

## **Context-specific components of a training programme for cost centre managers in a public hospital in Limpopo Province, South Africa**

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### **Abstract**

The purpose of the study was to determine the context-specific components of a training programme for cost centre managers in a public hospital in Limpopo Province, South Africa. A qualitative, descriptive, exploratory and contextual research design was used. Homogenous purposive sampling was conducted from a population of 36 nurse managers appointed as cost centre managers. One focus group discussion comprising nine cost centre managers and twelve cost centre managers participated in unstructured one-on-one interviews until data saturation was reached. Data were analysed qualitatively using Teschs' open coding method. The findings revealed that there is a need for context-specific training programme which is relevant to the public hospital and the content for the programme must address the needs of cost centre managers. It was recommended that the programme should indicate the nature of activities that would be included in the new programme and the development should be based on a needs assessment of the people who were going to be trained. A needs assessment is important before decisions are taken about the type of activities and their instructional arrangements to be included in the programme.

**Keywords:** Training programme, cost centre manager, public hospital.

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### **Introduction**

Cost Centre Management (CCMT) is seen as a strategy that has a great impact on the institutions' success, unlike a single financial management function. It can be accomplished by identifying leaders who can achieve the expected outcomes who are cost centre managers (Sullivan, 2009; Karen, 2009). Rawlinson and Turner (1993) state that formal skills development training for nurse managers, who are identified for the management of the cost centres, should be conducted prior to the establishment of cost centres. Training can strengthen and assist with effective, efficient and excellent management of cost centres (Rawlinson &

Turner, 1993). According to Guthridge and Komm (2008), development and training in CCMT results in high performance by employees which ultimately leads to achievement of set goals. It requires a training programme that focuses on the requirements of implementing effective cost centres.

Warmer (2002) further clarifies that cost centres should be allocated to managers who should be developed to manage the centres, in order to be able to plan, control, make decisions, implement the system and be accountable for every expense that is incurred. He points out the necessity for unit managers, who are also acting as CCMs, to be trained for their dual role.

The National Department of Health (NDoH) (2010) South Africa states that one of the key outcomes is the strengthening of the effectiveness of health systems by the output of equitable healthcare distribution, which requires relevant tools to implement the management of costs in all provinces. A programme about cost management could be used as one of these tools.

The implementation process of CCMT at the tertiary hospital complex included the acceptance and signing of agreements by the nurse managers to assume the responsibilities of CCMs. Identified CCMs and finance managers had to set up the accounting systems and had to provide CCMs with information about cost allocation criteria. Training of the appointed CCMs was predicted and an evaluation and monitoring programme was planned to monitor the performance of CCMs. The management of cost centres by nurse managers who had been appointed as CCMs in the nursing care units of the tertiary hospital complex in the Limpopo Province has been problematic.

Since the introduction of CCMT in the 2005/2006 financial year, formal training about CCMT or managing their dual role was not provided for the appointed CCMs. During the interdepartmental meetings, they complain about the complexity of their dual role while trying to cope with all their responsibilities. They have indicated that their dual role has led to difficulty in managing effective interpersonal relationships with colleagues, financial management and focusing on delivering of patient care. Therefore this study was aimed at developing a training programme for cost centre managers (CCMs) in a public hospital of the Limpopo Province.

## **Methodology**

### *Design*

In this study, a qualitative, descriptive, exploratory and contextual design was used in this study to determine context-specific components of a training

programme for cost centre managers in a public hospital, Limpopo Province, South Africa.

### *Population and sample*

The population consisted of all 36 nurse managers appointed as cost centre managers in the nursing care units of Mankweng public hospital. Purposive sampling was based on the judgment of the researcher by choosing the sample that contained elements which were of interest to be studied. The nurse managers should have managed the nursing care unit which is identified as a cost centre for at least two years.

### *Data collection*

A focus group interview session in which nine cost centre managers participated and twelve cost centre managers participated in one-on-one unstructured interviews until data saturation was reached. Participants were given an opportunity to describe context-specific components of a training programme for cost centre managers.

### *Data analysis*

This study was conducted according to Tesch's open method of qualitative analysis as outlined in Botman, Greeff, Mulaudzi and Wright (2010). The data analysis involved categorizing, ordering, manipulating and summarizing the data and describing them in meaningful terms until themes and sub-themes emerged based on the verbatim transcripts after listening to the voice recordings. Two themes emerged during data analysis and the results were presented in a narrative format, supplemented by the literature to embed and re-contextualise the results with existing literature.

### *Trustworthiness*

Trustworthiness was maintained by using Guba's (De Vos, Strydom, Fouché & Delpont, 2006; Babbie & Mouton, 2009) model criteria, i.e. credibility, transferability, confirmability and dependability. Credibility was ensured by prolonged engagement on their experiences as CCMs. The researcher collected data over two months. It was further ensured by the use of voice recorder and the independent coder. Dependability was ensured by the use of the independent coder during data analysis. Transferability was ensured through a complete description of the research design and methodology. Confirmability was ensured by the use of independent coder who is considered an expert in the field of qualitative research.

*Ethical clearance and procedures*

Ethical clearance was obtained from the University of Johannesburg Research Ethics Committee. Permission to collect data was obtained from Limpopo Provincial Department of Health and Social Development and from the tertiary hospital's Chief Executive Officer. A written consent form was obtained after the participants were informed about the purpose and objectives of this study. Principles of beneficence, justice, human respect and dignity, confidentiality, privacy and anonymity were maintained.

*Results and Discussion*

Table 1 reflects the theme and sub-themes that emerged during the qualitative data analysis related context-specific components of a training programme for CCMs with a dual role in a public hospital. The results are presented in a narrative format with excerpts from the participants' direct responses, and supplemented by existing literature to support the findings.

**Table 1:** Theme and sub-themes related to the context-specific components of a training programme

Main Theme	Sub-Themes
Context-specific training programme content for cost centre managers	1. Nature of the programme 2. Programme participants 3. Programme themes/topics 4. Context of training support

The participants in the study formulated suggestions that were unique to their environment in terms of what should be included in the training programme for CCMs at a public hospital complex.

**Main theme: Context-specific training programme content for cost centre managers**

It was suggested that the training programme should focus on the cost centres in order to yield the expected results. It was further suggested that the dual role of the CCMs at the tertiary hospital complex should be addressed by the training programme. Four sub-themes emerged during data analysis in connection with this theme.

*Sub-Theme 1.1: Nature of the programme*

The nature of the programme included the components of the programme which were the outcomes, the teaching and facilitation methods that would be used during the programme, the content and the assessment methods that would be utilised to assess the competency of the learners. The components were aimed at

producing competent practitioners as outlined by Coulson, Goldstone, Ntuli and Pillay (2010).

The participants suggested that the development of the training programme should focus on the aspects that would assist CCM at the tertiary hospital complex in the Limpopo Province. This is reflected in this excerpt: “*Mmmm! [Deep breath] I think the training programme should be on the basic level like for example outlining the concepts in terms of CCMT and financial management. Because during our training we did not do anything in terms of finance then the terms and calculations are important to us to know*”. This excerpt confirmed the assumption that adults wanted to learn about what was useful in their work situation based on the assumption of Knowles’ Adult Learning Theory (Graig, 1996).

Additionally, it was suggested by a participant that the focus for the training programme should be: “*On the process of buying and purchasing, and let’s have trainers like the manufacturers. They must train us on how to use the equipment when we receive them during delivery, and they must provide us with in-service training. They should also train us on budgeting, how to draw a business plan, how do the procurement process goes and all those things we need to know; and how to control the CCMT, and I think that is that*”. Another participant indicated that the training programme should also cover: “*The training should be basic and the responsibility of an accounting officer should be outlined*”. Manitoba (2002) pointed out that once a needs assessment had been conducted, decisions about the content and format of the programme should start and the instructional arrangements should accommodate the needs of the participants.

One participant also suggested that other staff members, including professional nurses involved in CCMT, should be included in the training: “*The training programme is important for us not only for the nurse managers, but even nurses in the units so that we can all be conversant with CCMT as to become productive*”. The same participant continued explained further that making a disturbing comment that the implementation of the training programme depended on the top hospital management: “*...But it will depend if the overall manager like the CEO, if he/she sees or allow it to be implemented because they don’t see the importance of the program, then there is nothing I can say or I cannot have influence over that*”. Manitoba Guidelines for Program Development (2002) explained that the top management should support the development programme for staff members by budgeting for the promotion of programme delivery and expansion.

An addition to aspects for inclusion in the training programme was suggested by a participant who said: “*...I will suggest for the training program they must indicate how to utilize the funds allocated to the unit, how to cost things and it*

*should be continuous and we as CCMs must be evaluated on this. And we should have meetings where we share experiences with other managers. But when we don't share experiences, we will not grow".* The same participant added: *"...Ok! With me, about this CCMT is that people should be empowered so that when they run this cost centres, they have information of what this is all about. People should be given all powers so that we are in-charge of this cost centres and the cost centres should be monitored and have objectives. It shouldn't be a routine that we have just drawn budget and a business plan, and then we should order! No! There must be discussions, monitoring and evaluations so that we can identify our loopholes; what we need, what we have ordered and what are we supposed to order. And this should be done on quarterly basis. And, I think if we can do this, then we will be able to run our cost centres effectively".* This quotation confirmed the assumption that an adult expected to direct his/her own learning and it should be taken into account in their learning based on the Knowles' Adult Learning Theory described by Graig (1996). It was revealed by the study findings that the development of the training programme should be context-specific, while on the other hand it should be pragmatic and on-going, to empower the CCMs with information during the entire CCMT process.

The Framework for Future Training in Governmental Financial Management of 2001 stated that financial management training ought to be supply driven and should address the training priorities in the context of each group dealing with finances in the public services (South African National Treasury, 2001).

### *Sub-Theme 1.2: Programme participants*

The training programme should involve everyone in the cost centre. All the personnel in a cost centre needed to be knowledgeable about all aspects their cost centre. Participant had expressed her thoughts by saying that: *"I think the programme should not be for only managers, but for people we are supervising so that they understand that when we talk of finances, we don't only mean cash, but that what we all use in the unit must be efficiently and effectively. They must understand the process of efficiency, effectiveness and appropriateness. We will be empowered as far as cost management is concerned. And, it should not be seen as something for managers only, but for us all".* It was also indicated: *"All people in a cost centre should be empowered so that when they run this cost centre, they have information of what this is all about".* It was clear that it was expected of CCMs as adults to solve their work related problems. Therefore, they needed to be empowered. Developmental education offered at work should empower all personnel without discrimination on position or level of employment at an institution because employment is a form of applying one's knowledge and skills for remuneration and skills development which increases productivity (Tones & Tilford, 1994).

The need for in-service education in CCMT was indicated by a participant who said: *“People must be fully in-serviced, especially managers and those who relieve them when they are not around, so that they know especially what is expected from them and empower people they are working with”*. The findings of this study revealed that the training programme should not only involve the CCMs, but should include every nurse in the unit, operational managers, and general assistants. Furthermore, the training should be included in the curriculum of nursing students. The rationale behind involving all these categories of nurses is to raise awareness of accountability in all aspects of CCMT. Another reason to involve all categories is to raise awareness of budgetary principles, to enhance control, evaluation and monitoring. It would also encourage all personnel to appreciate the resources allocated in their cost centres.

The findings were further supported by the Development of a Framework for Future Training in Governmental Financial Management, which indicated that the target audience for financial management training should include officials who occupied finance posts, and those officials who were linked to financial processes of government, like resource managers, personnel administrators, provisioning administrators and all managers in the public service (South African National Treasury, 2000).

### *Sub-Theme 1.3: Other programme themes*

The capacity development process should have a wide range of themes and/or topics to obtain an accurate picture of the capacity required for any programme (Coulson, Goldstone, Ntuli & Pillay, 2010). Other themes were also identified for inclusion in the training programme due to suggestions during data collection. A participant indicated that: *“The training firstly is important and it should start low, for example, mathematics is the core of this, thus calculations are very important because if you can’t calculate, then you will not be able to manage the cost centre”*.

The focus of the training was indicated by participant who said: *“...The training should be based on the gaps identified, based on our performance indicators that we have at the operational level. This will make all people to know the in-depth of the subject and the duration of the training also should allow for this”*. The training programme would be offered over a period of six months. The duration of training would allow the learner to be guided through the process of learning in order to achieve expected skills, learn the content and be assessed in order for the facilitator to establish whether he/she was competent or not (Nkomo, 2000). Furthermore, a focus on the content of the training programme is important because the learner has to embrace the application of learned tasks through life in different working contexts (Nkomo, 2000).

A business plan is used to determine the unit activities that need be executed over a specified period of time. The compilation of the business plan should be based on a market analysis conducted by the leader concerned. The market analysis would indicate whether the suggested course of action would be viable and cost effective (Jooste, 2010).

A particular aspect for inclusion in the training programme was suggested by a participant who remarked that .... *“The training programme should include the aspects in the business plan should be included. Also, include the how one can estimate the goods prices depending on items you have indicated that you need for the nursing care unit”*.

Legal aspects are pointed out as important because they prescribed the process involved during management of the cost centres which is outlined in the South African Constitution, South African National Treasury Regulations, Public Finance Management Act No 1 OF 1999, Procurement Act and Division of Revenue Act (Guide for accounting officers, 2000).

Another concept of value for inclusion in the training programme was indicated by participant who said: *“I think if we can be orientated about the Public Procurement Act and I have also realized during the finance management course that there is Procurement Policy. So, if we can be orientated on that it will be good as it is not easy to get it here. And I think even if they do not go in-depth about this Act and policy, but if we can be orientated on it, it will be fine. It will be of help”*.

Other aspects were explained by a participant who said: *“How the government financial series work as from the minister of finance to where they are now, how this finances are distributed so that people must know that”*; *“understanding Public Finance Management Act (PFMA), the constitution to create a clear picture of what might be needed”* and *“orientation about the procurement act and policy to create greater understanding of purchasing”*.

Computer skills are necessary for CCMs during budget preparation because a spread sheet could be used to capture data which would serve as a source of information for CCMT reporting (Booyens, 2008).

In addition to what was said, there are certain aspects which are embedded in CCMT and ought to be included in the CCMT programme which were indicated by Participant 9: *“Like now, we are expected to write our reports using a computer, but some of us are not computer trained. Then we need such a course so that we can cope with our expectations. Though I have attended financial management course, we still need to go for computer training, financial management, leadership management and many more”*.

Some teaching and learning principles to be followed when providing a programme were highlighted to include dialogue, safe environment and process, respect, engagement, ideas, feelings, actions and feedback. The participants indicated that the training programme should address basic principles, practical aspects for application of basic concepts, how to operationalize these principles and processes on the practical levels of CCMT.

#### *Sub-Theme 1.4: Context of training support*

Context is the environment or place where an activity takes place (Brink, 2006). The context of training support should be linked to meeting outcomes, monitoring and evaluation. Participant expressed her thoughts: *“Ok, I think evaluation and monitoring are important because without them, it is useless. If you don’t monitor and evaluate your performance, you won’t be able to monitor the progress. You must monitor the progress. You find yourself having no time to monitor your progress and that is a challenge. If you find that you don’t coach your operational manager on how to evaluate and monitor, then you find that the subordinates see evaluation and monitoring as a spy tool. That is another thing that I think should be included in the training programme”*. Participant expressed her doubts: *“The training programme is important for us not only for the nurse managers, but even nurses in the units so that we can all be conversant with CCMT as to become productive”*.

According to the Guidelines for Accounting Officers (South African National Treasury, 2000), monitoring and evaluation of cost centres provides reasonable assurance that the objectives of the organisation were achieved effectively and efficiently in compliance with applicable regulations. It was further indicated that internal control were the systems, procedures and processes that were implemented to minimise the risks the department might be exposed to as a result of fraud, negligence, error and incapacity.

### **Recommendations**

Based on the results of the study, the following recommendations are made:

- The context of the programme should be enabling to the CCMs to apply what was learnt during the context-specific training.
- The training programme could focus on monitoring and evaluating the execution of the dual roles of the CCMs.
- The training programme should not only concentrate on CCMs but it should also include the other personnel who are working in the cost centres to empower everyone to be committed to the outcomes of a cost centre.

- The suggestions should indicate the nature of activities that would be included in the new programme and the development should be based on a needs-assessment of the people who are going to be trained. A needs assessment is important before decisions are taken about the type of activities and the instructional arrangements to be included in the programme.

## **Conclusion**

A CCM programme should address essential financial aspects in the context of South Africa. Topics should cover areas of the dual roles which CCMs are expected to perform, i.e. CCMT activities and ensuring the provision of quality care to patients. The training programme needs to address topics by using basic teaching principles in CCMT and how to operationalize these principles. The training programme needs to address basic teaching and learning principles in CCMT and how to operationalize these principles. The programme needs to indicate the prerequisites for the categories of participants who are needed for this training programme. It is expected that the training programme would capacitate and empower all CCMs without discrimination because its expected aim was to increase productivity.

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