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THE MANAGEMENT OF ISSUES IN COMMUNITY PHARMACIES

BY

DANIE JACOBUS THERON

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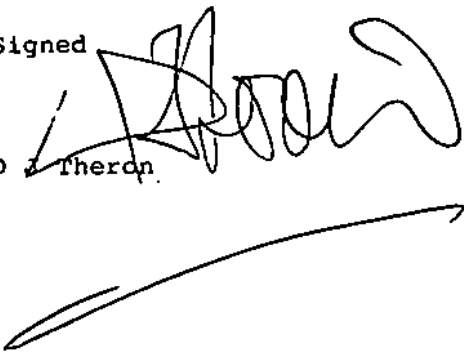
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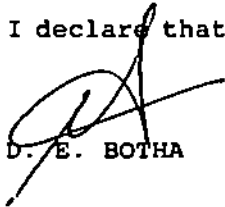
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THE MANAGEMENT OF ISSUES IN COMMUNITY PHARMACIES

BY

DANIE JACOBUS THERON

DEGREE: Magister Commercii
DEPARTMENT: Business Management
SUPERVISOR: Prof D. E. Botha

SUMMARY

Given the dynamic and changing nature of the business environment in the Republic of South Africa, into which the added dimension of social, political and economic complexities intrude, and given the dynamic business environment in which community pharmacies currently (1993) operate, it is imperative that community pharmacists, particularly owners and managers, anticipate, identify and analyze, as well as, manage issues impacting on the future viability of community pharmacies.

However, uncertainty exists regarding the ability of owners and managers of community pharmacies to manage issues affecting community pharmacies. This poses a problem for the future viability of community pharmacies.

This study attempts to outline the critical issues impacting on community pharmacies within their task- , and macro-environments and attempts to find an answer to the question of how issues affecting community pharmacies should be managed. Four hypotheses are formulated and twelve objectives are stated in order to complete this study.

Focused interviews, media reports on community pharmacies and pharmaceutical industry publications provided information on the issues impacting on community pharmacies. These issues were regarded as preliminary issues. Empirical research, confirmed that there are a number of issues impacting on the future viability of community pharmacies.

Literature studies on issues management provided information on the concept of issues.

The term issues as it applies to issues management is defined as:

Emerging, current or unfolding conditions of pressure in the task- , and macro-environments of organizations which, through the public policy process, impact on the future viability of organizations.

The different categories of issues according to their stage of development, their social context and their strategic dimension were also analyzed. Apart

from emerging and current issues, a new concept of 'unfolding issues' is introduced in this study. The diminishing ability of organizations to influence issues as they develop in relation to time, as well as the importance of identifying issues during the early stages of development is emphasized.

Literature studies provided information on the concept of issues management.

For the purpose of this study, issues management is defined as:

A management process determined to identify and analyze issues which can have a strategic impact on the future viability of an organization as well as managing an effective response to such issues.

From the theoretical deliberation of issues management, as well as deductions from the empirical research conducted in this study, the conclusion is reached that issues management, as a management process, can be applied by owners/managers of community pharmacies. From the descriptive statistical results it is further concluded that owners/managers of community pharmacies do identify and analyze issues, and that they manage responses to such issues. The quality of issues management, as applied by owners/managers of community pharmacies was, however, not determined. A factor analysis revealed that the media, communication, networking and strategic management are used as aids by owners/managers in the management of issues affecting community pharmacies. Other relationships among selected independent and dependent variables are also explored in this study.

The empirical research conducted in this study indicates that pharmacists as owners/managers of community pharmacies are not adequately equipped to apply the process of issues management in community pharmacies. In this regard it is recommended that community pharmacists can only become part of an issues identification program when trained to identify issues by effectively applying environmental scanning techniques.

In conclusion, recommendations on how to apply the process of issues management within professional pharmacy organizations are provided.

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CHAPTER 1

THE PROBLEM AND ITS SETTING

'The important issues don't just fade way. But those who don't manage them do.'

Donald F. Craib, Jr., Chairman and CEO, Allstate Insurance Companies; address to the Issues Management Association, Chicago, 1985.

1.1 INTRODUCTION

A number of critical issues impacting on the future viability of community pharmacies in the Republic of South Africa (the RSA), have been raised by community pharmacists, organizational pharmacy leaders and by public speakers including the Director-general of the Department of Health, as well as the Minister of Health in the House of Assembly. These issues have also, and are currently (1993) still being debated at annual pharmaceutical congresses, and in various pharmacy publications and the public media. Some of these issues include the issues of privatisation, deregulation, amendments to the Medicines and Related Substances Control Act (Act 101 of 1965), the Pharmacy Act (Act 53 of 1974), as well as the Medical Schemes Act (Act 53 of 1974).

Other issues are, affordable and effective primary health care, dispensaries in chain stores, advertising and discounting of medicine prices, generic medicine substitution, group practices with other health professionals, dispensing medical practitioners and differential pricing of medicines. Some of the aforementioned issues were already noted twenty years ago by Du Preez (1973). Two decades later certain issues noted by Du Preez (1973) have been dealt with. Other issues are in the process of being resolved. In the current changing health care dispensation in the RSA, new critical issues are likely to emerge and even those issues having seemingly been resolved, could again develop into new points of contention.

In line with international trends, the pharmaceutical industry, and more specific owners as well as managers of community pharmacies in the Republic of South Africa will have to anticipate, identify and analyze issues (see Section 2.4.3 for the definition of the term issues), impacting on the future viability of community pharmacies. Owner/managers will furthermore have to develop appropriate responses in order to ensure the survival of community pharmacies, and to optimize growth opportunities in the health care services of a changing South Africa.

However, uncertainty exists regarding the ability of owners/managers of community pharmacies in managing issues affecting community pharmacies. This poses a problem for the future viability of community pharmacies and the image

of the pharmacy profession as a whole. Du Preez (1973:214) concluded that the main critical area affecting community pharmacies was a lack of proper management of the system of community pharmacies. Spies (1990:224) identified the lack of formal business management training as one of the weaknesses of community pharmacists.

This study outlines the issues impacting on community pharmacies and attempts to find an answer to the question of how issues affecting community pharmacies should be managed.

This chapter includes the statement of the problem which gave rise to the research. Attention will also be given to the objectives and the importance of the study. The development of the hypotheses, the method and plan of the study will be followed by defining certain concepts and by clarifying some of the abbreviations used in the study. The chapter will conclude with a summary.

1.2 THE STATEMENT OF THE PROBLEM

Community pharmacies in the RSA are operating in a rapidly changing environment with different issues impacting on their future viability. For the purpose of this study the problem manifests itself in the following questions:

- * What are the issues impacting on the future viability of community pharmacies?
- * What is the possible role that issues management can play in managing the issues impacting on the future viability of community pharmacies?

1.3 OBJECTIVES OF THE STUDY

In order to address the questions posed in Section 1.2 the objectives of this study are:

- * To convey the concept of issues and issues management to the reader by means of literature studies.
- * To conceptualize issues affecting community pharmacies in their changing environment by means of literature studies.
- * To identify issues impacting on the future viability of community pharmacies by means of empirical research.
- * To provide an overview of community pharmacies as part of the pharmaceutical industry by means of descriptive analyses of collected data.

- * To determine whether pharmacists as owners/managers of community pharmacies are adequately equipped to apply issues management in their community pharmacies.
- * To determine whether different categories of owners/managers, respond differently to the steps in the issues management process
- * To establish the extent to which issues management is applied in community pharmacies to manage issues affecting the future viability of community pharmacies.
- * To establish an activity program for issues management based on the steps in the issues management process.
- * To propose an optimal organizational structure to accommodate the issues management function within the organization.
- * To propose a framework of tasks and human resources within an issues management division.
- * To determine, by means of factor analysis, whether there are any specific aids that owners and managers use to manage issues affecting community pharmacies.
- * To explore relationships among selected independent and dependent variables using statistical techniques of cross-tabulation and multivariate analysis of variance.

1.4 IMPORTANCE OF THE STUDY

Given the dynamic and changing nature of the business environment in the Republic of South Africa, into which the added dimension of social, political and economic complexities intrude, an evaluation of the issues management technique may contribute to the body of literature on the management of change in general, and to the management of issues in community pharmacies in particular.

1.5 HYPOTHESES

The following major hypotheses will be tested in this study:

Hypothesis 1:

There are a number of issues impacting on the future viability of community pharmacies.

Hypothesis 2:

Issues management, as a management process, can be applied by owners/managers of community pharmacies to manage issues, impacting on the future viability of community pharmacies.

Hypothesis 3:

Issues management, as a management process, is not applied by owners/managers in community pharmacies.

Hypothesis 4:

Pharmacists, as owners/managers of community pharmacies, are not adequately equipped to apply issues management in community pharmacies.

Other hypotheses, such as selected null hypotheses will be formulated and tested in the course of analyses of collected data.

1.6 METHOD OF THE STUDY

To obtain the necessary information, achieve the set objectives and to test the hypotheses, the following research methodology was followed in this study:

1.6.1 Literature study

Literature and studies on issues management were perused. Media reports pertaining to community pharmacies and pharmaceutical industry literature provided valuable information on issues affecting community pharmacies.

1.6.2 Focused interviews

Interviews were conducted with community pharmacists and leading personalities in organizational pharmacy in the RSA. The initial interviews were exploratory and unstructured. After completing the empirical research, further focused interviews were conducted to clarify aspects which were identified through the empirical research.

1.6.3 Empirical research

The empirical research was aimed at owners/managers of community pharmacies as elements of the population. A sample of the latter was drawn on a random basis from all community pharmacies in the RSA and a structured questionnaire was mailed to each element in the sample. The size of the sample, the sample frame, and the community pharmacies which were included in the sample are discussed in Chapter 4. The method of empirical research is also considered

in Chapter 4, and the results are reported in Chapter 5.

1.7 PLAN OF THE STUDY

The study will be divided into six chapters:

Chapter 1:

Chapter 1 outlines the problem and its setting.

Chapter 2:

Chapter 2 provides an overview of the concept of issues, the theoretical aspects of issues management and the relation of issues management to other management principles. An issues management activity program, based on the Chase-Jones (Chase, 1984) issues management process model will be proposed for the purpose of managing issues.

Chapter 3:

Chapter 3 concentrates on the critical issues affecting community pharmacies within their task- , and their macro-environments.

Chapter 4:

Chapter 4 provides an overview of the empirical research design and the methodology of the empirical research.

Chapter 5:

Chapter 5 describes the empirical research results and the analysis of the research data.

Chapter 6:

Chapter 6 ends the study with a summary, an evaluation of objectives, conclusions and recommendations.

1.8 DEFINITION OF CONCEPTS

Certain concepts which will be used regularly in this study may need clarification. These concepts are:

(a) Strategic planning

A management process whereby the long-term goals of an organisation are determined, taking into account the values and philosophy of management, with due regard for the organisation's strengths and weaknesses in order to develop specific plans to implement a strategy (Van Niekerk, 1988:38).

(b) Strategic management

A continuous inter-active process, and a set of managerial decisions in respect of strategy formulation, strategy implementation, strategy evaluation and control, which determines the long term performance of the organization (as defined, see Section 2.6.6).

(c) Issues

Emerging, current or unfolding conditions of pressure in the task- , and macro-environments of organizations which, through the public policy process, impact strategically on the future viability of organizations (as defined, see Section 2.4.3).

(d) Issues management

A management process determined to identify and analyze issues which can have a strategic impact on the viability of an organisation and managing an effective response to such issues (as defined, see Section 2.5.2).

(e) Issues managers

Managers in a corporate advisory staff function, but with limited line authority (functional authority) in relation to the organizational function of issues management (as defined, see Section 2.5.5.2).

(f) Community pharmacies

Private enterprises managed and/or owned by pharmacists with the main purpose of supplying medicines and health services in such a way that a reasonable profit can be earned in the long term (as defined, see Section 3.1).

(g) Community pharmacists

Persons registered with the South African Pharmacy Council as pharmacists in terms of the Pharmacy Act (Act 53 of 1974) and working in community pharmacies. This study will concentrate on community pharmacists as owners/managers of community pharmacies, and not on all community pharmacists.

(h) Owners/managers of community pharmacies

Pharmacists who manage, or own, or manage and own, or manage and have a financial interest as shareholders, members or partners in one or more community pharmacies (as defined; see Section 3.6.1).

(i) A figure

A figure for the purpose of this study is a diagrammatic representation of a concept, idea, process, organization or any other description that needs to be enhanced to aid clarification.

(j) A table

A table for the purpose of this study is a written collections of facts in an orderly manner.

1.9 EXPLANATION OF ABBREVIATIONS

Certain abbreviations will be used regularly in this study and needs clarification. These abbreviations are:

Act 101	-	The Medicines and Related Substances Control Act (Act 101 of 1965)
Department of Health	-	Department of National Health and Development
GNP	-	Gross National Product
HHF	-	National Health Forum
Pharmacy Act	-	Pharmacy Act (Act 53 of 1974)
PHC	-	Primary Health Care
PSSA	-	The Pharmaceutical Society of South Africa
RSA	-	The Republic of South Africa
SAACP	-	The South African Association of Community Pharmacists
SAPC	-	The South African Pharmacy Council
SPSS	-	Statistical Package for the Social Sciences
TBVC countries	-	Transkei, Bophuthatswana, Venda, and Ciskei
WHO	-	World Health Organization

1.10 LAY-OUT OF THE TEXT

The text comprises six chapters, numbered one to six. Each chapter is subdivided into a number of sub-sections. Figures and tables referred to in the

text are all presented in Annexure C at the end of Chapter 6. The figures and tables in Annexure C are numbered consecutively with the same digits as those of the sections in which they are first referred to in the text, together with an alphabetical capital letter if more than one figure or table is referred to in the same section. The sequence of the alphabetical capitals are repeated for each section, thus: Figure 2.3.4.A; Figure 2.3.4.B. When reference is first made to a figure or a table, the page number of Annexure C where it occurs is indicated, thus: (see Annexure C, p. 1). In this way the reader can easily refer back to the text by inspection of the numbers of the figures and tables.

Annexures are numbered in alphabetical order, thus: Annexure A, B , C.

No sources are quoted below tables in the annexures referring to analyzed data, as they refer to the statistics obtained by means of empirical research.

Cross references are made by quoting the section number to which reference is made, thus: (see Section 3.4.2.).

1.11 SUMMARY

In this chapter the problem and its setting was discussed. The introduction dealt briefly with the existence of issues affecting community pharmacies. The statement of the problem which gave rise to the research as well as the importance of the research were briefly discussed. Attention was given to the objectives and the importance of the study. Four hypotheses, the method and the plan of the study were also dealt with. Important concepts and abbreviations used in this study, as well as the lay-out of the text were also clarified in Chapter 1. In the next chapter a theoretical discussion on issues management will be provided.

CHAPTER 2

ISSUES MANAGEMENT

2.1 INTRODUCTION

This chapter commences with an overview of business management in organizations. This is followed by a discussion of the changing business environment of organizations and continues with a review of the concept of issues. It also reviews the position of issues management in the organizational structure and the allocation of human resources participating in the process of issues management. The bulk of the chapter deals with the process of issues management and its relation to other management principles. The chapter concludes with a review of the issues management process and proposes an activity program to manage issues, based on the Chase-Jones (Chase, 1984) process model.

In line with the view of Van Niekerk (1988:4) the collective term organization will be used in this study. This is to indicate the universal nature of the management process as applied in profit seeking and non-profit seeking concerns such as community pharmacies and institutions of organized pharmacy.

2.2 BUSINESS MANAGEMENT IN ORGANIZATIONS

Marx and Churr (1990:3) define Business Management (Business Economics) as a science which concerns itself with studying the question of how organizations which make goods and services available for the satisfaction of human needs, in particular private enterprises, can best be lead or managed so that those institutions can function as effectively as possible and achieve their objectives to the best of their ability. In this definition of business economics the accent is on:

- * the private enterprise;
- * the management of the private enterprise, and;
- * the achievement of objectives,

while the central accent is on the management of the enterprise.

The objectives of private enterprises can only be achieved, if and when, the quality of the management function is of a high standard. The management function is according to Van Niekerk (1988:6) a process of planning, decision making, organizing, staffing, motivating, leadership development, group development, communicating and controlling. This process is essential in order to achieve the organizational goals within a set policy framework, by

means of co-ordinated application of human and material resources. Other authors (Bateman & Zeithaml, 1990. Baird, Post and Mahon, 1990. Bartol and Martin, 1991.) define management slightly differently, but consideration of the different definitions result in the conclusion that management involves the five primary functions of planning, organizing, directing, coordinating and controlling.

From numerous investigations into the pharmacy profession, papers at regional and national congresses as well as deliberations in the pharmaceutical press and the mass media, it is evident that community pharmacies are currently (1993) in a process of transition. The process of transition should, however, not merely be an extrapolation of the past, but should be managed through a process of strategic planning and strategic management. Strategic planning and strategic management can be defined as follows:

- * Strategic planning is a management process whereby the long-term goals of an organisation are determined, taking into account the values and philosophy of management and with due regard to the organisations strengths and weaknesses in order to develop specific plans to implement a strategy (Van Niekerk, 1988:38).
- * Strategic management is a process to position and relate an organization to its environment in a way which will assure the continued success of the organization, and make it secure from surprises (Ansoff & McDonnell, 1990:xv). The analytical part of strategic management is described by Ansoff and McDonnell (1990:xv) as strategy formulation and the process by which managers jointly formulate strategy, as strategic planning

A number of authors (Coates, Coates, Jarratt & Heinz, 1986. Ewing, 1987. Dutton & Ottensmeyer, 1987. Lozier & Chittipeddi, 1986) have advocated issues management as an approach to strategic planning and strategic management.

Coates et al, (1986) in their preface define issues management as the organized activity of identifying emerging trends, concerns or issues likely to affect an organization in the next few years and developing a wider and more positive range of organizational responses toward that future. The accent in this definition of issues management falls on:

- * identification of emerging trends, concerns and issues,
and
- * development of effective responses to these trends,
concerns and issues.

Strategic planning, strategic management and issues management can therefore

be regarded as major and increasingly important aspects of business management in organizations.

2.3 ORGANIZATIONS IN A CHANGING BUSINESS ENVIRONMENT

Organizations including business enterprises do not exist in a vacuum, but operate in a business environment, as they arise out of the need of society for a particular product or service (Wheelen & Hunger, 1989:83). This interdependence also apply to community pharmacies. In this section the business environment, the different categories of the business environment, the process and management of change will be briefly discussed.

2.3.1 The business environment

Marx and Churr (1990:99) define the business environment as the circumstances and milieu in which the enterprise has to function in order to ensure that its objectives will, as far as possible, be achieved. Cronje, Hugo, Neuland and Van Reenen (1993:42) view the business environment as the sum of those factors or variables that may influence the survival of the organization.

The aforementioned two definitions complement each other, as one of the main objective of an organization should be that of survival and growth, within the constraints of its environment. In the case of private enterprises this is achieved through profitability.

The more dynamic the business environment, the greater the uncertainty for organizations (Manning, 1988:61). The business environment in which organizations operate is therefore, never certain and forever changing. The business environment in the RSA is also changing continuously, presenting new threats, problems and pressures, but also opportunities for organizations in the RSA. The new South Africa is, however, predicted to be taking a long time in creation. Meanwhile South African businesses are 'painted into dangerous corners by operating under conditions of extreme uncertainty' (Manning, 1988:7). To counteract conditions of extreme uncertainty organizations should, ideally, have more influence over their environments, than environments have over them (Ewing, 1987:1).

The business environment in which community pharmacies operate has also been subject to dynamic change, creating new dimensions and uncertainties (Van der Walt, 1992a:177). Organizations, including community pharmacies, should therefore be constantly aware of the key variables in their uncertain business environments and incorporate such key variables in all strategic planning and strategic management processes. One of the ways to identify, analyze, prioritise and manage these key variables is through applying the process of issues management. The concept of issues management will be discussed in Section 2.5 and the process of issues management in Section 2.7.

2.3.2 Categorizing the business environment

Marx and Churr (1990), and Cronje et al (1993) list three distinct sub-environments on which organizations depend for their survival and growth namely:

- * the micro-environment which includes the functional areas within the enterprise and over which management has control.
- * the task-environment (market environment) immediately surrounding the micro-environment. It includes interest groups such as the market with consumers and competitors as well as suppliers of raw materials and services. It also involves opportunities and threats which affects the viability of organizations.
- * the macro-environment comprising of the economy, political-governmental influences, technological developments and social factors.

The aforementioned sub-environments are schematically represented in Figure 2.3.2 (see Annexure C, p. 1).

The viability of community pharmacies in the RSA are directly and/or indirectly affected by developments and changes in their micro-, task-, and macro-environments. These changes will be discussed in Section 3.4.

2.3.3 The process of change

Bartol and Martin (1991:226) refer to change as an alteration of the *status quo*. Van Niekerk (1988:183) also refer to the process of change and concludes that the change process, through the acceptance of a new method, transforms a present situation into a desired situation.

During the twentieth century, management systems in the Western world evolved in response to two challenges: Changes in the business environment on the one hand, and the decreasing predictability of the future on the other hand (Ansoff & McDonnell, 1990:18).

In the RSA different scenarios, that is, narratives describing a particular set of future conditions, have developed around prevailing socio-economic and political trends. The advent of the scenario concept in the RSA has been greatly encouraged by Sunter (Sunter, 1990). Sunter (1990) presented his 'high road' and 'low road' scenarios. The low road as deemed by Sunter (1990) was the road that South Africa was on at the time the concept was developed. It was a road leading almost nowhere because of no account being taken of the needs and wants of many of the people in the RSA. The high road reflected a

totally different scenario. It was a road fraught with difficulties in the short term but ultimately a road which would, in Sunter's (Sunter, 1990) opinion, secure a positive future for South Africa.

Owners/managers of community pharmacies in the RSA had, and still have, the choice of:

- * staying on a low road by doing what they had been doing for the last twenty five years with a poor likelihood of survival, or to;
- * move to the high road by redefining the purpose of community pharmacies, and creating a sustainable strategic thrust based on a clear mission and strategic vision, promoted by strong leadership.

Since 1990 there have been encouraging signs of community pharmacies moving to a higher road by community pharmacists redefining their purpose in terms of the needs and expectations of the community that they service. That is to render an accessible and affordable health care service to the community at large.

2.3.4 The management of change

According to Bateman and Zeithaml (1990:702) change in organizations commonly occurs when organizations experience problems such as legal constraints, competitive inroads, obsolete technology and economic downturns. The most constructive change however takes place not because of problems, but because of opportunities.

South Africa is in the process of the most comprehensive and profound political changes in its history. Community pharmacies are also going through dramatic changes as they are no longer shielded from the dynamism of market forces. The last few years (1990-1993) have also seen dramatic changes in the laws, regulations and ethical rules relating to community pharmacies. These changes have been, and are still being implemented, by community pharmacists as a result of initiatives and actions of pharmacy organizational bodies such as the SAPC, the PSSA and the SAACP. The question is whether these changes were pre-planned, or whether they were made as a result of forces of change that are outside the control of the profession and community pharmacists in particular.

Perry and Associates (1986:23) questioned the viability of community pharmacies when they stated that retail (community) pharmacies in the RSA were victims of forces of change outside of their control, and which would sweep throughout the whole health care industry.

Forces of change as mentioned by Perry and Associates (1986:23) do, however,

not just happen, but originates in issues which move through life cycles of development. By managing such issues, organizations, including community pharmacists could be in a better position to respond pro-actively to the challenges of change and not become victims of forces of change outside of their control. In this respect, community pharmacists should be bold enough to question existing traditions, to analyze existing strategies, and to adopt new approaches in anticipation of future changes (Van der Walt, 1992a:177).

What ever the nature of future change it remains imperative for managers of organizations, including the owners/managers of community pharmacies, to have a clear understanding of how to manage change effectively. The importance of this aspect was again emphasized by the then newly elected (January, 1992) president of the SAPC having stated that: 'One thing is very important, and that is to accept change, to use change as a tool and not to resist change' (Van der Walt, 1992:a:178). The necessity for community pharmacists and community pharmacies to respond to change has therefore become a recognized concept within the profession.

The anticipation of future developments as envisaged by Van der Walt (1992a) involve the identification and analyzes of issues which can affect community pharmacies. It furthermore extends to the effective formulation and implementation of strategies, to respond to, and to manage such issues. The effective management of issues can result from applying the process of issues management. Before discussing issues management, the concept of issues will first be reviewed in the following section.

2.4 THE CONCEPT OF ISSUES

In this section the concept of issues is firstly reviewed in colloquial terms. This will be followed by a discussion of the different categories of issues with reference to specific literature on issues management. In conclusion a comprehensive definition of the term issues as it relates to issues management will be proposed in Section 2.4.3.

2.4.1 Issues in colloquial terms

The Oxford English Dictionary (1989:136) defines an issue as:

- * a matter or question in dispute or under discussion which remain to be decided;
- * a matter, the decision of which involves important consequences; and
- * a choice between alternatives, a dilemma.

Before the term issues, as it more specifically relates to issues management,

can be defined, it is firstly necessary to analyze the different categories of issues.

2.4.2 Categorizing issues

Rosch (1978:30) defines categories as cognitive classifications that group objects, events, and the like with similar perceived attributes.

Literature studies of Brown (1979) and Cook, Osterlot and Riley (1988), suggests that issues can be categorized according to three criteria, namely: their stage of development, their social context and their strategic dimension.

2.4.2.1 Issues according to their stage of development

Brown (1979:1) is of the opinion that industry specialists usually divide issues according to their stage of development. The following three categories apply:

(a) Emerging issues

Emerging issues are issues of which the definitions are still evolving and of which regulation or legislation is likely to mature in a time frame of one and a half to three years in the future (Brown, 1979). Brown (1979:1) argues that these issues are the issues that issues management should be concerned with.

Ewing (1987:43) is of the opinion that issues emerging at public level never reach final enactment into law in less than six years. This time frame is longer than that suggested by Brown (1979).

The viewpoint of Brown (1979) contains elements of the Oxford definition of an issue as listed in Section 2.4.1., that is, referring to issues as evolving disputes still under discussion, and decisions which are to involve important consequences for the organization.

Coates et al (1986:19-20) describe emerging issues as those issues that lack clear definitions and which:

- * decision-makers may not yet be aware of;
- * which deal with matters of conflicting values and interest;
- * which are stated in value-laden terms, and;
- * which expert knowledge will not automatically be able to resolve.

Coates et al (1986:14) further propose that the term emerging issues, could have at least three possible meanings namely:

- * Faint signals that may or may not develop into important issues for the organization.
- * Ill-defined issues which can still emerge in some form or another.
- * Well-defined, mature issues that have yet to have an impact on the organization.

The development of a procedure for determining whether emerging issues will become more important with an impact on the organization is proposed by Coates et al (1986:20). Elements of such a procedure can among others include the following questions:

- * Does the issue affect some basic public fear?
- * Are there uncertainties within the organization about the issue?
- * Is there a link with other issues so that the issue could emerge into prominence, supported by another issue?

From the above it can be concluded that emerging issues are issues in the early stages of development, and which are of intermediate consequence (one and a half to six years). Emerging issues have, furthermore, not been clearly dealt with, or resolved by management.

(b) Current issues

(Ewing, 1987:51) views current issues as issues progressing toward resolution and which could already be in a legislative or regulatory phase. These issues are fully emerged, current, operational issues, being handled by appropriate functional departments under existing company policies and strategies.

Coates et al (1986:19) use the term short-term or immediate, which can apply to issues which have already attracted the attention of the organization, and argue that such issues should not be included in issues management, as it is 'too late to do much constructive about them'. Issues that management should rather concern itself with, are issues which can cause dilemmas or disputes, and which remain to be decided on. It should therefore not be current issues moving toward resolution. Coates et al (1986:19) however also admits that hard and fast rules about time horizons of issues could not always be applied to the concept of issues management.

(c) Unfolding issues

From the aforementioned discussion on emerging and current issues, it can be argued that the term issues, can be viewed in the context of impact and time. The writer is, however, of the opinion that certain current issues, although resolved in terms of their stage of development, could still be unresolved in terms of future impact on the organization, and could therefore, again unfold as new issues. It is therefore suggested by the writer that current issues, unresolved in terms of their future impact, be regarded as issues falling within the scope of the issues management process. For the purpose of this study, such issues will be referred to as unfolding issues. For example, certain legal issues discussed as current issues in Chapter 3, are moving towards resolution through legislation. Such current legal issues can, however, as a result of further impact on the future viability of community pharmacies, be regarded as unfolding issues.

The next section deals with issues according to their social context.

2.4.2.2 Issues according to their social context

The social context of issues are described by authors such as Ewing (1987), Coates et al (1986), Cook et al (1988), Bartol and Martin (1991).

Ewing (1987:1-6) argues that organizations do not merely move in an economic arena, but in a much larger socio-political environment. Issues management is therefore public policy foresight and planning in the social environment. Coates et al (1986) refer to issues in the social environment as social issues and quotes R H Jones, retired Chief Executive Officer of General Electric as having said: 'Social issues are not peripheral to business planning and management today, it is the mainstream of it'. Coates et al (1986:21) also quote Harvard sociologist Bell, as having warned that: 'What is social today becomes political tomorrow and economic in costs and consequences, the day after'. Bartol and Martin (1991:126) refers to the issues management process as the process of identifying emerging social issues of particular relevance to the organization, that is, in a social connotation.

Cook et al (1988:4) view issues management as the understanding of the public policy development process, which stems from social events and/or trends. Social events and trends develop through the public policy process which is described by Ewing (1987:38-45) as the mechanism in a free society by which the aspirations and dissatisfactions of the public, progress through public issue debates, into law and regulation. Ewing (1987:41) refers to this process as the ability of society to control business organizations. This public process is illustrated in Figure 2.4.2.2.

The basis of the pyramid as illustrated in Figure 2.4.2.2 indicates public

aspirations, for example, the aspiration for accessible and affordable health care. It could also indicate public dissatisfaction with matters such as the present high cost of medicines in the RSA. Not much happens at this base level, unless the news media becomes involved. It is through the involvement of the news media, that public aspirations and/or dissatisfaction can develop into an issue. From news reports in the media, pressure groups such as chambers of commerce, trade associations, religious institutions or political parties, take note of an issue. One, or more of these pressure groups may then decide to initiate pressure on organizations, again through the media. Should organizations not respond satisfactorily to the demands of pressure groups, influence could be exerted on legislators to legislate on the issue. The latter may then yield to the pressure of pressure groups with resultant promulgation of legislation. This may especially happen if legislators are of the opinion that sufficient public consensus exists to justify such legislation. An issue does not, however, have to develop through all the steps of the public policy process. It can emerge and start to develop at any point on the process model. Informed managers should however try to intervene in the process well before the legislative/regulatory confrontation stage of development (Ewing, 1987:40-42).

It is because of the ability of society to control business through the public policy process that confused corporate executives often find themselves dragged into public forums. As a result of this involvement of the public through pressure groups and the media executives currently realize that private business is no longer as private as it was in the first half of this century (Ewing, 1987:8).

It is in the aforementioned social context of issues that issues management attempts to manage the legitimate power that an organization has over its total environment. In managing this legitimate power issues management must also consider the power that outsiders exert on the same environment and on the future of organizations (Ewing, 1987:8).

Ewing (1987) quotes several examples of organizations that ignored social issues with sometimes disastrous results. Referring to these examples Ewing (1987:3) emphasizes the importance of executives recognizing that a democratic society, through the political process, has the ultimate power to control any business or industry. Social goals may thus have an overriding power of priority when conflict between economic and social goals exist. This may also be the situation in the future political dispensation of a new South Africa.

2.4.2.3 Issues according to their strategic dimension

The concept of issues first appeared during the evolution of strategic planning. Strategic planning lead to the development of strategic management. Both strategic planning and strategic management involve strategic issues

likely to have an important impact on organizations to meet their objectives.

Dutton and Jackson (1987:76-87) categorize strategic issues according to three dimensions:

- * Whether decision makers evaluate an issue in positive or negative terms.
- * Whether decision makers view an issue as representing potential gain or loss for the organization.
- * Whether decision makers regard an issue as controllable or uncontrollable.

The way in which a strategic issue is categorized affects management's level of risk taking, involvement, commitment, and actions associated with the issue.

From the aforementioned it can be concluded that strategic issues are issues which can have a strategic impact on the viability of organizations. Strategic issues therefore require the attention of top management, commensurate with the level of risk involved.

2.4.3 Defining the term issues

In section 2.4.1 the term issues was defined in colloquial terms. In management terms, however, Brown (1979:1) describes an issue as a condition or pressure, either internal or external to an organization that, if it continues, will have a significant affect on the functioning of the organization or its future interests.

King (1982:45) agrees with this view, but adds that issues also involve strategic consequences in that the various possible outcomes, implied by issues, requires the implementation of different strategies. Cook (1989) goes further and uses the term issues and the term strategic issues interchangeably. Cook (1989:153) regards an issue as an internal or external development which could have an impact on the performance of an organization.

Coates et al (1986) regard issues as conflicts of interest or conflicts of values rather than problems. This deduction is made, because according to them, problems have definite answers or solutions, whereas, the essential characteristic of an issue, is that it could almost never be definitely and completely be resolved to the full satisfaction of all parties concerned. Issues therefore invariably manifests themselves as conflict situations to which no definite answers or solutions exists. A dynamic balance of interests, or mutual accommodation, must instead be sought. In doing so negotiation,

compromise, trade-offs and exchanges often mark the successful management of an issue (Coates et al, 1986:19).

According to Dutton and Ottensmeyer (1987:355-365) issues include opportunities, threats, and problems. Ansoff and McDonnell (1990:369) adds to this view by describing issues as either welcome or unwelcome. Welcome implies opportunities to be grasped in the environment, or internal strengths which can be exploited to advantage. Unwelcome implies external threats, or internal weaknesses which imperils the continuing success and survival of the organization.

Having considered the definitions of issues in the colloquial terms in Section 2.4.1 as well as the definitions and categories of issues in the specific literature on issues management in Section 2.4.2., the term issues as it applies to issues management can now be defined as:

Emerging, current or unfolding conditions of pressure in the task-, and macro-environments of organizations which, through the public policy process, impact on the future viability of organizations.

For the purpose of this study the term 'issues' will be used in this defined context.

2.4.4 The life cycle of issues

There is a close connection between issues according to their stages of development as discussed in Section 2.4.2.1 and the life cycle of an issue.

Issues, according to Ewing (1987:50) do not remain constant but develop in a wave-like manner through four different development stages. It commences with an initial public awareness stage and follows through to a final stage of diminishing public attention. The four different stages in the life cycle of issues is illustrated in Figure 2.4.4.A (see Annexure C, p. 2).

Ewing (1987:49-50) describes the four development stages in the life cycle of an issue, as depicted in Figure 2.4.4.A, as follows:

- * The societal expectations stage which indicate structural changes in society. These changes give rise to media recognition and if not resolved in the private sector, draws political attention.
- * The political development stage which lead to the creation of *ad hoc* groups and formal organizations trying to find a solution for the issue.

- * The legislative action stage with a peak in public attention. At this stage the issue is defined in operational or legal terms. It frequently results in solutions through the promulgation of laws and regulations.
- * The litigation stage represents a plateau in public attention. At this stage the law is tested in the courts and enforcement becomes routine. Penalties are applied to those who ignore or violate the spirit, letter and/or intent of the law.

The first two development stages can be linked to the concept of emerging issues and the latter two stages to the concept of current issues as described in Section 2.4.2.1.

Coates et al (1986:21) refer to the graphical portrayal of the life cycle of a public policy issue by Work (1984:2). The core observation of this graphical portrayal is the diminishing ability of organizations to influence developing issues and is illustrated in Figure 2.4.4.B (see Annexure C, p. 2).

From Figure 2.4.4.B it is clear that the ability of organizations to influence an issue decreases as the issue matures over time. It is therefore important that, although many issues at their early stages may not affect the organization, issues should still be identified and monitored in case the organization is required to respond to them at a later stage (Coates et al, 1986:22-23).

Cook et al (1988) also depict the life cycle of an issue in relation to the passage of time, but with the emphasis on the number of people involved with an issue. According to Cook et al (1988:8-9) few organizations recognize a major issue until it is high on the life cycle curve. At that stage a large number of people in public forums are already alerted, and little scope remains for organizational policy teams to manage such an issue. The result is a state of chronic crises, with policy makers responding to one demand after the other. Cook et al (1988) propose that key policy makers should attempt to get 'ahead of the curve'. To do this key policy makers should identify issues while they are in their infancy stage. At this point in time such issues could still be managed. If they could not be managed the organization could at least adapt to their influences more effectively.

From the aforementioned it can be concluded that issues evolve through different stages of development and that it is imperative for organizations to identify issues during the early stages of their development.

2.5 THE CONCEPT OF ISSUES MANAGEMENT

Coates et al (1986:114) view issues management as an emerging management

discipline with no consensus on methods and techniques of operation and no clear position in the organizational hierarchy. Ewing (1987:37) is more adamant in proposing that issues management is about the power that controls the new bottom line of organizations, consisting of not only optimal profits but also public acceptance.

The concept of issues management will be discussed against the background of an overview of the history of issues management in Section 2.5.1 after which a definition of the term issues management will be presented in Section 2.5.2. The goal of issues management, issues management in a changing business environment and its position in the organizational structure will be discussed in Section 2.5.3, Section 2.5.4 and Section 2.5.5 respectively.

2.5.1 Historical overview

Since the mid 1950's accelerating and accumulating events began to change the boundaries, the structure and the dynamics of the business environment. Organizations were increasingly confronted with novel and unexpected challenges which were so far reaching that Peter Drucker called this new era the 'age of discontinuity' (Ansoff & McDonnell, 1990:5).

During the period 1950-1970 a major escalation of environmental turbulence took place. For organizations, it meant change from a familiar world of marketing and production to an unfamiliar world of new technologies, new competitors, new consumer attitudes, new dimensions of social control and above all an unprecedented questioning of the firm's role in society. As a result of this, change became less predictable, and surprises more frequent (Ansoff & McDonnell, 1990:11).

Until the mid 1970's, almost all corporate planning was primarily structured around the belief of senior managers, that the only planning they had to be concerned with, was the internal planning of their own business futures. They mistakenly believed that organizations had near absolute power over their own futures, as long as they could excel competition. After World War II, however, organizations became aware of the fact that they were not only imbedded in the economic environment, but also in the larger socio-political environment. This environment comprised of a broadly educated public and public interest advocates that began to challenge the purpose of organizations beyond price, product and profits for the owners. The public and public advocates also began to examine corporate behaviour, corporate social responsibility and corporate citizenship. This led to equal power of control of the public over organizations and their eventual viabilities. In response to this awareness senior management and leaders developed 'environmental analysis' as a management technique, and changed the name of long-range planning to strategic planning. It however became clear to many executives that a separate planning process had to be developed for the socio-political environment of

organizations (Ewing, 1987:12-23).

Chase and associate Jones (Chase, 1984) provided executives and other public relations professionals with a basic management process model to deal with socio-political environment and called it issues management. Most corporate practitioners, acknowledge Chase as the father of issues management (Ewing, 1987:46).

Although the concept of issues management was created as a means for improving the effectiveness of public relations practitioners, it later spread to trade associations, governments and academic institutions (Ewing, 1987:6).

2.5.2 Defining the term issues management

Bartol and Martin (1991:127) define issues management as the process of identifying emerging social issues of particular relevance to organizations, analysing their potential impact and preparing an effective response.

Coates et al (1986:2-14) view issues management as an emerging discipline offering new advantages in planning and managing for a changing environment and an uncertain future.

According to Heath and Cousino (1990:8) issues management is a program which organizations use to increase their knowledge of the public policy process and to enhance the sophistication and effectiveness of their involvement in that process.

(Ewing, 1987:19) views issues management as public policy research, foresight and planning for organizations in the private sector, which is influenced by decisions made by key players in the public sector.

Ansoff and McDonnell (1990:xvi) describe issues management as a strategic management response technique developed to cope with discontinuities in the unpredictable environment.

Coates et al (1986:2) describe issues management as orchestrating a positive plan for dealing with issues, rather than merely reacting to them. Heath and Cousino (1990:16) quote Freeman (1984) in describing, issues management as new and as something offering opportunities for companies wanting to be able to operate in a public policy environment. All of these authors stress the importance of early-warning systems for organizations that want to respond to business problems and opportunities, produced by public policy forces.

Against the background of the different preceding definitions, issues management can now be defined as:

A management process determined to identify and analyze issues which can have a strategic impact on the future viability of an organization as well as managing an effective response to such issues.

This definition of issues management, read in conjunction with the tasks of management as dealt with in Section 2.2 as well as the definition of issues as defined in Section 2.4.3, allows issues management to be viewed as:

- * A problem solving process of planning, leading, organizing and control.
- * A means of identifying, classifying and prioritizing the potential impact of issues affecting the survival and growth of organizations.
- * A plan to formulate, implement and manage effective responses to issues in a pro-active manner.

2.5.3 The goal of issues management

According to Chase (1984) the goal of issues management is to manage organizational profits and policies through discipline and not by 'visceral impulse'.

Ewing (1987:48) identifies two objectives of issues management namely, foresight and planning:

- * In its foresight function it must provide crucial intelligence on social, economic, political, and technological trends which can affect the current success and future viability of an organisation.
- * In its planning function it must establish an agenda for, and a means of marshalling participation in the public policy process.

The latter is especially valid in that public activists, politicians, competitors, regulators and would-be regulators could be planning the futures of organizations on their own terms. If an organization allows this to happen it will find itself a victim at the tail end of the process. The goal of issues management is not to wait passively, but to intervene consciously, timeously and effectively to ensure the viability of organizations on their own terms. This will give management the power to manage organizations in such a way that organizations have more influence over their environments than the other way around (Ewing, 1987:1-19).

The views of Coates et al (1986) are in line with the views of Ewing (1987)

as they both view issues management as the orchestration of a positive plan for dealing with issues in the public policy process, rather than merely reacting to them.

Both Coates et al (1986:2) and Ewing (1987:20) are of the opinion that issues management should prevent crises and that it should therefore not be involved in current management problems. If this should happen it would fail as a pre-crisis or a no-crisis planning system.

Having considered the above it can be concluded that the goal of issues management is to enable organizations to:

- * come to an early and constructive understanding of the issues confronting them in an uncertain future, and to;
- * manage the issues confronting them in the near future.

In doing so it can provide organizations with the power to determine their own destinies.

2.5.4 Issues management in a changing business environment

Like strategic planning, issues management is a constructive adaptation to discontinuity. Properly conceived and executed, issues management constitutes a process to organize the expertise of companies to enable them to participate effectively in the shaping and resolution of issues that critically affect their operations (Arrington & Sawaya, 1984:17).

Issues management as a process, can therefore assist organizations to achieve their business objectives. It does so by helping organizations to anticipate and respond to issues in changing business environments.

2.5.5 The position of the issues management function in the organizational structure

The positioning of any management function within an organizational structure creates a dual problem for management. The first decision concerns the hierarchical level on which the management function must operate. The second decision concerns the allocation of authority to perform the management function (Cronje et al, 1993:292).

2.5.5.1 Position on hierarchical level

A number of authors (Bateman & Zeithaml, 1990; Coates et al, 1986; Chase, 1984; Ewing, 1987. Cook et al, 1988; Ansoff and McDonnell, 1990.) position the issues management function at strategic management level.

Bateman and Zeithaml (1990:256) positions issues management as one of the functions of the public relations department.

Coates et al (1986:38-43) is of the opinion that the departments within organizations, where issues management tends to be positioned are either public relations or strategic planning. The Coates et al (1986:38-43), however, contend that, although the public affairs function is good at dealing with external parties, it generally falls short internally in dealing with operating divisions. There is therefore a strong consensus among executives that issues management should not be part of the public affairs staff function. Allstate's Issues Management Division was, for example, initially located in the public relations department but was later moved to a newly formed corporate planning department. Ewing (1987:71) also quotes organizations like Dow Chemical, ARCO, and Shell who developed their own special systems to suite their respective individual needs.

The writer agrees with the positioning of the issues management function at strategic management level. The writer also agrees with the aforementioned authors that issues management should not be part of the public affairs function. The writer, however, holds the view that the issues management function should not be positioned within the strategic planning department but that it should rather operate as a separate department within the organizational structure with staff and functional authority. The main reason for this lies in the fact that, although both strategic planning and issues management are fundamental to the long-term success and direction of organizations, there are distinct differences between their respective responsibilities (see Section 2.6.5.).

The writer agrees with Coates et al (1986:43) that if the issues management function were to be centralized in one department, it should also be integrated into other line activities of the organization. This aspect will be dealt with in the next section on the allocation of authority.

2.5.5.2 The allocation of authority

The decision on the allocation of authority has a direct bearing on the efficiency of the service that a management function renders to the other functional areas of the organization. It also influences the successful performance of the operational activities of the management function itself (Cronje et al, 1993:292).

None of the authors on issues management, nor any issues management publications which were consulted by the writer, suggests organizational structures for the allocation of authority, in order to perform the issues management function. The essence of the decision on the allocation of authority revolves around the question whether any of the recognised

management structures such as line, line and staff or functional organizational structures would be the most suitable for the issues management function.

Line authority originates with the board of directors and moves downwards in the hierarchical structure with each manager having direct control over subordinates as line functionaries (Kroon, 1990:296).

Line and staff authority allow experts to provide the line functionaries (departmental heads) with advice on certain matters, that is in advisory capacity only (Van Niekerk, 1988:92).

Functional authority is the right to control activities to which specific staff responsibilities are linked, and which is carried out in another department (Kroon, 1990:296).

Functional heads in a functional organizational structure are regarded by Van Niekerk (1988:93) as managers with enforceable direct line authority, but only in relation to specific aspects. This type of authority is also referred to as limited authority (Niekerk, 1988:93).

The writer contends that neither line and staff nor a functional organizational structure on their own would suffice. Issues managers should rather be viewed as:

managers in a corporate, advisory staff function, but with limited line authority (functional authority) in relation to the organizational function of issues management.

The writer, therefore, proposes a combination of a line and staff organizational structure with a functional organizational structure as illustrated in Figure 2.5.5.2.

The proposed organizational structure, as illustrated in Figure 2.5.5.2, attempts the fusion of staff and functional authority in the following way:

- * The issues management department/director with staff authority, functioning as a department of experts in an advisory capacity to top management and the planning division and,
- * the issues management department/director with staff, operating as a department with expert knowledge concerning issues management functions which have to be performed in certain line functions. The issues management director exercises limited functional authority over line management in those line functions.

It could therefore be argued that an organizational structure as proposed (see Fig. 2.5.5.2), would not only allow issues managers to advise top management and the planning division through staff authority, but that it would also enable issues managers to become effective managers. This will be done by not only assisting other functional heads as staff functionaries, but also by exercising functional authority over such functional heads. This argument is in line with the view of Ewing (1987:43) who believes that strong consensus exist, that issues management as a process, should be integrated into, and delegated to, organizational line activities.

Although the writer prefers the proposed organizational structure as depicted in Figure 2.5.5.2 an alternative structure, whereby the issues management division operates, as a subsidiary of the planning division, with line and staff authority combined with functional authority, can also exist.

With regard to community pharmacies, the majority of community pharmacies are owned/managed by sole proprietors as entrepreneurs. As a result, most community pharmacies as small businesses have very little departmentalization of resources, and consequently operates as entrepreneurial organizational structures with limited delegation of authority and decision-making to subordinates. The owner/manager of a community pharmacy is therefore required to accomplish issues management as yet another task of his/her already full contingent of management responsibilities. An organizational structure as discussed in this section could therefore have limited applicability and could perhaps only be used in larger chains of community pharmacies or in one or more of the organizational bodies of pharmacy, such as the SAACP, the PSSA, or the SAACP.

2.5.5.3 The organization of tasks and human resources

The process of organising is the way in which tasks and resources, including human resources, are distributed among individuals or departments to set a plan or strategy in motion (Cronje et al, 1993:96).

The principle of optimum organization of tasks and human resources within departments and/or divisions, to achieve the objectives of the organization, also applies to the organization of human resources within the issues management division.

Ewing (1987:68-73) refers to the issues management process of the Allstate Insurance Company, a wholly owned subsidiary of Sears. Having considered the process of the Allstate Insurance Company as presented by Ewing (1987:73), the writer proposes a schematic framework for the allocation of tasks and human resources in the issues management division, within the organizational structure as suggested in Section 2.5.5.2. This proposed framework of tasks and human resources is illustrated in Figure 2.5.5.3 (see Annexure C, p. 3).

With reference to Figure 2.5.5.3, it is suggested that the issues management division should comprise of the following:

* The Issues Management Steering Committee

The head of the Issues Management Steering Committee should be the Issues Management Director. The other members of the Issues Management Steering Committee should comprise of senior departmental directors/heads/managers, or their representatives, responsible for other major functions within the organization, such as planning , personnel, operations, marketing and finance.

The first responsibility of the Issues Management Steering Committee within the issues management division would be the formulation and selection of strategies on high priority issues. The second responsibility of the Issues Management Steering Committee would be the implementation and control of issues management strategies.

The responsibilities of the Issues Management Director within the Issues Management Steering Committee should be two-fold and commensurate with staff and functional authority. The first responsibility of the Issues Management Director should be to increase awareness and expertise of issues amongst departmental heads and must provide assistance and advice on the management of issues to departmental line functionaries. The second responsibility of the Issues Management Director should be to link decision-making, implementation, accountability and control of the management of issues to the relevant functional heads. This will ensure responsibility with those functional heads with the greatest stake in the implementation of strategic options relating to their relevant issues. It will also ensure integration of issues management into organizational line activities.

The writer suggests that one of the ways in which the Issues Management Director can accept the aforementioned responsibilities, in order to achieve the issues management goals, is by applying functional authority within an organizational structure as proposed in Section 2.5.5.2.

* The Issues Management Department

The Issues Management Department should comprise of the issues management personnel headed by the Issues Management Director.

The program of the issues management departmental staff involves the scanning and monitoring of the environment for issues, using techniques such as Trend Analysis Programmes (TAP), Delphi, ENSCAN, networking, precursor analysis, media analysis, publications, conferences, polls, surveys, and legislative tracking (Ewing, 1987:78-83). The program furthermore involves the analysis of issues as well as liaison with members of the Issues Management Steering

Committee and the Issues Management Advisory Committee.

* The Issues Management Advisory Committee

An Issues Management Advisory Committee should be established to include and to co-ordinate external individuals as scanners and/or monitors of issues.

The Issues Management Advisory Committee comprises of knowledgeable individuals and/or volunteer members of organizations in the industry and/or academics. Abstracts from newspapers, magazines, as well as industry and academic publications are prepared by these external monitors in accordance with guidelines prepared by the issues management staff. These abstracts, and if necessary comments, are then coded according to topics and entered into the issues management computer database by issues management staff. Abstracts and comments are then analyzed and trend reports prepared by the issues management staff for submission to the Issues Management Steering Committee via the Issues Management Director.

External scanners and monitors are according to Ewing (1987:73) necessary to prevent internal issues management staff from running out of new issues and trends and consequently concentrating on operational management problems.

Coates et al (1986:65) underline the importance of external information by stating that the organization's issues management system is only as good as the relevance and reliability of its information base.

In conclusion, and with regard to community pharmacies, it could be suggested that an Issues Management Department within either the SAPC, or the PSSA, or the SAACP, with external inputs from knowledgeable community pharmacists as well as members and/or functionaries of other organizational bodies of pharmacy, could assist in effectively identify, monitor and analyze issues that impact on the future viability of community pharmacies in particular, and the profession as a whole. Such an Issues Management Department through its Issues Management Director in an Issues Management Steering Committee, could then be instrumental in assisting organised pharmacy in formulating and implementing strategies, to deal with high-priority community pharmacy issues.

In can, however, also be stated that no one model, technique, or set of procedures need to be rigidly followed. In this regard Ewing (1987:124) contends that issues management is a process, driven by public policy foresight and action planning, and that it should be adapted to the management style, organizational structure, and resources of individual organizations.

In the next section issues management is compared with other management disciplines.

2.6 ISSUES MANAGEMENT COMPARED WITH OTHER MANAGEMENT DISCIPLINES

Issues management as a process is not isolated from other management disciplines and techniques. Although different, it does in some ways parallel managerial disciplines such as, foresight, forecasting, futures research, long-term planning, strategic planning, strategic management, and the management of change. In order to obtain a perspective on issues management as an integrated management process, this study includes a brief review of other management disciplines relating to issues management. Comparisons between these disciplines and issues management will also be described and where applicable, be illustrated.

2.6.1 Issues management compared with foresight

Foresight is the process of understanding and appreciating generated information by looking ahead. Foresight prepares organizations to meet the needs and opportunities of the future. Although foresight cannot define policy it can help to condition policies to be more appropriate and more flexible as times and circumstances change (Coates et al, 1986:7).

Foresight provides crucial intelligence on social, economic, political, and technological trends and events affecting the current success and future viability of organizations. Foresight, although more of an art than a science, is therefore closely linked to issues management. The key to the development of issues management is a consciously systematic effort to develop foresight based on present and past trends, forces and anticipated changes (Ewing, 1987:48).

2.6.2 Issues management compared with forecasting

Coates et al (1986:11) define forecasting as a generic term for methods or techniques used in estimating future situations. It is based on a systematic analysis of historical and current data.

Ewing (1987:75) quotes the definition of forecasting proposed by De Jouvenel (1967) as 'passing from knowledge about present conditions to estimates of future conditions'.

This definition implies two separate activities:

- * Deduction (forecasting) of possible future conditions by means of forecasting techniques such as Trend extrapolation; Trend Impact Analysis (TIA); Delphi forecasting; cross-impact analysis; computer simulations; technology assessments and scenario writing.
- * Induction (fact finding) of the present situation by means of

techniques such as:

- scanning to identify emerging trends and/or issues as early as possible;
- monitoring or tracking trends and/or issues identified;
- networking as a formal and informal means of sharing issue information. This is done by issues managers and planners through their traditional professional associations (Ewing, 1987:78).

Issues managers, therefore, use forecasting techniques such as deduction and induction to help senior management develop the best informed judgement possible. Forecasting is, however, not equal to issues management and can at best be regarded as a subset of issues management.

2.6.3 Issues management compared with futures research

Futures research as defined by Bartol and Martin (1991:126) is the process of tracking social and other trends in the environment in an attempt to predict their impact on the organization.

Examples of trends which have adversely affected organizations, include among others:

- * Public concern over the depletion of the ozone layer around the globe and subsequent banning of chlorofluorocompounds (CFCs).
- * The oil crises (1973-1975) with resultant increased demand for more economical and smaller motor vehicles.
- * The growing acceptance of generic medicines as economical substitutes for more expensive patented medicines.

Coates et al (1986:1) mention the following reasons for individuals or organizations to study the future:

- * It provides a base for personal, corporative, collective, and governmental planning.
- * It provides management with an opportunity to control, manage or at least, to influence the future.

In the summary of their research report, Morrison, Renfro and Boucher (1984)

state that the field of futures research had always been controversial, and that many academics doubt its legitimacy, particularly so with those who have been led to believe that futures research seeks to predict the future (which it does not), that it is a science (which it is not), or that it will somehow replace established research methods and concepts (which it cannot).

Both Coates *et al* (1986) and Ewing (1987) regard future research techniques such as environmental scanning, as aspects of issues management. Issues management, however, progress further than merely providing a mechanism to identify emerging issues. It assesses the future and relates the findings to the organization and prepare a plan of action.

2.6.4 Issues management compared with long-term planning

Long-term planning, also called long-range planning, is aimed at fulfilling the basic objectives or mission as well as carrying out the policy of the organization (Van Niekerk, 1988:34).

Ansoff and McDonnell (1990:489) use the term long range planning and define it as a systematic procedure for long-term goal setting, programming and budgeting based on extrapolative forecasts. The process of long-term planning is illustrated in Figure 2.6.4.A (see Annexure C, p. 4).

Ansoff and McDonnell (1990:476) call the combination of long-term planning and issues management, quasistrategic planning. This is because of issues management is, according to them, a half-way point between long-term planning and strategic planning. Figure 2.6.4.B (see Annexure C, p. 4) illustrates the combination of long-term planning and issues management to represent quasistrategic planning.

Quasistrategic planning does not change the basic course of long-term strategic development of an organization but its issues management aspect provides guidance which helps maintain this basic course (Ansoff & Mc Donnell, 1990:476).

2.6.5 Issues management compared with strategic planning

A strategy is a pattern of actions and resource allocations designed to achieve the goals of an organization. Strategic goals are major targets or end results relating to the long-term survival, value and growth of organizations (Bateman & Zeithaml, 1990:179).

Strategic planning goes a step further than strategy. It is a procedure for making decisions about the long-term goals and strategies of organizations.

There is, however, a distinctive difference between long-term planning and strategic planning. In long term planning the future is expected to be predictable through extrapolation of historical growth, but in strategic planning the future is not necessarily expected to be an improvement over the past, nor is it assumed to be extrapolable. In long-term planning, goals are elaborated into action programmes, budgets and profit plans for key units of the firm which are then implemented by these units. Strategic planning replaces extrapolation by an elaborate strategy and specific procedures for entrepreneurial management in order to achieve strategic goals (Ansoff & Mc Donnell, 1990:13-14).

A number of authors, among them Bartol and Martin (1991:172) and Baird et al (1990:109), have defined strategic planning. The definition of strategic planning offered by Van Niekerk (1988:38) is comprehensive and describes strategic planning as the process whereby the long-term goals of an organization are determined, taking into account the values and philosophy of management and with due regard for the organization's strengths and weaknesses and internal environmental factors in order to develop specific plans to implement a strategy.

Ansoff and Mc Donnell (1990:491) describe strategic planning as a systematic procedure for entrepreneurial management which represents the firm's strategy on examination of novel alternatives. This procedure is illustrated in Figure 2.6.5 (see Annexure C, p. 5).

Strategic planning can be regarded as an important management function enabling organizations to assess their environments and formulate strategies which will match, position and relate them successfully to these environments.

According to Ewing (1987:viii) many corporate executives still confuse strategic planning with issues management. What is then the differences and similarities between strategic planning and issues management?

Ewing (1987:18-23) describes the responsibilities of strategic planning and issues management as follows:

- * The first responsibility of strategic planning is the exploitation of corporate business opportunities. A secondary responsibility of strategic planning is contingency planning to protect the organization against economic discontinuities.
- * The first responsibility of issues management, on the other hand, is to make sure that the corporation is 'defended against the tactics of organized and/or unorganized actors in the public policy forum'. A secondary responsibility of issues management is to identify opportunities, inherent in the issues others create, or the

company attempts to create.

Strategic planning therefore attempts the best results out of the best possible situation the organization itself creates, whereas issues management attempts to gain the best results out of contentious situations others try to create (Ewing, 1987:22).

Ewing (1987:20 & 46) draws the following distinction between strategic planning and issues management:

- * Whereas strategic planning produces a business plan, which can be referred to at any time during the year, issues management is a management process, designed to efficiently utilize the human problem-solving resources of the organization according to its needs and available resources.
- * Whereas strategic planning is primarily concerned with the corporation's internal planning for its own economic future, issues management is concerned with issues that will begin to develop, mature, or be resolved in the near future.

From the aforementioned it can be concluded that strategic planning is business (economic) research, foresight and planning whereas issues management is public policy research, foresight and planning.

The similarity between issues management and strategic planning is that each forms one half of the planning platform which should be used to guide companies through the present into the future. Both issues management and strategic planning use similar techniques. Both share similar research and re-enforce each other in support of the bottom line of organizations. Together they give senior management the ability to strategically manage organizations with greater efficiency and effectiveness. Both issues management and strategic planning rejects the passive approach of hoping to know the future and merely adjusting to it. Both demand an affirmative posture of creating the future and positioning the corporate enterprise into the future (Ewing, 1987:19-22).

Issues management and strategic planning together, therefore, gives top management enhanced capability to manage organizations in the present, and into the near-term future.

2.6.6 Issues management compared with strategic management

Strategic management is an important responsibility of general management and a process aimed at keeping the organization appropriately matched to its environment.

Wheelen and Hunger (1989:7), Certo and Peter (1991:5), Bateman and Zeithaml (1990:183), and Bartol and Martin (1991:190), among others, have deliberated the concept of strategic management. From these deliberations the following definition can be proposed:

Strategic management is a systematic approach for managing strategic change. It is a continuous inter-active process and a set of managerial decisions in respect of strategy formulation, strategy implementation, strategy evaluation and control which determines the long term performance of the organization.

Ansoff and McDonnell (1990:xvi) use the term strategic issues management and strategic management interchangeably and illustrate the process of strategic issues management as depicted in Figure 2.6.6.A (see Annexure C, p. 5).

According to Ansoff and McDonnell(1990:xvi) strategic management consists of the following processes:

- * Positioning of an organization through strategy and capability planning.
- * Strategic responses through issues management.
- * Systematic management during strategic implementation.

Organizational resources are necessary to implement the aforementioned processes. Organizational resources are however allocated along functional lines and not according to issues. A process that is to be solely issues-management orientated would therefore not establish a link with operational concerns (Lozier & Chittipeddi, 1986:12). Issues management must therefore be linked to ongoing strategic planning and strategic management. Issues management is also best understood in the context of its linkage with strategic planning and strategic management. This linkage is illustrated in Figure 2.6.6.B (see Annexure C, p. 6).

2.6.7 Issues management compared with management of change

How well managers manage organizations largely depends on how well they both create and respond to changes. Managers therefore need to manage change.

Management of change is viewed in the context of not only change but also innovation. Change being any alteration to the status quo and innovation being a new idea applied to initiate or improve a process, product or service (Bartol & Martin, 1991:223-257).

A variety of major forces influence change and innovation in organizations. Some of these forces stem from external factors, while others arise from factors that are mainly internal to organizations. Major changes usually involve adjustments to one or more of the following key organizational components: structure, technology, human resources, and culture (Bartol & Martin, 1991:254).

It can be argued that although management of change contains elements of issues management, the former tends to concentrate more on organizational development. Issues management on the other hand, concentrates on the management of issues that bring about change.

2.7 THE ISSUES MANAGEMENT PROCESS MODEL

The objective of the discussion of the issues management process model is to review the literature on issues management processes and to propose an activity program for the management of issues, based on the steps of the original Chase-Jones (Chase, 1984) model.

2.7.1 Review of current position regarding the issues management process

The issues management process is described by a number of authors. Cook (1989), Lozier and Chittipeddi (1986), Coates et al (1986), and Ewing (1987) all define the issues management process as a set of organizational procedures, routines, and processes devoted to perceiving, analysing, and responding to strategic issues.

Cook (1989:155) views the issues management process as a continuum consisting of issues identification, issues analysis, policy options, program design, and results. This continuum is illustrated in Figure 2.7.1.A (see Annexure C, p.6).

Coates et al (1986:29) proposes a conceptual model of issues management. This process model is illustrated in Figure 2.7.1.B (see Annexure C, p. 7).

Lozier and Chittipeddi (1986:3) describe the issues management process as an ongoing organizational process concerned with the identification and the analysis of issues as well as the development of appropriate organizational responses to such issues.

Chase and Jones (Chase, 1984) developed an issues management model, based on the assumption that no company can simultaneously, manage every issue. Organizations therefore need to develop procedures for identifying, sorting and prioritizing issues of primary concern to their operations. The five steps of the Chase-Jones (Chase, 1984) model are as follows:

- * Issues identification: primary identification of a specific issue.

- * Issues analysis: results in judgment and priority setting.
- * Issues strategy options: development of strategies.
- * Action program: executing of plan by line and staff functions.
- * Evaluation of results: degree of success assessed.

Recognising the five aforementioned steps in the issues management process, a program to support such steps can now be considered.

2.7.2 A proposed program for issues management

It was established in Section 2.4.3 that the term issues as it applies to issues management are emerging, current, or unfolding conditions of pressure which can impact on the future viability of organizations. The different steps in the issues management process were outlined in Section 2.7.1.

A description of how a program for the management of issues, with particular reference to issues as defined in Section 2.4.3., can fit into the steps of the Chase-Jones model as discussed in Section 2.7.1., is suggested by the writer and summarised in Table 2.7.2 (see Annexure C, p. 7).

This program for the management of issues, based on the Chase-Jones model will now be discussed in more detail:

2.7.2.1 Issues identification

The first step in the issues management process model is the identification of issues relevant to the viability of organizations.

(a) Primary identification of issues

The first priority of issues management is to identify emerging issues on an early and ongoing basis. This must be done early enough to allow the organization to reveal significant positive or negative effects on the organization and its activities, and to pro-actively respond to such issues.

The key to this early and ongoing identification of issues is the scanning of a range of potential areas from which issues may emerge (Ewing, 1987:30).

Coates et al (1986:30) describe the scanning phase as a mode of information collection with the objective of 'looking over a full range of potential areas, quickly but thoroughly'.

The scanning function involves some mechanism for broadly sweeping the

organizational environment of potentially available information for developments, trends, issues, factors, and forces which could affect the organization's operation (Coates et al, 1986:29).

A number of authors (Kroon, 1990; Schoderbek, Schoderbek & Kefalas, 1988; Meixell, 1990; Morrison & Mecca, 1987; Simpson, McGinty & Morrison, 1987), prefer the term 'environmental scanning' when referring to the systematic collection of information from the external political, social, and economic environment.

Environmental scanning is according to Kroon (1990:93) a process by which management investigates the environment of the organization in order to identify its chief characteristics and the most important opportunities and threats to the organization.

Ewing (1987:76) suggests the term 'media scanning' when this technique is applied by reading current periodicals, trade and scientific journals as well as the broader mass media. The term media could include daily newspapers and periodicals. It could also include specialized publications reflecting social, political and economic changes occurring in contemporary society, books, symposia reports and newsletters. The attendance of both industry and other meetings and conferences, where new developments and trends are discussed by speakers and panellists, is also part of the scanning process.

Discussions with knowledgeable management and professional staff within the organization to collect emerged issues that have already been recognized by the management of organizations, should also be part of the internal scanning process. In this regard Ewing (1987:76) suggests the analysis of the five year strategic plans of the business units of organizations. Although analysis of these plans may result in the collection of hundreds of issues, many duplicative, they could be categorized into 'issue clusters'. This enables issues management staff to see the overall environmental patterns forming about matters of concern to their organization. Ansoff and McDonnell (1990:373) provides a starting point for issue identification by listing thirty seven possible issues and suggesting a procedure of crossing out the issues which are not relevant to the specific organization and to add others which are identified from scanning the environment.

The diagrammatic representation of the scanning process, is illustrated in Figure 2.7.2.1.A (see Annexure C, p. 8).

After issues with a potential positive or negative effect on the organization have been identified, it remains imperative that these issues should be monitored and that the gathered information be incorporated in the strategic planning process of the organization.

(b) Continuous monitoring of issues

Coates et al (1986:31) describe monitoring as to watch, check, and keep up with developments, usually in a well-defined area of interest for a very specific purpose. Ewing (1987:77) defines monitoring as the process of tracking issues and trends identified through the scanning process. It is therefore a more refined process than the scanning process. It is a detailed information search of potentially important issues including current unfolding issues. It is less general and more specifically focused on periodic re-analyses and interpretation of trends and issues and their possible impact on the viability of the organization.

The diagrammatic representation of the monitoring process, as shown in Figure 2.7.2.1.B (see Annexure C, p. 8), is proposed by Ewing (1987:175).

It can be concluded that the monitoring function of issues management, is an extension and follow-up on the primary identification function of issues management which often involves similar activities and techniques. The techniques for the identification and monitoring of issues will now be discussed.

(c) Techniques used for primary identification and monitoring of issues

According to Ewing (1987:76), networking and scanning are probably the most widely used fact-finding techniques to identify and monitor issues.

- * Networking is the formal and informal sharing of issue information by issues managers and planners through their trade and professional associations.
- * Scanning is a technique for identifying emerging issues or trends, and collecting information on such emerging issues or trends, as early as possible.

Kefalas (1987) recognized the difficult task of issues managers 'to make sense of masses of nebulous data'. To overcome this obstacle, Kefalas (1987:28) developed the ENSCAN computer package to deal with some of the problems of environmental scanning. The intention is to assist management in performing more efficient and effective environmental scanning, given the resource constraints faced by most organizations.

Nanus (1982:39-45) describes the QUEST technique which was designed to focus management's attention on critical issues for strategy formulation. The major advantages of the QUEST technique are its low cost, rapid implementation, and ability to collect and focus the expertise of corporate executives on the external environment of the organization.

Coates et al (1986:46) conclude that there is no fixed way or even best practice for issues identification and monitoring. The ways in which issues are handled vary widely depending, among others, on the number of product lines, stability of markets and the size of the organization.

2.7.2.2 Issues analysis

Ansoff and McDonnell (1990:375) emphasize the importance of assessing the potential future impact of issues and trends on the performance of the organization. This analytical step follows after the first step of having identified the issues.

According to Ewing (1987:51) the preliminary stage of issue analysis seeks to determine the answers to questions such as:

- Is it a new emerging or a current unfolding issue?
- Is the issue primarily internal or external?
- Is it a political, legislative, economic or social issue?
- What will or could be the nature of its impact on the organization?

With regard to the impact of an issues on the organization, it has to be established whether the profitability of an organization will be directly affected, or whether the issue will affect the broad public domain, with an eventual, and possibly equal, impact on the organization, its competitors and the business community in general.

It must furthermore be established whether the organization can influence the development and successful resolution of the issue. If not, the question must be posed whether organized industry can influence it. If neither, it could merely be regarded as an issue to be monitored without resources being assigned to it.

A further matter to be considered is who the major influencers of the issue are. What positions they have already adopted, or what positions they are likely to adopt in the near future.

Bateman and Zeithaml (1990:257-259) suggests four elements of issues analysis. These four elements can be applied to assess the impact of emerging and unfolding issues and are as follows:

- * To evaluate the impact of issues on the organization's entire industry.
- * To evaluate the impact of issues on the competitive balance within the industry.

- * To evaluate the impact of issues on the operations of the organization.
- * To evaluate the impact of issues on the goals and strategies of the organization.

Wheelen and Hunger (1989:99) suggest an issues priority matrix which can be used by managers to judge issues as high or as low priority issues. This matrix is illustrated in Figure 2.7.2.2.

According to Wheeler and Hunger (1989:99), a report to senior management on high-priority issues should contain the following aspects:

- * A statement of the issue.
- * Background and detailed analysis based on research.
- * Analysis of any current organizational policy relating to the issue.

Ansoff and McDonnell (1990:375-377) agree with evaluating the impact of issues on the attainment of the goals and strategies of the organization.

The organization as a unit can however focus on only four or five major multi-departmental issues in any one year. Remaining issues must be still be monitored by issues management staff to see if they grow in intensity or change into new issues (Ewing, 1987:62).

Issues analysis is critical to management and is a mechanism to move forward to the formulation of a strategy whereby issues will be managed.

2.7.2.3 Strategy formulation and policy setting

The results of the analysis stage leads to the formulation of a strategy through strategy selection and the setting of policies and action programmes with regard to high-priority issues.

Ewing (1987:62-64) suggests the policy setting and operational programmes for high-priority issues to be handled in one of the following two ways, depending on the size of the organization:

- * In smaller organizations, the issues management staff itself does additional research, and develop policies and operational programmes for each issue.
- * In larger organizations with more sophisticated managerial and professional staff resources, an issues management steering

committee sets up an issues task force to study, develop, and recommend policy and action programmes to deal with each issue.

After having formulated strategies for high priority issues and after having set policies and operational programmes to deal with high-priority issues, the next step is action through strategy implementation.

2.7.2.4 Strategy Implementation and control

The implementation of a chosen strategy for high-priority issues involves the development of a framework for its execution. It also involves the necessary leadership to set the plan in motion, and the exercising of control to determine whether the performance of activities is going according to plan (Cronje et al, 1993:94).

A framework for strategy implementation within which management sets the strategic management operational programmes for high-priority issues into operation, is suggested by the writer and is illustrated in Figure 2.7.2.4 (see Annexure C, p. 9).

Implementation of strategy programmes, as illustrated in Figure 2.7.2.4 is done through the Issues Management Director by involving senior managers of appropriate functional departments, in making the final policy decisions according to a timetable developed for the program. The Issues Management Director acts as a facilitator in helping those managers responsible for carrying out the issues management operational program. He therefore performs, according to Ewing (1987:114), a catalyst function.

The next step is to communicate issues management policies and programmes for the implementation of strategies to appropriate stakeholders through company publications, advocacy advertisements, shareholder letters or reports, or customer news letters and billing inserts.

Coates et al (1986:2) list four conditions for the successful implementation of an issues management program by stating that issues management must:

- * Be tailored to the corporate culture and management dynamics of the organization.
- * Enjoy the full and active commitment of top executives.
- * Be implemented gradually.
- * Seek and achieve broad participation of functional managers at operating and staff levels.

Ewing (1987:66-68) agrees with Coates et al (1986) that the issues management process must be flexible.

To ensure the participation of all functional managers there must be a supporting program and a feedback program to functional managers through a network of internal and external sources of information. Although radical changes in organizational structures has not yet been advocated to ensure such participation, some re-arrangement of managerial responsibilities may be necessary Ewing (1987:114).

(b) Strategic control

Control necessitates the use of processes whereby actual performance is measured against set standards and deviations are corrected (Van Niekerk, 1988:6). Control measures such as preventative, simultaneous, and backward control techniques as well as strategic control points can be applied to control key activities (Van Niekerk, 1988:227-231).

Instituting strategic control also include the design of information systems to provide feedback regarding how strategic plans are being implemented, as well as their apparent effects. Such strategic control systems allow managers to make adjustments in the carrying out of strategic plans (Bartol & Martin, 1991:218).

In view of the above, it can be concluded that a well-designed program for the implementation and control of strategies to deal with high-priority issues is of vital importance to the long-term effectiveness of organizations. The last step in the issues management process is response evaluation.

2.7.2.5 Response evaluation

Response evaluation is the final step in the issues management process. It involves the audit of the process of issues management and a performance appraisal.

(a) Auditing the issues management process

An audit of different functions in an organization is conducted by assessing the important positive and negative attributes of each functional area (Bartol & Martin, 1991:200). In the case if issues management each step in the issues management process represents a function which can be audited for effectiveness. The functioning of the issues management department and its co-ordination with other departments must also be assessed to identify internal organizational strengths and weaknesses.

(b) Performance appraisal

Performance appraisal with regard to high-priority issues can be used to evaluate the performance of the organization over a certain time-period in terms of pre-determined criteria for a particular issue.

Performance appraisals are done to assess the degree of success achieved through applying the process of issues management, and whether external issues of concern were sufficiently addressed by the issues management process. It is also done to determine whether adjustments in the goals, plans, standards, policies and programmes are required in dealing with specific high-priority issues. Such appraisals are inherently difficult, because of results that can rarely be quantified. Evaluation must therefore occur on a qualitative basis by executive management as well as issues management staff (Arrington & Sawaya, 1984:19).

Response evaluation is therefore a step of critiquing, which is performed to discuss, understand and, if necessary revise the process of issues management to make it as specific and as useful as possible. Response evaluation is also done to assess the degree of success achieved through dealing with issues in a pro-active manner.

2.8 SUMMARY

This chapter reviewed the literature and identified sources of information underlying the study. A discussion on business management indicated the importance of business management as a science and the management function as process to achieve organizational goals. The discussion on the changing business environment of organizations established three sub-environments namely the micro- , the task- , and the macro-environments of which the latter two relates to issues management.

For the purpose of this study definitions of the terms issues and issues management as it applies to issues management were established.

The term issues, was defined as:

Emerging, current or unfolding conditions of pressure in the task- , and macro-environments of organizations which, through the public policy process, impact on the future viability of organizations.

The different categories of issues according to their stage of development, their social context, and their strategic dimensions were also analyzed. Apart from emerging and current issues, a new concept of 'unfolding issues' was suggested by the writer. Unfolding issues was described as current resolved

issues in terms of their stage of development, but unresolved in terms of their future impact on the organization. It was further suggested that such unfolding issues fall within the scope of the issues management.

Four development stages in the life-cycle of issues were also described. The diminishing ability of organizations to influence issues as they develop in relation to time, as well as the importance of identifying issues during the early stages of development was emphasized.

Issues management, for the purpose of this study, was defined as:

A management process determined to identify and analyze issues which can have a strategic impact on the future viability of an organization as well as managing an effective response to such issues.

The positioning of the issues management function, at strategic management level, preferably as a separate division with line and staff authority combined with functional authority, was suggested by the writer. A framework for the organization of tasks and human resources within the Issues Management Division was also proposed by the writer. It was suggested that the Issues Management Division should comprise of an Issues Management Steering Committee, an Issues Management Department, and an Issues Management Advisory Committee. The responsibilities of the Issues Management Director within the Issues Management Division were also discussed.

Issues management was furthermore compared with other management disciplines. Differences and similarities between issues management and strategic planning, as well as, between issues management and strategic management were described and illustrated. It was pointed out that issues management is best understood in the context of its linkage with strategic planning and strategic management.

The process of issues management including the steps involved in such a process was analyzed and an activity program for issues management based on the original Chase-Jones (Chase, 1984) process model was proposed.

Having deliberated the concept of issues management in this chapter it can be concluded that issues management as a process can enable organizations to come to an early and constructive understanding of the issues confronting them in a changing business environment and an uncertain future, as well as, to manage such issues pro-actively.

The next chapter deals with community pharmacies in a changing business environment.

CHAPTER 3

COMMUNITY PHARMACIES

3.1 INTRODUCTION

The aim of this chapter is to conceptualize issues affecting community pharmacies in a changing business environment.

Community pharmacies can be defined as:

private enterprises managed and/or owned by pharmacists with the main purpose of supplying medicines and health services in such a way that a reasonable profit can be earned in the long-term.

The term community pharmacy is preferred and extensively used in the pharmacy profession since it is more descriptive and professional than the term retail pharmacy. The term retail pharmacy is indeed anathema for many members of the profession. The South African Association of Retail Pharmacists (SAARP) has, as a result of the aforementioned, adopted a resolution at its 43rd General Meeting in 1993, to change its name to The South African Association of Community Pharmacists (SAACP). The terms community pharmacy(ies) and community pharmacist(s) will therefore be used in this study.

Firstly, this chapter will commence with a brief overview of health care in the RSA as background to the issues impacting on community pharmacies. Secondly, the pharmaceutical industry, as a key player in the health care system of the RSA, will be reviewed. Brief mention will be made of the changing micro-environment of community pharmacies. The larger part of the discussion in this chapter will, however, concentrate on the changing task-, and macro-environments of community pharmacies as well as the issues pertaining to these two business environments. Lastly the management of community pharmacies at retail and organizational levels will reviewed. The chapter will conclude with a summary.

3.2 HEALTH CARE IN THE RSA: AN OVERVIEW

Health is defined in the constitution of the World Health Organization as a state of complete physical, mental and social well being and not merely the absence of disease and infirmity (WHO, 1985:11). Health care is the supply of services leading to the achievement of such a state of physical, mental and social well being (Scott, 1987:1).

The crisis of health care in the RSA reflects, not only the crisis facing health care in the Western world, it also reflects the crisis of political

legitimacy and the problem of delivering modern health care to a growing and urbanizing population. A population which also needs to be adequately housed, fed and educated (Splier, 1993:6).

In the RSA six per cent of GNP is spent on health care. Forty six per cent of this amount is enjoyed by only twenty per cent of the population. Apart from this, a loss of R 2 billion was incurred during 1992 through fraudulent claims and over-servicing of patients (Price, 1993:3).

Boshoff (1991:1-2) lists amongst others the following characteristics of existing health care in the RSA:

- * The bulk of the South African population falls under a government health care system.
- * The cost of government health care has however exceeded the limits of affordability and further massive demands from education and housing will make further expansion of the health budget very difficult.
- * Apart from registered nurses the growth rate of all other health professions exceeded the population growth rate in the eighties, and there tends to be an oversupply of health personnel and facilities in the cities, and a shortage in the rural areas.
- * The cost profile of health care for the private sector has exceeded the limits of affordability.

Golladay (1993:5) highlights the challenges of how such a changed structure should be financed and how resources should efficiently be used and also identifies ten major obstacles to the transformation of health care services in the RSA.

The Department of National Health (South Africa, 1991:4) has, in order to address present and future health care challenges, developed the following objectives:

- * To provide an accessible and affordable health care service to the total population of the RSA.
- * To ensure that personal and primary health services are within the reach of the all people of the RSA.
- * To promote self care amongst the population of the RSA.

To reach the aforementioned objectives, the National Health Services

Facilities Plan had been devised to incorporate primary health services into all spheres of health care services.

Robinson (1991:10) is of the opinion that there is a role to play for both the public sector and the private health care sector in providing new, effective and affordable health care delivery structures for all citizens of the RSA.

In order to achieve the objectives of the Department of Health, and in order to involve both the public and private sectors, a deviation from current traditional systems is essential. This will require an adoption of more innovative and cost-effective structures of health care distribution to prevent health care from becoming completely un-affordable for all, but the very wealthy. Whatever political dispensation prevails in the South Africa of the future, a more equitable health care system is of cardinal importance.

Boshoff (1991:12) concludes that the society in the RSA, is a society in transformation. This necessitates a change in the structure of its health care services.

Constitutional negotiations (1993) between political parties for an equitable dispensation for a future South Africa, is bound to emphasize the requirements of a sound health care delivery system. In this regard there will be a need for a greater professional contribution from community pharmacists in the management of such a system. Community pharmacies will therefore have to adapt to a unique health care situation, and to the new opportunities of a changing South Africa.

3.2.1 The public health care sector

In the RSA, including the TBVC countries, the public health care system is complex and severely fragmented with a duplication of services and little co-ordination (Robinson, 1991:1). Robinson (1991:1) categorizes the development of this fragmentation in different historical stages and estimates that the cost of administering this fragmented public health care system amounted to R 800 million in 1989.

State facilities are presently (1993) near collapse and budgets have been drastically reduced. Financing have been moved from the academic hospitals and the curative institutions to the development of primary health care clinics. Further restrictions may be placed on the list of medicines to be used in the public sector, and the use of generic substitutes of patented medicines will escalate in both the public and private sectors (Sutherland, 1993:6).

In developing the health care system of a new South Africa the emphasis should be on affordability, preventative medicine and primary health care. It would accordingly make sense for the pharmaceutical profession to position itself

to meet the new demands and challenges. This may, according to Brooks (1993:7) require community pharmacists to work as members of health care teams, or for them to perform additional health care services commensurate with their formal qualifications and training.

Optimal utilization of all resources, including the human resources of community pharmacists and the physical resources in the facilities that community pharmacies can offer, should therefore be one of the prime objectives for the health care of the population of a future South Africa.

3.2.2 The private health care sector

The private health care sector in the RSA is represented by private enterprises which provide medicines and health services to consumers.

The private health care sector consists of manufacturers, wholesalers, retailers, private hospitals, clinics and private health professionals. Retailers include community pharmacies, which are expected to play a more meaningful role in the health care delivery system in the future.

In order to play a more meaningful role, and to pave the way for the creation of a more cost effective health care delivery system, there is currently (1993) a strong move towards de-regulation of the private sector. The proposed changes to legislation governing the pharmaceutical profession, and draft legislation designed to de-regulate medical schemes, are examples of such de-regulation. The private health care sector is therefore expected to be better utilized. Simultaneously, measures will have to be introduced to entice more private sector health professionals into the public health care system.

Van der Walt (1992b:3) supports a private health care delivery system, functioning alongside public services and facilities and not in opposition against it. It should therefore be a mixture of these two systems, in other words, the intelligent combination of private enterprise and government funding. Private enterprise should be implemented in those areas where it can be afforded, while in addition, a support system should be provided by the government for the benefit of the economically disadvantaged members of the population.

3.3 THE SOUTH AFRICAN PHARMACEUTICAL INDUSTRY

A major part of the South African pharmaceutical industry is involve in the private health care sector. The private health care sector consists mainly of pharmaceutical manufacturers, wholesalers, community pharmacists, dispensing medical practitioners, private hospitals and clinics.

3.3.1 Profile of the pharmaceutical industry in the RSA

A schematic description of the roll players in the pharmaceutical industry in the RSA is depicted in Figure 3.3.A (see Annexure C, p.10).

According to Candy (1991:1), the following statistics can be related to certain role players depicted in Figure 3.3.1.A.

- * Hundred and twenty pharmaceutical manufacturers, of which less than ten per cent accounts for most of the total industry turnover of R 2,5 billion per annum at wholesale price level.
- * Three hundred pharmaceutical wholesalers, a handful of which are dominant in the market place e.g. South African Druggists (Link), Adcock Ingram (Family Circle), Medical Cash Carry and International Healthcare Distributors.
- * Six thousand registered dispensing doctors of which approximately half could be considered active.
- * Two thousand nine hundred community pharmacies, most of which use the corporate identity of a major wholesaler.

The pharmaceutical industry, therefore, plays an important role in the supply of health care to the citizens of the RSA.

3.3.2 Restructuring of the pharmaceutical industry

The restructuring of the pharmaceutical industry has over the past decade attracted intense debate. Candy (1991:3) is of the opinion that a certain degree of restructuring has already taken place. This is evident by the following developments:

- * Consolidation of pharmaceutical manufacturers into a small group of major players whose holding companies are industrial corporates such as Malbak, Barlows, Federale Volksbeleggings and the Premier Group of companies.
- * A consolidation of the independent wholesalers into three major corporate structures which are also part of a small group of major manufacturers such as South African Druggists, The Premier Group and Adcock-Ingram.
- * A rapid increase in the amount of dispensing performed by medical practitioners.

- * Increased competitiveness and discounting by community pharmacies.

The major losers in the restructuring process within the pharmaceutical industry to date have been the independent wholesalers and community pharmacies through loss of market share to chain stores and dispensing medical practitioners (Anon, 1991:41).

3.3.3 Community pharmacies as part of the pharmaceutical industry

Community pharmacies as part of the private sector are also part of the pharmaceutical industry.

(a) Profile of community pharmacies in the RSA

Statistics relating to the register with the SAPC of community pharmacies in the RSA are illustrated in Table 3.3.3 (see Annexure C, p. 10).

Approximately sixty seven per cent of all registered pharmacists are involved in community pharmacies. The involvement of pharmacists in the different work areas is illustrated in Figure 3.3.3.B (see Annexure C, p. 11).

(b) The task of community pharmacies in the RSA

In general the task of community pharmacies is that of a health care service. More specifically it involves the processing of prescriptions, counselling of patients, monitoring drug utilization, responding to symptoms of minor ailments, informing health care professionals and the public, manufacturing medicines on small scale and the general promotion of health (WHO, 1978: 11-13).

The SAPC (SAPC, 1992:12) regards the community pharmacist as a health care provider in the following three areas:

- * As a custodian of medicines.
- * As an individual autonomous health care provider.
- * As a health care provider in group practice or in a managed health care delivery system.

Efficient custodianship of medicine can however only be practised where there is efficient drug management. Community pharmacists are uniquely qualified to that end. Opportunities have lately (1990-1993) been created for community pharmacists to develop this distinctive expertise and to serve as key players in the health care deliver system. These opportunities are discussed in Sections 3.6 and 3.7.

Slabber (1991:30), currently (1993) Director-general of the Department of Health, listed the following three specific areas on which the pharmacy profession has to concentrate:

- * To clearly define the role of the pharmacist.
- * To provide sufficient pharmacist manpower.
- * To develop and strengthen the leadership skills of pharmacists.

Dreyer (1990:8) calculated the value of pharmaceutical services rendered free of charge by 2570 (1989) community pharmacies in South Africa. The value was found to be worth a minimum of R 886 million per annum. To replace these services, approximately 3434 doctors and 6088 nurses would be needed. The training per doctor and per nurse in 1990 amounted to R 60 000 and R 40 000 in tax payers subsidies respectively.

Considering the aforementioned tasks and the volume of services rendered free by pharmacists as estimated by Dreyer (1990), it can be said that South Africa cannot afford the pharmaceutical services offered by community pharmacies to be eroded away. The Department of Health fully recognizes the value of the professional services rendered by community pharmacies and the services of community pharmacists as key players in the health care delivery system. The course in family planning designed for pharmacists and the permission to pharmacists to dispense birth control medication is proof of the confidence of the Department of Health in the pharmacy profession. The latter also serves as an example of the intention of the Department of Health to utilize community pharmacies and the professional abilities of community pharmacists to the full, and to assist pharmacists in making an important entry into the PHC (Primary Health Care) program of the Department of Health.

3.4 THE ENVIRONMENT OF COMMUNITY PHARMACIES

Issues management frequently uses the term environment. The term refers not merely to the natural and man-made physical environment, but to the whole external situation in which the activities of an organization are embedded (Coates et al, 1986. Ewing, 1987).

The first attempt at an unbiased and un-emotional analysis of 'retail' pharmacy and its environment as a whole was made by Du Preez (1973). This was contrary to previous attempts where the emphasis was usually on wished-for situations as reflected by the personal feelings and loyalties of authors in various pharmacy publications. Scott (1987) in his study on the economics of health care in the RSA investigates among others, the channels of distribution by which medicines are supplied to consumers in the RSA. Scott (1987: 226-263) describes a number of issues, as competitive pressures, between different

channels of medicine distribution. Visser (1989:93-100) discusses certain threats and opportunities facing 'retail' pharmacies with special reference to the Pretoria/Rustenburg area. In his study, Spies (1990:59-75) also identifies a number of business and professional dimensions affecting community pharmacies.

As stated in Section 2.3.2, the business environment consists of three distinct sub-environments, namely the micro-environment (internal) and the task- (internal/external) and macro- (external) environments. These changing sub-environments of the business environment, with problems and issues pertaining to them, encompass community pharmacies and impacts on their future viability.

Issues as defined in Section 2.4.3, are emerging, current or unfolding conditions of pressure in the task- , and macro-environments of organizations. In the following section, only brief mention will be made of the micro-environment and its functional problems. Following this the task- , and macro-environments and issues pertaining to the latter two environments will be more comprehensively dealt with.

3.5 THE CHANGING MICRO-ENVIRONMENT OF COMMUNITY PHARMACIES

The micro environment as a sub-environment of the business environment constitutes the functional areas within organizations.

With regard to community pharmacies it includes all relevant factors or forces under the direct control of management as listed in Table 3.5 (see Annexure C, p. 11).

The continued viability of community pharmacies depends on their profitability, which in turn is affected by, amongst others, the micro-environmental factors listed in Table 3.5. It is also affected by external issues in the task- , and macro-environments. Although a comprehensive study of the effects of micro-environmental factors on community pharmacies falls outside the ambit of this study, brief mention will be made of recent changes in the profitability of community pharmacies.

De Bruin (1991:3) reports that the profitability of community pharmacies in 1991 declined to half of that during 1990. The reasons were three fold:

- * The dispensing medical practitioner. Many pharmacies showed no growth in turnover during 1990 as a result of the fact that medical practitioners have started dispensing activities in 77,5 per cent of the areas of community pharmacies.
- * Medical aids demanding higher and higher discounts. This resulted

in reduced profits made by community pharmacies on a large part of their dispensing business.

- * Discounts being offered to the public by community pharmacies. This had resulted in no new business but shifting "from no discount sales" to sales bearing a discount of between seventeen and twenty percent.
- * Increased expenses as a percentage of turnover of the average community pharmacy.

Indications are that the aforementioned trends continued after 1990. The way in which community pharmacists as owners/managers of community pharmacies currently (1993) perceive this threat will be established through empirical research in this study.

Another contributing factor to lower profitability is the escalating cost of medicines which has become a major focus for consumers and the health care industry in general. This has, and still is, resulting in profit margins of pharmaceutical wholesalers and community pharmacies being under pressure (Candy, 1991:1). Whilst internal cost and price structures fall within the micro-environment of community pharmacies, the costs of medicines have become a macro-environmental issue with a direct and/or indirect impact on various aspects of community pharmacy. The cost-containment of medicines will be discussed in Section 3.6.3.3.

The Medical Schemes Amended Act (Act 72 of 1967) is to become law in 1993. This will allow medical aids the right to open their own pharmacies. This could, if the Pharmacy Act (Act 53 of 1974) is amended to permit non-pharmacists to own pharmacies, result in the loss of a large portion of the business of community pharmacies, with the result that profitability of community pharmacies will decline substantially.

The aforementioned factors affecting the profitability of community pharmacies could result in fewer community pharmacies, either by closure or amalgamation. Greeff (1993) predicts that the number of community pharmacies could be reduced by eight hundred, by 1995. Such a drastic reduction will result in the accessibility of a widely spread pharmaceutical service being denied to the public.

3.6 THE CHANGING TASK-ENVIRONMENT OF COMMUNITY PHARMACIES

The task-environment comprises those people and institutions for whom the survival of the organization is of importance (Marx & Churr, 1990:106). In respect of community pharmacies it includes the following:

3.6.1 The owners/managers of community pharmacies

Registration of pharmacists with the SAPC, as laid down in the Pharmacy Act (Act 53 of 1974), is a pre-requisite for the performance of acts pertaining to the profession of a pharmacist.

The current Pharmacy Act (Act 53 of 1974) also restricts ownership and management of community pharmacies to registered pharmacists. This is expected to change with amendments to the Pharmacy Act, which is expected to be tabled in Parliament in November 1993. The perceptions of owners/managers of community pharmacies about these proposed amendments to the Pharmacy Act will be established through empirical research in this study.

For the purpose of this study owners/managers of community pharmacies are defined as:

Pharmacists who manage, or own, or manage and own, or manage and have a financial interest as shareholders, members or partners in one or more community pharmacies.

3.6.1.1 Pharmacy manpower

An investigation into the training of pharmacists in the RSA by the Universities and Technicons Advisory Council (AUT) concluded that pharmacy students were qualifying (1991) in sufficient numbers, but that more will have to qualify in the next decade and thereafter (Slabber, 1991:31).

A more recent manpower survey of pharmacists (Spier, 1993:6) reveals dramatic changes to pharmacy since 1986. Changes included amongst others, a decline of 33 per cent in the number of entrants, interns and qualified pharmacists since 1986. The increase in registered pharmacists as a percentage of new pharmacists qualifying has also fallen from over 80 per cent in 1987 and 1988 to 50 per cent in 1990-1992. Projections are that South Africa will have a calculated shortfall of between 2300 to 4400 pharmacists by the year 2010 at the current growth rate. The report also proposes a specific investigation into the causes of this decline as well as the formulation, and a co-ordinated implementation of an Action Plan for Pharmacy Manpower.

Candy (1991:8) pleaded for the recruitment of pre-graduate students from the non-white population groups. In 1991 there was an oversupply of white, especially female pharmacists, and an undersupply in all other population groups. Current (1993) statistics from the SAPC Register lists the number of male and female community pharmacists per race group in the RSA as illustrated in Table 3.6.1.1 (see Annexure C, p. 12). The perceptions of owners/managers of community pharmacies concerning this matter will form part of the empirical section of this study.

The statistics listed in Table 3.6.1.1 point to the current disproportion of pharmacists by race group and the aforementioned projections, to a possible dramatic decline in pharmaceutical manpower to cater for the health care needs of a future South Africa.

3.6.1.2 Training of community pharmacists

Regulations in the Pharmacy Act prescribes the curriculum and qualifications necessary for registration as a pharmacist.

Proposals for a new course which aims to address existing deficiencies and to equip pharmacists to deal with the changes and challenges facing the profession have been forthcoming (Botha, 1992: 288-293). Within the framework of the prescribed curriculum, Pharmacy Schools have already restructured their courses to help future pharmacists to adequately cope with growing socio-medical needs. More fundamental changes to the curriculum were later instituted by the SAPC, and more changes have consequently been introduced at universities. By 1994 pharmacy graduates will have covered this additional training. This will enable "new" pharmacists to render the much needed community service required of them. The new curriculum will emphasize clinical pharmacy, pathology and the physical assessment of patients. This will equip pharmacists for their new role in primary health care, in keeping with the amendments in the Pharmacy Act.

This new approach to the education of pharmacists is in line with the accepted principle of the SAPC that the profession should strive towards greater professionalism instead of commercialization. A further principle of the SAPC is that the profession should be able to play a greater role in preventative health care without forfeiting its role in remedial health care (Van der Walt, 1992a:178).

(a) Continuing education of community pharmacists

Continuing education of community pharmacists is one of the strategies adopted by the profession to ensure competency and to keep community pharmacists up to date with new technology and medicines. Training is provided by the PSSA, universities and private educators still to be accredited by the SAPC. Continuing education exists on the following two levels:

(b) On professional level

It is part of pharmaceutical folklore that pharmacy education provides the broadest base of all scientific qualifications. A more clinical role and patient counselling on medicines is however emerging as an increasingly important element in the role of pharmacists. To this end a Department for Continuing Education was established within the PSSA. Workshops for continuing

education are currently (1993) being run throughout the RSA. The PSSA make use of professional people to present courses, with training manuals and audio visual material. Courses are practical, and practice-orientated, with the objective to enable community pharmacists to provide counselling and essential diagnostic services to communities. The Faculty of Pharmacy at Potchefstroom University for Christian Higher Education as well as South African Druggists, through its Link chain of pharmacies, are also offering courses in professional continued education for practising pharmacists.

Continuing education of pharmacists on professional level is even suggested to be compulsory for continued registration with the SAPC. Summers (1993:27) reviews the situation in countries such as the United States of America and the United Kingdom and lists the arguments for and against mandatory continuing education without coming to a final conclusion. Candy (1991:9) is of the opinion that continuing education would ensure a consistent standard of the profession through all age groups. This consistency would provide a standard by which other medical professions and consumers can evaluate the pharmacy profession. The view of owners/managers of community pharmacies on continuing education will be empirically tested in this study.

The SAPC (SAPC, 1993a) resolved that post-registration training consists of two basic components:

- * Supplementary training which includes any training that will allow pharmacists greater discretionary powers or access to certain additional medicines to that which the pharmacist may prescribe at present.
- * Refresher courses which include new knowledge and developments in a certain subject area which was already covered during the undergraduate training of pharmacists.

The SAPC recently (September 1993) issued guidelines to pharmacists for supplementary training in pharmacotherapy, with reference to regulation 32 of Act 101 (as amended) and Sections 33 and 49(1)(mA) of the Pharmacy Act. It is envisaged that pharmacists having successfully completed this accredited supplementary training course, will be recognised by an entry to this effect in the register of pharmacists.

An accreditation system as suggested by the SAPC could also provide the required motivation and recognition to community pharmacists for participating in supplementary training and continuing education courses.

Although many training programmes are offered to community pharmacists, no training programmes/courses have been approved by, or accredited with the SAPC by July 1993. Satisfaction with the courses on offer will be empirically

investigated in this study.

Another possibility is a joint continuing education program for community pharmacists and general practitioners, as devised in the United Kingdom. Such a program could be an opportunity to encourage interaction between the two professional groups in the RSA.

It would, however, be futile to assign new functions to pharmacists and to train them for these functions, if there is no need in the market place for such functions. Slabber (1991:32) contends that it is not the Department of Health, but the SAPC that must carefully consider what it would effectively do in this regard.

Revisions to the Medicines and Related Substances Control Act (Act 101 of 1965), envisaged to be promulgated in October 1993 will allow pharmacists greater discretionary powers in terms of medicines listed in schedules higher than Schedule 2. The proviso will, however, always be that pharmacists may only provide services for which they have been adequately trained.

(c) On managerial level

The retail industry in the RSA is one of the biggest business sectors in the country. Community pharmacists form part of the retail sector in the RSA and management is confronted with similar problems and opportunities as other roll players in this sector. Management training concerns the means that can be used by community pharmacists to improve profits and turn-over. However, to many community pharmacists, the future is conceived in terms of survival rather than growth.

Gibson (1991:38) suggests two fundamental managerial areas central to the growth and future of pharmacy, namely:

- * The philosophical approach upon which strategy formulation is based.
- * The functional approach of managerial skills.

The curriculum for the training of pharmacists has since 1970, that is from the time of the introduction of the four year academic training course plus one year internship, included half a course in Pharmacy Administration (later called Pharmacy Practice). The first entrants in 1970, thus entered the profession with some pre-graduate management training in 1975.

Courses to train practising community pharmacists in practical financial management and marketing are also offered by various wholesale groups. In addition, computer companies offer not only dispensing programmes, but also complete pharmacy management systems specially designed for community

pharmacies.

Summers (1992:183) lists the following characteristics of the near future which will have to be taken into account in the training and education of pharmacists:

- * An ever-increasing demand for services.
- * Rapid advances in 'high-tech' instant communication.
- * The all-pervasive influence of computers and their data, records and analyses.
- * Extreme cost constraints, coupled to a ruthless demand for high efficiency and productivity.
- * An escalation in research and development, including research into health care delivery.

Considering the aforementioned factors it can be concluded that there will be an ever-increasing need for better basic professional training, as well as continuing professional and managerial training of community pharmacists in the RSA.

3.6.2 The market

According to Cronje et al (1993:47), the market consists of people who have needs to be satisfied and also have the financial means to satisfying these needs.

3.6.2.1 Market characteristics

The market of community pharmacies consists of people with particular demands, living in specific communities and who display certain forms of behaviour in satisfying these demands. In the late 1950's, pharmacies were small enterprises where people had their prescriptions filled, their films processed and where cosmetics, toiletries, health and beauty products were purchased. During the 1960's supermarkets successfully drew a large portion of the non-prescription business away from pharmacies, leaving community pharmacies with medicine dispensing as almost the only profitable part of their businesses. In the last decade, even this protected market was eroded by the advent of dispensing medical practitioners, private hospitals and day clinics with their own dispensaries. To aggravate the situation, the number of community pharmacies has in the past five years increased, while market share has dropped steadily.

The estimated market size of the pharmaceutical industry is R 2,25 billion per annum at wholesale price level and includes wholesalers, private and public sector hospitals and dispensing medical practitioners (Candy, 1991:1).

During the last two decades changes in consumer consumption as well as consumer buying patterns have changed drastically. The advent of Sundays and public holiday shopping, as well as evening shopping, have compelled almost every community pharmacy in the metropolitan areas to remain open after hours.

3.6.2.2 The black market

The growing black market presents an important opportunity to the community pharmacist to enhance his professional status and expand his customer base. Opportunities for black community pharmacists in black metropolitan areas are presently limited as a result of inadequate infra structures such as shopping centres. This imbalance becomes clear when the estimated population of 888 212 of the greater Soweto is compared with the 712 459 population within the municipal boundaries of Johannesburg (Mears, 1993:4). The former is serviced by only six community pharmacies, whereas the population of Johannesburg is serviced by 294 community pharmacies (SAPC, 1993b:79-112).

Bodley (1992:40) emphasizes the necessity of a pharmacy environment in which blacks feel comfortable, especially the poorer and less educated. It is through communication with black customers that the professional role of community pharmacists, as advisors on health care matters, can provide community pharmacies with a competitive edge and a distinct place in the health care team. Gunter (1991:19) is of the opinion that white community pharmacists will have to learn to relate to the problems that black people have and suggests the appointment of black sales assistants to reach this market. Only marketing-orientated firms can survive in the competitive market place and community pharmacists need to become marketing-orientated. This fact is accepted by the majority of pharmacists but there seems much less consensus regarding the type of approach that is needed to achieve this goal.

The views of owners/managers of community pharmacies on matters relating to the black market and the employment of black pharmacists will be empirically tested in this study.

3.6.3 The health care delivery system

The current health care delivery system needs to be restructured and/or alternative systems developed in order to render accessible and economical health care to the population of the RSA.

3.6.3.1 Restructuring of the existing system

As mentioned in Section 3.2, decades of mismanagement and waste resulted in the fragmentation and duplication of health services in the RSA. As a result of this the South African Government undertook dramatic and controversial steps in 1991 to re-structure and rationalize the entire health care delivery system on a non-racial basis.

Re-structuring would see central government developing national health care policies and standards, monitoring all health services and drawing up of the overall health budget. Separate allocations would however go to central, regional and local authorities. Central government would control the major academic hospitals and primary health care would, as far as possible, be in the hands of local communities with the emphasis on preventative, as opposed to curative, health care (Steyn, 1993:3).

Currently (1993), however, it is generally accepted that the final restructuring of health care in the RSA would largely depend on the policies of a new government of national unity to be established after the general election of 27 April 1994. This could involve a change from the existing health care delivery system to include alternative options such as a National Health System (NHS), a National Health Insurance (NHI) or a Managed Healthcare Plan (MHP). The advantages and disadvantages of these alternative options are debated by Robinson (1991:5-7).

3.6.3.2 Alternative delivery systems

The following alternative managed health care delivery systems are currently (1993) envisaged:

(a) Primary Health Care

Primary Health Care (PHC) is defined as the essential health care based on practical, scientifically sound and sociable acceptable methods made universally accessible at affordable cost (WHO, 1985:3).

According to the World Health Organization the best scenario for the future of health services on the African continent is a comprehensive system based on PHC. It is the key to attaining the highest possible level of physical, mental and social wellbeing for individuals, families and communities.

In view of the economic crisis in health care in the RSA primary health care (PHC) becomes an all-important method of curtailing health care costs (Sunter, 1993:115)

The key principles of PHC in the RSA is that the service must be accessible,

affordable, efficient, acceptable, available and equitable to all inhabitants of the RSA. Act 101 is currently (1993) being amended to allow for the restructuring of PHC in the RSA.

Central to the concept of PHC is that of individuals, families and communities in South Africa taking the major responsibility for their own health. The role of health professionals including community pharmacists is to assist and support this process (Stockton, 1991:1).

PHC addresses the basic minimum needs of people and can only be effectively implemented at community level. The elements are manifold but the critical elements with regard to community pharmacies include the following:

- * Education concerning prevailing health problems and the methods of preventing and controlling them.
- * Maternal and child health including family planning.
- * Immunization against major diseases.
- * Appropriate treatment of common diseases and injuries.
- * The provision of essential medicines.

With regard to the provision of medicines a study of community pharmacies in the RSA points to a maldistribution of community pharmacies with community pharmacies mainly located in white urban areas (Scott, 1987:240). This situation deprives the major portion of the population from the provision of essential medicines. Greater attention will therefore have to be given to servicing the black population in the rural areas. This could partly be achieved through the physical location of community pharmacies, for example near taxi-ranks and railway stations.

The RSA Government has committed itself to the fact that it is only through PHC that an affordable health service can be rendered to all the inhabitants of the RSA and that there will be a significant role to play for the private sector in areas of both the funding and the provision of health care in the RSA. The Department of Health has subsequently evolved strategies and plans for establishing PHC to obtain the objective of 'health for all by the year 2000. The success is however dependent on co-operation between communities and the health professionals including community pharmacists (Stockton, 1991:1).

As community pharmacies are frequently the first contact the patient/client may have with any health service, it is anticipated that community pharmacies would be one of the most important PHC sources for members of the community. PHC has in fact been seen by the SAPC as a key to reusucitating the community

pharmacy industry. Initiatives that could flow from PHC are:

- * The redefining of the community pharmacist as a prescriber rather than a dispenser of medication.
- * Setting up of clinics and counselling areas within community pharmacies would facilitate the long-sought transition from a dispensing to a professional fee.
- * A patient counselling service which could expand the client base of community pharmacies with resultant benefit to other profit centres.

Opportunities for community pharmacists in respect of greater discretionary powers are currently (1993) being created by the Department of Health and the SAPC. It is now up to them to unequivocally demonstrate that they can rise to these new responsibilities. The SAPC is however adamant that the application of extended discretionary powers by community pharmacists must find such pharmacists accountable, professional and responsible. Anything less than this will bring individual community pharmacists, the profession and the SAPC into disrepute, and the envisaged concept and project of community pharmacist's roles into question.

The views of owners/managers of community pharmacies with respect to PHC and their envisaged involvement in PHC will be empirically tested in this study.

(b) Managed health care systems

According to Candy (1991:4) the medical industry needs to be restructured to permit consumers and the providers of cost-effective health care to benefit. This could be achieved through the concept of 'managed health care' or group practices.

A group practice is a formal agreement other than an employment agreement amongst multi-disciplinary professional persons in the health sector and which is recognised and accepted by the SAPC.

A comprehensive analysis of all the different models of managed health care falls outside the scope of this study and therefore only brief mention will be made of some of the models.

(i) Health Maintenance Organizations

Health Maintenance Organizations (HMOs) are organizations where suppliers of services, acting as a group practice, contract with either the individual or a group of individuals to provide for all their health care needs in exchange for a fixed prepaid fee in order to save health care costs.

HMOs are regarded as restructured private practices and not alternatives to them. As an alternative health care delivery system, HMOs offer cost-effective medical insurance through treatment services and preventative health care to the lower paid workers who need it most (Finance Week, 1992: 46).

(ii) Preferred Provider Organizations

Preferred Provider Organizations (PPOs) differ from HMOs in that they do not lock in any subscribers. If consumers choose to use the PPO's doctor, they are covered, but if they use an outside hospital or doctor they are still covered by the insurers but at a lower rate (Scott, 1987: 29).

(iii) Full Participation Models

The health professionals as participants of Full Participation Models (FPMs) share the same source of income in one body corporate. The present Pharmacy Act however precludes non-pharmacists from having a financial interest in a pharmacy. The statutory bodies would therefore have to arrange an acceptable basis of co-operation in this regard.

(iv) Independent Practitioner Associations

A recent development has come from Independent Practitioner Associations (IPAs) contracting out of services to counter the development of HMOs by big business and medical schemes. IPAs, also known as Association Models, are associations of health professionals which could include community pharmacists. The controlling board elected from its members does monthly clinical audits on members and negotiates contracts with medical schemes. This form of group practice is permissible within present legislation and is the form in which most community pharmacies could be involved.

(v) Broker models

Broker models involve separate body corporates or trusts which subcontracts to the different health professionals for the provision of health services to the community. The shareholders of such a body corporate or trust are the participating health professionals who can then practice independently, or within association.

Participation of pharmacists in group practices has up till July 1993 been restricted to the degree in which community pharmacists could enter into contracts to render health services or to supply medicines at agreed tariffs/prices. Other possible means of participation in group practices are currently (1993) being investigated by the SAPC through discussions with statutory councils of other health professionals.

Although some group practices in the United States of America have failed, there are many that provide good, reliable services to members. In 1990, twenty six per cent of the inhabitants of California, the most populous state in the United States of America, were members of group practices (Financial Mail, 1992:5).

Pleaner (1992:2) is of the opinion that the advantages of group practices to community pharmacists far exceed perceived disadvantages.

Will group practices see a dramatic decrease in the prescription business with consequent demise of the traditional community pharmacies? Will community pharmacists who do not participate in group practices have to close their businesses? Will group practices allow for equal relationship for pharmacists with other health professionals or will medical practitioners be allowed to share in the profits from the sale of medicines, whilst pharmacists are deprived of sharing in the revenue from the consulting fees of medical practitioners?

Answers to the aforementioned questions and clarity on the advantages and disadvantages of group practices seem unclear and may lead to uncertainty amongst community pharmacists. An attempt to confirm this suggestion of uncertainty will be done through the empirical aspect of this study.

Community pharmacies remain an important part of the healthcare delivery system of South Africa. It is therefore important that they are not excluded from developing group practices and that they are included in participating in managed health care structures.

(c) Self-medication

Self-medication is an individual volitional act with the purpose of gaining relief from discomfort and disease. Self-medication is increasingly recognised internationally as a vital component of the health care of a country (Fairhurst, 1991:11).

Van Zyl-Schalekamp (1993:13-15) views self medication in a broader sense of self-care comprising all self-determined acts initiated and undertaken by individuals to protect, promote or restore their health.

Research on self-medication in the RSA (Anley, 1990:9) showed that more than 88 per cent of respondents use some form of self-medication to treat minor ailments. Forty three per cent of respondents consulted a community pharmacist whilst only 15 per cent consulted a doctor. Forty five per cent of respondents self medicated as a result of being influenced by advertisements while 28 per cent sought advice from a friend. The conclusion that can be drawn from this study is that a large proportion of South Africans rely heavily on self-

medication for minor illnesses.

The SAPC (1992:15) is convinced that self-medication can reduce costs, and that it has been successfully applied in both first and third world countries. Community pharmacists are also ideally positioned by location, training and public respect to grasp the opportunity to promote responsible self-medication and in this manner enhance their status within the health team.

Taking the future health needs of the population of the RSA into consideration, Fairhurst (1991:11) concludes that the time is indeed overdue to embark upon a positive program to promote self-care and self-medication as a particular niche for community pharmacies.

(d) Pharmacist advised therapy

Pharmacist advised therapy (PAT) is the involvement of community pharmacists by advising customers on the treatment of minor ailments using non-listed or Schedule 1 and Schedule 2 medicines and either claiming themselves or the patient claiming such medicine costs from medical aids. Although most medical aids have accepted PAT as part of their scale of benefits to their members, the relatively low maximum monetary limits (R 20-R 30) allowed by medical aids is not encouraging the use of PAT by their members or by community pharmacies.

(e) Pharmacist initiated therapy

Pharmacist initiated therapy (PIT) is the clinical involvement of community pharmacists through the treatment of minor ailments using unlisted preparations and/or medicines listed as Schedule 1 and Schedule 2 items. Therapy can now include treatment with medicines higher than the present Schedules 1 and 2 if a permit in terms of Section 22A(12) of Act 101 is obtained, and if the community pharmacist and the community pharmacy complies with certain requirements laid down by the SAPC.

The intention, however, is not to give pharmacists access to all scheduled medicines. The World Health Organization limitations will probably be followed in this regard. In this regard the Pharmacology Department of Potchefstroom University for Christian Higher Education has identified ninety six minor ailments that could be effectively treated by community pharmacists using more than three thousand different medications available to them.

The SAPC has also issued guidelines relating to the required specifications of consulting areas prior to permission being granted for the supply of medicines in terms of Section 22A(12) of Act 101.

The PSSA supports the SAPC approved training courses which would enable accredited pharmacists to prescribe higher schedule medicines (Kohn, 1993:4).

The acceptance of PIT by more medical aids will have the effect of encouraging consumers to consult their community pharmacy in the case of minor self-limiting illnesses, thereby foregoing the cost of visiting a medical practitioner.

From the above it can be concluded that for community pharmacies the "high road" (Sunter: 1990) may well be paved with alternative health delivery systems. Preventative services in terms of PHC, PAT, PIT and access to higher schedules can encourage them in becoming community clinics. Managed health care systems and the promotion of self-medication are other viable options that can be followed.

(f) Restructuring of medical aids

For many years medical schemes have operated as guaranteed financial delivery systems for health professionals with carefree cover for their members. This has led to over-servicing and over prescribing by the medical profession with resultant increases in health care expenditure. Moneys paid out by medical aids have for example increased by an average of 28 per cent, per annum over the last past years (1998-1992) while the number of beneficiaries increased by only 3,3 per cent over the same period (Anon, 1993a:5).

With the present health care system, less than 20 per cent of the population, that is the section covered by medical schemes, account for 45 per cent of the nation's health bill. This is proof that the medical schemes movement has failed to provide the community as a whole with affordable health care (Speedie, 1991:14).

3.6.3.3 Cost-containment in health care

The most important reasons for healthcare delivery in the private sector being expensive are over servicing of patients by medical practitioners, private hospitals and clinics as well as the use of medicines on which the greatest financial return can be realised. The percentage basis on which community pharmacists, pharmaceutical wholesalers and medical practitioners have up till recently dispensed medicines have resulted in the supply of most expensive original brands. Private hospitals also use the most expensive brands and applying grossly unreasonable mark-ups on medicines (Anon, 1993b:2).

The alliance between the manufacturing sector and the dispensing medical practitioner is another contributing factor to high cost of medicines. The medical practitioner is subjected to different promotional tactics and is in turn, a willing participant. In this process the most expensive brands are frequently sold at maximum prices based on published price lists and exclusive discounts given to dispensing medical practitioners by the industry are not passed on to the patient receiving the medicine (Anon, 1993b:2).

Since 1990 medicine cost-containment programmes have emerged in the form of Minimum Medical Aid Prices (MMAP), contractual discounts from pharmacists to medical aid schemes and campaigns by some generic medicine manufacturers to foster greater awareness of generics and their affordability. MMAP are to an extent hampered by the fact that generic substitution is still ethically restricted. Companies selling over-priced medicines are the only ones to benefit from this restriction. Community pharmacy has urged the SAPC to delete the ethical rule prohibiting generic substitution and to take whatever other measures are necessary to give effect to inter-brand competition. This could be a highly significant step on the road to more affordable medicines for all. Instead, manufacturers and medical practitioners with vested interests are debating the efficacy and safety of generic medicines whilst exerting pressure, through the Minister of Health, on the SAPC not to allow generic substitution of branded medicines by pharmacists.

For the continued involvement of community pharmacies in the health care of South Africa, it remains imperative that spiralling medical costs including the cost of medicines be controlled even if it leads to antagonising vested interest in the health care industry.

3.6.4 Suppliers

The interaction between the organization and its supply network is one of the clearest examples of the influence of environmental variables on the enterprise (Cronje *et al*, 1993:47). The supply network of community pharmacies consists mainly of manufacturers and/or distributors (wholesalers).

3.6.4.1 Manufacturers

The manufacture of pharmaceutical products in the RSA is carried out by 84 pharmaceutical manufacturers (Hims:93). Certain of these manufacturers are directly connected with foreign multinational pharmaceutical manufacturing companies. Others have license agreements for the manufacture of pharmaceutical products which have been developed in overseas countries. Some pharmaceutical manufacturers manufacture generic versions of off-patent medicines through the purchase of active ingredients from overseas suppliers. For most multinationals the South African market is very small in comparison to their global output. It pays them to remain in the RSA only as long as there is a prospect of market expansion. Current prospects such as political instability, generic substitution of patented medicines, and risks associated with tender business in the RSA, all contribute to an uncertain future for most multinational companies.

The Pharmaceutical Manufacturers' Association (PMA) represents almost all the local and foreign pharmaceutical manufacturers active in the RSA. The president of the PMA has urged the planning of an appropriate health strategy

based on the principles of accessibility, acceptability, affordability, efficiency and equitability. The PMA holds the view that the current dual system of a public and private healthcare system should be maintained, although there could be much greater efficiencies in rendering health services (Snyckers, 1992).

The PMA is in general opposed to generic substitution as suggested by the Browne Report (Browne, 1986). It is also of the opinion that parallel importation of medicines could become a major threat to the local manufacturing industry. Parallel importing is regarded by the PMA as an unfortunate approach by the Department of Health to reduce the price of medicine by substituting cost-effective medicines with generics.

With the rapid advances made during the post-war years in the development and mass production of medicines, community pharmacists have been facing an identity problem. They are no longer involved in manufacturing of medicines as statutory restraints are placed on their ability to compound their own medicines. Section 14 of Act 101, for instance, allows community pharmacists to prepare or compound a medicine only in a quantity sufficient to supply a particular patient. The General Regulations of the same act also specifies strict conditions under which limited quantities of a list of galenicals, may be prepared in community pharmacies. Preparing larger quantities of medicines, or unlisted galenicals is construed as manufacturing, and requires registration of such a medicine. Community pharmacists may regard this constraint as interference with their right to the extemporaneous compounding of medicines. A question in the questionnaire which form part of the empirical research of this study will attempt to provide clarity on this aspect.

3.6.4.2 Distributors

Historically pharmaceutical wholesalers have not just been wholesalers but have used community pharmacies as outlets for their business activities. Through the provision of financial backing, wholesalers have played a prominent role in the establishment of 'bonded' community pharmacies. In a heavily over-traded market numerous community pharmacies have utilized the benefits derived from this system to stay in existence. The result has been a vertically integrated distribution network.

As a result of the cost squeeze on health care and consequent discounts being offered on prescription medicines by community pharmacists and dispensing medical practitioners, short-line wholesalers and buying groups proliferate.

The confusing nature of the South African pharmaceutical market with its interdependent causal relationships between sectors and segments also allows ample opportunity for agents in the distribution network to profiteer. Traditional full-line wholesalers, most of them heavily integrated within the

distribution network have become as a result of this at risk and had to adjust their mark-up/discount structures to compete with short-line wholesalers. The intricacies of the mark-up/discount structures existing in the market today (1993) fall outside the ambit of this study.

Community pharmacies, being greatly dependent on distributors, are also part of the distribution channel of pharmaceutical themselves. They will continue to play a major role in the distribution of medicines, either as individual community pharmacies, or as members of managed health care centres.

3.6.5 Competitors

Competition can be defined as a situation in the task-environment in which several businesses, offering more or less the same kind of product or service, compete for the business patronage of the same consumers (Smit & Cronje, 1992:40).

Continuous scanning of competition emphasizes the critical strengths and weaknesses of the enterprise, focuses on industry trends in terms of opportunities and threats, and therefore gives an indication of the strategy which should be followed (Cronje et al, 1993:47-49)

Porter (1980) contended that in formulating competitive strategy it is essential to relate an organization to its environment. The most important component of the environment is the industry within which an organization operates and competes. As numerous references referring to the Porter model exists, an elaboration on the Porter model in this study will be superfluous. Only a brief explanation of the competitive state within an industry, on which the five basic forces depend, will be illustrated in Figure 3.6.5.A (see Annexure C, p. 11).

Spies (1990:265-268) presented an analysis of community pharmacies using Porter's five forces model. The presentation of Spies (1990:265), is illustrated, in adapted format, in Figure 3.6.5.B (see Annexure C, p. 12).

As indicated by the Porter model (Figure 3.6.5.A), competition for organizations including community pharmacies as part of the pharmaceutical industry, extends beyond the rivalry among existing community pharmacies. It includes the threat of new entrants, the threat of substitute products or services as well as the bargaining power of both consumers and suppliers.

3.6.5.1 Inter-pharmacist competition

The competition between community pharmacies has always depended on the extent of overtrading in specific areas. A new threat of inter-pharmacist competition is the possibility of medical aids channelling their business to a few

selected pharmacies in a given area in exchange for a predetermined discount on prescription medicine. This practice may restrict the choice of patients, but the problem becomes more acute where just about all the inhabitants of a town work for the same employer, and are hence members of the same medical aid scheme. Under such circumstances one community pharmacy will become the sole dispenser of prescription medicine and the viability of the other community pharmacies in the same area would be at risk. Another threat would be when medical schemes decide to cater for the needs of their members by operating in-house community pharmacies. Brooks (1993) is of the opinion that the question that should be answered, is whether such developments, will in the end, serve the public interest.

3.6.5.2 Chain stores

The advent of chain stores has adversely affected community pharmacies over the last three decades. This was done by taking away both pharmaceutical and non-pharmaceutical business from community pharmacies.

A new potential development that would have an even greater impact on inter-pharmacist competition, is the operating of pharmacy businesses as departments within chain stores such as Clicks. The clamour for a change in the relevant rules to make this possible, is growing and has sent a ripple of panic through community pharmacists. Such a move will no doubt be vigorously opposed by community pharmacists. The viewpoint of the SAPC on this development is dealt with in Section 3.7.4.1.

3.6.5.3 Dispensing medical practitioners

Community pharmacists compete not only among themselves but also with other professions. Competition of community pharmacies with medical practitioners is a case in point. It is continuously stressed as a threat to community pharmacies in the literature and is apparently causing increased tension between the two groups of health professionals.

The Browne Commission (Browne Report, 1986:111) defined a dispensing medical practitioner as a medical practitioner who trades in medicine.

Scott (1987:265) regards dispensing medical practitioners as persons who are income motivated and who are under increased pressure to improve their incomes from some source other than that of increased practice size. The latter is not possible as most doctors are located in the white areas where there is no increased population potential. The consumption of their services has declined and increased income can only arise, as a result of this, from the increased dispensing of medicines. Dispensing medical practitioners have taken business away from community pharmacies, mainly due to the fact that they have what amounts to, captive customers in their consulting rooms.

Pleaner (1992:176) states the following aspects with regard to dispensing medical practitioners:

- * The number of medical practitioners registered to dispense being 4600, compared with approximately 2800 pharmacies.
- * The dispensing services provided by medical practitioners have been found by the Department of Health to be inferior to that provided by community pharmacies.
- * The medicines of dispensing medical practitioners are not as cheap as was originally thought.

Widespread unjustified trading by dispensing medical practitioners in competition with community pharmacies, with profit as a motive, has forced community pharmacists to demand action from the medical profession and the authorities. The Government has however clearly indicated that there will be no legislation to curtail the dispensing of medicines by medical practitioners (Kohn, 1993). Consequently steps are being taken by community pharmacists to safeguard their own future. The Government-approved concept of primary health care (PHC), pharmacy initiated therapy (PIT), access to higher schedules, as well as the establishing of counselling rooms/clinics for consultations in community pharmacies, are currently (1993), being developed.

3.7 THE CHANGING MACRO-ENVIRONMENT OF COMMUNITY PHARMACIES

The macro-environment of an organization contains variables with a direct and indirect influence on the enterprise. Contemporary literature on management divides the macro-environment into the following sub-environments:

3.7.1 The political environment

Marx and Churr (1990:112) regards the political climate of the utmost importance, since in their view, political stability or instability, and the ideologies and aims of the governing political party, have an influence on components of the economic system, and therefore a direct and/or indirect effect on many enterprises.

Business management decisions in the RSA are currently (1993) affected by political pressures by the existing government in the normal course of running the country. It is also affected by pressures from extra-parliamentary political parties and organizations positioning for representation in the political dispensation of a future South Africa.

Two main perspectives exists:

3.7.1.1 The perspectives of Government

The Government has proposed the restructuring of health services in 1991. The point of departure was to institute an effective health program (Steyn, 1991:9).

The aim of this program is to achieve the following:

- * Deregulating both public and private health care in order to create more competition.
- * Reducing available funds under the pressure of present budgetary constraints.
- * Shifting more responsibilities to regions, local authorities and academic hospitals.
- * A stronger commitment to primary health care and prevention.

The Minister of Health and Population Development has since 1991, been trying to effect a change in attitude in the medical bureaucracy. Although an emotional and politically sensitive issue, this process is still ongoing.

Van der Vyfer (1992), president of SAACP, contends that political expediency by the politicians of the day seem to take precedence over moral and social health obligations. Community pharmacists, according to Van der Vyfer, 'naively place their hopes in the hopelessness of awaiting legislators to provide legislation to relieve a profession under siege'.

3.7.1.2 The perspectives of the African National Congress

The health policies of the African National Congress (ANC) have as yet (April 1993), not been finalized. The National Coordinating committee of the ANC has identified some main problems, and has made certain suggestions. It however admits that there are many issues to which the ANC has no answers and which are still being debated within the ranks of the ANC (Ntsaluba, 1993:1-9).

The basic premise of the ANC is that the health care system in the RSA is 'an obscene perversion'. The ANC proposes a national drug policy to deal with problems of availability, distribution and prices of medicines (Dasoo, 1991:4).

The ANC (Jinabhai, 1992:7) views the current (1993) health care system operating at three crisis levels:

- * Structurally: with multiple fragmented health authorities, with minimal co-ordination and a 'nightmare to administer'.
- * Economically: with a massive shortage of funds.
- * Politically: with the majority of the population having as yet no power to reshape the entire configuration of civil society.

Zuma (1992:40-41) proposes seven cardinal points by which the ANC believes an equitable health system should be guided by. He also contends that the private sector should remain, but that it is important for the private sector in general, and community pharmacies in particular, to re-assess their roles in the new South Africa. The views of owners/managers of community pharmacies with regard to the policies of the ANC will be tested in the empirical research of this study.

Spler (1993:12) lists seven perceived health policy elements of the ANC and predicts that in spite of radical demands, the health policy of the ANC will reflect increasing realism as negotiations progress.

Steyn (1993:10-11), however, maintains that the present political dispensation and negotiations in the RSA, have created an environment in which it is unlikely for any single party to unilaterally formulate and implement a successful future health policy.

In essence, there is not such a wide gap between the intentions of the present government and those of the ANC. The inheritance of forty four years of apartheid in health care will however be a considerable challenge for any new government to meet. As South Africa moves into a period of shared power and democracy the final form of health services will be determined by the nature of the political solution to the constitutional problems of the country. It remains therefore important for community pharmacists to take note of a cross section of political opinions in order to plan for an uncertain future. The familiarity of owners/managers of community pharmacies with the various political viewpoints in South Africa will be established through empirical research in this study.

3.7.1.3 The National Health Forum

The aim of the National Health Forum (NHF) is to contribute to the improvement of the health status of the people of South Africa. In pursuance of this objective the NHF strives, among others to:

- * Develop an urgent plan to deal with the present (1993) health care crisis, and review current plans and present legislation, regulations and proclamations at national, regional and local levels.

- * Reach an agreement on ending unilateral restructuring.
- * Facilitate a critical review of senior health posts in the public health sector (National Health Forum, 1993: Mission statement).

Although the guidelines for membership of the National Health Forum states its membership to be as inclusive as possible, an application of the SAPC for membership has been declined (November 1993). Instead only observer status has been granted to the SAPC. The SAPC is one of the statutory bodies that the NHF intends to restructure.

3.7.2 The economic environment

The main interfaces between the economic environment and an organization are the economic growth rate, consumer income, inflation, monetary and fiscal policy, as well as fluctuations in these magnitudes (Smit & Cronje, 1992:42-43).

In the RSA the rate of economic growth slowed from 5,7 per cent in the 1960's, to 3,8 per cent in the 1970's, to an average of 1,4 per cent in the decade of the 1980's. Average annual income per capita over these periods showed an increase of 2,9 per cent, 0,7 per cent, and a decline of 1,2 per cent respectively, while the average population growth was 2,8 percent. The impact of the low rate of economic growth has meant that, while the percentage of the population living below the absolute living standard has decreased from 50 per cent in 1980 to 42 per cent in 1990, the absolute numbers of the poor have increased from 14,7 million to 17,1 million of whom 65 per cent live in rural areas (Yach & Edwards, 1993:6).

Although the rate of economic growth determines the buying power of consumers, the change in buying power of different groups of consumers can also play a decisive role in the success or failure of organizations. The change in buying power of different race groups in the RSA is reflected in the change in real disposable income that have taken place since 1970 (Loubser, 1985):

- * An increase of 20,2 per cent for whites compared with 100,4 per cent for blacks.
- * An increase of 95,6 per cent for coloureds and 133 per cent for Asians.

Owners/managers of community pharmacies, in reacting and adapting to the changing environment, should take cognizance of the increased spending power of the black market. In this regard research showed that community pharmacies could be made more friendlier and more open to black customers. Black assistants could also help in 'opening up' pharmacies to black customers as

well as overcoming language and communication problems. The perceptions of owners/managers of community pharmacies in respect of the serving of black communities will be empirically tested in this study.

Another important economic aspect impacting on community pharmacies is the cost of health care services. The balancing of optimal medical care against affordability is fast becoming the issue of the decade (Sunter, 1993:115). The RSA government cannot continue to accept full financial responsibility for the costs of keeping the nation in good health. On the other hand few employers, and employees alike, can hope to meet continuing and ever-spiralling demands from medical aids to keep members adequately covered.

The Government has, through the Competition Board, given certain guidelines to address the cost of healthcare in South Africa. It has among others, recommended that restrictions on price competition, marketing and advertising be lifted, and that restrictions on association between health professional groups among themselves, and between professional groups and non-professional interests, be abolished. These and other deregulation policies are mainly aimed at facilitating entry and participation for all persons in the economy of South Africa (Editorial comment, 1992:209).

From the aforementioned it is clear that the State wants to keep its control over economic and business activities to the minimum without jeopardising public health and security. It also wants to promote effective competition by the removal of unwarranted control measures. The results of deregulation policies to achieve this would have a profound affect on small enterprises, including community pharmacies.

3.7.3 The demographic/social environment

The demographic trends in the environment influence the number of consumers whereas the social/cultural values exert certain influences on the buying habits of consumers (Cronje *et al*, 1993:47).

Demographic change, that is, change in the growth and composition of populations has affected the distribution in urban and rural areas of the RSA.

3.7.3.1 The urban areas

In demographical terms the rapidly changing composition of the urban population of the RSA, has influenced the number of consumers as well as the profile of consumers of community pharmacies. The latter was already mentioned in 1986 when it was predicted that customer types and needs would be changing and that consumers would become more price conscious and advice seeking.

Candy (1991:1) suggests the following developments in the South African

environment that have impacted on the provision of health in the RSA:

- * Rapid urbanization of the majority of the population.
- * A maturity in growth of the first world sector, with little development of the third world sector of the market.

Community pharmacies in the urban areas should take note of the rate and location of the urbanizing population as well as the differences in maturity, needs and buying behaviour of the different population groups. Whether owners/managers of community pharmacies have noticed any demographic changes with regard to black/coloured consumers will be ascertained by means of empirical research in this study.

Steyn (1993:2) lists among others, the following future trends that must be taken into account in order to provide an optimum health service to the entire population:

- * Life expectancy for the South African population will have advanced above the WHO target of 60 years by the year 2000. This will place an additional burden on the health budget.
- * Seventy per cent of Blacks will have been urbanized by the year 2000 placing a higher demand on health care services.

A new political dispensation for South Africa seems to be linked to a balance between strong regional authority and strong central government and will affect the future health care structure of the RSA.

A political dispensation which includes different geographical areas, is currently (1993), being negotiated at the World Trade Centre amongst the different political groupings. The size and nature of these regions will influence the structure of the population structures of a future South Africa. This could have an influence on both the labour force as well as the consumers of goods and services. As community pharmacies are influenced by both these factors it is important that the population structure and its effect on strategy, especially with regard to the location of community pharmacies, should not be underestimated.

3.7.3.2 The rural areas

Community pharmacies have a vital and essential role to play in rural areas, either through existing individual community pharmacies or through the formation of group practices. Community pharmacists may also, together with other professionals assisting them, render a service from mobile clinics. Specialist healthcare such as hygiene education, vaccinations, early

diagnosis, and the supply of medicines under controlled conditions can thereby be provided to rural communities (Van der Walt, 1992a). Whether owners/managers of community pharmacies intend opening new pharmacies or relocate existing pharmacies to serve black communities will be empirically tested in this study.

3.7.4 The legal environment

It is the task of management to study the numerous and often complex legislation activities of government to determine their influence on the profitable survival of business (Cronje *et al*, 1993:59)

In this regard the following changes to legislation and/or regulations affecting and/or governing the pharmaceutical profession are:

3.7.4.1 The Pharmacy Act

The proposals of the SAPC relating to the amendment of the Pharmacy Act includes amendments to Section 22. This will have the effect that it will be possible for non-pharmacists to own community pharmacies or to share in the proceeds of community pharmacies. If the provision restricting ownership of pharmacies to pharmacists disappears, community pharmacists are afraid that the door could be opened to the mushrooming of dispensaries in supermarkets and other general stores.

The SAPC does not, however, support the opening up of ownership of community pharmacies unconditionally. By amending the Pharmacy Act it recognizes the fact that situations and circumstances may well exist or arise which will necessitate exemptions from the current legislation. In these situations it should be possible for the SAPC to be in a position to judge each case and application on merit and to make exemptions under specific conditions (SAPC, 1992b:3). Whether owners/managers of community pharmacies believe the aforementioned assurances of the SAPC will be empirically tested in this study.

In the end, it does appear that the retention of the ownership of community pharmacies will depend on the profession itself. Community pharmacists will have to prove that they can render an accessible and affordable pharmaceutical service to communities or face the fact of ownership being granted to non-pharmacists that are able to do so.

3.7.4.2 The Medical Schemes Amendment Act

The Joint Committee on Health has considered and finalized the draft Bill to amend the Medical Schemes Act (Act 72 of 1967). This amended act would have the following objectives:

- * Abolition of compulsory direct payment to providers.
- * Abolition of the imperious scale of benefits.
- * Extension of the role of medical schemes in the provision of health care services.

The latter objective will be achieved by making it possible for medical schemes to own hospitals, clinics and pharmacies and employ health professionals including pharmacists under managed health care models.

The SAPC (1992b) is of the opinion that the motivation to permit non-pharmacists, such as medical aids and chain stores, to own pharmacies is largely of a commercial nature. The SAPC is, however, not convinced that the profit motive is a valid reason for changing current legislation. The SAPC is furthermore convinced that the cost of medicines can be addressed by the optimal utilization of the existing pharmaceutical infrastructure. In this respect the SAPC has by way of deregulation made it possible for pharmacists to:

- * Advertise prices of medicines.
- * Negotiate and enter into contracts with medical aids for the supply of medicines to consumers and to advertise such contracts.

The aforementioned amendments to the Medical Schemes Act would however be subject to the provisions of any other law including the Pharmacy Act. The Pharmacy Act does not presently permit non-pharmacists (eg. medical schemes) to open or conduct community pharmacies in the normal course of events. In terms of a proposed amendment to the Pharmacy Act, the SAPC will be in a position to judge each application by a non-pharmacist on merit, and in cases where it deems it to be in the public interest, grant such permission. The permission for non-pharmacists to open community pharmacies will according to the SAPC, only be granted on specific conditions. However, in spite of assurances by the SAPC, community pharmacists seem to doubt whether the opening of community pharmacies by non-pharmacists will be allowed on merit only. The viewpoints of owner/managers of community pharmacies on this issue will be established through empirical research in this study.

Until the aforementioned amendment to the Pharmacy Act is promulgated, Medical Aids Schemes, and for that matter chain stores, will, for the foreseeable future, not be able to open and run their own pharmacies without the approval of the SAPC.

3.7.4.3 The Medicines and Related Substance Control Amendments Act

The expected promulgation of the Medicines and Related Substance Amendments Act (Act 94 of 1991) in October 1993, will create opportunities of greater discretionary powers for community pharmacists. The act will allow pharmacists to prescribe medicines higher than the current Schedules 2 and 3 listed in terms of the current Act. It is however up to the individual pharmacist to ensure that he is sufficiently qualified to assess patient situations and to hand out the necessary medication (see Section 3.6.1.3). A list of medicines or substances which may be sold by pharmacists may now be drawn up by the Minister in terms of Section 22A of the Act. This will eliminate the need to de-schedule medicines in order to allow medicines being schedule 3 and higher to be prescribed and sold by pharmacists without a doctor's prescription.

The intention of the aforementioned changes to the Medicines and Related Substances Amendments Act, is to equip community pharmacists with an armamentarium for prescribing a range of medicines for self-limiting conditions. It could also open up the possibility for community pharmacists to co-operate or compete more fairly with dispensing medical practitioners. This could furthermore assist in providing the consumer with a more informed choice with respect to medicines and cost savings. The views of owners/managers of community pharmacies in respect of these new opportunities will be empirically researched in this study.

3.7.4.4 The Maintenance and Promotion of Competition Act

Price discrimination is mentioned throughout the literature as a major concern to community pharmacists. This occurs as pharmaceutical manufacturers supply the same medicine at different prices to government and provincial authorities, private clinics, dispensing medical practitioners, pharmaceutical wholesalers and community pharmacies. This practice favours dispensing medical practitioners and private clinics and adversely affect pharmaceutical wholesalers and community pharmacies. The Competition Board, in its conviction that discriminatory pricing should be outlawed because of its restrictive practice being inimical to public interest, has recommended a notification which was approved by the Minister of Trade, and published in the Government Gazette of 14 May 1993. In terms of this notification it will be unlawful for a manufacturer or distributor of medicine to sell, or dispose of, medicines, in a manner that discriminates between buyers or classes of buyers.

The motivation for the notification by the Competition Board was that it had found price discrimination in the pharmaceutical industry to be a restrictive practice. The intention of the notice in terms of Section 14 of the Maintenance and Promotion of Competition Act (Act 96 of 1979) is to ensure that all buyers or classes of buyers of medicines are equally and fairly treated by manufacturers where equivalent transactions are involved. This has

become necessary as discrimination on prices was exacerbated by unscrupulous operators entering the distribution channel and procuring vast quantities of medicines through favoured individual buyers, without any benefits of discounts ever reaching the consumer.

The result of the aforementioned legal notice will be that of one exit price based on quantity. This should put a stop to the 'wheeling and dealing' that has taken place in the pharmaceutical market and which was of very little, if any, benefit to the public at large. It could also act as a disincentive for dispensing doctors to sell medicines because of the excessive profits being removed from the system. The way in which owners/managers of community pharmacies perceive volume related single-exit medicine prices, and the affect they believe it will have on their community pharmacies, will be empirically researched this study.

3.7.5 The technological environment

Technological innovation originates in research and development and results in new machinery, products, processes, methods and even approaches to management (Cronje et al, 1993:50)

Technology affecting community pharmacists includes aspects such as bar-coding, photocopying machines and computers.

Community pharmacies have undergone technological changes over the past decade. Dispensing is currently done with the aid of computers instead of pestle and mortars, suppository moulds and powder slides. Patient profile records, drug interactions and drug allergies are being kept in computer databases. Computers allow community pharmacies to order stock on-line from suppliers. The latest development which was implemented in the second quarter of 1993, is an on-line transaction processing system that links all community pharmacies throughout the RSA to a powerful central computer. This system monitors the validity of medical aid members and processes medical aid transactions directly with medical aid societies. The system is designed to be a saving to community pharmacies by reducing human error, eliminating fraudulent claims, dramatically cutting the amount of paperwork and improving cash flow. It is a voluntary system with costs based on a rental/service fee basis.

However, most community pharmacists, after having made a very large capital outlay in computer technology, seem reticent about venturing out of the domain of dispensing software and debtors control. This is in spite of a number of other fundamental software packages such as databases, point-of-sale systems, stock control, spreadsheets and word-processing programmes being freely available.

Technology is advancing daily, and continues to improve at an unprecedented pace with the introduction of more and more highly sophisticated hardware, software and support systems. Effective computerization can make the difference between profit and loss. In order for community pharmacists to meet challenges, they need to take advantage of the latest technology to increase cost effectiveness and the quality of the service they offer. The intentions of owners/managers of community pharmacies with regard to technological systems will be empirically researched in this study.

3.8 MANAGEMENT OF COMMUNITY PHARMACIES

Management as a continuous problem solving process in community pharmacies manifests itself on the following levels:

3.8.1 Management at community retail level

The argument is often put forward that the business of community pharmacy is a combination of professional and business activities, and that community pharmacists should make a decision as to whether they want to be health care professionals or business people.

Community pharmacists view themselves in the first place as health care professionals, in the sense that they deliberately seek, or by chance perceive opportunities for providing health care products and/or services. However, they also view themselves as entrepreneurs and business people. The professional and business aspects have therefore become so entwined that it would be a pointless exercise to attempt the separation of these two aspects in this study.

As owners and entrepreneurs, community pharmacists also act in most instances as managers of their community pharmacies. The organizational structure most prevalent in community pharmacies is the entrepreneurial structure. In this type of structure very little authority and decision-making powers are delegated to subordinates. Truter (1992:304) proposes an organizational structure for community pharmacies as shown in Figure 3.8.1 (see Annexure C, p. 13). The organizational structure as proposed is, however, not rigidly allied as community pharmacists as entrepreneurs usually prefers to organize matters as they see fit. This does not however imply that the four basic tasks of management, that is, planning, organizing, directing and controlling should be ignored. Neither should the five additional management tasks of decision-making, communicating, motivating, coordinating and disciplining as described by Marx and Churr (1990:171-172) be neglected. In this respect continuing education on managerial level as discussed in Section 3.6.1.3 can facilitate the application of sound management principles and should be encouraged.

3.8.2 Management at pharmacy organizational level

The development of strategies for the pharmacy profession in general and community pharmacies in particular, rests with the organizational bodies which represent both these interest groups. Various aspects relating to the SAPC, the PSSA and the SAACP as organizational bodies and how owners/managers perceive their actions will be empirically researched in this study.

The main components of management at pharmacy organizational level are the following:

3.8.2.1 Statutory bodies

The only statutory body for pharmacists in the RSA is The South African Pharmacy Council (the SAPC). Its constitution is regulated by the provisions of the Pharmacy Act (Act 53 of 1974).

The mission of the SAPC is to serve the public interest in terms of its statutory obligations. The SAPC also strives for the development and optimal utilization of the expertise of pharmacists and pharmaceutical services as essential elements of an effective comprehensive health care service. In executing its mission the SAPC commits itself, among others, to:

- * maintain the highest standard of pharmaceutical education and competence on a continuing basis;
- * promoting equal partnerships with members of other health professionals;
- * creating an environment within which pharmacists may enjoy effective and viable professional practices (Health for All SAPC 1991/92).

In addition to its mission the SAPC also has the following specific objectives (SAPC, 1992a:3):

- * Greater access for pharmacists to certain medicines in higher schedules.
- * Generic substitution to make medicines more affordable.
- * Greater recognition by medical schemes of pharmacist initiated therapy.
- * Supplementary training or refresher courses under the auspices of the SAPC.

- * Deregulation of the pharmacy profession to ensure the rendering of an accessible, affordable and cost-effective health care service.
- * Restriction on price discrimination by pharmacists registered with the SAPC as manufacturers.
- * Establishing a chief directorate for pharmaceutical services in the Department of National Health and Population Development.

From the aforementioned it is clear that the SAPC has a formulated mission statement as well as specific objectives for the profession. It also seem to have a strategy in an effort to achieve its mission and objectives and to involve community pharmacists in the reconstruction of health services in the RSA.

Do community pharmacists, however, perceive the SAPC to have a strategy and if so, are they satisfied with the strategies adopted by the SAPC? Furthermore, do they perceive the decisions and strategies of the SAPC to be dictated to by the Department/Minister of Health? How do they feel about the limited elected number of pharmacists on the SAPC, and do they feel that elected members adequately influence decisions of the SAPC in respect of their community pharmacies? An attempt to find answers to the aforementioned, as well as other questions relating to the SAPC will be made by empirical research in this study.

3.8.2.2 Professional bodies

Over the past decade the following two professional bodies have been active in the planning and execution of various activities in order to facilitate the changing role of pharmacy in the future:

(a) The Pharmaceutical Society of South Africa

The Pharmaceutical Society of South Africa (PSSA) consists of registered pharmacists as members on a voluntary basis.

Community pharmacists constitute the major category of members of the PSSA. The PSSA acts as a channel for its members and deals with the protection of the professional status of pharmacists in general.

The PSSA has in the past decade planned and executed various activities in order to facilitate the changing role of pharmacy in the future. On various forums and discussions the role of the pharmacist has been emphasized and explained. The objectives of the PSSA with respect to PHC were, and are still pursued. The PSSA has also come a long way in the planning and collation of new training programmes which currently include family planning, immunization,

diabetes, hypertension and infant health and nutrition.

The objectives of the PSSA according to its executive president (Van der Merwe:1993) are among others:

- * To be self-sufficient
- * To represent individual pharmacists collectively
- * To recognise group interests
- * Participate in the development and maintenance of a health policy for the RSA
- * Liaison with other bodies rendering health services in the RSA

In order to reach the stated objectives a structure of relationships exists. This structure is illustrated in Figure 3.8.2.2 (see Annexure C, p. 13).

In recognising group interests as one of its objectives the PSSA has an important role in guiding the pharmacy profession into the new dimension of pharmacy practice. Failing to do so will leave the profession behind whilst the rest of the health professions are carrying the health care of the RSA into the new century. Whether community pharmacists perceive the PSSA as having a strategy to lead community pharmacy into the future as well as other questions concerning this aspect will be determined by empirical research in this study.

(b) The South African Association of Community Pharmacists

The South African Association of Community Pharmacists (SAACP) have only owner/managers of community pharmacies as members. The objectives of the SAACP are to promote, protect and improve the economic interests of its members in matters pertaining to the practices of community pharmacies. To this avail numerous services are offered in the daily running of community pharmacies, thus increasing efficiency, expertise and competitiveness.

The SAACP also co-operates with the PSSA and chambers of Trade and Industry and initiates, promotes or opposes legislative or other measures affecting the interest of its members (Van der Vyfer, 1993).

Whether community pharmacists perceive the SAACP as having a strategy to lead community pharmacy into the future, as well as other questions relating to the SAACP, will be determined by empirical research in this study.

In conclusion it can be postulated that community pharmacists, being trained in management principles and applying such principles at retail and organizational levels, can make a more meaningful contribution via their statutory bodies and professional bodies, to the strategic planning and management of their pharmacy profession in general and their community

pharmacies in particular. However, very few pharmacists seem to be trained in management sciences, least of all in issues management.

An attempt to ascertain the extent of management training, as well as the extent of issues management training, among owner/managers of community pharmacists, will be determined by empirical research in this study.

3.9 SUMMARY

This chapter commenced with an overview of health care in the RSA as a background. The current crisis of health care in the RSA seems to reflect the problem of political legitimacy and the problem of delivering effective and affordable health care to all the citizens of the RSA. Both the public and private health care sectors need to be restructured to meet the demands and challenges of health care in a new South Africa. Community pharmacies as health care providers, are one of the role players in the pharmaceutical industry and will have to adapt to new re-structured health care situations.

The micro- , task- , and macro-environments were discussed, with the emphasize on the changing task- , and macro-environments of community pharmacies as organizations operating under conditions of extreme uncertainty with issues impacting on their future viability.

The management of community pharmacies at retail and organizational level was examined. At retail level community pharmacists regard themselves as professional and business people. These two aspects can therefore not be separated. At organizational level the one statutory body (SAPC) and two professional bodies (PSSA & SAACP), seem to have accepted responsibility in guiding community pharmacies into a new dispensation of pharmacy practice.

The next chapter deals with the research design and methodology used in this study.

CHAPTER 4

EMPIRICAL RESEARCH DESIGN AND METHODOLOGY

4.1 INTRODUCTION

The research objectives of this study, as stated in Chapter 1, are to empirically:

- * To identify issues impacting on the future viability of community pharmacies by means of empirical research.
- * To provide an overview of community pharmacies as part of the pharmaceutical industry by means of descriptive analyses of collected data.
- * To determine whether pharmacists as owners/managers of community pharmacies are adequately equipped to apply issues management in their community pharmacies.
- * To determine whether different categories of owners and managers, respond differently to the steps in the issues management process.
- * To establish the extent to which issues management can be applied in community pharmacies to manage issues affecting the future viability of community pharmacies.
- * To determine, by means of factor analysis, whether there are any specific aids that owners and managers use to manage issues affecting community pharmacies.
- * To explore relationships among selected independent and dependent variables using cross-tabulation and multivariate analysis of variance, statistical techniques.

This chapter will, firstly, deal with the research design of the empirical study. Secondly, the methods used to carry out the study, will be outlined. The results of the empirical research will be dealt with in Chapter 5.

4.2 THE EMPIRICAL RESEARCH DESIGN

In this section the demarcation of the study, the design of the sample, the definition of the population, the sampling frame, the size of the sample, and the sampling procedure will be discussed. The design and the format of the questionnaire, pre-testing of the questionnaire and the confidentiality of the identity of respondents, will also be outlined.

4.2.1 Demarcation of the study

Section 14(1) of the Pharmacy Act compels the Registrar of the SAPC to keep a 'Register of Pharmacies' which contains the names and addresses of every community pharmacy in the RSA, and the name of each owner, manager or person in charge.

The Register of Pharmacies (February 1993) lists 2876 community pharmacies owned and managed, or managed only, by pharmacists. Pharmacists as owners/managers of community pharmacies of all community pharmacies in the RSA, excluding community pharmacies located in the independent or self-governing states and Transmed pharmacies, were demarcated to comprise the population for the purpose of this study.

4.2.2 The design of the sample

The design of the sample is an integral part of the total research design and great care should be taken in the development of suitable samples (Chisnall, 1992:90). Luck and Rubin (1987:212) state that the first step in the sampling process is to define the population from which the sample is to be drawn.

4.2.3 The definition of the population and the sample frame

The population is a discrete group of units of analysis (Bryman & Cramer, 1990:98), or the aggregate of all elements from which a sample is drawn (Nel, Radel and Loubser, 1988:291). A sample frame, however, is a record of all sample units available for detection at a given stage in the sampling process (Nel et al, 1988:291).

In this study the owner/managers of community pharmacies as demarcated in Section 4.2.1 constitutes the elements of the target population. Limitations of time and resources did not permit the study of all elements and a random sample had to be drawn from the population. For this purpose the list of community pharmacies supplied by the Register of Pharmacies was used as the appropriate sample frame.

4.2.4 The size of the sample

One of the most frequent asked questions in the context of sampling is what the size of the sample should be (Bryman & Cramer, 1990:102). Various statistical formulae, are available to compute specific sample sizes (Nel et al, 1990:303; Emory & Cooper, 1991:261).

The determination of the sample size is in general quite difficult (Dillon, Madden & Firtel, 1990:317) and a matter that is complex (Churchill, 1992:512).

Researchers disagree on the guidelines for the determination of the number of elements to include in a study (Cates, 1985:62).

Nel et al (1990:303) provide the following formula for calculating the sample size:

$$n = \frac{\delta^2}{\delta x^2}$$

where: δ = the standard deviation of the population
 δx = the standard deviation of the sampling distribution
 n = the sample size

Furthermore:

$$\delta x = \frac{E}{Z}$$

where: E = allowable error, i.e. the maximum that the sample mean should vary from the population mean
 Z = the number of standard deviation units in the normal distribution that will yield the desired level of confidence (for a 95% confidence level $Z = 1,96$)

therefore:

$$n = \frac{\delta^2 \times Z^2}{E^2}$$

To use this formula, the researcher still have to estimate δ and decide on E . Nel et al (1990:304) state the following methods of estimating δ :

- The standard deviation of previous similar studies may provide an indication of the population standard deviation.
- A pilot survey can be used to estimate the standard deviation of the population.
- An estimate of the standard deviation of the population can be made if use is made of the fact that 99,73% of the elements of the population will fall within the spread of $\pm 3 \times \delta$. An estimate of the range (difference between the highest and lowest score) is made and the population δ is calculated as follows:

$$\delta = \frac{\text{range}}{6}$$

Considering the above, using the formula for the determination of the sample size, still leaves the researcher with some unknown entities. Furthermore, most research projects include many variables. Using this formula will yield different sample sizes for the different variables. If calculations are performed for the different variables using this formula the largest sample size calculated in this manner can be used. Alreck and Settle (1985:93) points out that in such a case, the largest sample size may be larger than what is required for all, but a few of the variables.

However, if this formula is applied in the case of this research with the assumptions as shown below, a sample size can be derived at.

Assume: Range of turnover = R 300 000 (R 50 000 - R 350 000)
 A 95% confidence level, that is for $Z = 1,96$
 An E value of R 5 000

Using these values calculates a sample size of 384.

According to Fraenkel and Wallen (1990:79) researchers should try to obtain as large a sample as is practically manageable. Further, Kerlinger (1986:119) notes that large samples are advocated in order to give the principle of randomness a chance to work, and to illuminate the problem of selecting deviant samples associated with small samples. Sommer and Sommer (1986:201) are also of the opinion that large samples provide more reliable and representative data than small samples, while Cates (1985:62) suggests that for a survey research the sample should constitute ten per cent of the population. From a population of 1 000 elements a sample of 250 elements is, according to Fraenkel and Wallen (1990:79), a large sample as it represents 25 per cent of the population.

Walizer and Wiener (1978:433) provide a table from which the size of a sample can be determined if a decision is made on the allowable percentage of times an error can occur in drawing a random sample of a specified size as well as the degree of accuracy required for the research under consideration. If both of the aforementioned criteria are set at the 5% level, the reading on the table indicates a sample size of 384.

Considering the above, it was decided that 384 elements from the sample frame would be included in the sample. The 384 constitute 13,2 per cent of the population. The decision to use a sample of 384 elements is based on the suggestions by Cates (1985:62), Fraenkel and Wallen (1990:79) and Walizer and Wiener (1978:433) as mentioned above, as well as the aforementioned calculation of sample size.

It should, however, be remembered that conclusions about a population based on a sample is never totally satisfactory, since researchers can never be sure that their sample is perfectly representative of the population (Fraenkel & Wallen, 1990:79). This is so even though statistical tests may be applied since at best the tests are only valid to the extent of the confidence level decided on.

It can be argued that a confidence level of 95 per cent that a sample representing the total population of community pharmacies will be drawn, as well as the degree of accuracy varying only plus minus five percent, will only apply if an actual response rate of 100% is achieved. The major weakness of a mail survey is non-response of sample elements (Emory and Cooper, 1991:333). The researcher was therefore of the opinion that the risk of possible non-response by sample elements had to be taken into consideration. In order to allow for this risk, the response rate of 46 per cent, recently experienced by Spies (1990:6) with elements of the same target population, was used as a guideline to increase the initial sample size. This was done by calculating how many questionnaires should be sent in order to attempt to achieve a response number equal to the required sample size. The result was a final decision to post 833 questionnaires to community pharmacies.

4.2.5 The sampling procedure

For the purpose of this study the sampling procedure selected was based on the principle of randomness.

A random sample is defined by Kenkel (1989:19) as a sample in which every element of the population has an equal and independent chance of being selected. The community pharmacies which were included in the sample frame as indicated in Paragraph 4.2.3 were consecutively numbered. A sample was drawn from enumerated community pharmacies with the aid of random numbers generated by the Lotus 123 random number software facility.

4.2.6 Questionnaire design

It was the intention of this study to test four hypotheses. The approach to the design of the questionnaire was in line with the aim of the research.

The questionnaire was divided into three parts, Part A, Part B, and Part C. Each part of the questionnaire consists of groupings or categories of questions in order to facilitate comparisons.

The first section of Part A of the questionnaire dealt with the issues affecting the future viability of community pharmacies. As discussed in Chapter 2, issues are external conditions of pressure originating in the task- and macro-environments of community pharmacies (See Section 2.4.3). The issues

raised during focused interviews and those identified by means of literature studies and described in Chapter 3, were regarded as preliminary issue statements. The first section of part A of the questionnaire was designed in such a way as to accommodate macro-environmental questions on categories of political, economical, demographic/social, legal and technological issues.

The second section of Part A of the questionnaire included questions on supplementary training, refresher courses, volume related single-exit medicine prices, group practices, primary health care, competition, as well as aspects concerning the image of community pharmacies.

The management of community pharmacies at pharmacy organizational level was discussed in Section 3.8.2. It consists of the SAPC as a statutory body and the PSSA and SAACP as professional bodies. In the third section of Part A of the questionnaire respondents were asked to reply to questions on management aspects relating to these organizational bodies.

The questions in Part A of the questionnaire were regarded as dependent variables and are summarised in Table 4.2.6 (see Annexure C, p. 14 & 15). Respondents were asked to respond to each statement in terms of degrees of agreement varying from strongly agree to strongly disagree along the continuum of a five point Likert scale. Two final questions at the end of part A of the questionnaire enabled respondents to raise any other existing and future issues not covered in the questionnaire.

Part B of the questionnaire dealt with issues management. It was established in Section 2.7.1 that the process of issues management include the following steps: identification of issues, analysis and priorities of issues, action programming and response evaluation. Responses to questions on the steps in the issues management process were used to determine two aspects: Firstly, whether any one, or more than one, step in the issues management process were formerly applied by owners/managers of community pharmacies. This was done to either support or reject the third hypothesis, namely, that issues management is not applied by owners/managers of community pharmacies. Secondly, whether, even if none of the steps in the issues management process are formally applied, the informal application of one or more steps of the issues management process is applied by owners/managers of community pharmacies. Deductions made on responses to the latter will assist the theoretical deliberation and the acceptance or rejection of the fifth hypothesis, namely, that owners/managers of community pharmacies are not adequately equipped to apply issues management in community pharmacies.

The steps in the issues management process as reflected in Part B of the questionnaire were regarded as dependent variables, and are summarised in Table 4.2.6. Respondents were asked to respond to each statement in terms of degrees of agreement varying from strongly agree to strongly disagree along

the continuum of a five point Likert scale.

Part C of the questionnaire consisted of questions designed to obtain general information from owners/managers of community pharmacies. Part C of the questionnaire was divided into six categories of independent variables, namely, financial interest in pharmacy, size of pharmacy, maturity of owner/manager, degree of management training, organizational management involvement and the extent of issues management training received. These independent variables are depicted in the questionnaire design framework as set out in Table 4.2.6. Respondents were asked to rate questions relating to this section according to their applicability and to supply information where requested.

The responses to the questions relating to the independent and dependent elements served as an information base which could be used to establish relationships and to test the hypotheses.

A copy of the questionnaire is provided in Annexure A.

4.2.7 Questionnaire format

The questionnaire commenced with a short explanation of the way in which it should be completed. There were three types of responses depending on the format of the items, namely:

- * a 'cross' indicating responses to statements on a rating scale from 0 to 5 in respect of questions in part A and Part B of the questionnaire;
- * a 'cross' to indicate information requested in Part C of the questionnaire;
- * open lines to provide additional information on existing and future issues in the last section of Part B of the questionnaire.

The questions were presented under the various categories for easy orientation.

4.2.8 The questionnaire pre-test

A questionnaire pre-test was undertaken before the main survey was conducted to ascertain the following:

- Whether there were any ambiguities in the phrasing and format of the questions.

- The time required to complete the questionnaire.
- General comments and recommendations from pilot respondents.

Twelve owners/managers of community pharmacies were selected as pilot respondents for personal evaluation of the questionnaire. The pilot respondents were requested to complete the questionnaires within two days after which it would have been collected. Ten owner/managers completed the questionnaires. One regarded the questionnaire as too long. Three regarded it as long but interesting. Four regarded it as not too long. The average time taken by the ten pilot respondents to complete the questionnaire was seventeen minutes. Seven pharmacists found two words in the questionnaire difficult to comprehend. As a result, two questions in the questionnaire were rephrased. Five owners/managers commented on the annoyance value of most questionnaires and the increase in the number of questionnaires received during the last three years. Three owners/managers were of the opinion that if questionnaires are not attended to immediately they are normally left and eventually disregarded.

No pilot test was conducted to simulate procedures and protocols designated to this study, as the methods used, as described in Section 4.3, were regarded as adequate and well documented.

4.2.9 The coding of questions

Each question was coded for the purpose of data processing. The coding of questions was done in a separate column in order to avoid confusion on the part of the respondent.

4.2.10 Confidentiality

It was decided to conduct the study on an anonymous basis to maintain confidentiality with regard to the identity of community pharmacists as respondents.

4.3 METHODOLOGY

In this section attention is given to the methods used for the explanatory letters, the posting format, the return procedure, response analysis and the treatment of non-respondents.

4.3.1 Explanatory letter

Each questionnaire was accompanied by an explanatory letter. The explanatory letter briefly set out the purpose and importance of the research and was

printed on Vista University stationery under the name and signature of the researcher. The researcher could, by virtue of his qualifications stated in the letter, be identified as a pharmacist. This was done in order to elicit a better response rate amongst colleagues of the same profession.

4.3.2 Posting format

Each envelope contained the following:

- * an explanatory letter
- * a questionnaire
- * a reply-paid envelope addressed to:
Pharmacy Survey
Florida Hills
1716

Eight hundred and thirty three envelopes were bulk posted on 6 October 1993 from the Florida Hills Post Office. Respondents were requested to return completed questionnaires by 23 October 1993. The time allowed to return completed questionnaires might seem inadequate this was, however, deliberately done in order to avoid the possible neglect and eventual disregard of questionnaires by prospective respondents.

4.3.3 Return procedure

An explanatory letter attached to the questionnaire and a reply-paid envelope were inserted into each envelope. After reading the explanatory letter, the respondent could complete the questionnaire and insert it into the reply-paid envelope, ready for posting.

4.3.4 Methods used to improve the response rate

Additional steps to ensure the best response rate possible were the following:

- The design and format of the questionnaire was pre-tested with the purpose of refining it. The pre-test was done by relying on the comments of twelve practising community pharmacists as owner/managers of community pharmacies (See section 4.2.8). As a result of this pre-test certain questions were either deleted, reformulated, shortened or re-arranged. Un-intelligible wording was also replaced with more understandable phrases. The pre-test was also extended to executive staff members of the SAPC, the PSSA, as well as SAACP. Their comments prevented the use of irrelevant and/or invalid statements in Part A of the questionnaire. The interest shown by the aforementioned bodies in this research also resulted in the inclusion of additional questions as suggested by them.

- Anonymity of respondents were emphasised in the covering letter as well as at the beginning of Part C of the questionnaire.
- The covering letter was marked with a conspicuous "urgent" logo and the return date stated in the same letter, was an effective two weeks after the posting date, taking postal delays into consideration. This was done as a result of pre-test comments pointing to the fact that if questionnaires are not regarded as urgent, they are normally left to be forgotten.
- Reply-paid envelopes were included with the questionnaires to facilitate the return of questionnaires. A copy of the reply-paid envelope appears in Annexure B.
- The first name and surname of the writer appeared in type and in the signature at the end of the covering letter to inform respondents of the personal interest of the writer. Mention was also made of the writer as a non-practising pharmacist to emphasize the impartiality as well as to substantiate the use of the introductory phrase "Dear Colleague".
- As an incentive for the proper completion of the questionnaires respondents were informed that the results of the research could be made available to them on request.

The actual response rate will be discussed in Section 4.3.8.

4.3.5 The treatment of non-respondents

As a result of anonymity of respondents it was not possible to identify non-respondents with the view of a follow-up. The writer was of the opinion that the risk of not using a follow-up would have been eliminated by the increase in the sample size as discussed in Section 4.2.4, as well as the methods used to ensure a satisfactory response rate as outlined in Section 4.3.4.

4.3.6 The editing of questionnaires

The customary first step in analysis of questionnaires is to edit the raw data. This is done in order to detect errors and omissions (Emory & Cooper, 1991:450).

Each returned questionnaire was accordingly scrutinized to ensure that minimum data quality standards were achieved. Questions which were not answered or which were ambiguously answered were disregarded. Any questionnaire containing one or more un-answered or ambiguously answered questions was disregarded as

a whole. Acceptable questionnaires were given consecutive reference numbers to facilitate any corrections to the data set necessary during the analysis phase.

4.3.7 Data capture and manipulation

The data obtained from returned and edited questionnaires was captured on a database created in the Lotus 123 computer program. The data was subsequently translated into the database of the Statistical Package for the Social Sciences (SPSS) computer package. The SPSS computer package is a statistical package for social sciences developed to perform statistical calculations. The final analysis of the data was done with the aid of the SPSS computer package and is dealt with in Chapter 5 of this study.

4.3.8 Analysis of returns

An analysis of the returns of questionnaires in numerical terms is given in Table 4.3.8 (see Annexure C, p. 16). Table 4.3.8 discloses the following:

- Twenty nine per cent of the survey population returned completed or partially completed questionnaires.
- Of the returned questionnaires five per cent were rejected. Seven questionnaires could not be used because of the omission of one or more answers and five questionnaires because of receipt after the cut off date. The rejected questionnaires constituted a small percentage of the total returns.

The lower than expected response rate can possibly be ascribed to the following:

- Community pharmacies as small business enterprises becoming the target of numerous empirical studies of post graduate students and other researchers. Community pharmacists could receive up to two questionnaires per month which lead to a resistance in responding to such questionnaires.
- The length of the questionnaire. The comprehensive list of questions in part A of the questionnaire increased the length of the questionnaire. These questions were however regarded as necessary in view of the various important issues presently (1993) affecting the future viability of community pharmacies.
- The fact that the questionnaire was provided in English only. Three questionnaires were returned with uncomplimentary comments as to the omission of Afrikaans. Although the length of the questionnaire made

the duplication of questions in Afrikaans impractical a comment apologising for then uni-lingual nature of the questionnaire could possibly have increased the response-rate.

- No follow-up survey having been done. A follow-up survey was not possible as a result of maintaining complete anonymity of respondents.

The response rate of 29 per cent with regard to the increased sample size was not as high as the response rate (49%) achieved by Spies (1990). The survey conducted by Spies (1990), however, included all community pharmacies and not only owners/managers of community pharmacies. It was furthermore not based on a random sample of community pharmacies but on a census. The response rate for this study was, however, higher than the response rate achieved by Truter (1992). The research of Truter (1992) was based on a random sample of 868 community pharmacies and the response rate was 20,5 per cent. It was also higher than the response rate of 23 per cent obtained by Visser (1989) using a sample frame similar to the one used in this study with the target population also based on the principle of randomness.

Therefore, the response rate of 29 per cent is regarded as satisfactory when viewed in relation to the response rate of 23 per cent obtained by Visser (1989) and the 20,5 per cent obtained by Truter (1992).

It may be concluded that the importance and topicality of the subject matter, particularly in respect of Part A of the questionnaire, assisted in achieving a 29 per cent response rate.

4.4 SUMMARY

To achieve the objectives of this study a planned empirical research design and methodology was needed.

The demarcation of the study was discussed. Pharmacists as owners/managers of community pharmacists of all community pharmacies in the RSA, excluding community pharmacies located in the independent or self-governing states and Transmed pharmacies, were demarcated for the purposes of this study.

The first step in the design of the sample is to define the population from which the sample is to be drawn. In this study the owner/managers of community pharmacies as demarcated in Section 4.2.1 constitutes the elements of the target population. A list of community pharmacies supplied by the Register of Pharmacies was used as the appropriate sample frame. The size of the sample was determined by means of a statistical formula provided by Nel *et al* (1990:303), tables by Walizer and Wiener (1978:433) and an adjustment to allow for non-response of sample elements. The size of the sample drawn

from the sample frame was 833 community pharmacies. The sampling procedure was based on the principle of randomness.

A mail survey was used to obtain information. This method necessitates the use of a questionnaire. A questionnaire design framework was compiled and the questionnaire format designed according to the framework. The questionnaire was pre-tested and refined before posting. The survey was done on an anonymous basis to maintain confidentiality. Other steps were also taken to ensure a high response rate. A response rate of 29 per cent on the increased sample size (63% on the initial sample size) was achieved in this study, which is regarded to be reasonable.

Chapter 5 deals with the research results and the analysis of data.

CHAPTER 5

RESEARCH RESULTS AND ANALYSIS

5.1 INTRODUCTION

It was hypothesised in Section 1.5 that there are a number of issues impacting on the future viability of community pharmacies. It was also hypothesised that issues management as a management process can be applied by community pharmacists to manage the issues impacting on the future viability of community pharmacies. Furthermore, it was hypothesised that issues management as a management process is not applied in community pharmacies. Finally, it was hypothesised that community pharmacists are not adequately equipped to apply issues management in their community pharmacies.

To test each hypothesis, in other words, to determine whether each hypothesis can be accepted or whether it should be rejected, data was collected from owner/managers of community pharmacies in accordance with the questionnaire design framework as depicted in Section 4.2.6.

The analysis and discussion of the collected data will be done in the following sequence:

- * In the first instance descriptive analyses of the results obtained in this study will be presented. Means, modes, medians, standard deviations, skewness, kurtosis and standard errors as measures of location, central tendency and shape of the data respectively (Emory & Cooper, 1991:472) will be used to describe individual items (questions plus answers) as well as selected categories of items or concepts, of the questionnaire (see Section 5.2).
- * Secondly, the validity and reliability of selected measures used in this study will be tested using Cronbach's alpha as criterium (Bryman & Cramer, 1990:71) for reliability (see Section 5.3).
- * Thirdly, a search for relationships among the items of the questionnaire will be undertaken, using statistical techniques of cross-tabulation, factor analysis, analysis of variance (ANOVA) and multivariate analysis of variance (MANOVA) (see Section 5.4).

Data appertaining to the different parts of the questionnaire, that is, Part A, Part B, and Part C will be used in the following manner:

Part A: Part A of the questionnaire relates to issues impacting on the future viability of community pharmacies. Data relating to this part

of the questionnaire will be analyzed for descriptive reporting and for the purpose of accepting or rejecting the first hypothesis as stated in Section 1.5.

Part B: Part B of the questionnaire consists of dependent variables and relates to the steps in the issues management process. Items in this part of the questionnaire will be analyzed for descriptive purposes, and to show reliability of the measures used in this study. Items and categories of items or concepts, in Part B will also be analyzed to indicate the nature and extent of relationships with independent items in Part C of the questionnaire, using the statistical techniques of factor analysis, ANOVA and MANOVA.

Part C: Items from Part C of the questionnaire will be regarded as independent variables and will be analyzed for descriptive reporting. Relationships within Part C of the questionnaire will also be investigated, making use of cross-tabulation. Furthermore, items and categories of items in this part of the questionnaire will also be used to establish relationships with items and categories of items in Part B of the questionnaire, using the statistical techniques of ANOVA and MANOVA.

The aforementioned analyses and discussions are based on data collected from owners/managers of community pharmacies in accordance with the questionnaire framework as depicted in Section 4.2.6. and the data collection procedures as outlined in Section 4.3.7. Although certain conclusions with respect to individual items and categories of items will be reached in this chapter, deductions, following from the results, will be discussed in Chapter 6.

5.2 DESCRIPTIVE ANALYSES OF RESULTS

The descriptive level of research attempts to define or describe a subject, often by creating a profile of a group of problems, people, or events. Descriptive studies may or may not have the potential for drawing powerful inferences and suggesting casual relationships. However, they do not provide answers to the question why relationships exist (Emory & Cooper, 1991:13). The statistical results of the descriptive analysis of the questionnaire should therefore not be over-emphasised.

Descriptive statistics are a means of inspecting single variables before testing for correlational and casual relationships. The most common descriptive statistics suggested by Dillon *et al* (1990:458) are those that provide the researcher with measures of central tendency (the most likely response to a question), and measures of variability (the dispersion of data around the mean). Bryman and Cramer (1990:6) refer to descriptive information relating to a single variable as univariate analysis.

The descriptive statistics which will be used in this study are frequency counts, frequency percentages, the mean, the mode, the median, the standard deviation, skewness, kurtosis and standard error where appropriate.

The statistic which will be used to measure central tendency on single variables is the mean. Emory and Cooper (1991:472) describe the mean as the arithmetic average, that is, the sum of the observed values in the distribution divided by the number of observations. Kenkel (1989:96) interprets the mean as the centre of gravity of a distribution of data.

The statistic which will be used in this study to measure the variability, or spread around the mean, of data of single variables is the standard deviation (Emory & Cooper, 1991:473). The standard deviation is described by Emory & Cooper (1991:473) as the positive square root of the variance. Another measure of central tendency which will be used to measure central tendency for the sample of observations in this study is the mode. The mode of a set of observations is the value that occurs with the greatest frequency (Kenkel, 1989:95).

Skewness is a measure of the shape of a distribution and its deviation from symmetry. Skewness is therefore an indication of the extent of symmetry or normal distribution of data. When a distribution approaches symmetry, skewness is approximately zero (Emory & Cooper, 1991:475). Skewness will be used in this study to indicate the shapes of distributions.

The statistic which will be used to measure the peakedness or flatness, of distributions of data in this study is kurtosis. For a normal distribution the kurtosis is zero. The value of a peaked, or leptokurtic, distribution of data will be positive whereas a flat, or platykurtic, distribution of data will be negative (Emory & Cooper, 1991:475).

The standard error of the mean is a measure of the distribution of sample means and is the standard deviation of the distribution of the means. The standard error of the mean varies directly from the standard deviation of the population from which it is drawn. If the population standard deviation were smaller, say 0,35 instead of 0,70, the standard error would be only one half as large. It also varies inversely with the square root of the sample size. If the square root of the sample size doubled, the standard error is reduced by one half provided the standard deviation remains constant (Emory & Cooper, 1991:252).

The descriptive analysis of all items in Part A, Part B, and Part C of the questionnaire, using statistics of frequency, mean and standard deviation are reported in Annexure B for general information.

The statistics of mean, mode, median, standard deviation, skewness, kurtosis

and standard error, of items in Part B of the questionnaire are reported in Table 5.2.3.6 (see Annexure B).

5.2.1 Frequency analysis of items in Part C of the questionnaire

The first discussion of the analysis of Part C of the questionnaire is done in order to provide the researcher with an overall insight into matters relating to owners/managers of community pharmacies as well as general aspects regarding their community pharmacies.

5.2.1.1 Interest of pharmacists as owners/managers in community pharmacies

The analysis of the interest of pharmacists in their pharmacies as owners or managers or both is given in Table 5.2.1.1 (see Annexure C, p. 16). From Table 5.2.1.1 it can be seen that 82,1 per cent of respondents are both owners and managers of their pharmacies, while 17,9 per cent has no financial interest in the pharmacies that they are managing. None of the respondents indicated that they have a financial interest in a pharmacy, but is not managing that pharmacy. This indicates that 82,1 per cent of managers of pharmacies as owners/managers have, or at least should have, a very real interest in managing their pharmacies to the level of top efficiency. In the current (1993) environment of far reaching change they should attempt to apply appropriate management techniques, such as the process of issues management, to enable them to keep abreast of the affects of emerging and current issues affecting their community pharmacies.

5.2.1.2 Geographical distribution and size elements of community pharmacies managed and/or owned by community pharmacists

The analysis of the geographical location and size elements of pharmacies owned or managed by respondents is given in Tables 5.2.1.2.A to 5.2.1.2.D (see Annexure C, p. 16 & 17). Table 5.2.1.2.A indicates that 50,7 per cent of pharmacies are located in towns, while 49,3 per cent of them are located in cities. This indicates an almost equal distribution of respondent pharmacies between towns and cities.

Table 5.2.1.2.B can be summarised by grouping monthly turnover of community pharmacies in categories of small (less than R 99 000 monthly turnover), medium (R 100 000 -R 199 000 monthly turnover) and large (R 200 000 and above monthly turnover) community pharmacies as indicated in Table 5.2.1.2.C.

As indicated in Table 5.2.1.2.C, approximately one third (30,6%) of pharmacies can be regarded as small, 45,0 per cent as of medium size and 24,5 per cent as large. The mean turnover of community pharmacies can be calculated as R 1,74 million per annum (monthly mean times 12) with a standard deviation from the mean of 0,74. Community pharmacies can therefore be classified as small businesses in terms of the Small Business Development Corporation's (SBDC)

definition of small businesses in South Africa (Anon, 1988:2). The mean and the standard deviation indicate that the annual turnover of 68 per cent of community pharmacies are between R 0,91 million and R 2,69 million. This is less than the maximum annual turnover criterium of R 5 million used by the SBDC for classification as a small business. In interpreting the application of issues management by community pharmacies, this observation should be kept in mind.

Respondents were required to indicate what percentage of their gross turnover is made up by prescription medicines. As many of the possible issues confronting community pharmacies centre around the supply of medicines prescribed by medical practitioners, it is important to assess to what extent they are financially dependent on the supply of prescribed medicines. The percentage of gross turnover generated by prescription medicine would indicate the extent of dependency.

Table 5.2.1.2.D indicates that the majority of community pharmacies (64,2%) derive more than 50 per cent of their gross turnover from prescription medicines. Community pharmacies are therefore highly dependent on the portion of their turnover that is derived from prescription medicines.

5.2.1.3 Personal aspects of pharmacists as owners/managers of community pharmacies

Analyses regarding personal aspects of pharmacists as owners/managers of community pharmacies are given in Tables 5.2.1.3.A and 5.2.1.3.B (see Annexure C, p. 17 & 18).

As indicated in Table 5.2.1.3.A, the vast majority (91,27%) of community pharmacy owners/managers in South Africa belong to the white race group. Less than five per cent of community pharmacists represent each of the three other race groups. This indicates that the race groups other than whites are poorly represented in the top structure of the pharmaceutical retail sector. This may be due to lack of funds to start their own pharmacies amongst pharmacists of colour, that people of colour are not naturally attracted to the profession or that they have not in the past been promoted to managerial positions.

Table 5.2.1.3.B indicates that the greater majority (85,2%) of community pharmacy owners/managers are male with only 14,8 per cent female.

5.2.1.4 Maturity elements of pharmacists as owners/managers pharmacists of community pharmacies

The analysis of the ages of pharmacists as owners/managers of community pharmacies is given in Table 5.2.1.4 (see Annexure C, p. 18).

The analysis of the age of community pharmacy owners/managers, as listed in Table 5.2.1.4, indicates that the majority (52,84%) of community pharmacists are younger than 40 years of age, while 27,95 per cent of community pharmacy owners/managers fall in the category 40 to 50 years of age. Only 19,21 per cent are older than 50 years of age. The mean age is 40,54 with a standard deviation of 10,71. The ages of approximately 68 per cent of community pharmacy owner/managers are therefore between 30 and 50 years.

5.2.1.5 Management training of pharmacists as owners/managers pharmacists of community pharmacies

The analyses of management training aspects of pharmacists as owners/managers of community pharmacies are given in Tables 5.2.1.5.A to 5.2.1.5.D (see Annexure C, p. 18 & 19).

Respondents were asked to indicate in which year they registered as pharmacists. The purpose of this question is to categorise owners/managers into two groups, namely: those that registered before 1975 and those that registered in 1975 and thereafter. The reason for doing so is that since 1970 courses in pharmacy at South African universities included subjects on management. As it requires five years training to qualify as a pharmacist it could be postulated that pharmacists who graduated in 1974 and subsequently, and registered in early 1975 and subsequently, would be better equipped in the field of management. In Section 5.4.2.3, a comparison between these two groups of pharmacists in relation to their answers to the questions in Part B of the questionnaire will be undertaken. In this section it will suffice to consider the descriptive aspects of this analysis.

Table 5.2.1.5.A indicates that 41,9 per cent of respondents registered as pharmacists before 1975, while 58,1 per cent of respondents registered in 1975 or thereafter. This means that approximately half of the current owners/managers of community pharmacies in South Africa have had some management training during their undergraduate pharmacy studies, prior to registration as pharmacists, and should therefore be better equipped to apply issues management if such management training included training in issues management.

Table 5.2.1.5.B indicates that only 38 of respondents (16.5%) have management qualifications. The vast majority of respondents (191 or 83.5 per cent) do not have any management qualifications. The majority of owners/managers who have some management qualification (11,8%), have a management diploma. Only 1,3 per cent has a BCom degree with management subjects, while only 2,62 per cent has a MBA degree. One respondent has received other management training (SBDC management training) in small business management. It would therefore appear that very few community pharmacy owners/managers have received any formal management training after they qualified as pharmacists.

Respondents were required to indicate whether the management qualification(s) that they have completed included courses on strategic planning, strategic management or management of change. The purpose of the question was that, since it can be hypothesised that if the courses completed by respondents included these strategic management related subjects, respondents that have completed these courses may be better, although not fully, equipped to apply issues management. Whether this is so will be analyzed in Section 5.4.2.4.

If the number of respondents (26) who have had training in strategic planning, strategic management or management of change, is calculated as a percentage of those with management qualifications (38), it is found that 68 per cent has had training in these strategic management subjects. However, from Table 5.2.1.5.C it can be seen that a low percentage of the total number of respondents (11,36) have received training in any one, or a combination, of these three strategic subject areas. It can therefore be concluded that very few owners/managers of community pharmacies have had any training in subjects related to strategic issues.

Respondents were asked to indicate whether they have attended any management courses offered by wholesalers, correspondence colleges or any institutions other than the recognized tertiary institutions. Almost half (41,05%) reported that they did not attend such courses. The balance of respondents (58,95%) indicated that they have attended either one or a combination of courses listed in Table 5.2.1.5.D. It can therefore be concluded that, although only 16,5 per cent (see Table 5.2.1.5.B) of owners/managers of community pharmacies hold official diplomas or degrees, the majority (58,95%) attended other *ad hoc* management courses. Of the respondents who attended *ad hoc* management courses almost all (98,85%) have had such training, attended courses offered by pharmaceutical wholesalers. The importance of pharmaceutical wholesaler involvement, in the training of owners/managers of community pharmacies, must therefore not be underestimated.

5.2.1.6 Participation in activities of the SAPC, the PSSA or the SAACP by pharmacists as owners/managers of community pharmacies

The analysis of participation elements of pharmacists as owners/managers of community pharmacies is given in Tables 5.2.1.6.A and 5.2.1.6.B (see Annexure C, p. 19 & 20).

Respondents were asked to indicate whether they participate in the activities, workshops, meetings, and conferences of the SAPC, the PSSA or the SAACP and with what frequency. Almost half (47,6%) of respondents indicated that they participate more than once a year in such activities, 28,8 per cent participate once a year, while 23,6 per cent never participate in these activities. The activities of the SAPC, the PSSA and the SAACP are therefore

well supported by owners/managers of community pharmacies.

Respondents were asked to indicate whether they have held, or currently hold a leadership position in one or more of the SAPC, the PSSA or the SAACP as indicated in Table 5.2.1.6B. The majority (83,8%) indicated negatively. It can therefore be concluded that only a small percentage of owners/managers of community pharmacies are ever elected to the executives of these bodies that represent them.

5.2.1.7 Issues Management training of pharmacists as owners/managers pharmacists of community pharmacies

Respondents were asked to indicate whether they have had any training in issues management. As indicated in Table 5.2.1.7 (see Annexure C, p. 20), only 3,1 per cent of respondents have had training in issues management. The vast majority (96,9%) do not have any training in issues management.

5.2.2 Items in Part A of the questionnaire

The frequency analyses consisting of the frequency counts and frequency percentages as well as the means and the standard deviations for the items in the first section (questions one to seventy one) of Part A of the questionnaire are set out in Annexure B for general information. A summary of the content and format of Part C of the questionnaire as depicted in Section 4.2.6 is given in Table 5.2.2 (see Annexure C, p. 20).

The first purpose of the analysis of items in Part A of the questionnaire was to provide a broad indication of possible issues impacting on the future viability of community pharmacies.

The second and main purpose of the analysis of items in Part A of the questionnaire was to either accept or reject the first hypothesis stated in Chapter 1, that is: there are a number of issues impacting on the future viability of community pharmacies.

For the purpose of providing a broad indication of possible issues and to reject or accept the first hypothesis, the statistics relating to Part A of the questionnaire as listed in Annexure B will be summarized as follows:

- * Respondents having scored one and two are grouped together to indicate disagreement to the issue in question
- * Respondents having scored three are regarded as being neutral to the issue in question
- * Respondents having scored four and five are grouped together to indicate agreement to the issue in question

The salient aspects of the results of the aforementioned analysis are discussed in the following paragraphs according to the different categories listed in Table 5.2.2. Since the discussion concerns general issues impacting on community pharmacies, percentage figures are rounded to the nearest whole number for clarity.

5.2.2.1 Political

The majority of respondents (70%) regarded themselves familiar with the various political view-points in South Africa, 18 per cent was neutral and 12 per cent was not familiar with the various political view-points in South Africa. The minority (26%) of owners/managers are confident about the proposed new political dispensation, 36 per cent lacked confidence, and 38 per cent were neutral.

RELEVANT ISSUE:

Owners/managers of community pharmacies are familiar with the various political view-points in South Africa. There is, however, a lack of confidence in the proposed new political dispensation for South Africa.

5.2.2.2 Economic

Almost half of respondents (49%) foresee that a new government will have a detrimental affect on the free market economy whereas 21 per cent of respondents do not, and 30 per cent are neutral. The majority (63%) anticipates nationalization of health services under an ANC government, 14 per cent of respondents do not, and 24 per cent are neutral. The morale of most respondents (63%) is low because of the present (1993) economic recession, 20 per cent do not experience low morale and 18 per cent are neutral.

RELEVANT ISSUES:

An ANC government will have a detrimental effect on the free market economy.

Nationalization of health services under an ANC government is anticipated by owners/managers of community pharmacies.

The morale of owners/managers of community pharmacies is low as a result of the present (1993) economic recession.

5.2.2.3 Demographical/social

The percentages of respondents (41%) that have noticed an increase in black and coloured customers and the percentage of respondents that have not noticed

an increase in black and coloured customers (34%), are almost equal. The majority of respondents (65%) will appoint a black/coloured pharmacist if their client base justifies such an appointment, whereas the minority (25%) will appoint a black/coloured pharmacist irrespective of their client base. A small percentage of respondents (9%) intend to move their pharmacies to an area where the black community can be served better. Although still in the minority, a slightly larger percentage of respondents (13%) intend to open another pharmacy in an area where the black community can be served better.

Fifty per cent of respondents felt that community pharmacies will benefit from more black/coloured pharmacists entering the profession, whereas only 16 per cent disagreed. On the contrary only 21 per cent of respondents were of the opinion that community pharmacies will benefit from the high rate at which females are entering the profession. The majority (53%) of respondents regarded the high rate of female entrants into the profession as not beneficial to the profession.

RELEVANT ISSUES:

Owners/managers of community pharmacies do not see the necessity for affirmative action in respect of their community pharmacies.

Owners/managers of community pharmacies do not plan to get involved in establishing community pharmacies in areas other than the traditional locations.

Owners/managers of community pharmacies support an increase in the number of black/coloured community pharmacists entering the profession.

Owners/managers of community pharmacies are adverse to the high rate of increase of female community pharmacists.

5.2.2.4 Legal/general

The majority of respondents (58%) were not sure about the way in which proposed legal changes will affect the future of community pharmacies. Only 16 per cent of respondents were sure, and 26 per cent were neutral.

RELEVANT ISSUE:

Owners/managers are uncertain about, and uncomfortable with, proposed legal changes and the affect on community pharmacies.

5.2.2.5 Legal/ownership

The overwhelming majority of respondents (95%) regard ownership of community

pharmacies by non-pharmacists as a threat to the pharmacy profession. Almost the same percentage (86%) agrees that there are ethical reasons why pharmacists should not be employed by non-pharmacists. The majority (87%) disagreed with the statement that ownership of pharmacies by non-pharmacists will be in the interest of the public.

With regard to decisions of the PSSA and the SAACP not to support the SAPC in its attempt to allow ownership of pharmacies by non-pharmacists, 95 per cent of respondents support the standpoint of the PSSA and 92 per cent the standpoint of the SAACP.

Almost all of respondents (97%) were of the opinion that non-pharmacists will regard the profit motive of their pharmacy businesses as more important than the ethical aspects. The minority of respondents (26%) will support the financial interest of non-pharmacists in pharmacies if the interest is limited to less than 50 per cent.

The majority of respondents (68%) believe that in spite of assurances by the SAPC to the contrary, the opening of pharmacies by non-pharmacists will be allowed unconditionally. Twenty one per cent were neutral. Only eleven per cent believes that the SAPC will be able to control the opening of community pharmacies by non-pharmacists.

RELEVANT ISSUES:

Ownership of community pharmacies by non-pharmacists.

Dissatisfaction with the decision of the SAPC to allow non-pharmacists to own community pharmacies.

The inability of the SAPC to control the opening of community pharmacies by non-pharmacists

Employment of pharmacists by non-pharmacists.

5.2.2.6 Legal/higher scheduled medicines

The majority of respondents (52%) agreed with the statement that access to higher schedule medicines will improve the profitability of community pharmacies. Twenty one per cent disagreed and 26 per cent of respondents were neutral. The majority of respondents (63%) disagreed with the statement that access to higher schedules should only be granted to pharmacists where no medical practises exist.

Whereas 57 per cent of respondents expected access to higher schedule medicines to have an adverse affect on relationships with medical

practitioners, 68 per cent did not regard access to higher schedules as an encroachment into the province of medical practitioners.

RELEVANT ISSUE:

The importance of access to higher schedule medicines for community pharmacies.

5.2.2.7 Supplementary training

Supplementary training (for example as pharmaco-therapists) was regarded by 90 per cent of respondents as the method in which to improve the professional status of community pharmacists. Regarding the ability of the SAPC to successfully implement the concept of pharmaco-therapists 35 per cent of respondents felt sceptical, 35 per cent did not feel sceptical, and 31 per cent of respondents were neutral. Ninety per cent of respondents indicated that they will attend accredited training courses to qualify as pharmaco-therapists.

RELEVANT ISSUE:

The importance of supplementary training (eg. as pharmaco-therapists) as a method to improve the professional status of community pharmacists with the public.

5.2.2.8 Refresher courses

On the question whether refresher courses should be made compulsory for pharmacists to remain on the Register of Pharmacists, 52 per cent of respondents agreed that it should be the case, 22 per cent disagreed and 27 per cent remained neutral. Fifty five per cent of respondents were satisfied with the quality of refresher courses which they have attended, 15 per cent were not satisfied and 30 per cent remained neutral.

RELEVANT ISSUE:

Compulsory refresher courses for pharmacists to remain on the Register of Pharmacists.

5.2.2.9 Volume related single exit medicine prices

Single-exit prices will according to 57 per cent of respondents, increase their purchases from pharmaceutical wholesalers. The majority of respondents (83%) expressed the opinion that single-exit prices should be enforced on pharmaceutical manufacturers.

RELEVANT ISSUE:

Compulsory single-exit prices

5.2.2.10 Group practices

Regarding group practices 55 per cent of respondents expect group practices to cause the demise of traditional community pharmacies. Twenty one per cent of respondents held the opposite viewpoint and 24 per cent were not sure. Respondents were divided on the statement that group practices offer new opportunities for community pharmacists with 52 per cent agreeing, 27 per cent undecided and 22 per cent disagreeing.

RELEVANT ISSUE:

Uncertainty of owners/managers of community pharmacies with regard to the formation of group practices.

5.2.2.11 Primary health care

Sixty six per cent of respondents regarded primary health care as the key to resuscitating community pharmacies. Although only 47 per cent of respondents foresee an improvement in the profitability of their pharmacies as a result of their involvement in primary health care, 59 per cent of respondents intend to change their possible future pharmacies to operate as primary health care centres (clinics).

RELEVANT ISSUE:

The role and advantages of primary health care in the future viability of community pharmacies.

5.2.2.12 Competition

Regarding competition, and more specifically competition from dispensing medical practitioners, 75 per cent of respondents have noticed an increase of dispensing by medical practitioners in their areas over the last two years. Sixty five per cent of respondents believe that single-exit prices will discourage medical practitioners to dispense, whereas 21 per cent disagreed with such a statement. Fifty two percent of respondents believe that MMAP prices will discourage medical practitioners to dispense and 31 per cent disagreed that it would. The majority of respondents (78%) were of the opinion that single-exit prices will make it easier for pharmacists to compete with dispensing medical practitioners. The majority of respondents (67%) were also convinced that present legislation interfere with the right of community pharmacists to compound their own medicines.

RELEVANT ISSUES:

Dispensing by medical practitioners.

Interference of legislation with the right of community pharmacists to compound their own medicines.

5.2.2.13 Technological

Fifty five of respondents intend to extend their dispensary computer systems to render a more comprehensive primary health care service and the majority of respondents (83%) intend to use the HealthNet system of Medikredit, or a similar system, to process their medical scheme transactions.

RELEVANT ISSUES:

The significance of modern management aids such as computers.

The significance of the services of support systems, such as HealthNet.

5.2.2.14 Pharmacy image

On the statement that discounts on prescription medicines are undermining the dignity of the pharmacy profession 77 per cent of respondents agreed and 12 per cent disagreed. On the statement that postal prescription services are undermining the dignity of the pharmacy profession a big majority of respondents (92%) agreed, while only four per cent disagreed. Seventy three percent of respondents regarded the ethical aspects of their pharmacy businesses as more important than the profit motive, 22 per cent regarded both ethical and profitability as important and 5 per cent regarded the profit motive as more important than the ethical aspects.

Although only 46 per cent of respondents indicated that community pharmacy offers a career path with which they are pleased, (28 per cent disagreed), 65 per cent indicated that they will probably still be in community pharmacy five years from now. Fourteen percent of respondents indicated that they would not be in community pharmacy five years from now and 21 per cent were undecided.

RELEVANT ISSUES:

The undermining of the dignity of the pharmacy profession by discounts on prescription medicines.

The undermining of the dignity of the pharmacy profession by postal prescription services.

The importance of the ethical aspects of pharmacy businesses, rather than the profit motive.

Dissatisfaction with community pharmacy as a career path by owners/managers of community pharmacies.

5.2.2.15 Organizational pharmacy management

The discussion of the responses to this section of the questionnaire will emphasise aspects of organizational pharmacy management by the SAPC, the PSSA and the SAACP. The section will conclude with the aspect of opportunities for owners/managers of community pharmacies to influence strategies affecting community pharmacies.

* The South African Pharmacy Council (SAPC)

Ninety two percent of respondents believe that the SAPC should take the leading role in developing strategies to ensure the future viability of community pharmacies. Fifty seven per cent of respondents hold the same view on the developing of pharmacy strategies by the Minister/Department of Health.

The majority of respondents (76%) believe that decisions taken and strategies developed by the SAPC is to a large extent dictated by the Minister/Department of Health. Only 28 per cent of respondents believe that the SAPC has a strategy to lead community pharmacy into the future, whereas 43 per cent were of the opinion that the SAPC does not have a strategy. Fifty five percent of respondents were not satisfied with strategies adopted by the SAPC. Only 17 per cent of respondents were satisfied with strategies adopted by the SAPC in respect of community pharmacies.

Regarding representation on the SAPC, 77 per cent of respondents believe that elected pharmacists on the SAPC do not adequately influence decisions of the SAPC in respect of community pharmacies. Eighty one percent of respondents was of the opinion that community pharmacists, as a group of pharmacists are not adequately represented on the SAPC. Ninety three percent believe that at least 51 per cent of the members of the SAPC should consist of elected pharmacists.

Regarding written feedback from the SAPC on decisions affecting community pharmacies only 29 per cent of respondents regarded present feedback as adequate, with 48 per cent regarding the feedback as inadequate.

Seventy one per cent of respondents felt that regular inspections by inspectors of the SAPC will ensure compliance by pharmacists with minimum professional standards.

RELEVANT ISSUES:

The extent to which the Minister/Department of Health dictate decisions taken and strategies developed by the SAPC.

The importance of the SAPC in taking the leading role to develop strategies in order to ensure the future viability of community pharmacies.

The lack of a pro-active strategy by the SAPC to lead community pharmacies into the future.

Dissatisfaction of owners/managers of community pharmacies with strategies adopted by the SAPC.

The inadequate representation of community pharmacists on the SAPC.

Inadequate feedback by the SAPC on decisions affecting community pharmacies.

The lack of regular inspections by inspectors of the SAPC to ensure compliance by pharmacists with minimum professional standards.

* The Pharmaceutical Society of South Africa (PSSA)

Eighty two percent of respondents believe that the PSSA should take the leading role in developing strategies to ensure the future viability of community pharmacies. Thirty five per cent of respondents believe that the PSSA has a strategy to lead community pharmacy into the future, whereas, 30 per cent were of the opinion that the PSSA does not have a strategy. Thirty six per cent of respondents were unsure.

On the statement that the PSSA has become a discussion forum with no ability to influence strategies of the SAPC, 65 per cent of respondents agreed, eight per cent disagreed and 27 per cent remained neutral. Thirty six per cent of respondents regarded opinions expressed by the PSSA as reiterations of views expressed by the SAPC. Twenty seven per cent of respondents disagreed with such a statement, whereas as 37 per cent were neutral to the same statement.

RELEVANT ISSUES:

The PSSA should take the leading role in developing strategies to ensure the future viability of community pharmacies.

The lack of a pro-active strategy by the PSSA to lead community pharmacies into the future.

The inability of the PSSA to influence decisions of the SAPC that affect community pharmacies.

* The South African Association of Community Pharmacies (SAACP)

Sixty seven per cent of respondents believe that the SAACP should take the leading role in developing strategies to ensure the future viability of community pharmacies. Only 27 per cent of respondents believe that the SAACP has a strategy to lead community pharmacy into the future, whereas 32 per cent of respondents were of the opinion that the SAACP does not have a strategy. Forty one per cent of respondents were unsure.

On the statement that the SAACP has become a discussion forum with no ability to influence strategies of the SAPC, 54 per cent of respondents agreed, 11 per cent disagreed and 35 per cent remained neutral. Twenty five per cent regarded opinions expressed by the SAACP as reiterations of views expressed by the SAPC. Thirty four per cent disagreed with such a statement whereas as 41 per cent of respondents were neutral to the same statement.

RELEVANT ISSUES:

The SAACP should take the leading role in developing strategies to ensure the future viability of community pharmacies.

The lack of a pro-active strategy by the SAACP to lead community pharmacies into the future.

The inability of the SAACP to influence decisions of the SAPC that affect community pharmacies.

5.2.2.16 Opportunities of owner/managers to influence overall strategies concerning community pharmacies

Only 14 per cent of respondents felt that they have considerable opportunities to influence the formulation of overall strategies concerning community pharmacies. Fifty five per cent of respondents felt that they do not have such opportunities and 31 per cent were undecided.

RELEVANT ISSUE:

The lack of opportunities for owner/managers of community pharmacies to influence strategies affecting community pharmacies.

5.2.2.17 Other issues impacting on the future viability of community pharmacies

The second section of Part A of the questionnaire gave respondents the opportunity to indicate any possible existing or future issues, other than those implicated by the questions in Section A of Part A, which, in their view, could impact on the future viability of community pharmacies. A number of respondents attempted to point out such issues. An analysis of these attempts, however, revealed that no new issues other than those implicated by the questionnaire, were indicated.

CONCLUSION:

From the aforementioned analyses and discussions, it would appear that owners/managers of community pharmacies are, to a certain extent, concerned about current, and future, economic and political macro-environmental issues which may affect their community pharmacies. They are also aware of other changing demographic/ social, and technological macro-environmental factors, and possible opportunities associated with such changes. The macro-environmental issues which appear to be of great concern are the uncertainties about legal changes, and more specifically, legal changes to permit the ownership of community pharmacies by non-pharmacists. Ownership of community pharmacies by non-pharmacists and the employment of pharmacists by non-pharmacists are regarded as severe threats to the pharmacy profession. Legal changes to permit access to higher schedule medicines, on the other hand, are regarded as an opportunity to improve the viability of community pharmacies.

It is also evident from the aforementioned analyses that the main concerns of owners/managers pertain to the task-environment which immediately surrounds their community pharmacies. There seems to be an urgent need among owners/managers of community pharmacies to improve the image of their profession. Supplementary training, refresher courses, and involvement in primary health care clinics, are regarded as possible means of counteracting perceived disparaging practices, such as discounting and postal prescription services, which are currently (1993) regarded as undermining the dignity of the profession. The other main concern in the task-environment of community pharmacies is the on-going issue of dispensing medical practitioners which have, according to the survey, increased over the last two years. Owners/managers of community pharmacies do not seem sure about the way to counteract this invasion into the profitability of community pharmacies. On the one hand, single exit prices based on volumes and access to higher schedules may facilitate their competitive position, whereas, on the other hand, the latter may adversely affect relationships with medical practitioners on which they are dependent for prescription business.

With regard to organizational pharmacy management it can be concluded that owners/managers are adamant about the leading role that the SAPC, the PSSA and

the SAACP must play in the developing of strategies to ensure the future viability of community pharmacies. It is, however, apparent that owners/managers of community pharmacies perceive that these bodies do not have an appropriate strategy, and even where strategies do exist, owners/managers of community pharmacies feel sceptical about adopted strategies. The latter perception could be ascribed to their conviction, that pharmacists, and more specifically community pharmacists, are not adequately represented on the SAPC, the body which according to them must play the most important role in developing strategies for community pharmacies.

5.2.3 Items in Part B of the questionnaire

The purpose of a descriptive analysis of the items in Part B of the questionnaire is to provide a broad view of respondents' ratings of activities relating to the steps in the issues management process. This is done using frequency analyses, mean ratings, and standard deviations. These descriptive analyses are reported in Annexure C for general information.

A summary of the content and format of Part B of the questionnaire as depicted in Section 4.2.6 is given in table 5.2.3.

The results of the items relating to Part B of the questionnaire, as listed in Annexure C, are summarized in the same manner as was done in Section 5.2.2 for items in Part A of the questionnaire namely:

- * Respondents having scored one and two are grouped together to indicate disagreement to the issue in question
- * Respondents having scored three are regarded as being neutral to the issue in question
- * Respondents having scored four and five are grouped together to indicate agreement to the issue in question

The salient aspects of the results of the aforementioned summary analyses, are as follows:

5.2.3.1 Issues identification

The study indicates that only thirty six per cent of respondents identify issues, impacting on community pharmacies, by scanning articles in the mass media. A very big percentage of respondents (83%) does the same by scanning for issues in pharmacy publications. The distribution of respondents becoming aware, and not becoming aware, of issues through attending meetings/congresses of the SAPC, PSSA and/or SAACP is almost equal. However, a significant majority (80%) of respondents become aware of issues through interaction or

meetings with colleagues.

Eighty three per cent of respondents regard themselves as alert and observant.

Sixty two per cent of respondents has a formalised program of scanning newspapers and pharmacy publications to identify issues, whereas 20 per cent do not have such a formalised program. The balance (18%) of respondents remained neutral.

5.2.3.2 Issues analysis

The percentage of respondents that analyzes issues, and those that do not analyze issues, by scrutinizing articles in the mass media, is almost equal (42% and 37% respectively). The majority of respondents analyze issues by scrutinizing articles in pharmacy publications (71%) and through interaction or meetings with colleagues (75%). Only 40 per cent of respondents do the same by attending meetings of the SAPC, the PSSA, and the SAACP.

Sixty eight per cent of respondents regard themselves as conceptual thinkers.

Sixty six per cent of respondents have a formalised system of scanning newspapers and pharmacy publications in order to analyze issues affecting community pharmacies.

5.2.3.3 Strategy formulation and selection

Whereas the minority of respondents (26%) formulate and select strategies by attending meeting/congresses of the SAPC, the PSSA, and the SAACP, the majority of respondents (61%) formulate and select strategies by interaction or meetings with colleagues. The majority of respondents (57%) also formulate strategies by establishing policies for their community pharmacies. In formulating strategies, 78 per cent of respondents attempt to remove uncertainties surrounding issues when formulating strategies.

Very few (14%) of respondents avoid making important decisions on issues relating to their community pharmacies.

There are almost equal percentages of respondents (35%, 35%, 30%, respectively) that do not use, are neutral to using, and are using a formalised system of formulating strategies in respect of issues affecting their community pharmacies.

5.2.3.4 Strategy implementation

Forty seven per cent of respondents assist in the implementation of strategies regarding issues effecting their community pharmacies by attending meeting/congresses of the SAPC, the PSSA, and the SAACP. The majority of respondents (68%) do the same through interaction or meetings with colleagues.

The study further indicates that 70 per cent of respondents set clear objectives when dealing with issues, and that the majority of respondents (87%) have high need for achievement.

Forty five per cent of respondents indicated that, a formalised program exists in their community pharmacies to implement activities in order to deal with critical issues.

5.2.3.5 Response evaluation

The percentage of respondents that evaluates the effectiveness of strategies, and the percentage of respondents that does not evaluate the effectiveness of strategies through the attendance of SAPC, PSSA, and SAACP meetings is almost equal (44% and 36% respectively). The majority of respondents evaluate the effectiveness of strategies regarding critical issues by scrutinizing articles in pharmacy publications (78%) and through interaction or meetings with colleagues (75%).

Sixty nine per cent of respondents evaluate the effectiveness of activities in their community pharmacies by measuring actual performance against set standards. Seventy per cent of respondents regard themselves as critical persons.

Almost equal percentages of respondents (30%, 32%, 38%, respectively) do not have a formalized program to evaluate the effectiveness of implemented strategies, are being neutral to this aspect, or have a formalised program to evaluate the effectiveness of implemented strategies.

5.2.3.6 Summary of the descriptive results of Part B of the questionnaire

A summary of the results of a descriptive statistical analysis of the items in part B of the questionnaire is given in Table 5.2.3.6. For a description of the different statistics used, see Section 5.2.

Six questions were used for each step of the issues management process. For the purpose of this summarized analysis, the scores for the six questions comprising each step are added together. Thus the maximum score for each category is 30 indicating a "strongly agree" response. Similarly, a minimum

score of 6 would indicate a 'strongly disagree' response. A mid-score of 18 would indicate a neutral position.

The results, listed in Table 5.2.3.6, disclose that the distributions of the responses in respect of issues identification and issues analysis are positively skewed (skewness = 0,41 and 0,45 respectively). The distributions of these two concepts also have high peaks (kurtosis = 0,54 and 0,40). The mode would thus be an appropriate measure to use for issues implementation and issues analysis (Alreck & Settle, 1985:327). The mode for issues identification is 18 which indicates that owners/managers of community pharmacies tend to identify critical issues which could affect community pharmacies. The mode for issues analysis is 16 which mean that owners/managers of community pharmacies tend to analyses issues impacting on community pharmacies.

Respondents were required to respond to questions relating to the concept of formulation of strategies in order to deal with critical issues affecting their community pharmacies. The distribution of respondents in this category is negatively skewed (skewness = - 0,33) and has a low peak (kurtosis = 0,01). The median would therefore be an appropriate measure to use (Alreck & Settle, 1985:327). The median is 19, which indicates that on average owners/managers do formulate strategies to deal with issues impacting on the future viability of community pharmacies.

The distributions of the responses with regard to strategy implementation and response evaluation are negatively skewed (skewness = - 0,37 and - 0,27 respectively). The distributions of these two concepts also have high peaks (kurtosis = 0,30 and 0,55 respectively). The mode would thus be an appropriate measure to use for issues implementation and response evaluation (Alreck and Settle, 1985:327). The mode for strategy implementation is 23 which indicates that owners/managers of community pharmacies tend to implement strategies to deal with critical issues affecting community pharmacies. The mode for response evaluation is 22 which indicates that owners/managers of community pharmacies also tend to evaluate the effectiveness of strategies with respect to issues impacting on community pharmacies.

The standard errors for the five steps in the issues management process are 0,25, 0,27, 0,22, 0,25, and 0,26 respectively, which indicate low variations in the responses to the items relating to each category.

Conclusion: The descriptive statistics used to summarise the data relating to Part B of the questionnaire have indicated the following:

- * Owners/managers of community pharmacies tend to identify issues (mode = 18), and to a lesser degree analyze issues (mode = 16), impacting on community pharmacies.
- * The extent to which owners/managers formulate strategies on issues

affecting community pharmacies is on average higher than the extent to which they identify and analyses issues (median = 19, is higher than modes of 18 and 16 with respect to the identification and analysis of issues).

- * Owners/managers of community pharmacies strongly tend to implement strategies (mode = 23), and to a lesser degree evaluate the effectiveness of strategies (mode = 22), with respect to issues impacting on community pharmacies.

5.3 THE VALIDITY AND RELIABILITY OF THE RESEARCH RESULTS

Validity is concerned with the extent to which a test measures what the researcher wishes it to measure. On the other hand, reliability has to do with the accuracy of a measurement procedure (Emory & Cooper, 1991:179), or the representativeness of the data (Erwee, 1986:139).

5.3.1 VALIDITY

According to Bryman and Cramer (1990:72) any researcher who develops new measures (groups of questions in a questionnaire) should at least establish that it has face validity, that is, that the measures apparently reflect the content of the concept in question. To achieve this, and to detect any possible weaknesses in the measures of this study, a pre-test was done on the questions in the questionnaire. Twelve informal pre-tests, as described in Section 4.2.8, using owners/managers of community pharmacies as pilot respondents, indicated that the measures used in the questionnaire demonstrated face validity.

5.3.2 RELIABILITY

The reliability of a measure refers to its consistency in supplying results (Emory & Cooper, 1991:185). This entails two separate aspects namely external reliability and internal reliability.

5.3.2.1 External reliability

External reliability refers to the degree of consistency of a measure over time and is assessed by administering a test on two occasions to the same group of subjects (Bryman & Cramer, 1990:72). As this study was not repeated using the same group of respondents, it was not possible to assess the external reliability of the measurement. It was furthermore not the objective of this study to develop a measurement instrument, but rather to ensure that the instrument which was used, was reliable.

5.3.2.2 Internal reliability

Internal reliability is according to Bryman and Cramer (1990:72) particularly important in respect of with multiple item scales. It assesses whether each scale is measuring a single idea, and hence assessing whether the items that make up the scale are internally consistent. It is used when the measure has many similar questions or statements to which the subject can respond (Emory & Cooper, 1991:188).

In Part B of the questionnaire used in this study, use was made of multiple item scales. The instrument items were homogeneous, and questions reflected the same underlying construct. However, questions in the different categories in Part A of the questionnaire, although consisting of multiple item scales, did not reflect the same construct to the same degree, as items in Part B of the questionnaire. It was therefore decided to test internal reliability using measures in Part B of the questionnaire.

A number of procedures for estimating internal reliability exists. To account for the internal reliability of the measures in this study Cronbach's alpha was determined. Cronbach's alpha essentially calculates the average of all possible split-half reliability coefficients (Bryman & Cramer, 1990:71). As Cronbach's alpha could readily be computed with the SPSS computer program Cronbach's alpha was applied for assessing internal reliability.

Bryman and Cramer (1990:71) suggest that the results of Cronbach's alpha should be equal to or greater than 0,80 to indicate internally-reliable measures of the variables.

The Cronbach alphas obtained for Section B of the questionnaire, which consisted of thirty questions, are presented in Table 5.3.2.2 (see Annexure C, p. 22).

Table 5.3.2.2 indicates that the Cronbach alpha's for all the individual variables of Part B of the questionnaire are greater than 0,80, while the value of Cronbach's alpha for all the questions in Section B, grouped together, is 0,9095. Both of these results indicate that the measures used were reliable (Cronbach's alpha > 0,80).

From the aforementioned it can be concluded that the measures used in Section B of the questionnaire were both valid and internally reliable. Advanced statistical methods can therefore be used as they will produce meaningful results.

5.4 THE SEARCH FOR RELATIONSHIPS

Analysts of statistical data are concerned to demonstrate whether variables

are related (Bryman & Cramer, 1990:150). If variables are related the question can also be asked how they are related, and possibly also why they are related.

Emory & Cooper (1991:59) distinguish between correlational and causal relationships as follows:

- * Correlational relationships exist between variables, where the relationships are not specified. Correlational relationships therefore merely state that variables occur together in some specified manner without implying that one causes the other.
- * Causal relationships, also called explanatory relationships, exist when one variable is somehow responsible for the occurrence of another variable.

In this study, an attempt to demonstrate correlational relationships will be made in the following sequence:

- * Firstly, cross-tabulations among selected items in Part C of the questionnaire, will be investigated (see Section 5.4.2).
- * Secondly, the statistical technique of multivariate analysis, will be applied to selected items in the questionnaire. The first set of analyses will be SPSS factor analyses of items in Part B of the questionnaire. This will be done to identify any other factors (categories of items) apart from the pre-determined categories used in Part B of the questionnaire. The second set of analyses will deal with relationships among selected independent variables in Part C of the questionnaire with dependent variables in Part B of the questionnaire.

Before the analyses of the aforementioned relationships are presented, the techniques, used in this study to search for relationships, will be discussed.

5.4.1 Techniques used to search for relationships

Mention was made in Section 5.2 of univariate analysis as a means of describing information relating to a single variable. Univariate analysis, therefore, does not describe relationships between different variables. Bryman and Cramer (1990) discuss the following techniques which can be used to search for relationships between two or more variables:

5.4.1.1 Bivariate analysis

Bivariate analysis is used to describe relationships between two variables or

two groups of variables, or the relationship between a variable and each of a number of other variables (Bryman & Cramer, 1990:6). Cross-tabulation, correlation and linear regression are techniques for bivariate analyses. The first two techniques namely cross-tabulation and correlation will be used in this study.

5.4.1.2 Cross-tabulation

Cross-tabulation is a technique for comparison of two classification of variables. The technique makes use of tables that have rows and columns that correspond to the levels or values of the categories of each variable. Cross-tabulation is one of the simplest and most frequently used ways of demonstrating the presence or absence of a relationship between variables (Bryman & Cramer, 1990:150). As indicated by Emory and Cooper (1991:536), the most widely used nonparametric statistical test used with cross-tabulation is the chi-square (χ^2) test of significance. The chi-square test answers the question whether there is really a relationship between the variables or whether the relationship has arisen by chance, for example as a result of sampling error that has engendered an idiosyncratic sample (Bryman & Cramer, 1990:157). Emory and Cooper (1991:536) point out that the chi-square test is particularly useful in tests involving nominal data, that is, data that is measured on a scale that has no order, distance or origin (Emory & Cooper, 1991:172), but which can also be used for data measured on higher scales (Emory & Cooper, 1991:536). Higher scales of measurement are: ordinal data which have order, but no distance or origin; interval data which have both order and distance but no unique origin; and ratio data which have order, distance and a unique origin (Emory & Cooper, 1991:172).

Bryman and Cramer (1990:158) state that the starting point for the administration of a chi-square test, as with tests of significance in general, is a null hypothesis of no relationship between the two variables being examined. In order to discern whether a relationship does exist between two variables in the population from which the sample was selected, the procedure entails needing to reject the null hypothesis. To be able to do this, a decision should be made as to what significance level to employ (Bryman & Cramer, 1990:158). The three most commonly used significance levels used are: 0,05, 0,01 and 0,001 (Bryman & Cramer, 1990:158).

In this research the 0,05 level of significance will be employed. Thus, $p > 0,05$ means that the chi-square value is below that necessary for achieving the 0,05 level of significance. This means that there is more than a five per cent chance that there is no relationship in the population (Bryman & Cramer, 1990:161). Alternatively, if $p < 0,05$, the null hypothesis H_0 , that there is no relationship in the population, can be rejected and the alternative hypothesis H_a , that there is a relationship in the population, can be accepted.

The chi-square test of significance is, however, not a strong statistical test and as such it does not convey information about the strength or the direction of a relationship (Bryman & Cramer, 1990:161). Bryman and Cramer (1990:162) point out that chi-square can be unreliable if expected cell frequencies are less than five, although this is a source of controversy. For this reason, in some of the applications in this research, data categories have been collapsed to increase the expected cell frequencies. The SPSS program used for the analysis print the number and percentage of such cells for each table generated and for which the chi-square is requested.

5.4.1.3 Correlation

Correlation is one of the most important and basic ideas in the elaboration of bivariate relationships. Unlike chi-square analysis, measures of correlation indicate both the strength and the direction of the relationship between a pair of variables (Bryman & Cramer, 1990:162). The statistic that is calculated in this case is Pearson's Product Moment Correlation Coefficient, also referred to as Pearson's r (Bryman & Cramer, 1990:163). This measure of correlation presumes that interval variables are being used, so that even ordinal variables are not supposed to be employed, although this is a matter of some debate (Bryman & Cramer, 1990:163).

Pearson's r varies between -1 and $+1$ which indicates the strength and the direction of the relationship. A minus value is a negative or left to right downward slanting relationship while a positive value indicates a positive or left to right upward slanting relationship (Bryman & Cramer, 1990:168). The strength of the relationship is indicated by the absolute value of r while a zero value would indicate that no relationship exists. Thus, the nearer the value of r is to zero, the weaker is the relationship. However, the closer the value of r is to unity ($+$ or $-$) the stronger is the relationship (Bryman & Cramer, 1990:168).

The question that arises is: what is a large correlation? Bryman and Cramer (1990:168) refer to Cohen and Holliday (1982) who suggest the following: below 0,19 is very low; 0,20 to 0,39 is low; 0,40 to 0,69 is modest; 0,70 to 0,89 is high; and 0,90 to 1,00 is very high. They point out however that these are rules of thumb and should not be regarded as definite indications, since there are hardly any guidelines for interpretation over which there is substantial consensus.

Bryman and Cramer (1990:168) points out that caution is required when comparing computed correlation coefficients, since an r of $-0,60$ is larger than an r of $-0,3$, but it is not possible to say that the relationship is twice as strong. To overcome this problem Bryman and Cramer (1990:169) propose the introduction of the coefficient of determination, r^2 , which is simply the square of r multiplied by 100. Thus, if $r = -0,60$, $r^2 = 36\%$. This means that

36 per cent of the variance in one variable is due to the other variable. When $r = -0,30$, $r^2 = 9$ per cent. Therefore, although an r of $-0,60$ is twice as large as one of $-0,3$, four times more variance is being accounted for by an r of $-0,60$.

Bryman and Cramer (1990:169) also points out that a high correlation does not indicate causation, since a 49 per cent variation in y due to x also means a 49 per cent variation in x due to y . Which variable is dependent on which other variable is a figment of the researcher's imagination until demonstrated convincingly (Emory & Cooper, 1991:56). More than one other variable may have an influence on what the researcher designates as the dependent variable. In this research, for example, the aspect of management only, or management plus financial interest, may be influenced by both level of management training, as well as the size of community pharmacies.

5.4.1.4 Multivariate analysis

Multivariate analysis explores the relationships among more than two variables (Bryman & Cramer 1990:6). Multivariate techniques may be classified according to dependency and interdependency characteristics and selection of an appropriate technique starts with an understanding of this distinction (Emory & Cooper, 1991:628).

If the variables are interrelated without designating some variables as dependant and other variables as independent variables, then interdependence of the variables is assumed. Factor analysis, cluster analysis, and multi-dimensional scaling are examples of techniques that can be used in such cases. Alternatively, if independent and dependent variables exist in the research question then an assumption of dependence can be made. Multivariate analysis of variance (MANAVO), multiple regression, and discriminant analysis are examples of techniques that can be used where variables and dependant variables are present (Emory & Cooper, 1991:628).

For the selection of the most appropriate multivariate technique, Emory & Cooper (1991:629) provide a diagram to guide researchers in the selection of multivariate techniques. Options along this diagram ultimately lead the researcher to the most appropriate technique.

Using the diagram provided by Emory and Cooper (1991:629), factor analysis for Part B of the questionnaire, and MANOVA for a combination of and Part B with Part C were selected. The statistical technique of univariate analysis of variance (ANOVA) was also used with respect to selected categories of items in Part A and Part B of the questionnaire. These three multivariate techniques will be discussed in the next sub-section.

Three multivariate statistical techniques can be applied to data such is

applicable to this study.

Firstly, factor analysis looks for patterns among the variables to discover if an underlying combination of the original variables (a factor) can summarize the original set (Emory & Cooper, 1991:630), that is, to assess the degree to which items are tapping the same concept (Bryman & Cramer, 1990:253). Factor analysis, therefore, indicates which variables belong together, in other words, which variables measure the same aspects.

Secondly, univariate analysis of variance (ANOVA) has different application possibilities such as, for example, testing the null hypothesis (Emory & Cooper, 1991:547), and to compare the means of several groups of data (Emory & Cooper, 1991:563). The statistical technique of ANOVA breaks down total variability into component parts. Unlike the t-test, which uses sample standard deviations, ANOVA uses squared deviations or the variance, so that computation of distances of the individual data points from their own mean or from the grand mean can be summed (Emory & Cooper, 1991:547)

The statistical technique of ANOVA will be used in this study to compare the dependent variables in Part B the questionnaire. This will be done in cases where the null hypothesis (that there is no difference between the dependent variables considering the independent variables) is rejected, through the use of the multivariate analysis of variance (MANOVA) statistical technique.

Thirdly, the MANOVA procedure, which uses the Wilks' lambda multivariate test of significance was used to establish if there were differences between the dependent variables in Part B of the questionnaire, based on the independent variables in Part C of the questionnaire. MANOVA simultaneously tests all variables and their inter-relationships (Emory & Cooper, 1991:637). The results were obtained using the SPSS computer program package. This package comprises a cross-tabulation technique to establish relationships between and among variables. The theory and practical applications of the SPSS program are not the subject of this study and the writer assumes that the reader has a working knowledge of the applications of statistics to research data.

The Manova procedure uses the Wilks' lambda F-test of significance. This test is based on the hypothesis that there is no difference between variables, that is:

Ho: There is no difference between the dependent variables
 considering the independent variables.

The first step of the procedure is to obtain the significance of the F value (p) and then use the following decision rules:

- If $p < 0,05$ then reject Ho

- If $p > 0,05$ then do not reject H_0

Step two is executed only if H_0 was rejected in the first step and comprises the univariate analysis of variance procedure. This procedure uses the univariate F-test of significance. This test is based on the measurement of individual F values (p) of dependent variables and to analyze these values as follows:

- if $p < 0,05$ then there is a significant difference
- if $p < 0,01$ then there is a highly significant difference.

5.4.2 Cross-tabulation of selected items of the questionnaire

In this research, selected relationships in Part C of the questionnaire will be analyzed. The dependent variables, the method used for the analyses, the statistical value calculated, the statistic employed, the null hypothesis, the significance test used and the level of significance decided on are also given in Table 5.4.2.A.

The results of the analyses using the Statistical Package for the Social Sciences (SPSS) are reflected in Table 5.4.2.B (see Annexure C, p. 24).

The salient aspects of the results of the selected cross-tabulations, as indicated in Table 5.4.2.B, are discussed in the following paragraphs. Conclusions reached at the end of each paragraph will refer to the analysis numbers (a to h) in Table 5.4.2.B.

5.4.2.1 Cross-tabulation of size represented by turnover by owners/managers

It would be logical to hypothesize that the larger the size of pharmacies as represented by their turnover, the higher will be the likelihood that the managers of such pharmacies would have a financial interest in the pharmacies. The aim of this analysis is to accept or reject the null hypothesis that no relationship exists between the size of the pharmacy and whether it is managed by managers or owner/managers.

To be able to accept or reject the null hypothesis, cross-tabulation was used as the method of analysis with the calculation of Pearson's χ^2 , Pearson's r and r^2 as decision-making statistics. Furthermore, use was made of the significance of χ^2 and the significance of r , as calculated by the SPSS program, to determine the significance level of the relationship.

Conclusion:

As indicated in Table 5.4.2.B, item (a), the test of significance for both χ^2 and r resulted in a value of $p > 0,05$. The conclusion can therefore be made

that there is no relationship between the size of pharmacies and whether it is managed by managers who manage only and managers with a financial interest in a pharmacy.

5.4.2.2 Cross-tabulation of size of pharmacy and size of dispensary business

It would be logical to hypothesize that the bigger the total turnover of pharmacies, the larger should be the turnover generated by their dispensaries. The aim of this analysis is to accept or reject the null hypothesis that no relationship exists between the size of the pharmacy and the size of its dispensary business.

To be able to accept or reject the null hypothesis, cross-tabulation was used as the method of analysis with the calculation of Pearson's χ^2 , Pearson's r and r^2 as decision-making statistics. Furthermore, use was made of the significance of χ^2 and the significance of r , as calculated by the SPSS program, to determine the significance level of the relationship.

Conclusion:

As indicated in Table 5.4.2.B, item (b), the significance test for both χ^2 and r resulted in a value of $p < 0,05$. The conclusion can therefore be made that there is a relationship between the size of the pharmacy and the size of its dispensary business.

5.4.2.3 Cross-tabulation of pre-graduate management training and owners/managers

It would be logical to hypothesize that most pharmacies are managed by owners/managers that have registered in 1975 and thereafter, that is, those managers that have had pre-graduate management training as part of their pharmacy training (see Section 3.6.3.2). The aim of this analysis is to accept or reject the null hypothesis that no relationship exists between undergraduate management trained owners/managers and the management of community pharmacies.

To be able to accept or reject the null hypothesis, cross-tabulation was used as the method of analysis with the calculation of Pearson's χ^2 , Pearson's r and r^2 as decision-making statistics. Furthermore, use was made of the significance of χ^2 and the significance of r , as calculated by the SPSS program, to determine the significance level of the relationship.

Conclusion:

As indicated in Table 5.4.2.B, item (c), the significance test for both χ^2 and r resulted in a value of $p < 0,05$. The conclusion can therefore be made that there is a relationship between the management of community pharmacies and

whether their owners/managers have had under-graduate management training.

5.4.2.4 Cross-tabulation of official management training and owners/managers

It would be logical to hypothesize that pharmacies are managed by owners/managers that have had official management degrees and diplomas. The aim of this analysis is to accept or reject the null hypothesis that no relationship exists between official management training and owners/managers and the management of community pharmacies.

To be able to accept or reject the null hypothesis, cross-tabulation was used as the method of analysis with the calculation of Pearson's χ^2 , Pearson's r and r^2 as decision-making statistics. Furthermore, use was made of the significance of χ^2 and the significance of r , as calculated by the SPSS program, to determine the significance level of the relationship.

Conclusion:

As indicated in Table 5.4.2.B, item (d) the significance test for both χ^2 and r resulted in a value of $p > 0,05$. The conclusion can therefore be made that there is no relationship between managers that have an official degree or diploma and those pharmacists that manage community pharmacies.

5.4.2.5 Cross-tabulation of *ad hoc* management training and owners/managers

It would be logical to hypothesize that most pharmacies are managed by owners/managers that experienced *ad hoc* management training. The aim of this analysis is to accept or reject the null hypothesis that no relationship exists between managers that experienced *ad hoc* management training and owners/managers of community pharmacies.

To be able to accept or reject the null hypothesis, cross-tabulation was used as the method of analysis with the calculation of Pearson's χ^2 , Pearson's r and r^2 as decision-making statistics. Furthermore, use was made of the significance of χ^2 as well as the significance of r , as calculated by the SPSS program, to determine the significance level of the relationship.

Conclusion:

As indicated in Table 5.4.2.B, item (e), the significance test for both χ^2 and r resulted in a value of $p < 0,05$. The conclusion can therefore be made that there is a relationship between managers that experienced *ad hoc* management training and the management of community pharmacies.

5.4.2.6 Cross-tabulation of managers with issues management training and owners/managers

It would be logical to hypothesize that most pharmacies are managed by owners/managers that have had issues management training. The aim of this analysis is to accept or reject the null hypothesis that no relationship exists between issues management training and owners/managers of community pharmacies.

To be able to accept or reject the null hypothesis, cross-tabulation was used as the method of analysis with the calculation of Pearson's χ^2 , Pearson's r and r^2 as decision-making statistics. Furthermore, use was made of the significance of χ^2 as well as the significance of r , as calculated by the SPSS program, to determine the significance level of the relationship.

Conclusion:

As indicated in Table 5.4.2.B, item (f), the significance test for both χ^2 and r resulted in a value of $p > 0,05$. The conclusion can therefore be made that there is no relationship between issues management training and the management of community pharmacies.

5.4.2.7 Cross-tabulation of participation in organizational bodies and owners/managers

It would be logical to hypothesize that owners/managers of community pharmacies also participate in activities/workshops/meetings/conferences of the SAPC, the PSSA and the SAACP. The aim of this analysis is to accept or reject the null hypothesis that no relationship exists between participation and owners/managers of community pharmacies.

To be able to accept or reject the null hypothesis, cross-tabulation was used as the method of analysis with the calculation of Pearson's χ^2 , Pearson's r and r^2 as decision-making statistics. Furthermore, use was made of the significance of χ^2 as well as the significance of r , as calculated by the SPSS program, to determine the significance level of the relationship.

Conclusion:

As indicated in Table 5.4.2.B, item (g), the significance test for both χ^2 and r resulted in a value of $p > 0,05$. The conclusion can therefore be made that there is no relationship between participation and owners/managers of community pharmacies.

5.4.2.8 Cross-tabulation of sex of pharmacists and owners/managers

It would be logical to hypothesized that the likelihood of the owners/managers

of pharmacies being males is more than being female. The aim of this analysis is to accept or reject the null hypothesis that no relationship exists between the sex of pharmacists and owners/managers.

To be able to accept or reject the null hypothesis, cross-tabulation was used as the method of analysis with the calculation of Pearson's χ^2 , Pearson's r and r^2 as decision-making statistics. Furthermore, use was made of the significance of χ^2 as well as the significance of r , as calculated by the SPSS program, to determine the significance level of the relationship.

Conclusion:

As indicated in Table 5.4.2.B, item (h), the significance test for both χ^2 and r resulted in a value of $p < 0,05$. The conclusion can therefore be made that there is a relationship between the sex of pharmacists and owners/managers of community pharmacies.

5.4.3 Multi-variate analysis of selected items of the questionnaire

Multivariate analysis will be applied to selected items from the questionnaire and the results reported in the following sections.

5.4.3.1 Factor analysis of data

Although the items in Part B of the questionnaire were grouped under the concepts issues identification, issues analysis, strategy formulation and selection, strategy implementation and evaluation, it may very well be that other factors could be identified if a factor analysis of the items in Part B of the questionnaire is performed.

The results of a factor analysis of the items in Part B of the questionnaire are listed in Table 5.4.3.1.A (see Annexure C, p. 25). The factor analysis results in a list of numbers for each factor, called factor loadings, which is simply the correlation between that factor and the standardized response scores of the relevant statement, or variable (Boyd, Westfall & Stasch, 1989:635). For each factor the variables that have highest loadings on that factor are taken to be a measure of that factor (Boyd et al, 1989:635). From Table 5.4.3.1.A it can be seen that the following variables, as indicated in Table 5.4.3.1.B (see Annexure C, p. 26), loaded highest on each of the factors one to seven as identified by the factor analysis:

The last column of Table 5.4.3.1.A provides the communalities which indicate, for each statement or variable, the proportion of the variance in the responses to the statement which is explained by the seven factors shown in Table 5.4.3.1.A (Boyd et al, 1989:637). For example, in the first row, last column, it is shown that the seven factors explain 0,73 (or 73%) of the

variance in all the responses to statement V92. The communalities associated with the other statements are similarly interpreted. Since the seven factors account for most of the variance associated with each of the 30 statements in Part B of the questionnaire, the seven factors fit the data well (Boyd et al, 1989:637).

Another output of the SPSS factor analysis that can be used to indicate how well any one of the seven factors fits the data from all the respondents on all the statements are the eigenvalues (Boyd et al, 1989:637) for the seven factors as shown in the second last row of Table 5.4.3.1.A. The eigenvalues are the sum of the squares of the factor loadings for each factor (Boyd et al, 1989:637). Bryman and Cramer (1990:259) indicate that there are two criteria that can be used to decide which factors should be excluded from further analysis. These are Kaiser's criterion which states that only factors with an eigenvalue of more than 1,00 should be retained, and the graphical scree test proposed by Cattell (1966). As can be seen from the second last row of Table 5.4.3.1.A, the eigenvalues for all seven factors are greater than one. In accordance with the first criterion they can therefore all be retained. The SPSS analysis also produced a scree plot, which is not reproduced here. The scree plot indicated that only the first four factors should be retained since the values for the last three factors fell in the region where the eigenvalues level off (Bryman & Cramer, 1990:259). Only the first four factors will therefore be retained for further analysis. Furthermore, the eigenvalues for each factor can also be divided by the number of statements used in the factor analysis. The resulting figure is the proportion of the variance in the entire set of standardized response scores which is explained by that factor (Boyd et al, 1989:638). This calculation is shown in the last row of Table 5.4.3.1.A with the total in the right hand bottom cell of Table 5.4.3.1.A. By adding these figures for the seven factors, it is evident that 0,66 (or 66%) of the variance in the entire set of response data is explained by the seven factors (Boyd et al, 1989:638). For the first four factors only, the percentage is 53%. Boyd et al, (1989:638) suggest that a good fit of the data is indicated by a value of 60% to 70%. It can therefore be concluded that the seven factors is a good fit to the data. As indicated earlier in this paragraph, only the first four of the seven factors will, however, be used for further analysis.

Once the researcher has decided on which factors to retain, it still remains to be decided on which concept each of the individual factors represents. Here it is up to the researcher to use his subjective intuition to decide on the concept represented by each factor by studying the statements that loaded on each factor (Boyd et al, 1989:637). A review of the statements included in the four selected factors, revealed that the respondents are using four aids in the process of issues identification, issues analysis, strategy formulation and selection, strategy implementation and evaluation. These aids are:

- Factor 1: Use of the media
 Factor 2: Communication with colleagues
 Factor 3: Networking at meetings and conferences
 Factor 4: Strategic management of activities in their community
 pharmacies

Networking is the formal and informal sharing of issue information through trade and professional associations (Ewing, 1987:78).

The above factors will be used to perform MANOVA analyses together with a selected number of independent variables from Section C of the questionnaire.

Another goal of factor analysis suggested by Bryman and Cramer (1990:254) is to determine the degree to which a large number of variables can be reduced to a smaller set of variables. As factor analysis is a standard component for the SPSS computer package, and as this computer package uses the varimax rotation of factors as standard procedure, it was also used for exploratory purposes in respect of items in Part B of the questionnaire which are listed under the concepts issues identification, issues analysis, strategy formulation and selection, strategy implementation and evaluation. The purpose of this analysis is to determine whether the questions listed under each of the above concepts should be reduced before they are used in a MANOVA analysis. The results of this analysis is reported in Tables 5.4.3.1.C to 5.4.3.1.G (see Annexure C, p. 26 & 27). The theory of factor analysis will not be repeated for this discussion as it has already been dealt with in the preceding paragraphs of Section 5.4.1.4.

From Table 5.4.3.1.C it can be seen that variables V72 to V77 factorized into only one factor with an eigenvalue of 2,16. Some of the communalities are, however, as low as 0,26. Nonetheless, it can be concluded that the one factor, which is issues identification, fit the data well.

From Table 5.4.3.1.D it can be seen that variables V78 to V83 factorized into two factors with eigenvalues of 2,61 and 1,00 respectively. One of the communalities is, however, as low as 0,40. Nonetheless, it can be concluded that the two factors fit the data well. It can also be seen from Table 5.25 that statement V81 loads almost equally on factor one and factor two (0,59 and 0,64). Also that the eigenvalue for factor two is 1,00 which is on the limit for disregarding it. In view of this observation it was decided to disregard factor two, but to retain variable V81 as an dependent variable in factor one for further analysis.

From Table 5.4.3.1.E it can be seen that variables V78 to V83 factorized into two factors with eigenvalues of 2,66 and 1,07 respectively. The communalities are all greater than 0,50. It can be concluded that the two factors fit the data well. Factor two comprises statements V88 and V87 which concern strategic

management activities and the respondent's attitude towards strategic issues respectively. As can be seen from Table 5.4.3.1.A, these two statements also factorized together as the fifth factor when all the statements in Part B of the questionnaire were subjected to factor analysis. In that case, they were disregarded for further analysis. As stated, the eigenvalue for factor two is 1,07 which is just over the limit for disregarding it. In view of the above observations, it was decided to disregard factor two and to retain only factor one, with the variables as shown in Table 5.4.3.1.E included, for further analysis.

From Table 5.4.3.1.F it can be seen that variables V90 to V95 factorized into two factors with eigenvalues of 2,94 and 1,08 respectively. The communalities are all greater than 0,50. It can be concluded that the two factors fit the data well. Factor two comprises statements V90 and V91 which concern assistance given in the implementation of strategies in the profession in general and the respondent's interaction with colleagues. As stated, the eigenvalue for factor two is 1,08, which is just over the limit for disregarding it. In view of the above observations it was decided to disregard factor two and to retain only factor one, with the variables as shown in Table 5.4.3.1.F included, for further analysis.

Table 5.4.3.1.G indicates that variables V96 to V101 factorized into two factors with eigenvalues of 2,86 and 1,12 respectively. The communalities are all greater than 0,50. It can be concluded that the two factors fit the data well. Factor two comprises statements V98, V99 and V101 which concern items that have to do with performance evaluation, while factor one concern items that have more directly to do with issues evaluation. In view of the above observations it was decided to retain both factor one (representing the concept; issues evaluation) and factor two (representing the concept; performance evaluation).

In conclusion to this section, Section 5.4.3.1, the results of the above factor analysis can be summarized as follows:

A factor analysis of all the items in Part B of the questionnaire, as a group of items, yielded four major factors as listed in Table 5.4.3.1.H (see Annexure C, p. 28). A factor analysis of the items included in Part B of the questionnaire grouped under the concepts issues identification, issues analysis, strategy formulation and selection, strategy implementation and evaluation yielded the results as indicated in Table 5.4.3.1.H. The concepts as listed in Table 5.4.3.1.H will be used for MANOVA and ANOVA analyses grouping the items in Part B of the questionnaire as indicated for each concept. The key words underlined in Table 5.4.3.1.H under the heading concepts will be used to identify the various concepts in further discussions.

5.4.3.2 Results of the tests to determine relationships among variables

In the following paragraphs the procedure of MANOVA and ANOVA will be used to establish relationships between selected variables. The following independent variables from Part C of the questionnaire will be analyzed in relation to the dependent variables of Part B of the questionnaire grouped into the concepts as shown in Table 5.4.3.1.H:

- Financial interest of community pharmacists (manage and own, manage only) - Variable V102
- Size of community pharmacies (small, medium and large) - Variable V104
- Age of community pharmacists (younger and older) - Variable V106
- Under-graduate management training (registration before 1975 or in 1975 and thereafter) - Variable V110
- Management qualifications of community pharmacists - (those that have, those that do not have) - Variable V111
- Issues management training (those that have, those that do not have) - Variable V116

Furthermore, the concepts identified by factorizing the items of Part B of the questionnaire, and tabled in Table 5.4.3.1.H, will be grouped together under three headings for the purpose of performing the MANOVA and ANOVA procedures, namely:

- Actual issues management - concepts numbers five to nine
- Aids used in issues management - concepts numbers one to four
- General performance evaluation - concept ten only
- * The relationship between owners/managers and managers in respect of actual issues management

The results of the MANOVA and ANOVA analysis used to establish this relationship are tabled in Table 5.4.3.2.A (see Annexure C, p. 28).

Considering the Wilks' lambda p value of 0,696 it can be concluded that there is no difference between the responses of managers who only manage, and owners/managers who manage and have a financial interest in a community pharmacy, with regard to the process of issues management. The results of the univariate F test of significance on all the steps of the process of issues management reflect values greater than 0,05 confirming the result of no

difference, obtained by using the Wilks' lambda test of significance.

Conclusion: The finding seems to indicate that there is no difference in the way owners/managers who have a financial interest, and managers who do not have a financial interest in a pharmacy, manage the steps in the issues management process.

* Relationship between small, medium and large community pharmacies in respect of actual issues management

The results of the MANOVA and ANOVA analysis used to establish this relationship are tabled in Table 5.4.3.2.B (see Annexure C, p. 28).

Considering the Wilks' lambda p value of 0,008 it can be concluded that there is a highly significant difference ($p = < 0,01$) between the responses of owners and/or managers of large, medium and small size pharmacies in respect of the steps in the issues management process.

The results of the univariate F test of significance show that the differences occur in the following steps of the process of issues management: analysis ($p < 0,05$) and evaluation ($p < 0,05$). There is no difference with regard to identification, formulation and implementation of issues management ($p > 0,05$).

Conclusion: The finding seems to indicate that there are differences in the way owners and/or managers of large, medium and small size pharmacies analyses issues and execute response evaluation. There is, however, no difference in the way small, medium and large pharmacies formulate and implement strategies on issues affecting community pharmacies.

* Relationship between older and younger pharmacists in respect of actual issues management

The results of the MANOVA and ANOVA analysis used to establish this relationship are tabled in Table 5.4.3.2.C (see Annexure C, p. 29).

Considering the Wilks' lambda p value of 0,086 it can be concluded that there is no difference between the responses of older and younger owners/managers with regard to the process of issues management. The results of the univariate F test of significance on all the steps of the process of issues management reflect values greater than 0,05 confirming the result of no difference.

Conclusion: The finding seems to indicate that there is no difference in the way older and younger owners/managers of community

pharmacies manage the steps in the issues management process.

- * Relationship between pre-registration management training or no training (registration before 1975 or in 1975 and thereafter)

The results of the MANOVA and ANOVA analysis used to establish this relationship are tabled in Table 5.4.3.2.D (see Annexure C, p. 29).

Considering the Wilks' lambda p value of 0,681 it can be concluded that there is no difference between the way in which managers who registered before 1975 and managers who registered in 1975 and thereafter, manage the process of issues management ($p > 0,05$). The results of the univariate F test of significance on all the steps of the process of issues management reflect values greater than 0,05 confirming the result of no difference.

Conclusion: The finding seems to indicate that there is no difference in the way owners/managers who had no pre-graduate management training (having registered before 1975) and those with pre-graduate training (having registered in 1975 and thereafter), manage the steps in the issues management process.

- * Relationship between owners/managers with management training and those with no management training and actual issues management

The results of the MANOVA and ANOVA tests used to establish relationships are given in Table 5.4.3.2.E (see Annexure C, p. 29).

Considering the Wilks' lambda p value of 0,000 it can be concluded that the difference between the responses of owners and/or managers who have management qualifications, and those who do not have management qualifications, is highly significant ($p = < 0,01$).

Analysing the p values of the univariate F-test of significance, a significant difference occur in the analysis of issues ($p < 0,05$), and highly significant differences occur in the following dependent variables: analysis, formulation, and implementation ($p < 0,01$). There is no difference with regard to the identification of issues ($p < 0,05$).

Conclusion: The finding seems to indicate that there is a difference in the way owners and/or managers with and without management qualifications analyses issues and a highly significant difference in the way they formulate and implement strategies to deal with issues. There is no difference in the way owners/managers having management qualifications or no qualifications identify issues affecting community pharmacies.

- * Relationship between pharmacists that experienced issues management training and those that did not experience issues management training in respect of actual issues management

The results of the MANOVA and ANOVA analysis used to establish this relationship are tabled in Table 5.4.3.2.F (see Annexure C, p. 30).

Considering the Wilks' lambda p value of 0,094 it can be concluded that there is no difference between the responses of owners/managers with and without issues management training in respect of the process of issues management. The results of the univariate F test of significance on all the steps of the process of issues management reflect values greater than 0,05 confirming the result of no difference.

Conclusion: The finding seems to indicate that there is no difference in the way owners/managers with and without issues management training manage the steps in the issues management process.

- * Relationships of owners/managers of community pharmacies and the aids that they employ to assist them with issues management (as identified through factor analysis)

The results of the MANOVA and ANOVA analysis used to establish this relationship are tabled in Table 5.4.3.2.G (see Annexure C, p. 30).

Considering the Wilks' lambda p values for owner/managers or manage only, age of owners/managers, pre-graduate management training as well as issues management training, it can be concluded that there is no difference ($p > 0,05$ in each case), between the responses of managers with regard to the aids that they use to assist them in the issues management process. The results of the univariate F test of significance on all the aids, except for the aid of strategic management, reflect values greater than 0,05 confirming the result of no difference, obtained by using the Wilks' lambda test of significance.

However, considering the Wilks' lambda p values of size of pharmacies ($p = 0,003$) and management qualifications ($p = 0,014$) it can be concluded that there is a significant difference ($p = < 0,05$ for each concept) between the responses of owners and/or managers of large, medium and small size pharmacies and owners/managers with management qualifications.

Conclusion: The finding seems to indicate that there is no difference in the way owners/managers who manage only or those having a financial interest in a pharmacy, age of owners/managers, and owners/managers with pre-graduate and issues management training, manage issues in community pharmacies.

There is, however, a significant difference in the way owners/managers of

small, medium, and large pharmacies and owners/managers with management qualifications manage issues in community pharmacies.

5.5 SUMMARY

The aim of this chapter was to present the analyses of results in an organised manner.

In the first instance, a descriptive analyses of the results obtained in respect Part C, Part A and Part B of the questionnaire, were presented. This was done with reference to individual items as well as selected categories or concepts of items of the questionnaire. Statistics of frequency, mean and standard deviation were used to describe individual items of the questionnaire.

The descriptive analysis enabled the researcher to supply a broad overview on general aspects relating to community pharmacies as well as the management training of owners/managers of community pharmacies. The majority of owners/managers have a financial interest in the community pharmacies that they manage. The turnover of 68% per cent of community pharmacies fall between R 0,91 and R 2,69 million. The majority of community pharmacies (64,2%) derive more than 50 per cent of their gross turnover from prescription medicines. Community pharmacies are therefore highly dependent on the portion of their turnover that is derived from prescription medicines. Approximately half of owners/managers have had some management training during their undergraduate pharmacy studies, but very few have been trained in strategic planning, strategic management, management of change and issues management. The majority have attended management training courses offered by pharmaceutical wholesalers. The researcher was also able to confirm a number of issues impacting on the future viability of community pharmacies, of which dispensing medical practitioners and the proposed ownership of community pharmacies by non-pharmacists seem to be the major issues. From the analysis of the responses, it was also possible to determine that owners/managers of community pharmacies do not apply issues management. However, the question arises whether owners/managers of community pharmacies perform the steps in the issues management process, efficiently. The answer to this question was not determined in this study.

Secondly, items in Part B of the questionnaire were analyzed using frequency analyses. The statistics of mean, mode, median, standard deviation, skewness, kurtosis and standard error as measures of location, central tendency and shape of the data respectively were also used to describe the categories of items of Part B of the questionnaire. The mode, as appropriate measures for issues identification (mode = 18), analyses (mode = 16), indicated that owners/managers of community pharmacies tend to identify and analyze issues which could affect community pharmacies. The mode was also the appropriate

measure for measuring implementation (mode = 23) and response evaluation (mode = 22) and indicated that owners/managers tend to implement strategies and evaluate responses relating to such strategies. The distribution of respondents in the category of formulation of strategies was negatively skewed (skewness = - 0,033) with a low peak (kurtosis = 0,01). The median was, therefore, used as the appropriate measure (Median = 19), and indicated that owners/managers tend to evaluate the effectiveness of strategies with respect to issues impacting on community pharmacies.

Secondly, the validity and reliability of measures used were established, to enable the use of more sophisticated statistical techniques. A high value of Cronbach's alpha indicated that the measures used in this study were both reliable and valid.

Fourthly, a search for relationships among the items of the questionnaire was undertaken, using statistical techniques of cross-tabulation, factor analysis, analysis of variance (ANOVA) and multivariate analysis of variance (MANOVA). Selected relationships in Part C of the questionnaire were analyzed using cross-tabulations. The results of the cross-tabulations are tabled in Table 5.4.2.A and 5.4.2.B. Factor analyses indicated that four aids are used by owners/ managers to manage issues in community pharmacies namely: use of the media, communication, networking and strategic management. The results of the MANOVA and Anova analyses are listed in Tables 5.4.3.2.A to 5.4.3.2.G.

Deductions following from the results in Chapter 5 will be discussed in Chapter 6.

CHAPTER 6

SUMMARY, EVALUATION OF OBJECTIVES, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

Issues management, considered a mere 'buzz' word a decade ago, has evolved into a new management discipline aimed at managing issues of particular relevance to individual organizations. The purpose of issues management is to assist management to cope with discontinuities due to the changing and unpredictable business environment. It offers new advantages, not only to the business world, but also to governmental and academic institutions, political parties, social organizations and the like.

The term organization is used in this study to indicate the universality of the management process. In this study the emphasis is, however, on community pharmacies as private, profit-seeking enterprises.

In this chapter the most salient points discussed in earlier chapters are summarized, the objectives of the study are evaluated, a number of conclusions are made, certain recommendations are put forward and areas for further research are suggested.

6.2 SUMMARY

Firstly, this study reviews the concept of issues management. Secondly, the study conveys the process of issues management to the reader. Thirdly, the study endeavours to examine the issues affecting community pharmacies within their changing task-environments and macro-environments. Fourthly, the study investigates the possible role that issues management can play in managing such issues and lastly, the study investigates whether issues management is applied by owners/managers of community pharmacies.

To this end, the study was conducted in two parts. In the first part the relevant literature on the subject of issues and issues management is deliberated and an overview of the issues affecting community pharmacies and the management of community pharmacies at retail and organizational levels is reviewed. The primary theoretical base for the deliberation of the literature are the works of Ewing (1987) and Coates et al (1986). Ewing (1987) views issues management as a strategically orientated function and the responsibility of top management. Ewing (1987) also attempts to bridge the gap between practice and theory and addresses "the new bottom line" as "optimal profits and public acceptance." Coates et al (1986), on the other hand, emphasizes a more practical discussion of issues management. The approach of Coates et al (1986) is more orientated toward the staffing function, and offers a wider array of issues management methods and techniques than Ewing

(1986). The second part of the study deals with empirical research to confirm the issues impacting on the future viability of community pharmacies, determination of whether owners/managers of community pharmacies are equipped to apply issues management in community pharmacies and the extent to which issues management is applied by owners/managers of community pharmacies. Relationships among variables pertaining to owners/managers of community pharmacies and the steps in the issues management process are also investigated.

In Chapter 1 the problem of critical issues impacting on the future viability of community pharmacies as well as the uncertainty as to the abilities of owners/managers to manage such issues are introduced. Given this background four hypotheses are stated, namely (see Section 1.5):

Hypothesis 1:

There are a number of issues impacting on the future viability of community pharmacies.

Hypothesis 2:

Issues management, as a management process, can be applied by owners/managers of community pharmacies to manage issues, impacting on the future viability of community pharmacies.

Hypothesis 3:

Issues management as a management process is not applied by owners/managers in community pharmacies.

Hypothesis 4:

Pharmacists as owners/managers of community pharmacies are not adequately equipped to apply issues management in community pharmacies.

In order to test these hypotheses the method of the study includes literature scanning, focused interviews and empirical research.

Chapter 2 deals with a review of the literature on issues management in order to highlight important aspects of the concepts of issues and issues management. The concept of issues receives particular attention to the extent that a new category of issues, namely "unfolding issues", is introduced by the writer. The process of issues management is also extensively dealt with. The latter concludes with a proposed issues management activity program based on the steps in the original Chase-Jones (Chase, 1984) model. These steps and proposed activities form the basis of a design framework, established for

subsequent empirical research.

Chapter 3 reviews the situation of health care and possible changes to the health care structure in the RSA. The pharmaceutical industry, as part of the private health care sector, is also reviewed. The major part of Chapter 3, however, concentrates on community pharmacies and the critical issues impacting on the future viability of community pharmacies. Although mention is made of issues within the micro-environment of community pharmacies, the emphasis is mainly on issues in the task-environments and macro-environments. Information regarding these issues was obtained from focused interviews and literature research and are regarded as pre-determined issues still to be confirmed through empirical research. These pre-determined issues subsequently formed the basis for statements used in the empirical research for this study. The chapter concludes with a review of the management of community pharmacies at community and pharmacy organizational levels.

Chapter 4 outlines the research procedure used to obtain the necessary information. All community pharmacies located in the RSA, excluding community pharmacies located in the independent/self-governing states and Transmed pharmacies, were demarcated for the purpose of this study. The target population for this study was the owners/managers of the aforementioned demarcated pharmacies. Statistical tables of Walizer & Wiener (1978:433), as well as statistical formulae proposed by Nel et al (1990:304), were used to determine the size of the sample. A sample size of 384 elements was used. The sample size was subsequently increased to 833, to allow for a possible low response rate. The sampling procedure selected was based on the principle of randomness, and a sample of enumerated community pharmacies was drawn with the aid of random numbers generated by the Lotus 123 random number software facility. The questionnaire design consists of three distinguished parts according to a specified design framework as outlined. A questionnaire pre-test was undertaken before the main survey was conducted. The methods used to conduct the study on an anonymous basis, the posting format, return procedure and the methods to improve the response rate, are specified in Chapter 4. A response rate of 29% was achieved in this study. The editing of returned questionnaires, data capturing and data manipulation, is also outlined in this chapter.

In Chapter 5 descriptive analyses of the results obtained in this study are reported on. Means, modes, medians, standard deviations, skewness, kurtosis and standard errors as measures of location, central tendency and shape of the data are used to describe individual items as well as selected categories of items or concepts, of the questionnaire. The validity and reliability of selected measures used in this study are also tested in this chapter, after which a search for relationships among the items of the questionnaire was undertaken, using statistical techniques of cross-tabulation, factor analysis, analysis of variance (ANOVA) and multivariate analysis of variance (MANOVA).

In Chapter 6 the most salient points discussed in earlier chapters are summarized, the objectives of the study are evaluated, a number of conclusions are made, certain recommendations are put forward and areas for further research are suggested.

6.3 EVALUATION OF OBJECTIVES

In Section 1.3 twelve objectives for this study were stated. The aim of this section is to ascertain whether these objectives were achieved. Considering the twelve objectives, the following comments can be made:

- * The first objective was to convey the concepts of issues and issues management to the reader. This was done by means of a review of the literature in Chapter 2. The first objective was therefore achieved.
- * The second objective of this study was to conceptualize the issues impacting on the future viability of community pharmacies. Chapter 3 reviewed a number of issues that were identified through interviews and literature research. These issues were regarded as pre-determined issues, and had to be confirmed by means of empirical research. The second objective was therefore achieved.
- * The third objective was to confirm the pre-determined issues, identified in Chapter 3, by means of empirical research, and to identify any other possible new emerging issues. The pre-determined issues were confirmed and are described in Chapter 5. No new emerging issues were identified. The third objective was therefore achieved.
- * The fourth objective was to provide an overview of community pharmacies as part of the pharmaceutical industry, by means of descriptive analyses of empirically collected data. This overview was presented in Chapter 5. The fourth objective was therefore also achieved.
- * The fifth objective was to determine whether pharmacists as owners/managers of community pharmacies are adequately equipped to apply issues management in their community pharmacies. This objective was achieved by means of empirical research methods discussed in Chapter 4, and analyzed and reported on in Chapter 5. The fifth objective was therefore also achieved.
- * The sixth objective was to determine whether different categories of owners and managers respond differently to the steps in the issues management process. The different responses were identified, analyzed and reported on in Chapter 5. The sixth objective was

therefore also achieved.

- * The seventh objective was to establish the extent to which issues management is applied by owners/managers in community pharmacies. Empirical research used in this study indicated the extent to which issues management is applied in community pharmacies. The seventh objective was therefore also achieved.
- * The eighth objective was to establish an activity program for issues management based on the steps in the issues management process. A description of how a program of activities can fit into the steps of the issues management process is proposed in Section 2.7.2. This objective was therefore achieved.
- * The ninth objective was to propose an optimal organizational structure to accommodate the issues management function within the organization. An organizational structure aiming at the fusion of staff and functional authority is proposed in Section 2.5.5.2. The ninth objective was therefore achieved.
- * The tenth objective was to propose a framework of tasks and human resources within an Issues Management Division. An issues management division consisting of an Issues Management Steering Committee, an Issues Management Department as well as an Issues Management Advisory Committee with specific allocations of human resources and tasks was proposed in Section 2.5.5.3. The tenth objective was therefore achieved.
- * The eleventh objective was to determine, by means of factor analysis, whether there are any specific aids that owners and managers use to manage issues affecting community pharmacies. The aids of use of the media, communication, networking and strategic management were identified by means of a factor analysis. The eleventh objective was therefore achieved.
- * The twelfth objective was to explore relationships among selected independent and dependent variables using cross-tabulations, analysis of variance and multivariate analysis of variance as appropriate statistical techniques. Certain relationships were identified, analyzed and reported on in Chapter 5. The last objective was therefore also achieved.

6.4 CONCLUSIONS

The conclusions reached in this study are listed under three sub-headings for clarity purposes, namely: conclusions drawn from the theoretical deliberations

in this study, conclusions drawn from the empirical research done in this study, and major conclusions.

6.4.1 Conclusions drawn from theoretical deliberations

The theoretical deliberations in Chapter 2 indicated the importance of issues management to identify, analyze and prepare effective responses to issues impacting on the future viability of organizations. Issues management is furthermore described as a positive management process for dealing with issues. The conclusion is drawn in Section 2.8 that issues management can enable organizations to arrive at an early and constructive understanding of the issues confronting them in a changing business environment and an uncertain future, as well as, to manage such issues pro-actively. It is also concluded, in Section 3.9, that community pharmacies as organizations operate in a changing business environment under conditions of extreme uncertainty with issues impacting on their future viability. Consequently, a further conclusion can be drawn, namely, that issues management can enable owners/managers of community pharmacies to come to an early and constructive understanding of the issues confronting them, as well as, managing such issues in a pro-active manner.

6.4.2 Conclusions drawn from empirical research

This study examines the general aspects of owners/managers of community pharmacies and their training, as well as, their community pharmacies. These aspects are examined in Part C of the questionnaire. Furthermore, issues impacting on community pharmacies are examined in Part A of the questionnaire and lastly, issues management is examined in Part B of the questionnaire. In the following sections, conclusions are discussed in the same sequence.

6.4.2.1 Conclusions drawn from the analyses of general aspects

The following conclusions are drawn from the analyses of general aspects of community pharmacies pertaining to Part C of the questionnaire:

- * The majority of owners/managers of pharmacies have a financial interest in the community pharmacies that they manage.
- * Approximately one third of pharmacies can be regarded as small pharmacies, with a monthly turnover of less than R 99,000. Forty five per cent can be regarded as of medium size with a monthly turnover of between R 100 000 and R 199 000. Only 24,5 per cent of pharmacies have a monthly turnover of more than R 200 000 and can be regarded as large pharmacies. The mean and the standard deviation from the mean indicate that the annual turnovers of 68 per cent of community pharmacies are between R 0.91 million and R 2,69 million.

This is less than the maximum annual turnover criterium of R 5 million used by the SBDC for classification as a small business (Anon, 1988:2). Community pharmacies can, therefore, be regarded as small businesses.

- * The majority of community pharmacies derive more than 50 per cent of their gross turnovers from prescription medicines. Community pharmacies are therefore highly dependent on the part of their turnover that is derived from prescription medicines.
- * There is an approximate equal distribution of community pharmacies between cities and towns.
- * The majority of community pharmacy owners/managers in South Africa belong to the white race group. This indicates that the race groups other than whites are poorly represented in the pharmaceutical retail sector.
- * The majority of community pharmacy owners/managers are male with only 14,8 per cent being female.
- * Most owners/managers of community pharmacies owners/managers are younger than 40 years of age, while 27,95 per cent of community pharmacy owners/managers fall in the category 40 to 50 years of age.
- * Almost half of owners/managers indicated that they participate more than once a year in workshops, meetings, and conferences of the SAPC, the PSSA or the SAACP. Twenty eight comma eight per cent participate once a year, while 23,6 per cent never participate in these activities.
- * Almost an equal percentage of owners/managers registered as pharmacists before 1975 and after 1975. This indicates that approximately half of the current owners/managers of community pharmacies in South Africa have had some pre-registration management training as part of their undergraduate pharmacy studies and should therefore be better equipped to apply issues management.
- * Only a small percentage of owners/managers of community pharmacies hold formal diplomas/degrees, but a large percentage attended other *ad hoc* management courses. Of the owner/managers who attended *ad hoc* management courses almost all attended such training at pharmaceutical wholesalers. The importance of pharmaceutical wholesaler involvement, in the training of owners/managers of community pharmacies, must therefore not be underestimated.

- * Very few owners/managers of community pharmacies (including those with pre-registration management training) have, however, received training in any one, or a combination of, any of the three strategic management subject areas, namely: strategic planning, strategic management and/or the management of change.
- * Only 3,1 per cent of owners/managers have had training in issues management.

Further conclusions were drawn from cross-tabulation analyses of a number of aspects in Part C of the questionnaire. The most important conclusions are the following:

- * The majority of owner/managers of community pharmacies are male. Only a small percentage are female.
- * There is no relationship between the size of pharmacies and whether they are managed by managers, who manage only, and managers with a financial interest in pharmacy.
- * There is a relationship between the size of the pharmacy and the size of its dispensary business.
- * There is a relationship between the management of issues in community pharmacies and whether their owners/managers had pre-registration management training.
- * There is no relationship between official degrees and diplomas and the management of issues in community pharmacies.
- * There is a relationship between *ad hoc* management training and the management of issues in community pharmacies.
- * There is no relationship between issues management training and the management of issues in community pharmacies.
- * There is no relationship between participation in professional activities and management training of owners/managers of community pharmacies.

6.4.2.2 Conclusions drawn from the analyses of issues

The following conclusions can be drawn with regard to the analysis of issues pertaining to Part A of the questionnaire. Conclusions drawn in respect of firstly community pharmacies, and secondly organizational bodies of pharmacy will be presented.

(a) Issues pertaining to community pharmacies

Conclusions drawn from the analyses of issues pertaining to community pharmacies will be dealt with in the same order as the categories in Part A of the questionnaire.

* Political

Owners/managers of community pharmacies are familiar with the various political view-points in South Africa. There is, however, a lack of confidence in the proposed new political dispensation for South Africa.

* Economical

The morale of owners/managers of community pharmacies is low as a result of the present (1993) economic recession. An ANC government will have a detrimental effect on the free market economy with nationalization of health services.

* Demographical/social

Owners/managers of community pharmacies do not see the necessity for affirmative action in respect of their community pharmacies. They do not plan to get involved in establishing community pharmacies in areas other than the traditional locations. Owners/managers of community pharmacies will support an increase of black/coloured community pharmacists entering the profession, but they are adverse to the high rate of increase in the number of female community pharmacists.

* Legal/general

Owners/managers are uncertain about, and uncomfortable with, proposed legal changes and their possible effect on community pharmacies.

* Legal/ownership

Ownership of community pharmacies by non-pharmacists seems to be an important issue. Owner/managers of community pharmacies are dissatisfied with the decision of the SAPC to allow non-pharmacists to own community pharmacies. The inability of the SAPC to control the eventual opening of community pharmacies by non-pharmacists, as well as the possible employment of pharmacists by non-pharmacists is another matter of concern to owners/managers of community pharmacies.

* Legal/higher scheduled medicines

Access to higher schedule medicines seems to be another important issue for community pharmacies. The majority agrees that access to higher schedule medicines will improve the profitability of community pharmacies, in spite of it having an adverse affect on relationships with medical practitioners.

* Supplementary training

Owners/managers regard supplementary training (eg. as pharmaco-therapists) as very important and a method to improve the professional status of community pharmacists with the public.

* Refresher courses

The majority of owners/managers are of the opinion that refresher courses should be made compulsory for pharmacists to remain on the Register of Pharmacists.

* Volume related single exit medicine prices

The majority of owners/managers expressed the opinion that single-exit prices should be enforced on pharmaceutical manufacturers.

* Group practices

Uncertainty exists among owners/managers of community pharmacies about the formation of group practices and whether it holds any benefits for them.

* Primary health care

Sixty six per cent of respondents regarded primary health care as the key to resuscitating community pharmacies.

Only 47 per cent of the respondents foresee an improvement in the profitability of their pharmacies as a result of their involvement in primary health care even though the involvement of community pharmacies in primary health care was identified as the key to resuscitating community pharmacies.

The majority of owners/managers intend to change their pharmacies to operate as primary health care centres (clinics).

* Competition

The issue of dispensing medical practitioners remains a burning issue with owners/managers of community pharmacies. Most have noticed an increase of

dispensing by medical practitioners in their areas over the last two years.

The majority is of the opinion that single-exit prices based on volumes will discourage medical practitioners to dispense and that minimum medical aid pricing will make it easier for pharmacists to compete with dispensing medical practitioners.

The majority of respondents are also convinced that present legislation interfere with the right of community pharmacists to compound their own medicines.

* Technological

The significance and use of modern management aids such as computers and computer based services, like HealthNet, seems to be an issue of importance to owners/managers of community pharmacies.

* Pharmacy image

Discounts on prescription medicines and postal prescription services seem to be an important issue for most owners/managers, as both are perceived to undermine the dignity of the pharmacy profession. The latter to a greater extent than the former.

Owners/managers regard the ethical aspects of pharmacy businesses of more importance than the profit motive.

Most owners/managers expressed their dissatisfaction with community pharmacy as a future career path.

From the aforementioned analyses and discussions, it would appear that owners/managers are aware of current task- and macro-environmental issues which may affect their community pharmacies. They are aware of possible opportunities and threats associated with certain issues. The macro-environmental issues which they appear to be uncertain of are the legal changes, and more specifically, legal changes to permit the ownership of community pharmacies to non-pharmacists. Ownership of community pharmacies by non-pharmacists and the employment of pharmacists by non-pharmacists are, because of this uncertainty, regarded as a severe threat to the pharmacy profession. Legal changes to permit access to higher schedule medicines, on the other hand, are regarded as an important opportunity to improve the viability of community pharmacies.

(b) Issues pertaining to organizational bodies of pharmacy

Owners/managers would like to see that the SAPC, the PSSA as well as the

SAACP, as organizational bodies of pharmacy, assume the leading role in developing strategies to ensure the future viability of community pharmacies. They do not, however, believe that any of these organizational bodies have any clear strategies pertaining to community pharmacies. This is in spite of a comprehensive booklet compiled by the SAPC on the role of the Pharmacist in South Africa and the mission and strategies adopted by the SAPC (SAPC, 1992a) which was distributed to all registered pharmacists in the RSA.

Owners/managers are disenchanted with the lack of influence of the PSSA and the SAACP on the SAPC. They are also disenchanted with inadequate representation of pharmacists on the SAPC resulting in lack of opportunities to influence strategies of the SAPC. Owners/managers are furthermore unsure and dissatisfied with strategies already adopted, mainly because of insufficient feedback from the SAPC. This is in spite of a quarterly bulletin, *Pharmaciae*, of the SAPC, and monthly trade magazines such as the *SA Pharmaceutical Journal*, the *SA Retail Pharmacy* and *Pharmacy Management* dealing extensively with all aspects, viewpoints, decisions, strategies and objectives of the three bodies of organized pharmacy in the RSA (Du Toit, 1993). The aforementioned viewpoints of owners/managers, therefore, seems to be one of perception rather than fact. It, however, confirms the opinion of Merryweather (1993:438) that there is disunity, disorder, dissention, disenchantment among community pharmacists and duplication of activities within the pharmacy profession. It could be argued that duplication of activities among the SAPC, the PSSA and the SAACP contribute to the perception among owners/managers of community pharmacies, that none of these organizations have a strategy to lead community pharmacies into the future.

6.4.2.3 Conclusions drawn from issues management analyses

Conclusions drawn from the analysis of issues management in community pharmacies will be dealt with in the same order as the categories in Part B of the questionnaire. With regard to the last question on the existence of formalised programmes for each step of the process of issues management it may be that the term 'formalised' was not interpreted correctly by the respondents. These questions may not have been interpreted as written formalized programmes. Responses to these questions will therefore be ignored for conclusion purposes.

This section will firstly deal with conclusions drawn from the five pre-determined steps of the process of issues management. Secondly, conclusions will be drawn in respect of the aids used in issues management as identified through factor analysis in Section 5.4.3.1.

(a) The steps in the issues management process

Conclusions drawn from the five pre-determined steps of the process of issues

management are as follows:

* Issues identification

The study indicates that a minority of owners/managers identify issues impacting on community pharmacies by scanning of the mass media. The majority does so by scanning for issues in pharmacy publications and through interaction/meetings with colleagues. The first important step in the process of issues management, is the scanning of mass media for new emerging issues. By the time that issues are publicised in pharmacy publications and discussed in meetings they have already become current, or unfolding issues, which must, if necessary, be monitored. In view of this, as well as the fact that community pharmacists were unable to identify new issues which will in the future affect community pharmacies (see Section 5.2.2.17), the conclusion can be drawn that owners/managers of community pharmacies can not become part of an issues identification program unless trained to identify issues by effectively scanning the mass media. They can, however, be part of a process to monitor current and unfolding issues impacting on community pharmacies, particularly in view of the fact that the majority of owners/managers regard themselves as alert and observant.

* Issues analysis

The spread of owners/managers analyzing, and not analyzing, issues through scrutinizing articles in the mass media is almost even. The majority analyzes issues through scrutinizing articles in pharmacy publications, and through interaction/meetings with colleagues. The same argument as discussed under the identification of issues therefore applies, that is, that owners/managers unless trained to analyze issues, can not become involved in a program of analyzing new emerging issues. At most they can become involved in analyzing current and unfolding issues impacting on community pharmacies, particularly in view of the fact that the majority of owners/managers regard themselves as conceptual thinkers.

* Strategy formulation and selection

Most owners/managers formulate and select strategies through interaction/meetings with colleagues. The majority also formulate strategies through establishing policies for their community pharmacies. These two aspects coupled to the fact that most owners/managers remove uncertainties surrounding issues when formulating strategies and that very few shy away from making important decisions, seem to indicate that owners/managers can formulate strategies to deal with issues impacting on community pharmacies. It can, however, be argued that such ability to formulate strategies applies mainly to strategies for individual pharmacies and not for overall strategies impacting on the profession as a whole, especially in view of the fact that

the minority of owners/managers attend meetings and congresses of the SAPC, the PSSA and the SAACP where overall strategies are formulated.

* Strategy implementation

The study indicates that most owners/managers set clear objectives when dealing with issues, and that an overwhelming majority of respondents have a high need for achievement. They can, therefore, be regarded as efficient implementors of strategies.

* Response evaluation

The majority of owners/managers evaluate the effectiveness of strategies regarding critical issues through scrutinizing articles in pharmacy publications and through interaction/meetings with colleagues. Most of the owners/managers measure actual performance against set standards and the majority regard themselves as critical persons.

The previous two observations regarding implementation, response evaluation and strategy implementation seems to indicate that owners/managers of community pharmacies are highly task orientated and have implementation, supervisory and controlling abilities. Truter (1992:xviii) confirms, through an empirical survey, that community pharmacists are in many respects short-term orientated and that they lack long-term strategic orientation.

(b) Aids used in the issues management process

A factor analysis of responses relating to the five pre-determined steps in the process of issues management, revealed that the owners/managers are using four aids in managing issues effecting community pharmacies. These aids are:

- * Use of the media
- * Communication with colleagues
- * Networking at meetings and conferences
- * Strategic management of activities in their community pharmacies

It can therefore be concluded that owners/managers of community pharmacies use the aids of use of the media, communication with colleagues, networking and strategic management to manage issues in community pharmacies. The quality of the use of these aids was not determined in this study.

(c) Relationships in the issues management process

The steps in the process of issues management were used to perform MANOVA analyses with a selected number of independent variables from Section C of the questionnaire in an attempt to establish relationships.

The following conclusions can be drawn from these analyses:

- * There is no difference in the way owners/managers who have a financial interest, and managers who do not have a financial interest in a pharmacy, manage the steps in the issues management process.
- * There is no difference in the way older and younger owners/managers of community pharmacies manage the steps in the issues management process.
- * There is a difference in the way owners/managers with and without management qualifications analyze issues, and there is a highly significant difference in the way they formulate, implement and evaluate strategies to deal with issues. There is no difference in the way owners/managers having management qualifications or no qualifications, identify issues affecting community pharmacies.
- * There is no difference in the way owners/managers, with and without issues management training, manage the steps in the issues management process.
- * There is no difference in the way owners/managers with or without pre-registration management training manage issues in community pharmacies.

From the aforementioned it can be concluded that there is only one aspect of owners/managers that influence the way in which they manage certain steps in the issues management process. This difference is determined by management training. The difference, however, only applies to the analyses of issues, and to a greater extent to the formulation, implementation, and evaluation of strategies. It does not apply to the way in which owners/managers identify issues affecting community pharmacies. It can therefore be concluded that all owner/managers of community pharmacies, irrespective of their financial involvement, age, pre-graduate management training or issues management training can be involved in the steps of the issues management process. The proviso would, however, be that they are specifically trained in the use the mass media for the identification of issues, as mentioned in Section 6.4.2.3(a).

6.4.3 Major conclusions

Major conclusions will be drawn in view of the four hypotheses formulated in Section 1.5 of this study.

The first hypothesis formulated in Section 1.5 states that there are a number

of issues impacting on the future viability of community pharmacies. In view of the issues impacting on the future viability of community pharmacies as discussed in Chapter 3, and confirmed through empirical research in Chapter 4 and Chapter 5, as well as, conclusions drawn in Section 6.4.2.2 of this chapter, the first hypothesis that:

THERE ARE A NUMBER OF ISSUES IMPACTING ON THE FUTURE
VIABILITY OF COMMUNITY PHARMACIES

can be accepted.

The second hypothesis formulated in Section 1.5 states that issues management, as a management process, can be applied by owners/managers of community pharmacies to manage issues, impacting on the future viability of community pharmacies. Issues management, although a new management discipline, is a systematic and dynamic process aimed at providing an action program to managers in order to manage issues impacting on the future viability of organizations. In the light of the advantages of issues management the possibility exists of it being applied, if not totally, then partially in community pharmacies. From the descriptive results summarised in Section 5.2.3.6, it can be concluded that owners/managers of community pharmacies do identify issues, that they analyze issues and that they manage responses to such issues. In view of the advantages of issues management and the fact that owners/managers are, although informally, executing the steps in the issues management process the second hypothesis that:

ISSUES MANAGEMENT, AS A MANAGEMENT PROCESS, CAN BE APPLIED
BY OWNERS/MANAGERS OF COMMUNITY PHARMACIES TO MANAGE ISSUES
IMPACTING ON THE FUTURE VIABILITY OF COMMUNITY PHARMACIES

can be accepted.

The proviso for the efficient application of issues management would however be that owners/managers are properly trained in applying the steps of the process of issues management, particularly the identification of issues in the mass media.

The third hypothesis formulated in Section 1.5 states that issues management as a management process is not applied in community pharmacies. Issues management as defined in Section 2.5.2, consists of five steps which can be condensed into three steps, namely:

- identification of issues;
- analysis of issues; and

- management of an effective response to issues.

From the analysis of the responses, it can be concluded that owners/managers of community pharmacies identify issues, that they analyze issues and that they manage responses to such issues. The question arises whether owners/managers of community pharmacies perform the steps in the issues management process, efficiently. A short-coming of the questionnaire used may have been that the questions did not provide sufficient information to answer this question. The quality of issues management, as applied by owners/managers of community pharmacies, has therefore not been determined unequivocally. However, in view of the descriptive results summarised in Section 5.2.3.6, the third hypothesis that:

ISSUES MANAGEMENT, AS A MANAGEMENT PROCESS, IS NOT APPLIED
BY OWNERS/MANAGERS IN COMMUNITY PHARMACIES

can not be accepted.

By rejecting the third hypothesis, the converse, namely that issues management as a management process is applied in community pharmacies, is accepted. The quality of the issues management process as applied in community pharmacies was, however, not established.

The fourth hypothesis formulated in Section 1.5 states that: pharmacists as owners/managers of community pharmacies are not adequately equipped to apply the process of issues management in community pharmacies. Consequently, testing this hypothesis was an objective of this study. Owners/managers of community pharmacies do use certain aids such as the use of the media, communication, networking and strategic management, in an attempt to manage issues (see Section 5.4.3.1). They also apply certain actions pertaining to the steps in the issues management process (see Section 5.2.3.6). Only 3,1 per cent of owners/managers of community pharmacies are formally trained in issues management (see Section 5.2.1.7), and very few (11,36%) owners/managers received training in any one, or a combination of, any of the three strategic subject areas namely strategic planning, strategic management and the management of change (see Section 5.2.1.5). In view of the latter two statistics the fourth hypothesis that:

PHARMACISTS, AS OWNERS/MANAGERS OF COMMUNITY PHARMACIES,
ARE NOT ADEQUATELY EQUIPPED TO APPLY ISSUES MANAGEMENT IN
COMMUNITY PHARMACIES

can be accepted.

6.6 RECOMMENDATIONS

In this section a number of recommendations are made.

6.6.1 Introduction

Community pharmacies are currently (1993) operating in an uncertain business environment, but seems to be poised on the brink of a new and exciting future. Changes to traditional pharmacy will require pharmacists who are not only well trained professional health care providers, but who are also trained as entrepreneurial managers to work in, own and manage community pharmacies. Both pre-graduate training and continuing education on professional level are given top priority and seems to be well under control.

As mentioned in Section 3.8.1, the professional and trading activities of community pharmacists are inextricably linked to each other. Empirical research in this study has indicated that, although a minority of owners/managers have received post registration management training, almost half of them have received pre-registration management training in pharmacy schools albeit to a limited degree. Pharmacists, therefore, seems to be qualified to manage the short-term trading aspect of community pharmacies efficiently. They are, however, not equipped to managed long-term strategic issues, impacting on the future viability of community pharmacies.

Access to higher schedule medicines and more envisaged discretionary powers will allow pharmacists extended participation in primary health care and more professional recognition, which should ultimately contribute to greater job satisfaction. Opening ownership of community pharmacies to non-pharmacists, however, seems to be perceived by owners/managers as a looming threat to traditional pharmacy. The SAPC has, however, given assurances that permission will only be granted to non-pharmacists under exceptional circumstances and only when justified.

New opportunities are being created for pharmacists to become involved in managed health care organizations in association with other health professionals. Although dispensing medical practitioners still remain the main threat to the viability of community pharmacies, steps are being taken to permit community pharmacies to compete more effectively with dispensing medical practitioners.

In view of the aforementioned positive scenario of improved professional and management training, coupled to extended professional and trading opportunities, the question may be asked why pharmacists in general, and in particular most owners/managers of community pharmacies, still seem uncertain, frustrated and unmotivated. The writer is of the opinion that the reason lies, not in an inability to change, but in the unwillingness of owners/managers of community pharmacies to adapt to change. This unwillingness to adapt to

change, seems to stem from situations of relative isolation in which most individual community pharmacists have always found, and still find, themselves today. Isolation in turn leads to uncertainty. The future of community pharmacies in the RSA will be determined largely by the way in which owners/managers are prepared to adapt to changes, to seize and use opportunities optimally, and to offer timely and successful resistance to threats. Issues management, as a management process based on foreknowledge, identifies opportunities and threats and manage resources and efforts to participate in the successful resolution of issues outsiders create, or community pharmacists themselves attempt to create.

Issues management, as discussed and researched in this study could, therefore, assist community pharmacists in overcoming situations of isolation and feelings of uncertainty. The analyses of statistics as summarised in Section 5.2.3.6 seem to indicate that owners/managers of community pharmacies tend to implement as well as evaluate responses to strategies more than they tend to identify issues, analyze issues and formulate strategies to deal with such issues. The conclusion was reached in Section 5.2.1.7 that owners/managers of community pharmacies are not trained in issues management. Owners/managers of community pharmacies were also not able to identify new and emerging issues, apart from confirming those stated by the researcher in the questionnaire (see Section 5.2.2.17). The latter seems to confirm the fact that owners/managers are not properly trained in issues management, especially in the identification of issues impacting on the future viability of community pharmacies.

With the aforementioned in mind the following recommendations, as indicated in the following sections, are made in respect of the management of issues relating to community pharmacies.

6.6.2 Recommendations regarding the establishment of an issues management division within the pharmacy profession

The following recommendations regarding the establishment of an issues management division within the pharmacy profession is proposed.

- * It is recommended that an issues management division, as described in Section 2.5.5.3, is established in the SAPC, the PSSA or the SAACP. The most appropriate organizational body that could accommodate such an issues management division in its organizational structure, is the PSSA. The PSSA acts as a co-ordinating body and is philosophically positioned between the SAPC, which is a statutory body, and the SAACP, which is a purely professional body. The position of an issues management division within the organizational structure of the PSSA is illustrated in Figure 3.8.2.2. The organization of tasks and human resources within the issues management division should be in line with the proposed framework as

discussed in Section 2.5.5.3.

The Issues Management Steering Committee within the Issues Management Division, as discussed in Section 2.5.5.3, should comprise of an Issues Management Director and chairpersons and/or executive directors from organizational bodies representing (SAACP and the PSSA itself) or influencing (SAPC) community pharmacies. Since the PSSA aims to be a co-ordinating organizational body for all facets of pharmacy, chairpersons and/or executive directors of other professional bodies representing the hospital section, the academy, manufacturers and wholesalers, could also form part of the Issues Management Steering Committee. This is highly recommended as it will broaden the perspective of the committee on issues impacting on community pharmacies. The Issues Management Steering Committee will have to ensure that the way in which issues, through issues management, will be managed becomes transparent and understandable to community pharmacists. The Issues Management Steering Committee must also focus on concrete results with due consideration of the relevant perspectives of all stakeholders in health care, without jeopardising the viability of community pharmacies.

- * It is also recommended that interested and knowledgeable owners/managers of community pharmacies, individual pharmacists and elected or executive members of organizational bodies of pharmacy, as well as industry leaders and academics, should be invited to serve on an Issues Management Advisory Committee as described in Section 2.5.5.3. Participants in this advisory committee should, however, be adequately trained in the identification of issues.

6.6.3 Recommendations regarding additional activities of an Issues Management Division within organised pharmacy

It is recommended that the Issues Management Division acts as an initiator for, and facilitator of, regular meetings between the SAPC, PSSA, and SAACP, and other organizations involved in health care, in order to:

- * develop mutual understanding among organizational bodies of pharmacy to identify a common health care mission.
- * develop long-term objectives and formulate appropriate strategies to deal with issues affecting community pharmacies.
- * receive, consider and coordinate available and relevant information and identify common perspectives with regard to community pharmacies.

- * optimize communication by exchanging perceptions and by making policies, procedures and actions more transparent to community pharmacists.
- * determine a procedure and criteria on the basis of which the inputs of individual community pharmacists can be accepted.
- * identify policy positions, and to review and recommend new plans, or revisions to current plans.
- * recommend new legislation or amendments to current legislation and/or regulations affecting community pharmacies.
- * debate and advise on particular policy problems against the background of relevant experience, research, available data and common perspectives.
- * develop strong leadership and encourage the involvement of experienced, innovative and knowledgeable persons in the SAPC, the PSSA and the SAACP.

6.6.4 Recommendations regarding pharmacy organizational bodies

The following recommendations are put forward regarding pharmacy organizational bodies:

- * It is recommended that a formalized system of representation of the PSSA at ministerial level be established.
- * It is recommended that the role of the SAPC as a formulator and implementor of strategies concerning community pharmacies is scaled down. This is necessary in view of the fact that the SAPC has in the last five years become increasingly involved in activities pertaining to the PSSA and the SAACP, instead of remaining a statutory body with its specific objectives as indicated in Section 3 of the Pharmacy Act. Strategies to deal with issues impacting on the profession as a whole, and community pharmacies in particular, must instead be formulated by professional bodies such as the PSSA and the SAACP. The role of the SAPC should be limited to that of a statutory body which, through necessary legislation, facilitate the implementation of strategies formulated by the PSSA and the SAACP.

6.6.5 Recommendations regarding representation of community pharmacies in pharmacy organizational bodies

The following recommendations regarding representation of community pharmacies

in pharmacy organizational bodies are put forward:

- * Firstly, it is recommended that a smaller number of the members on the SAPC should be nominated. A greater number of the members of the SAPC should be elected from amongst pharmacists representing the profession. Elected members should constitute more than 50% of the total membership of the SAPC to ensure that the profession is controlled and lead by pharmacists.
- * Secondly, it is recommended that the election of members of the SAPC is conducted according to the new regions and boundaries envisaged for a new South Africa on a regional representational basis.
- * Thirdly, it is recommended that an allocation of a specific number of elected members of the SAPC should come from the ranks of community pharmacists. This is necessary as almost 68 per cent of all registered pharmacists are employed in the community pharmacy sector.

6.7 SHORTCOMINGS OF THE STUDY

This study has certain shortcomings which need to be considered.

Firstly, conclusions drawn from this study are subject to limitations due to the size of the sample. It was however possible to reach certain conclusions from the evaluation of issues and issues management in community pharmacies as the response rate of 29 per cent achieved in the empirical study is regarded as satisfactory (see Section 4.3.8). If the response is calculated as a percentage of the calculated required sample size, the response rate of 63 per cent is highly acceptable. The method of increasing the sample size to overcome the problem of low response rates, was therefore highly successful.

Secondly, from the analysis of the responses, it was concluded that owners/managers of community pharmacies identify issues, that they analyze issues and that they manage responses to such issues. A shortcoming of the questionnaire used was that it did not provide sufficient information to clearly indicate the quality of the practice of issues management. It was, however not one of the objectives of this study.

Thirdly, the role of pressure groups such as the National Health Forum and its influence on the future composition of statutory health bodies including the SAPC, was not considered in this study. This was done as a result of limited information being available, and the SAPC having been denied membership of the National Health Forum.

Fourthly, as a result of the dynamic nature of issues impacting on community

pharmacies, not all changes could be dealt with in this study. For example, since the posting of the questionnaires on 6 October 1993, certain amendments to the Pharmacy Act were withdrawn. Also, legislation on single-exit prices based on volumes has been put on hold, pending the outcome of a special court hearing. Another example, as reported by St Leger (1994), is the latest draft health plan of the ANC which states that 'the pharmaceutical industry will be encouraged to sell its products largely, if not exclusively, to the state'. Such a development may unfold into new issues, the impact of which, could not have been taken into account in this study because of a time constraint.

6.8 PROPOSALS FOR FURTHER RESEARCH

The following research topics can be considered for further study. The topics for research are divided in two sections, namely, issues management in business enterprises and issues management in higher education institutions.

6.8.1 Issues management in business enterprises

The following areas for research in the field of issues management in business enterprises are suggested:

- * The extent to which issues management can influence management decisions in the RSA.
- * The importance, and connection of, issues management with the marketing function of organizations in the RSA.
- * The importance, and connection of, issues management with the public relations function of organizations in the RSA.
- * The possibility of developing and utilising issues management as a communication function within organizations.
- * The extent to which issues management can enhance corporate social responsibility.
- * The connection between issues management and crisis management.
- * The optimal organizational structure for the functioning of issues management in different industries.
- * Optimal issues identification methods and techniques.

6.8.2 Issues management in higher education institutions:

- * A relatively unexplored need in business, is the use of external and

secondary data sources. The environmental scanning, issues identification, and monitoring facets of issues management may provide a useful framework for exploring topics such as situation and competitive analyses. This could assist in the integration of issues management into the traditional curricula of business management schools, in the RSA.

- * Environmental assessment is a critical first step in the process of issues management. It would, however, seem that the success of environmental assessment in higher education in the world, and especially in the RSA, depends not only on it being intuitive, creative and strategically orientated, but also on being open, representatively staffed and sensitive to political situations. From this perspective a set of pertinent questions confronts administrators interested in initiating environmental assessment for higher education institutions: What should be assessed? Who should do it? How should the effort be organized? What should be produced? How should it be used? An area for further research would therefore be the application of environmental assessment to augment an issues management program in higher education institutions.

- * The application of issues management in higher education institutions in the RSA.

6.9 SUMMARY

This chapter summarises the most salient points discussed in earlier chapters, and evaluated the objectives of the study. Shortcomings of the study were also listed. Certain conclusions were drawn and recommendations were made.



**URGENT
PLEASE**

SOWETO CAMPUS
PRIVATE BAG X09
BERTSHAM 2013
REPUBLIC OF SOUTH AFRICA
TEL (011) 938-1701
FAX (011) 938-1490

SOWETOKAMPUS
PRIVAATSAK X09
BERTSHAM 2013
REPUBLIEK VAN SUID-AFRIKA
TEL (011) 938-1701
FAKS (011) 938-1490

4 October 1993

Dear Colleague,

CHANGES AFFECTING COMMUNITY PHARMACIES - A TIME OF OPPORTUNITY?

Community pharmacy is currently experiencing formidable change. Uncertainty as to how critical issues affecting community pharmacies should be managed, is rife.

The department of Business Management at Vista University is doing research regarding the management of critical issues in community pharmacies.

Your help is needed to complete the research. As a non-practising pharmacist I earnestly appeal for your co-operation in this project. At first glance the questionnaire might seem long. It should however not take longer than twenty minutes to complete and you might find the questions interesting. The results could be made available on request to participating pharmacists.

Attached you will find the questionnaire. Kindly complete it and return it to me in the reply-paid envelope provided, before or on 22 October 1993.

Persons who are approached to participate have been selected on a random basis. Respondents are given the assurance that they will remain anonymous with no indication from whom or from which pharmacy completed questionnaires are received.

I wish to thank you for your co-operation.

DANIE THERON
BSc(Pharm), BComm(Honn), HED.
LECTURER: BUSINESS MANAGEMENT
VISTA UNIVERSITY

QUESTIONNAIRE

Please note:

This questionnaire is aimed at owners/partners/shareholders and/or managers of community pharmacies in South Africa. If you are an employee and not the manager nor an owner /partner/shareholder in this pharmacy business please hand this questionnaire to the owner/partner/shareholder/manager.

Instructions:

Please answer every question as objectively as possible and to the best of your ability. Some questions are asked in the negative. Please take care to answer those questions correctly.

PART A

Please indicate below your disagreement/agreement with each of the statements on certain issues, using the following 5 point scale: Mark your response to each statement by means of a cross, e.g. X.

The following scale is used:

- 1 = strongly disagree
- 2 = disagree
- 3 = undecided/neutral
- 4 = agree
- 5 = strongly agree

	Strongly disagree				Strongly agree	
POLITICAL						
I feel confident about the proposed political dispensation for a new South Africa	1	2	3	4	5	FOR OFFICE USE
I am familiar with the various political view-points in South Africa	1	2	3	4	5	V 1
						V 2
ECONOMICAL						
The free market economy will be adversely affected by a final new government	1	2	3	4	5	V 3
An ANC government will lead to the nationalization of health services in South Africa	1	2	3	4	5	V 4
My morale is currently low because of the economic recession	1	2	3	4	5	V 5
DEMOGRAPHICAL/SOCIAL						
I have noticed an increase in the number of black/coloured clients in my pharmacy business	1	2	3	4	5	V 6
I will appoint a suitable black/coloured pharmacist, if my client base justifies such an appointment	1	2	3	4	5	V 7
I will appoint a suitable black/coloured pharmacist(s) irrespective of my client base	1	2	3	4	5	V 8
I intend moving my pharmacy to an area where the black community can be served better	1	2	3	4	5	V 9
I intend opening another pharmacy in an area where the black community can be served better	1	2	3	4	5	V 10
Community pharmacy will benefit from more black/coloured pharmacists entering the profession	1	2	3	4	5	V 11
Community pharmacy will benefit from the high rate at which females are entering the profession	1	2	3	4	5	V 12

	Strongly disagree			Strongly agree		
	1	2	3	4	5	
I am satisfied with the quality of refresher courses which I have attended up till now	1	2	3	4	5	V 30
VOLUME RELATED SINGLE-EXIT MEDICINE PRICES						
Single-exit prices will increase my purchases from wholesalers instead of from manufacturers	1	2	3	4	5	V 31
Single-exit prices should NOT be enforced on pharmaceutical manufacturers	1	2	3	4	5	V 32
GROUP PRACTICES						
Group practices (PPOs, IPAs, HMOs), offer new opportunities for community pharmacists	1	2	3	4	5	V 33
Group practices will see the demise of traditional community pharmacies	1	2	3	4	5	V 34
Group practice will offer equal partnerships for pharmacists with other health professionals such as medical doctors and dentists	1	2	3	4	5	V 35
I intend to become involved in a group practice with other health professionals	1	2	3	4	5	V 36
PRIMARY HEALTH CARE						
I intend changing my pharmacy to operate as a primary health care centre (clinic)	1	2	3	4	5	V 37
Primary health care is the key to resuscitating community pharmacies	1	2	3	4	5	V 38
My involvement in free primary health care will indirectly improve the profit of my pharmacy	1	2	3	4	5	V 39
COMPETITION						
Prescription medicines should be subject to competitive processes such as discounting	1	2	3	4	5	V 40
Dispensing by medical practitioners in my area has decreased over the last two years	1	2	3	4	5	V 41
Single-exit medicine prices will discourage medical practitioners to dispense	1	2	3	4	5	V 42
Single-exit prices will make it easier for community pharmacists to compete with dispensing medical practitioners	1	2	3	4	5	V 43
HMAP prices will discourage medical practitioners to dispense	1	2	3	4	5	V 44
Present legislation interfere with the right of community pharmacists to compound their own medicines	1	2	3	4	5	V 45
TECHNOLOGICAL						
I intend extending my dispensary computer system to render a comprehensive primary health care service	1	2	3	4	5	V 46
I intend using the HealthNet system of Medi-Kredit (or a similar system, when available) to process my medical scheme transactions	1	2	3	4	5	V 47
PHARMACY IMAGE						
Discounts on prescription medicines is undermining the dignity of the profession	1	2	3	4	5	V 48
Postal prescription services is undermining the dignity of the profession	1	2	3	4	5	V 49

Strongly disagree

Strongly agree

The Association of Community Pharmacists has become a discussion forum with no ability to influence decisions and strategies of the Pharmacy Council

1 2 3 4 5

V 69

Opinions expressed by members of the Association of Community Pharmacists is just an imitation of opinions expressed by the Pharmacy Council

1 2 3 4 5

V 70

I have considerable opportunities to influence the formulation of overall strategies concerning community pharmacies

1 2 3 4 5

V 71

OTHER ISSUES

If there are any other EXISTING or FUTURE issues, which in your opinion can have an important effect on the future viability of community pharmacies, please list these issues briefly in the space provided below.

EXISTING ISSUES:

- 1.
2.
3.

FUTURE ISSUES:

- 1.
2.
3.

PART B

Instructions:

Please answer every question as objectively as possible and to the best of your ability. Some questions are asked in the negative. Please take care to answer those questions correctly.

Please indicate below your disagreement/agreement with each of the statements on certain issues, using the following 5 point scale: Mark your response to each statement by means of a cross, e.g. X.

- 1 = strongly disagree
2 = disagree
3 = undecided/neutral
4 = agree
5 = strongly agree

Strongly disagree

Strongly agree

For office use

ISSUES IDENTIFICATION

I become aware of critical pharmacy issues by scanning articles in the mass media such as newspapers

1 2 3 4 5

V 72

I become aware of critical pharmacy issues by scanning articles in pharmacy publications

1 2 3 4 5

V 73

I become aware of critical pharmacy issues by attending meetings/congresses of the Pharmacy Council/Society/Association

1 2 3 4 5

V 74

	Strongly disagree			Strongly agree		
I have a high need for achievement (task accomplishment)	1	2	3	4	5	V 94
In my pharmacy business there exist a formalised program to <u>implement activities</u> in order to deal with critical pharmacy issues	1	2	3	4	5	V 95
EVALUATION						
I <u>evaluate</u> the effectiveness of strategies regarding critical pharmacy issues through attending meetings/congresses of the Pharmacy Council/Society/Association	1	2	3	4	5	V 96
I <u>evaluate</u> the effectiveness of strategies regarding critical pharmacy issues through interaction/meetings with colleagues	1	2	3	4	5	V 97
I have a high regard for assessing the effectiveness of activities in my pharmacy business	1	2	3	4	5	V 98
I <u>evaluate</u> the the effectiveness of activities in my pharmacy business through measuring actual performance against set standards	1	2	3	4	5	V 99
I am of nature a critical person	1	2	3	4	5	V 100
In my pharmacy business there exist a formalised program to <u>evaluate</u> the effectiveness of implemented strategies	1	2	3	4	5	V 101

PART C

Please answer the following questions by marking your choice with an X in the appropriate space.

PLEASE BE ASSURED THAT YOU WILL REMAIN ANONYMOUS WITH NO INDICATION FROM WHO OR FROM WHICH PHARMACY COMPLETED QUESTIONNAIRES ARE RECEIVED

		For office use
1.	I manage AND have a financial interest (sole owner, shareholder, partner) in a pharmacy	1
	I ONLY manage a pharmacy	2
	I ONLY have a financial interest in a pharmacy(ies), but do not manage a pharmacy on a daily basis	3
2.	My pharmacy is located in a:	Town
		City
3.	The average <u>monthly</u> turnover of the pharmacy which I manage on a daily basis is approximately :	
	R 0 - R 49 999	1
	R 50 000 - R 99 999	2
	R 100 000 - R 149 999	3
	R 150 000 - R 199 999	4
	R 200 000 - R 249 999	5
	R 250 000 and more	6

V 102

V 103

V 104

12. I have attended ad hoc business management courses offered by:

- Wholesalers
- Correspondence colleges
- Other (please specify)
- None

OFFICE USE ONLY	
1	V 113
2	1+2=5 1+3=6
3	2+3=7
4	

13. I participate in activities/workshops/meetings/conferences of the SA Pharmacy Council, the PSSA or the SAACP

- Never
- Once per year
- More than once per year

1	
2	V 114
3	

14. I have held, or is currently holding leadership positions in (By leadership position is meant a portfolio, specific function or responsibility) one or more of the under-mentioned pharmaceutical organisations.

- The Pharmacy Council
- The Pharmaceutical Society
- The SAACP
- Other (please specify)
- None

1	
2	V 115
3	
4	
5	

15. Have you in any business management courses, i.e. diploma/degree ad hoc business management training, been trained in the discipline of Issues Management? (Issues Management is not the same as strategic management, but is defined as a management process to identify and analyse critical external issues which can impact on the future viability of organisations (such as community pharmacies) as well as managing an effective response to such issues.

Yes No V 116

THANK YOU FOR YOUR CO-OPERATION. KINDLY ENSURE THAT YOU HAVE ANSWERED ALL THE QUESTIONS. PLEASE INSERT THE QUESTIONNAIRE IN THE REPLY-PAID ENVELOPE AND POST IT AS SOON AS POSSIBLE.

ANNEXURE B

POLITICAL

I feel confident about the proposed political dispensation for a new South Africa

I am familiar with the various political view-points in South Africa

Strongly disagree		Neutral		Strongly agree		Mean Std. Dev	Verb No
25 10,9%	57 24,9%	87 38,0%	47 20,5%	13 5,7%	2,85 1,05	V 1	
2 0,9%	26 11,4%	41 17,9%	124 54,1%	36 15,7%	3,73 0,89	V 2	

ECONOMICAL

The free market economy will be adversely affected by a final new government

An ANC government will lead to the nationalization of health services in South Africa

My morale is currently low because of the economic recession

11 4,8%	37 16,2%	69 30,1%	75 32,8%	37 16,2%	3,39 1,09	V 3
5 2,2%	26 11,4%	54 23,6%	103 45,0%	41 17,9%	3,65 0,97	V 4
13 5,7%	33 14,4%	42 18,3%	90 39,3%	51 22,3%	3,58 1,15	V 5

DEMOGRAPHICAL/SOCIAL

I have noticed an increase in the number of black/coloured clients in my pharmacy business

I will appoint a suitable black/coloured pharmacist, if my client base justifies such an appointment

I will appoint a suitable black/coloured pharmacist(s) irrespective of my client base

I intend moving my pharmacy to an area where the black community can be served better

I intend opening another pharmacy in an area where the black community can be served better

Community pharmacy will benefit from more black/coloured pharmacists entering the profession

Community pharmacy will benefit from the high rate at which females are entering the profession

22 9,6%	55 24,0%	58 25,3%	72 31,4%	22 9,6%	3,07 1,15	V 6
12 5,2%	20 8,7%	49 21,4%	100 43,7%	49 21,0%	3,66 1,07	V 7
35 15,3%	66 29,3%	70 30,6%	33 14,4%	24 10,5%	2,76 1,19	V 8
77 33,6%	90 39,3%	42 18,3%	15 6,6%	5 2,2%	2,04 0,99	V 9
70 30,6%	80 34,9%	50 21,8%	20 8,7%	9 3,9%	2,21 1,09	V 10
13 5,7%	23 10,0%	79 34,5%	79 34,5%	35 15,3%	3,44 1,05	V 11
40 17,5%	81 35,4%	59 25,8%	39 17,0%	10 4,4%	2,56 1,09	V 12

LEGAL/ General

I am not sure about the way in which proposed legal changes will affect the future of community pharmacies

9 3,9%	28 12,2%	59 25,8%	101 44,1%	32 14,0%	3,52 1,01	V 13
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LEGAL/ Ownership

Ownership of community pharmacies by non-pharmacists poses a threat to the pharmacy profession

There are ethical reasons why pharmacists should not be employed or working for non-pharmacists

I agree with the Pharmaceutical Society's decision not to support the Pharmacy Council to allow ownership of pharmacies by non-pharmacists

I agree with the Association of Community Pharmacists' decision not to support the Pharmacy Council to allow ownership of pharmacies by non-pharmacists

I would support the financial interest of non-pharmacists in pharmacies if the interest is limited to less than 50%

Non-pharmacists as owners will regard the profit motive as more important than ethical aspects

2 0,9%	5 2,2%	4 1,7%	76 33,2%	142 62,0%	4,53 0,72	V 14
6 2,6%	17 7,4%	10 4,4%	78 34,1%	118 51,5%	4,25 1,02	V 15
2 0,9%	6 2,6%	4 1,7%	78 34,1%	139 60,7%	4,51 0,74	V 16
5 2,2%	10 4,4%	3 1,3%	79 34,5%	132 57,6%	4,41 0,89	V 17
111 48,5%	43 18,8%	16 7,0%	35 15,3%	24 10,5%	2,21 1,44	V 18
2 0,9%	3 1,3%	2 0,9%	70 30,6%	152 66,4%	4,60 0,67	V 19

I believe that in spite of assurances by the Pharmacy Council to the contrary, the opening of pharmacies by non-pharmacists will be allowed unconditionally

7 3,1%	19 8,3%	47 20,5%	72 31,4%	84 36,7%	3,90 1,08	V 20
153 66,8%	46 20,1%	16 7,0%	8 3,5%	6 2,6%	1,55 0,96	V 21

Ownership of pharmacies by non-pharmacists will be in the best interest of the public

LEGAL/ Higher scheduled medicines

Access to higher scheduled medicines is an encroachment into the province of medical doctors

74 32,3%	82 35,8%	24 10,5%	33 14,4%	16 7,0%	2,28 1,25	V 22
15 6,6%	34 14,8%	60 26,2%	88 38,4%	32 14,0%	3,38 1,10	V 23
15 6,65	44 19,2%	39 17,0%	89 38,9%	42 18,3%	3,43 1,18	V 24
68 29,7%	77 33,6%	35 15,3%	28 12,2%	21 9,2%	2,38 1,28	V 25

Access to higher scheduled medicines will improve the profitability of my pharmacy business

Access to higher scheduled medicines will adversely effect the relationship of community pharmasists with medical practitioners

Access to higher schedules should only be granted to pharmacists where no medical practices exist

SUPPLEMENTARY TRAINING

Supplementary training (eg as pharmaco-therapists) will improve the professional status of community pharmacists with the public

0 0,0%	9 3,9%	15 6,6%	101 44,1%	104 45,4%	4,31 0,76	V 26
7 3,1%	5 2,2%	10 4,4%	94 41,0%	113 49,3%	4,31 0,90	V 27
19 8,3%	60 26,2%	70 30,6%	53 23,1%	27 11,8%	3,04 1,14	V 28

I will attend accredited training courses to qualify as a pharmaco-therapist

I feel sceptical about the ability of the Pharmacy Council to succesfully implement the concept of pharmaco-therapists

REFRESHER COURSES

Refresher courses should be made compulsory for pharmacists to remain on the Register of Pharmacists

19 8,35%	31 13,5%	61 26,6%	67 29,3%	51 22,3%	3,44 1,21	V 29
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I am satisfied with the quality of refresher courses which I have attended up till now

6 2,6%	28 12,2%	69 30,1%	93 40,6%	33 14,4%	3,52 0,97	V 30
-----------	-------------	-------------	-------------	-------------	--------------	------

VOLUME RELATED SINGLE-EXIT MEDICINE PRICES

Single-exit prices will increase my purchases from wholesalers instead of from manufacturers

7 3,1%	32 14,0%	59 25,8%	92 40,2%	39 17,0%	3,54 1,03	V 31
108 47,2%	83 36,2%	17 7,4%	14 6,1%	7 3,1%	1,82 1,02	V 32

Single-exit prices should NOT be enforced on pharmaceutical manufacturers

GROUP PRACTICES

Group practices (PPOs, IPAs, HMOs), offer new opportunities for community pharmacists

38 16,6%	46 20,1%	63 27,5%	66 28,8%	16 7,0%	2,90 1,20	V 33
13 5,7%	35 15,3%	54 23,6%	81 35,4%	46 20,1%	3,50 1,14	V 34
34 14,8%	68 29,7%	60 26,2%	56 24,5%	11 4,8%	2,75 1,13	V 35
41 17,9%	59 25,8%	69 30,1%	46 20,1%	14 6,1%	2,71 1,16	V 36

Group practices will see the demise of traditional community pharmacies

Group practice will offer equal partnerships for pharmacists with other health professionals such as medical doctors and dentists

I intend to become involved in a group practice with other health professionals

PRIMARY HEALTH CARE

I intend changing my pharmacy to operate as a primary health care centre (clinic)

16 7,0%	29 12,7%	50 21,8%	84 36,7%	50 21,8%	3,54 1,17	V 37
17 7,4%	18 7,9%	42 18,3%	103 45,9%	49 21,4%	3,65 1,12	V 38
17 7,4%	30 13,1%	74 32,3%	80 34,9%	28 12,2%	3,31 1,03	V 39

Primary health care is the key to resuscitating community pharmacies

My involvement in free primary health care will indirectly improve the profit of my pharmacy

COMPETITION

Prescription medicines should be subject to competitive processes such as discounting

Dispensing by medical practitioners in my area has decreased over the last two years

Single-exit medicine prices will discourage medical practitioners to dispense

Single-exit prices will make it easier for community pharmacists to compete with dispensing medical practitioners

MMAP prices will discourage medical practitioners to dispense

Present legislation interfere with the right of community pharmacists to compound their own medicines

65 28,4%	81 35,4%	30 13,1%	38 16,6%	15 6,6%	2,38 1,24	V 40
89 38,9%	82 35,8%	22 9,6%	20 8,7%	16 7,0%	2,09 1,21	V 41
16 7,0%	31 13,5%	33 14,4%	93 40,6%	56 24,5%	3,62 1,19	V 42
12 5,2%	13 5,7%	26 11,4%	105 45,9%	73 31,9%	3,93 1,06	V 43
19 8,3%	51 22,3%	39 17,0%	87 38,0%	33 14,4%	3,28 1,20	V 44
6 2,6%	21 9,2%	49 21,4%	107 46,7%	46 20,1%	3,73 0,97	V 45

TECHNOLOGICAL

I intend extending my dispensary computer system to render a comprehensive primary health care service

I intend using the HealthNet system of Medi-Kredit (or a similar system, when available) to process my medical scheme transactions

13 5,7%	27 11,8%	64 27,9	87 38,0%	38 16,6%	3,48 1,08	V 46
1 0,4%	6 2,6%	32 14,0%	103 45,0%	87 38,0%	4,18 0,80	V 47

PHARMACY IMAGE

Discounts on prescription medicines is undermining the dignity of the profession

Postal prescription services is undermining the dignity of the profession

I regard the ethical aspect of my profession as more important than the profit motive

Community pharmacy offers a career path that I am pleased with

I will probably still be in community pharmacy five years from now

7 3,1%	21 9,2%	24 10,5%	83 36,2%	94 41,0%	4,03 1,08	V 48
4 1,7%	6 2,6%	8 3,5%	40 17,5%	171 74,7%	4,61 0,82	V 49
2 0,9%	9 3,9%	51 22,3%	95 41,5%	72 31,4%	3,99 0,88	V 50
24 10,5%	39 17,0%	61 26,6%	72 31,4%	33 14,4%	3,22 1,20	V 51
14 6,1%	19 8,3%	48 21,0%	91 39,7%	57 24,9%	3,69 1,12	V 52

ORGANIZATIONAL PHARMACY MANAGEMENT

The Pharmacy Council should take the leading role in developing strategies to ensure the future viability of community pharmacies

The Minister/Dept of Health should take the leading role in developing strategies to ensure the future viability of community pharmacies

The Pharmacy Council has a strategy to lead community pharmacies into the future

I am satisfied with the strategies adopted by the Pharmacy Council to ensure the viability of community pharmacies

At least 51% of the members of the Pharmacy Council should be elected pharmacists

Elected pharmacists on the Pharmacy Council do NOT adequately influence decisions of the Council in respect of community pharmacies

Community pharmacists, as a group of pharmacists, are NOT adequately represented on the Pharmacy Council

Decisions taken and strategies developed by the Pharmacy Council is to a large extent dictated by the Department/Minister of Health

Written feedback from the Pharmacy Council on decisions affecting my pharmacy business is adequate

2 0,9%	6 2,6%	11 4,8%	105 45,9%	105 45,9%	4,33 0,76	V 53
31 13,5%	31 13,5%	37 16,2%	67 29,3%	63 27,5	3,44 1,37	V 54
38 16,6%	60 26,2%	67 29,3%	45 19,7%	19 8,3%	2,77 1,19	V 55
52 22,7%	74 32,3%	64 27,9%	31 13,5%	8 3,5%	2,43 1,09	V 56
0 0,0%	4 1,7%	1 4,8%	102 44,5%	112 48,9%	4,41 0,67	V 57
1 0,4%	12 5,2%	39 17,0%	101 44,1%	76 33,2%	4,04 0,87	V 58
0 0,0%	6 2,6%	37 16,2%	102 44,5%	84 36,7%	4,15 0,78	V 59
7 3,1%	16 7,0%	31 13,5%	114 49,8%	61 26,6%	3,90 0,98	V 60
28 12,2%	81 35,4%	53 23,1%	53 23,1%	14 6,1%	2,76 1,12	V 61

Regular inspections by the Pharmacy Council will ensure compliance by community pharmacists with minimum professional standards

The Pharmaceutical Society should take the leading role in developing strategies to ensure the future viability of community pharmacies

The Pharmaceutical Society has a strategy to ensure the future viability of community pharmacies

The Pharmaceutical Society has become a discussion forum with no ability to influence strategies of the Pharmacy Council

Opinions expressed by Pharmaceutical Society executive members is just an imitation of opinions expressed by the Pharmacy Council

The Association of Community Pharmacists (formerly known as SAARP) should take the leading role in developing strategies to ensure the future viability of community pharmacies

The Association of Community Pharmacists has a strategy to lead community pharmacies into the future

The Association of Community Pharmacists has become a discussion forum with no ability to influence decisions and strategies of the Pharmacy Council

Opinions expressed by members of the Association of Community Pharmacists is just an imitation of opinions expressed by the Pharmacy Council

I have considerable opportunities to influence the formulation of overall strategies concerning community pharmacies

8 3,5%	20 8,7%	39 17,0%	114 49,8%	48 21,0%	3,76 1,00	V 62
5 2,2%	10 4,4%	26 11,4%	116 50,7%	72 31,4%	4,05 0,90	V 63
21 9,2%	47 20,5%	82 35,8%	61 26,6%	18 7,9%	3,04 1,08	V 64
3 1,3%	16 7,0%	61 26,6%	92 40,2%	57 24,9%	3,80 0,94	V 65
7 3,1%	55 24,0%	85 37,1%	64 27,9%	18 7,9%	3,14 0,97	V 66
7 3,1%	13 5,7%	55 24,0%	90 39,3%	64 27,9%	3,83 1,00	V 67
20 87,0%	54 23,6%	94 41,0%	45 19,7%	16 7,0%	2,93 1,03	V 68
6 2,6%	20 8,7%	79 34,5%	84 36,7%	40 17,5%	3,58 0,96	V 69
9 3,9%	69 30,1%	95 41,5%	42 18,3%	14 6,1%	2,93 0,94	V 70
49 21,4%	77 33,6%	70 30,6%	26 11,4%	7 3,1%	2,41 1,04	V 71

ISSUES IDENTIFICATION

I become aware of critical pharmacy issues by scanning articles in the mass media such as newspapers

I become aware of critical pharmacy issues by scanning articles in pharmacy publications

I become aware of critical pharmacy issues by attending meetings/congresses of the Pharmacy Council/Society/Association

I become aware of critical pharmacy issues through interaction/meetings with colleagues

I regard myself as alert and observant

In my pharmacy business there exists a formalised system for the scanning of newspapers and pharmacy publications in order to identify critical pharmacy issues

46 20,1%	67 29,3%	33 14,4%	68 29,7%	15 6,6%	2,75 1,26	V 72
4 1,7%	14 6,1%	20 8,7%	141 61,6%	50 21,8%	3,96 0,84	V 73
26 11,4%	61 26,6%	50 21,8%	66 28,8%	26 11,4%	3,02 1,21	V 74
5 2,2%	19 8,3%	23 10,0%	131 57,2%	51 22,3%	3,89 0,92	V 75
2 0,9%	3 1,3%	35 15,3%	148 63,8%	43 18,8%	3,98 0,69	V 76
92 40,2%	50 21,8%	42 18,3%	35 15,3%	10 4,4%	2,22 1,24	V 77

ISSUES ANALYSIS

I analyse critical issues affecting my pharmacy business by scrutinizing articles in the mass media such as newspapers

I analyse critical issues affecting my pharmacy business by scrutinizing articles in pharmacy publications

I analyse critical pharmacy issues through attending meetings/congresses of the Pharmacy Council/Society/Association

I analyse critical pharmacy issues through interaction/meetings with colleagues

I regard myself as a conceptual thinker

29 12,7%	48 21,0%	55 24,0%	78 34,1%	19 8,3%	3,04 1,18	V 78
4 1,7%	22 9,6%	40 17,5%	135 59,0%	28 12,2%	3,70 0,87	V 79
18 7,9%	17 30,6%	47 20,5%	77 33,6%	17 7,4%	3,02 1,12	V 80
7 3,1%	22 9,6%	29 12,7%	139 60,7%	32 14,0%	3,73 0,93	V 81
1 0,4%	12 5,2%	61 26,6%	123 53,7%	32 14,0%	3,76 0,77	V 82

In my pharmacy business there exists a formalised program of scrutinizing newspapers and pharmacy publications attentively in order to analyse critical pharmacy issues

89 38,9%	62 27,1%	45 19,7%	23 10,0%	10 4,4%	2,14 1,17	V 83
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STRATEGY FORMULATION AND SELECTION

I assist in the formulation and selection of strategies regarding critical pharmacy issues through attending meetings/congresses of the Pharmacy Council/Society/Association

46 20,1%	84 36,7%	39 17,0%	54 23,6%	6 2,6%	2,52 1,13	V 84
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I discuss the formulation and selection of strategies regarding critical pharmacy issues through interaction/meetings with colleagues

13 5,7%	35 15,3%	41 17,9%	114 49,8%	26 11,4%	3,46 1,06	V 85
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I formulate strategies for my pharmacy business by setting policies for critical pharmacy issues

9 3,9%	29 12,7%	60 26,2%	115 50,2%	16 7,0%	3,44 0,94	V 86
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I attempt to remove all uncertainties surrounding critical issues affecting my pharmacy business

2 0,9%	10 4,4%	39 17,0%	154 67,2%	24 10,5%	3,82 0,71	V 87
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I shy away from making important decisions on critical issues affecting my pharmacy business

46 20,1%	117 51,1%	33 14,4%	27 11,8%	6 2,6%	2,26 1,00	V 88
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In my pharmacy business there exist a formalised system of formulating strategies for critical pharmacy issues

24 10,5%	57 24,9%	79 34,5%	58 25,3%	11 4,8%	2,89 1,05	V 89
-------------	-------------	-------------	-------------	------------	--------------	------

STRATEGY IMPLEMENTATION

I assist in the impletation of strategies regarding critical pharmacy issues through attending meetings/congresses of the Pharmacy Council/Society/Association

41 17,9%	67 29,3%	45 19,7%	64 27,9%	12 5,2%	2,73 1,20	V 90
-------------	-------------	-------------	-------------	------------	--------------	------

I discuss the impletation of strategies regarding critical pharmacy issues through interaction/meetings with colleagues

8 3,5%	33 14,4%	33 14,4%	133 58,1%	22 9,6%	3,56 0,97	V 91
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I set clear objectives when dealing with critical issues affecting my pharmacy business

1 0,4%	16 7,0%	49 21,4%	131 57,2%	32 14,0%	3,77 0,79	V 92
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I plan activities when dealing with critical issues affecting my pharmacy business

1 0,4%	8 3,5%	58 25,3%	136 59,4%	26 11,4%	3,78 0,71	V 93
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I have a high need for achievement (task accomplishment)

0 0,0%	8 3,5%	22 9,6%	128 55,9%	71 31,0%	4,14 0,73	V 94
-----------	-----------	------------	--------------	-------------	--------------	------

In my pharmacy business their exist a formalised program to implement activities in order to deal with critical pharmacy issues

13 5,7%	46 20,1%	66 28,8%	88 38,4%	16 7,0%	3,21 1,03	V 95
------------	-------------	-------------	-------------	------------	--------------	------

EVALUATION

I evaluate the effectiveness of strategies regarding critical pharmacy issues through attending meetings/congresses of the Pharmacy Council/Society/Association

21 9,2%	80 34,9%	45 19,7%	71 31,0%	12 5,2%	2,88 1,11	V 96
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I evaluate the effectiveness of strategies regarding critical pharmacy issues through interaction/meetings with colleagues

7 3,1%	35 15,3%	46 20,1%	115 50,2%	26 11,4%	3,52 0,99	V 97
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I have a high regard for assessing the effectiveness of activities in my pharmacy business

2 0,9%	15 6,6%	38 16,6%	138 60,3%	36 15,7%	3,83 0,80	V 98
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I evaluate the the effectiveness of activities in my pharmacy business through measuring actual performance against set standards

1 0,4%	22 9,6%	48 21,0%	130 56,8%	28 12,2%	3,71 0,82	V 99
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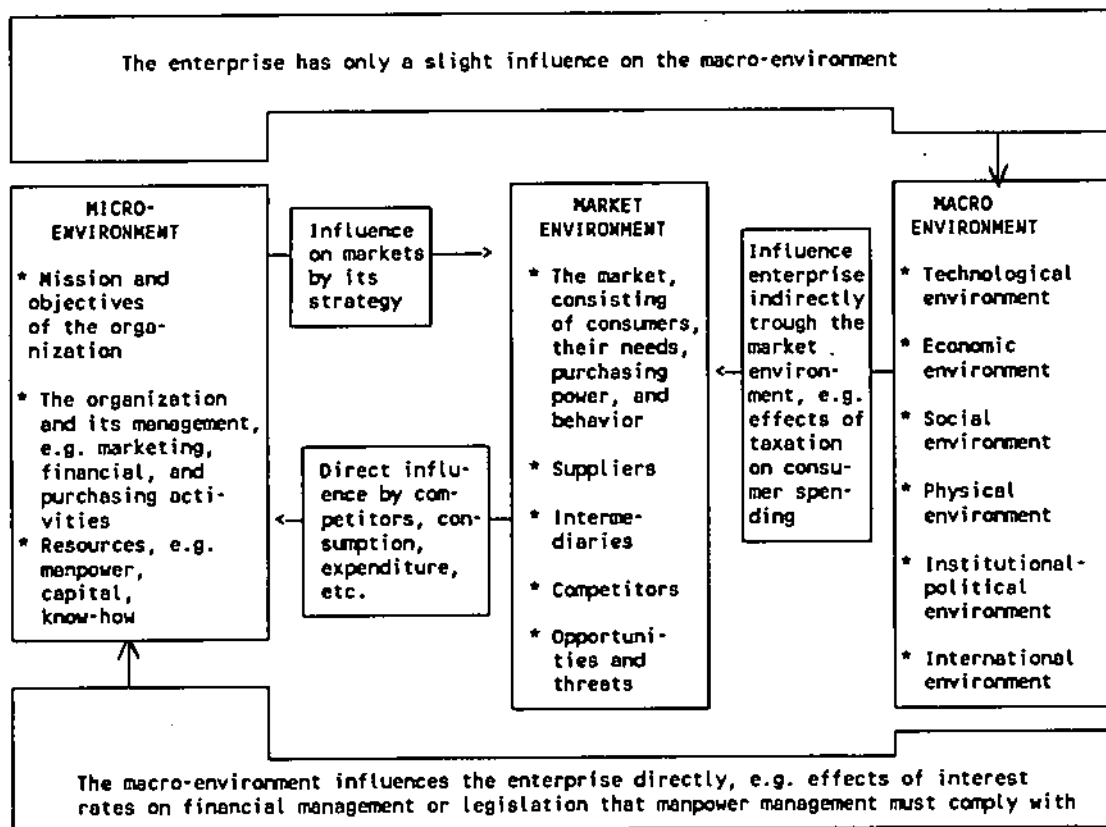
I am of nature a critical person

2 0,9%	20 8,7%	46 20,1%	124 54,1%	37 16,2%	3,76 0,86	V 100
-----------	------------	-------------	--------------	-------------	--------------	-------

In my pharmacy business their exist a formalised program to evaluate the effectiveness of implemented strategies

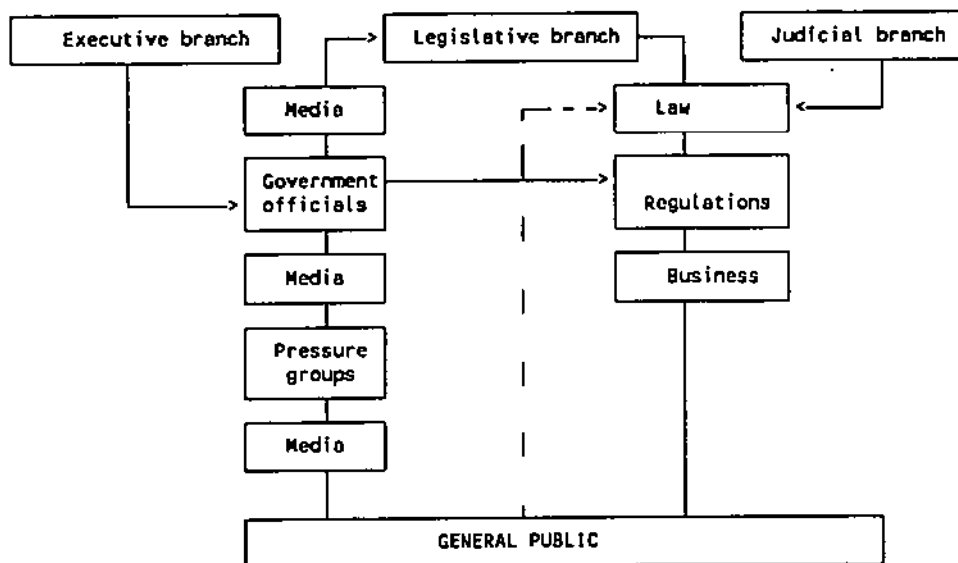
25 10,9%	44 19,2%	73 31,9%	72 31,4%	15 6,6%	3,04 1,10	V 101
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FIGURE 2.3.2: THE COMPOSITION OF THE MANAGEMENT ENVIRONMENT



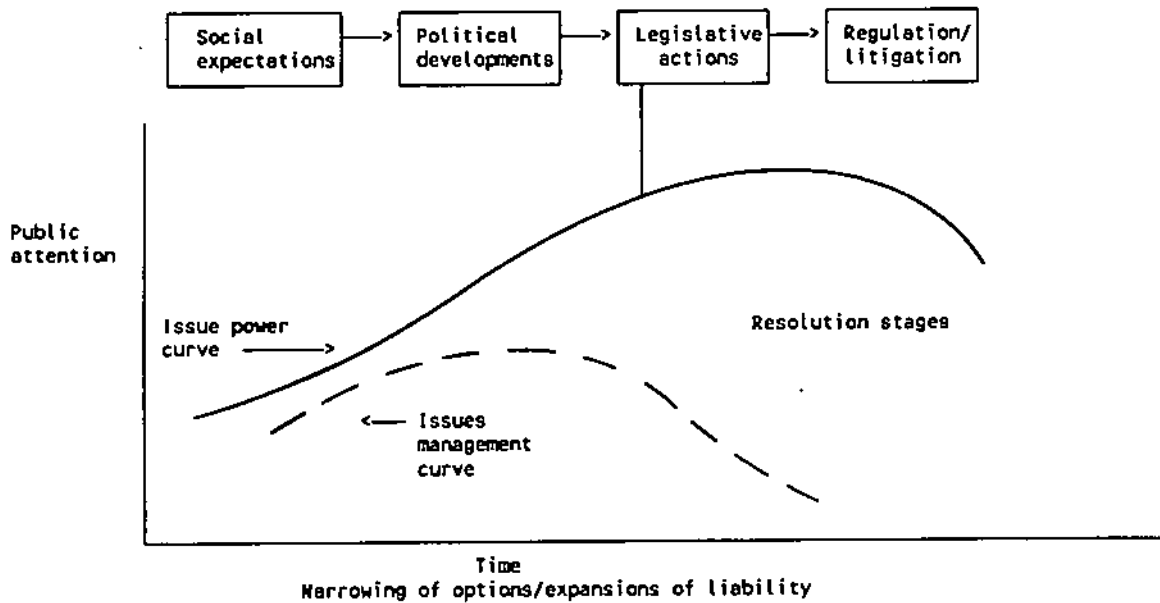
Source: Adapted from Cronje et al (1993:43).

FIGURE 2.4.2.2: THE PUBLIC POLICY PROCESS



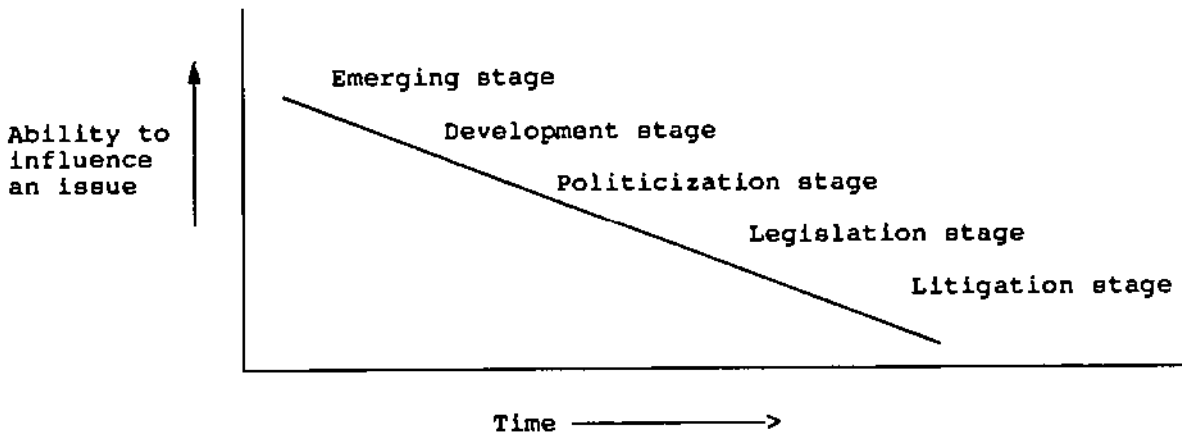
Source: Adapted from Ewing (1987:41)

FIGURE 2.4.4.A: THE LIFE CYCLE OF ISSUES



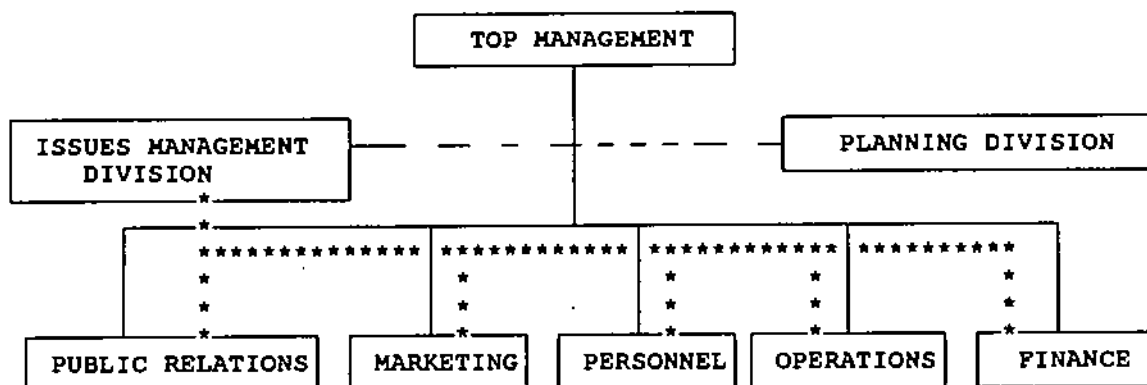
Source: Ewing (1987:50).

FIGURE 2.4.4.B: THE ABILITY OF ORGANIZATIONS TO INFLUENCE AN ISSUE DURING ITS LIFE CYCLE



Source: Adapted from Coates et al (1986:22).

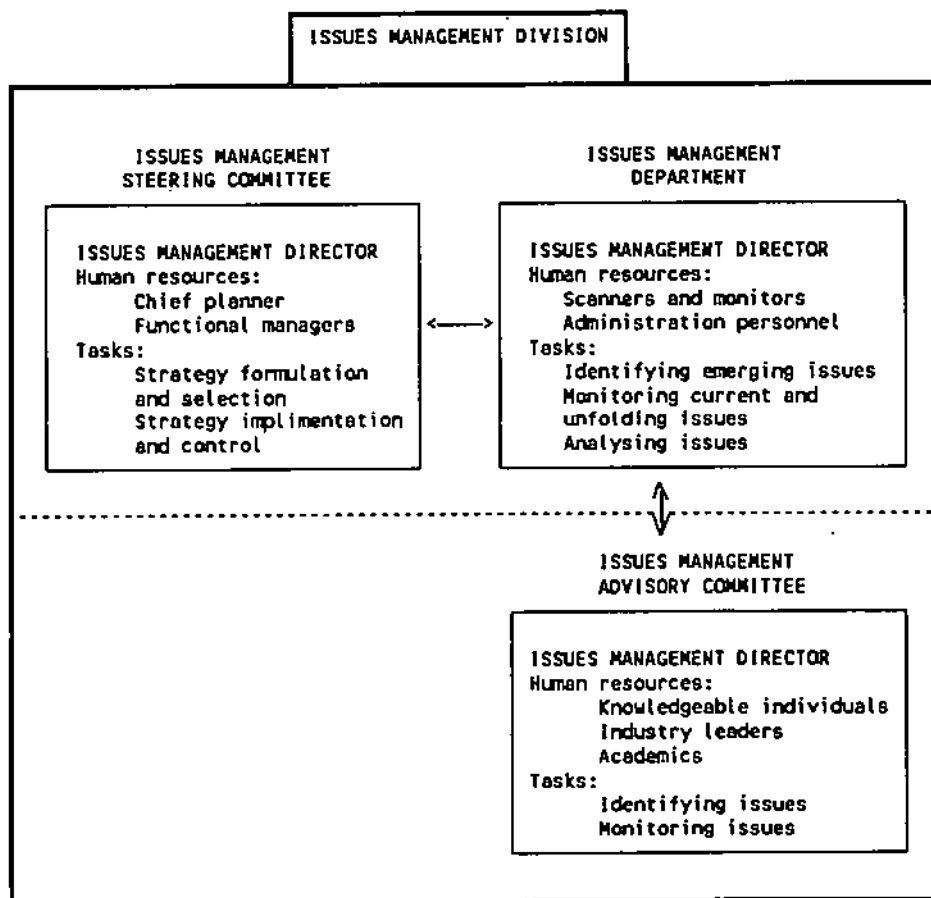
FIGURE 2.5.5.2: PROPOSED ORGANIZATIONAL STRUCTURE TO ACCOMODATE THE ISSUES MANAGEMENT FUNCTION



Legend: ————— Line authority
 - - - - - Staff authority
 ***** Functional authority

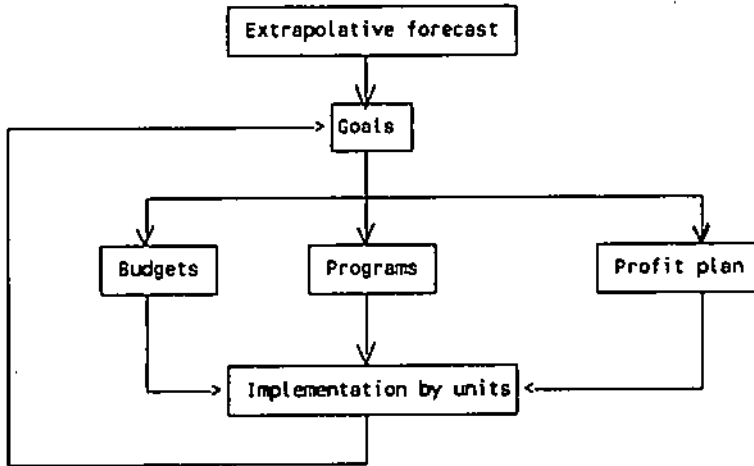
Source: Own research

FIGURE 2.5.5.3: PROPOSED FRAMEWORK OF HUMAN RESOURCES AND TASKS WITHIN THE ISSUES MANAGEMENT DIVISION



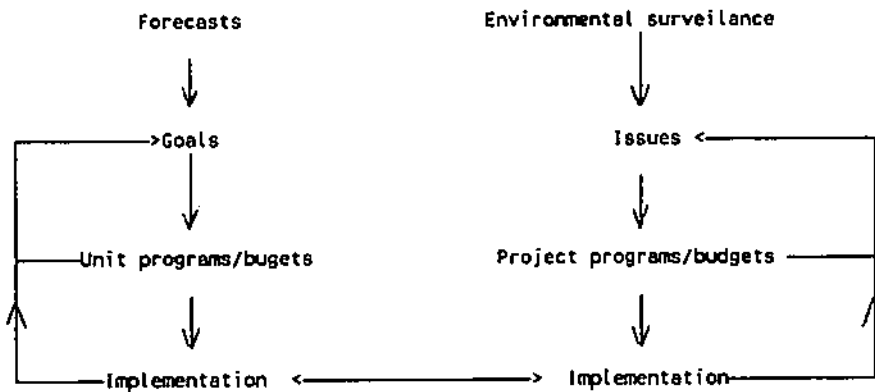
Source: Own research

FIGURE 2.6.4.A: THE PROCESS OF LONG-TERM PLANNING



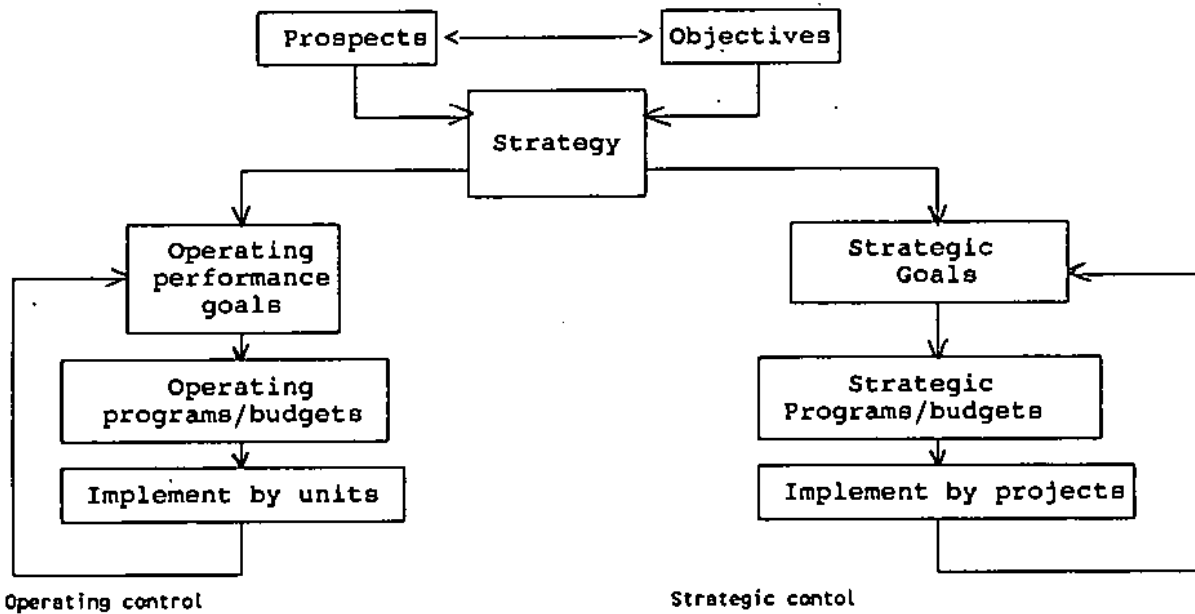
Source: Adapted from Ansoff and Mc Donnell (1990:16).

FIGURE 2.6.4.B: QUASISTRATEGIC PLANNING: LONG RANGE PLANNING COMBINED WITH ISSUES MANAGEMENT



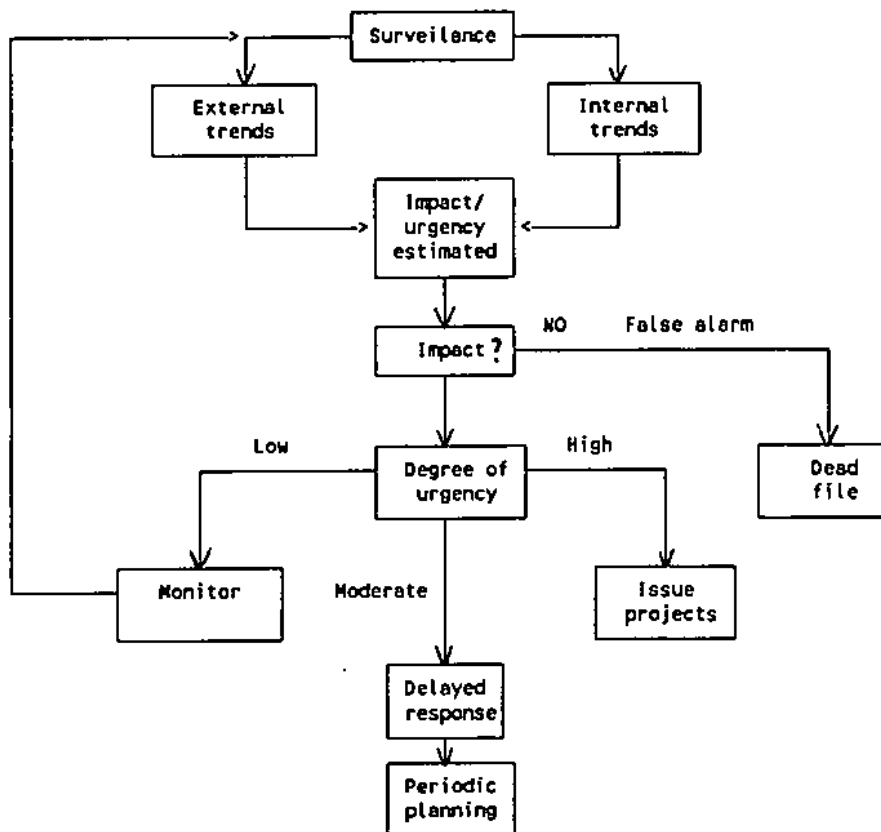
Source: Adapted from Ansoff and Mc Donnell(1990:476).

FIGURE 2.6.5: THE STRATEGIC PLANNING PROCEDURE



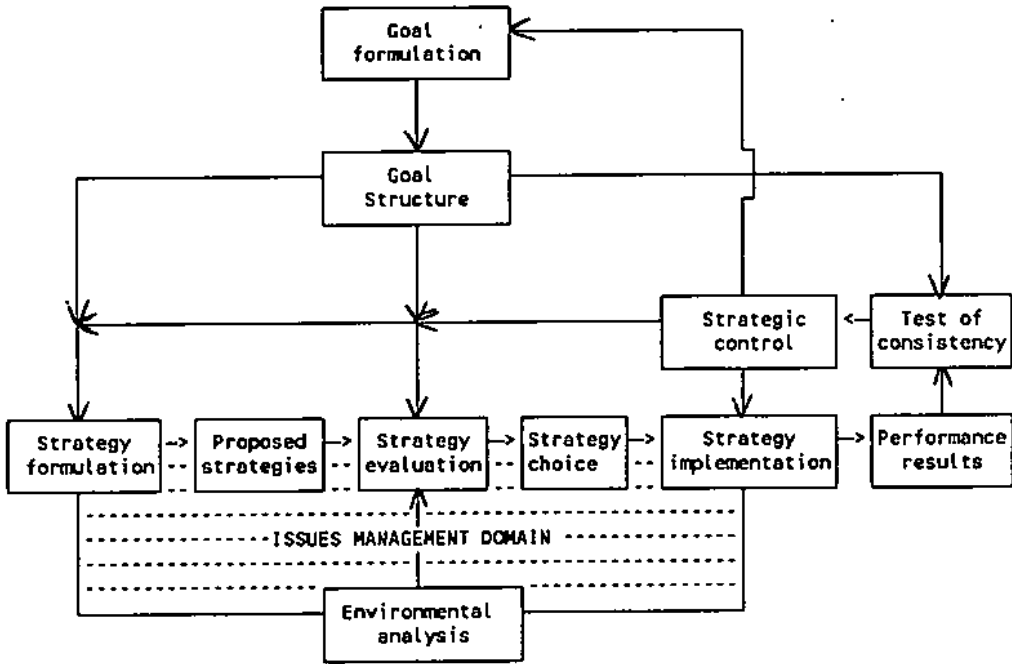
Source: Adapted from Ansoff and McDonnell (1990:16)

Figure 2.6.6.A: STRATEGIC ISSUES MANAGEMENT



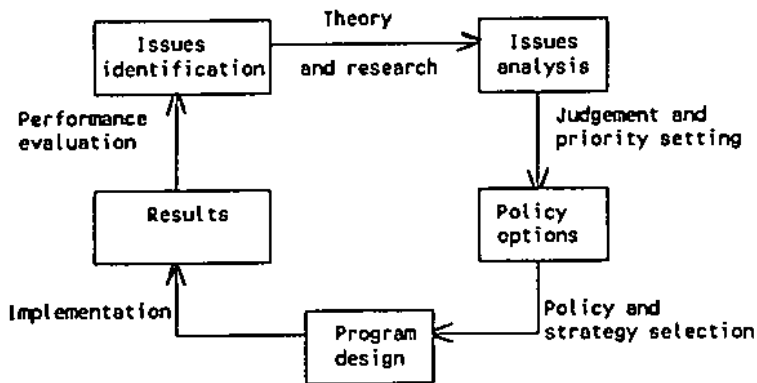
Source: Adapted from Ansoff and McDonnell (1990:19)

FIGURE 2.6.6.B: THE LINKAGE BETWEEN STRATEGIC PLANNING, ISSUES MANAGEMENT AND STRATEGIC MANAGEMENT



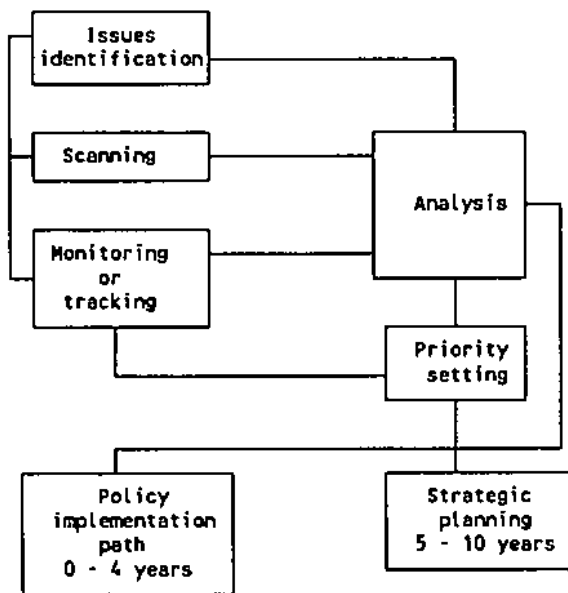
Source: Adapted from Lozier and Chittipeddi (1986:6).

FIGURE 2.7.1.A: THE ISSUES MANAGEMENT PROCESS CONTINUUM



Source: Adapted from Cook (1989:155)

FIGURE 2.7.1.B: CONCEPTUAL MODEL OF ISSUES MANAGEMENT



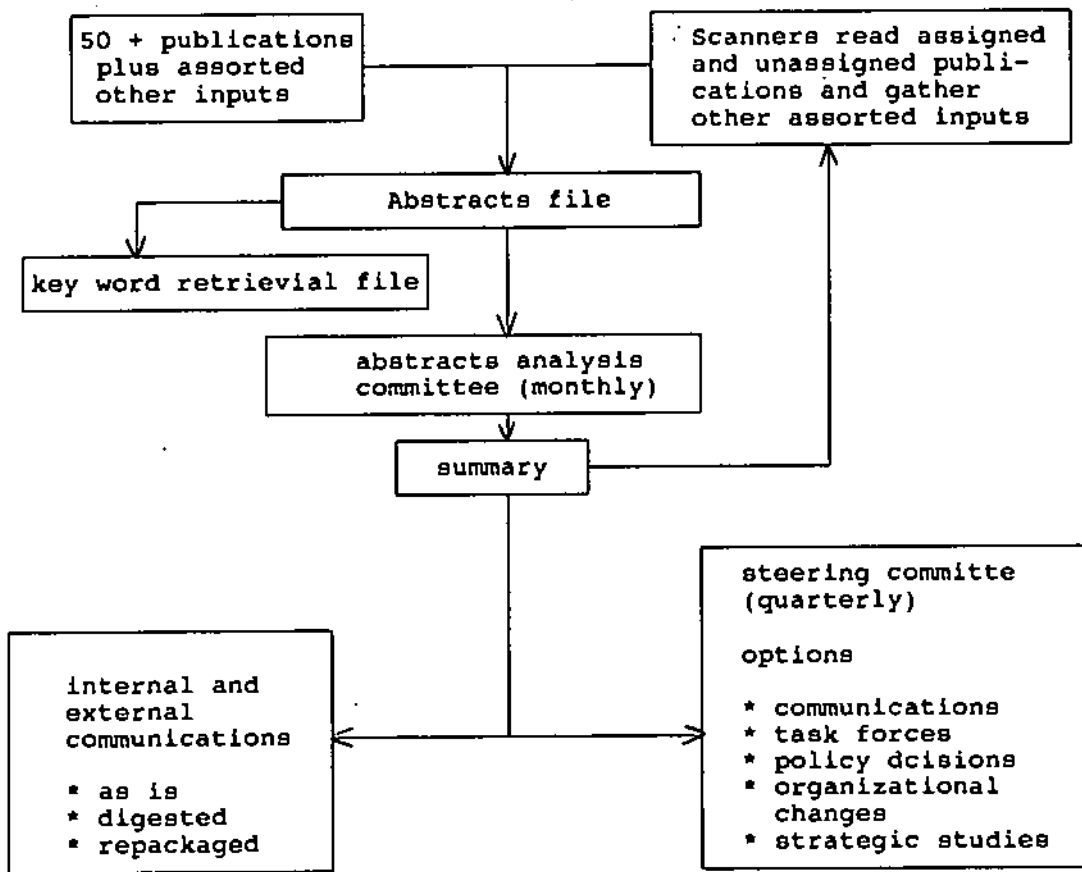
Source: Adapted from Coates *et al* (1986:29)

TABLE 2.7.2: A PROPOSED PROGRAM FOR ISSUES MANAGEMENT BASED ON THE ORIGINAL CHASE-JONES MODEL

THE STEPS IN THE ISSUES MANAGEMENT PROCESS	THE ACTIVITIES IN THE ISSUES MANAGEMENT PROCESS
1. Issues identification and monitoring	(a) Primary identification of emerging issues (b) Monitoring of emerging issues (c) Monitoring of unfolding issues (d) Monitoring of current issues
2. Issues analysis	(a) Impact assessment of emerging issues (b) Judgement on unfolding issues (c) Priority setting on emerging and unfolding issues
3. Strategy formulation and policy setting	(a) Strategy formulation (b) Policy setting for high-priority issues
4. Strategy implementation and control	(a) Issues management framework to put policy options into action (b) Feedback and supporting program through a network of internal and external sources of information
5. Response evaluation	(a) Auditing the process of issues management (b) Performance appraisal

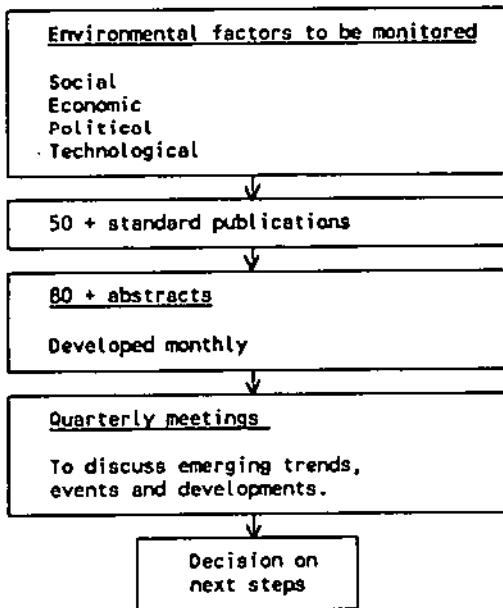
Source: Own research

FIGURE 2.7.2.1.A: THE SCANNING PROCESS



Source: Adapted from Ewing (1987:175).

FIGURE 2.7.2.1.B: THE MONITORING PROCESS



Source: Adapted from Ewing (1987:175).

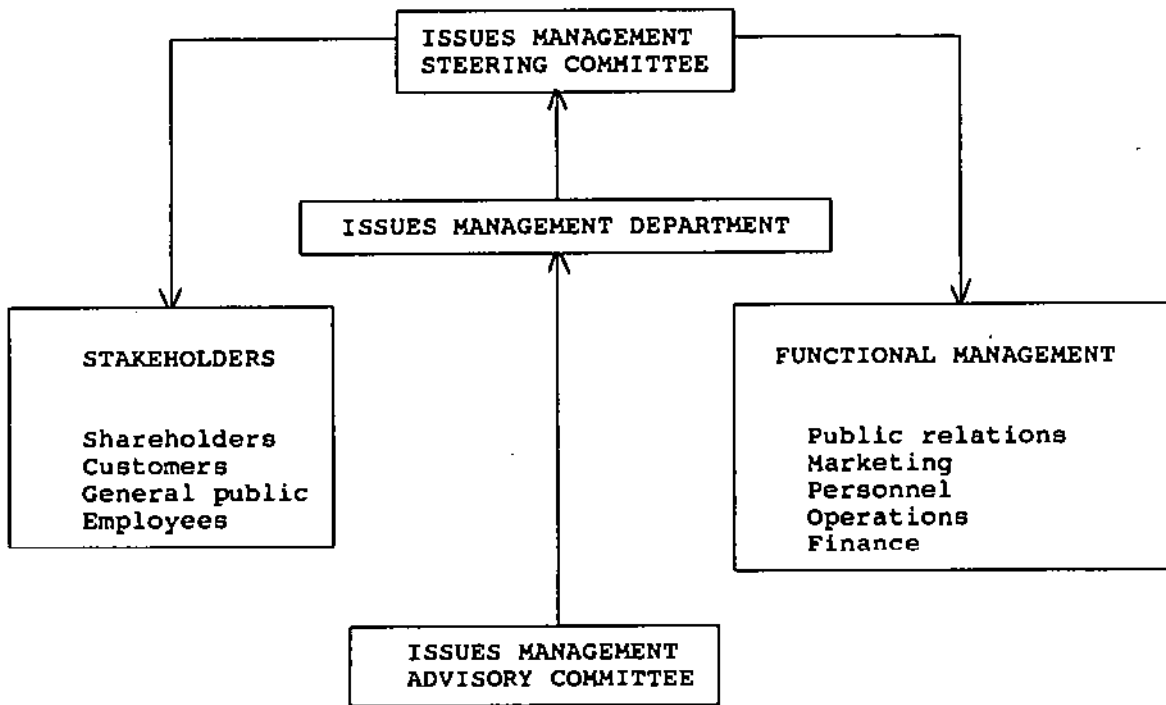
FIGURE 2.7.2.2: ISSUES PRIORITY MATRIX

Probability of occurrence	High	High Priority	High Priority	Medium Priority
	Medium	High Priority	Medium Priority	Low Priority
	Low	Medium Priority	Low Priority	Low Priority
		High	Medium	Low

Probable impact on corporation

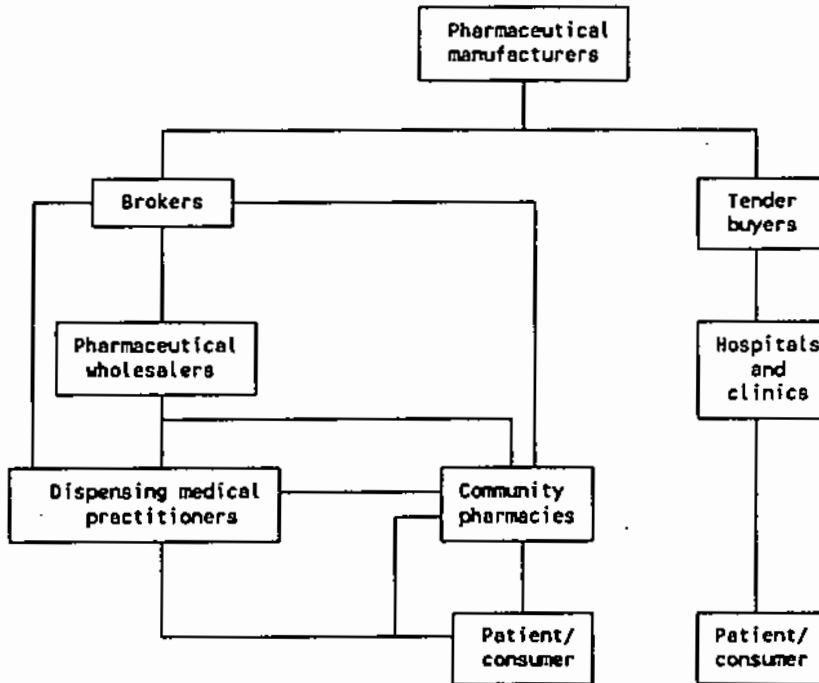
Source: Adapted from Wheelen and Hunger (1988:99)

FIGURE 2.7.2.4: PROPOSED FRAMEWORK OF STRATEGY IMPLEMENTATION



Source: Own research

FIGURE 3.3.1.A: THE ROLE PLAYERS IN THE PHARMACEUTICAL INDUSTRY IN THE RSA



Source: Adapted from Sake Rapport (16 February 1992:5)

TABLE 3.3.3: PROFILE OF COMMUNITY PHARMACIES IN THE RSA

PROVINCE	NUMBER
Cape province	737
Orange Free State	177
Natal	469
Transvaal	1494
Total	2876

Source: SA Pharmacy Council (1993a:12)

FIGURE 3.3.1.B: INVOLVEMENT OF PHARMACISTS IN DIFFERENT WORK AREAS

All pharmacists	Community	67,6 %
	Hospital	12,0 %
	Wholesale	2,2 %
	Manufacturing	4,4 %
	Transmed	1,6 %
	Education	1,1 %
	Administration	1,0 %
	Non-practising	3,6 %
	Retired	2,5 %
	Outside RSA	3,1 %

Source: Adapted from SA Pharmacy Council (1992:25)

TABLE 3.5: MICRO-ENVIRONMENTAL FACTORS AFFECTING THE VIABILITY OF COMMUNITY PHARMACIES

MANAGEMENT DIMENSIONS	
-	profitability
-	financial involvement
-	wholesaler financial assistance
-	bulk buying and group buying
-	product range and pricing policies
-	turnover and gross profit margins
-	overhead cost control
-	credit control and administration
-	trading times
-	degree of diversification
GEOGRAPHICAL DISTRIBUTION	
-	metropolitan areas
-	small or large towns
PHYSICAL DIMENSIONS	
-	location: shopping and medical centres
-	type: private or franchised
-	size: staff, floor space, tenure, rental

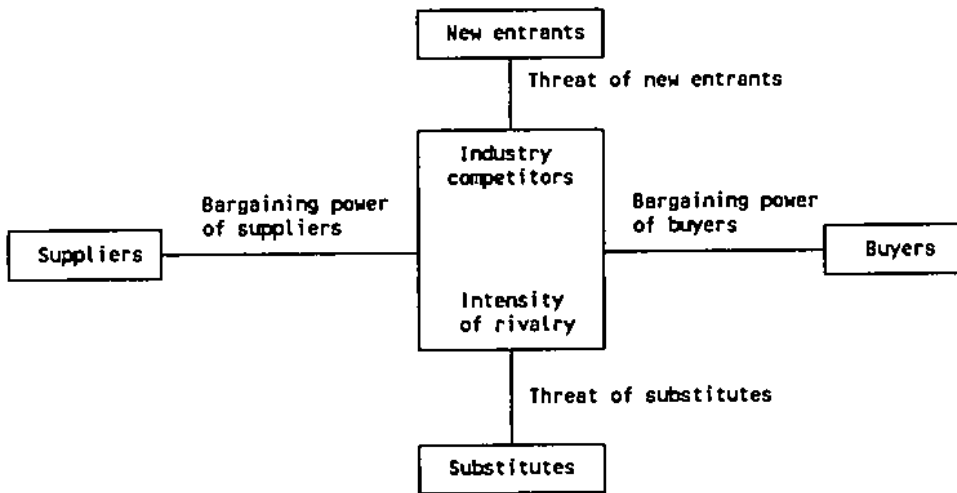
Source: Adapted from Du Preez (1973), Scott (1987), Visser (1989), Spies (1990).

TABLE 3.6.1.1: DISTRIBUTION OF MALE AND FEMALE PHARMACISTS PER RACE GROUP

RACE GROUP	MALE	FEMALE
White	2829	2465
Indian	321	136
Black	62	34
Coloured	69	37
Chinese	19	15
TOTAL	3300	2687

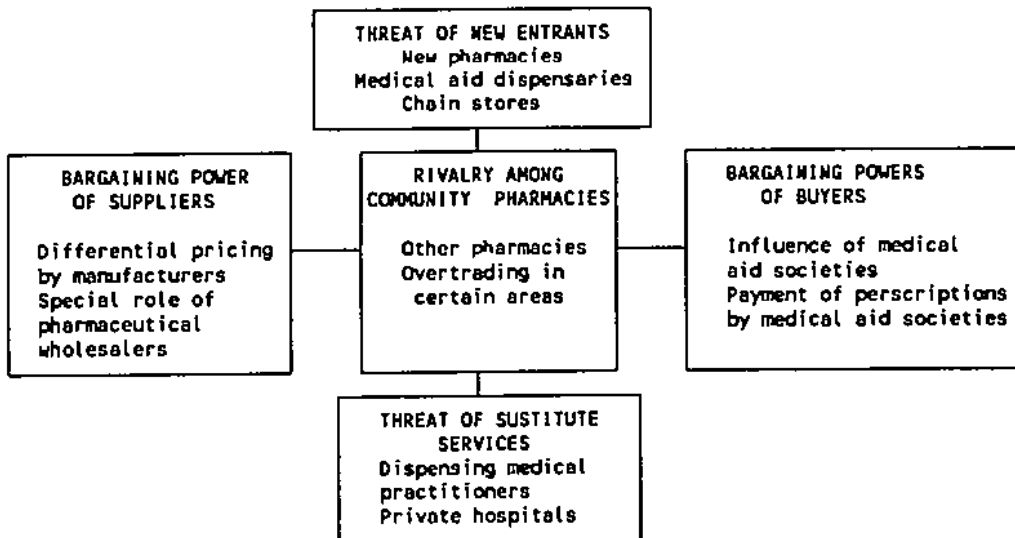
Source: The South African Pharmacy Council (1993:1)

FIGURE 3.6.5.A: PORTER'S FIVE FORCES MODEL



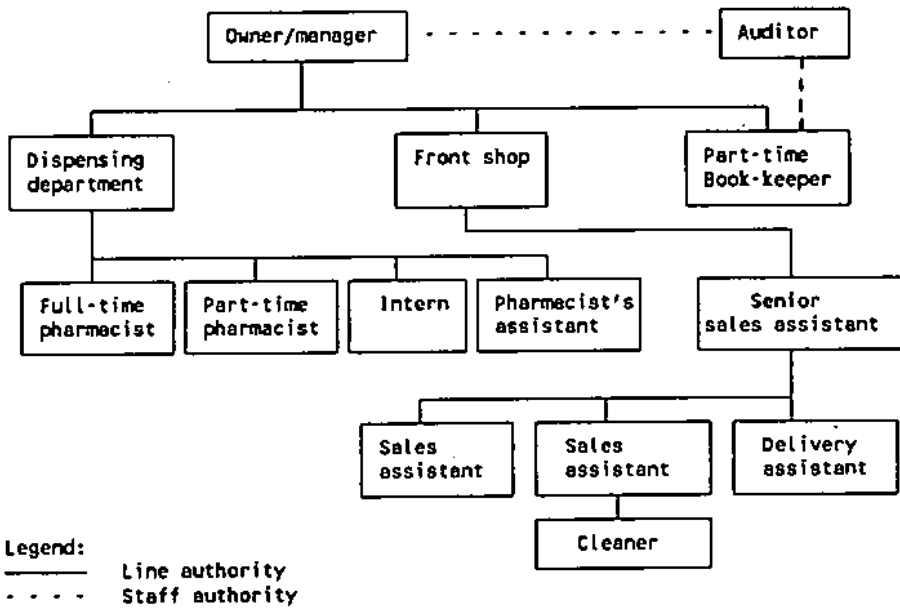
Source: Porter (1980:4)

FIGURE 3.6.5.B: APPLICATION OF PORTER'S FIVE FORCES MODEL TO COMMUNITY PHARMACIES



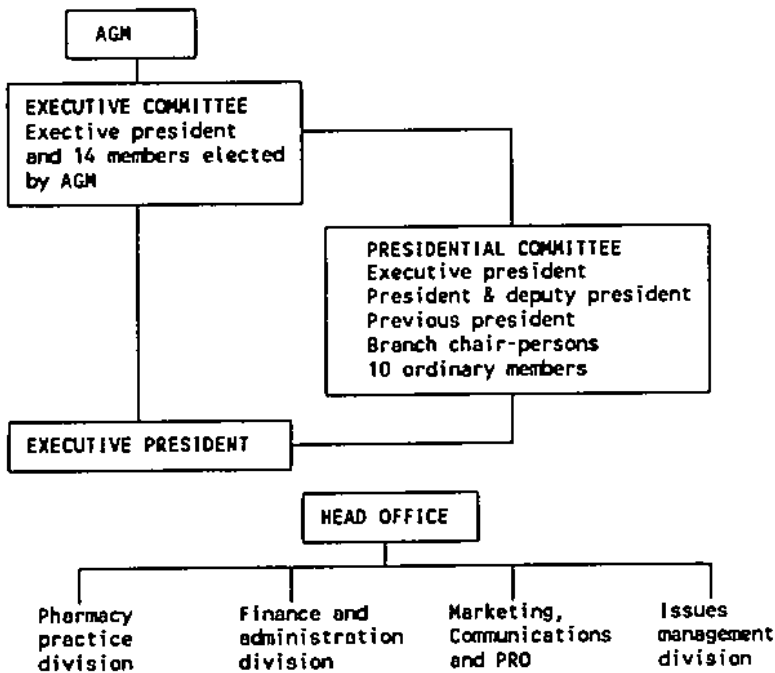
Source: Adapted from Spies (1990:264)

FIGURE 3.8.1: ORGANIZATIONAL STRUCTURE FOR COMMUNITY PHARMACIES



Source: Adapted from Truter (1992:304)

FIGURE 3.8.2.2: THE PSSA STRUCTURE OF RELATIONSHIPS



Source: Adapted from PSSA working document, PSSA:CA155/1992.

TABLE 4.2.6: QUESTIONNAIRE DESIGN FRAMEWORK

INDEPENDENT VARIABLES	DEPENDENT VARIABLES	RESPONSES
<p>PART A</p> <p>(i) EXTERNAL ENVIRONMENTAL ISSUES</p> <ul style="list-style-type: none"> * Political * Economical * Demograp/Social * Legal * Technological <p>(ii) TASK ENVIRONMENTAL ISSUES</p> <ul style="list-style-type: none"> * Ownership * Supplementary training * Refresher courses * Higher schedules * One exit price * Group practices * Competition * Pharmacy image <p>(iii) ORGANISATIONAL MANAGERIAL ELEMENTS</p> <ul style="list-style-type: none"> * Statutory bodies * Professional bodies 		<p>Rating</p> <p>(0 - 5 Likert scale)</p>
<p>PART B</p>	<p>Issues management process steps:</p> <ul style="list-style-type: none"> * Identification of issues * Analysis of issues * Strategy formulation * Strategy implementation * Response evaluation 	<p>Rating</p> <p>(0 - 5 Likert scale)</p>

(Continued on next page)

TABLE 4.2.6: Continued

INDEPENDENT VARIABLES	DEPENDENT VARIABLES	RESPONSES
PART C		
(i) INTEREST ELEMENTS		Applicability
* Financial interest and manager		Yes/No
* Manager only		Yes/No
* Financial interest only		Yes/No
(ii) PHARMACY SIZE		
* Total turnover		Specify
* Dispensary size		Specify
(iii) PERSONAL ELEMENTS		
* Age		Years
* Working experience		Years
* Race		Specify
* Sex		Specify
(iv) MANAGEMENT TRAINING ELEMENTS		
* Pre-graduate management training		- Specify year of registration
* Post-registration management training		- Specify
* Ad hoc management training		-Specify
(v) MANAGEMENT INVOLVEMENT ELEMENTS		
* Leadership position		- Specify
* Attendance rating		- Specify
(vi) ISSUES MANAGEMENT TRAINING		Yes/No

Source: Part A, Part B, and Part C of the questionnaire

TABLE 4.3.8: NUMERICAL SURVEY RESPONSE AFTER MAILING

	Number	% of total
Questionnaires posted	833	100
Questionnaires returned	242	29
Response rate on increased sample size	833	29
Response rate on initial sample size	384	63
Returns used in analysis	230	95
Returns not used in analysis	12	5

TABLE 5.2.1: THE CONTENT AND FORMAT OF PART C OF THE QUESTIONNAIRE USED IN THIS STUDY

CONCEPT EMPHASISED	QUESTION NUMBERS	NUMBER OF QUESTIONS
Interest elements	V102	1
Geographical and size elements	V103 V104 V105	3
Personal aspects	V107 V108	2
Maturity elements	V106 V109	2
Management training	V110 V111 V112 V113	4
Participation	V114 V115	2
Issues management training	V116	1

TABLE 5.2.1.1: INTEREST AS OWNERS AND MANAGERS, MANAGERS ONLY AND FINANCIAL INTEREST ONLY

INTEREST	FREQUENCY COUNT	FREQUENCY PERCENTAGE
Owners/managers	188	82,1
Managing only	41	17,9
Financial interest only	0	0
Total	229	100,0

TABLE 5.2.1.2.A: GEOGRAPHICAL DISTRIBUTION OF COMMUNITY PHARMACIES

GEOGRAPHICAL LOCATION	FREQUENCY COUNT	FREQUENCY PERCENTAGE
Located in towns	116	50,7
Located in cities	113	49,3
Total	229	100,0

TABLE 5.2.1.2.B: MONTHLY TURNOVER OF COMMUNITY PHARMACIES

MONTHLY TURNOVER	FREQUENCY COUNT	FREQUENCY PERCENTAGE
R 0 - 49 000	10	4,4
R 50 000 - 99 000	60	26,2
R 100 000 - 149 000	49	21,4
R 150 000 - 199 000	54	23,6
R 200 000 - 249 000	30	13,0
R 250 000 and more	26	11,4
Total	229	100,0

TABLE 5.2.1.2.C: CATEGORIES OF MONTHLY TURNOVER OF COMMUNITY PHARMACIES

CATEGORY	FREQUENCY COUNT	FREQUENCY PERCENTAGE
SMALL	70	30,6
MEDIUM	103	45,0
LARGE	56	24,5
Total	229	100,0

TABLE 5.2.1.2.D: PERCENTAGE OF GROSS TURNOVER MADE UP BY PRESCRIPTION MEDICINES

PERCENTAGE CATEGORY	FREQUENCY COUNT	FREQUENCY PERCENTAGE
0 - 24%	19	8,3
25 - 49%	63	27,5
50 - 74%	120	52,4
75 - 100%	27	11,8
Total	229	100,0

TABLE 5.2.1.3.A: RACE DISTRIBUTION OF COMMUNITY PHARMACY OWNERS/MANAGERS

RACE GROUP	FREQUENCY COUNT	FREQUENCY PERCENTAGE
White	209	91,27
Black	8	3,49
Indian	10	4,37
Coloured	2	0,87
Total	229	100,00

TABLE 5.2.1.3.B: DISTRIBUTION OF COMMUNITY PHARMACY OWNERS/MANAGERS BY SEX

SEX GROUP	FREQUENCY COUNT	FREQUENCY PERCENTAGE
Female	34	14,8
Male	195	85,2
Total	229	100,0

TABLE 5.2.1.4: AGE DISTRIBUTION OF COMMUNITY PHARMACISTS

AGE GROUP IN YEARS	FREQUENCY COUNT	FREQUENCY PERCENTAGE	MEAN AGE IN YEARS	STD. DEV. OF AGE
Younger than 40	121	52,84	40,54	10,71
40 - 50	64	27,95		
51 and older	44	19,21		
Total	229	100,00		

TABLE 5.2.1.5.A: YEAR OF REGISTRATION AS COMMUNITY PHARMACIST

YEAR OF REGISTRATION	FREQUENCY COUNT	FREQUENCY PERCENTAGE
Before 1975	96	41,9
1975 and thereafter	133	58,1
Total	229	100,0

TABLE 5.2.1.5.B: BUSINESS MANAGEMENT QUALIFICATIONS OF COMMUNITY PHARMACISTS

QUALIFICATION	FREQUENCY COUNT	FREQUENCY PERCENTAGE
Management diploma (1)	27	11,8
BCom with management subjects (2)	3	1,3
MBA (3)	5	2,2
(1) + (2) (6)	0	0,0
(1) + (3) (7)	1	0,4
(1) + (4) (8)	1	0,4
(2) + (3) (9)	0	0,0
(2) + (4) (10)	0	0,0
(3) + (4) (11)	0	0,0
Other (4)	1	0,4
None (5)	191	83,5
Total	229	100,0

TABLE 5.2.1.5.C: MANAGEMENT CONTENT OF DEGREES AND DIPLOMAS

MANAGEMENT CONTENT	FREQUENCY COUNT	FREQUENCY PERCENTAGE
Strategic planning (1)	4	1,74
Strategic management (2)	7	3,05
Management of change (3)	2	0,90
None (4)	203	88,64
(1) + (2) (5)	1	0,43
(2) + (3) (6)	0	0,00
(1) + (2) + (3) (7)	12	5,24
Total	229	100,00

TABLE 5.2.1.5.D: ATTENDANCE OF AD HOC BUSINESS COURSES

COURSES OFFERED BY	FREQUENCY COUNT	FREQUENCY PERCENTAGES
Wholesalers (1)	94	41,00
Correspondence colleges (2)	8	3,49
Other (3)	14	6,17
None (4)	94	41,05
(1) + (2) (5)	9	3,93
(1) + (3) (6)	8	3,49
(2) + (3) (7)	2	0,87
Total	229	100,00

TABLE 5.2.1.6.A: FREQUENCY OF ATTENDING WORKSHOPS, MEETINGS AND CONFERENCES

FREQUENCY CATEGORY	FREQUENCY COUNT	FREQUENCY PERCENTAGES
Never	54	23,6
Once per year	66	28,8
More than once per year	109	47,6
Total	229	100,0

TABLE 5.2.1.6.B: LEADERSHIP POSITION IN THE PHARMACY PROFESSION

COUNCIL OR SOCIETY	FREQUENCY COUNT	FREQUENCY PERCENTAGES
Pharmacy council (1)	0	0,0
Pharmaceutical society (2)	19	8,3
The SAACP (3)	7	3,1
Other (4)	8	3,5
None (5)	192	83,8
(1) + (2) (6)	2	0,9
(1) + (3) (7)	1	0,4
Total	229	100,0

TABLE 5.2.1.7: ISSUES MANAGEMENT TRAINING

ISSUES MANAGEMENT TRAINING	FREQUENCY COUNT	FREQUENCY PERCENTAGES
Yes	7	3,1
No	222	96,9
Total	229	100,0

TABLE 5.2.2: THE CONTENT AND FORMAT OF PART A OF THE QUESTIONNAIRE USED IN THIS STUDY

CATEGORIES	QUESTION NUMBERS	NUMBER OF QUESTIONS
Political	V1 to V2	2
Economical	V3 to V5	3
Demographic/social	V6 to V12	7
Legal/general	V13	1
Legal/ownership	V14 to V21	8
Legal/higher schedules	V22 to V25	4
Supplementary training	V26 to V28	3
Refresher courses	V29 to V30	2
Single-exit prices	V31 to V32	2
Group practices	V33 to V36	4
Primary health care	V37 to V39	3
Competition	V40 to V45	6
Technology	V46 to V47	2
Pharmacy image	V48 to V52	5
Organized pharmacy	V53 to V71	19

TABLE 5.2.3: THE CONTENT AND FORMAT OF PART B OF THE QUESTIONNAIRE USED IN THIS STUDY

CONCEPTS	QUESTION NUMBERS	NUMBER OF QUESTIONS
Identification	V72 to V77	6
Analysis	V78 to V83	6
Formulation	V84 to V89	6
Implementation	V90 to V95	6
Evaluation	V96 to V101	6

TABLE 5.2.3.6: SUMMARY OF THE DESCRIPTIVE STATISTICS FOR THE VARIOUS CATEGORIES OR STEPS INCLUDED IN THE PROCESS OF ISSUES MANAGEMENT

STATISTIC	ISSUES MANAGEMENT CATEGORIES OR STEPS				
	Issues identification	Issues analysis	Strategy formulation	Strategy Implementation	Response evaluation
1. Mean	19,80	19,39	18,38	21,20	20,73
2. Mode	18,00	16,00	19,00	23,00	22,00
3. Median	19,00	19,00	19,00	22,00	21,00
4. Standard deviation	3,75	4,02	3,32	3,73	3,89
5. Skewness	0,41	0,45	-0,33	-0,37	-0,27
6. Kurtosis	0,54	0,40	0,01	0,30	0,55
7. Standard error	0,25	0,27	0,22	0,25	0,26

TABLE 5.3.2.2: CRONBACH'S ALPHA TO TEST THE INTERNAL RELIABILITY OF MEASURES USED IN SECTION B OF THE QUESTIONNAIRE

VARIABLE	ALPHA	VARIABLE	ALPHA
V72	0,9121	V87	0,9078
V73	0,9098	V88	0,9187
V74	0,9055	V89	0,9043
V75	0,9084	V90	0,9048
V76	0,9059	V91	0,9050
V77	0,9055	V92	0,9047
V78	0,9077	V93	0,9057
V79	0,9073	V94	0,9082
V80	0,9040	V95	0,9047
V81	0,9066	V96	0,9041
V82	0,9060	V97	0,9046
V83	0,9040	V98	0,9054
V84	0,9054	V99	0,9063
V85	0,9062	V100	0,9098
V86	0,9056	V101	0,9044

TABLE 5.4.2.A: BIVARIATE RELATIONSHIPS TO BE ANALYZED

Variables	Dependent variable	Method of analyzing relationship	Statistical value calculated	Statistic	Null hypothesis H_0 :	Significance test and level of significance
Size of pharmacy (V104) BY owners/managers(V102)	V102	Cross-tabulation	Chi-square Correlation coefficient	Pearson's χ^2 Pearson's r & r^2	No relationship	Significance of χ^2 , $p < 0,05$ Significance of r , $p < 0,05$
Total turnover (V104) BY dispensary turnover (V105)	V105	Cross-tabulation Correlation	Chi-square Correlation coefficient	Pearson's χ^2 Pearson's r & r^2	No relationship	Significance of χ^2 , $p < 0,05$ Significance of r , $p < 0,05$
Year of registration (V110) BY owners/managers (V102)	V102	Cross-tabulation Correlation	Chi-square Correlation coefficient	Pearson's χ^2 Pearson's r & r^2	No relationship	Significance of χ^2 , $p < 0,05$ Significance of r , $p < 0,05$
Management training(V111) BY owners/managers (V102)	V102	Cross-tabulation Correlation	Chi-square Correlation coefficient	Pearson's χ^2 Pearson's r & r^2	No relationship	Significance of χ^2 , $p < 0,05$ Significance of r , $p < 0,05$
Ad hoc training (V113) BY owners/managers (V102)	V102	Cross-tabulation Correlation	Chi-square Correlation coefficient	Pearson's χ^2 Pearson's r & r^2	No relationship	Significance of χ^2 , $p < 0,05$ Significance of r , $p < 0,05$
Issues management training (V116) BY owners/managers (V102)	V102	Cross-tabulation Correlation	Chi-square Correlation coefficient	Pearson's χ^2 Pearson's r & r^2	No relationship	Significance of χ^2 , $p < 0,05$ Significance of r , $p < 0,05$
Organizational bodies (V114) BY owners/managers (V102)	V102	Cross-tabulation Correlation	Chi-square Correlation coefficient	Pearson's χ^2 Pearson's r & r^2	No relationship	Significance of χ^2 , $p < 0,05$ Significance of r , $p < 0,05$
Sex (V108) BY owners/managers (V102)	V102	Cross-tabulation Correlation	Chi-square Correlation coefficient	Pearson's χ^2 Pearson's r & r^2	No relationship	Significance of χ^2 , $p < 0,05$ Significance of r , $p < 0,05$

Table 5.4.2.B: RESULTS OF BIVARIATE ANALYSES TO SEARCH FOR RELATIONSHIPS

Analysis No.	Variables	Statistic	Value of statistic	p for each statistic	Conclusion
a.	Size of pharmacy (V104) BY owners/managers(V102)	χ^2 r r^2	1,10 0,07 0,00	0,576 0,621	p > 0,05, No relationship p > 0,05, No relationship
b.	Total turnover (V104) BY dispensary turnover (V105)	χ^2 r r^2	28,94 0,18 0,03	0,000 0,008	p < 0,05, Relation exists p < 0,05, Relation exists
c.	Year of registration V110) BY owners/managers (V102)	χ^2 r r^2	12,66 -0,24 0,06	0,000 0,000	p < 0,05, Relation exists p < 0,05, Relation exists
d.	Management training(V111) BY owners/managers (V102)	χ^2 r r^2	0,00 0,04 0,16	0,927 0,615	p > 0,05, No relationship p > 0,05, No relationship
e.	Ad hoc training (V113) BY owners/managers (V102)	χ^2 r r^2	15,95 0,15 0,02	0,014 0,024	p < 0,05, Relation exists p < 0,05, Relation exists
f.	Issues management training (V116) BY owners/managers (V102)	χ^2 r r^2	0,06 0,17 0,03	0,800 0,800	p > 0,05, No relationship p > 0,05, No relationship
g.	Organizational bodies (V114) BY owners/managers (V102)	χ^2 r r^2	1,50 0,03 0,00	0,683 0,710	p > 0,05, No relationship p > 0,05, No relationship
h.	Sex (V108) BY owners/managers (V102)	χ^2 r r^2	11,23 -0,22 0,05	0,000 0,000	p < 0,05 Relation exists p < 0,05, Relation exists

TABLE 5.4.3.1.A: FACTORIZATION OF VARIABLES IN PART B OF THE QUESTIONNAIRE

VARIABLE NUMBER	FACTOR 1	FACTOR 2	FACTOR 3	FACTOR 4	FACTOR 5	FACTOR 6	FACTOR 7	COMMUNALITY
V92	0,80							0,73
V93	0,74							0,62
V98	0,70							0,71
V99	0,65							0,64
V86	0,64							0,64
V89	0,62							0,62
V82	0,60							0,50
V76	0,60							0,51
V101	0,57							0,60
V95	0,51							0,62
V84		0,83						0,78
V90		0,81						0,76
V96		0,72						0,65
V80		0,69						0,74
V74		0,69						0,74
V75			0,87					0,79
V81			0,75					0,72
V85			0,66					0,75
V91			0,47					0,63
V97			0,44					0,57
V77				0,75				0,75
V83				0,74				0,81
V72				0,74				0,67
V78				0,68				0,65
V88					0,80			0,72
V87					0,68			0,65
V94						-0,66		0,66
V100						0,66		0,60
V73							0,59	0,45
V79							0,55	0,53
Eigen-values	9,56	2,59	2,13	1,57	1,42	1,33	1,15	
Eigenvalues divided by number of variables	0,32	0,09	0,07	0,05	0,05	0,04	0,04	Total = 0,66

TABLE 5.4.3.1.B: VARIABLES THAT LOADED ON FACTORS ONE TO SEVEN

FACTOR NUMBER	VARIABLES THAT LOADED ON FACTORS
1	V92, V93, V98, V99, V86, V89, V82, V76, V101, V95
2	V84, V90, V96, V80, V74
3	V75, V81, V85, V91, V97
4	V77, V82, V72, V78
5	V88, V87
6	V94, V100
7	V73, V79

TABLE 5.4.3.1.C: FACTOR ANALYSIS OF ITEMS UNDER ISSUES IDENTIFICATION

VARIABLE NUMBER	FACTOR 1 LOADINGS	COMMUNALITY
V74	0,75	0,57
V77	0,69	0,48
V76	0,56	0,32
V72	0,52	0,27
V75	0,52	0,26
V73	0,51	0,26
Eigenvalue	2,16	
Eigenvalue divided by number of statements	0,36	

TABLE 5.4.3.1.D: FACTOR ANALYSIS OF ITEMS UNDER ISSUES ANALYSIS

VARIABLE NUMBER	FACTOR 1 LOADINGS	FACTOR 2 LOADINGS	COMMUNALITY
V80	0,74		0,55
V83	0,74		0,77
V78	0,64		0,74
V79	0,62		0,40
V82	0,58		0,52
V81	0,59	0,64	0,62
Eigenvalue	2,61	1,00	
Eigenvalue divided by number of statements	0,43	0,17	Total = 0,60

TABLE 5.4.3.1.E: FACTOR ANALYSIS OF ITEMS UNDER STRATEGY FORMULATION AND SELECTION

VARIABLE NUMBER	FACTOR 1 LOADINGS	FACTOR 2 LOADINGS	COMMUNALITY
V84	0,80		0,64
V89	0,74		0,71
V86	0,70		0,57
V85	0,69		0,55
V88		0,83	0,70
V87		0,79	0,70
Eigenvalue	2,66	1,07	
Eigenvalue divided by number of statements	0,44	0,18	Total = 0,62

TABLE 5.4.3.1.F: FACTOR ANALYSIS OF ITEMS UNDER STRATEGY IMPLEMENTATION

VARIABLE NUMBER	FACTOR 1 LOADINGS	FACTOR 2 LOADINGS	COMMUNALITY
V94	0,80		0,67
V93	0,79		0,73
V92	0,74		0,69
V95	0,69		0,58
V90		0,84	0,71
V91		0,77	0,65
Eigenvalue	2,94	1,08	
Eigenvalue divided by number of statements	0,49	0,18	Total = 0,67

TABLE 5.4.3.1.G: FACTOR ANALYSIS OF ITEMS UNDER EVALUATION

VARIABLE NUMBER	FACTOR 1 LOADINGS	FACTOR 2 LOADINGS	COMMUNALITY
V96	0,85		0,73
V97	0,77		0,63
V101	0,66		0,57
V100		0,82	0,67
V99		0,80	0,72
V98		0,66	0,66
Eigenvalue	2,86	1,12	
Eigenvalue divided by number of statements	0,47	0,19	Total = 0,66

Table 5.4.3.1.H: CONCEPTS TO BE USED FOR MANOVA ANALYSIS

CONCEPT NO.	CONCEPT	ITEMS GROUPED UNDER CONCEPT
1	<u>Strategic management of activities in their community pharmacies</u>	V92, V93, V98, V99, V86, V89, V82, V76, V101, V95
2	<u>Networking at meetings and conferences</u>	V84, V90, V96, V80, V74
3	<u>Communication with colleagues</u>	V75, V81, V85, V91, V97
4	<u>Use of the media</u>	V77, V82, V72, V78
5	<u>Issues identification</u>	V72, V73, V74, V75, V76, V77
6	<u>Issues analysis</u>	V78, V79, V80, V81, V82, V83
7	<u>Strategy formulation and selection</u>	V84, V85, V86, V89
8	<u>Strategy implementation</u>	V92, V93, V94, V95
9	<u>Issues evaluation</u>	V96, V97, V101
10	<u>Performance evaluation</u>	V98, V99, V100

TABLE 5.4.3.2.A: THE RESULT OF THE TEST TO ESTABLISH RELATIONSHIPS BETWEEN MANAGERS WHO ONLY MANAGE AND OWNERS/MANAGERS WHO MANAGE AND HAVE A FINANCIAL INTEREST IN A COMMUNITY PHARMACY, AND THE STEPS IN THE PROCESS OF ISSUES MANAGEMENT

TEST	DEPENDENT VARIABLE	P VALUE
1. Wilks' lambda F-test of significance	All	0,696
2 Univariate F-test of significance	Identification	0,951
	Analysis	0,634
	Formulation	0,179
	Implementation	0,635
	Evaluation	0,555

TABLE 5.4.3.2.B: THE RESULT OF THE TEST TO ESTABLISH RELATIONSHIPS BETWEEN SMALL, MEDIUM AND LARGE PHARMACIES AND THE STEPS IN THE PROCESS OF ISSUES MANAGEMENT

TEST	DEPENDENT VARIABLE	P VALUE
1. Wilks' lambda F-test of significance	All	0,008
2 Univariate F-test of significance	Identification	0,269
	Analysis	0,017
	Formulation	0,243
	Implementation	0,058
	Evaluation	0,006

TABLE 5.4.3.2.C: THE RESULT OF THE TEST TO ESTABLISH RELATIONSHIPS BETWEEN OLDER AND YOUNGER PHARMACISTS AND THE STEPS IN THE PROCESS OF ISSUES MANAGEMENT

TEST	DEPENDENT VARIABLE	P VALUE
1. Wilks' lambda F-test of significance	All	0,086
2 Univariate F-test of significance	Identification	0,849
	Analysis	0,315
	Formulation	0,274
	Implementation	0,514
	Evaluation	0,114

TABLE 5.4.3.2.D: THE RESULT OF THE TEST TO ESTABLISH RELATIONSHIPS BETWEEN PRE-REGISTRATION MANAGEMENT TRAINING (REGISTRATION BEFORE 1975 OR IN 1975 AND THEREAFTER) AND THE STEPS IN THE PROCESS OF ISSUES MANAGEMENT

TEST	DEPENDENT VARIABLE	P VALUE
1. Wilks' lambda F-test of significance	All	0,681
2 Univariate F-test of significance	Identification	0,988
	Analysis	0,563
	Formulation	0,435
	Implementation	0,782
	Evaluation	0,296

TABLE 5.4.3.2.E: THE RESULT OF THE TEST TO ESTABLISH RELATIONSHIPS BETWEEN OWNERS/ MANAGERS WITH MANAGEMENT QUALIFICATIONS AND THOSE WITH NO MANAGEMENT QUALIFICATIONS AND THE STEPS IN THE PROCESS OF ISSUES MANAGEMENT

TEST	DEPENDENT VARIABLE	P VALUE
1. Wilks' lambda F-test of significance	All	0,000
2 Univariate F-test of significance	Identification	0,196
	Analysis	0,017
	Formulation	0,009
	Implementation	0,000
	Evaluation	0,547

TABLE 5.4.3.2.F: RESULTS OF THE TEST TO DETERMINE RELATIONSHIPS BETWEEN PHARMACISTS THAT EXPERIENCED ISSUES MANAGEMENT TRAINING AND THOSE THAT DID NOT AND THE STEPS IN THE PROCESS OF ISSUES MANAGEMENT

TEST	DEPENDENT VARIABLE	P VALUE
1. Wilks' lambda F-test of significance	All	0,094
2. Univariate F-test of significance	Identification	0,584
	Analysis	0,053
	Formulation	0,229
	Implementation	0,057
	Evaluation	0,549

TABLE 5.4.3.2.G: RESULTS TO DETERMINE RELATIONSHIPS BETWEEN SELECTED ASPECTS OF OWNERS/MANAGERS OF COMMUNITY PHARMACIES AND THE AIDS THAT THEY EMPLOY TO ASSIST THEM WITH ISSUES MANAGEMENT

INDEPENDENT VARIABLES	MANOVA PROCEDURE p value for F test	ANOVA PROCEDURE p value for F test
1. Owner/manager or manage only	0,18	Strategic management = 0,712 Networking = 0,101 Communication = 0,990 Media = 0,544
2. Small, medium and large pharmacies	0,003	Strategic management = 0,032 Networking = 0,260 Communication = 0,248 Media = 0,089
3. Age of managers	0,302	Strategic management = 0,347 Networking = 0,147 Communication = 0,631 Media = 0,547
4. Pre-registration management	0,554	Strategic management = 0,307 Networking = 0,365 Communication = 0,719 Media = 0,629
5. Management qualifications	0,014	Strategic management = 0,001 Networking = 0,159 Communication = 0,069 Media = 0,665
6. Issues management training	0,082	Strategic management = 0,013 Networking = 0,700 Communication = 0,181 Media = 0,086

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