

Macro environment of an organization

[Health & Medicine](#), [Nursing](#)



1. Macro environment

External environment is the uncontrollable factors, forces, situations, and events outside the organization that affect its performance and strategies. As shown in below figure, the examples of macro environment of an organisation is include factors such as social cultural, political and legal, globalisation, economy, demographical and also technology. Detailed definition of macro environment factors mentioned and the description showed as below.

Figure 1: Component of external environment

2. Definition of factors of the macro environment of an organisation:

Social cultural

The sociocultural component is concerned with societal and cultural factors such as values, attitudes, trends, traditions, lifestyles, beliefs, tastes, and patterns of behaviour.

In accordance of the current situation faced by Parkway Nursing Care, one of the social cultural factors is the childcare commitment that the staffs (mostly those licenced practical nurse and orderlies) needed since a lot of them are single parents or the primary care giver of their children. It's been a common sense for American parents to prioritize the education and close monitor of their children.

The incapability and restriction of taking time off and lack of manpower contingency plan during the needs for childcare will only raise the stress and

demoralize them. As further impact, this situation will reduce the nursing quality performed by the affected personnel.

Political/Legal

“ The basic understanding of the political legal environment is when the government implement's laws and or regulations which affect the way a business operate.”

The political/legal component mainly looks at federal, state, and local laws, as well as other countries' laws and global laws. It also includes a country's political conditions and stability.

One of the critical government factors that may directly give the impact to the profitability of Parkway Nursing Care is the attempt of the federal government to trim Medicare expense; this may lead to reduction in funding.

Another government regulation that affect the daily operation procedure for Parkway Nursing Home is the healthcare reporting system which is required to be made in a form that cannot be altered after the fact, to prevent covering abuse, so specialized software system must be used for electronic documentation which could be antipathy by the older caregivers.

Global

The global component encompasses issues associated with globalization and a world economy.

Globalisation consist of aspect and issue in global business organisation, global economic, global sociocultural and the global workforce.

“ Globalization, then, describes a trend towards the increasing interconnectedness of social relations across the globe. As a worldwide process it embraces both the structural economic linkages associated with rising levels of trade, finance, and investment, the political and cultural influences of transnational actors and international institutions, and the impact of their ideas on domestic policy.”

Nursing care nowadays had become global concern and attending patients from different cultural background had become one of the challenges for the nursing staff. The society also tends to compare the nursing quality and price word wide, this is also causing more challenge in nursing industry as more and more county can provide high quality of nursing services with cheaper investment.

One way that Parkway Nursing Care can choose to lower the operation cost is to employ workforce from foreign country which is cheaper and more willing to work long hours. Another option is to outsource the training programme for the workforce to country that can provide low operational cost.

Economy

The economic component encompasses factors such as interest rates, inflation, changes in disposable income, stock market fluctuations, and business cycle stages.

Another economic factor is the continuous change for past few decades in American work structure which is the shift from manufacturing economy to

service economy. This will only lead to the increase in demand and challenge for the nursing sector.

Figure 2: Increase in the service economy in USA.

The negative side of the increase in service sectors in America is decrease in manufacturing economies will cause decrease of middle class jobs. Manufacturing sector is also can create more jobs compare to service sector. High income gap between low/average class people in service sector is not healthy.

Demographical

The demographic component includes trends in population characteristics such as age, race, gender, education level, geographic location, income, and family composition.

As member of baby boomers become senior citizens, the need of skilled nursing care can only be increased. With more patients nowadays also come with higher educational background, more skilled nursing work force will be needed. Grooming process for the leaders in this industry must be consistent to maintain the competency in service quality.

When come to decision making on choosing the location to establish new nursing house, it was advised to choose the location that is away from polluted environment such as industrial factory.

Technological

The technological component focuses on scientific and industrial innovations.

Before extensive application of technology, nurses relied heavily on their senses of sight, touch, smell, and hearing to monitor patient status and to detect changes.

It is common believe that technology can provide more efficiency, quality and safety; all of this benefit can give more satisfaction to the patients. It is thousands type of high tech health care equipment and device provided by manufacturer around the world. Without proper knowledge of handling, it may also cause errors and adverse event. That's why technology must come with a proper training.

The change in electronic recording system is also considered as the technological aspect and event that had taken place in Parkway Nursing Care. During the transform of the recording system, continuous training system for the entire nursing workforce established to maintain the effectiveness.

Conclusion: As external environment may affect the organisation performance, leaders in Parkway Nursing Care should be always aware on what kind of consequences they may face and come with contingency plan for all forecasted event.