

# UNIT NO.2

## MANAGEMENT PROCESS



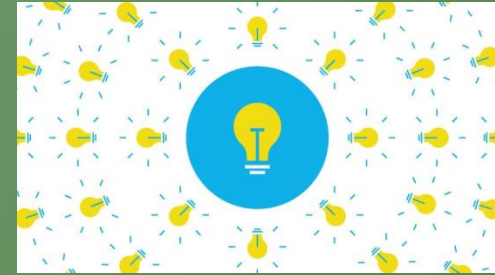
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# PLANNING



# CONCEPT OF PLANNING:



- Planning is **preparing a blueprint**.
- Planning is a **future-oriented** process. It decides in advance '**what**' is to be done, '**how**' it is to be done, '**when**' to do it, '**who**' is to do it and '**where**' it is to be done.



# DEFINITION:

- Planning is a thinking process, the **organized foresight**, the **vision** based on facts and experience that is required for an **intelligent action**.



- Planning is essentially **decision making** since it involves **choosing** from among alternatives.







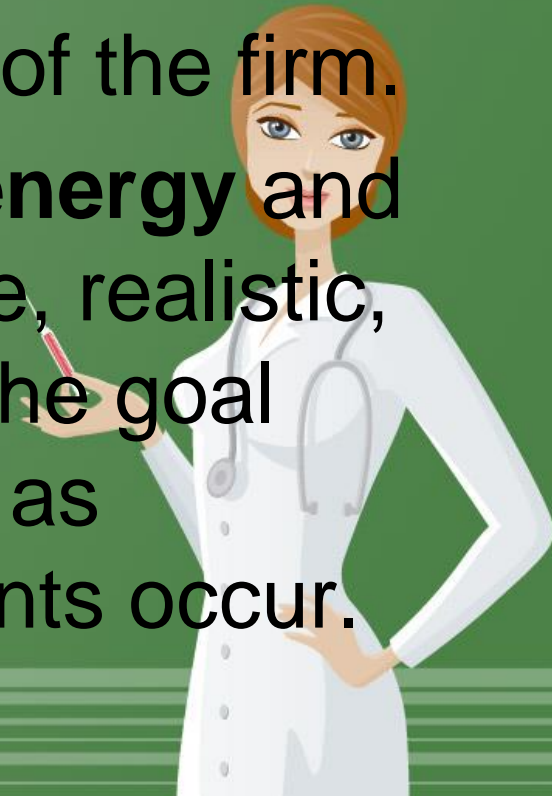
- Leads to success in **achieving goals**.
- Provides meaning to **effective use of available resources** such as personnel and facilities in the organization.
- Helps to cope with **situational crises**.
- Ensures **effective control** leading to cost effectiveness and
- Helps to discover the **need for change**.



# PHILOSOPHY OF PLANNING:

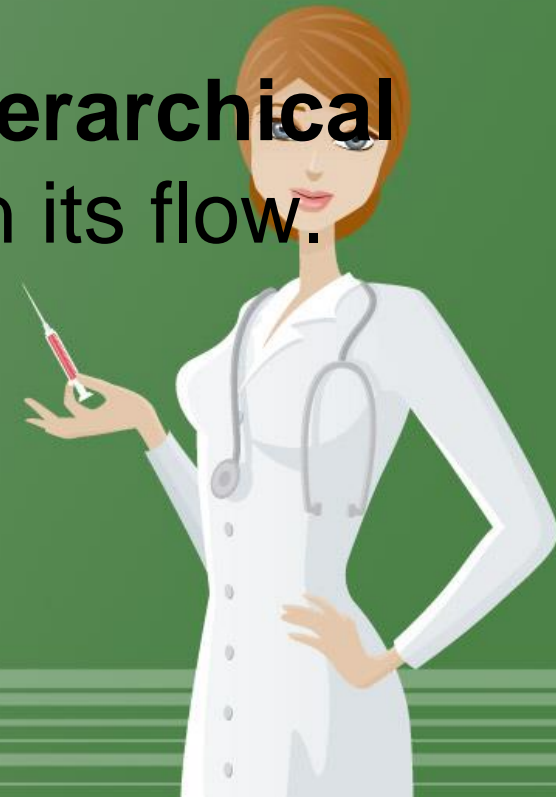


1. Planning gets **guidelines** and **constraints** for the behaviour of the firm.
2. Planning requires **flexibility, energy** and **specificity**. It should be simple, realistic, a guide for action in reaching the goal and must allow for adjustment as expected and unexpected events occur.



3. Planning is essential, a manager must be able to **overcome barriers** that impede planning.

4. Planning must be done by **hierarchical order** and must be congruent in its flow.





# OBJECTIVES OF PLANNING:

1. To bring about **unity** and **uniformity** in the working of an organization.
2. To achieve **coordination** in power and efforts of the employees working in an organization.



3. To **direct** human power towards collective interest.

4. To **reduce** the cost/expenses of an organization.

5. To bring about a **certainty** in the functions by formulating plans.



# OPERATIONAL PLANNING:

- It is concerned with the **actual delivery** of the service to the community.
- For e g. nursing personnel of all levels plan to deliver proper service to the community either in hospital or community.
- Planning may be classified as long range and short range and also as strategic operational.



# STAFFING



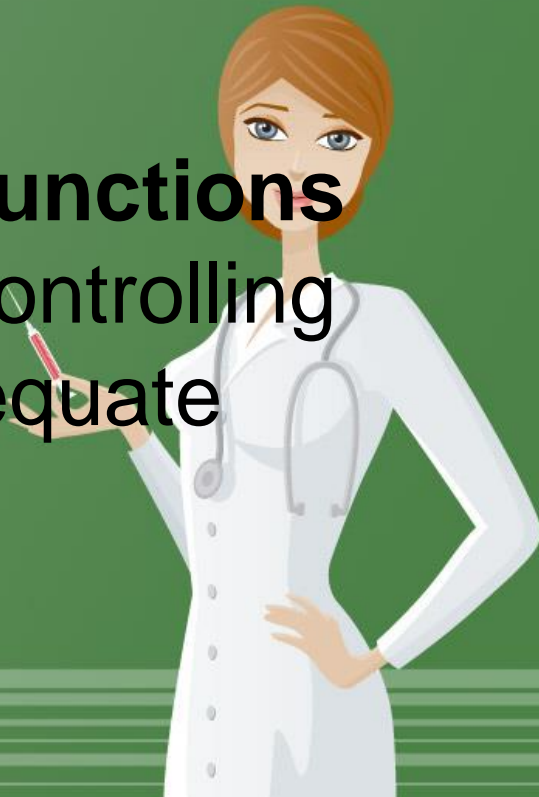
# STAFFING:

- Staffing is defined as **implementing planning, providing employment and developing human resources** at different grades in an institution in order to implement various complex institutional activities and fulfil the goals of management.



# OBJECTIVES OF STAFFING:

1. To **recruit** adequate number of human power resources to attain the goals of management.
2. To carry out the **managerial functions** such as planning, directing and controlling the organisation by recruiting adequate human resources.





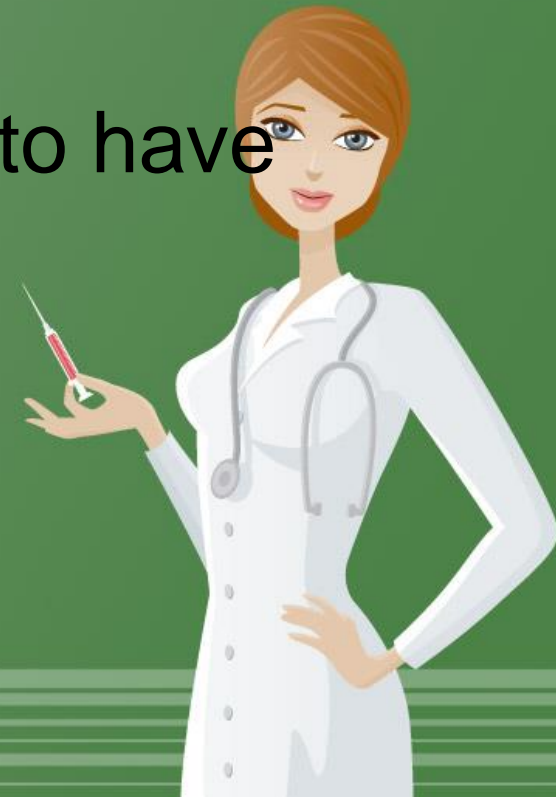
3. To recruit **competent staff**. Effective functioning of an organization reflects ability of the staff recruited. Therefore, the success of the organization depends on the competency of the staff required.

4. To **retain right number** of staff and utilize their ability to the maximum so that they give quality output.



5. To provide **training programs** to strengthen the personnel skills and abilities of the staff.

6. To ensure **adequate staffing** to have proper usage of resources in an organization.



# PHILOSOPHY OF STAFFING:

- The nurse administrator believes that:
  1. The knowledge and skill of the staff can adequately fulfil the needs of the patient and thereby ensure both job satisfaction and quality care.
  2. Only professional trained nurses can provide a high quality of patient care and handle critically ill patients by providing both technical and interpersonal skills.



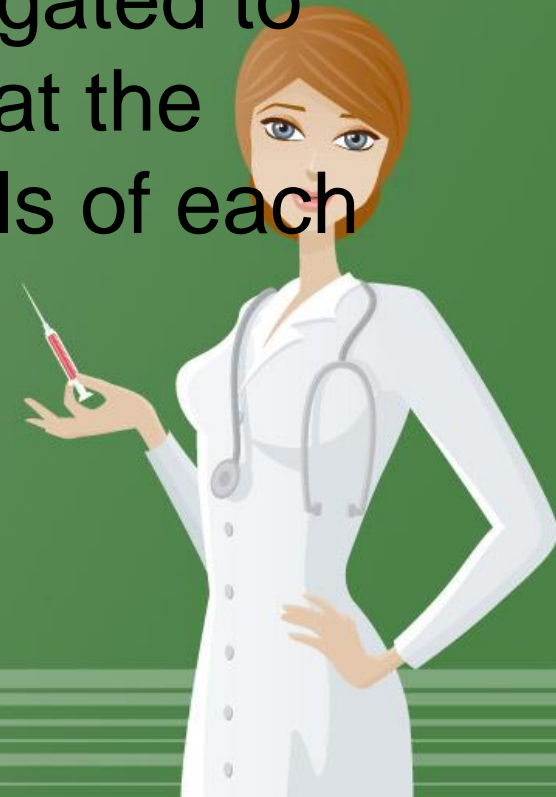
3. A professional nurse cannot only treat chronically ill patients, but also provide health education and rehabilitative care, which is more complex.

4. By determining patient needs and doing assignments, job quantification and analysis can be done.



5. All sorts of nursing related plans, e.g. master rotation plan, duty roster, etc. should be done only by nursing heads.

6. A staffing plan should be delegated to each unit-level head nurse so that the activities of each ward and details of each shift are planned well.



1. Time study and task frequency
2. Work sampling
3. Self-reporting
4. Uninterrupted sampling





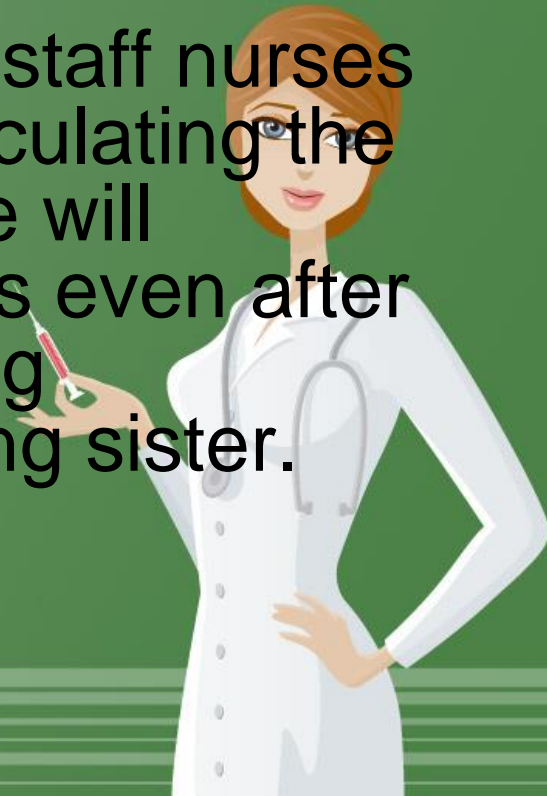
# STAFFING NORMS:

- Most hospitals today follow the staff inspection unit norms.
- In this activity, the work of a nursing sister and a staff nurse are common, but the work of the ward sister remains similar to staff nurse even after promotion.



# Recommendations of the Staff Inspection Unit:

1. Norms have taken into account the workload projected in the wards and other areas of the hospital.
2. The posts of nursing sisters and staff nurses have been clubbed together for calculating the two as nursing sisters. A staff nurse will continue to perform the same duties even after she is promoted (with corresponding entitlements) to the level of a nursing sister.



3. Out of the entitlements worked out on the basis of the norms, 30% posts may be sanctioned nursing sisters. This would further improve the existing ratio of 1 nursing sister to 3.6 staff nurses fixed by the government with the Delhi Nurse's Union in May 1990.



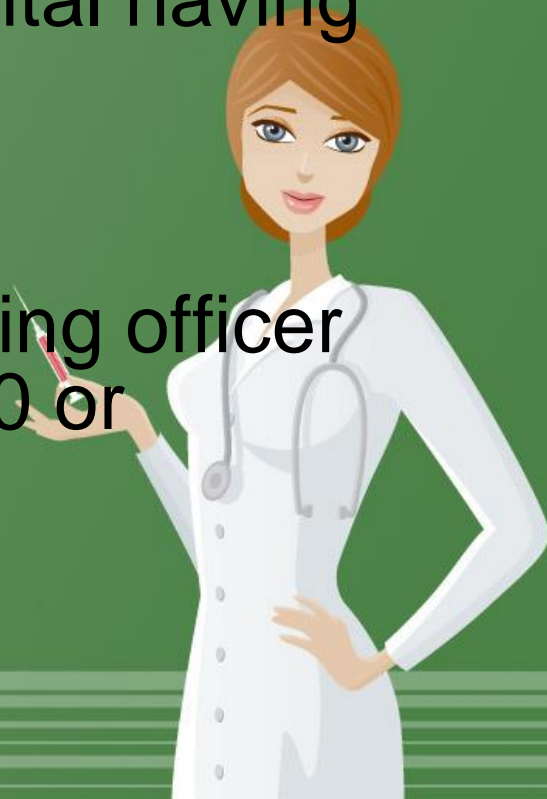
4. Assistant nursing superintendents (ANS) are recommended in the ratio of 1 ANS to every 4.5 nursing sisters. The ANS will perform the duties presently performed by nursing sisters and perform in shifts.



5. The post of deputy nursing superintendent (DNS) may continue at the level of 1 DNS to every 7.5 ANS.

6. There will be a post of nursing superintendent (NS) for every hospital having 250 or more beds.

7. There will be a post of chief nursing officer (CNO) for every hospital having 500 or more beds.



8. It is recommended that 45% posts added for the area of 365 days working including 10% leave reserve (maternity leave, earned leave and days off, as nurses are entitled to 8 days off per month and three national holidays per year when doing three shift duties).





**Nurse-patient ratio as per the norms of Trained Nurses' Association of India (TNAI) and Indian Nursing Council (INC) (norms are based on hospital beds):**

1. CNO: 1 for 500 beds.
2. NS: 1 for 400 beds or above.
3. DNS: 1 for 300 beds and 1 additional for every 200 beds.
4. ANS: 1 for 100-150 beds or 3-4 wards.
5. Ward sister: 1 for 25-30 beds or 1 ward, 30% leave reserve.



6. Staff nurse: 1 for 3 beds in teaching hospital in general wards and 1 for 5 beds in nonteaching hospital.

7. Extra nursing staff to be provided for departmental research functions.

8. Outpatient department (OPD) and emergency: 1 staff nurse for 100 patients (1:100).



9. Intensive care unit (ICU): 1:1 or (1:3 for each shift) + 30% leave reserve.

10. It is suggested that for 250 bed hospitals there should be 1 infection control nurse (ICN).

For particular departments, e.g. labour room,  
operation theatre, etc., 1:25 + 30% leave reserve.



# PATIENT CLASSIFICATION SYSTEM:

- The patient classification system (PCS) groups patients as per the **complexity** and **amount** of their nursing care necessities.
- The intention of PCS is to evaluate patients, group them with other patients having similar needs and distribute patients in different groups.



# IMPORTANCE OF PCS:

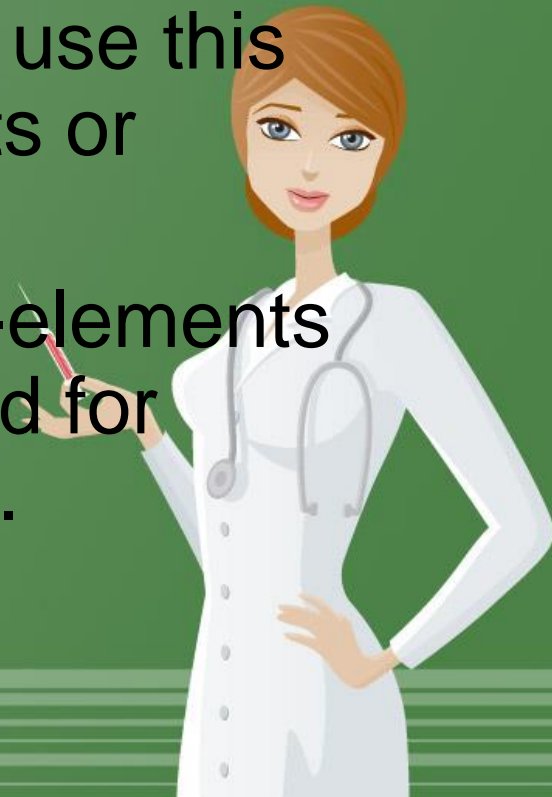
- The PCS provides a method quantitatively estimating and assessing **patients needs** in relation to nursing care.
- It is a way of determining the **amount and type of care** a patient requires as well as providing a means of standardizing nursing care practice.



# TYPES OF PCS:

## 1. FACTOR EVALUATION SYSTEM:

- Patient needs are scored on multiple care descriptors.
- Most of the health care agencies use this PCS where several care elements or descriptors are identified.
- Each element is divided into sub-elements and a standard time is determined for accomplishing each sub-element.



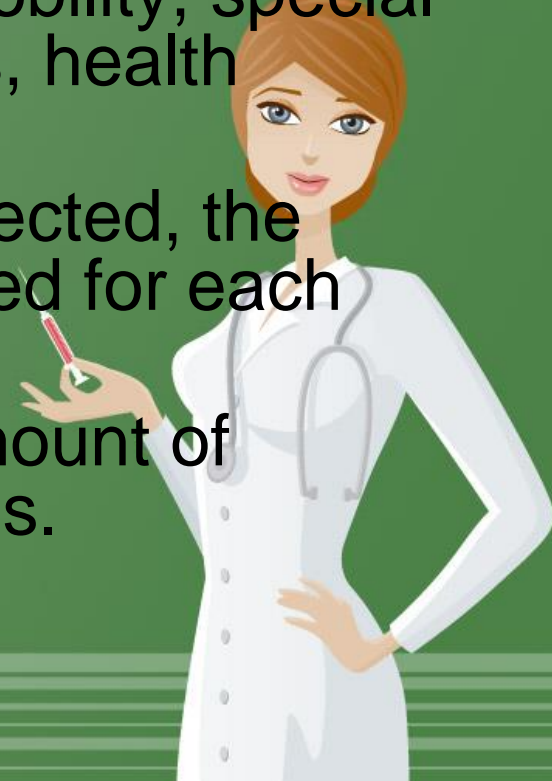
- The descriptors used to measure a patient's dependency needs are **activities of daily living**: feeding, grooming, toileting, comfort measures and mobility.
- The requirement to assist a patient with each activity is quantified from the least amount of time required to the greatest amount of time required, e.g. self-feeding versus tube feeding.



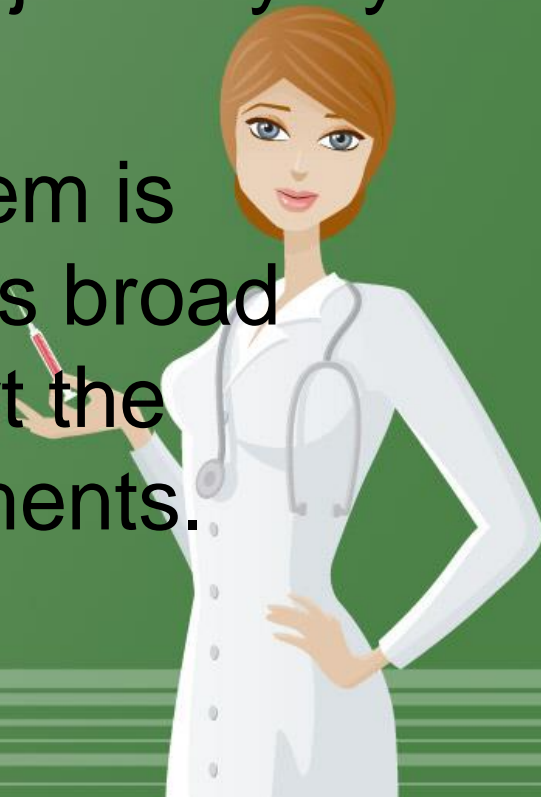


## 2.COMMON CARE DESCRIPTOR:

- It describes typical patients and their varying need levels,  
e.g. hygiene, nutrition, medications, fluid management, skin and wound care, respiratory care, circulatory care, elimination, mobility, special diagnostic and treatment procedures, health teaching and daily activities of living.
- After care descriptors have been selected, the levels of care and intensity are defined for each descriptor.
- Each level is differentiated by the amount of nursing time and frequency it requires.



1. The factor system can be cited as objective because mentioning special indicators or factors linked up with patient care facilitates to as certain objectivity by the rater.
2. The prototype evaluation system is regarded as subjective. It uses broad descriptive categories to report the patient and his or her requirements.



### 3.DIAGNOSTIC-RELATED GROUPS:

- This is grouping patients for **prospective payment**. This system sets a predetermined price for patient hospital care of Medicare recipients according to the patient's placement in 1 of 467 diagnostic-related groups (DRGs).
- The DRG system is a strategy for grouping patients according to **demographic, diagnostic and therapeutic characteristics** that correlate with their use of hospital facilities.



- Under this prospective payment system, hospitals are paid a fixed price for all inpatients, according to the DRG into which they are classified at the time of discharge from the hospital.
- If the hospital cost for the patient care is less than the fixed rate, the hospital makes a profit.



- If the cost exceeds the fixed rate, the hospital is at a loss.
- The DRG system provides incentives for early hospital discharge but the quality of care is affected.



# SCHEDULING



- Scheduling is defined as **assigning appropriate number** of staff to complete each day's work.
- The scheduling is applied mainly to distribute the **workload equally** without burdening any single staff.





# PURPOSES OF SCHEDULING:

1. To provide **quality nursing care** by appropriate staffing and avoiding excess staff overload.

2. To be fair in providing **equal distribution of days off** for all staff while scheduling work.



3. To **avoid confusion** in work environment, which helps the staff to complete the task appropriately on time.

4. To **help the staff** to learn their work schedules in advance so that they can streamline their work accordingly.



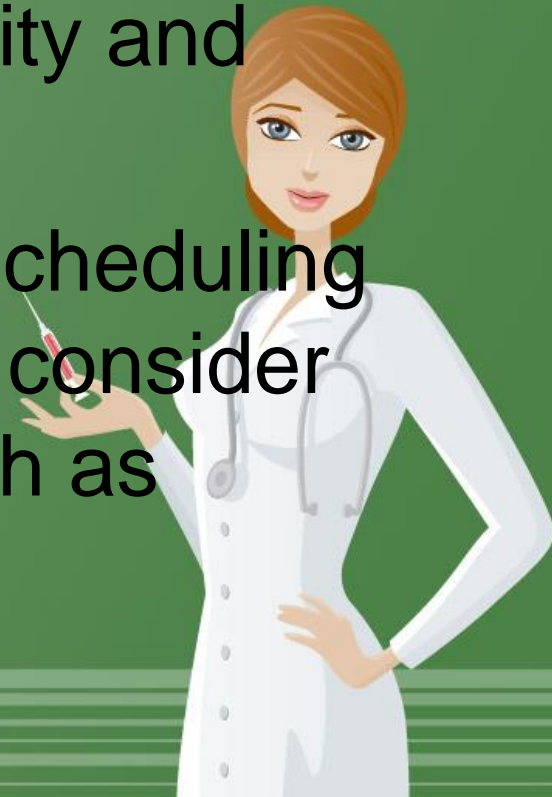
5. To **accomplish the goals** of the nursing management unit.

6. To help the staff handling emergency situation **by adding staff** from less busy unit.



# PRINCIPLES OF PLANNING DUTY ROSTER:

1. **Coverage:** Nursing coverage must be provided 24 hour a day, 7 days a week with the right number and mix of staff.
2. **Continuity:** Continuity of quality and quality care.
3. **Flexibility:** The ability of the scheduling system to handle change and consider individual preferences as much as possible.



**4. Stability** : The extent to which nurses know in advance their future days off and on duty consistent with stable staffing policies.

**5. Cost effectiveness** : The ability to assign the needed staff without overstaffing, and also ensuring maximum utilization of a nurse's time and skills.



# HUMAN RESOURCE MANAGEMENT



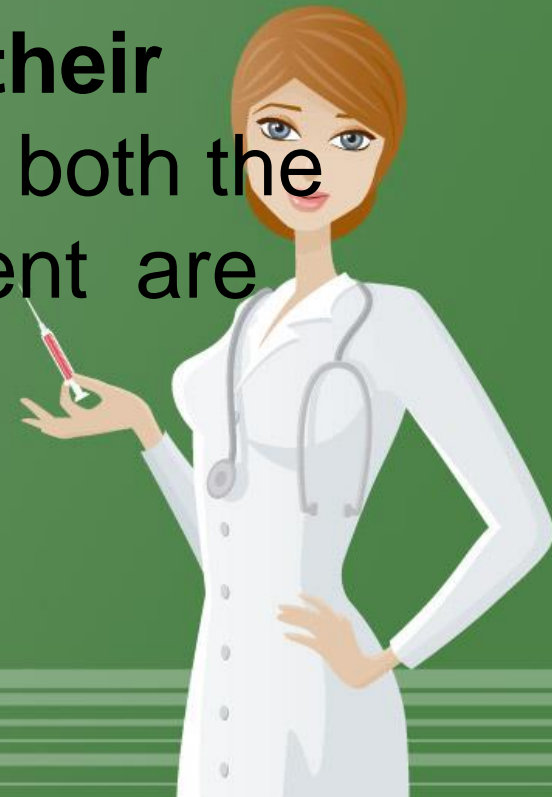
# DEFINITION:

- Human resource management is defined as the activity in the management that is concerned with the intelligent **utilization of human resources** to achieve the goals of management.





–HRM is defined as process of **integrated activity** by the management and the staff who work towards **fulfilling their mutual goals** such that both the staff and the management are benefited.



# OBJECTIVES OF HRM:

1. To make the personnel **acquire power** to perform the different types of work that may come in their way at present or in future.
2. To **develop hidden talent** of individual workers that may be used for the development of the organization.



3. To **develop teamwork** among the workers and an organization culture that helps the organization grow and make individual workers dynamic. Human resources should become the pride possession of the organization.

4. To provide **an opportunity** for employees to grow and to strengthen the management and professional teams in all the areas of the organization.



5. To develop **employee's capabilities** according to the needs and areas of the organization.

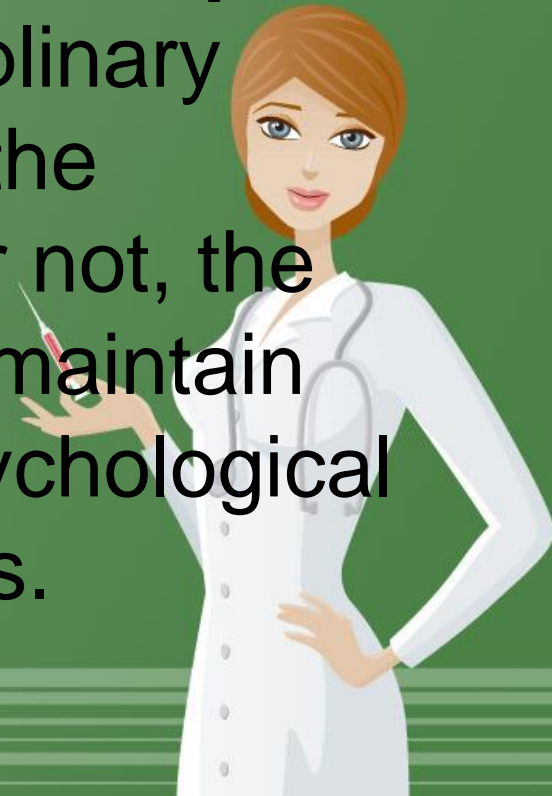
6. To **train new employees** to the level required by the organization to perform their tasks effectively.

7. To train employees to take up more **responsibilities.**



8. To increase **cooperation** and **trust** and involve employees actively in the company's affairs.

9. To **adopt problem-solving techniques** for the problems relating to disciplinary cases and grievances. Whether the organization has a trade union or not, the management will have a duty to maintain healthy economic, social and psychological relationship among its employees.



10. To make the organization **dynamic and vibrant**, so that it will adjust to competitive and fast changing environment.

11. **Subsidiary objectives** are as follows:

- a. Manpower planning
- b. Recruitment
- c. Promotion
- d. Career planning



- e. Job and salary administration
- f. Training, counselling, performance feedback and organizational development
- g. Industrial relations and welfare or workers.





# RECRUITMENT:



- Recruitment is defined as the **art of identifying**.
- The process starts by acquiring candidates for the job and assess the right candidates and ends once the candidates are identified.
- The result is a pool of applicants from which new employees are picked out.



# IMPORTANCE OF RECRUITMENT:

1. Recruiting the **right candidates** who will work for a given period of time and may exit the institution if their performance is not good, or may be retained if their performance is good.

2. Selecting candidates based on the **social** and **legal obligation** framed by the organization.



3. Selecting **competent candidate** from the pool of candidates.

4. Identifying the competency status of different recruiting sources and procedures to find the **right candidate**.

5. Helping in the prevention of **overlapping** of highly qualified candidates.



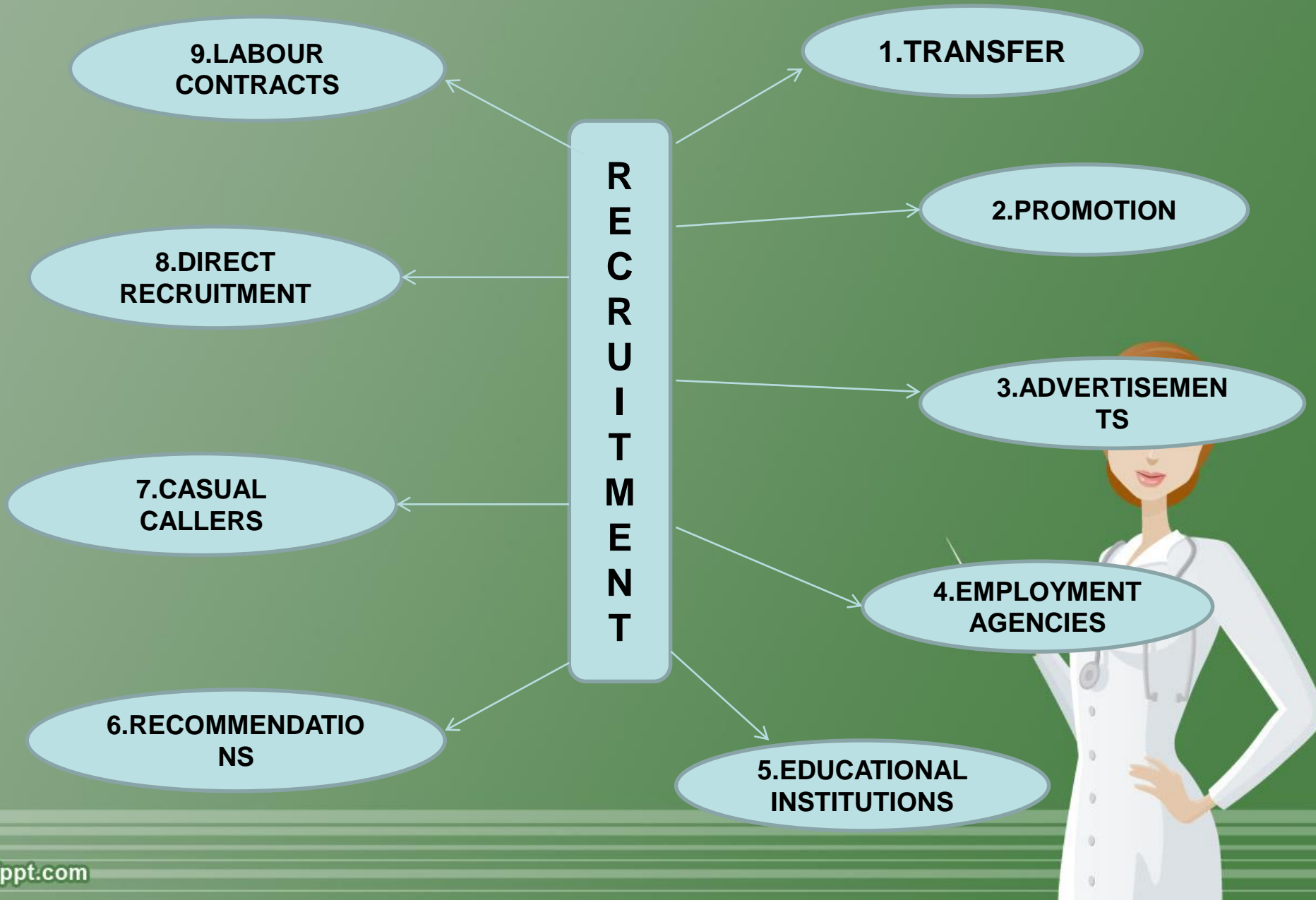
6. Enabling to **analyse the needs** for the recruitment of candidates for future requirement.

7. Handling a group of candidates at **low expenditure**.

8. Achieving the institutional goals in short and long term by recruiting **right number** of candidates.



# METHODS OF RECRUITMENT:



# SELECTION:

- After recruitment, a selection procedure has to be implemented.
- The selection process relates to the securing of **relevant information about an applicant.**
- Selection implies **matching people with the right job.**



# STEPS OF SELECTION PROCEDURE:

**1.RECEIPT OF APPLICATION**



**2.PRELIMINARY INTERVIEW**



**3.SELECTION TEST**



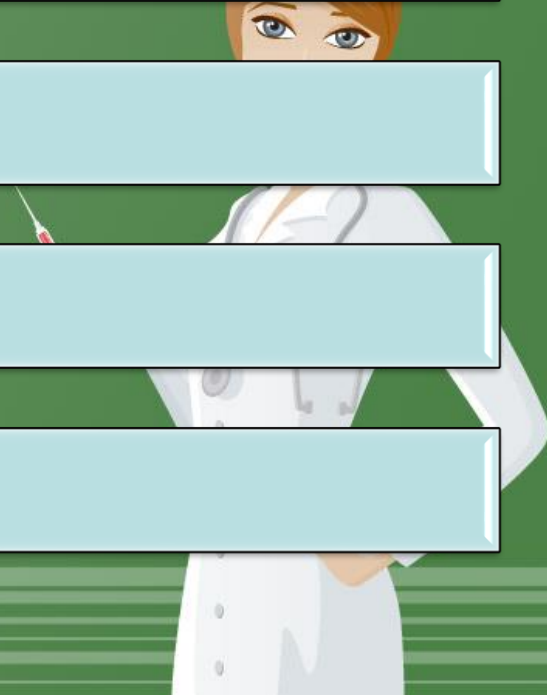
**4.EMPLOYMENT INTERVIEW**



**5.MEDICAL EXAMINATION**



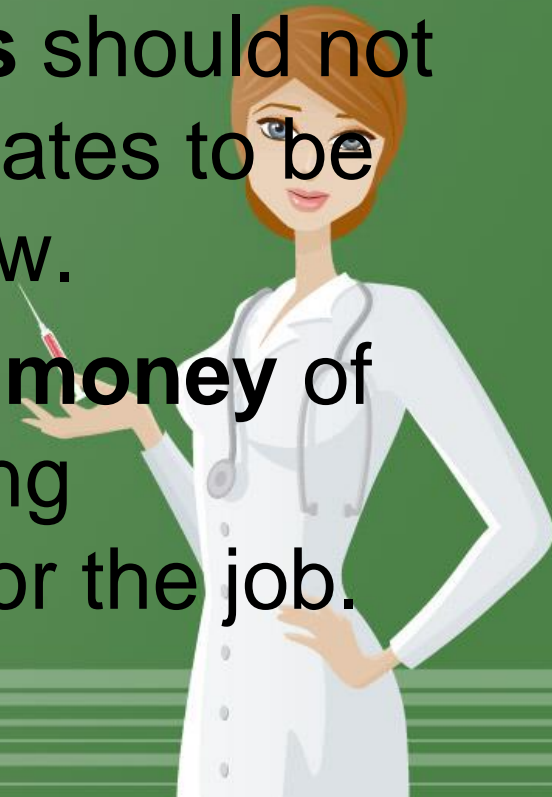
**6.PLACEMENT**





# 1. RECEIPT OF APPLICATION:

- Everyone who applies for job in an enterprise may not be qualified for the job.
- The candidate with **inadequate experience** and **qualifications** should not be included in the list of candidates to be called for a preliminary interview.
- This means **wasting time** and **money** of the employers and the deserving candidates who have applied for the job.



## 2. PRELIMINARY INTERVIEW:

- Here the employer tries to find out whether the candidate is **physically** and **mentally fit** for the job.
- Candidates are asked about their experiences, qualifications, interests, residence, age, etc.
- Employers should not take much time for conducting the preliminary interview.



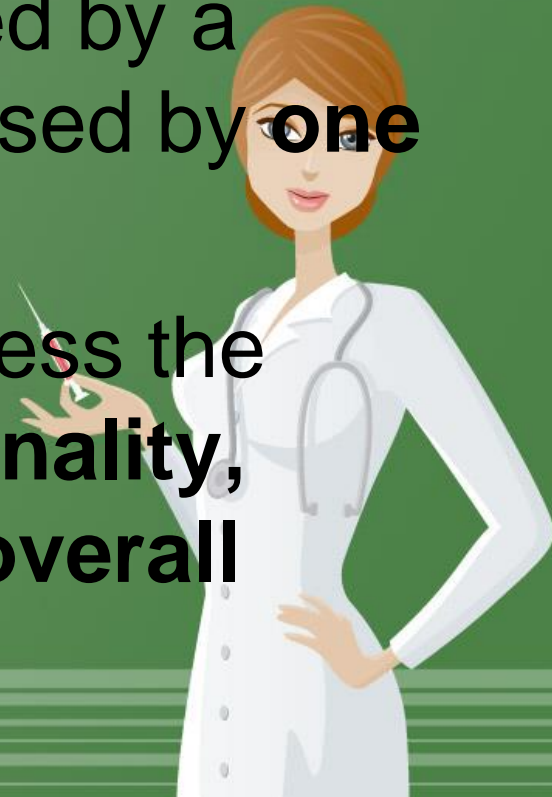
### 3. SELECTION TEST:

- The candidates who have passed preliminary interview will be asked to appear for the selection tests.
- Test plays an important role in the process of selection.
- Test aims at **finding** and **measuring** selected **qualities, abilities** and **skills** of a candidate in terms of job specifications.



# 4.EMPLOYMENT INTERVIEW:

- Interview is a **face to face** observational and personal appraisal method to evaluate a candidate's fitness for the job.
- Every candidate who is selected by a company for interview is assessed by **one or more persons**.
- This helps the employer to assess the employee's **motivation, personality, smartness, intelligence and overall attitude**.



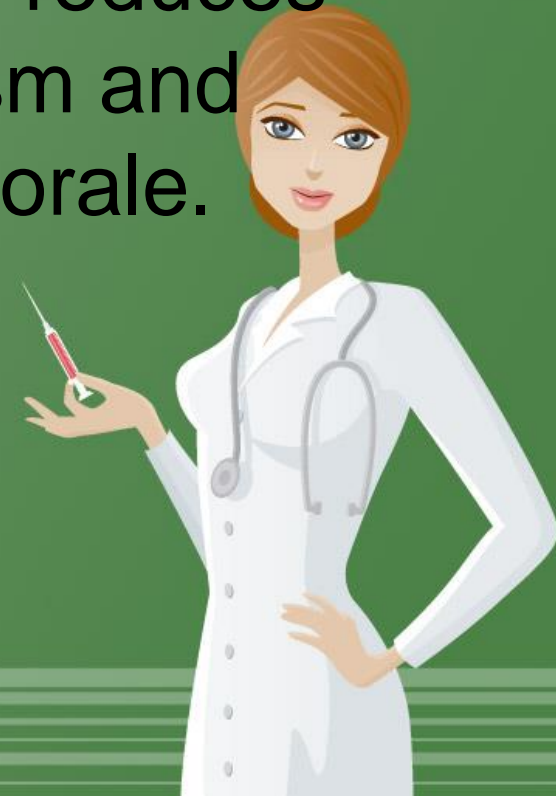
# 5.MEDICAL EXAMINATION:

- Medical examination help the employers know if any of the potential candidates are physically and mentally fit to perform their duties in their jobs.



# 6.PLACEMENT:

- It is the act of **offering the job** to a finally selected candidate.
- A proper placement of workers reduces employee turnover, absenteeism and accident rates and improves morale.



# DEPLOYMENT:

- Staff deployment is a systematic and organized way of **introducing the staff** members into an **activity process** or into a particular working area in an organization.
- In nursing services, the nurses are given orientation of the policies, procedures, standards, protocols and practices of an institution.



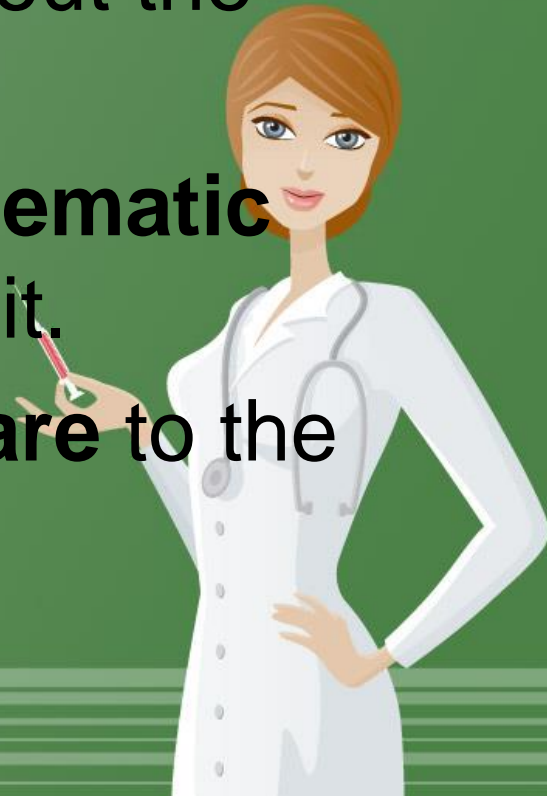


- The fresh nursing staff are supervised by the senior nursing personnel till they are ready to confidently carry out their duties and responsibilities.



# OBJECTIVES OF DEPLOYMENT IN NURSING:

- 1) To **become familiar** with policies, standards and protocols of an institution.
- 2) To **instil confidence** to carry out the duties and responsibilities.
- 3) To maintain **smooth** and **systematic functioning** of the working unit.
- 4) To provide **quality nursing care** to the patient.



5) To maintain the **professional standards** in the workplace.

6) To **manage** emergency situation.

7) To keep the nurses equipped with **optimum knowledge** and **skills**.

8) To make use of **available resources** to provide the best care to the patients.

9) To deliver the patient care **equally** and **uniformly**.



# RETAINING:

- The quality of care depends on the **quality staff members** present in the unit.
- Retention is necessary for smooth functioning of an organization.
- The main role of organization is to keep the current good working staff for **longer duration** by providing various facilities such as increments, promotions or sponsoring them for higher education.



# IMPORTANCE OF STAFF RETENTION:

- It key skills, ideas, knowledge and experience **remain within** the organization itself.
- The cost of replacing the present employees includes advertising cost, recruitment agency fees and the time spent on conducting actual interview process.



- The time spent and expenses on the induction of new employees and the revenue lost during the recruitment is higher as compared to the retention of present staff.
- Retention brings the benefit to the organization, whereas attrition involves significant direct and indirect financial costs.



# PROMOTION:

- Promotion is defined as a **vertical movement** in the status and in the **position** of an employee that has good pay, higher accountability, more challenges and better working environment.

OR





- A promotion is defines as a **change in the position and designation** that gives more salary and desired status in the work environment.



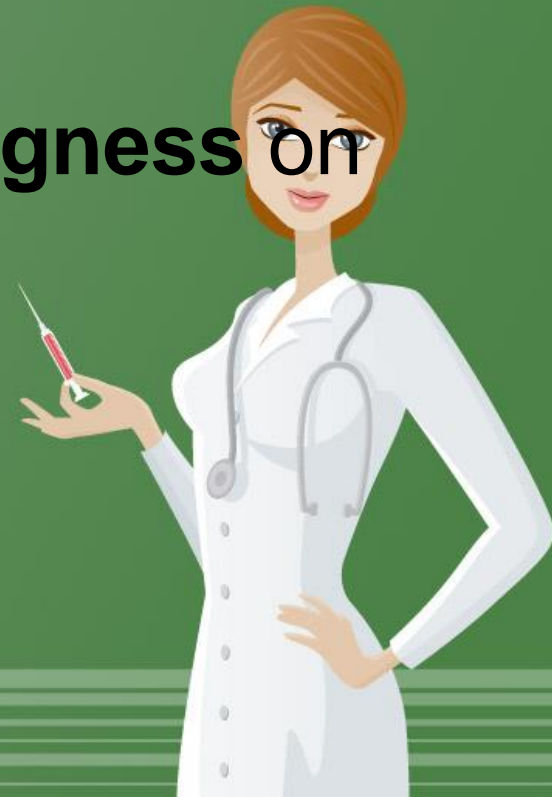
# PURPOSES OF PROMOTION:

1. It is stepping-up of an employee to a position in which he can render **effective service** to the company.
2. It is an instrument that helps to **appreciate and award the employee's services in the organization.**
3. It improves workers' and the institution's **efficiency and effectiveness.**



4. It becomes the reason for other employees **to believe** that their turn will come next and so they may remain with the company and reduce the labour turnover.

5. It builds **morale** and **belongingness** on the part of the employee.



6. It promotes **job satisfaction** on the part of the employee.

7. It increases **interest** in training and in **self-development** as a necessary preparation for promotion.

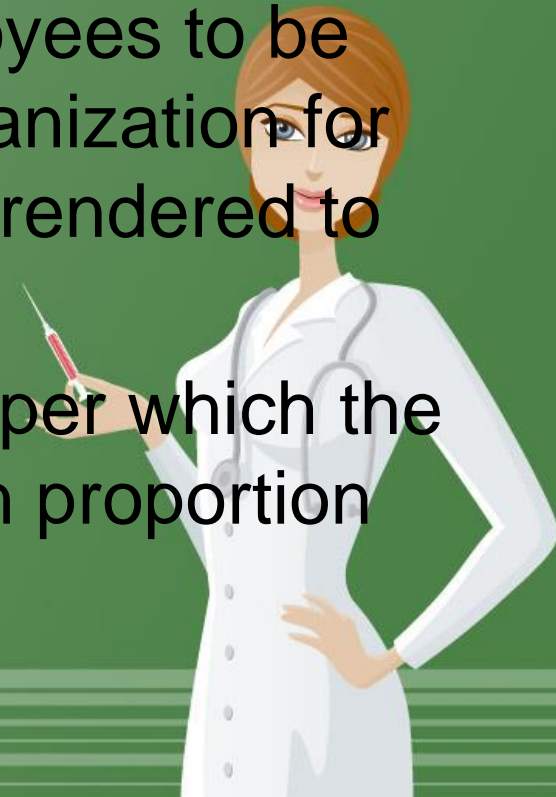


# Superannuation - Meaning, Types and Benefits



# SUPERANNUATION:

- Superannuation is a retirement **fund or pension** given to the employee at the time of retirement.
- Every organization has a plan of superannuation for their employees.
- It is also a **basic right** of the employees to be paid for by the employer or the organization for their sincere hard work or services rendered to the institution.
- Superannuation is a legal issue as per which the employer pays additional amount in proportion to the employee's salary.



# BENEFITS OF SUPERANNUATION:

1. It helps the employee to **plan for their future life.**

2. It **motivates** the current working employees to work efficiently.

3. It is the **additional amount** paid by the employer for the sincere services rendered by the employees.





4. It **reflects the** institutional or organizational **image**.

5. It helps to increase the **productivity** and **quality** directly or indirectly.



# BUDGET

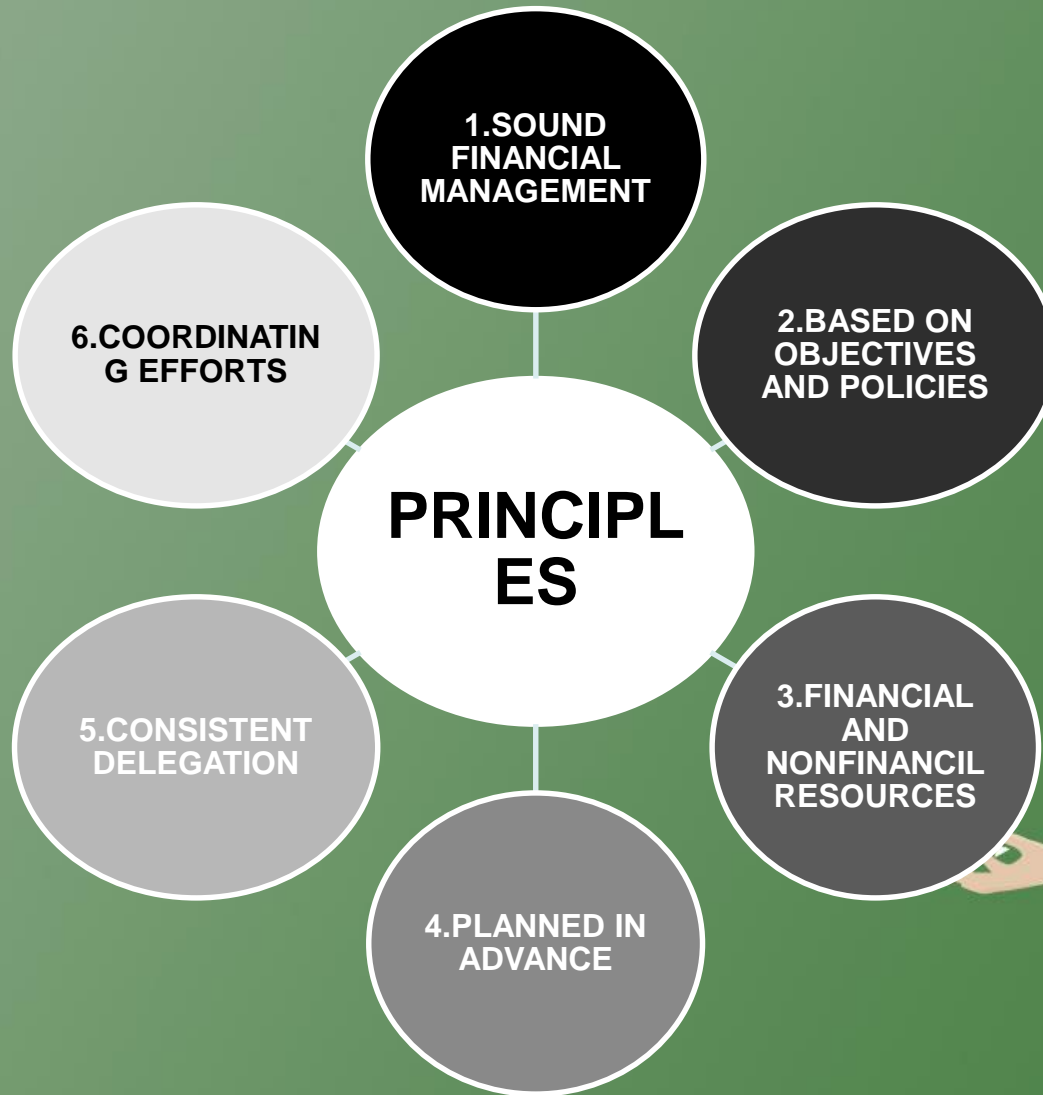


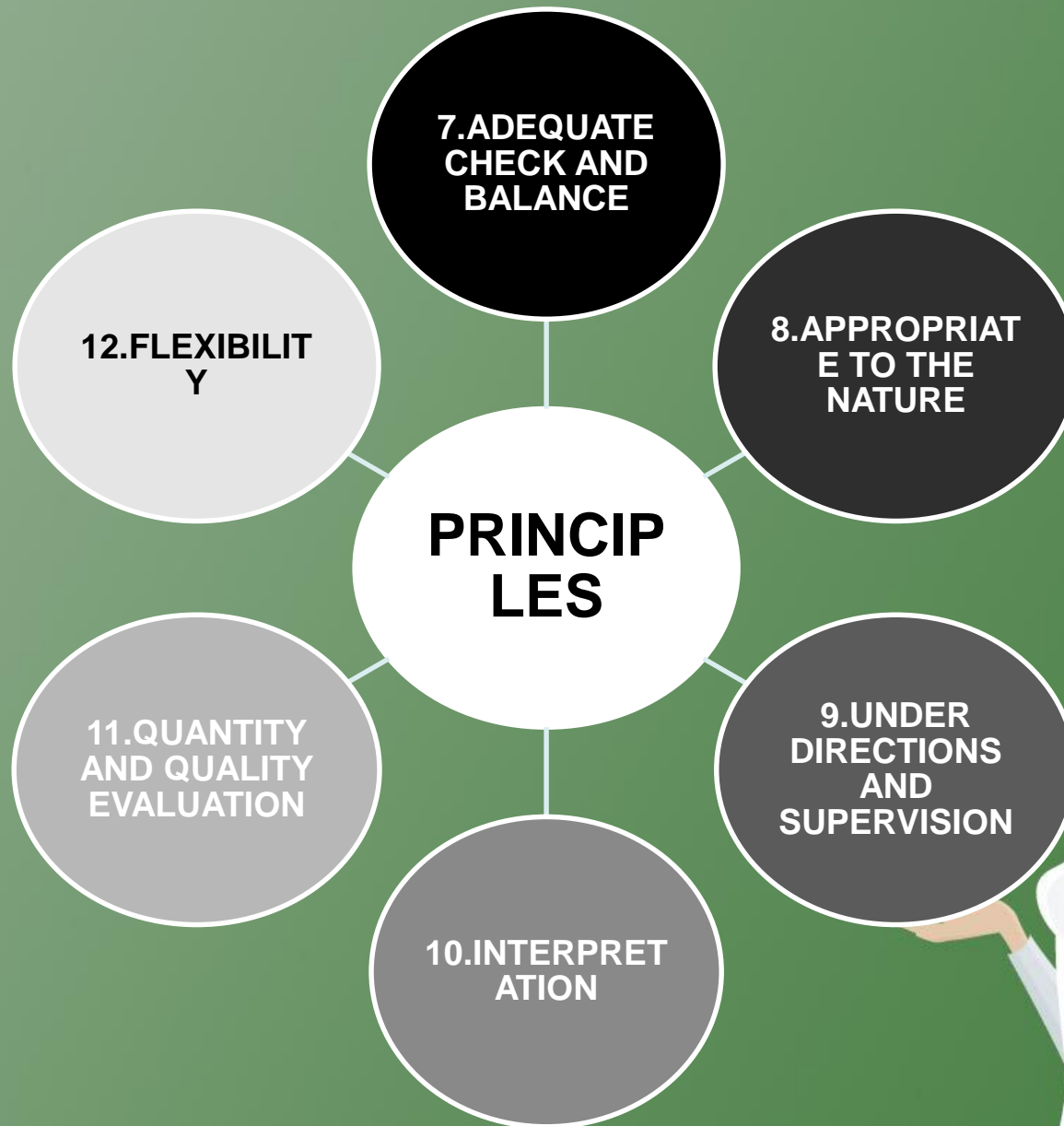
# DEFINITION:

- Budget is defined as a **numerical statement** expressing the plans, policies and goals of an organization for a definite period in future.
- Budget is a financial plan of the government for a definite period.



# PRINCIPLES OF BUDGETING:





1. A budget should provide **sound financial management** by focusing on the requirement of the organization.
2. A budget should **focus on objectives and policies** of the organization. It must flow from objectives and give realistic expression to the realization of such objectives.
3. A budget should ensure the most effective use of the available **financial and nonfinancial resources**.



4. A budget should ensure that programme activities are **planned in advance**.

5. This process requires **consistent assigning of fixed duties** and responsibilities to managers at different levels for planning/framing and executing the budget.





6. Budgeting should aim at ensuring **coordination** among the various departments, establishing a frame of reference for managerial decisions and providing criteria for evaluating managerial performance.

7. Utmost care must be taken in fixing targets. A budget should not adopt too high or too low estimates.



8. The budget period must be **appropriate to the nature** of the business or service and to the type of budget.

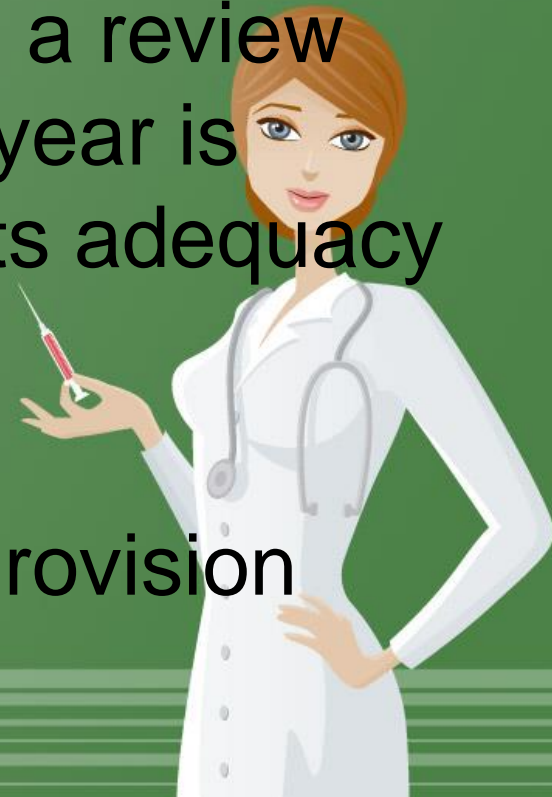
9. A budget is prepared **under the leadership** of the administrator or financial officer.



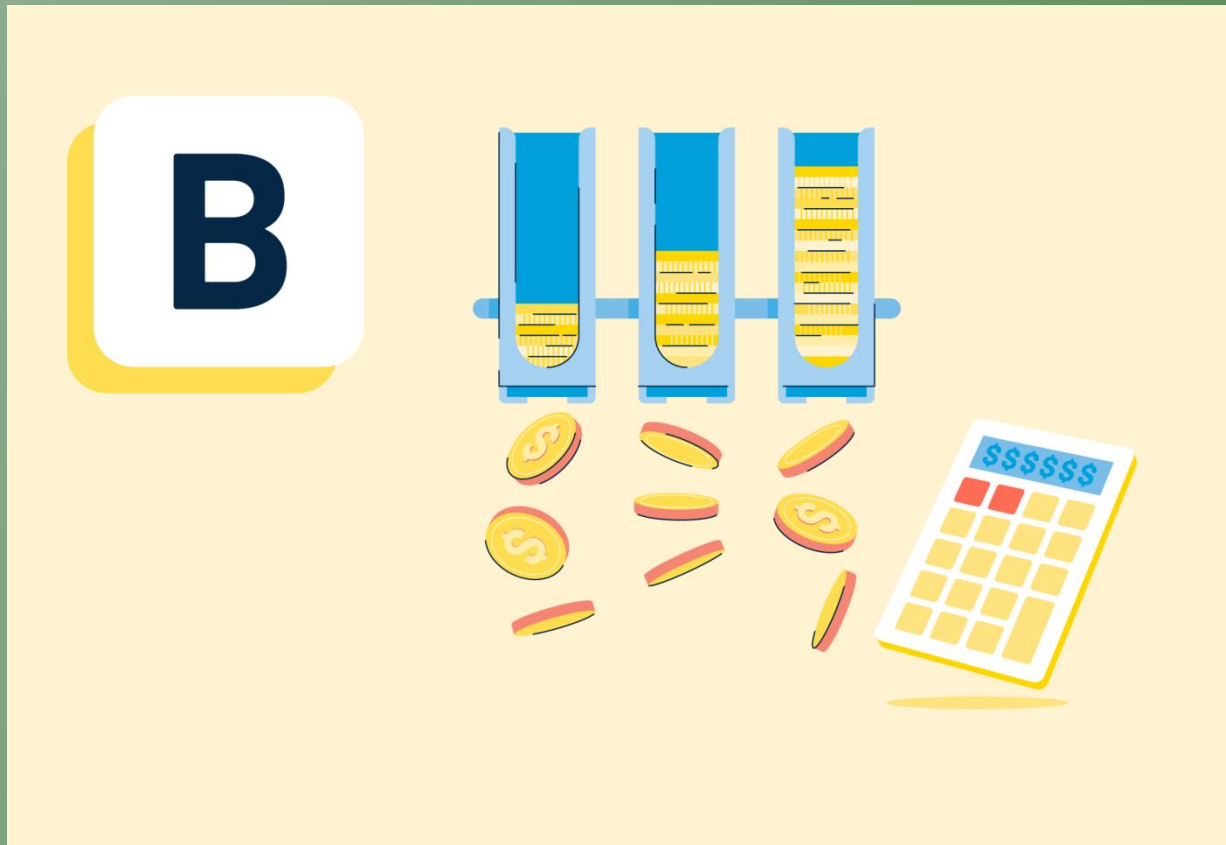
10. A budget should be prepared and **interpreted** in consistency with communicating the planning process in the organization.

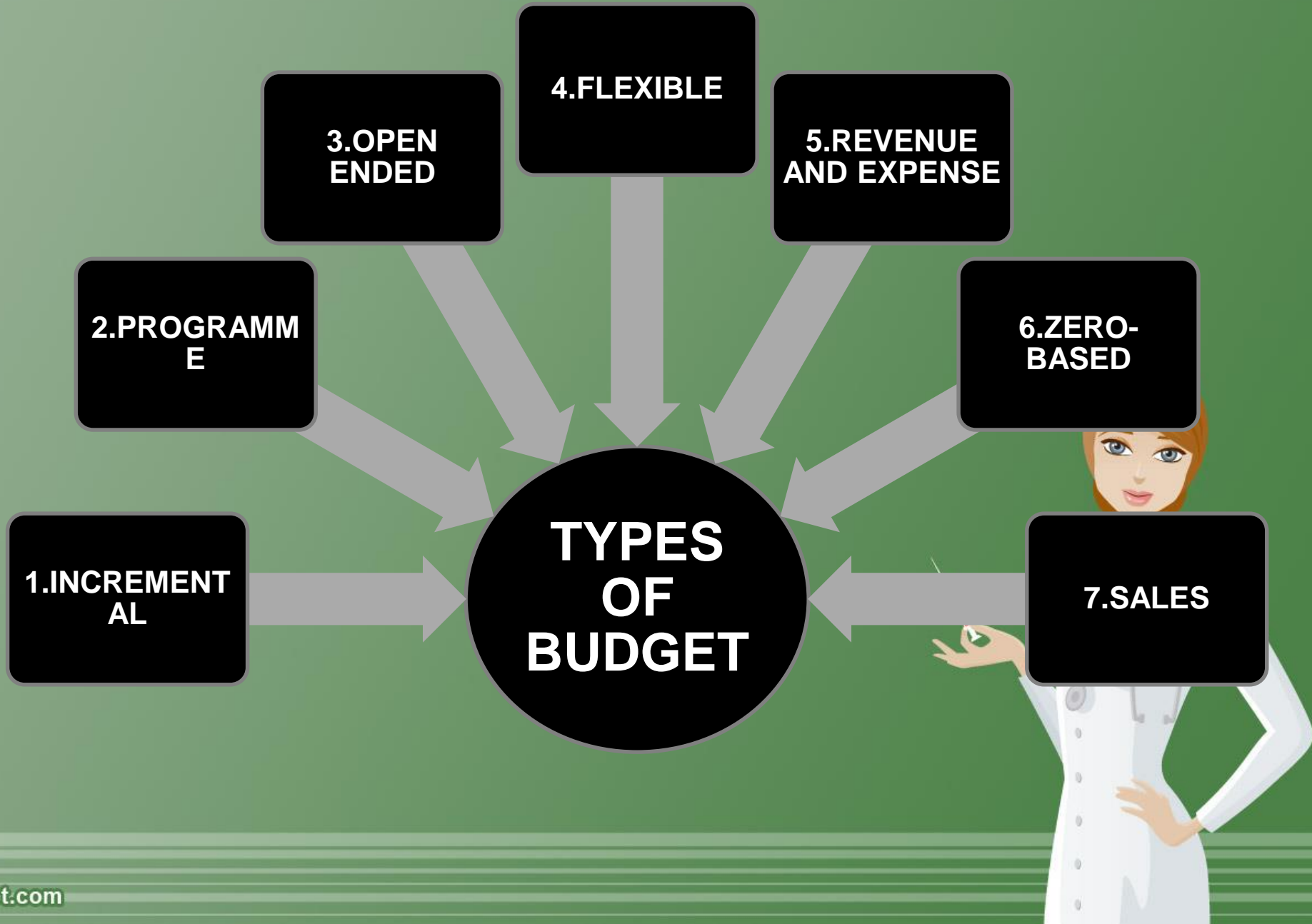
11. While working on the budget, a review the performance of the previous year is necessary and an evaluation of its adequacy both in **quantity** and **quality**.

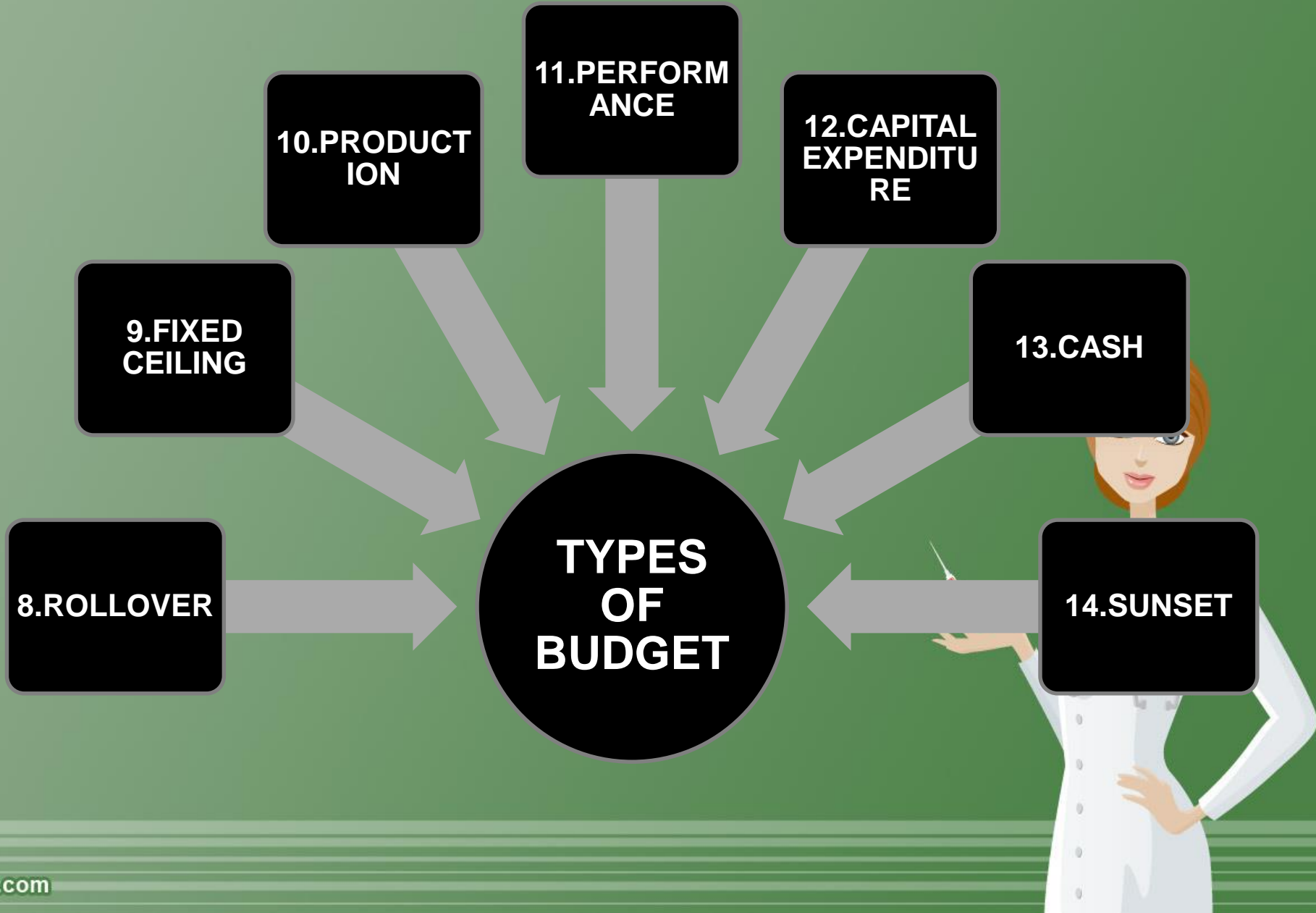
12. While developing a budget, provision should be made for its **flexibility**



# • TYPES OF BUDGET:







# 1. Incremental budget:

This is based on estimated changes in the present operation, allowing for a percentage increase for inflation, all of which is added to the previous year's budget.





## 2. Programme budget:

This is one where costs are computed for entire programme, i.e. group total costs for each service programme, e.g. Maternal and Child Health Programme (MCH), Family Planning Programme (FPP), Universal Immunization Programme (UIP), etc.



### 3. Open-ended budget:

This is a financial plan in which each operating manager presents a single-cost estimate for the optimal activity level for each programme in the unit, without indicating how the budget should be brought down if appropriate funding is not available.



## 4. Flexible budget:

This comprises several financial plans, each for a different level of programme activity. It is based on the fact that operating conditions rarely abide by expectations.



## 5. Revenue and expense budget:

This is expressed in financial terms and takes the nature of a proforma income statement for the future.

It may be prepared in a detailed form or abstract statement, reflecting the items of profit and loss under classified headings.



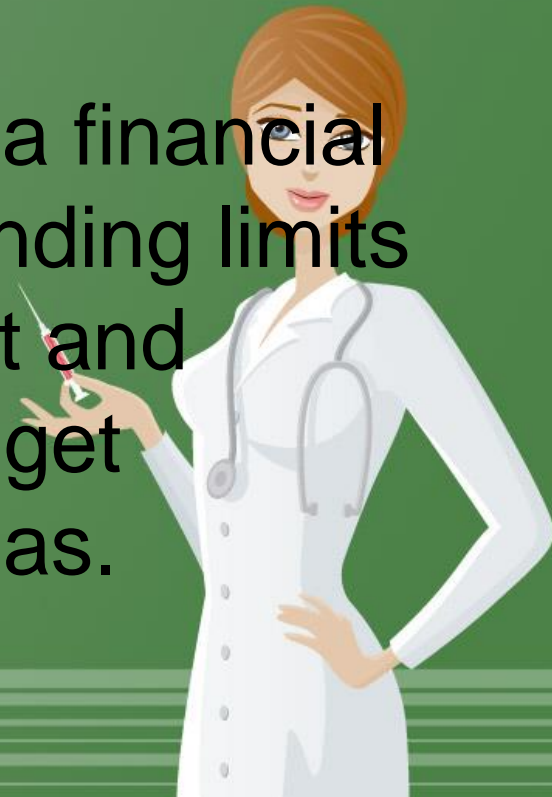
**6.Zero-based budgets:** This requires the nurse manager to examine and justify each cost of every programme, both old and new, in every annual budget preparation.

**7. Sales budget:** This is the starting point in a budgetary programme, since sales, activities gives shape to all other activities. Sales budgets are compiled in terms of quality as well as of value.



**8. Rollover budget:** This one forecasts programmes, revenues and expenses for a period more than a year, to accommodate programmes that are larger than the annual budget cycle.

**9. Fixed-ceiling budget:** This is a financial plan in which the uppermost spending limits are by the top executive. The unit and divisional managers develop budget proposals for their respective areas.



**10. Production budget:** This is the budget that aims at securing the economical manufacturing of products and maximizing the utilization of production resources.

**11. Performance budget:** This is based on functions not divisions, e.g. direct nursing care, in-service education, quality enhancement, nursing research.





**12. Capital expenditure budget:** This is prepared for assuring planned timely capital investment in the business to ensure the availability of capital at the right time over a longer period.

**13. Cash budget:** This is prepared by way of projecting the possible cash receipts and payments over the budget period.



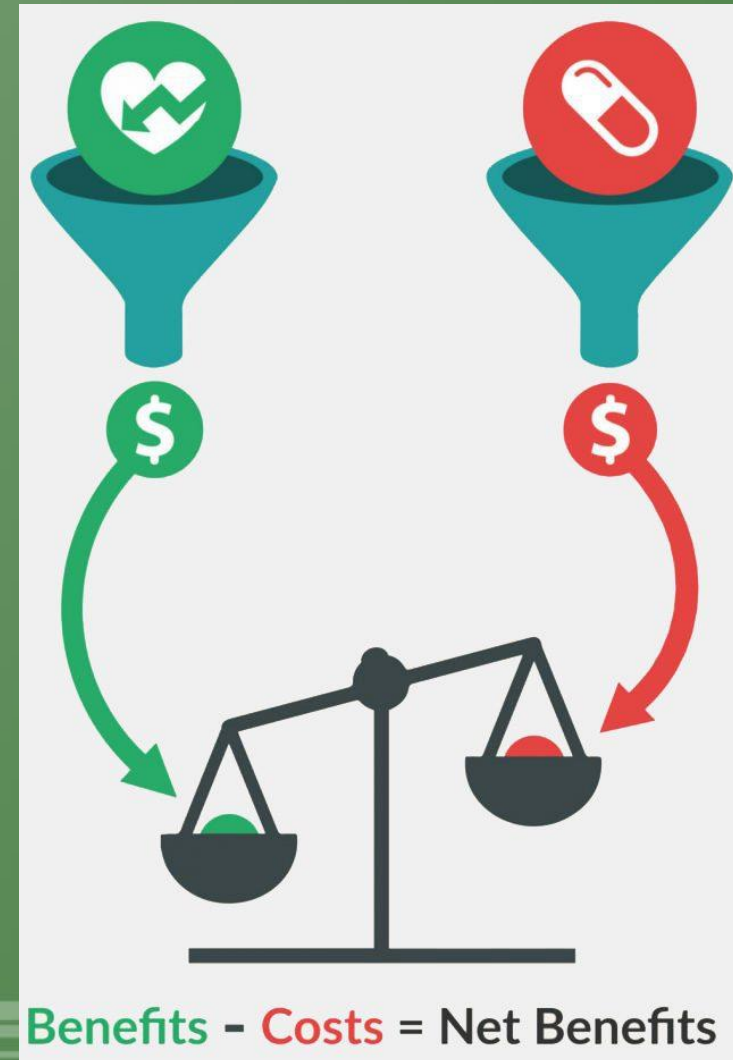
## 14. **Sunset budget:**

This is designed to 'self-destruct' within a prescribed time period to ensure the expenditure is stopped by a predetermined date.

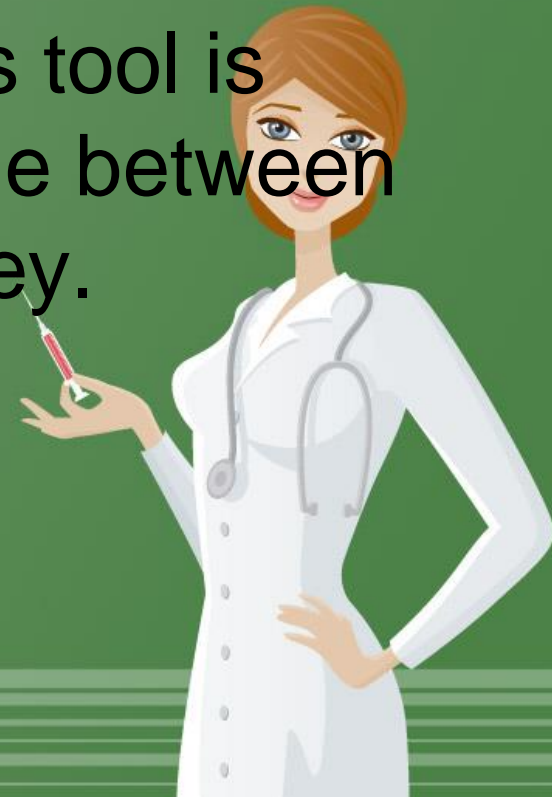


# COST-BENEFIT ANALYSIS:

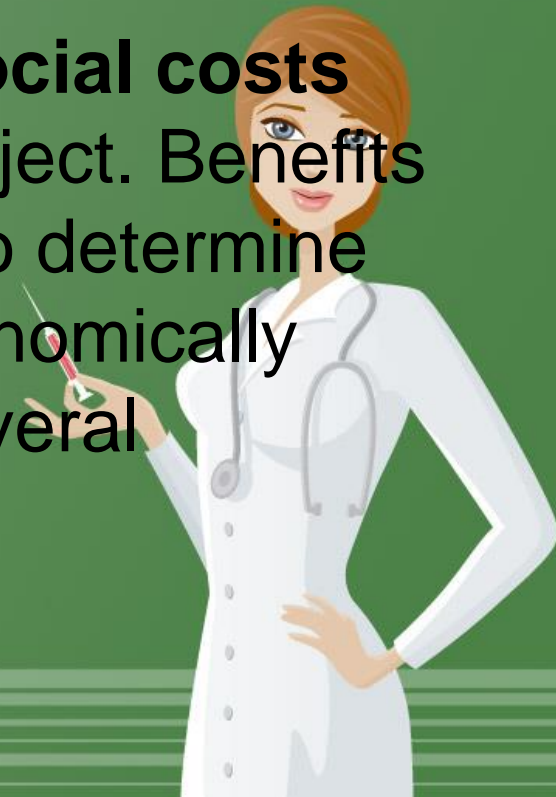
- Cost-benefit analysis (CBA) is a procedure by which all costs incurred in installing and operating a system are **assessed** and **converted to money**, and the ratio calculated defines the relationship of cost and benefits.



- CBA is true tool for the decision maker as he/she recognizes the difficulty in determining the costs and benefits of various alternatives. Use of this tool is purposeful while trying to decide between alternative expenditure of money.



- Cost-benefit ratio (Z) is defined as the **ratio of the value of benefits** of an alternative to the value of the alternative cost.  $Z = \text{present value of economic benefits} / \text{present value of economic costs}$ .
- CBA is designed to estimate the **social costs** and **benefits** attributable to the project. Benefits are expressed in monetary terms to determine whether a given programme is economically sound, and to select the best of several programmes considered.



# TECHNIQUES OF COST-BENEFIT ANALYSIS:

- First, the cost of the programme is estimated. Then the outcome (i.e. benefits) is estimated in terms of monetary units.
- The course of action that gives highest monetary returns for the lowest investment is regarded as the best one.



- In the health field, however, the benefits cannot be expressed in monetary terms. An attempt can, nevertheless, be made to translate the outcome (benefits) such as morbidity and mortality prevented by considering the direct and indirect cost.
- Direct costs saved are cost of drugs, hospitalization, investigations, etc. Indirect costs are saving of loss of wages, etc.





# AUDITING



# AUDITING:

**1. Audit:** A systematic and critical examination to examine or verify.

**2. Nursing audit:** The assessment of the quality of nursing care or use of a record as an aid in evaluating the quality of patient care.



### 3. Nursing care audit:

Assessment of the **quality of clinical nursing**; or audit related to the planning, delivery and evaluation of care. It is an important component of nursing care.

According to Goster Wafer, nursing audit is an exercise to find out whether good nursing practices are followed.





1. Examination of the books of **accounts and records** with a view to test the arithmetical accuracy and correctness in recording of transactions and their reliability.
2. Verification of the **balance sheet** and profit and loss account drawn in conformity with the accounts and records.
3. Ascertaining that proper accounting **principles** and **procedures** and **management policies** are followed.



4. Ensuring that books of accounts and records, as **required by law**, are kept.

5. Reporting on the balance sheet as to whether it reflects the **true and fair** state of affairs of the institution and the profit or loss of the institution.

6. **Inspection of all the documents**, records and books of accounts of the institution and opinions given on matters required by the recorded statistics.





METHODS

The word 'METHODS' is written in a blue, serif font. Several hands are interacting with the letters: a hand on the left holds a yellow pencil pointing at the 'M'; a hand points at the 'E'; a hand is positioned above the 'T'; a hand holds a yellow pencil pointing at the 'H'; a hand is positioned above the 'O'; and a hand is positioned to the right of the 'S'. The background is a light gray rectangle.



**1.CONTINOUS  
AUDIT**

**2.FINAL AUDIT**

**3.PERIODICAL  
AUDIT**

**4.INTERIOR  
AUDIT**

**5.BALANCE  
SHEET**

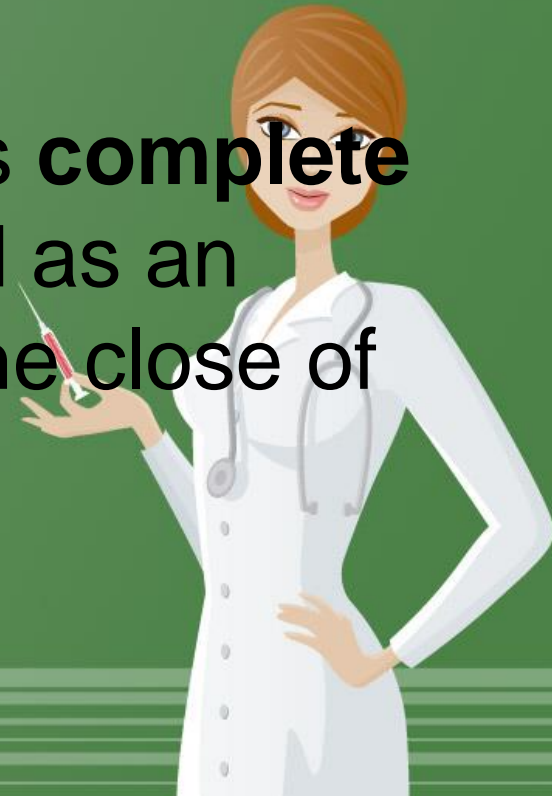


## 1. Continuous Audit:

Continuous audit is one in which the audit staff is engaged in **checking the accounts.**

## 2. Final Audit:

Final audit is otherwise known as **complete audit.** It is commonly understood as an audit, which is carried out after the close of the accounting year.



### 3. Periodical Audit:

Periodical audit refers to the audit at **periodical intervals**. During each visit, the auditor completes his work up to the period of the next visit.

### 4. Interior audit:

Interior audit is one where the auditor conducts the audit for a part of the **accounting year**.



## 5. Balance sheet:

This audit consists mainly of the **verification of each of the items** in the balance sheet.

This procedure will lead to a complete examination of the different items of expenditure and their allocation into capital and revenue.



# Materials Management

Functions  
Objectives



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# MATERIAL:

Materials may be defined as equipment, apparatus and supplies procured, stocked and utilized by an organization.

- Webster defined word material as 'relating to the **production and distribution** of economics, goods and social relationships of owners and labourers'.



# MATERIAL MANAGEMENT:

- Material management is defined as an important function of the management that involves coordinated efforts in planning, acquiring, purchasing , transporting, storing and managing the materials in better manner that serves the consumer to obtain the materials at an affordable cost.





- Material management is an incorporated functioning of acquiring the materials and other related activities in order to achieve optimum coordination and affordable expenditure in material management process.



# PURPOSE OF MATERIAL MANAGEMENT:

- It is important to
  - gain **economy** in purchasing.
  - satisfy **demand** during period of replenishment.
  - carry reserve **stock** to avoid stock out
  - **Stabilize** fluctuations in consumption



- provide a reasonable level of **client services**.
- increase **efficiency** of health care systems.
- develop **knowledge and skills** of health care.
- **provide materials** in required quantity as and when required.



# PROCESS OF MATERIAL MANAGEMENT:

1. Budgeting and material planning
2. Demand forecasting
3. Procurement
4. Receipt, inspection and payment
5. Storage
6. Inventory control
7. Issues and distribution
8. Usage
9. Maintenance
10. Disposal



# SUPPLIES AND EQUIPMENT:

- Quality nursing care is demanded everywhere, it is the right of the patient. Hence it is necessary to have all the equipment and supplies for good nursing.
- If the equipment is not of good quality, lacking good functioning capacity, then it complicates the life of the patient in the hospital.



# ABC Analysis

**A**

- Expensive Inventory
- Accurate Control Required

**B**

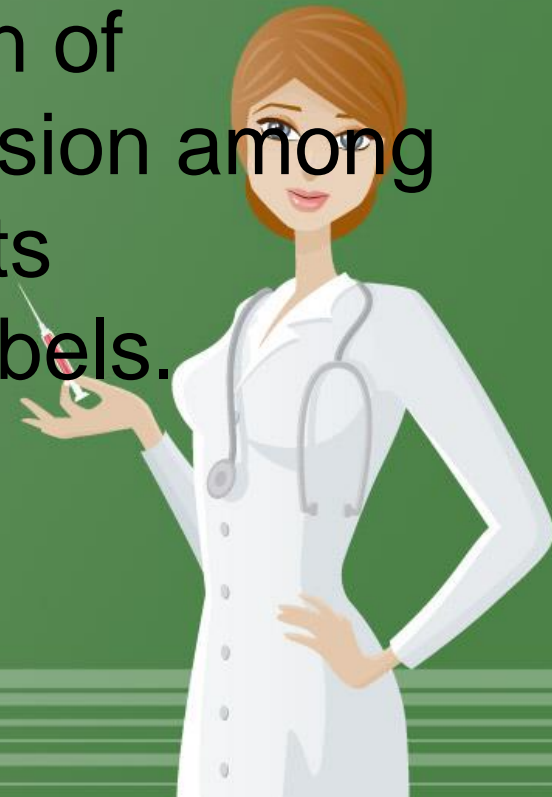
- Moderate Value Inventory
- Moderate Control Required

**C**

- Low Cost Inventory
- Minimum Control Required

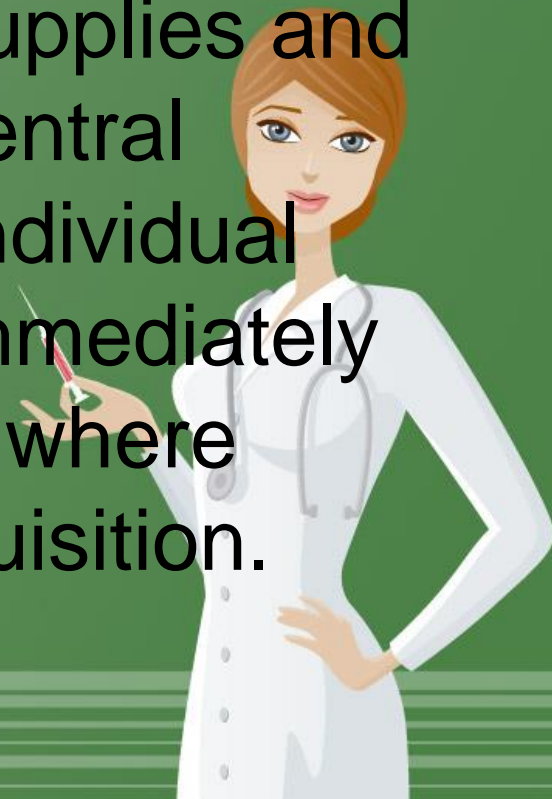


- Hence the head nurse should be given the responsibility to indent or write requisition for needed equipment along with their rationale towards the nursing care.
- Constant change in the position of equipment place creates confusion among the staff hence it should have its permanent spaced with neat labels.





- Keys should be available all the time and every staff should know where the keys are kept in order to avoid confusion especially in emergency situation.
- The best way to manage the supplies and equipment is by establishing central supply of equipment in every individual hospital where the items are immediately transferred to the departments where these are needed after the requisition.



- The head in charge should be responsible to manage the stored articles. He should be held responsible to obtain and store adequate articles and supplies in each ward.
- It is his responsibility to orient the equipment handling to avoid misuse of such equipment and keep the equipment damage free.



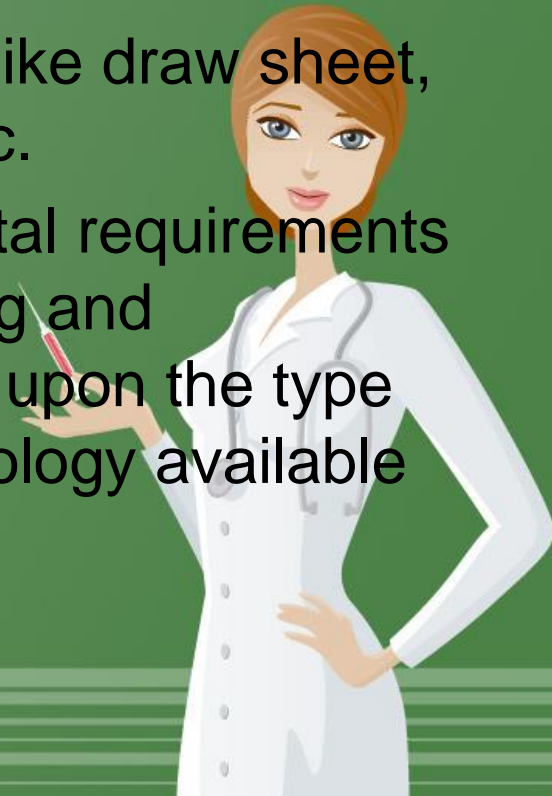
### 3 important steps to ensure the adequate availability of stocks and supplies in ward:

1. Set a universally approved standard system for maintaining the quality and the quantity of each item in the ward.
2. Maintain an approved system for replacement of damages or broken equipment in the ward.
3. Always have the system of conducting regular inventory on all the items.



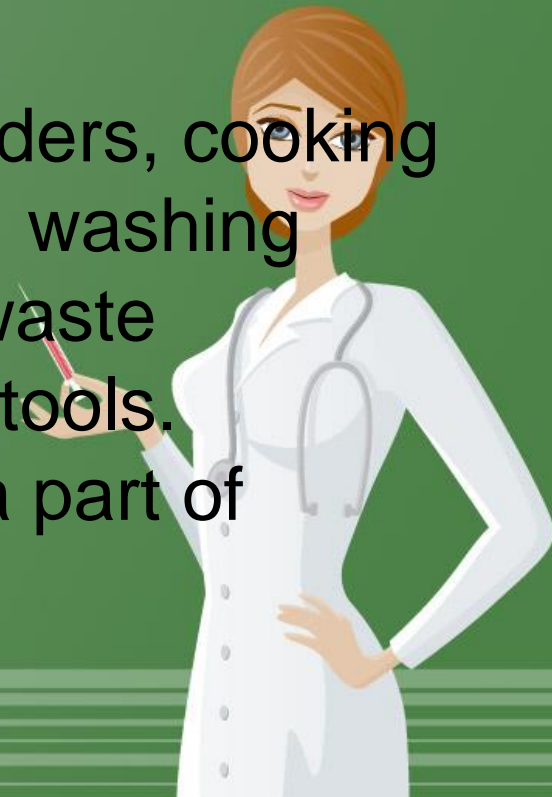
# DESCRIPTION OF SUPPLIES

- Materials required in the hospital for diagnosing and treating of ailments, such as cotton, bandages, gauze or other dressing materials, syringes, needles, forceps, splints, plasters, trays, bottles, linens, utensils, that are related directly or indirectly to the treatment.
- Supplies may also include items of linen like draw sheet, bedcover, mattresses, pillows, masks, etc.
- A comprehensive list of supplies of hospital requirements has to be prepared and will need updating and modification from time to time depending upon the type of expertise, personnel or levels of technology available in the hospital.



# DESCRIPTION OF EQUIPMENT:

- These include various types of furniture, and other instruments and equipment required are sterilizers, X-ray machines, other diagnostic equipment like auto analysers, cell counters and arterial blood gas analysers.
- Oxygen and nitrous oxide gas cylinders, cooking LPG cylinders, mechanical laundry, washing machines and incinerators for bio-waste management may also be used as tools. Ambulances and vehicles are also a part of supplies.



# ***Directing is a key managerial function***





# DIRECTING PROCESS:

- DEFINITION:

Direction is a complex function that includes all those activities that are designed to **encourage subordinates to work effectively** and efficiently in both the short and long run.

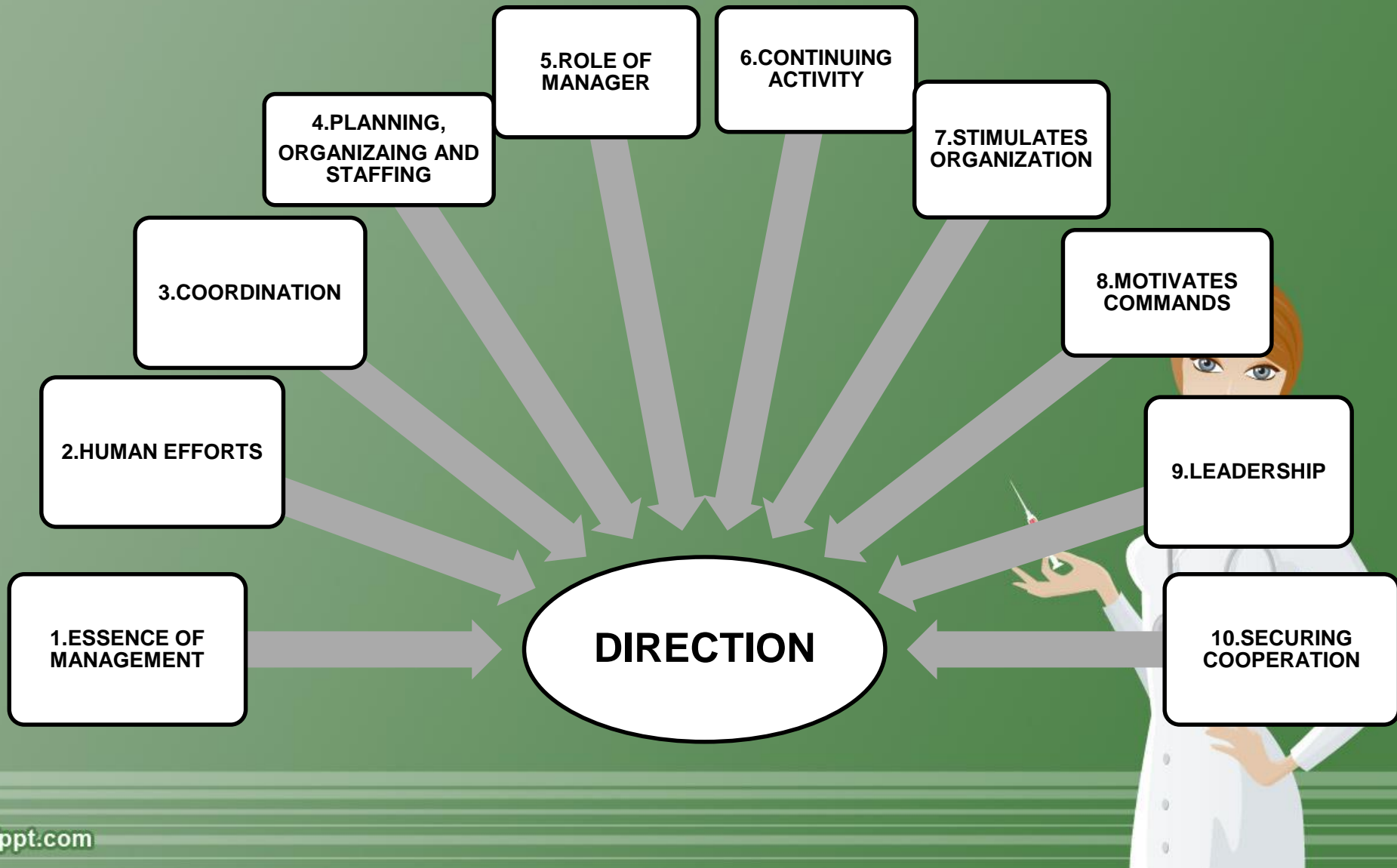




- Direction directly concerns the total manner in which a manager **influences the action of subordinates**. It is the final action of a manager in getting others to act after all preparations have been completed.



# CHARACTERISTICS OF DIRECTION:



1. Direction is one of the important functions of management and it is also considered the **essence of management.**

*Example:* Even if a hospital has planned patient care well, without instructions to nurses, work will not be executed. (plans into action)



# Cont..

2. **human efforts** *Example:* The Head Nurse tells a staff nurse, “*Check all dengue patients’ IV lines today.*”

3. **coordination:** It integrates efforts of different people and departments toward one goal.

◆ *Example:* In an Operation Theatre, the surgeon, anesthetist, nurse, and technician work together under direction.



- **4. Planning, Organizing and Staffing**

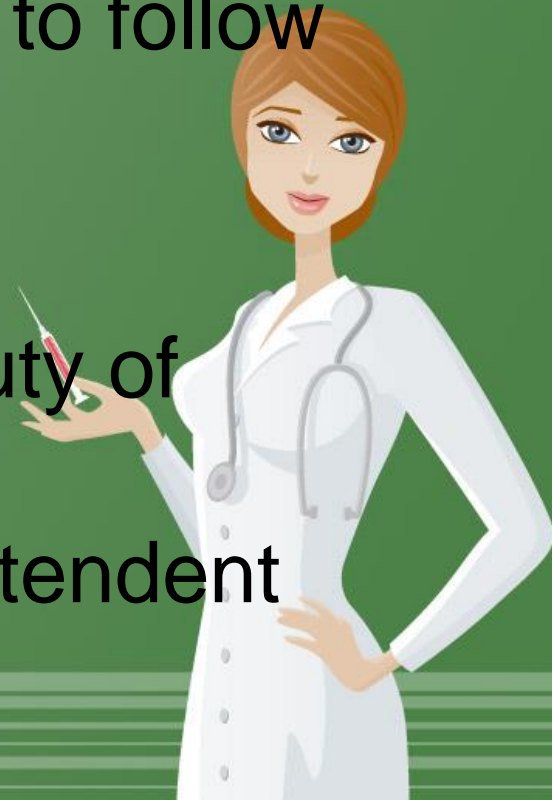
- ➞ Direction puts these functions into practice.

◆ *Example:* A college prepares a student rotation plan (planning & staffing) → The clinical instructor directs students to follow it in the ward.

- **5. Role of Manager**

- ➞ Giving direction is a primary duty of managers.

◆ *Example:* The Nursing Superintendent allocates duties to staff nurses.

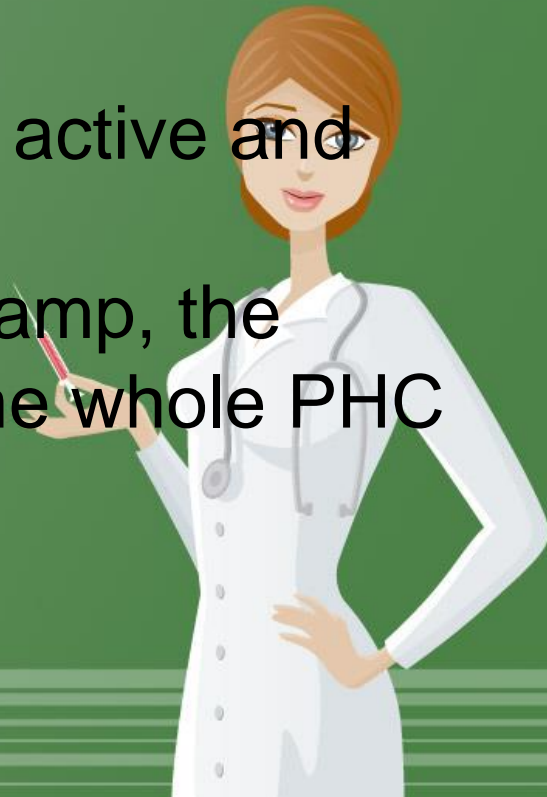


- **6. Continuing Activity**

- ☞ Direction is an ongoing and continuous process.
  - ◆ *Example:* The Head Nurse gives daily morning instructions to staff during rounds.

- **7. Stimulates Organization**

- ☞ Direction keeps the organization active and dynamic.
  - ◆ *Example:* For a blood donation camp, the Medical Officer motivates staff → the whole PHC becomes active.



- **8. Motivates Commands**

- ☞ Orders should inspire and motivate subordinates.

◆ *Example: “Let us all work together to make today’s ANC camp a success!”*

- **9. Leadership**


- ☞ The manager acts as a leader and guides the team.

◆ *Example: A Matron personally joined COVID patient care → the staff felt encouraged and motivated.*





- **10. Securing Cooperation**

-  Direction helps in securing cooperation from all employees.

◆ *Example:* During an epidemic, ANM, ASHA, and Anganwadi workers cooperated to complete household surveys.



# CONTROLLING:QUALITY MANAGEMENT

- Control is **checking** current performance against predetermined standards contained in the plans with a view to ensuring adequate progress and satisfactory performance.

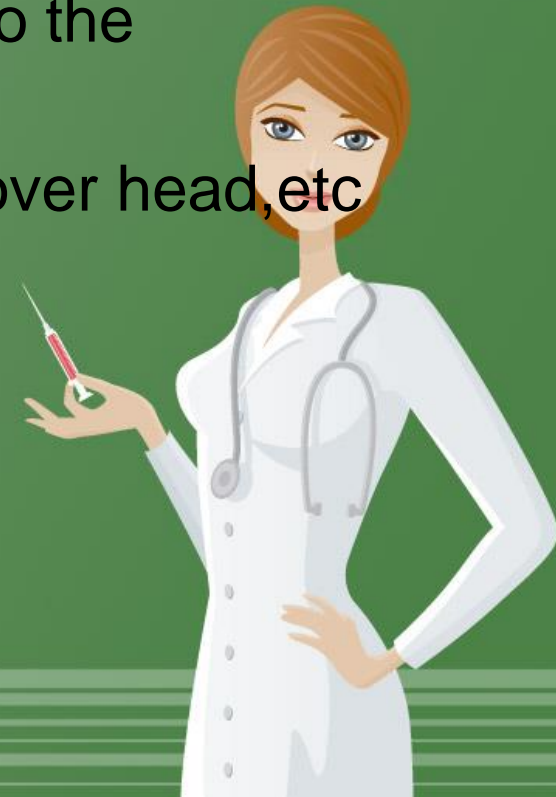


- Controlling is determining **what is being accomplished**, that is evaluating the performance and if necessary applying correctives so that the performance takes place according to plans.



# CONTROLLING CONSISTS OF THE FOLLOWING ACTIVITIES:

1. Control over **policies** of an enterprise.
2. Control over **organization**.
3. Control over the **personnel** employed in a concern.
4. Control over **wages** and **salaries** paid to the employees.
5. Control over **costs** of material, labour, over head, etc
6. Control over **capital expenditure**.
7. Control over **production**
8. **Overall control**



# TYPES OF CONTROL SYSTEM:

1. Budgeting
2. Internal auditing
3. External auditing
4. Reports
5. Standing order and limitations
6. Job description
7. Personal observation/supervision
8. Programme evaluation and review technique(PERT)
9. Human resources accounting



# PERT

Program Evaluation  
and Review Technique



- PERT is a conceptual work **evaluation model** devised to assess the time required to complete the task and procedures to do an project.
- PERT is more **event oriented** than being start and end oriented.
- This model helps the management to analyse a **project work** and estimate the **duration** required to complete it.





# DEFINITION:

- PERT is a **work model** devised to complete the project **work in time**. It analyses the actual work time required to complete a task.

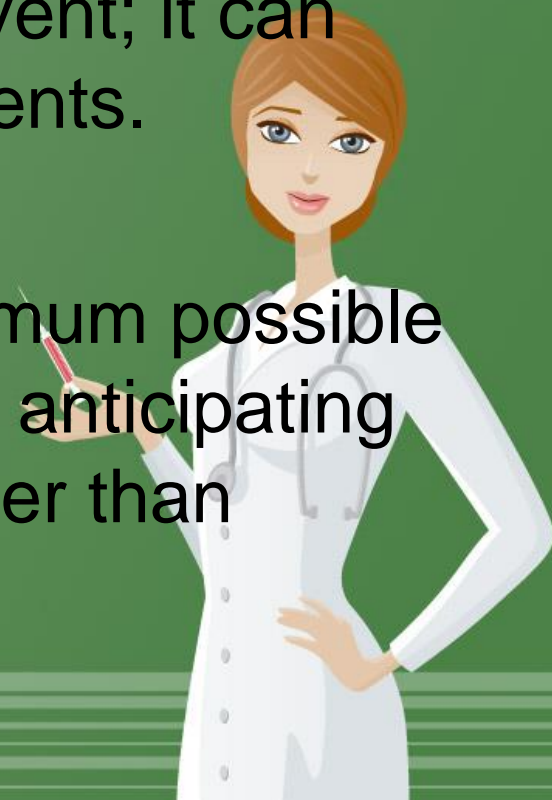


# COMPONENTS OF PERT MODEL:

- Every activity consumes time and needs adequate resources such as manpower, material, space and machinery to change or move one event to other.
- The components of the PERT activity are as follows:

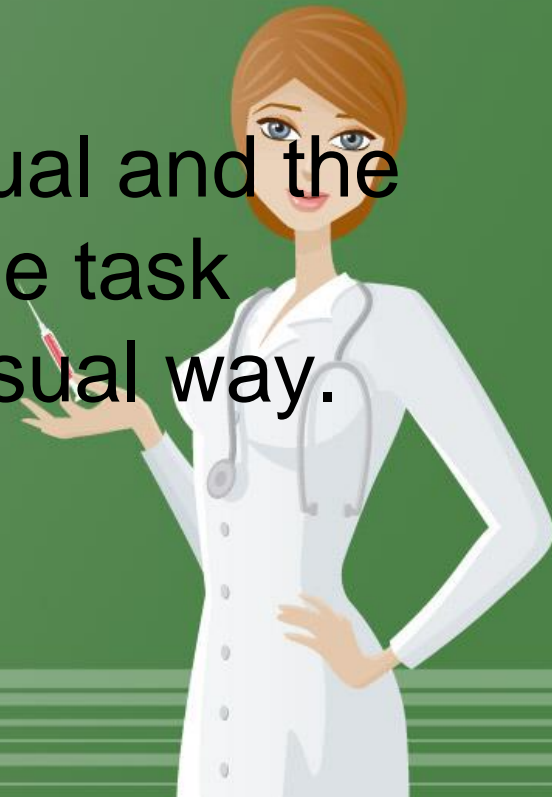


1. **Predecessor event:** It is an event that precedes some other event; it can be single or multiple.
2. **Successor event:** It is an event that immediately follows some other event; it can have single multiple successor events.
3. **Optimistic time (O):** It is the minimum possible time required to complete the task anticipating that every event has occurred better than usually expected



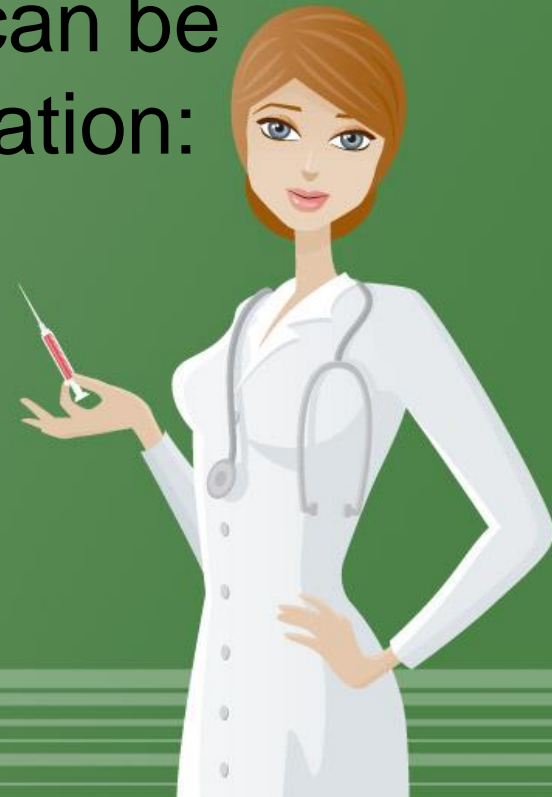
**4. Pessimistic time (P):** This means the maximum possible time required to complete the given task, expecting or assuming everything goes wrong except the main catastrophes.

**5. Most likely time (M):** The actual and the best time required to complete the task assuming everything goes in a usual way.



**6. Expected time or the very best time (TE):** The accurate or the actual time required to complete the task. It is the most reliable and valid time estimated to complete a task. It can be calculated using the following relation:

$$TE = ( O + 4M + P ) / 6$$



# STEPS IN THE PERT PLANNING PROCESS:

1. Identifying the specific **activities** and **milestones**
2. Determining the **proper sequence** of the activities
3. Constructing a **network diagram**
4. Estimating the **time required** for each activity
5. Determining the **critical path**
6. **Updating** the PERT chart as the project progresses



# BENEFITS OF PERT:

1. Enables to determine the **exact date of completion** of the task.
2. Completion of work is possible **before the specified date**.
3. Critical path activities specify the **main impact** in completion of activities in time.
4. **Slack time** can be noted out early.
5. Entire project data can be organized and used for decision making.





6. **Prevents overlapping** of activities, creates better understanding of the task activities.
7. Helps **to identify** early start, late start and the slack-time activity.
8. Identifies the **accurate critical path** visible and clear to all.
9. Helps **to prevent** loss of money, material and time.
10. Allows the management to **economically use** the resources, estimate time management and evaluate the work done in time.



# BENCH MARKING:



# DEFINITION:

- Benchmarking is defined as the continuous process **to identify and implement** the best practices, which leads to superior or excellent performance.



# PURPOSES OF BENCHMARKING:

1. To improve the **competitive position** of a company
2. To gain a better **understanding of efficiency**, effectiveness of business processes
3. To recognize the **strength and weakness** of the company's business
4. To create **a positive** driving force in the company thereby promoting more profits
5. To learn from those who are **excelling in performance**



6. To incorporate the **best practices** made possible through benchmarking
7. To widen the **organization's experience** by creating insight into the methodology used to do work
8. To **pool** the resources or ideas for improvement of organizations
9. To **perform objectives** evaluation of companies business
10. To **check the process** of management in terms of quality, speed and service



# PROCESS OF BENCHMARKING:

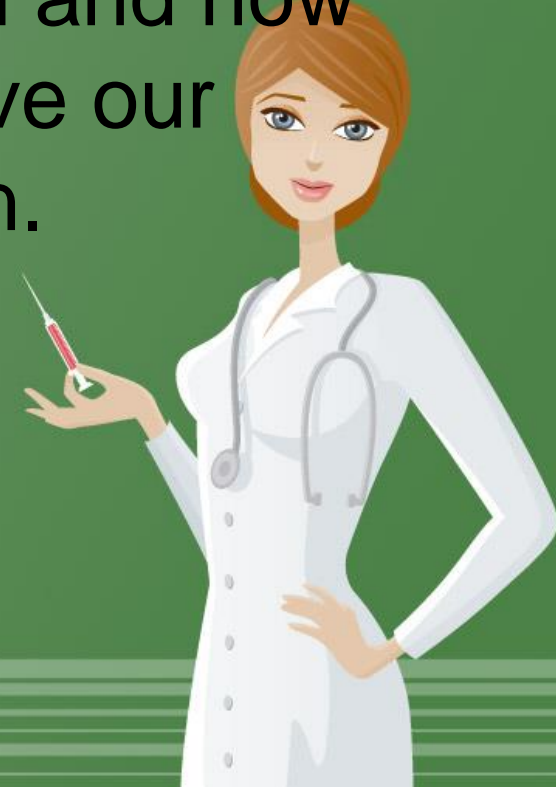
- **Phase 1: Planning**

Benchmarking involves deciding what is to be benchmarked, who are the members and partners, and what data collection methods are going to be employed. Through this one will come to know how to understand the business strategy in a better way.



- **Phase 2: Analysis of Benchmarking**

It involves analysing the performance of the partners, and comparing their work to figure out how and why they are better. What we understood from them and how we can use and apply to improve our performance in the organization.





- **Phase 3: Integration of Benchmarking**

- It involves developing the goals and combining them to perform standard benchmarking to improve the performance.

- Main focus is on whether the management agrees on the findings, whether there is any need to modify goals based on findings, and whether all the goals are clearly explained to all partners involved or not.



- **Phase 4: Action in Benchmarking**

This phase involves creation of action phase based on modified goals. There is recalibration of benchmark in this phase. It involves new plans to achieve the goals, plans to evaluate progress and work schedule for recalibration of the benchmarks.



# GANTT CHART(ACTIVITY PLAN):

- It is defined as a graphical device that illustrates the tasks, machines, personnel and resources used to complete a task.
- It is always done on a calendar-oriented grid.



# Components of Gantt Chart:

- It has a horizontal bar with open triangular drawing showing the start and the finish date of a project.

**1. Horizontal axis:** It represents time scale expressed as absolute time from the project start to its end. Horizontal bar indicates time needed to do the project.



## 2. **Vertical marker or vertical axis:**

a. It is used to represent the present point in time, vertical lines are indicated to denote progress and completion.

b. It has open start triangle and finish triangle in vertical line that helps everybody to understand progress and end of the project schedule.



3. **Broken lines:** These indicate gap or slippage times during the project schedule.

4. **Diamond symbol:** It indicates rescheduled work.



# Advantages of Gantt Chart:

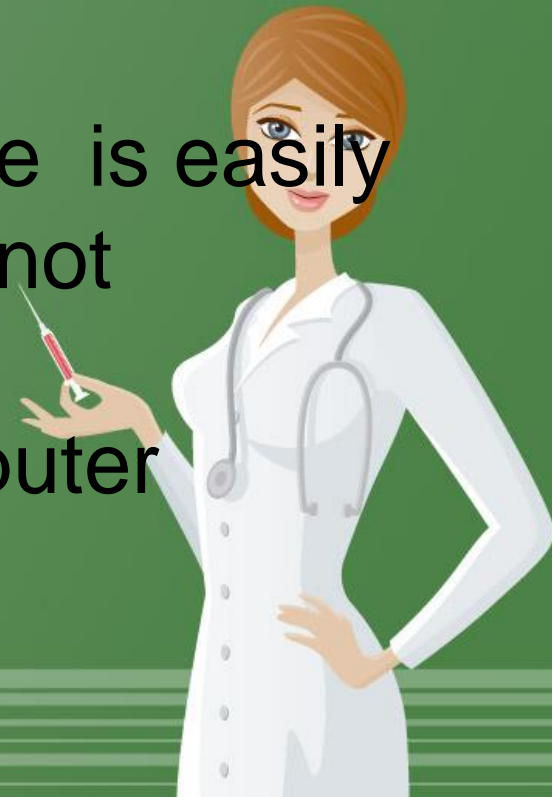
1. Excellent tool to communicate wide population around the world.
2. At a single glance, work done can be analysed quickly through the work breakdown structure (WBS).
3. It is used as a reporting tool for larger projects.
4. It gives cost, time and scope of the project.





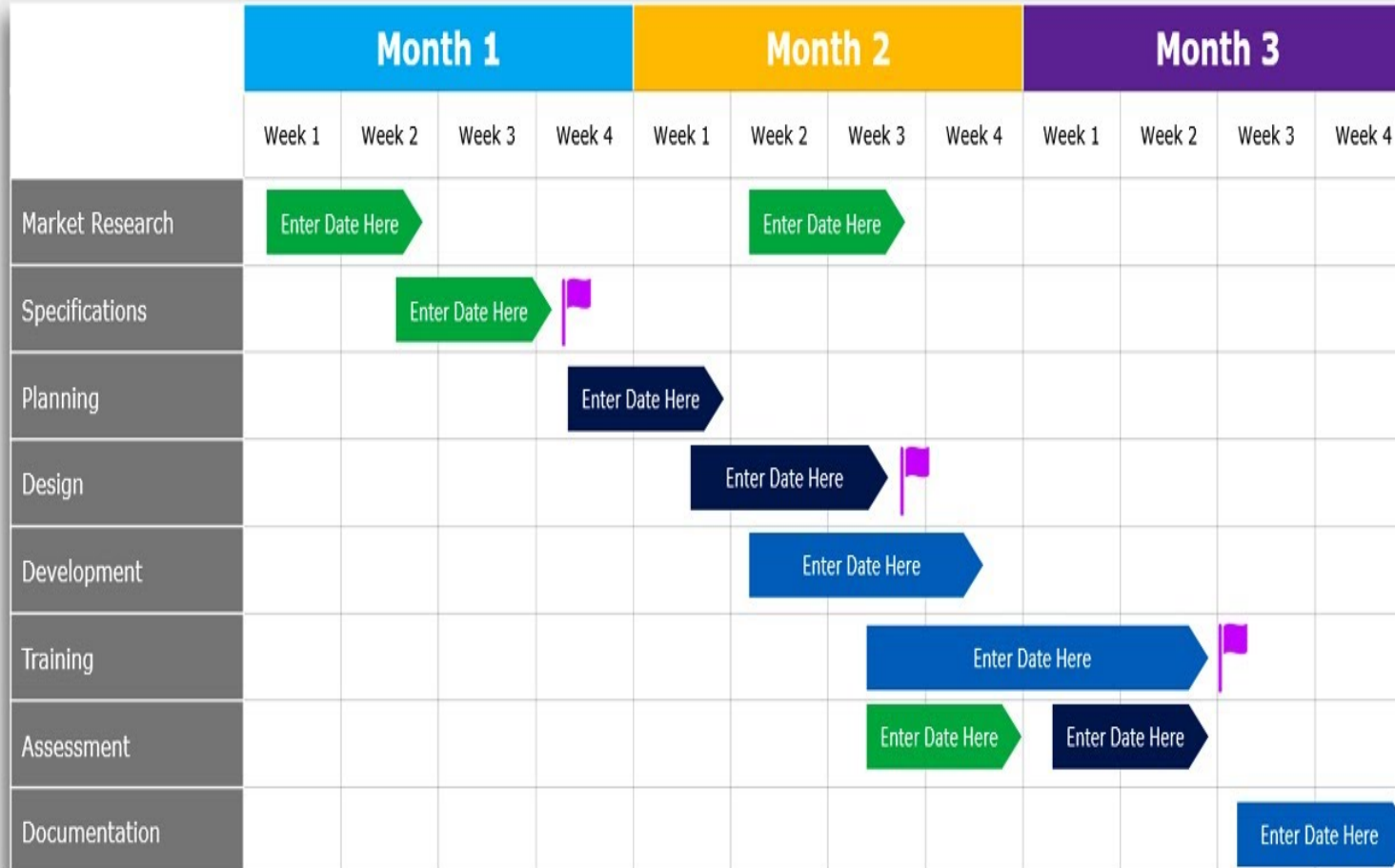
# Disadvantages of Gantt Chart:

1. It cannot effortlessly display more than 30 activities.
2. It is valuable only for short projects.
3. Chart can communicate only little information at a time.
4. Magnitude behind the schedule is easily miscommunicated, since it does not represent full size of the project.
5. It is not suitable for most computer displays.



# GANTT CHART

3 Months activity



Team A



Team B



Team C



Milestones





**Thank You**