# STUDY OF TIME MANAGEMENT BY HEAD NURSES IN BENHA UNIVERSITY AND BENHA TEACHING HOSPITALS

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*By*


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## Introduction:

Historically, nursing management played a limited role in determining resource allocation in healthcare institutions. Nurse managers were given budgets without any rationale and were not allowed input. During the last 20 years, healthcare organizations have grown to recognize the importance of nursing input in fiscal planning, and unit managers are now expected to be well versed in financial matters.

Unit managers play a critical role in forecasting trends in census and activity and supply and equipment needs at the unit level because they are involved in daily operations and see firsthand the unit's functioning. Forecasting involves making an educated budget estimate using data from the past to enhance judgment. The unit manager also can best monitor and evaluate all aspects of a unit's budget control. The unit manager also has a responsibility to communicate budgetary planning goals to staff just as they do other types of planning.

## Definition:

A budget is a plan that uses numerical data to predict the activities of an organization over a period of time.

## Basics of Budget:

The desired outcome of budgeting is maximal use of resources to meet organizational short and long term needs. The budget's value is directly related to its accuracy; the more accurate the budget blueprint, the better the institution can plan the most efficient use of its resources.

In the budget, expenses are classified as fixed or variable and either controllable or noncontrollable. Fixed expenses do not vary with volume, while variable expenses do. Examples of fixed expenses might be a building's mortgage payment or a manager's salary; variable expenses might include the payroll of hourly wage employees and the cost of supplies. Controllable expenses can be controlled or varied by the manager, while non-controllable expenses can not. For example, the unit manager can control the number of personnel working on a certain shift and the staffing mix; he or she cannot, however, control equipment depreciation, the number and type of supplies needed by patients, or overtime that occurs in response to an emergency.

## Steps in the Budgetary process:

1- Determine the requirements of the budget. Historically, top-level managers frequently developed the budget for an institution without input from middle or first level managers. Budgeting today generally reflects input from all levels of the organizational hierarcy. Unit managers develop goals, objectives, and budgetary estimates with input from colleagues and subordinates. Budgeting is most effective when all personnel using the resources are involved in the process. Managers, therefore, must be taught how to prepare a budget and must be supported by management throughout the budgeting process.

2- Develop a plan. The budget plan may be developed in many ways. a budgeting cycle that is set for 12 months is called a fiscal-year budget. This fiscal year, which may or may not coincide with the calendar year, is then usually broken down into quarters or subdivided into monthly, quarterly, or semiannual periods. Most budgets are developed for a 1-year period, but a perpetual budget may be done on a continual basis each month so that 12 months of future budget data are always available. Selecting the optimal time frame for budgeting also is important.

3- Analyze and control the operation. Monitoring and analyzing the budget must be ongoing to avoid inadequate or excess funds at the end of the fiscal year. In most healthcare institutins, monthly computerized statements outline each department's projected budget and any deviations from that budget. Each unit manager is accountable for budget deviations in their unit.
4- Review the plan. The budget is reviewed periodically and modified as needed throughout fiscal year. With each successive year of budgeting, managers can more accurately predict their unit's budgetary requirements. Managers develop a more historical approach to budgeting as they grow more adept at predicting seasonal variations in the population they serve or in their particular institutions.

## Stages of the budget:

For practical purposes there are three stage of development of the nursing budget: 1) the formulation stage, 2) the review and enactment stage, and 3) the execution stage.

### Formulation stage:

The formulation stage is usually a set number of months (6 or 7) before the beginning of the fiscal year in which the budget will be executed. During this period procedures are used to obtain an estimate of the funds needed, funds available, expenses, and revenue. These procedures and instructions for performing them should be communicated to nursing administrators and unit or cost center managers by the budget officer.

Financial reports of expenses and revenues will be analyzed by the chief nurse executive, department heads, and cost center managers. One of the first steps in writing a budget is gathering data for accurate prediction of expenses (costs) and revenues (incomes).

**Review and enactment stage:** review and enactment are processes of budget development that put all the pieces together for approval of a final budget. Once the cost center managers present their budgets to the hospital budget council, the chief nurse executive will consolidate the nursing budget. It will then be further consolidated into an organizational budget by the budget officer. Approval will be made by the chief executive officer of the organization and governing board. During this entire process there will be conferences at which budget adjustments are made.

Preparation of a sound budget by nurse administrators and cost center managers will ensure favorable action by the budget committee.

**Execution stage:** execution of the budget involves directing and evaluating activities. The budget is executed by the nurse administrators and managers who planned it. Revisions in execution of the budget may be planned at stated intervals, frequently once or twice during the fiscal year. There will also be procedures of revaluating the budget at cost center levels. budgets are prepared for either fiscal years or calendar years depending on policy of the organization.

## Types of budgets:

There are three major types of expenditures that concern the unti manager: personnel, operating ,and capital budgets.

**The personnel budget:**

The largest of the budget expenditures is the workforce or personnel budget because healthcare is labor intensive. The prudent manager uses historical data about unit census fluctuations when forecasting short and long term personnel needs. Likewise, a manager must monitor the personnel budget closely to prevent understaffing or overstaffing. As patient days or volume decreases, managers must decrease personnel costs in relation to the decease in volume.

In addition to number of staff, the manager must be cognizant of the staffing mix. The manager also must be aware of the institutions's patient acuity so that the most economical level of nursing care that will meet patient needs can be provided.

Most staffing is based on a predetermined standard. This standard may be addressed in hours per patient day (medical units), visits per month (home health agencies), or minutes per case (the operating room). Because the patient census, number of visits, or cases per day never remain constant, the manager must be ready to alter staffing when volume increase or decreases. In addition, sometimes the population and type of cases change so that the established standard is no longer appropriate.

Normally the standard is adjusted upward or downward once a year, but staffing is adjusted daily depending on the volume.

**The operating budget:**

The operating budget is the second area of expenditure that involves all managers. The operating budget reflects expenses that flex up or down in a predetermined manner to reflect variation in volume of service. Included in this budget are such daily expenses as the cost of electricity, repairs and maintenance, and medical surgical supplies.

Next to personnel costs, supplies are the second most significant components in the hospital budget. Effective unit managers should be alert to the types and quantities of supplies used in their unit. They also should understand the relationship of supplies used in the unit to patient mix, occupancy rate, technology requirements, and types of procedures performed on the unit; this way, they will be able to identify benchmarks for major supplies used on the unit.

**Capital budget:**

The third type of budget used by managers is the capital expenditure budget. Capital budgets plan for the purchase of buildings or major equipment, which include equipment that has a long life, is not used in daily operations, and is more expensive than operating supplies.

Capital budgets are composed of long term planning or a major acquisitions component, and a short – term budgeting component. The long-term major acquisitions component outlines future replacement and organizational expansion that will exceed 1 year. Examples of these types of capital expenditures might include the acquisition of a computed tomography

## Budgeting methods:

Budgeting is frequently classified according to how oftenit is done and the base on which budgeting takes place. Two of the most common budgeting methods are incremental budgeting, also called flat percentile increase budgeting and zero based budgeting. Incremental or the flat percentage increase method is the simplest method for budgeting. By multiplying current year expenses by a certain figure, usually the inflation rate or consumer price index, this method arrives at the budget for the coming year. Although this method is simple, quick, the requires little budgeting expertise on the part of the manager, it is generally inefficient fiscally because there is no motivation to contain costs and no need to prioritize programs and services.

In comparison,managers who use zero-based budgeting must requsify their program orneeds every budgethincycle. This method does not automatically assume that because a program has been funded in the past, it should continue to be funded. The use of a decistion package to set funding priorities is a key feature of zero-based budgeting