introduction
- What are the main components of business environment?

Introduction

- General Environment is the most important dimension of business environment as businessmen cannot influence or change the components of general environment. They rather have to change their plans and policies according to the changes taking place in the general environment.

What are the main components of business environment?

1. Economical Environment
2. Social Environment
3. Political Environment
4. Legal Environment
5. Technological Environment

Economical environment

Environment consists of Gross Domestic Product, Income level at national level and per capita level, Profit earning rate, Productivity and Employment rate.



Social Environment

Social Environment consists of the customs and traditions of the society in which business is existing. It includes the standards of living, taste, preferences and education level of the people living in the society where business exists.



Political Environment

Political environment constitutes all the factors related to government affairs such as the type of government in power, attitude of government towards different groups of societies.



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Legal Environment

Legal environment constitutes the laws and various legislations passed in the parliament. The businessman cannot overlook legislations because he has to perform his business transactions within the framework of legal environment.



Technological Environment

Technological environment refers to changes taking place in the method of production, use of new equipment and machineries to improve the quality of product.



References

▶ Samiksha S (2019)

<http://www.yourarticlelibrary.com/business-environment/5-major-components-of-business-environment-business-studies/8638>

Thank you for the attention