

Micro-environment

The micro-environment is basically the environment that has a direct impact on your business. It is related to the particular area where your company operates and can directly affect all of your business processes. In other words, it consists of all the factors that affect particularly your business. They have the ability to influence your daily proceedings and [general performance](#) of the company. Still, the effect that they have is not a long-lasting one.

The micro-environment includes customers, suppliers, resellers, competitors, and the general public.

macro-environment

The macro-environment is more general - it is the environment in the economy itself. It has an effect on how all business groups operate, perform, make decisions, and [form strategies](#) simultaneously. It is quite dynamic, which means that a business has to constantly track its changes. It consists of external factors that the company itself doesn't control but is certainly affected by.

The factors that make up the macro-environment are economic factors, demographic forces, technological factors, natural and physical forces, political and legal forces, and social and cultural forces.

Social Responsibilities of Business in Business environment

Thus, Sachar Committee on Companies and MRTP Acts appointed by Government of India states, "In the development of corporate ethics we have reached a stage where the question of social responsibility of business to the community can no longer be scoffed at or taken lightly. In the environment of modern corporate economic development, the corporate sector no longer functions in isolation. If the plea of the companies that they are performing a social purpose is to be accepted, it can only be judged by the test of social responsiveness shown to the needs of the society".

It may be noted that some Indian sociologists and economists relate the idea of social responsibility of business of the Gandhian concept of trusteeship. According to Mahatma Gandhi, capitalist class owns wealth or capital as trustees of the society. The resources and capital they use for production of goods and services, according to him,

should be used not to maximize profits for them but for the larger benefit of the society.

However, in our view, it will be too idealistic to expect that business enterprises will be purely guided by the benefits they confer on the society by their activities. The concept of social responsibility as used in management science is that businesses should maximise their profits subject to their working in a socially responsible manner to promote the interests of the society.

Their business activities should not harm other groups such as consumers, workers, and public at large. Mr. N.R. Narayana, Chairman of Infosys makes the idea of social responsibility of business quite clear when in a conference on corporate social responsibility he said, “Corporate’s foremost social responsibility is to create maximum shareholders’ value working in a way which is fair to all its stakeholders — workers, consumers, the community, government and the environment He further points out.”