PEST: A framework in conducting country analysis and promoting critical business information literacy to tie to Diversity, Equity, and Inclusion (DEI) related AACSB accreditation principles

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Introduction

PEST (and its variations, PESTLE or PESTEL) is an external analysis framework often used in conducting country analysis in many business school courses such as global marketing and international business. While PEST is well known to political economists and business school educators, business librarians can use the PEST framework as an opportunity to promote critical business information literacy (CBIL) (Stonebraker, Maxwell, Jerrit, and Garcia, 2017) that ties to the 2020 AASCB Guiding Principles and Standards for Business Accreditation.

What is PEST and Why Use It?

PEST is an acronym that denotes P for Political, E for Economic, S for Social, and T for Technological factors. It is a framework that can provide company strategists a view of the whole environment from different angles that one wants to track while contemplating an idea or introducing changes to plans. Pros and cons are used for comparisons.

I introduced PEST as an instructional one-shot hook with the overall goal of the students being able to locate vetted information (chiefly using library databases), as instructors who had given a similar assignment in the past found the students were lacking some information literacy skills.

The PEST framework provided some questions to promote critical business information literacy concerning corporate social responsibility to various stakeholders, including employees, taxpayers, boards of directors, and government leaders. For most assignments, I create a guide tailored for the assignment. In introducing PEST, I created a chart with applicable databases to pair with each of the four factors (see Figure 1) (Smith, 2021).

Figure 1: PEST Chart for Information Literacy Instruction

Database	Political	Economic	Socio-cultural	Technological	Type of Info Supplied	Regularity
Business Source Ultimate	✓Structure ✓Stability ✓Political Conditions ✓History	✓GDP ✓Spending and Taxation ✓Trade and Exchange Rate ✓Foreign Investment	✓Human Development Index ✓Demographics ✓Etiquette		✓Reports ✓News ✓Scholarly Analysis	Annually with occassional updates
EIU	✓Structure ✓Stability ✓Internatonal Relations ✓Corruption	✓GDP ✓Growth ✓Inflation ✓Exchange rates ✓Forecast	✓Population ✓Demographics ✓Culture	✓Telecommunication ✓Technological Readiness	✓Time Series Data ✓Reports ✓News ✓Forecasts	Monthly with daily news
Passport	✓Structure ✓International Relations	✓Natural Resources ✓Trade ✓GDP ✓Inflation ✓Growth	✓Culture ✓Consumer Behavior ✓Education ✓Population	✓High-tech Goods ✓Internet Users	✓Time Series ✓Reports ✓News ✓Forecasts ✓Ranking	Annually with quarterly economic updates
Statista	✓Political Environment ▪Corruption ▪Governance ▪Stability	✓Economic Conditions ✓Trade & Investment ✓GDP	✓Consumer Behavior ✓Population ✓Human Development Index ▪Standard of Living ▪Education ▪Life Expectancy ▪Income	✓Digital Infrastructure ▪Internet Penetration ▪Cell Phone Users ✓FinTech ✓Telecommunication	✓Country Reports ✓Charts ✓Data	Annually

In addition, I collaborated with a business school e-learning specialist to create an animated video that introduced the PEST rubric for both classes to view. When my instruction session started, students had formed their teams. Each team member had to choose two PEST factors related to the scenario (case study or experiential learning project), report some of their findings to the class, and use those findings as the cornerstone of analysis in creating recommendations for the clients.

The critical thinking process included selecting which database to use to find the different elements, using the PEST chart of primary subscriptions (Bryce, 2020). Students were supplied with a list of practice questions for each factor to evaluate the information critically (see Figure 2).

Figure 2: Sample Practice Questions for PEST

Political	Economic	Social	Technological
How stable is the gov't?	What is the current GDP and how will growth have an impact on demand?	How fast is the population growing?	How many patents are being created by firms each year?
What is the gov't structure and when are elections?	What are the current borrowing rates? Are they favorable to business or consumers?	What are land acquisition considerations when it comes to indigenous populations?	How much of the population has a smart phone?
Are there tax treaties or agreements?	Are incomes on the rise or falling?	How literate is the workforce?	How up-to-date are the technologies used by firms?
What are the tax incentives for companies who wish to invest there?	What are the forecasts for the economy in the next decade for long-term and short-term investment?	What are potential cultural barriers to overcome?	What infrastructure investments may be required?

Observations

Students were supplied with a video introduction and a chart of potential resources for each PEST factor; however, the students found navigating the databases challenging. For example, Economist Intelligence Unit (EIU) *Country Intelligence* database provides the most PEST information for a particular country. Still, the database is not terribly intuitive to use. For ease of use, students often cited *Statista* as a resource for economic and socio-cultural factors, such as demographics and education, even though EIU is a superior database for PEST content.

Final Projects

Student teams presented their recommendations to clients (companies) and judges/commenters for their final projects. The projects ranged from transitioning to renewables in a country still heavily dependent on fossil fuels to promoting new snacks or finding avenues for better infrastructure. Judges took on various roles as investors, taxpayers, c-suite managers, and government officials when asking questions.

Discussion

Academic business librarians are always looking for ways to market services and products and contribute to student success in learning. Groups such as BRASS are engaged in discussions with AACSB International in forging closer working ties and alliances to support learning and teaching processes via guidelines for accreditation. In the 2020 AASCB Guiding Principles and Standards for Business Accreditation, which include the interpretative guidance (like FASB standards), Standard Nine, *Engagement and Societal Impact*, is applicable for using PEST. Like other business standards, there are tweaks. Standard Nine was updated in July 2021. Here is text from the standard as taken from the AACSB website:

> *AACSB STANDARD 9: ENGAGEMENT AND SOCIETAL IMPACT*
>
> *9.1* The school demonstrates positive societal impact through internal and external initiatives and/or activities, consistent with the school's mission, strategies, and expected outcomes.
>
> *Include an evaluation of the school's societal impact over the most recent accreditation cycle, including identification of its aspiration in this area, exemplars of societal impact arising from engagement with non-academic external stakeholders by students, faculty, teams, or centers that are supporting external communities, enhancing the practice of business.*
>
> *The outcomes/impact of these activities are paramount…the overlay of the U.N. Sustainable Development Goals can be used or omitted at the school's discretion. The school may choose to use another framework for organizing this table (e.g., environmental, social, and governance framework).*
>
> (AACSB, 2021).

To comply with the standard, I used the UN's [17 Sustainable Development Goals](#) as a base, overlayed with the PEST framework.

Conclusion

PEST Framework can be a valuable tool for business experiential learning projects or case studies to introduce country analysis using several factors. Students are often unfamiliar with global business practices, including cultural norms and natural resources to consider.   It is easy to find PEST templates on the open web to use for instructional planning. Introducing PEST is also a way to support a business

school's AACSB standards in student learning and engagement, especially as diversity, equity, and inclusivity are values that drive decision-making.

References

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