

## **Chapter 7**

### **Conclusions, limitations and recommendations**

#### **7.1 INTRODUCTION**

Chapter 7 concludes this study with a discussion of the main findings according to the research questions investigated. Conclusions and limitations of the study are presented, followed by recommendations for containing or reducing the problem of escalating costs in the provincial hospitals of the Port Elizabeth metropole of the Eastern Cape. Guidelines for a course on financial management for nurse managers, which could form part of in-service education sessions, are included in Annexure F.

#### **7.2 LIMITATIONS OF THE STUDY**

- This study was confined to the Port Elizabeth metropole of the Eastern Cape. Only four hospitals, each with more than 200 beds, were selected, three in Port Elizabeth and one in Uitenhage. These were the biggest hospitals in Port Elizabeth and Uitenhage, enabling the nurse managers employed in these hospitals to constitute the research population for this survey. Focus was placed on provincial (state) hospitals. The serious lack of resources in these hospitals stimulated the need for identifying the

attitudes and perceptions of the nurse managers in these hospitals towards cost containment. Limiting the number of hospitals does, however, limit the generalisability of the findings. Further research in more hospitals in all nine provinces of the RSA would need to be conducted in order to generalise the findings to nurse managers throughout all the provincial hospitals of the RSA.

- Questions formulated for the questionnaire were based only on those aspects which were considered to be the most common causes of escalating costs in provincial hospitals, based on the literature reviewed and on discussions with a number of nurse managers. Many other issues, such as the use or misuse of transport services, and the efficiency of various other services in a hospital – such as the pharmacy, radiography, and physiotherapy departments – could affect a hospital's cost effectiveness. However, these issues were not addressed in this study because nurse managers performed no cost containment role within these specialised departments.
- Although a careful pretesting of the questionnaire was carried out, there still remained some items where some form of misinterpretation could have occurred, for example items 2.4.4 and 5.4.1.

### **7.3 CONCLUSIONS**

The conclusions and recommendations are presented according to the research questions formulated for this study, but are summarised as follows:

- The nurse managers perceived their preparation /orientation to cost containment in provincial hospitals to be inadequate.
- The nurse managers' attitudes and perceptions about the importance of motivation and productivity were positive, and indicated that they were aware of the effect of these aspects on containing costs in public hospitals.
- Nurse managers encountered serious problems with nurses' "temporary" absence

from points of duty, as well as with absenteeism among staff members, and costs incurred by high rates of staff turnover, but seemed unable to address these issues successfully.

- Nurse managers demonstrated the correct attitudes and perceptions regarding the acquisition and control of supplies and equipment, but whether they would be able to implement these suggestions in practice was difficult to judge.
- Attitudes and perceptions regarding costly issues specific to these hospitals, namely the misuse of telephones and wheelchairs indicated that the nurse managers viewed these in a serious light. They would like to see an end to be brought to such misuse.
- Additional general cost containment measures suggested by nurse managers were realistic and included various ways of achieving this goal, for instance reduction of numbers of hospital beds, rationalisation of staff and services among others.

### **7.3.1 Conclusions about the preparation/orientation of the nurse managers regarding cost containment/financial management**

This study indicated that only 7,7% of the respondents had received *any* financial management training. The following topics would apparently need to be addressed when planning orientation of nurse managers on financial management in a hospital (item 2.4) as portrayed in figure 5.4:

#### **◆ Preparation of a hospital budget, including the manpower budget**

The budget categories used should accurately reflect that "... the underlying factors contributing to the hospital's cost inflation, such as salaries and fringe benefits, depreciation and interest payments, supplies and the costs of capital expansion and new services and are not divorced from the prevailing mode of reimbursement" (Hackey 1996 :6).

#### **◆ Empowerment of unit staff on cost containment, and establishment of cost**

## **centres**

High percentages in figure 5.4 indicate that the topics of cost containment in general had been omitted from the orientation/preparation of nurse managers, as well as that of unit staff. This implies that neither the nurses nor the managers could be expected to render cost-conscious nursing practice, as they were neither prepared nor orientated sufficiently to know what was required of them.

### ◆ **Tendering for and negotiation skills for purchase of supplies and equipment, as well as ordering and use of new equipment**

Nurses at managerial level are expected to have some basic knowledge to compare tenders and negotiate purchase prices of items for use in patient care. Effective purchasing of items would involve comparing prices, as well as selecting quality material that would last for reasonable periods of time. The importance of explicit tendering and purchasing knowledge cannot be overemphasised in enhancing cost containment measures.

When ordering, tendering and purchasing supplies and equipment, the impact of inflation should also be considered. One way to combat inflation and sudden price increases is *contract* purchasing, where the hospital can obtain a quantity discount and a guaranteed price for a specified period of time (Jones 1994:435).

### ◆ **Hospital operational costs and capital costs**

For each item of capital equipment, an annual portion of its costs is allocated to the operating budget as an *expense*. Unless they are well informed, nurses could thus have a false sense of security by thinking that there are no real problems, because the analyses of variance reports, and thus the operational costs, might seem to be satisfactory, while not taking into consideration the eroding effect of capital expenditures (costs).

### **7.3.1.1 Conclusions about the nurse managers' perceptions of principles of general cost containment issues in the hospital**

The issues which were discussed are reflected in table 5.8, chapter 5.

On the whole, from the findings portrayed in table 5.8, the respondents seemed to be aware of what their positions *should* be regarding six of the eight items (75,0%), but their perceptions on the last two statements, indicated that these respondents lacked some “cost-effective knowledge”, which could impact negatively on cost containment efforts in public hospitals in the Eastern Cape.

- The respondents were unsure about their positions regarding the running of units as cost centres. However, this concept had not yet been put into practice in the selected hospitals, when the respondents completed the questionnaires. This relative knowledge deficit could therefore be contextualised within these hospitals' non-operationalisation of units as cost centres during the data collection phases of this study.

The research question: “How do the nurse managers perceive their preparation/orientation towards cost containment?” can thus be answered as follows:

Out of the 22 items which tested this perception, only 7 items were positively perceived. Hence the findings indicated that the nurse managers perceived their preparation /orientation to cost containment in provincial hospitals to be inadequate.

### **7.3.2 Conclusions about the nurse managers' perceptions of and attitudes to costs and productivity in public hospitals**

The statements put to the managers to reflect their perceptions are summarised in table 5.9 in chapter 5. The nurse managers' perceptions were in line with current thinking of how a nurse manager's functions and actions affect costs and productivity and also how productivity is linked to cost containment, and the value of maintaining high productivity levels among staff

in order to contain costs in hospitals.

- From the results obtained from the eleven statements put to the respondents in section 4 of the questionnaire, it was observed that all the perceptions accorded with current nursing management thinking.
- Nurse managers are still not quite sure, and approximately evenly divided in their responses, regarding which should take precedence: costs, or the patient's welfare, when a patient needs to be treated. This is not a finding which is disheartening, as nurses and doctors usually have serious opinions and feelings about this vexing issue and will probably always have them.

The research question that needs to be answered here is: "What are the nurse managers' perceptions and attitudes regarding measures to promote productivity in order to contain costs?"

It seems from the respondents' answers to the eleven statements that it was only the question about the motivated worker who is usually able to save the situation if there is a shortage of staff that attracted 62,7% on the "agree" scale, while the other statements (apart from the one about costs versus quality of patient care mentioned previously) attracted percentages from 70,0% upwards. It may be true that in the present situation of severe shortages of both staff and supplies, even the motivated worker cannot always save the situation. In general it can be stated that the nurse managers' attitudes and perceptions about the importance of motivation and productivity are positive, and that they are aware of the effect of these aspects on containing costs in public hospitals.

### **7.3.3 Conclusions about personnel issues associated with costs**

Three pressing problems, namely personnel leaving their points of duty while on duty; absenteeism; and resignations were addressed.

#### ***7.3.3.1 Conclusions concerning nurses who leave their points of duty***

The conclusions regarding personnel problems indicated that

- nurses who leave their points of duty during duty hours, adversely affect patient care rendered
- many nurses are absent from duty not only because of personal illness, but also because of child care and family problems
- absenteeism among nurses seems to be especially high over weekends and over month ends
- nurses resign for a variety of reasons, and the salaries paid to nurses remain a problematic issue

Some nurse managers seemed to take steps to address some of these issues.

- The first conclusion to be drawn was that nurse managers in the selected hospitals did not seem to view the problem of absenteeism in a sufficiently serious light, as 40,8 % of the respondents reported that they undertook surveys about this problem only occasionally, while only 36,0% of them reported that they always investigated the problem and made use of surveys to do so (see figure 5.7)
- As many as 85,6% (figure 5.6) of the respondents perceived it to be acceptable, if news of a sick family member reached the nurse, for her to leave her point of duty, supposedly to attend to the sick member of the *family* rather than to the patient in the hospital. Apparently this action on the part of the nurses occurred so frequently that nurse managers perceive it to be a valid reason for the temporary absenteeism of the nurse. From the nurses' viewpoint, it could be that they attached more value to attending to sick family members than to the "unfamiliar" sick patient. However, from a nurse manager's point of view, this is an extremely disruptive practice, which could cause severe inconvenience to the first-level manager, and also to the middle-level manager, who would suddenly have to postpone whatever duties they were involved in to address this "emergency". These actions might necessitate a reorganisation of staff duties, or the shifting of staff members from one unit to another, which could further reduce nurses' effectiveness and lead to further cost escalations in public hospitals in the Eastern Cape.

- From figure 5.5 it can also be seen that 75,0% of the respondents found it to be “acceptable” for staff to leave their points of duty to some extent for a variety of reasons. This action should have been regarded as being completely unacceptable and unethical in nature, except in cases of dire emergency.

### **7.3.3.2 Conclusions concerning absenteeism**

The acceptability and reasons for absenteeism are portrayed in figure 5.8. Illness of the personnel member herself or a member of the family or the death of a family member were reportedly acceptable reasons for being absent from work. It was reassuring to note that frustration with work situations was reported to be unacceptable. The percentages, however, given as acceptable for situations such as “nobody to look after children” (40,8%), and “family violence” (39,3%) as reasons for absenteeism were noted with concern.

- From figure 5.7 it is noted that nurse managers view absenteeism with insufficient concern, given the fact that surveys about reasons for absences are conducted occasionally by 40,0% of the respondents, and always by only 36,0%.
- According to the respondents the actions recommended to be taken to reduce absenteeism centred around the following:
  - Discuss with nurses the problems of absenteeism, get their input, and try to organise this input into appropriate proposals, which could be presented to the hospital management. The nurse manager should then obtain management’s approval to implement these proposals, as well as management’s own proposals regarding this matter. After the implementation of the suggested proposals, feedback should be given to the nurses about the extent of the success or failure of the implemented endeavours.

### **7.3.3.3 Conclusions regarding resignations and actions taken to reduce their occurrence**

Reasons for nurses' resignations, as perceived by nurse managers, are portrayed in figure 5.10. The high level of importance attached to most reasons is understandable, and these could actually be stated as "normal" reasons for staff resignations, with the exception of the reason "misunderstanding with supervisor". Reasons for resignations such as dissatisfaction with working conditions, inconvenient working hours, and dissatisfaction with working hours were not addressed by nurse managers.

- The two main reasons for resignations which received the highest percentages regarding their importance can be regarded as being plausible, namely "transfer of a spouse" and "ill-health".
- Apparently there remains much dissatisfaction among nurses about their salaries. This dissatisfaction could be aggravated by overwork because of continuous staff shortages, or inconvenient working hours.
- The reasons "personal" and "career change", which received relatively high percentages, are general in nature and could represent hidden complaints which might be difficult for the employer to identify without conducting in-depth interviews with the nurses who resigned.
- Some of the reasons for nurses' resignations, provided by nurse managers in response to an open-ended question, are significant, such as decreased opportunities for promotions, staff shortages leading to stress and fatigue, lawlessness among hospital staff and lack of disciplinary actions taken by managers .
- The fact that lawlessness among staff members themselves is causing other staff members to resign is perhaps a sign of a division within the nursing ranks between a group favouring discipline value systems considered to be "old-fashioned", as opposed to a group with a completely different value system, which is apparently more permissive in nature.

- The finding that some employees resign because of perceived lack of disciplinary action taken by management for misdemeanours is possibly also related to the abovementioned conclusion.

The research question which needs to be answered is: “What are the perceptions and attitudes of the nurse manager regarding staff issues which influence cost containment, for example, nurses leaving their points of duty, absenteeism and resignations?”

The findings of this research indicate that nurse managers encounter serious problems to cope with, daily but especially at the end of each month, resulting from nurses’ “temporary” absence from duty, apparently to sort out their personal business. Nurse managers seem to be unable to act decisively on this problem. As for absenteeism among staff members, nurse managers also seem unable to curb its occurrence. It is not clear from the study how large the staff turnover is in the different hospitals. It can be said that the nurse managers realise that these problems are costly and should be curbed, but seem unable to address these issues successfully.

#### **7.3.4 Conclusions about measures to control the use, as well as the acquisition, of supplies and equipment**

- Respondents favoured discussions with nurses about these matters and obtaining proposals from them to curb losses.
- The respondents also perceived the regular education of staff regarding control of supplies, and periodic inspections of stock cupboards and ordering books as being of “high importance” in the effort to control overspending on supplies. At the same time staff should also be educated about the adverse effects stock losses have on the hospital, the staff and the patients.
- It is also regarded as being “very important” that staff members are aware of the prices of the items commonly used by them, for example, catheters, gauze swabs, bandages, plaster, solutions and ointments used for dressings.

- The nurse managers indicated that patients' hospital stays should be shortened and that unnecessary cancellation of operations should be prevented.
- Respondents stated that a monthly inventory is a good way to control losses, and they also recommended the continued use of the "borrowing book" when supplies and equipment are lent or borrowed among different hospital units/wards.
- The respondents rated all statements concerning control measures to be instituted for control of equipment as being extremely important ( 90% >) (see figure 6.2 ). They thus agreed that a sound motivation for any purchase should be made; that an evaluation of an item's projected lifespan prior to the purchase should be done; that any piece of equipment should be carefully selected; that the equipment should be placed on trial before a decision about its purchase is made; that technicians should check new equipment before it is put into use: that demonstrations should be provided on the use of new equipment; that marking of each new piece should be done before putting it into use; that breakages should be repaired as soon as possible; that periodic servicing of all equipment should take place; and that policies should be in place to prevent its misuse.
- Staff need to know how to handle, maintain and use new equipment in order to extend the lifespan of these expensive articles, and to contain costs in public hospitals. This issue should receive continuous attention during in-service education sessions.

The research question: "What are the nurse manager's attitudes and perceptions regarding measures to contain and control the use, as well as the acquisition, of supplies and equipment?" can be answered as follows: The nurse managers demonstrated attitudes and perceptions which would be conducive to containing costs in public hospitals regarding the acquisition, use and maintenance of supplies and equipment.

### **7.3.5 Conclusions regarding the use or misuse of wheelchairs and telephones**

- A number of methods for controlling the misuse of wheelchairs were proposed: daily counting; counting them during monthly inventory sessions; discussing the problem of misuse with hospital management; making price lists of these items available to staff; involving community members in the control; and having security personnel available who would be mainly responsible for controlling the movements of the wheelchairs within the hospital premises and seeing that the wheelchairs are not taken out at exits or gates.
- The nurse managers strongly agreed with the suggested methods of control of excessive telephone bills. These controls included the discussion of monthly costs for each unit's phone calls. Staff should be educated about the adverse effects of telephone misuse. Rewards could be considered for the units who keep their telephone use within the required limits.
- The respondents recommended that public telephone booths should be installed in public hospitals so that staff members as well as patients could use these telephones for their private calls and at their own expense.

On the research question to be answered, namely: "What are the nurse manager's attitudes and perceptions regarding measures to contain and control problems created by the misuse of wheelchairs and telephones?" it can be stated unequivocally that the nurse managers view the misuse of these in a serious light and would like to see an end being brought to such misuse, by the institution of whatever measures possible.

## **7.4 RECOMMENDATIONS**

The recommendations are provided under a separate heading but should be read in association with the conclusions under the corresponding subheading, for example the recommendations under 7.4.1 should be considered within the context of the detailed conclusions provided under 7.3.1. However, the recommendations can be succinctly

summarised as follows:

- nurse managers should receive adequate preparation/orientation for containing costs in public hospitals

#### **7.4.1 Recommendations regarding the preparation /orientation of nurse managers on hospital cost containment/financial management**

The following recommendations are made:

- Budgeting and financial management topics should be included in all nursing administration courses at diploma and degree levels. Because of the importance of financial management in maintaining health care services, budgeting skills and financial management should be included in basic nurses' courses. For staff members who have missed the preparation on budgetary and financial matters in nursing colleges and universities, in-service education programmes should help to bridge the gap. This situation is not unique to the hospitals in the Port Elizabeth metropole. Even in the USA, there is still a struggle to develop and implement a curriculum with the appropriate business and nursing components to meet the demands of the evolving nurse administrators' roles (Hackey 1996:16).
- The following financial management concepts should be included in courses to prepare nurse managers for their role in hospital cost containment:
  - cost containment in health care
  - budget forecasting in health care
  - cost benefit analysis in health care
  - unit budgetary control measures in hospitals
  - procurement of financial resources for the hospital
  - monitoring of financial resources in individual units

The need to include these concepts in such courses for nurse managers was also identified by Makondo (2001:162) who evaluated nursing administration courses in Zimbabwe.

- Nurse managers should also understand the following aspects, as summarised in chapter 2, supporting the views of Hyett (1988:203):
  - the source of the money which is used for the running of the hospital
  - the assessment of what it will cost to render the services
  - the working of the budgetary control system
  - the overall system of accounting in the hospital
  
- Orientation programmes for nursing staff on the correct functioning and use of newly acquired equipment could make use of representatives from the company from which the equipment is bought (Booyens 1996:199). These demonstrations should also be performed on several occasions, so that as many staff members as possible can attend these sessions. As competition among companies selling expensive hospital equipment is rife, the presentation of timeous and complete demonstration sessions could be written into the purchasing contract.
  
- The top-level nurse manager should have adequate knowledge about different budgets, including the daily expenditure, capital, nurse manpower, as well as the supplies and equipment budget. If the top-level manager is not supplied with this information, she should make a definite effort to obtain this information. This could be done by formally visiting the superintendent, the human resources administrator, the supplies and equipment administrator and the hospital's chief financial officer. Nurse managers who obtain management, accountancy or financial qualifications should be rewarded for these accomplishments.
  
- Regarding the availability and visibility of prices for commonly used items in the hospital, it is recommended that prices could be indicated on ordering lists, on stock cupboards and on monthly balance sheets issued to each hospital department/unit.
  
- Supplying in-service education, as well as informal education, when visiting hospital units is the responsibility of the top-level manager. He or she may delegate this function, but must ensure that the staff who need the information on budgeting and cost containment in the units are supplied with this information during these sessions or

visits.

#### **7.4.2 Recommendations pertaining to nurse managers' perceptions of and attitudes to costs and productivity in public hospitals**

- Although nurse managers seem to be “knowledgeable” about the importance of motivation and productivity, this study did not investigate factors that could cause demotivation among staff members. It is thus important to remember that the following actions in a health-care organisation are of specific importance in keeping nurses motivated:
  - Continuously communicate vision and a sense of purpose to all staff members.
  - Include nurses in policy formulation as far as possible.
  - Reward success due to outstanding effort and ability, not only with the standard meriting approach, but by a hospital-wide recognition award.
  - Address the learning needs of staff during in-service sessions.
  - Promote good interpersonal relationships throughout the service.
  - Apply the appropriate disciplinary measures when they are called for.
  
- When shortages of staff exist, the prerequisite or criterion for the selection of who should attend a symposium or a conference should be the staff members' ability and willingness to share what they learned directly after their attendance, during in-service sessions or even in an informal meeting with their colleagues. This feedback should be complete, intelligently summarised and presented in an interesting way, so that the rest of the staff members can all benefit from the person's attendance.

#### **7.4.3 Recommendations about personnel issues associated with cost containment efforts in public hospitals in the Eastern Cape**

These recommendations focus on ways in which nurses could contribute to hospital cost containment issues by not leaving their points of duty; by curbing absenteeism and by

reducing staff turnover rates.

#### **7.4.3.1 Recommendations regarding nurses leaving their points of duty**

- It is recommended that it be communicated to nurses that leaving their points of duty during duty hours constitutes unacceptable behaviour. The implications of such behaviour, including disciplinary action, should be spelt out. In the event of a nurse requiring time to be away from work, proper arrangements should be made timeously with the person in charge of the department or unit.
- It is recommended that the nursing staff of the hospitals who participated in this study be enlightened in a number of formal sessions (so that every one has a chance of attending) by a suitable nurse manager, or even the human resources officer, about the seriousness of the practice of nurses leaving their points of duty. In these sessions the unethical behaviour towards the patient, the disloyal conduct towards the organisation, the disruption caused to management, and specifically the break in continuity of patient care, as well as the negative impression given to the public about the morals and integrity of members of the nursing profession, must be the focal points.

#### **7.4.3.2 Recommendations regarding the curbing of absenteeism**

Most of the recommendations regarding this problem came from the respondents themselves who recommended the following:

- The nurse manager should call in the staff member who is frequently absent from duty. An in-depth discussion should be held with this employee in order to reach a possible solution.
- Recording of absence data would serve to monitor the problem and to detect patterns of absenteeism in the organisation as well as some underlying reasons which had not been identified before. This practice is of the utmost importance and is also strongly proposed by Arendse (1996:15). If accurate records of absenteeism are kept, periodic surveys can easily be undertaken and a policy formulated to curtail the

problem.

- Formulating an attendance policy which is easily understood by all employees, nurse managers and union stewards and members would assist in reducing absenteeism. It is recommended by Roos (1998:362) that such a policy be clearly explained and communicated to all staff members. This policy should make provision for specific types of leave, for example maternity, funeral (compassionate) leave, requirements for a doctor's certificate for sick leave, and study leave. Such a policy should not be viewed as being "permissive", as permissiveness would increase, rather than decrease the absenteeism rate. Issues which should also be addressed in such a policy, according to the findings of this research, would be the rate of absenteeism at month ends and the "late coming on duty" and "early departure from duty" which not only impact negatively on shift take-over sessions, but which might also jeopardise patients' safety with potential negative hospital cost containment results.
- Social problems among employees, such as family violence, should be addressed by referral to suitable professionals.
- Where attempts have failed to make staff members improve regarding unacceptable patterns of absenteeism, disciplinary action should be taken.

#### **7.4.3.3 *Recommendations to address costs incurred by high rates of staff turnover among nurses***

The nurse managers supported the following actions to address staff turnover rates among nurses :

- Factors leading to resignations should be discussed with all nurses during exit interviews, and should be discussed with hospital management.
- More nurses should be appointed in the hospitals, but careful selection must take place when appointing candidates, and after appointment new staff members should be adequately orientated. Sessions on hospital cost containment issues should

form part of such orientation programmes.

- Good staff relations and an open-door policy by managers were regarded as being of real importance, in order to help solve nurses' problems and (hopefully) reduce absenteeism as well as resignations among nurses.
- Nurses' hours of duty should be reviewed daily, in order to make the changes required to address situations of nurses who are absent or of those who might need to leave their points of duty.
- Crèches or daycare centres should be made available for nurses in order to curb resignations, as well as absence from duty or leaving points of duty, due to childcare responsibilities.

#### **7.4.4 Recommendations about measures to control the use, as well as the acquisition, of supplies and equipment**

- The respondents considered it to be highly important that cupboards should be locked and the keys kept on the charge-person in the unit. As problems might be encountered if the unit's charge-person cannot be found, keys might be better kept in secure places known only to staff members who need to access these sources.
- Staff members should be made aware that overstocking can lead to stock losses, because items hoarded might expire. It is thus recommended that in order to curb hoarding of items, good relations should exist between the units and the supplies manager, so that when occasional shortages occur the necessary supplies can easily be obtained from the stores.
- Standardisation of procedures is recommended in order to assist the store manager and the first-level managers in ordering and keeping sufficient supplies of the required items.
- A strict policy regarding ordering of stock has to be adhered to, and this policy should

be reviewed at least bi-annually.

- People entering and leaving the hospital or walking through doors and entrances should be screened by security officers and checked for unauthorised removal of hospital property. Effective security checks at hospital entrances and exits could significantly reduce stock losses.

#### **7.4.5 Recommendations regarding the use or misuse of wheelchairs and telephones**

- A central storing place for wheelchairs could be established, but this might cause additional costs by requiring personnel to man such a central store. Much time could also be wasted if a wheelchair had to be fetched and returned each time its use was required. Much could be achieved if security staff would ensure that no wheelchair leaves the premises of the hospital. Each unit's wheelchairs should be clearly marked and control should be kept on its whereabouts. The wheelchairs should be maintained in proper working condition.
- Public telephones should be installed in public hospitals so that staff members as well as patients could use these telephones for their private calls and at their own expense. Ideally these could be erected within view of the security personnel so that the public telephones could be at reduced risk of abuse.

#### **7.4.6 Recommendations regarding additional cost containment measures**

The respondents in this study were asked to suggest at least 10 additional cost containment measures that they would like to see instituted in hospitals.

The 10 contributions/suggestions for additional cost-containment measures are presented in chapter 6, section 6.4, including:

- Reduction of hospital beds to decrease the workload when there is a shortage of

nurses in the hospitals.

- Providing a safe physical environment in the hospital could help to contain costs. Patient injuries in hospital are often caused by negligence of the staff (aggravated by unauthorised staff absences from duty), resulting in litigation costs for the hospital.
- Appropriate placement of staff to ensure their optimum productivity could help to contain costs. Nurse managers could contribute towards hospitals' cost containment by allocating nurses to work in units where they can apply their specialised expertise and/or interests, as far as possible.
- Rationalisation of staff and services among the four hospitals could come about with the reorganisation of the health services in the Eastern Cape. Human and material resources of the hospitals could be redistributed in order to avoid duplication of services. For example, major operations (such as heart surgery) could be performed in one hospital, rather than in all these hospitals. This exercise could help to cut costs, implying that one hospital would have to have a fully equipped cardiac operating theatre, intensive care unit and suitably trained nurses and doctors.
- Only items on tender should be purchased, as this is less expensive than buying as the need arises.
- Enabling nurse managers to undergo a formal course on financial management would help to run hospitals more cost effectively and to enhance the success of cost containment efforts.
- Incentives given for good performance could motivate good performers to work even better.

- The length of patients' hospital stay would determine the expenditure per patient. Nurse managers could consult with the medical practitioners in determining the opportune time for the discharge of specific patients.

The research question posed, namely “ Which general cost containment measures were perceived by nurse managers as important in addition to those already stated?” could be answered by stating that the nurse managers' views regarding cost control measures are realistic and that they came forward with a list of additional measures which should be seriously considered by the appropriate authorities.

#### **7.4.7 Recommendations for future research**

Further studies need to be carried out on the topic of cost containment. It would be interesting to compare the role of the nurse managers working in public hospitals with that of those working in private hospitals, to determine whether there are any differences in methods of cost containment. Such a comparison would give a broader view of how effectively costs are contained in both types of hospital.

Another comparative study could be done by comparing the results of cost containment efforts instituted by nurse managers who underwent training in cost containment/financial management issues with those who did not attend such a course.

### **7.5 CONCLUDING REMARKS**

The results indicated that the nurse managers in the Port Elizabeth metropole are not fully prepared for implementing cost containment practices in the health care centres. The implication thereof could be that nurses do not adequately control financial and material resources leading to cost escalations in the public hospitals. Nurses constitute the largest group of health care professionals who handle hospital supplies and equipment. The nurse manager should be a role model, guiding nurses to contain costs. Therefore, it is critical that nurse managers acquire knowledge and skills in financial management and control as they are accountable for a large portion of hospital expenses.

It is impossible to run any budgeting system without considering the details of service provision (Hackey 1996:16). Concerns over rising health care costs focus more and more on hospitals, which account for approximately 40% of these costs (in the USA). "Hospitals ... have been a primary focus of cost control strategy, as both government and private insurers have pressured them to absorb an increasing portion of the financial risks associated with their treatment decisions" (Carey 2000:363). Nurse managers require knowledge and skills to enable them to make such cost-effective decisions and to help nurses to implement such decisions successfully.

Many agree that nurse managers play a critical role in hospitals, and that it is necessary for nurse managers to hold key positions. They should be individuals who have the knowledge and ability to carry out a wide variety of technical, human, conceptual, leadership, and financial management functions and behaviours. "Nurse managers are the key to the success of hospital organization. It is critical that individuals in this role have the behavior skills needed to carry it out effectively" (Chase 1994:64).

Finally and fundamentally, it can be stated that "nurse administrators and educators have formidable challenges ahead. Monitoring and evaluating role changes while maintaining a healthcare system that is caring, ethical, health-promoting, and cost-effective is the future task" (Krejci 1999:29).