

**COST ACCOUNTING PRACTICES IN AFRICAN TRADITIONAL HEALING: A  
CASE STUDY OF MAKHUDUTHAMAGA TRADITIONAL HEALERS**

by

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## Dedication

To my Father, **Phatane Mafotha Geelbooi Taba**,  
who departed peacefully on the eve of  
Monday, 17 May 1999.

Special dedication to my daughters, **Phethego, Puseletso** and  
**Dimpho Taba**, who attend a special school.

To my mother, **Makgale Magdalene Taba**  
who played a special parental care role in my educational success.

To my lovely wife, **Linet Mathabathe Taba**  
For unconditional love, care and great support.

“May God Bless Them All, In Jesus’ Name, Amen”

### **Declaration**

This dissertation **“COST ACCOUNTING PRACTICES IN AFRICAN TRADITIONAL HEALING: A CASE STUDY OF MAKHUDUTHAMAGA TRADITIONAL HEALERS”** is my own work and contains no material which has been accepted for the award of any other degree or diploma in any university or other institution and to the best of my knowledge, this dissertation contains no material previously published or written by another person, except where due reference is made in the text of this dissertation.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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## **Abstract**

Cost accounting has been seen as one of the most effective management tools in strengthening an organisation's performance through effective decision making and systematic cost accounting formulation and implementation. Although cost accounting was more prevalent in the private sector and public sector, it is still insubstantial and unpopular in African traditional healing in the sense that there is limited literature or evidence that supports the use of cost accounting in African traditional healing.

The main aim of this the study is to examine the need of cost accounting practices in African traditional healing and the reason for its partial application. In so doing, this requires examining the necessity of cost accounting practices' adoption to improve product and service pricing in African traditional healing, examine the reasons for the partial application of cost accounting practices in African traditional healing and to suggest or recommend how the adoption of cost accounting practices can improve product and service pricing in African traditional healing.

This research was undertaken with the traditional healers in the Makhuduthamaga Local Municipality. Data were collected through the focus group interview which was conducted with African traditional healers. One focus group interview was conducted with seven African traditional healers consisting of six females and one male participant.

The research findings revealed that there is a need to facilitate decisions in traditional healing through cost accounting principles regarding the appropriate costing of products and services of the traditional healers through the provision of accurate cost accounting information in traditional healing. However, there were also a number of factors that encouraged traditional healers to use cost accounting in the context of African Traditional Healing and have confidence in integrated cost accounting in traditional healing.

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## **CHAPTER ONE: INTRODUCTION AND ORIENTATION TO THE STUDY**

### **1.1. Introduction**

This chapter discusses the background of the study, research problem, literature review, objectives of the study, research questions, research methodology, ethical considerations, significance of the study, limitation of the study and the chapter layout.

### **1.2. Background of the study**

Cost accounting has been seen as one of the most effective management tools in strengthening organisational performance through effective decision-making and systematic cost accounting formulation and implementation. Although cost accounting was more prevalent in the private sector and public sector since the concept was first developed (Burik & Duvall, 1985:76; Berkowitz, 1999:2; Menke & Wray, 1999:2; IFA, 2000:163; Arnaboldi & Lapsley, 2003:346; Neumann, Gerlach, Moldauer, Finch & Olson, 2004:3; Kuchta & Zabek, 2011:3; Kludacz, 2012:2; and Livia & Györgyi, 2013:2), according to the author cost accounting in African traditional healing in South Africa is still insubstantial and unpopular in the sense that there is limited literature or evidence that supports the use of cost accounting in African traditional healing in South Africa. Therefore, in-depth studies are needed on how cost accounting can contribute to African traditional healing as a catalyst to primary health care services in South Africa (IFA, 2000:164). There has been a series of reforms taking place in the traditional healing sector in South Africa since becoming a democratic nation in 1994, resulting in increased awareness on the importance of quality of service by the traditional healers (Moagi, 2009:117). Kale (1995:4) found that there are almost 200,000 traditional healers in South Africa, as compared to 25,000 doctors of modern medicines. In addition Pretorius (1999:3) discovered that 80% of the black population use the services of a traditional healer before consulting modern medicines. It is therefore important that a sector as large as the traditional healing would require the application of all the necessary management systems to ensure adequate planning, control and decision making of its activities with regard to the management of its product costs for its effective pricing decisions. According to Thakur (2011:4), cost accounting is the process of accounting for cost, income and expenditure relating to the production of goods and services rendered and part of a management innovations design to reinvent both the public sector and private sector. Moreover, Kahn, Hatch, Fitzmaurice and Desroches (2010: 3) found that cost accounting was an effective

management tool in transforming any bureaucratic public and private sector to a more responsive and innovative administration.

Incidentally, traditional healing in South Africa is intertwined with cultural and religious belief (Truter, 2007:1). Similarly, Moagi (2009:2) defines a traditional healer as someone who possesses the gift of receiving spiritual guidance from the ancestral world and not only focuses on the physical condition, but on the psychological, spiritual and social aspect of an individual, families and communities (Truter, 2007:4). As such the role of traditional healers as the catalyst of primary health care services as well as social and cultural stability is undoubtedly critical given its status as the major provider of primary health care services in South Africa. It is in this context that the study intends to examine the extent to which cost accounting practices are embedded in African traditional healing.

### **1.3. Research problem**

According to the author there is limited literature that supports the use of cost accounting in African traditional healing in South Africa. This study is undertaken to fill this knowledge gap. As a consequence it is imperative to examine the extent of and how cost accounting practices can be adopted by traditional healers as a tool of costing their products and services. The traditional healing sector is chosen for this study because of the number of their clients (about 200 000 annually) that patronise their services (Gqaleni, Moodley, Kruger, Ntuli & McLeod, 2007:178) and due to the significant role they play in primary health care, both in rural and urban communities in South Africa. Not only are traditional healers important in health care services to the various categories of the population, they are essential catalysts in the delivery of primary health for the country (Kang'eth, 2009:3). As such it is in this context that the study intends to determine or examine the extent to which cost accounting practices can be adopted by African traditional healing in South Africa.

### **1.4. The theoretical framework of the study**

The previous sections have presented the brief background of the study and the research problem. This section presents the major bodies of theory that characterise this research problem and constitute the theoretical framework of the study as covered in detail in Chapter Two. The main theories that characterise this research are cost accounting in the private and public sectors, cost accounting in African traditional healing, necessity of cost accounting

practice in African traditional healing, reasons for the partial usage of cost accounting practice in African traditional healing, economic importance of traditional medicine around the world, and the regulation of African traditional healing in South Africa. The process of cost accounting and African traditional healing as conceptualised in Chapter Two is broadly based on a number of major bodies of discussion theories, which attempt to provide in-depth explanations of what it is all about.

#### **1.4.1. Cost accounting in the private and public sectors**

The importance of cost accounting as an effective tool in strengthening the performance of both the private and public sector has been successfully documented both locally and internationally (Gurses, 1999:4; Menke & Wray, 1999:45; Boyd & Cox III, 2010:1881; Kludacz, 2012:3). Cost accounting has been implemented successfully in the private and public sector with a number of benefits. McNabb and Schafer (2004:2) regard management accounting as providing information for planning, control and decision-making within the organisation with the primary focus of determining the cost of projects, processes or products. Furthermore, Horngren, Datar and Foster (2006:2) found that cost accounting provides information for management accounting and financial accounting by measuring, analysing and reporting financial and non-financial information about the costs of acquiring the resources in an organisation.

#### **1.4.2. Cost accounting in African traditional healing**

Livia and Györgyi (2013:5) define cost accounting as a process of accumulating, measuring, analysing, interpreting and reporting cost information that is both useful and relevant to the users. Furthermore, Berkowitz, (1999:8); Alex (2012:3) and Burik and Duvall (1985:77) regard cost accounting as a process of accounting for cost, income and expenditure relating to the production of goods and services rendered and is part of management innovations design to reinvent or modernise an organisation. Although traditional healers are the providers of primary health care services in both rural and urban areas in South Africa, Moagi (2009:6) found that, in performing their functions, the traditional healers derive their revenue from various sources, including training of other healers, healing of patients, profit from trade and protecting homes and bodies against witchcraft. Similarly, Truter (2007:4) regards traditional healing as the practice of traditional philosophy that includes the utilisation of herbal medicines in their practice. In addition, Krige (2009:6) found that traditional healing uses



medicines that include bark, roots, leaves, animal skins, blood, animal parts, herbs and seawater.

#### **1.4.3. Necessity of cost accounting practice in African traditional healing**

In every organisation an accounting system provides a financial reflection of its economic processes and circumstances and has a role of presenting financial information needed for the management of the organisation (The Federal Finance Administration, 2008:4; Neumann et al. 2004:12). On the other hand, Kludacz (2012:4) and Alex (2012:8) identified cost accounting as a system that controls costs and ensures prices are fair, wastage is less and the quality improves. However, Van Der Beck (2010:4) and Kludacz, (2012:4) observe that the cost accounting information system should be designed to permit the determination of unit costs and total product costs. On the other hand, Kuchta and Zabek (2011:11), Horngren, et al. (2006:10) and Alex (2012:7) maintain that cost accounting has been able to assist businesses to ascertain the cost of products, processes and services and helps in planning future operations.

#### **1.4.4. Reasons for the partial cost accounting practice in African traditional healing**

Menke and Wray (1999:47) and Alex (2012:12) were of the view that a cost accounting system should be practical, simple and tailor-made for the business needs of an organisation. However, Van Der Beck (2010:3) and Miller (2009:11) contend that cost accounting should be able to provide detailed cost information that management needs to control current operations and to plan for the future. Historically there are various laws in South Africa outlawing the practice of African Traditional Healing such as the Natal Codes of Native Law of 1891 stating that whosoever practices as a traditional doctor shall be deemed guilty of an offence and also whoever consults a traditional healer shall be deemed guilty of an offence as well (Moagi, 2009:116). Furthermore, Richter (2003:8) states that the legislation, such as the Witchcraft Suppression Act of 1957 and the Witchcraft Suppression Amendment Act of 1970, prohibited traditional healers from practicing their trade as early as 1891. Consequently, Western healthcare systems were introduced in South Africa at the expense of the traditional healers making their role of the traditional healer irrelevant.

#### **1.4.5. Economic importance of traditional medicine around the world**

Cost accounting is regarded as a process of accounting for cost, income and expenditure relating to the production of goods and services rendered (Alex, 2012:3). Kayne (2009:16) found that the traditional medicine trade in South Africa is a large and growing industry. African traditional healing has been institutionalised globally. Muela, Mushi and Ribera (2000:298) found that in Tanzania, modern treatment of malaria costs around \$1.70, consisting of consultation of \$0.50, lab services of \$0.85 and drugs for \$0.35, while an Ngoma costs about \$10.70. The fees for a traditional healer's basic therapy cost about \$1 for divination and between \$5 and \$15 for treatment. Furthermore, depending on the wealth or financial situation of the client, such treatment goes up to \$50 or more. On the other hand, Pesek, Helton and Nair (2006:6) contend that the world market for traditional medicine, based on traditional healing knowledge, has been estimated at \$60 billion in 2009 (Johnson, 2015; Robinson and Zhang, 2011 and WHO, 2013). Furthermore, Endashaw (2007:34) reports that the traditional medicine industry in Ethiopia has remained an informal industry with no official trade industries while the global value of herbal plants is estimated to be US\$ 500 billion with USA, Germany, China, India, Chile and Egypt playing the major role. In addition, Kayne (2009:16) estimates that there are about 27 million consumers of traditional medicines in South Africa and that the African healing trade contributes an estimated ZAR 2.9 billion to the national economy with 771 plant species used for traditional medicine with a cost of about R4.800 per kilogram.

#### **1.4.6. Regulation of African traditional healing in South Africa**

The South African Government through the Department of Health developed the Traditional Health Practitioners Act of 2007 in order to transform and recognise the importance of traditional healers in a traditional philosophy that provides primary healthcare in South Africa. This act regards traditional philosophy as indigenous African techniques, principles, theories, ideologies, beliefs, opinions, customs and the uses of traditional medicines communicated from ancestors to descendants or from generations to generations, with or without written documentation. Gqaleni et al. (2007:177) discovered that the traditional health councils are responsible for the registration of practitioners, the establishment of educational standards for registration and the general regulation of the health care professions. Furthermore, Mbatha, Street, Ngcobo, and Gqaleni (2012:17) found that the introduction of this act sparked public interest and raised concerns to employers that it would cause abuse of

sick leave and promote absenteeism. Gqaleni et al. (2007:178) found that this act classifies traditional healers as diviners, herbalists, prophets or faith healers, traditional surgeons and birth attendants.

In summing up, the literature has indicated that cost accounting may be bring an invaluable dimension of African traditional healing as a small business. The literature reviewed in Chapters 2 demonstrates that cost accounting ought to be integrated in African traditional healing to bring about costing of the products and services of the African traditional healing. In conclusion, the literature of the research discusses cost accounting in the private and public sectors, a brief background of cost accounting in African traditional healing, a background on the necessity of cost accounting in African traditional healing, reasons for the absence of cost accounting in African traditional healing, economic importance of traditional medicine around the world and lastly, the regulation of African Traditional Healing in South Africa.

### **1.5. Objectives of the study**

The main objective of the study intends to examine the need of cost accounting practices in African traditional healing and the reason for its partial application. In so doing, the study will seek to:

- examine the need or extent necessity of cost accounting practices' adoption to improve product and service pricing in African traditional healing in South Africa.
- examine the reasons for the partial application of cost accounting practices' adoption to improve product and service pricing in African traditional healing in South Africa.
- recommend how the adoption of cost accounting practices can improve product and service pricing in African traditional healing in South Africa.

### **1.6. Research questions**

Thus, in order to achieve the above objectives, the following key research questions are relevant for this study as guidelines to the researcher:

- To what extent is the adoption of cost accounting practices necessary to improve product and service pricing in African traditional healing in South Africa?

- To what extent is there a limited use of cost accounting practices currently being applied to improve product and service pricing in African traditional healing in South Africa?
- How can the use and adoption of current cost accounting practices be applied to improve product and service pricing by African Traditional Healing in South Africa?

## **1.7. Research methodology**

The study follows an exploratory research method with the use of a case study to explore the necessity of cost accounting practices in African Traditional Healing and the reasons for its partial application. Gilson (2012:49) found that exploratory research seeks to establish what is happening, especially in little-understood situations. In addition, Rajasekar, Philominathan and Chinnathambi (2006:1) found that a research methodology is a logical and systematic search for new and useful information on a particular topic.

### **1.7.1 Research design**

The researcher utilises the qualitative data gathering techniques, because the area under study is both sensitive and under-researched. Collins, Joseph and Bielaczyc (2004:18) regard research design as the only practice that can address the theoretical research questions. In the qualitative research techniques, the researcher used semi-structured or in-depth interviews, documentation sources and observations. Furthermore, Rajasekar et al. (2006:4) regard qualitative research as is a non-numerical, descriptive, reasoning process that uses words to find the meaning and feeling and to describe the research situation. The research design structures the research process and provides logic in one's approach to a research problem.

### **1.7.2. The case study approach**

In identifying and formulating the answers to the above three research questions, the researcher uses the case study approach on a focus group that includes traditional healers. According to Rowley (2002:17), the case study approach has a unique quality that will enable the researcher to deal with a full variety of evidence from interviews, documents and observations. In this case study, analyses were made between the practice of cost accounting and traditional healing.

### **1.7.3. Unit of analysis**

The unit analysed for this study is the Traditional Healers Organisation in Makhuduthamaga Local Municipality under the National Department of Health. The Traditional Healers Organisation is a non-statutory, professional organisation for traditional health practitioners who subscribe to the Traditional Healers Practitioners Act, 2007.

### **1.7.4. Research population and sampling**

The population is the traditional healers under the leadership of the chairperson of the traditional healers at the Makhuduthamaga Local Municipality. The Municipality is one of the five municipalities falling under the Sekhukhune District Municipality, with the following numbers of traditional healers: Makhuduthamaga 2,912, Elias Motswaledi 1,489, Ephraim Mogale 967 and Tubatse Local Municipality with 3,110 traditional healers. In total the Sekhukhune District Municipality has 10,778 traditional healers.

### **1.7.5. Data collection**

In this section the data collection methodology explores the interview, selecting respondents, focus group, documentation, direct observation and the pilot study.

#### **1.7.5.1. Interviews**

Robson (1993:228) regards an interview as a kind of conversation with a purpose. According to Bless & Higson-Smith (2000:104), an interview involves direct personal contact with the participant who is asked to answer questions relating to the research problem. Welman & Kruger (1999:166) maintain that unstructured interviews are normally employed in explorative research to identify important variables in a particular area, to discuss research questions and to generate further investigations; while the structured interview put a collection of questions from a previously compiled questionnaire to the respondent, face to face and record the responses.

#### **1.7.5.2. Selecting respondents**

The interviewees in this study were not randomly selected but was chosen through purposeful sampling. They were those involved directly with the traditional healing in the

Makhuduthamaga Local Municipality. They were informed of the purpose of the interview, place, date and time.

### **1.7.5.3. Focus group**

The focus group includes traditional healers registered with the Traditional Healers' Organisation in the Makhuduthamaga Local Municipality. The researcher used one focus group during the interview sessions in order to obtain a first-hand impression of the practice of cost accounting in traditional healing. The focus group was used to identify whether cost accounting principles is adopted in traditional healing and its impact on the health care services and the local communities.

### **1.7.5.4. Documentation**

As content analysis is part of getting evidence for this study, relevant supporting documentation materials were provided and analysed. The materials were the official documents such as, Traditional Healers Organisation (THO) profile , THO Code of Conduct and Grievance Procedures policy, THO Code of Ethics and Behaviour Policy, Identification of target groups of traditional health practitioners for training, Guidelines for formulating policies on training of healers, South African Charter of religious rights and freedom, THO Code of Ethics, Heritage Transformation Charter, Declaration on traditional medicine and Traditional Health Practitioners Act 2007.

### **1.7.5.5. Direct observation**

Direct observations were carried out during the site visits. The selections of traditional healers visited were based on the recommendation of the chairperson of the traditional healers' organisation in the Makhuduthamaga Local Municipality. The visit will involve the traditional healers at the discretion and approval of the chairperson within the Makhuduthamaga Local Municipality.

### **1.7.5.6. The pilot study**

The researcher applied a pilot study using the draft focus group questionnaires in order to achieve the research objectives during the interview. This was done to ensure that the researcher asks the right questions and does not omit some issues that are really important to

the respondent. The pilot study was done with two traditional healers in Tshwane Metropolitan Municipality on 22 February 2015 and they further identified different services and products that traditional healers provide.

#### **1.7.6. Data analysis methods**

Qualitative data generated from the interview schedule were be analysed using the thematic analysis technique. The common themes will be developed and supported through verbatim quotes. Through the research questions as tools for analysis, the researcher will highlight the relevant texts and findings which are critical for this study.

##### **1.7.6.1. Analysis of interview data**

Folkestad (2008:10) found that the main intention of a qualitative interview is not to compare cases or units but to get access to actions and events that are viewed as relevant for the research or study as access to the single respondents and the way he or she views the world.

##### **1.7.6.2. Content analysis**

Content analysis is used when documents are used during data analyses and is an analytic approach that involves a systematic examination of emerging patterns from documents objectively. Pattern-matching will help to strengthen the internal validity of a case study and allow the researcher to compare the procedures, guidelines and document policies of the traditional health organisations in relation to cost accounting practices. In content analysis, the measurement to be used by the researcher will be systematic and careful observation based on written rules that explain how to categorise and classify observations. The written rules make replication possible and help improve reliability of the research. Through the findings, the researcher will find similarities and non-similarities during interview analyses.

##### **1.7.6.3. Interviews, focus groups and site visit**

In using content analysis, the analyses of the interviews were looking at any similarities between the factors practice of cost accounting in traditional healing. This analysis will be applied to the focus group to meet the expectations of the primary health care services and the cost accounting practice in African traditional healing.

#### **1.7.6.4. Observation and interview results**

Special emphases were placed on the clarification and searching for possible reasons for explaining the phenomenon being studied. The researcher categorise the responses and check for similarities. The data analysis entail organising and arranging the information obtained in a logical order and the data will be categorised and arranged into meaningful groups as common themes and patterns emerge as the data is scrutinised.

#### **1.7.7. Reliability, validity and objectivity**

Gilson (2012:56) and Bless, Higson-Smith & Kajee (2006:149) state that reliability is the extent to which the observable measures that represent a theoretical concept are accurate and stable when used for the concept in several studies. An instrument with very high reliability becomes useless if it has a poor validity. For reliability, the focus group interview were piloted to test the data collection procedure. In validity, the questions as to whether the measures which are to be used will really deliver what the researcher claims of them or whether they give a competent measurement of something that turns out to be different from what the researcher claims to deliver (Sapsford & Jupp, 1996:2; Gilson, 2012:56;). Validity will be based on the use of an extensive body of knowledge when designing the questionnaires and on the method of probing to determine more in depth information in this research.

#### **1.7.8. Bias**

Miles and Huberman (1994:22) found that credibility, trustworthiness and authenticity refer to validity in phenomenological research where flaws in validity may cause response bias. Šimundić (2013:14) found bias as any trend or deviation from the truth during data collection, data analysis and data interpretation which can cause false conclusions.

### **1.8. Ethical considerations**

Saunders, Lewis and Thornhill (2003:129) found that ethics refer to the appropriateness of the researcher's behaviour in relation to those who will become subject of this work or affected by it, as a result the respondents will be given consent forms to complete before taking part in the study. De Vos, Strydom, Fouche and Delport (2005:69) define ethics as a set of widely



accepted moral principles that offers rules for and behavioural expectations of the most correct conduct towards experimental subjects and respondents, employers, sponsors, other researchers, assistants and students.

### **1.9. Significance of the study**

Findings of the research will add to the knowledge and understanding of the subject of cost and management accounting practices and its applications by the traditional healers. This study should be significant in the sense that it has:

- Allowed the identification of the concept and framework of cost accounting that takes into account the nature of work and environment of the Africa traditional healers;
- Support and enrich theory and model of cost accounting in the product and services of the traditional healing that have similarities in their nature of service with the western doctors;
- Generated greater awareness among traditional healers' and organisations on the importance of having a proper and practical cost accounting framework as a vehicle to improve traditional healers' effectiveness;
- Provided useful knowledge on factors that might have an impact and contribute to the successful adoption of cost accounting in traditional healing.

### **1.10. Limitations of the study**

There are a number of limitations within this study. The participants in this study are all residents of Makhuduthamaga Local Municipality, as such are not representative of all the African traditional healers in South Africa. The participants of the focus group are aged between 40 years and 70 years. The use of this age group can be justified as they are experienced in African traditional healing practice. However their perceptions of African traditional healing may not be representative of all African traditional healers in South Africa. Owing to the exploratory nature of the study and the small sample size, as such the findings of the study cannot be generalised. Despite the limitations listed above, this exploratory study will provide an insight into how African traditional healers view cost accounting practice in African traditional healing. These insights will be of benefits to African traditional healing's adoption of cost accounting practice.

### **1.11. Chapter layout**

This study consists of five chapters, as follows:

## **Chapter 1: Introduction and orientation to the study**

This chapter outlines the background of the study, the problem statement, and objective of the research, value of the research, research methods, data analyses techniques, methods of reliability, and the exposition of the report.

## **Chapter 2: The Literature review**

In this chapter the theoretical basis for cost accounting in African traditional healing will be discussed from six different points of view. The first section discusses cost accounting in the private and public sectors; the next section discusses cost accounting in African traditional healing; subsequent sections discuss the necessity of cost accounting in African traditional healing; reasons for the absence of cost accounting practices in African traditional healing; economic importance of traditional medicine around the world and the regulation of African traditional healing in South Africa.

## **Chapter 3: Research methodology**

This chapter explains the research methodology used to explore the research questions in this study. For this study, a quantitative data collection method has been utilised. Focus groups were used to explore the topic and generate new ideas followed by direct observations, documentary and data analysis sources. The justification for using these methods is outlined in this chapter.

## **Chapter 4: Discussions, presentation and interpretation of findings**

In this chapter, data gathered from the focus group interviews were be analysed in order to explore the three research questions as indicated below, which relate to the application of cost accounting practice in African traditional healing. This chapter details sample characteristics of the African traditional healers and presents analyses of the data to assess whether the research questions outlined in Chapter One can be supported.

## **Chapter 5: Summary, conclusion and recommendations**

In this chapter, the research design and methods, summary and interpretation of the research findings and the conclusions of the study are outlined. Based on the findings from this study, the limitations of cost accounting on costing the unit price of the products and services in traditional healing are also outlined. The limitations of this study are addressed and the recommendations for future study research are detailed

### **1.12. Summary**

This chapter outlines the background of the study by introducing African traditional healing practice and cost accounting practice. Owing to the newness of cost accounting practice in African traditional healing, there is limited published research on the topic of cost accounting in African traditional healing. This study seeks to start and contribute towards the debate in three ways. Firstly, by using the integration of cost accounting in African traditional healing as a research tool; secondly, by identifying the necessity of cost accounting in African traditional healing, and thirdly, by extracting lessons relevant for the partial usage of cost accounting in African traditional healing.

Hence this research explores the African traditional healer's perceptions on cost accounting practice in African traditional healing. The justification for this study was presented, as well as qualitative research methodology. The statement of the problem, aims and objectives, research methodology and significant of the study were presented. The limitations of the study are acknowledged and chapters' layout details provided. The next chapter presents relevant literature that has been reviewed.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.1. Introduction**

The previous chapter contained the introduction to the research and was concerned with the context of the study which argues that organisations are nowadays concerned with what should be done to achieve sustained high levels of performance through unit of product cost and services. This means giving close attention that a sector as large as the traditional healing may need all the necessary management systems to ensure adequate planning, control and decision making of its activities with regard to the management of its product costs for effective pricing decisions. The aim, of course, is to examine the need of cost accounting practices in African traditional healing and the reason for its partial application, which will help to ensure that cost accounting is integrated in African traditional healing to deliver costing results in accordance with the expectations of their clients.

In this chapter the theoretical basis for cost accounting in African traditional healing will be discussed from six different points of view. The first section discusses cost accounting in the private and public sectors; the next section discusses cost accounting in African traditional healing; subsequent sections discuss the necessity of cost accounting in African traditional healing; reasons for the absence of cost accounting practices in African traditional healing; economic importance of traditional medicine around the world and the regulation of African traditional healing in South Africa.

### **2.2. Cost accounting in private and public sectors**

In this section the literature explores the existing state of knowledge relating to the implementation of cost accounting in the private and public sectors.

Menke and Wray (1999:45) conducted a survey of six mobile clinics to assess how costs per unit vary among these clinics. In addition, Kludacz (2012:3) conducted a survey of hospitals to ascertain the characteristics of a cost accounting system which should be applied in hospitals and the methodologies that should be used to calculate unit costs of individual patients. Furthermore, Webster and Hogue (2005:2) conducted a survey of hospitals' staff to ascertain the issues of accountability in relation to costing information at a government teaching and research hospital. Boyd and Cox III (2010:1881) conducted a study to determine whether managers use cost accounting information for decision-making and to show the

consequences of using such information incorrectly. Gurses (1999:4) conducted a study to develop and demonstrate a mathematical model that uses cost accounting information to determine the optimal product-mix and the bottlenecks in the organisation. Gill (2008:165) conducted a study for development of a costing model in order to identify under-utilised resources. Berwick and Farooq (2003:2) conducted a study to develop a software model that provides truck cost information reflecting differences in equipment, products and trip characteristics of an individual organisation and to provide additional performance measures for decision-makers who use truck cost information.

For the purpose of clarity in this study it is necessary to discuss successful implementation of cost accounting in the private and public sectors to show the possibility that cost accounting can also be applied successfully in African traditional healing. The next section discusses cost accounting in African traditional healing.

### **2.3. Cost accounting in African traditional healing**

In exploring cost accounting in African traditional healing, this section discusses cost accounting, African traditional healing in context, the negative aspects of traditional healers and the challenges of the supply of medicinal plants.

#### **2.3.1. Cost accounting in context**

Gill (2008:165) and Garcia (2015:2) found that cost inaccuracy may push an organisation towards unprofitability and underestimation which lead to financial loss from reduced revenue while overestimation represents lost opportunities for a profitable product. Furthermore, Blake et al. (2012:2), Kludacz (2012:3), Lane and Durden (2013:3) and Alex (2012:3) see cost accounting as a process of accounting for cost, income and expenditure relating to the production of goods and services rendered and is part of management's innovations design to reinvent or modernise an organisation.

##### **2.3.1.1. Understanding cost accounting**

Accounting is broadly divided into two main areas which are, financial accounting and management accounting. Financial accounting deals with financial statements for external use for investors and lenders, while management accounting provides information for planning, control and decision making within the organisation with the primary focus of determining

the cost of projects, processes or products (Berkowitz, 1999:3; McNabb and Schafer, 2004:2; The Institute of Cost and Works Accountants (ICWA, 2008:4). Livia and Györgyi (2013:2), Alex (2012:3); and Lipuma and Barror (2000:2) observe that cost accounting is a form of accounting that developed due to the limitations of financial accounting. Cost accounting is defined as the process of accounting for cost, income and expenditure relating to the production of goods and services rendered and appear to be part of a package management innovations design to reinvent or modernise the public sector and private sector (Thakur, 2011:8).

In short, traditional healers may likely prefer cost accounting in traditional healing and the above section affords them an opportunity to understand the concept that can improve product and service pricing. The next section provides a discussion on the understanding of cost accounting.

### **2.3.1.2. Different types of cost accounting systems**

The Institute of Cost and Works Accountants (2008:2) states that there are different cost accountings systems that are used in practice, the main different cost accounting systems identified are discussed below:

**Historical Costing Systems:** In this type of cost accounting system, costs are ascertained after they have been incurred and this is called the historical costing system. These costs are incurred in a particular month and ascertained and collected in the following month. Such a costing system is useful for conducting post-mortem examination of costs that had been incurred in the past. This costing system may not be useful for cost control but shows a trend in the behaviour of costs and is useful for the estimating of costs in future (Abdel-Kader & Luther, 2006:14).

**Absorption Costing Systems:** In this costing system, costs are absorbed by the product units irrespective of their nature. The fixed and variable costs are absorbed in the products and is based on the principle that costs should be charged and absorbed to a cost unit or cost centre (Abdel-Kader & Luther, 2006:14).

**Marginal Costing Systems:** With this costing system, variable costs are charged to the products while the fixed costs are written off. The fixed costs are largely period costs that will

not be entered into the production units as the fixed costs will not enter into the inventories and valued at marginal costs. (Siva, Daniel & Shalini, 2013:52).

**Uniform Costing Systems:** This is not a distinct method of costing but is the adoption of identical costing principles and procedures by several units of the same industry or by several undertakings by mutual agreement. The Uniform costing system facilitates valid comparisons between organisations and helps in eliminating inefficiencies (Siva et al. 2013:52).

**Standard Costing Systems:** This is the estimated cost of production that provides normal operations and a minimal amount of waste, defect or spoilage (Siva et al. 2013:52). It can assist in comparing the amount of materials, labour and overhead costs used in production of the standard. If management knows the difference between the actual and standard to be significant, the organisation will investigate the difference and attempt to correct operations to eliminate the difference in the future. If not, the organisation accepts the difference and does not change the process (Abdel-Kader & Luther, 2006:14).

**Activity-Based Costing Systems:** This costing system is used to obtain detailed cost information which is not allowed for external financial reporting and it is done in addition to process or job-order costing systems (Siva et al. 2013:52). The costs are accumulated by activities in manufacturing and non-manufacturing and encourages managers to trace the cost of the products and services (Fakoya, 2014:51). The organisation incurs costs during the ordering, machinery setup, production, packing and post-sale customer service processes. In this system ordering costs are assigned, such as the costs of telephone operators and products ordered for the computers (Abdel-Kader & Luther, 2006:14). Once the ordering process is complete, setup costs are added to the product until the product is correctly priced.

Eventually, the type of cost accounting created within an African traditional healing practice is likely to influence the choice of cost accounting.

### **2.3.1.3. Cost accounting methods and techniques**

Ngwakwe (2012:285) found that costs follow a cause and effect link of why the cost has been incurred. ICWA (2008:13) reiterates that cost accounting methods are those which help organisations to compute the cost of production or services while costing techniques are those which help to present the data to facilitate the decision making, cost control and cost

reduction. The following cost accounting methods and techniques were mentioned by ICWA (2008:13).

**Job Costing:** This costing method works on the basis of jobs performed as there are some manufacturing units which undertake work and are called job order units. The main feature of this costing method is to produce according to the requirements and specifications of the consumers (Horngren et al. 2006:99). Each job may be different from another and production is on specific order with no pre-demand production. It is therefore necessary to compute the cost of each job using a job costing system. In this system, each job is treated separately and a job cost sheet is prepared to find the cost of the job (Horngren et al. 2006:99). Organisations producing consumer goods like televisions, air-conditioners and washing machines use this costing system.

**Process Costing:** Products like sugar and chemicals involve a continuous production process and hence a process costing method is used to calculate the cost of production (Parkinson, 2015:10). In process costing, cost per process is calculated by dividing the total cost by the number of units. Industries like sugar, edible oil and chemicals are examples of a continuous production process and they use process costing (Horngren et al. 2006).

**Operating Costing:** The operating costing method is used in the service sector to work out the cost of services offered to the consumers such as the operating costing method used in hospitals, power generating units and the transportation sector (Khairo & Davies, 2009:2). A cost sheet is prepared to compute the total cost by dividing the units for working out the unit per cost.

**Contract Costing:** Contract costing is used in the construction industry for the cost of contracts undertaken such as cost of constructing a bridge, commercial complex, residential complex and highways (Khairo & Davies, 2009:5) Contract costing is similar to job costing, the only difference being that in contract costing, one construction job may take several months or even years before completion, while in job costing each job may be of a short duration (Khairo & Davies, 2009).

Therefore, the availability of appropriate cost accounting methods and techniques for traditional healers is likely to facilitate informed and improved decisions to improve product and service pricing in African traditional healing in South Africa.



### **2.3.2. African traditional healing in context**

This section discusses the understanding of African traditional healing and the African traditional health practitioner in detail.

#### **2.3.2.1. Understanding African traditional healing**

Ndhlalambi (2009:10) explains that in South Africa, the traditional health system can be described as a holistic approach that focuses on the whole person's health rather than particular organs or disorders; the body, spirit and environment are all considered important to one's health. According to Moagi (2009:120), the traditional healing process follows different stages such as the identification of the cause or discovery of violation of the established order through supernatural divination and the removal of the hostile source by neutralisation of the sorcerer or seeking of the ancestors' forgiveness with sacrifices and rituals to appease their anger or by prescription of certain medication. Van Niekerk (2012:3) found that the fact that a large proportion of the population believes and follows traditional healing confirms that traditional healing is a much-valued component of people's life experiences. The traditional healing in South Africa consists of two main categories: traditional healers and traditional medicines.

#### **2.3.2.2. African traditional health practitioners**

Traditional healers are the providers of primary health care services in both rural and urban areas in South Africa (Shabangu, 2005; Moagi, 2009:6; Ndhlalambi, 2009:10; Mbatha et al. 2012). Traditional healers possess the gifts of receiving spiritual guidance from the ancestral world (Moagi 2009:117; Kale, 1995:1183; Semanya & Potgieter, 2014:1746; Sepota & Mohlake, 2012:2; Nene, 2014:359; Adesiji & Komolafe, 2013:275). In addition, Hogle and Prins (1991:15) maintain that traditional healing practices reflect an emphasis on herbalists and their activities, corresponding to the central role of drugs in biomedicine's therapeutic strategies. Mbatha et al. (2012) observe that traditional health practitioners who are herbalists, traditional birth attendants and traditional surgeons play a significant role in the South African healthcare system. Furthermore, Moagi (2009:6) regard a traditional healer as someone who possesses the gifts of receiving spiritual guidance from the ancestral world.

Ndhlalambi (2009:10) found that the traditional healers use rituals, divination, faith healing, offerings, herbs and other naturally derived medicines. Lastly, there are different types of

traditional healers, the inyangas (diviners) who are skilled in natural medicines; sangomas (herbalists) who heal through communication with ancestral world; traditional birth attendants and traditional surgeons. Moagi (2009:6) observes that in performing their functions, traditional healers derive their revenue from various sources including training of other healers, healing of patients, profit from trade, protection of home and body against witchcraft. Ndhlalambi (2009:13) maintains that traditional health practitioners constitute a valued and trusted primary health care service as over 60% of rural inhabitants in South Africa seek health advice and treatment from traditional healers before visiting a mainstream primary health care service.

Devenish (2006:23) discovered that products that are manufactured by local organisations and sold in health shops and on the internet with prices ranging from R25 for to R576 for capsule and tincture products. Rautenbach (2011:36) discovered that the strategy of traditional medicine was designed to assist countries to develop national policies on the evaluation and regulation of traditional medicine; create a strong evidence base on the safety, efficacy and quality of traditional medicine; ensure the availability and affordability of traditional medicine; promote the therapeutic, sound use of traditional medicine; and document traditional medicine.

Rautenbach (2011:45) believes that the time has come to implement international benchmarks concerning traditional medicine by integrating traditional medicine into the public health care system as South Africa faces realities such as;

- Traditional medicine is unlikely to disappear and the law should be constructive in regulating it by integrating it into the public health care system;
- Traditional medicine can be a novel source of genuine therapeutic efficiency, but the application of the scientific method is necessary to extract the latent value of such medicines;
- The integration of traditional and conventional health care systems could lead to a more favourable situation where healthcare is provided to all the people and not only to those with enough money to afford conventional health care;

- Lastly, the effect of traditional medicine must not be underestimated and if doctors of conventional health medicine recognise its therapeutic value, they may win the trust of many of their patients.

Therefore, it is likely that the adoption of an appropriate cost accounting system will facilitate international benchmarks concerning traditional medicine and the integration of traditional medicine into the public health care system in South Africa.

The following points explain positive aspects of traditional healers (Pinky, 2001:3; Jackson, 2002:8; Kang'ethe, 2009:87):

- Clients have more confidence in the healers concerning the diseases such as mental illnesses as they believe those illnesses are due to supernatural forces or from unappeased ancestral spirits and the traditional healers are therefore open and able to access help.
- Traditional healers are easily available, accessible and well understood by clients, especially in rural areas. They outnumber modern medical practitioners by 100 to 1 or more in most African countries and are largely accessible, available and affordable.
  - Traditional healers possess many effective treatments and treatment methods which are not used by modern medical practitioners.
  - Traditional healers provide client-centred personalised health care that is culturally appropriate, acceptable, holistic and tailored to meet the needs and expectations of the patient.
  - Traditional healers are culturally close to clients, which facilitates communication about diseases and related social issues especially STDs and AIDS related diseases.
  - Traditional healers see their patients in the presence of other family members as they must play their role in promoting social stability and family counselling.
  - Traditional healers are respected and play a critical and significant role in African societies and are unlikely to disappear even with the rapid socio-cultural changes occurring in many African societies. Traditional healers will continue to play a crucial role in addressing the psychosocial problems arising from conflicting expectations of changing societies.
  - They are sustainable as they generate their own source of income and they don't need external funding processes like modern medical practitioners who may not be self-sustainable.
  - Their enthusiasm to collaborate with biomedical health providers shows that they are ready for positive and stakeholder partnership with other role players to fight diseases.

Therefore the availability of an appropriate cost accounting system is likely to facilitate the positive aspects of the traditional healers as they provide client-centred personalised health care and are respected by the communities.

Amzat and Abdullahi (2008:155) further found that traditional medicines and their practitioners have contributed immensely to the health care needs of those who use them such as:

- The healers are more accessible to the people than the cosmopolitan modern doctors.
- The healers' skills in psychotherapeutic techniques enable them to achieve a high success rate in the management of both mild and moderate mental disorders.
- Some of their medicines are pharmacologically active and beneficial to patients.

Therefore, it is hoped that having an appropriate cost accounting system is likely to facilitate the traditional medicines as the African traditional healers continue to contribute immensely to the health care in South Africa.

#### **2.3.2.2.1. Different types of services provided by African traditional healers**

Pretorius (1994:3) and Gqaleni et al. (2007:178) estimated that there were about 150,000 to 200,000 traditional healers in South Africa that belongs to about 100 separate organisations as indicated in Table 2.1.

In KwaZulu-Natal, the Department of Health developed a system to count the traditional healers in the province resulting in 25,000 traditional healers, which were more than what was estimated at 14,941 as in Table 2.1. It further reveals about 7,000 are registered with their traditional medical council. According to Gqaleni et al. (2007:178), this reveals the possibility that the actual numbers of traditional healers in South Africa were under estimated.

**Table 2.1: Number of traditional healers in South Africa (Gqaleni et al. 2007:178)**

<b>Name of Province</b>	<b>Number of practitioners</b>
Eastern Cape	10,780
Free State	22,645
Gauteng	61,465
KwaZulu Natal	14,941
Limpopo	7,366
Mpumalanga	57,524
Northern Cape	2,221
North West	5,935
Western Cape	2,600
<b>Total</b>	<b>185,477</b>

Table 2.1 indicates the number of African traditional healers in South Africa distributed provincially totalling about 185,477. Hence, Table 2.1 provides a summary of the total number of traditional healers in South African who may be able to use and facilitate cost accounting practice in African traditional healing.

Traditional healing services have been categorised into four different types performing different functions (Mngqundaniso & Peltzer, 2008:419; Ndhlalambi, 2009:10; Truter, 2007:57; Pretorius, 1999:252; Gqaleni et al. 2007:178).

**Diviners:** Diviners are the most important intermediaries between humans and the supernatural. Unlike herbalists, no one can become a diviner by personal choice. The ancestors call them and they regard themselves as servants of the ancestors. Diviners concentrate on diagnosing the unexplainable by analysing the causes of specific events and interpret the messages of the ancestors (Gqaleni et al., 2007:178; Ndhlalambi, 2009:10). They use divination objects and they explain the unknown by means of their particular mediumistic powers. Their vocation is mainly that of divination, but they often also provide the medication for the specific case they have diagnosed.

**Herbalists:** Herbalists are ordinary people who have acquired an extensive knowledge of magical techniques (Mngqundaniso & Peltzer, 2008:419; Truter, 2007:57). They diagnose and prescribe medicines for ailments and illnesses, prevent and alleviate misfortune and evil by protecting clients against witchcraft and misfortune and to bring prosperity and happiness. In the healing practices of herbalists, empirical knowledge plays an important role, as they are able to diagnose certain illnesses with certainty and prescribe healing herbs for those illnesses. Truter (2007:57) further found that their curative expertise includes preventive and prophylactic treatments, rituals and symbolism as well as preparations for luck and fidelity while others treat only one disease and become renowned experts on that disease.

**Prophets or faith healers:** In their diagnosis and treatment of a patient, prophets and faith healers use prayers, candle lights or water to cure and the patient automatically becomes a member of the church to which the faith healer belongs. Truter (2007:57) found that the prophets or faith healers use a combination of herbs, remedies and holy water in their treatment while their healing system is moulded on the sangoma group pattern where the afflicted live for months and sometimes years at the prophet's residence

**Traditional birth attendants:** Traditional birth attendants serve the communities located in isolated and remote areas where they are consulted as a matter of necessity due to the unavailability of Western health care services. They also render their services in urban or semi-urban communities which despite their exposure to Western health care services may still prefer traditional birth attendants. Although information on the status of traditional birth attendants in South Africa is not available, they are part of the very large human resource component in the traditional sector and it can be safely deduced that this category of health provider continues to play an important role. Truter (2007:57) found that Traditional birth attendants do not charge for their services but donations in the form of gifts are usually given and they are invited to be guests of honour when the baby is named. Furthermore, Sibley, Sipe, Brown, Diallo, McNatt and Habarta (2009:2) argue that the traditional birth attendants are usually old and non-literate and can attend about 120 births per year and attract clients by word-of-mouth and receive some remuneration for their services.

Table 2.2 presents the different types of African traditional healers such as sangoma, inyanga, and spiritual healers that are found in communities for the provision of basic health care services.

**Table 2.2: Comparison of types of traditional healers' services (Truter, 2007:58)**

	Sangoma	Inyanga	Spiritual Healer
Skills	<ul style="list-style-type: none"> <li>• “Called” by spirits</li> <li>• Apprenticed to an expert</li> <li>• Medical skills acquired as an inyanga</li> </ul>	<ul style="list-style-type: none"> <li>• Individual choice to become one</li> <li>• Apprenticed to an expert</li> </ul>	Trances and contact with spirits
Method of service	<ul style="list-style-type: none"> <li>• Essentially diagnostic</li> <li>• Throws and reads “bones”</li> <li>• Divination through trance</li> <li>• Contact with patient not needed for diagnosis</li> <li>• History, symptoms and nature of problem not revealed by patients</li> </ul>	<ul style="list-style-type: none"> <li>• Knowledge of symptoms and patient’s history necessary</li> <li>• Contact with patient necessary</li> </ul>	Essentially diagnostic
Nature of service	<ul style="list-style-type: none"> <li>• Conflict resolution</li> <li>• Confirms patient’s beliefs</li> <li>• Revelation of misfortune and illness</li> <li>• Recommends solution</li> <li>• Provides expertise and leadership</li> </ul>	<ul style="list-style-type: none"> <li>• Curative, comprehensive , prophylactic, ritualistic and symbolic</li> </ul>	Lays on hands, prays, provides holy water and other symbols
Accessibility	Depends on grades (relatively few high grade, whilst lower grade much more accessible)	Freely accessible	Freely accessible

Table 2.2 summarises the skills, methods of service, nature of service and accessibility of the traditional healers on the provision of health care services that ought to be used during the adoption of cost accounting in African traditional healing.

### 2.3.2.2.2. African traditional healing System

Traditional health practitioners basically follow three principles when treating patients such as: firstly, patients must be completely satisfied that they and their symptoms are taken seriously and that they are given enough time to express their fears; secondly, the healer studies the patient as a whole and does not split the body and mind into two separate entities; and lastly, the healer never considers the patient as an isolated individual but as an integral component of a family and a community (Moagi, 2009:118; Pinky, 2001:5; Jackson, 2002:4).

Sorsdahl, Flisher, Wilson and Stein (2010:285) and George, Chitindingu and Gow (2013:2) found that the treatment used by traditional healers in general varies greatly and depends on the healer's own knowledge and skills as well as the nature of the patient's illness. Satisfactory healing involves not merely the recovery from bodily symptoms, but the social and psychological reintegration of the patient into the community (Pretorius, 1999: 252).

**Diagnosis:** Traditional diagnosis is a system that is both an art and a method of seeking to discover the origins of the disease and determining what it is. The diagnostic process not only seeks answers to the question of how the disease originated, but also the cause of the disease and why it has affected this particular person at this point in time (Chitindingu and Gow; 2013:2). Diagnosis comprises a combination of information, namely observation, patient self-diagnosis and divination (Pretorius, 1999; 252). Observation involves noting physical symptoms, while patient self-diagnosis entails reporting by patients of their symptoms. If deemed necessary, the impressions of other family members regarding the patient's illness may also be obtained. Therefore, diagnosis comprises a combination of information, namely observation, patient self-diagnosis and divination.

**Treatment:** The practitioners treat all age groups and all problems, using and administering medicines that are readily available and affordable. Their treatment is comprehensive and has curative, protective and preventive elements and can be either natural or ritual or both, depending on the cause of the disease. It includes ritual sacrifice to appease the ancestors, ritual and magical strengthening of people and possessions, steaming, purification sniffing of substances, cuts, wearing charms and piercing (Chitindingu and Gow; 2013:2).

International Bioethics Committee (IBC, 2013:7) found that the treatments used in traditional medicine can be divided into three categories based on the methods used in healing and maintaining health; firstly, medication therapies using herbal medicines and/or medicines



derived from animal parts and minerals; secondly, non-medication therapies using manual such physical, mental and spiritual; and lastly, mixed therapies combining medication and non-medication therapies.

Traditional health practitioners basically follow three principles when treating patients (Moagi 2009:118; Pinky, 2001:5; Jackson, 2002:4) such as:

- Firstly, patients must be completely satisfied that they and their symptoms are taken seriously and that they are given enough time to express their fears; secondly,
- Secondly, the healer studies the patient as a whole and does not split the body and mind into two separate entities; and
- Lastly, the healer never considers the patient as an isolated individual but as an integral component of a family and a community.

Hence, an appropriate cost accounting system is likely to facilitate and assist the traditional health practitioners to effectively follow the necessary costing when treating patients.

Moagi (2009:118) further observes that traditional healing process follows different stages such as, identification of the cause or discovery of violation of the established order through supernatural divination and the removal of the hostile source by neutralisation or seeking of the ancestors' forgiveness with sacrifices and rituals to appease their anger or by prescription of medication (Pretorius, 1999:252) The treatment used by traditional healers in general and diviners in particular, varies greatly and depends on the healer's own knowledge and skills, as well as the nature of the patient's illness. Satisfactory healing involves not merely the recovery from bodily symptoms, but the social and psychological reintegration of the patient into the community.

Pretorius (1999:252) further found that the scope of traditional healing is reflected by the following categories of conditions;

- Conditions of the respiratory system such as colds and flu, hay fever, pneumonia, asthma, bronchitis, emphysema and tuberculosis.
- Conditions of the gastro-intestinal system such as diarrhoea, dysentery, constipation, heartburn, indigestion, ulcers, haemorrhoids and worm infestations.
- Conditions of the cardiovascular system such as angina, high blood pressure and palpitations.

- Conditions of the central nervous system such as headache, migraine and stroke (traditional treatment is given after discharge from hospital).
- Conditions of the skin and hair such as acne, eczema, boils, insect bites and stings, ringworm and scabies.
- Conditions of the blood such as anaemia and blood cleansing such as routinely given following treatment to help cleanse the body of the original cause of the disease.
- Conditions of the urogenital system such as sexually transmitted diseases, cystitis, menstrual pain and vaginitis.
- Conditions of the eyes such as pink eye.
- Conditions of the musculoskeletal system such as arthritis, backache, muscular pain, gout, sprains and strains and rheumatism.
- Other conditions such as cancer and HIV/AIDS where it was found that there are some cultural beliefs that there is no such thing as it is a confused culture-bound syndrome that mimics conditions such as fever, pain and alcoholism.
- Traditional healers also deal with traditional ailments which are culture-bound syndromes and do not respond to western medicine and as such must be treated by traditional healers. Such culture-bound syndromes are spirit possession, sorcery, ancestral wrath and neglect of culture.

Hence, the availability of an appropriate cost accounting system is likely to facilitate categories of conditions as reflected in traditional healing.

Mander (1998:31) found that the products consumed are generally unrefined plant medicines with limited processing apart from grinding, chopping and mixing. Raw plant material is frequently bought directly by consumers who may grind it themselves following instructions provided by the healers or traders. Plant products are taken as medicines in the following forms:

- Infusions by means of chopped bark, leaves, seeds/fruit, stems, bulbs, rhizomes and roots steeped in water which can be drunk, used as an emetic or as an enema.
- Concentrates by means of infusions where the water is boiled off concentrating the liquid which is usually drunk.
- Inhalants by means of plant parts or powdered parts burnt to produce smoke or boiled to produce steam which is breathed in,

- Powder by means of ground plant parts, usually tree bark, roots and leaves that are burnt or raw and which can be licked, used as snuff, bathed in, rubbed on to the skin or implanted under the skin,
- Poultices by means of fresh leaves of fleshy plants which are applied to wounds, sores and other skin ailments,
- Protective charms by means of live or dried plants which are used for planting or scattering around the homestead.

Hence, the availability of an appropriate cost accounting system is likely to facilitate costing and processing of the products that are consumed and unrefined medicines with limited processing apart from grinding, chopping and mixing.

### **2.3.3. Negative aspect of traditional healers**

Amzat and Abdullahi (2008:155) found that the practice of traditional healers in traditional medicine's efficacy and efficiency have been questioned and debated about. The traditional healers with their practice and therapies do more harm to the people than good as indicated below;

- Traditional healers lack the skills needed to proffer correct diagnosis on very serious disorders like HIV/AIDS.
- The healers are always unwilling to accept their limitations in the provision of health needs to the people particularly in complicated organic disorders.
- The traditional medicine lacks standard dosages and has not been subjected to "scientific" verifications.
- The healers lack the equipment needed to conduct physical examination on patients. The optimistic school of thought however is of the view that the people as well as the society as a whole have benefited from the traditional medicines.

It is plausible that the availability of an appropriate cost accounting system for the traditional healers and the medicines is likely to facilitate informed decisions on the efficacy and efficiency of traditional healing.

Kayombo, Mahunnah and Uiso (2013:2) and Mander (1998:56) found that the negative perceptions of the trade and use of indigenous plants in medicine have become entrenched within institutions in South African society resulting in indigenous medicine becoming

marginalised. There are therefore considerable barriers to any formalisation of indigenous medicine and trade. In summary, the policy constraints as identified by Mander (1998:56) and Kayombo et al. (2013:2) facing the indigenous medicinal plant market include:

- a policy environment which is negative towards the industry (Mander, 1998:56; Mthembu, et al. 2012:3),
- no government recognition of the opportunities offered by medicinal plants to promote development (Mander, 1998:56; Mthembu et al. 2012:3),
- government departments who may facilitate market development already face severe budget constraints within existing priorities (Mander, 1998:56; Mthembu et al. 2012:3),
- vested interests within existing government departments to maintain the status quo (Kayombo et al. 2013:2),
- common property or open access rights regimes in large areas which frequently promote resource degradation (Kayombo et al. 2013:2),
- bureaucratic controls concerning the formal trade of indigenous medicines, which may limit product development to only highly sophisticated operations with massive financial resources (Mander, 1998:56; Mthembu et al. 2012:3).
- The following points further explain the negative aspects of traditional healers. (Summerton, 2006:20; Kang'ethe, 2009:87; Abdullahi, 2011:125). Their role is weakened by adverse campaign advocacy and stigma still abounds with regard to the use of traditional medicine, especially in treating HIV/AIDS compared with the use of modern medicines (Summerton, 2006:20; Kang'ethe, 2009:87).
- The training and licensing of healers is not institutionalised in many developing countries, which makes it difficult to reach and train them regularly in a standardised manner. Quality control of healers is difficult in the absence of officially recognised licensing procedures (Kang'ethe, 2009:87; Abdullahi, 2011:125). Lack or absence of monitoring and evaluation methods of the healers' activities render them not credible and professionally untrustworthy (Summerton, 2006:20; Kang'ethe, 2009:87).
- Traditional healers generally lack detailed anatomical and physiological knowledge (Summerton, 2006:20; Abdullah, 2011:125). Promotion and improvement of traditional methods may undermine efforts to increase access to biomedicine, whose impact can be measured, monitored and controlled (Kang'ethe, 2009:87; Abdullahi, 2011:125).

- The effects of combining traditional and biomedical treatments are not known and may be harmful. This is because of the untested methods and treatments of traditional healers (Kang'ethe, 2009:87; Abdullahi, 2011:125).
- Use of traditional medicine together with Western medicine, if it goes unchecked, could interfere with the dosage and confuse patients. Use of the two systems presents a conflict and is unethical, where for instance some traditional healers forbid patients with compromised immunity and who are in home-based care to eat particular foods such as eggs, chicken, fish and fresh milk, substituting them with less nutritious food (Summerton, 2006:20; Kang'ethe, 2009:87).
- There are doubts pertaining to the successful intervention due to their unethical practices. The absence of hygiene standards and protocols in traditional medicine may lead to patients on home-based care being infected with opportunistic illnesses (Summerton, 2006:20; Kang'ethe, 2009:87).
- Research on the potency and efficacy of some herbal concoctions is kept a secret by traditional healers since the incumbents consider the information to be a spiritual divination. Information on new herbs is similarly held secret because of the traditional healers' mistrust of the medical systems and of other healers (Kang'ethe, 2009:87; Abdullahi, 2011:125).
- Some traditional healers are unwilling to work together with modern medicine as they consider their remedies superior to the modern system, making them closed to change and unable to adopt best practices and ethics (Kang'ethe, 2009:87; Abdullahi, 2011:125).

Therefore the availability of an appropriate cost accounting system for the traditional healers and traditional healing medicines is likely to facilitate informed decisions regarding the indigenous plants which have been marginalised in South African.

#### **2.3.4. Challenges of medicinal plants supply of traditional healing**

WHO (2013:40) and Mander, Ntuli, Diedrichs, and Mavundla, (2007:194) found the possible threat of traditional medicines in future, especially in South Africa.

**Traditional medicine consumers:** The 27 million consumers of traditional medicine will have diminishing access to highly valued plants and traditional treatments (Mander et al, 2007:194; and WHO, 2013:40). Those seeking better quality products will have little option

but to purchase quality packaged over-the counter traditional medicines, but those are of questionable efficacy and safety.

**Traditional medicine traders:** There is likely to be less trade in high value plants with a declining market share and more people will be trading lower value plants (Mander et al., 2007:194; and WHO, 2013:40). There will be more international imports of highly valued plants from neighbouring countries, such as Mozambique, Zambia and Swaziland.

**Pharmaceutical manufacturers:** Large manufacturers are unlikely to engage in research and development in the trade while they remain unsure of the security of the intellectual property of their research findings. They will also be unlikely to develop products and markets for traditional medicines for fear of litigation around unsafe products (Mander et al., 2007:194; and WHO, 2013:40). They may shift production to neighbouring countries like Botswana and Swaziland which have a more favourable manufacturing legislation.

**Laissez faire manufacturers:** This group is likely to continue to grow rapidly while they operate without research and development costs and have little fear of litigation for unproven claims (Mander et al, 2007:194; and WHO, 2013:40).

**Western health care practitioners:** With little development in the current industry or traditional medicine practice, Western practitioners will have to develop greater capacity to work with the positive or negative impacts of traditional medicines and to engage with the possible changes in traditional medicine practices, especially the trade in over-the-counter traditional medicines of unknown quality which are not dispensed by knowledgeable traditional healers (Mander et al., 2007:194; and WHO, 2013:40).

According to Mander (1998:4) and Kayombo et al. (2013:2), opportunities and constraints for the indigenous medical plant industry for traditional medicine include:

- a large and growing local and international demand for medicinal plants,
- a declining supply of forest species in the short term,
- a fluctuating supply of grassland and savannah species in the short term,
- an increase in the price of scarce plants,
- the diverse cultivation potential of indigenous medicinal plants,
- an increase in the numbers and diversity of market players,
- a negative policy environment in the short term and
- the majority of the current market players having limited business skills in the short term.

Hence, the availability of an appropriate cost accounting system is likely to facilitate informed decisions regarding the constraints for the indigenous medical plant industry for the production of the traditional medicine.

Mander (1998:59) and Rukangira (2004:8) found the following limitation and constrains of plant supply of traditional medicines;

- An almost total reliance on wild harvested plants for the trade.
- Declining plant populations which results in many high value species becoming increasingly inaccessible.
- Diminishing product development opportunities due to limited access to sufficient plant stocks.
- Local extinctions are resulting in a decline in the genetic variation within high value species.
- The supply of plant products is irregular in quantity and quality.
- Forest resources are extremely limited and will provide few of the scarce species in the future; the distances between major markets and various plant sources are large, generating large costs in the trade.
- Lack of institutional support, strategies and programmes for production.
- Dissemination of key species for cultivation.
- Lack of appropriate technology for post-harvest and pre-processing purposes adapted productively and effectively.
- Lack of appropriate documentation and scientific experimentation for verification of herbalists' claims.
- Poor preservation of medicinal extracts for extended shelf life.
- Low prices paid for traditional medicinal plants by herbal medicine traders and urban herbalists.
- Indiscriminating harvesting and poor post-harvest treatment practices.
- Lack of research on the development of high-yielding varieties, domestication,
- Poor agriculture and propagation methods.
- Inefficient processing techniques leading to low yields and poor quality products.
- Poor quality control procedures.
- High-energy losses during processing.

- Lack of current good manufacturing practices.
- Lack of research and development on product and process development.
- Difficulties in marketing.
- Lack of trained personnel and equipment.
- Lack of facilities to fabricate equipment locally.
- Lack of access to latest technological and market information.

Therefore the availability of an appropriate cost accounting system is likely to facilitate and eliminates the limitation and constrains of plant supply of traditional medicines.

In this section the literature was reviewed with special attention to the effect of challenges of medicinal plants supply of traditional healing as the cause of partial usage of cost accounting in traditional healing.

WHO (2013:11) advises that to maximise the potential of traditional medicines as a source of health care, the following challenges need to be addressed such as policy, safety, efficacy and quality, access and rational use.

**Policy:** Few countries have developed a policy on traditional medicines while only 25 of World Health Organisation's 191 member States have developed such a policy (WHO, 2013:11). Such a policy provides a sound basis for defining the role of traditional medicines in national health care delivery, ensuring that the necessary regulatory and legal mechanisms are created for promoting and maintaining good practices, that access is equitable and that the authenticity, safety and efficacy of therapies are assured (WHO, 2013:11). It also ensures sufficient provision of financial resources for research, education and training. Many developed countries are issuing guidelines for the safety and quality of traditional medicines, provides licensing, training and research within a national policy framework. The need for a national policy that governs the traditional medicines is now needed urgently especially in those developing countries where traditional medicines have been integrated into the national health care system (WHO, 2013:11). The increased number of national policies would have the benefit of facilitating work on global issues by the development and implementation of internationally accepted norms and standards for research into safety and efficacy of traditional medicines such as sustainable medicinal plants and their protection and equitable use of the knowledge of indigenous and traditional medicine.



**Safety, efficacy and quality:** The traditional medicines care practices developed within different cultures in different regions in African countries to avoid parallel development of standards and methods nationally or international for evaluating them are needed. The evaluation of traditional medicine products is also problematic as the effectiveness and quality of herbal medicines can be influenced by numerous factors. Unsurprisingly, research into traditional medicines has been inadequate, resulting in poor data and inadequate development of methodology. This slowed development of regulation and legislation for traditional medicines while the surveillance systems to monitor and evaluate adverse events are also rare. Although many traditional medicine therapies have promising potential and are increasingly used, many of them are untested and not monitored. Knowledge of their potential side-effects is limited and makes identification of the safest and most effective therapies and promotion of their rational use more difficult (WHO, 2013:11). If traditional medicines are to be promoted as a source of health care, efforts to promote its rational use and the identification of the safest and most effective therapies will be crucial.

**Access by making traditional medicines available and affordable.** Many populations in developing countries are depending heavily on traditional medicines to help meet their health care needs even though precise data are lacking. Research to ascertain the access, financially and geographically in order to clarify the constraints to extend the accessibility of traditional medicines is continuing. The focus should be on treatments for those diseases which represent the greatest burden on poor populations and the increase of access based on certain products and therapies. Raw materials for herbal medicines are sometimes over-harvested from wild plant populations with a major challenge being the intellectual property and patent rights. The economic benefits that can be accrued from large-scale application of traditional medicine knowledge can be substantial (WHO, 2013:11). The questions of how best these benefits can be shared between innovators and the holders of traditional medicine's knowledge have not yet been resolved.

**Rational use by ensuring appropriateness and cost-effectiveness:** The rational use of traditional medicines has many aspects such as qualification and licensing of providers; proper use of products of assured quality; good communication between traditional medicine providers, allopathic practitioners and patients; and provision of scientific information and guidance for the public. The challenges in education and training are at least two fold. Firstly, by ensuring that the knowledge, qualifications and training of traditional medicines providers

are adequate and secondly, using training to ensure that traditional medicines providers and traditional medical practitioners understand and appreciate the complement of the types of health care systems on offer. The proper use of products of assured quality could also do much to risks associated with traditional medicines such as herbal medicines. The regulation and registration of herbal medicines are not well developed in most countries, while the quality of herbal products sold is not guaranteed as more work is needed to raise the awareness of the use of traditional medicines and when it is not advised and the reasons for using traditional medicines products (WHO, 2013:11).

Hence, with respect to the above services provided by Traditional Healers, cost accounting manufacturing and service processes as applied by both private and public sectors will make it possible to adopt cost accounting by traditional healers as a tool of costing their product and services. The next section will discuss the necessity of cost accounting in African traditional Healing.

#### **2.4. Necessity of cost accounting in African traditional healing**

In exploring the first objective, the necessity of cost accounting in African traditional healing, this section will explore cost accounting and African traditional healing in context, the essentials of cost accounting in traditional healing, the importance of cost accounting in traditional healing and the objectives of cost accounting in traditional healing, the advantages of cost accounting in traditional healing and lastly the implementation of cost accounting in traditional healing.

##### **2.4.1. Using cost accounting in African traditional healing**

Rautenbach (2011:39) found that there are more people employed in the traditional health care system than in the public health care system in South Africa, with at least 133,000 people, mostly rural women who are employed in the trade in traditional medicines. This illustrates the economic importance of traditional medicine. Considering that approximately 70–80% of the African population make use of the services of traditional practitioners who dispense traditional medicines, it should be clear that traditional medicine is extremely important in South Africa.

In every organisation, an accounting system provides a financial reflection of its economic processes and circumstances and has a role of presenting financial information needed for the

management of the organisation (The Federal Finance Administration, 2008:4; Neumann et al. 2004:12). On the other hand, Kludacz (2012:4) and Alex (2012:8) identified cost accounting as a system that controls costs and ensures that prices are fair, wastage contained and the quality improves. However, Van Der Beck (2010:4) and Kludacz, (2012:4) observed that the cost accounting information system should be designed to permit the determination of unit costs and total product costs. Horngren et al. (2006:10), Kuchta and Zabek (2011:11) and Alex (2012:7) maintain that cost accounting has assisted businesses to ascertain the cost of products, processes and services and helped them in planning future operations.

By comparison, Gqaleni et al. (2007:182) found that the market for complementary medicines and health products at consumer price level is about R1.9 billion with the total medicine expenditure by medical schemes of R8.6 billion. Similarly, Krige (2009:7) states that the traditional medicines are administered orally as liquid, powder, washing solution, inoculations, inhalations and as smoking agents. In the same vein, Nxumalo et al. (2011:4) observed that given the use of two parallel health-care systems, policy-makers should develop strategies to protect poor South Africans from out-of-pocket payments for health care as utilisation of these systems absorbs expenditure from low-income households.

Gqaleni et al. (2007:182) found that the combined monetary turnover of members of the traditional healing sector was R881m in 1996, while in 2003 it showed a 53% increase of R1.348 billion while in 2013 was estimated at R2.9billion a year or 5.6 percent of the annual health budget and it grew to R8billion a year by 2015 (Paruk, Blackburn, Friedman & Mayosi, 2014:468). Dold and Cocks (2002:5) state that there are 27m indigenous medicine consumers in South Africa. The use and trade of plants for medicine is no longer confined to traditional healers but has now become a practice that is embraced by both informal and formal entrepreneurial sectors of the South African economy. Rautenbach (2011:39) states that there are more people employed in the traditional health care system than in the public health care system. He found that there are about 200,665 traditional healers contributing about R2.9 billion annually to the South African economy. Hence the necessity to apply cost accounting practices in order to improve product and service pricing in African traditional healing.

The fact that a large proportion of the population believes in and practices traditional cultural activities confirms that it is a much-valued component of people's lives (Van Niekerk,

2012:3). In addition, Pinkoane, Greeff and Koen (2008:7) suggest that it is necessary to integrate both traditional healing and biomedical practice through effective communication and in doing this the traditional healers will find themselves acceptable for the provision of healthcare services and will start running their businesses or practices professionally. In addition, Leonard (2001:3) advises that despite expansion in modern medicine, traditional healers are still popular and command fees that exceed the average treatment cost of most modern practitioners. Van Der Beck (2010:4) and Kludacz (2012:5) state that information produced by a cost accounting system provides a basis for determining product costs and selling prices and it helps management to plan and control operations. Dold and Cocks (2002:6) observed that traditional healing practices form part of a multi-million Rand 'hidden economy' in South Africa that is stimulated by high population growth, rapid urbanisation, unemployment and the high cultural value and patronage of traditional medicine. Hence, Pretorius (2004:3) suggests that the Institute for African Traditional Medicines needs to re-evaluate the African traditional healing sector so as to explore its potential to address the health care and economic needs of the country. This is likely to make the application of cost accounting in traditional healing an imperative tool for costing their products and in determining their services pricing.

#### **2.4.2. The essentials of a good cost accounting system**

Alex (2012:12) and The Institute of Cost Accountants (2012:7) identified the essentials of a good cost accounting system as:

- it should be practical, simple and tailor-made for the business needs of an organisation;
- the data used by the cost accounting system should be accurate;
- cooperation and participation of executives at all levels is a must;
- the expenses incurred in installing the cost accounting system should match the benefits received from it;
- when a system is introduced, it should not affect the existing ways of obtaining information when they are found to be good;
- the system should be introduced in a phased manner by developing a proper network within the organisation; and lastly,
- the management should extend a helping hand in administering and developing the system in order to yield the expected result.

Therefore, the availability of an appropriate cost accounting practice for traditional healing is likely to facilitate the providing of informed and improved products and services pricing decisions.

### **2.4.3. The Importance of cost accounting to business**

Stefanović and Novičević (2012:54) and Alex (2012:11) identified the following as the importance of cost accounting to the organisation:

- It helps business in areas of operations such as cost of materials which usually constitutes a substantial portion of the total cost of a product.
- It helps in controlling the cost of materials.
- It can control labour costs when workers complete their work within the standard time limit.
- It can reduce labour turnover and idle time.
- It can help to control labour costs; overheads consist of indirect expenses, which are incurred in the factory, office and sales department.
- It can be part of the production and sales costs.
- It can control such expenses by keeping a strict check on overheads.
- It can provide information about standards and actual performance of the activity concerned.
- It can prepare the budget in the costing department.
- It can provide information to fix remunerative selling prices for various items of products and services.
- It can provide estimates of production of various products.
- It can help business houses to make the proper decisions at the right time.

Therefore, the adoption of cost accounting practices in African traditional healing is likely to facilitate the improved products and services pricing decisions.

### **2.4.4. The Objectives of Cost Accounting**

United Nations of Sustainable Development (2001:67), ICA (2012:7) and Alex (2012:7) found that the objectives of cost accounting are:

- To enable the management to ascertain the cost of products, processes and services;

- To enable the minimisation of cost by comparing the actual costs incurred and the costs estimated;
- With the help of marginal costing, the prices of a product can be scientifically determined;
- To enable the management to determine the sales required to make a desired profit;
- To enable the management to maintain costs and revenues in equilibrium;
- To help management to plan for future operations in such a way as to maximise the profits;
- Cost accounting involves the study of various operations in manufacturing a product or service;
- To enable management to collect information regarding raw materials, work in progress and finished goods and lastly,
- To help users to formulate operating policies relating to production, shutting down a unit and replacing machines.

Therefore, the availability of an appropriate and adequate cost accounting practice for traditional healers is likely to facilitate the objectives of accounting by making informed and improved products' and services' pricing decisions.

#### **2.4.5. The Advantages of Cost Accounting**

Popesko (2009: 40) and Alex (2012:8) identified the advantages of cost accounting as:

- For management, it fixes the prices, profits and sales; it select a sales mix and an alternate production pattern.
- Determining the future course of action and fixing remuneration to workers.
- For the employees it fixes a wage policy, suitable bonus plan, distinguishes efficient and inefficient workers and fixes appropriate incentive schemes.
- For the government it facilitates the assessment of excise duty, facilitates the assessment of income tax and facilitates the formation of policies regarding industry.
- To the public or customers, it controls costs and ensures prices are fair, wastage limited and the quality improving and causes overall growth of industries and employment.
- A good cost accounting system helps in identifying unprofitable activities, losses or inefficiencies in any form.
- The application of cost reduction techniques, operations research techniques and value analysis techniques helps in achieving the objectives of the economy.

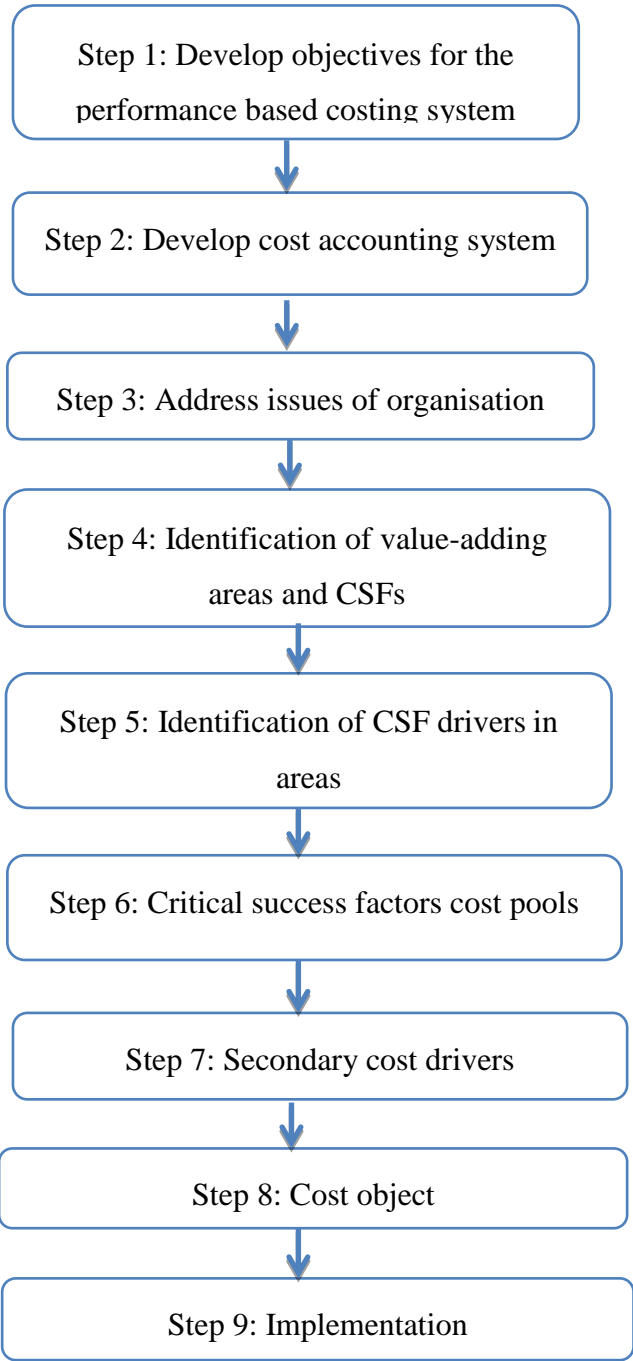
- Continuous efforts are being made by the business organisations for finding new and improved methods for reducing costs.
- Cost accounting is useful for identifying the exact cause of the decrease or increase of the profit and loss of the business.
- It also helps in identifying unprofitable products or product lines so that these may be eliminated or alternative measures may be taken.
- It provides information and data to the management to serve as guidelines in making decisions of financial considerations.
- Cost accounting is useful for price fixation and it serves as a guide to test the adequacy of selling prices.
- It helps in cost control in respect of the same unit or several units in an industry by employing uniform costing and inter-organisational comparison methods.
- The cost of idle capacity can be easily worked out, when a concern is not working to full capacity.

Therefore, this study highlights the potential advantages of cost accounting practices to the African traditional healing that adopts and incorporates methods to improve product and service pricing in African traditional healing in South Africa

#### **2.4.6. The Implementation of a Cost Accounting System**

Gunasegaram, Williams and McCaughey (2005:528) indicate that the basic principle of a cost accounting system is to identify the business areas that add value to an organisation and to calculate direct materials, direct labour and overheads for accurately estimating product costs. Markgraf (2015:1) found that the successful implementation of a cost accounting system provides management with the information needed to operate the business effectively. Freedman (2015a:2) observes that the implementation of a cost accounting system is an important step for growing a small business through the identification of the correct costing system for the business, deployment of the system and post-deployment support by training employees on how to use the system effectively. Gunasegaram et al. (2005:528) identified nine steps in cost accounting systems that focus on performance rather than the activities that can avoid distorted product cost information produced by the application of traditional cost accounting systems.

The steps identified to design a performance based costing accounting (PBC) system as illustrated in Figure 2.1 are: develop objectives for the performance based costing (PBC) system, develop a PBC team, address issues of organisations, identification of value-adding areas and critical success factors (CSF), identification of CSF drivers in areas, critical success factors cost pools, secondary cost drivers, cost object and implementation of cost accounting as identified).



**Figure 2. 1: Steps in cost accounting systems.** Source: (Gunasekaran et al. 2005:528)



Figure 2.1 provides an illustration of the steps involved in a cost accounting system according to Gunasekaran et al. (2005:528).

### **Step 1: Develop objectives for the performance based cost accounting (PBC) system**

A cost accounting system may be desirable for a number of reasons as organisations must carefully define the purpose of the system in terms of the objectives of the cost system. The objectives of a performance based costing system is to encourage proactive rather than reactive responses to the markets, customers and partners in order to promote agility and to create and maximise profits. The other objectives would of be necessary and reflect an organisational needs as well as the business environment (Gunasegaram, et al. 2005:528).

### **Step 2: Develop performance-based cost accounting (PBC) team**

The second step in designing an effective cost accounting system is to develop a team, which should include members from several disciplines and from different organisations in a virtual supply chain environment (Gunasegaram et al. (2005:528). The team size will depend on the organisation's size, the urgency of completion of the projects and the availability of staff serving in the created team. The team members should have the full support of top management, which is only possible if top management is convinced that the new cost accounting system is better than the old system, should be dedicated to the success of the new system and they should have the required knowledge and experience to make a significant contribution to system (Briciu, 2013:460; IMA, 2000:20)

### **Step 3: Address issues of organisation**

A performance based cost accounting system affects many aspects of an organisation and its partners. The potential impact of the new cost accounting system, especially in terms of the cost accounting effect on the people and organisational relationships should be considered (Gunasegaram et al. (2005:528). Many of these organisational impacts of a performance based cost accounting system are not directly quantifiable, but to ignore them for that reason would be to ignore some of the most important issues, costs and benefits. The nature and circumstances of an organisation are highly pertinent to an assessment of how suitable the adoption of the performance based cost accounting methodology would be (IMA, 2000:22; IMA, 2006:24).

#### **Step 4: Identification of value-adding areas and critical success factors (CSFs).**

The identification of a value creation area (VCA) where a set of processes and procedures add value to the products and services to the customers and the organisation. There are aggregations of tasks that are performed by people or machines in order to satisfy the needs of customers (IMA, 2000:22; IMA, 2006:24). The identification of the critical success factors (CSFs) for a cost accounting system is a basic step as it sets the structure and scope of the system. The identification of the critical success factors forces the accountant to determine the actual happening in the relevant areas of a business and to ensure that the costing system is built on reality. The identification of a value creation area and the critical success factors involves finding out where exactly in an organisation the most value is created for the customers. Such approach must be systematic to ensure that all relevant factors are considered. The areas may differ in type and location from one organisation to another due to the technology, size and organisation approach (IMA, 2000:22; IMA, 2006:24).. The responsibility of quality control in world class manufacturing is the responsibility of all employees.

The identification of micro and macro value creating areas is important for a cost accounting system as the micro areas are focal points for improvement efforts. The micro and macro areas can be identified through visiting all the departments of an organisation, interviewing staff members and listing the work done in each department and also these macro and micro value areas can be used to identify the business' process reengineering. These clearly show that a decision is required on the number of areas, including critical success factors to be used in the cost accounting system. There are common activities in the organisation that include purchasing, customer order processing, quality control, material handling, production control, inspection, distribution and maintenance. Most of these activities exist and there are others that should be the focus of the value creation area in the virtual organisation or the supply chain environment (Gunasegaram et al. (2005:528).

#### **Step 5: Identification of CSF drivers in areas**

In this step, the critical success factors driver is regarded as a factor that has a direct influence on cost and performance concerning the critical success factors or value creation area. It provides the best explanation of the reason why costs in critical success factors cost pool change over time (IMA, 2006:24). The critical success factor or value creation area driver can

also be defined as any factor that causes a change in the cost of a value creation area. The primary cost drivers are the link between resources and activities. They relate cost from the general ledger to the activities (IMA, 2000:22). The accuracy of a product cost depends on critical success factors drivers. The cost of each area is an aggregation of the costs of primary drivers and product cost is an aggregation of the costs of areas. These critical success factor drivers show how many specific resources an area can consume as different types of resources are required to perform in each area where every area should be analysed to create a list of all the primary critical success factor drivers. The estimation of costs for each driver should be very accurate (Gunasegaram et al. 2005:528).

### **Step 6: Critical success factors cost pools**

In this step, a critical success factor cost pool is regarded as the total cost associated with a particular critical success factor, where each type of critical success factor has drivers that become cost elements in a critical success factor pool. If all the costs of a critical success factor are identified by cost drivers, then the costs can be directly charged to the critical success factor cost pool. If some resources are shared by several critical success factors, then some measure of apportionment will be necessary (IMA, 2000:22). The basis of apportionment should reflect as closely as possible the extent to which each activity consumes the shared resource. There are two views of categories of costs that should be included in a critical success factor cost pool. The first view is that all traceable costs should be included to create a fully absorbed critical success factor cost pool. In practice, fully absorbed critical success factor costs become very complex and create a hierarchy of cross charging which distorts the understanding of cost behaviour. The second view is that the costs should include those cost pools that are relevant to the decision being made and provide a decision that has the relevant information. A good rule is to strike a balance between excessive system complexity and the approach that suits the circumstances, the information needs and the requirements of the organisation. The area cost pool thereafter traces to the cost object via secondary cost drivers (Gunasegaram et al. 2005:528)

### **Step 7: Secondary cost drivers**

In this step a secondary cost driver is regarded as a measure of the frequency and intensity of the demand placed on activities by a cost object. It is used for assigning the cost of a critical success factor to a cost object while a cost driver is regarded as a variable used to apply

critical success factor costs to the product or cost objects (Gunasegaram et al. 2005:528). The cost driver rate in these steps of implementation can be calculated as follows:

In choosing the secondary cost driver, the following criteria should be considered:

- the cost driver selected should have a strong correlation with cost level in the critical success factor cost pool,
- the variable should be quantifiable and homogeneous,
- minimise the number of unique drivers as cost and complexity are directly correlated with the number of drivers,
- select cost drivers that encourage improved performance, and
- select cost drivers that are already available and/or have a low cost of collection.

Practically, it is possible that a number of cost drivers can exist for the same cost pool and in such circumstances, the exercise of professional judgment involves the application of the above criteria to a given situation. For example, purchasing activity's cost pool can have different cost drivers, such as the number of orders, number of suppliers and number of parts ordered. The objective is to pick the right number and the right type of cost drivers. There is a need for the right types in order to report accurate cost as too many of them may be costly and create a system that is too complex to understand. These cost drivers differ greatly from the basis for overhead cost allocation in conventional cost accounting systems as they are the link between products and activities that represent opportunities for improvement in product or process design. It may not be possible to identify all cost drivers at the same level as they may span multiple organisational levels or units and even multiple organisations. In the traditional costing system, cost drivers are identified at the unit level and at the facility level (Gunasegaram et al. 2005:528).

### **Step 8: Cost object**

In this step, a cost object can be any customer, product, service, contract, project or any other work unit for which a separate cost measurement is desired (Gunasegaram et al. 2005:528). The cost object resides at the bottom of the cost assignment view of the cost accounting system. Most organisations have two hierarchies of cost objects, one for products and another for customers. To operate effectively selected cost drivers should be clearly identified with specific products. If this does not occur, then the cost driver is effectively joint to several value creation areas and may have to be split amongst equally based proportional

assignments. Then one could use the value added contribution to the critical success factor and overall performance of an organisation (Gunasegaram et al. 2005:528). The allocation of such costs to products remains arbitrary even under a cost accounting system.

### **Step 9: Implementation**

The costing of a product with a cost accounting system should be compared with that of the traditional costing systems as there is a risk of increasing the cost of a product due to an increase in the cost of measurement (Gunasegaram et al. 2005:528). If the system is very detailed, then the accuracy of the system will increase, but at the same time, measurement cost will increase. The cost of implementing and maintaining a complex system can become excessive. If the product cost is higher using this new system than with the traditional costing, then the cost accounting system should be re-examined, starting with the identification of value creating areas. A simple solution for reducing cost accounting system costs will be through the reduction in the area details, but this reduction should be made carefully as it will affect the accuracy of the product cost. For the successful implementation of a cost accounting system, management must be convinced of the need to change (IMA, 2000:22).

A cost accounting system will be quite different from the existing system. When a cost accounting system becomes available, a group of managers and engineers should assemble to analyse the results. A well prepared cost accounting team can convince them of the cost accounting system's value by presenting results for at least one major product for which they are responsible (Bircui, 2013:464). Cost accounting measures differ significantly from those reported by an organisation's existing cost accounting system. The design and function of the cost accounting system should be explained to managers so they can understand how the new cost system differs from the existing one. The users should be educated so that they understand the information available from the cost accounting system and how that information should be used in decision making (Gunasegaram et al. 2005:528). The primary aim of the new system is not to create an elegant and technically robust solution, but rather to provide a solution that will change behaviour, particularly decision making behaviour, thus allowing management to improve the performance of the business (Bircui, 2013:464). The design of a cost accounting system requires a detailed analysis of the already available information and collection of information that is not available from the present system. The identification of critical success factor, value creation areas and value creation activities and

levels is critical to the design of a cost accounting system, because the cost of the system and the accuracy of the product costs depend on it (IMA, 2000:22).

The steps explained above can be applied to any organisation, service industry or manufacturing industry. A simple, but focused emphasis on value creating areas as the basis for allocating cost would improve the utilisation of resources in the production of quality goods and services (Gunasegaram et al. 2005:528).

Therefore the availability of appropriate steps of cost accounting system as illustrated in figure 2.1 in African traditional healing is likely to facilitate informed decisions regarding the implementation procedure during effective adoption of cost accounting.

#### **2.4.6.1. The Implementation of a Cost Accounting System in Small Business**

Freedman (2015b:2) found that the implementation of a cost accounting system is an important step for growing a small business through identification of the correct costing system for the business, deployment of the system and post-deployment support by training employees on how to use the system effectively. Freedman (2015b:2) found that the best cost accounting system implementation should focus on four parts during the implementation process.

- **Correct Complexity:** This is designed for the smallest sole proprietorship business to the largest multinational corporation, where small businesses should implement a cost accounting system that match the complexity of the business. The costing system will be less complex as the business uses an off-the-shelf software system or a system that is integrated into the current accounting software (Cole-Ingait, 2015:2; Freedman, 2015b:2). In addition, businesses that have many products and complex manufacturing processes may seek more customised cost accounting system solutions.
- **Scalability:** The implementation of a cost accounting system is much easier when a small business has to implement the system only once. The managers should be careful to choose a cost accounting system that is scalable to the organisation's operations, even if the organisation only manufactures a handful of products and intend to implement a cost accounting system that can handle more products (Cole-Ingait, 2015:2; Freedman, 2015b:2).
- **Employee Involvement:** As the business implements a cost accounting system, it is important to involve employees in the process. The employees that are involved in the

process of implementation are more likely to have bought into the transition of the system. This helps employees to understand the system more quickly and to serve as ambassadors to other employees who weren't involved in the implementation (Cole-Ingait, 2015:2; Freedman, 2015b:2). The employees who are involved in the implementation are likely to increase trust in the new system.

- **Ask for Help:** The majority of small-business owners are experts in their fields, but few are experts in the implementation of a cost accounting system. The small-business owners should consider consulting with a professional accountant before implementing a cost accounting system as the money that will be spend seeking professional help can buy the small business owner time to focus on the business operations (Freedman, 2015b:2; Cole-Ingait, 2015:2).

This study creates an understanding to facilitate the successful implementation of a cost accounting system in order to improve products and service pricing in African traditional healing (Kuchta & Zabek, 2011:3). In this study, the application of a cost accounting system framework is considered relevant to provide appropriate information to achieve resource efficiency of improving the product and service pricing in African traditional healing (Livia and Györgyi, 2013:2).

Therefore, it is likely that the application of a cost accounting system be adopted to facilitate the analyses of the products and service pricing in African traditional healing. The next section explains the reasons for the partial usage of cost accounting in African traditional healing.

## **2.5. Reasons for partial usage of cost accounting in African traditional healing**

In exploring the reasons for partial usage of cost accounting in African Traditional Healing, this section will look at partial usage of cost accounting in traditional healing in context, African traditional medicines and lastly limitations of cost accounting in traditional healing.

### **2.5.1. Partial usage of cost accounting in African traditional healing in context**

Mander (1998:56) found that the previous apartheid government in South Africa contributed to the development of a narrow perspective of indigenous medicine in academia, formal business and all tiers of government. He discovered that this has contributed to a widespread ignorance within a wide range of institutions and in many cases rejection of indigenous

medicine and the associated trade in products. Hence, the lack of the use of strategic management concepts' application, knowledge and the development of traditional healing knowledge. Menke and Wray (1999:47) and Alex (2012:12) were of the view that a cost accounting system should be practical, simple and tailor-made for the business needs of an organisation. Van Der Beck (2010:3) and Miller (2009:11) contend that cost accounting should be able to provide detailed cost information that management needs to control current operations and to plan for the future.

### **2.5.2. African traditional medicines in context**

Truter (2007:4) found that traditional medicines are substances used in traditional health practice for treatment or prevention of a physical or mental illness. Moagi (2009:123), regards African traditional medicines as total knowledge and practices, used in the diagnosis, prevention and elimination of physical, mental or societal imbalances and relying exclusively on practical experiences and observation handed down from generation to generation verbally or in writing. The use of traditional medicine, defined as health practices, approaches, knowledge and beliefs incorporating plant, animal and mineral based medicines, spiritual therapies, manual techniques and exercises, to treat, diagnose and prevent illnesses and maintain well-being is widespread in low- and middle-income countries and of considerable economic importance (Nxumalo et al., 2011: 124).

Abdullahi (2011:117) discovered that prior to the introduction of the cosmopolitan medicine, traditional medicines used to be the dominant health system available to millions of people in Africa both in rural and urban communities. Furthermore, Romero-Daza (2002:174) observes that traditional healing is the only source of health care for the greater population. At any rate, there are strong indications that traditional health care systems are still in use by the majority of the people in Africa and across the world today (Cook, 2009:3). Richter (2003:10) contend that in Sub-Saharan Africa, the ratio of traditional healers to the population is 1:500 while medical doctors have a 1:40 000 to the rest of the population. Hassim, Heywood, and Berger. (2014:122) explain that the introduction of Western medicine created an unequal power-relation that undermined and stigmatised the traditional health care system in Africa due to the over-riding powers of the Western medicine. Abdullahi (2011:117) reveals that a century of colonialism, cultural imperialism and apartheid in South Africa have held back the development of African traditional health care by introducing European systems because of the introduction of the Western health systems. Furthermore pre-existing African systems were



stigmatised and marginalised by the colonialists while indigenous knowledge systems were denied the chance to systematise and develop. Rautenbach (2011: 30) recently discovered that traditional health practice did not receive the same consideration from the South African government as conventional health practices because traditional health practice is regarded as a secret cultural practice which had to be seen as an evil practice within the African community.

Furthermore, Nxumalo et al. (2011:4) discovered that given the use of two parallel health-care systems, policy-makers should develop strategies to protect poor South Africans from out-of-pocket payments for health care as utilisation of these systems significantly absorbs expenditure from low-income households. Pinkoane et al. (2008:3) supported that incorporation was seen as a process that needs to be undertaken by both traditional healers and biomedical personnel through communication and government should be responsible for this process through policy formulation, which should clarify terms and conditions for incorporation. Leonard (2001:2) discovered that even with the expansion of modern medicine, healers are still popular and command fees exceeding the average treatment cost of most modern practitioners. This study is undertaken to fulfil those expectations in line with the government's policy to bring quality health care to South Africans.

Richter (2003:3) and WHO (2003:5) found traditional medicine as health practices, approaches, knowledge and beliefs incorporating plant, animal and mineral based medicines, spiritual therapies, manual techniques and exercises, applied singularly or in combination to treat, diagnose and prevent illnesses or maintain well-being. Robins (2009:6) suggests that Black people in Southern Africa will continue to use traditional healers for their values, beliefs and failure of western medicine, the autocracy by doctors and nurses who forced clients to abandon traditional indigenous healing methods, resistance of clients due to failure to understand why these methods should be abandoned and lastly the availability, affordability and accessibility of traditional medicine.

Pretorius (2004:2) discovered that South Africa has set up a medical research unit to evaluate the safety and effectiveness of traditional African medicines by developing new remedies for chronic conditions, to safeguard indigenous knowledge and to provide consumer information and protection. Helwig (2005:3) found that traditional African medicine is a holistic discipline involving extensive use of indigenous herbalism combined with aspects of African

spirituality. Pretorius (2004:5) further found that the Institute for African traditional medicines research evaluated African traditional medicines and explored their potential to help address the health and economic needs of the country and the continent.

Kang'ethe (2009:2) found that traditional medicine is useful because it attempts to give illness a social and cultural meaning rather than a purely biomedical one. Dold and Cocks (2002:4) found that there are 27 million indigenous medicine consumers in South Africa. The use and trade of plants for medicine is therefore no longer confined to traditional healers but has entered both the informal and formal entrepreneurial sectors of the South African economy, resulting in an increase in a number of herbal gatherers and traders. Furthermore, WHO (2002:3) established that other challenges in developing traditional medicines are to maximise the potential of traditional medicines as a source of health care relating to policy, safety, efficiency and quality, access and rational use.

Mander (1998:2) indicated that there are 60% of the health care services coming from the Western health care systems with 40% of the services coming from indigenous medicine. He further found that there are 6 million indigenous medicine consumers in KwaZulu-Natal and 27 million consumers in South Africa while in KwaZulu-Natal, over 4,000 kg of plant materials are traded in a year valued at US\$13 million or R60 million. Nationally 20,000 kg may be traded in a year valued at US\$60m or R270m. Furthermore, the indigenous medicine market is based on indigenous plants that are generally harvested from wild plant stocks from KwaZulu-Natal, neighbouring provinces and other countries.

The scarcity of popular plants has led to their under-supply, with considerable increases in products trading for US\$100 per kg or R450 per kg. While there are over 400 species of plants that are marketed in large quantities within SA, the supply of plant products is not only critical for the welfare of approximately 27m consumers, but it is also critical for the welfare of people employed in the industry. The medical plant industry plays a critical role in empowering a large number of rural women financially (Mander, 1998:3).

It is estimated that some 1,500kg of plant material was consumed per annum while the average mass per plant bought in the street markets was 216,5g and 83g in the traders' shops. Furthermore, at the community level, the purchasing power of the user group amounts to some US\$1.02b or R4.6b per year. Using the estimated annual expenditure per household on

indigenous medicine of between 4.2% and 8.3% of annual household income, it can be estimated that between US\$42m or R190m and US\$84m or R380m could be spent per annum in KwaZulu-Natal. Using the quantities of plants traded and the average price of raw products bought for R 14/kg, it is possible to estimate the value of expenditure on raw plant products. In KwaZulu-Natal some 1,500kg were traded and this generated an expenditure of US\$4,7m or R21m per annum. In KwaZulu-Natal, the trade of 4,300kg generated an expenditure of US\$13,3m or R60m per annum (Mander, 1998: 31).

### 2.5.2.1. Plants of African traditional healing

Mander et al. (2007:194) found that the main sources of medicine for traditional healers are the indigenous plants, with at least 771 plant species recorded in the trade in South Africa. About 20,000kg of indigenous plants are harvested from grasslands, forests, woodlands and thickets in eastern South Africa every year, with 50kg per annum being cultivated. A range of plant parts are used and these are listed in Table 2.3.

**Table 2.3: percentage used in the medicinal plant trade (Mander et al. 2007:194)**

<b>Plant parts used</b>	<b>Percentage in trade (%)</b>
Bark	27
Roots	27
Bulbs	14
Whole plant	13
Leaves and stems	10
Tubers	6
Mixtures of parts	3
<b>Total</b>	<b>100</b>

This scarcity is further reflected in plant prices, with common species such as *Scilla natalensis* achieving prices of R53 per kg and scarce species such as *Salacia kraussii* achieving up to R4,800 per kg. The trade in plants from Mozambique and Swaziland to South Africa is vibrant, with many traders in the street markets of Durban and Johannesburg coming from

these countries. It is estimated that about 40 kg of the popular useful plants were imported into South Africa while in Mpumalanga, 92% of traditional healers had difficulty in accessing popular plants, while 60% of traditional healers in KwaZulu Natal reporting scarcity of the plants. In addition, several species are extinct in the wild. Importantly, highly valued plants are becoming increasingly inaccessible to the traditional medicine industry and very little is being done to cultivate these plants (Mander et al. 2007:194).

Therefore, the availability of an appropriate plant parts used and in a form of a percentage in trade as illustrates in table 2.3 is likely to facilitate cost accounting practice during processing of the products and services by means of roots, bulbs, whole plant, leaves and stems, tubers and mixtures of parts.

#### **2.5.2.2. Trade of African traditional medical plants**

The trade in medical plants is summarised in Figure 2.2 and indicates the trade chain that shows the numbers and values of the trade at various stages. Mander et al. (2007:194) indicate that the value of the trade in raw medicinal plants in South Africa is estimated at about R520m per year in 2006 while an additional R2.6b is estimated to be added through prescription of traditional plant medicines by traditional healers. The traditional medicinal plants and products traded in South Africa is estimated to be worth R2.9b per year. Most of this value does not enter into the formal trade and in the Gross Domestic Product. There are at least 133,000 income earning opportunities generated by the trade in traditional medical plants and products in South Africa (Mander et al. (2007:194).

Figure 2.2 presented a diagrammatic illustration of South African medicinal plants industry trade chain.

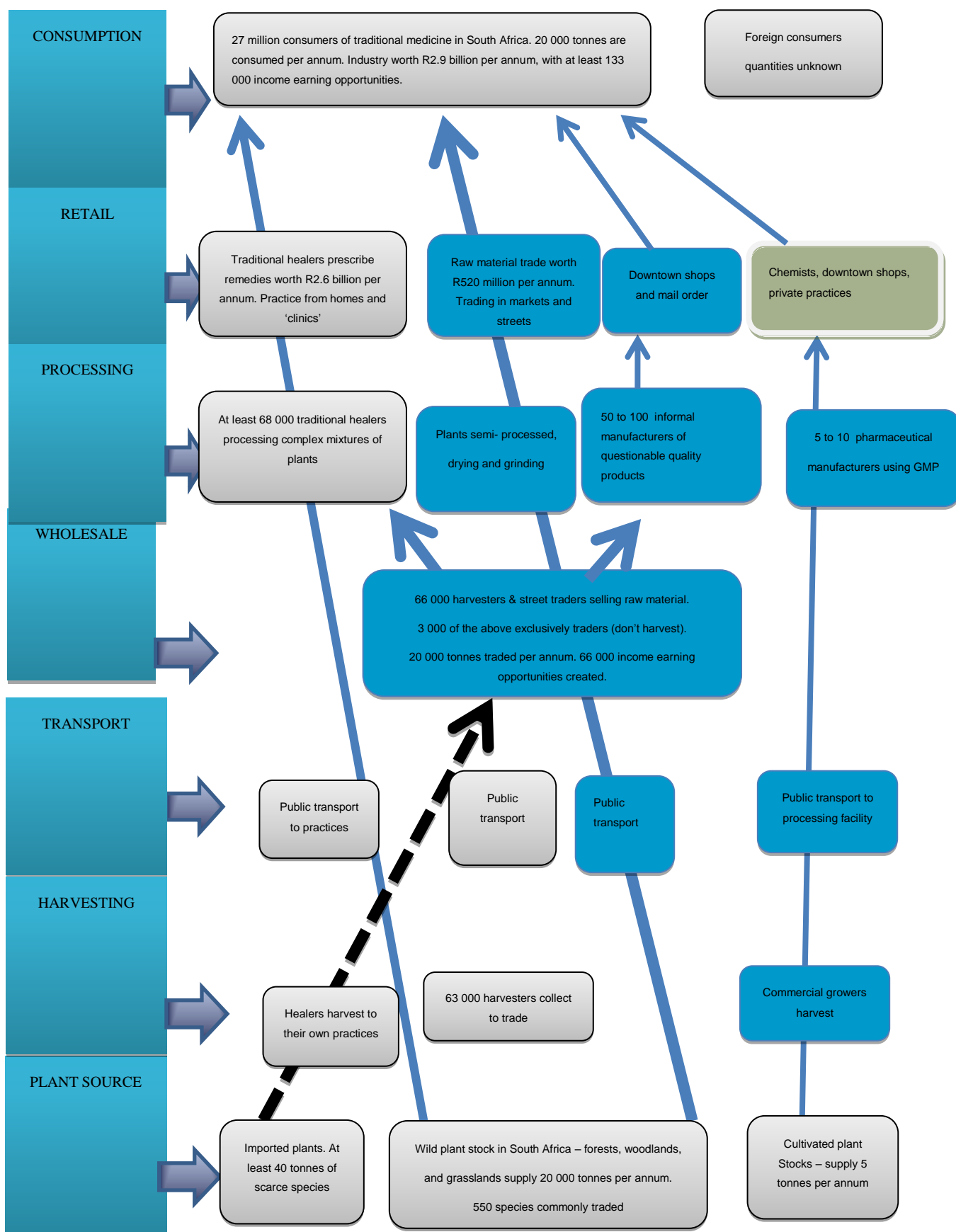


Figure 2. 2: South African Medicinal Plants Industry Trade Chain. Source: (Mander et al., 2007:194)

Hence, the availability of an appropriate cost accounting practice is likely to facilitate the medicinal plants industry trade chain as illustrates in figure 2.2 at various stages of the industry.

### **2.5.2.3. Formal and informal African traditional medicine**

Mander et al. (2007:193) found that the formal traditional medicine suppliers are made of retail muthi shops, health shops, pharmaceutical manufacturers and laissez faire manufacturers. These groups are detailed in Table 2.4.

They further found that formal producers' trading products sold in recent years show a considerable growth in laissez faire manufacturers of traditional medicines that make numerous claims to the efficacy of their products. Many of these manufacturers do not conform to industry's standards. There are few certified pharmaceutical manufacturers that produce formalised traditional medicines and this is caused by the following factors:

- high investment requirements for the development of clinically tested and certified medicines from traditional medicinal plants,
- intellectual property rights issues regarding medicinal plants and products and the high cost of resolving these issues prior to investing in product development;
- risk associated with volume and sustainability of raw plant material supplies, given that the majority of indigenous medicinal plants are not cultivated.

The authors, Mander et al. (2007:193) further found that the investment required by any single pharmaceutical organisation to develop formalised and certified traditional medicinal plant products and a secure raw material supply chain for those products, has been prohibitive to the development of this traditional healing sector.

Mander et al. (2007:194) found that the consumption of traditional medicines in South Africa is widespread and growing with consumer demand for better quality medical plants is increasing. The supply of wild medical plant stocks is declining and is inaccessible due to extinctions and rising market prices. The levels of production of medical plants by farming activities are insignificant as compared to the demand as the trade in medical plants is an important livelihood for rural women and serves as a household income. About 133,000 households are dependent on the trade in medicinal plants in South Africa.

**Table 2.4: Numbers of role players in the traditional medicines (Mander et al. 2007:4).**

<b>Formal producers</b>	<b>Numbers trading</b>	<b>Products sold</b>
Retail 'muthi' shops	Between 300 to 400 in South Africa	These shops sell similar products to the informal trade: plants traded as raw material, chopped or as simple mixtures. They also trade quality packaged traditional medicines supplied by manufacturers.
Health shops specialising in traditional herbal medicines	Number unknown for South Africa, but there are at least 5 in Durban	Popular medicinal plants are sold in various processed and packaged forms (creams, mixtures, tablets). Products are manufactured by pharmaceutical organisations and by <i>laissez faire</i> manufacturers. They also trade a number of non-traditional chemical mixtures.
Pharmaceutical manufacturers	5 to 10 in South Africa	Usually single species products containing safe (non-toxic) plants. Products include tablets, creams, tinctures or mixtures without any claims of efficacy. These products are manufactured using industrial Good Manufacturing Practice standards.
<i>Laissez faire</i> manufacturers	50 to 100 in South Africa	Usually complex mixes of species (with claims of up to 50 species per single product) in various forms (creams, mixtures and tablets), with numerous unproven claims of efficacy. The safety of these products is not proven.

The use of traditional medicines is a positive choice made by consumers, who are often prepared to pay a premium price for these products and services, even when this exceeds the cost of western treatments. South Africa thus has a dual health care system, with some 26.6 million people preferring to use both traditional and Western health care systems (Mander et al. 2007:4).

Although there are research and development into plant drugs (Mander et al, 2007:94), few large pharmaceutical manufacturers are investing in the industry and seem to be cautious about the consequences of emerging intellectual property rights' legislation. In the absence of investment into the development of certified traditional medicines, there is a rapid emergence of manufacturers of laissez faire traditional medicines that lay claim to cures for all manner of ailments, most of which are buying their raw materials from unsustainable plant supply sources.

Hence, the availability of an appropriate cost accounting practice is likely to facilitate these Retail muthi shops, health shops specialising in traditional herbal medicines, pharmaceutical manufacturers and laissez faire manufacturers as illustrates in figure 2.4 on the total number of tradings and the total number of products sold in these categories.

Mander et al. (2007:192) found that the majority of the trade in traditional medicines is conducted in the informal sector. Much of the street market trade in medicinal plants are conducted in R5 to R10 units. A summary of the role players of the informal sector is highlighted in Table 2.5. Mander et al. (2007:192) further found that about 74% of medical plant harvesters, street traders and traditional healers are women and of these some 80% are rural and 20% are urban. The remaining 26% of the role players are men, with 50% rural and 50% urban.

The involvement of these role players in the trade constitutes an important livelihood for these women, as medical plants are natural resources that can be harvested and traded to generate income (Mander et al. 2007:94). Plants can be sold as raw material or as a partially processed chopped or ground and prescribed in complex mixtures. Such mixtures are mostly packaged using re-used newspaper or re-used bottles. Others are sold in dry powder form or wet mixture with water being used as the liquid. The efficiency, stability and hygiene of these products are unknown, but vary between traders and traditional healers. Such trade happens



on sidewalks in urban areas near public transport and in informal market places on pension days in rural areas (Mander et al. 2007: 94).

**Table 2.5: Role players in the traditional medicines (Mander et al., 2007:192).**

<b>Role Players</b>	<b>Number in Industry</b>	<b>Average annual income Per participant (Rands per month)</b>
Plant harvesters	63,000 (although many harvesters will also do part-time street trade)	7,941
Street traders	3,000	7,941
Traditional healers (herbalists and diviners)	68,000 (Full-time traditional healers only). There are a number of part-time traditional healers but the number is not known; some traditional healers' organisations report that there are over 200,000 traditional healers in South Africa	38,491

According to Mander et al. (2007:194) there is a growing interest from local municipalities in KwaZulu Natal, in improving the conditions for informal medicinal plant traders by recognition of the importance of the trade in the informal economy, for sustaining livelihoods and providing health care services. The municipality invested in the installation of plant milling machines and a machine operator and the facility resulted in more than R750,000 being added and R250,000 raw material being processed in a powder and packaged form. The investment into the operation of the milling facility was estimated at R90,000 per annum, with 12% of the additional money earned by the traders through value-added by this facility. The eThekwini municipality has invested in five rural medical plant nurseries and farms in an attempt to begin to promote a more sustainable supply of plants.

Therefore the availability of an appropriate cost accounting practice is likely to facilitate these plant harvesters, street traders and traditional healers (herbalists and diviners), as illustrates in figure 2.5 on the total number of traditional healing industry and the average income.

Hence, there may be a need to document the partial cost accounting through the formal and informal trading of African traditional healing. The next section explains the limitations of cost accounting that is likely to further suppress the use of cost accounting by the traditional healers.

### **2.5.3. Limitations of cost accounting**

Popesko (2009:38) and Alex (2012:9) identified the following limitations or disadvantages of cost accounting:

- It cannot be applied to small business and there is no single method of costing that can be applied to all types of businesses.
- An expense involved in installing a costing system is disproportionate to the benefits received from it.
- It is against financial accounting as it is based on estimates.
- It is generally believed that decisions made and conclusions drawn based on cost accounting are not reliable.
- It is developed because of the limitations of financial accounting as many theories have also been developed in the light of convention and basic principles.
- Cost accounting is not static, but changes with time and circumstances, hence is not an exact science, but an approximate science.
- The procedures and methods of cost accounting followed by different organisations are not uniform and therefore, they provide different results for the same information.
- In cost accounting, some elements of costs like indirect costs are charged on the basis of estimations.

This study, therefore, argues that the effective usage of cost accounting in African traditional healing won't be used without problems, hence the documentation of disadvantages of cost accounting that may affect the products and services pricing of African traditional healing.

## **2.6. Economic importance of traditional medicine around the world**

In this section the literature explores the existing state of knowledge relating to the cost accounting practices of African traditional healing in other countries.

Cost accounting is regarded as a process of accounting for cost, income and expenditure relating to the production of goods and services rendered (Alex, 2012:3). While Kayne

(2009:16) found that the traditional medicine trade is large and a growing industry, African traditional healing has been institutionalised globally (Rukangira, 2004:5; MacLennan, Wilson & Taylor, 2002:169; Endashaw, 2007:34). On the other hand, Peseket al. (2006:6) content that the world market for traditional medicine, based on traditional healing knowledge, has been estimated at \$60billion in 2007. Furthermore, Endashaw (2007:34) reports that the traditional medicines industry in Ethiopia has remained an informal industry and the global value of herbal plants is estimated to be US\$500billion with USA, Germany, China, India, Chile and Egypt playing major role. In addition, Kayne (2009:16) estimates that African healing trade contributes an estimated ZAR 2.9 billion to the national economy with 771 plant species used for traditional medicine with cost of about R4,800 per kilogramme.

The Traditional Health Practitioners Act (2007:21) states that any person who is registered according to this act, must inform clients about the fees of services beforehand while any traditional health practitioner claiming payment must, subject to the provisions of the Medical Schemes Act of 1998, furnish a patient with a detailed account.

MacLennan et al. (2002:169) found that by the year 2,000, the national expenditure was \$AU1671m for alternative medicines and \$AU616m for alternative practitioners in Australia. Further analyses showed a higher monthly expenditure on alternative medicines in rural Australia of \$AU21.73 compared to the metropolitan areas for \$AU20.50, widowed respondents \$AU14.30 and school users \$AU12.52.

Endashaw (2007:34) found that European imports are about 132,000kg of the medicinal plants traded internationally while 27,000kg plant material comes from Africa. In fact, Kayne (2009:17) found that Indians use 1,000 plants medicinally while Malaysia and Indonesia more than twice of the plant materials of traditional medicine with Germany, the largest European user with 70% of the European market. Endashaw (2007:34) found that Botswana, Namibia, Mozambique, Zimbabwe and Malawi import medicinal plants from South Africa trading at R270m annually. He further discovered that the international demand for African medicinal plants is growing with major importers Germany, France, Italy, Spain and the United Kingdom while Egypt and Sudan are the major exporters.

WHO (2005:79) found that in countries like Mexico, Jamaica, El Salvador, Ecuador, Argentina, Costa Rica, the Dominican Republic, Dominica and Columbia, traditional

medicines are sold over the counter in pharmacist without restriction, while in African countries such as Benin, Burkina Faso, Burundi, Cameroon, the Central Africa Republic, Ghana, Kenya, Madagascar and Nigeria traditional medicines are regulated and easily accessible. Rukangira (2004:5) found that on the African continent, it is estimated to have about 216,634 hectares of traditional medicine plants. WHO (2005:58) found that in Burkina Faso, herbal medicines are sold in pharmacies as over the counter medicines, in special outlets and by licensed practitioners. Burkina Faso reported annual market sales figures for 1998 to 2000, estimated by the National Traders Network (NTN).

In 1998, the annual market sales for herbal medicines were 1.5 billion CFA francs or US\$ 2.68m, in 1999 sales were 1.8billion CFA francs or US\$3.22m and in 2000, sales were 3billion CFA francs or US\$5,37m. WHO (2005:65) found that Madagascar provided annual market sales data for the period 1999 to 2001. In 1999, sales were 15.71 million Malagasy francs or US\$2 million and involved 417,051kg of herbal medicines; in 2000, sales were 18.28m francs or US\$3.15 million and involved 580,401kg of herbal medicines; and in 2001, 20.78 million francs or US\$3,59m and 320,609kg of herbal medicines. WHO (2005:78) describes annual market sales based on a market survey of herbal medicines for Canada in 1999 was US\$380m, in 2000 US\$400m and in 2001 US\$400m. In 1999, sales of herbs and vitamins were estimated at 937m Canadian dollars or US\$715m. WHO (2005:77) found that in Brazil during 2001, the total sales of herbal medicines reached an estimated US\$400m. In many parts of the world expenditure on traditional medicines and complementary medicines (TM/CAM) is not only significant, but growing rapidly. Furthermore, WHO (2005:2) found that in Malaysia, an estimated US\$ 500m is spent annually on traditional health care system, compared to about US\$300m on allopathic medicine, while in the USA, a total 1997 out-of-pocket CAM expenditure was estimated at US\$2700m. WHO (2005:3) further found that in Australia, Canada and the United Kingdom, annual traditional medicine's expenditure is estimated at US\$80m, US\$2,400m and US\$2,300m respectively

Jamison, Breman and Measham (2006:3) found that in the United States, the average cost of a single visit to a Navajo healer was US\$388 and the average annual cost of using a traditional healer represented roughly a fifth of the reported annual income of respondents in a survey. The high cost of using a healer was cited as the most common barrier to seeking care from this source. Jamison et al. (2006:3) further found that in Kenya, the average charge per patient

per visit to a traditional medicines practitioner was K Sh 46 or US\$4 in 1981, which was significantly greater than the average charge per visit even in private health care facilities.

Jamison et al. (2006:3) found that in Zimbabwe it was reported that the median cost of consulting an herbalist was Z\$23 per visit, compared with Z\$1 for a government clinic and Z\$29 for a private doctor. Jamison et al. (2006:3) said that traditional medicines is not always more expensive than conventional medicine, however, Jamison et al. (2006:3) found that in Ghana the cost of malaria treatment at a health clinic ranged from US\$1.30 to US\$2.00 in 1997, treatment at home using drugs bought from pharmacies or health care workers ranged between US\$0.10 to US\$0.70. Jamison et al. (2006:3) found that in Zimbabwe, the monthly income of households visiting a herbalist is Z\$877 and was greater than Z\$718 of the monthly income of households using government clinics.

Conserve Africa Foundation (CAF) (2002) found that the importance of traditional healers and their remedies made from indigenous plants play a crucial role in the health of millions of Africa's population. It is estimated that the number of Africans who use these services for primary health care services are as high as 85% in Sub-Saharan Africa. In Ghana, for every traditional practitioner there are 224 people, against one university trained doctor for nearly 21,000 while in Swaziland, for every healer there are 110 people whereas for western trained doctors there are 10,000 people. In Kenya there is one healer for every 200 people while about 7,000 prefer Western medicines.

In table 2.6, the ratio of traditional medical practitioner to patients and Western practitioners shows that in many parts of Africa there are few Western medical practitioners and more African traditional practitioners. Because of this, African traditional healers prove to be an influential group in primary health care and an integral part of the African culture as are required for the health of its people as without them, many people would go untreated.

**Table 2.6: Western and Traditional Medicines in Africa (CAF, 2002)**

Country	Doctor: Patient	TMP: Patient
Botswana		TMPs estimated at 2,000 in 1990
Eritrea	Medical doctors estimated at 120 in 1995	
Ethiopia	1:33,000	
Kenya	1:7,142 (overall)	1:987 (Urban-Mathare)
Madagascar	1:8,333	
Malawi	1:50,000	1:138
Mozambique	1:50,000	1:200
Somalia	1:14,285 (Overall); 1:2,149 (Mogadishu); 1:54,213 (Central region); 1:216,539 (Sanag)	
Sudan	1:11,000	
Swaziland	1:10,000	1:100
Tanzania	1:33,000	1:350-450 in DSM
Uganda	1:25,000	1:708
Zambia	1:11,000	
Zimbabwe	1:6,250	1:234 (urban) 1:956 (rural)

Therefore the availability of an appropriate cost accounting practice is likely to facilitate these ratios per patients between traditional medical practitioner and Western practitioners as illustrates in table 2.6 in major Africa countries that shows few Western medical practitioners and African traditional practitioners as an influential group in primary health care.

In this section the literature explored the existing state of knowledge relating to the implementation of cost accounting practices of African traditional healing in other countries.

## **2.7. Regulation of African traditional healing in South Africa**

In this section the literature will be reviewed with special attention to regulation of African traditional healing in context and the Traditional Health Practitioners Act of 2007.

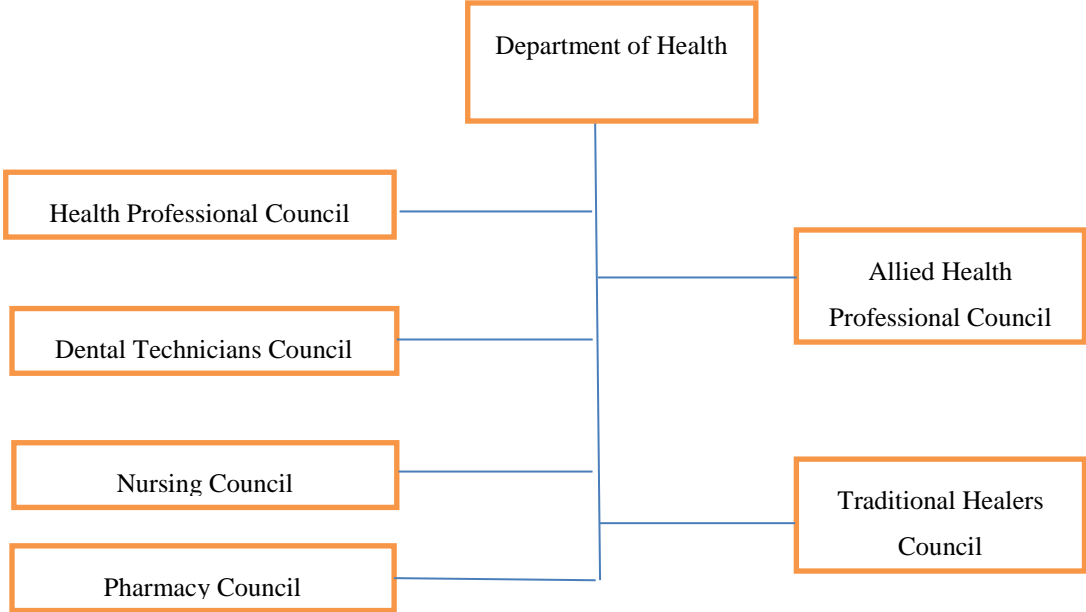
### **2.7.1. Regulation of African traditional healing in context**

The South African Government through the Department of Health developed the Traditional Health Practitioners Act of 2007 in order to transform and recognise the importance of traditional healers in a traditional philosophy that provides primary healthcare in South Africa. This act regards traditional philosophy as indigenous African techniques, principles, theories, ideologies, beliefs, opinions, customs and the uses of traditional medicines communicated from ancestors to descendants or from generations to generations, with or without written documentation. Gqaleni et al. (2007:177) further found that the African traditional health councils are responsible for the registration of practitioners, the establishment of educational standards for registration and the general regulation of the health care professions. Furthermore, Mbatha et al. (2012:17) found that the introduction of this act sparked public interest and raised concerns for employers that it would cause abuse of sick leave and absenteeism. Gqaleni et al. (2007:177) found that private medical insurance agencies include alternative medicine options in their portfolios. Furthermore, Mbatha et al. (2012:17) found that this act classifies traditional healers as diviners, herbalists, prophets or faith healers, traditional surgeons and birth attendants.

Gcaleni et al. (2007:177) found that the implementation of the Traditional Health Practitioners Act will ensure that traditional healers are placed on an equal footing with other types of health care practitioners in South Africa as all health care practitioners must be registered in order to practice and to qualify for registration while a practitioner must have achieved a minimum standard of training at an institution accredited by the relevant council set up by the Department of Health. The African traditional health councils are responsible for the registration of practitioners, the establishment of educational standards for registration and the general regulation of the health care professions. The regulation structure for health care practitioners is shown in Figure 2.3.

The Traditional Health Practitioners Act of 2007 (2008:45) regards traditional medicine as an object or substance used in traditional health practice to diagnosis treatment. Pretorius

(1994:254) found that the Medical and Burial Savings Scheme screened and recognised more than 40 healers that employees can consult for health care purposes, while the Chamber of Mines and the National Union of Mineworkers allowed a panel of traditional healers who can grant their employees three days’ leave to consult such practitioners.



**Figure 2. 3: Regulation of Health Care Practitioners in South Africa**

Source: (Gcaleni et al., 2007:177)

Gqaleni et al. (2007:176) found that the World Health Organisation provided a framework for action to promote the use of traditional medicines in order to reduce mortality and provide strategic objectives such as;

- Firstly, to integrate traditional medicines into national health care systems by developing and implementing national traditional medicines policies and programmes;
- Secondly, to promote the safety, efficacy and quality of traditional medicines by expanding the knowledge base of these remedies and by providing guidance on regulatory and quality assurance standards;
- Thirdly, to increase the availability and affordability of traditional medicines focusing on poor populations; and lastly,
- To promote sound use of traditional medicines by providers and consumers.



Therefore the availability of an appropriate cost accounting system in African traditional healing is likely to facilitate informed decisions regarding the WHO's framework for action to promote the use of traditional medicines in order to reduce mortality and provide strategic objectives.

### **2.7. 2. The Traditional Health Practitioners Act of 2007 (THPA)**

The purpose of this Act is to:

- establish the Traditional Health Practitioners council,
- provide for the registration, training and practices of traditional health practitioners, and
- to serve and protect the interests of members of the public who use the services of traditional health practitioners (The Traditional Health Practitioners Act of 2007).

Therefore the availability of an appropriate cost accounting system in African traditional healing is likely to facilitate an informed decision regarding the use of traditional medicines and to effectively serve and protects the interests of their clients.

- The Traditional Health Practitioners Council, established under this act, strives towards the following objectives of the Council:
  - Promoting public health awareness;
  - Ensuring the quality of health services within the traditional health practices;
  - Protecting and serving the interests of members of the public who use or are affected by the services of traditional health practitioners;
  - Promoting and maintaining appropriate ethical and professional standards required from traditional health practitioners;
  - Promoting and developing interest in traditional health practice by encouraging research, education and training;
  - Promoting contact between the various fields of training within traditional health practices in the Republic and to set standards for such training;
  - Compiling and maintaining a professional code of conduct for traditional health practice; and
  - Ensuring that traditional health practice complies with universally accepted health care norms and values.

Therefore the availability of an appropriate cost accounting system in African traditional healing is likely to facilitate informed decisions regarding the WHO's framework for action to promote the use of traditional medicines in order to reduce mortality and provide strategic objectives.

#### **2.7.2.1. Fees charged by registered traditional health practitioners**

Every person registered under the Traditional Health Practitioners Act of 2007 must before rendering traditional health care services and conform to the following:

- Inform the person to whom the services are to be rendered or any person responsible for the maintenance of such person of the fee which he or she intends to charge for such services.
- Furnish the patient with a detailed account within a reasonable period.
- Apply in writing to the traditional healers' council for a determination of the amount which, in the opinion of the Council, should have been charged for the services to which the account relates.
- The Council must then determine the amount and notify the traditional health practitioner and the patient, in writing, of the amount determined. Before the Council determines an amount, it must afford the practitioner concerned an opportunity to submit to the Council, in writing, the relevant factors to be considered by the Council in support of the amount charged.

Therefore the availability of an appropriate cost accounting system in African traditional healing is likely to facilitate an informed decision of rendering the health care services and manage the traditional healing as a small business organisation in furnishing the client with detailed account.

In this section the literature was reviewed with special attention to regulation of African traditional healing, Traditional Health Practitioners Act of 2007 and most importantly the fees charged by registered traditional healers.

### **2.8. Summary**

This chapter has reviewed the theoretical frameworks of cost accounting in African traditional healing and has explored the various processes of cost accounting and traditional healing,

which explain and amplify the basic processes of cost accounting and African traditional healing.

The first section discusses cost accounting in the private and public sectors; the next section discusses cost accounting in African traditional healing; subsequent sections discuss the necessity of cost accounting in context and African traditional healing in context

Cost accounting has been seen as one of the most effective management tools in strengthening organisational performance through effective decision-making and systematic cost accounting formulation and implementation. The literature review many topics and concerns in cost accounting in African traditional healing included a cost accounting in the private and public sectors, the cost accounting in African traditional healing, the necessity of cost accounting in African traditional healing, the reasons for the absence of cost accounting practices in African traditional healing, economic importance of traditional medicine around the world and the regulation of African traditional healing in South Africa.

The literature review on cost accounting in African traditional healing discussed cost accounting in context, African traditional healing in context, negative aspects of traditional healers, and the challenges of medicinal plants supply of traditional healing

Furthermore, the literature review on necessity of cost accounting in African traditional healing discussed using cost accounting in African traditional healing, the essentials of a good cost accounting system, the importance of cost accounting system to business, the objectives of cost accounting, the advantages of cost accounting system and the implementation steps of cost accounting.

In addition, the literature review on the major reasons for the absence of cost accounting practices in African traditional healing identified partial usage of cost accounting in African traditional healing, plants of African traditional healing, trade of African traditional medicines and limitations of cost accounting.

It can be concluded from the literature review that for a successful implementation of any costing system, nine basic steps such as; to develop objectives, develop a performance based costing team, address issues of organisations, identify value-adding areas and critical success factors, identify critical success factors drivers, identify critical success factors cost pools, identify secondary cost drivers, identify cost object and finally implement cost accounting.

Finally the literature on regulation of African traditional healing in South Africa discusses regulation of traditional healing in context, the Traditional Health Practitioners Act of 2007, and the fees charges by registered traditional health practitioners. The next chapter detailed the research methodology and the analytical framework for this research study.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.1. Introduction**

The previous chapter discussed the literature review of the study by discussing the necessity of cost accounting in African traditional healing and the reason for partial usage of cost accounting practices in African traditional healing that includes the theoretical processes of cost accounting and African traditional healing. This chapter explains the research methodology used to explore the research questions in this study. For this study, a mixed method data collection method has been utilised. Focus groups were used to explore the topic and generate new ideas followed by direct observations, documentary and data analysis sources. The justification for using these methods is outlined in this chapter.

### **3.2. Objectives of the study**

The main objective of the study intends to examine the need for cost accounting practices in African traditional healing and the reason for its partial application. In this regard, the study will aim to achieve the following specific objectives to:

- Determine the extent of cost accounting practices' adoption to improve product and service pricing in African traditional healing in South Africa.
- Determine the reasons for the partial extent of adoption of cost accounting practices to improve product and service pricing in African traditional healing in South Africa.
- Suggest how the adoption of cost accounting practices can improve product and service pricing in African traditional healing in South Africa.

### **3.3. Research questions**

Therefore, in order to achieve the above objectives, the following key research questions will be relevant for this study as guidelines to the researcher. The key research questions forming the basis for data collection and analysis are as follows:

- To what extent is cost accounting practices' adoption necessary to improve product and service pricing in African traditional healing in South Africa?
- To what extent is the use of cost accounting practices currently being adopted to improve product and service pricing in African traditional healing in South Africa?

- How can the use and adoption of current cost accounting practices be applied to improve product and service pricing in African Traditional Healing in South Africa?

### **3.4. Methodological approach**

This study seeks to understand cost accounting in traditional healing. It is an exploratory study given that the concept of traditional healing which is a relatively new phenomenon and there is little research available regarding cost accounting in traditional healing (Gilson, 2012:49). Exploratory research is useful in situations where limited information is available and the researcher wishes to explore areas of research in future (Zikmund, 2003:117; Macdonald & Headlam, 2009:40). The primary goal of exploratory research is to gain a better understanding of a situation and it is an appropriate way to provide the ground work for more rigorous studies at a later date (Cooper & Schindler, 2006:55)

Gilson (2012: 49) and Zikmund (2003: 117) note that the first step in exploratory research is to analyse the existing studies in the subject area and then transform potential issues into more defined problems to develop research objectives. Chapter Two provided an analysis of the necessity of cost accounting in traditional healing and the reason for its partial application in traditional healing.

Benade (2014:2) and Cooper and Schindler (2014:55) define exploratory research as a qualitative research often referred to as an interpretative research with the intention of building an understanding of an issue rather than prove a theory. This type of research has the potential to provide the researcher with rich and useful data and involves a high level of researcher involvement and interpretation (Cooper and Schindler, 2014:44; Gilson, 2012:49). The researcher is interested in what the respondents believe with more emphasis on their words and actions in identifying patterns through observations, documentation and analyses (Macdonald & Headlam, 2009:49; Zikmund, 2003:117). Rowley (2002:20) found that qualitative research is valuable for gaining quality data from relatively few people by developing the research question or hypothesis throughout the research process.

#### **3.4.1. Research methodology**

This study seeks to identify the thoughts and feelings of the traditional healers on cost accounting in traditional healing. The literature review identifies the practice of cost

accounting in public and private organisations regarding the research question and the data collected from this study will be analysed to ascertain whether they can be supported or not. The research strategy was developed so that the information requires evaluating the objectives and research questions generated in a timely and cost effective fashion.

The research method meets the following criteria:

- Involving traditional healers who use the traditional healing methods.
- Facilitating the expression of thoughts and beliefs of the traditional healers which in turn will provide large amounts of interpretative data.
- Providing the opportunity to gain deeper insights into concepts and issues that may be identified.

The above led the researcher to adopt a multi-method research strategy consisting of qualitative research through focus group interviews, direct observations, documentary analysis, newspapers and analysis of secondary sources. The section on data collection will provide justification for the use of these research methods.

The study followed an exploratory research method through the use of a focus group approach to explore the necessity of cost accounting practices in African Traditional Healing and the reason for its partial application. Gilson (2012:49) found that exploratory research seeks to explore what is happening, especially in little-understood situations. In addition, Rajasekar et al. (2006:1) state that a research methodology is a logical and systematic search for new and useful information on a particular topic. Furthermore, Brynard and Hanekom (2006:28) refer to research methodology as the strategy for research that focuses on the process and the decisions that has to take place to accomplish the research project. The study will use qualitative research methods in the data collection and data analyses. Since this study used a focus group study approach, the main techniques to be used for data collection and analyses will be semi-structured focus group interviews, direct observations and documentary analysis, newspapers and analysis of secondary sources. Gilson (2012:49) indicate that the use of a case study approach is important as it will give detailed knowledge about the phenomena and not be able to generalise beyond the knowledge. Fieldwork will be carried out in the Makhuduthamaga Local Municipality during April 2015 in a focus group of 6 to 15 traditional healers.

### **3.4.2. Research design**

The researcher will utilise the qualitative data gathering techniques, because the area under study is both sensitive and under-researched. Khoo (2005:25) and Collins et al. (2004:18) regard research design as the only practice that can address the theoretical research questions. Furthermore, Rajasekar et al. (2006: 4) regard qualitative research as a non-numerical, descriptive, applies reasoning and uses words and to get the meaning, feeling and describe the research situation. The research design structures the research process and provides logic in one's approach to a research problem. De Vaus (2001a:9) claims that the objective of a research design is to ensure that evidence obtained answers the research questions as unambiguously as possible. According to Schmallegger (1996:95), the research design serves as a guide to the systematic collection of data. Patton and Cochran (2002:2) regard qualitative research as the understanding of some aspect of social life to generate words, rather than numbers. The qualitative approach will be adopted because there is little information available on this specific research problem according to the researcher. Bless and Higson-Smith (2000:63) regard research design as a specification of the most adequate operation to be performed in order to answer the research questions.

### **3.4.3. The focus group case study approach**

In identifying and formulating the answers to the research questions, the researcher will use the case study approach on a focus group with the traditional healers. Blumberg, Cooper and Schindler (2011:374) and Rowley (2002:17) found that a case study approach has a unique quality that will enable the researcher to deal with a full variety of evidence from interviews, documents and observations. Furthermore, Singh (2006:149) regards a case study as a method of exploring and analysing the life of a social unit, be that unit a person, a family, an institution, culture group or even an entire community. In this case study, analyses will be made between the practice of cost accounting and traditional healing with the traditional healers. Singh (2006:149) found that the case study has three main objectives:

- Clinical purpose, such as dealing with a patient, in this case dealing with traditional healers.
- Diagnostic purpose, such as educational situation to provide the remedial instruction to traditional healers.
- Fact-findings about psychological or educational problems such as doing a follow up.



#### **3.4.4. Unit of analysis**

The unit analysed for this study will be the Traditional Healers Organisation in the Makhuduthamaga Local Municipality under the National Department of Health. The Traditional Healers Organisation is a non-statutory, professional organisation for traditional health practitioners who subscribe to the Traditional Healers Practitioners Act 2007. This organisation is responsible for organising, training, certifying traditional health practitioners and fighting for members' rights to practice in tradition healing. They also assure the values, quality of treatment, efficacy, safety and ethical standards of member practitioners and have knowledge about traditional healing of different kinds of ailments and share this knowledge through their training programmes. (<http://www.traditionalhealth.org.za/t/documents.html>). The purpose of using the Traditional Healers Organisation in Makhuduthamaga Local Municipality as the unit for analysis is due to the researcher's having access to the traditional healers and speaks their language that will make thing easier to gather the necessary information and data. This is possible because the researcher is part of the Makhuduthamaga community. As this study is a case study, it will look at the necessity of cost accounting practices in African traditional healing and the reason for its partial application.

#### **3.4.5. Research population and sampling**

The population was the traditional healers under the leadership of the chairperson of the traditional healers at the Makhuduthamaga Local Municipality. The Municipality is one of the five municipalities falling under the Sekhukhune District Municipality, with the following traditional healer numbers, Makhuduthamaga 2,912, Elias Motswaledi 1489, Ephraim Mogale 967 and Tubatse Local Municipality with 3,110 traditional healers. In total the Sekhukhune District Municipality has 10,778 traditional healers (this data was provided by the Chairperson of the THO via email). Of the 2,912 traditional healers of Makhuduthamaga Local Municipality, seven (7) Traditional Health Practitioners were asked to participate in a focus group in this study where the researcher used the purposive sampling method to select traditional healers who are eligible for inclusion in the study in accordance with the invitation by the chairperson of the traditional healing organisation at Makhuduthamaga Local Municipality. According to Green and Brikci (2007:6), this means that participants are selected because they are likely to generate useful data for the project.

De Vos (1998:191) and De Vos (2001) define a sample as a subset of measurements drawn from a population in which the researcher is interested, while Maree (2007:79) and Sapsford and Jupp (2006:26) refer to a sample as a set of elements selected from a population as well as the process used to select a portion of the population of the study. Furthermore, practicing traditional healing and the contribution to the improvement of health care in South Africa and the interest in participating in this study will be the additional criteria for selecting the participants. Currently the literature review identified 185,477 traditional healers nationwide with the breakdown of 10,780 in Eastern Cape, 22,645 in Free State, 61,465 in Gauteng, 25,430 in KwaZulu Natal, 7,366 in Limpopo, 57,524 in Mpumalanga, 5,935 in North West, 2,221 in Northern Cape and 2,600 in Western Cape Province.

### **3.5. Data collection**

In this section the focus group interviews, developing the interview guide, Interview planning, the focus group, documentation, direct observation, the pilot study and data quality will be discussed as data collection methods.

#### **3.5.1. Focus group interviews**

De Vaus (2001a:5) and Robson (1993:228) regard an interview as a conversation with a purpose. According to Bless and Higson-Smith (2000:104), an interview involves direct personal contact with the participant who is asked to answer questions relating to the research problem. Welman and Kruger (1999:166) maintain that unstructured interviews are normally employed in exploratory research to identify important variables in a particular area, to formulate research questions and to generate hypotheses for further investigations, while the structured interview will put a collection of questions from a previously compiled questionnaire to the respondents face-to-face and record the responses.

Fox (2009:55) found the interview to be the best way of collecting high quality data and is preferable when the subject matter is very sensitive. The idea of collecting evidence through interviews at the various levels is to ensure that the data gathered were more reliable and examined in an unbiased manner. The interview for the focus group was a semi-structured interview. The idea of collecting the evidence through the interviews at the various levels is to ensure that the data gathered will be more reliable.

### 3.5.2. Developing the interview guide

The focus group interview guide provides the moderator, which in this instance is the researcher, with an outline to direct the flow of the discussion and allow it to deviate from the guide where appropriate (Folkestad, 2008:7). The design of the interview guide is based on theoretical frameworks that surround the research question (Patton and Cochran, 2007:19). A copy of the interview guide is detailed in Appendix F and G on both Sepedi and English versions.

The interview consists of open ended questions which are designed to gain the participants views, experiences and opinions about cost accounting in traditional healing (Krueger, 2002:7; Macdonald & Headlam, 2009:40). These types of questions allow the participants to determine how they wish to respond thereby reducing moderator bias and increasing reliability (Boyce & Neale, 2008:3; Khoo, 2005:27).

In preparation for the focus group's interview, the following issues were addressed (Onwuegbuzi & Byers, 2014:184; Patton & Cochran, 2007:19; Krueger, 2002:7; Boyce & Neale, 2008:3; Fox, 2009:5):

- Taking into account each question has a purpose.
- Considering the questions are open ended.
- Whether the participants understand the language and technical terms.
- Whether the answers to be written or verbal and are to be recorded.
- Whether the data will be collected and analysed?
- Whether the questions have been pretested?

The interview guide was developed in this format: the first set of questions helping the moderator developing trust and the participant to become comfortable (Calder, 2013:356). The questions then become more specific in nature (Fox, 2009:5). Krueger (2002:7) suggests that about twelve questions are appropriate for a two hour focus group interview (see Appendix F and G on both the English and Sepedi versions). For the purpose of this study, the focus group interview were run for one hour and therefore the interview consists of twelve core questions for the first and second research questions that are based around the theoretical framework. Each question is supported by pre-planned probes.

### **3.5.3. Interview planning and procedure**

The observation and interview results, the role of the moderator and selecting respondents will be discussed as interview planning and procedure.

#### **3.5.3.1. Observation and interview results**

Special attention is given to providing clarification and finding of possible reasons for explaining cost accounting in traditional healing. The researcher categorised the responses to check for similarities. The data analysis entails organising and arranging the information obtained in a logical order whereby data are categorised and arranged into meaningful groupings to scrutinise common themes and patterns.

#### **3.5.3.2. Role of the moderator**

The role of the moderator in the focus group is to encourage discussion and ensure that the group remains on track (Abumere, 2014:87; Zikmund 2003:117). The moderator of the focus groups must ensure that all participants are involved in the discussion and must prevent more forceful personalities from dominating the group (Krueger, 2002:3). In focus groups it is important that the interviewer operates on a content level, a process level and an executive level (Zikmund, 2003:117). The term focus group describes both the method of research and the role of the moderator by focusing on the area of research (Onwuegbuzie et al. 2009:2).

Effective moderators possess the following characteristics (Krueger, 2002:3; Given, 2008:354; Zikmund, 2003:117; Onwuegbuzie, Dickinson, Leech & Zoran, 2009:2):

- Personality by possessing good people skills and communication skills.
- Attention by being able to maintain attention throughout the entire focus group session.
- Professional training with background in communications, traditional healing and cost accounting.
- Organisation by leading the group according to the focus.
- Objectivity by having the ability to not let the moderator's personal opinion influence the discussion.
- Listening skills by possessing the ability to listen carefully and the ability to paraphrase.

For the purpose of this study, the researcher acted as the moderator. His background in teaching at an academic level, coupled with years of being in management accounting provided the opportunity to apply the characteristics identified above. He also had many years' experience in communicating with traditional healers. While argument can be made as whether the moderator can provide appropriate objectivity, Morgan (1998:48) suggests that an outside professional might actually detract from what your own research team is able to do best. Therefore, the decision is justified for the researcher to be the moderator of the focus group.

### **3.5.3.3. Selecting respondents**

The interviewees in this study were not randomly selected but were be chosen through purposive sampling. They were those involved directly with the traditional healing in the Makhuduthamaga Local Municipality. They were informed of the purpose of the interview and the place, date and time of the interview will be agreed upon. The location of the interviews vary depending on interviewees' convenience. The interviewees were from traditional healers which include the decision-makers such as the Chairperson, Deputy Chairperson, Secretary General, Deputy General Secretary and Treasurer of the traditional health organisation. In order to conduct the interview, appointments with the interviewees were set with their consent. The interview was not only based on the pre-set questions by the researcher but also included questions that the researcher thought would be necessary to achieve the purpose of the study. The method of recording responses from interviews was done with a video-recorder. Fox (2009:24) observes that using video can pick up non-verbal behaviour and help the researcher in a focus group to identify this in the respondent who is speaking in a group.

### **3.5.4. The focus group**

The focus group included only registered traditional healers under the traditional healers' organisation in the Makhuduthamaga Local Municipality. The researcher conducted one focus group during the interview sessions to enable the researcher to obtain a first-hand impression of the practice of cost accounting in traditional healing. The purpose of this focus group is to identify the necessity of cost accounting; it's partial usage in traditional healing and impact on health care services in the local communities.

Onwuegbuzie, et al, (2009:2) define the focus group interview as an unstructured free flowing interview with a small group of people. A focus group allows the researcher to collect information from a small group, while observing non-verbal behaviour and guiding and probing the participants so that all the information required can be uncovered (Abumere, 2014:87). Focus groups have become a popular form of qualitative data collection because they are considered to be easy and inexpensive to organise and execute, flexible and relatively quickly analysed (Onwuegbuzi et al., 2009:2; Rabiee, 2004:655).

Abumere (2014:87) and Krueger and Casey (2000:15) suggest that focus groups should be considered when:

- The researcher wishes to understand the ideas and feelings that the sample have towards something
- To understand differences in perspectives of groups of people
- To uncover factors that influence opinions
- To encourage ideas to develop from the group
- To capture the comments or language of the target audience.

Focus groups are justified for this study for the following reasons (Abumere, 2014:87; Zikmund, 2003:117):

- A focus group is a very effective way of gaining insight and exploring the issue to be addressed, especially if there is limited information.
- The focus group facilitator can encourage the group dynamics to emerge and with it gather some quality data regarding their views and expectations. Answers may be more spontaneous as no individual feels pressured to make a comment. The open ended style of discussion in focus groups allows participations to comment and share experiences with their peers.
- The flexible format of the focus group encourages discussions and allows the researcher to explore areas initiated by the group. Sometimes a single comment can trigger a chain of other responses. Respondents, once they become comfortable within the group, will often express their ideas and feeling on a deeper level.

- Focus groups are considered to be relatively inexpensive to organise and analyse within the benefits of gaining data from several people simultaneously. Another benefit is that the time involved in organising and implementing focus groups are often much less than other forms of research.

The above outlined advantages of using a focus group and justifying its use in this study.

#### **3.5.4.1. Sample design and recruitment of the participants**

Focus groups are composed of people who have a degree of homogeneity and sameness (Blumberg et al. 2011:226). The sample design is based on a non-probability and convenience sampling as non-probability sampling does not use selection procedures that relied on personal judgement of the researcher to decide who will be included in the sample (Blumberg et al. 2011:232). In selecting participants for the focus group, Boyce and Neale (2006:4) stress that the goal should be minimising sample bias rather than achieving generalisability.

This study was comprised of a segmented and homogenous sample based on the following criteria:

- Member of Traditional Healing Organisation.
- Living in Makhuduthamaga Local Municipality
- Participants must have experience in traditional healing.
- Participants must have at some stage used traditional healing processes.
- An even mix of male and female participants should be achieved

The high level of homogeneity of the sample will allow for free flowing ideas and provide opportunity to investigate differences in perspectives within the group (Folkestad, 2008:20).

Kelly (2008:61) found that some researchers believe it is preferable that the sample group do not know each other as this may inhibit some of their responses. However, Blumberg et al. (2011:232) argue that focus groups with acquaintances are sometimes difficult to avoid and the priority of the sampling techniques should be that the sample feel comfortable within the group. If the participants who are acquainted are difficult to avoid and the priority of the sampling techniques should be that the sample must feel comfortable within the focus group. If the participants selected were not suitable, owing to geography, age and schooling of the

participants, many of the samples were acquired through mutual contacts. This did not have an adverse influence on the flow of the conversation in the focus groups and the participants seem very comfortable about expressing themselves in the setting.

#### **3.5.4.2. Establishing and conducting the group**

One focus group interview was held and the session was one hour long. Neville (2007:41) recommends that three to five focus groups per project are sufficient. However, Cooper and Schindler (2006:26) recommend that researchers keep conducting focus groups until no new insights are gained. It is expected that after one focus group discussion with a total of 6 participants a saturation of themes will be achieved (Kruger & Casey, 2000:35).

Polonsky and Waller (2005: 31) argue that the focus group discussions are designed to take one hour to complete and is sufficient time to conduct the focus group discussion. The sample size for each group is six which is considered an optimal size for a focus group (Neville, 2007:41). This size allows for all participants to make a contribution to the discussion.

For this study, the traditional healers were contacted via the chairperson of Makhuduthamaga Local Municipality's traditional clinic section who was referred to the researcher by the coordinator of traditional healing organisation in Johannesburg and asked if they would discuss the possibility of taking part in this study. Details regarding the focus group were discussed while the participants consent form was sent a week ahead of the focus group interview. A reminder through a cell phone call was made the day before the day of the focus group interview to confirm participation and participants were asked to arrive ten minutes before the focus group interview.

The participants were made to understand that comments made would be treated confidentially and they also need to respect the confidentiality of other people's comments in the focus group and were asked to read and sign an informed consent form (see Appendix C and on both Sepedi and English versions) which outlined how the information would be used and included a brief outline of some of the questions that would be discussed.

The location of the focus groups interview was the chairperson's private residential place as a central location to all the participants and free from distractions. Being in a home situation, the atmosphere was very relaxed and comfortable.



To ensure that collected data are reliable and valid, member checks were done by the moderator summarising the data and checking with the group to ensure that they agree with the interpretation (Cooper & Schindler, 2014:160). By recording the focus group interview, the moderator was able to keep the conversation moving focusing on the process rather than taking down notes (Kelly, 2008:63). At the end of the focus group interview each participant was asked to fill in a form giving some demographics details and information regarding their experience on cost accounting in traditional healing (Neville, 2007:41).

#### **3.5.4.3. Limitations of the focus group**

The limitations of the focus groups as a research method include (Neville, 2007:41; Cooper and Schindler, 2014:160):

- Participants may feel concerned about confidentiality issues.
- Participants may be worried that they might say something to embarrass themselves in front of the group or may be reluctant to discuss sensitive issues.
- Over claiming of those within the group can occur due to social pressures within the group.
- Respondents may publicly agree with issues while privately disagreeing.
- Possibility of interview bias needs to be considered.
- Generalisability is low.
- Analyses of data is subjective and open to interpreter bias

As the participants of the focus group were traditional healers, the researcher reinforced the importance of confidentiality regarding what was discussed during the focus group and ensured that all participants felt included in the discussion and that no one person dominated the focus group. Despite the limitations, the focus group provided data that assisted in gaining insights into how traditional healers view cost accounting in traditional healing and the focus groups proved to be an appropriate research method for this study.

#### **3.5.5. Documentation**

As content analysis is part of getting evidence for this study, relevant supporting documentation was analysed. The materials were the official documents such as, Traditional Healers Organisation (THO) profile, THO Code of Conduct and Grievance Procedures policy, THO Code of Ethics and Behaviour Policy, Identification of target groups of traditional health

practitioners for training, Guidelines for formulating policies on training of healers, South African Charter of religious rights and freedom, THO Code of Ethics, Heritage Transformation Charter, Declaration on traditional medicine and Traditional Health Practitioners Act 2007 (<http://www.traditionalhealth.org.za/t/documents.html>).

The advantages of the use of documentation include (Blumberg et al. (2011:361; Degu & Yigzaw, 2006:55) :

- Documents can provide readymade information relatively easily
- The best means of studying past events.

The disadvantages of the use of documentation include (Blumberg et al. (2011:361; Degu & Yigzaw, 2006:55) :

- Problems of reliability and validity as the information is collected by a number of different persons who may have used different definitions or methods of obtaining data.
- There is a possibility that errors may occur when the information is extracted from the records and this may be an important source of unreliability if handwriting is difficult to read.

Since the records are maintained not for research purposes, but for regulations and administration, the information required may not be recorded at all or only partly recorded.

### **3.5.6. Direct observation**

A direct observation was carried out during the site visits. The selection of traditional healers visited was based on the recommendation of the chairperson of the traditional healers' organisation in the Makhuduthamaga Local Municipality. The visit involved meeting with traditional healers at the discretion and approval of the chairperson within the Makhuduthamaga Local Municipality.

### **3.5.7. The pilot study**

The researcher did a pilot study using draft focus group questions in order to achieve the research objectives in an interview. This was done to ensure that the researcher asked the right questions without omitting important issues. The pilot study was done with two traditional

healers in Tshwane Metropolitan Municipality on 15 May 2015 and they further identified different services and products that traditional healers provide. Blumberg et al. (2011:74) and Fox (2009: 32) suggest that one or two respondents who are familiar with the researcher's sampling frame all be tested and the further interview to be carried out a few days before the researcher begins interviewing the focus group in order to remember what worked well during the pilot phase.

The questions were pretested by two people who fitted the profile of the sample provisioning of the moderator with an opportunity to revise questions where necessary.

### **3.5.8. Data quality**

In order to ensure that quality data are collected for this study the following issues needed to be addressed: reliability, forms of bias; generalisability and validity of data.

**Reliability:** Data are reliable when it is consistent where other researchers would uncover the same information when assessing the same data (Cooper & Schindler, 2014:181; Šimundić, 2013:14). The circumstances that surround most qualitative studies are complex and dynamic in nature and flexibility that is inherent in semi-structured interviews which make it more difficult to ensure consistency. In this study the use of focus groups provides triangulation and therefore improves the level of reliability.

**Interview and Interview bias:** Bias is the term given to inaccuracies in data (Rowley, 2002:20; Šimundić, 2013:14). The following strategies were employed by the interviewer to avoid any bias in this study:

- The interviewer was well prepared for the interviews and had pretested the questions prior to the focus group interview.
- The interviewer was conscious of not leading or responding to questions in a positive or negative manner.
- The interviewer ensured that all the interviewees were comfortable within the setting of the interview.
- The interviewees were assured that the information discussed would remain confidential.

**Generalisability and validity:** Given the limited number of participants within the focus group in this study, the results cannot be equated to the broader population and are therefore not generalisable. Validity is concerned with the truth or how valid the results of the study are, as validity of the data is strengthened once the interviewer has the opportunity to probe and question the participant during the focus groups interview and is clear as to the intended meaning of the participants (Cooper & Schindler, 2014:39; Šimundić, 2013:14).

In ensuring validity, the researcher was a well-trained and skilled moderator who checked that only members of the Traditional Health Organisation participated and avoided personal bias and expectations of the participants with the only intention of learning cost accounting practice in traditional healing and remained neutral throughout the focus group interview. Furthermore, ethical clearance of the focus group interview was obtained and all the members were card carrying members of the Traditional Health Organisation

### **3.6. Data analysis methods**

According to Lancaster (2005:157), data analysis refers to the process of turning data into information in developing concepts, theories, explanations and understanding. Qualitative data generated from the interview were analysed using the thematic analysis technique. The common themes were developed and supported through verbatim quotes. Using the research questions as tools for analysis, the researcher highlighted the relevant texts which are critical for this study. A content analysis was carried out to retrieve any useful information that addresses the research questions. For this study, the researcher read the documents, interview transcripts and notes repeatedly as documentary materials proved useful in addressing the research questions.

#### **3.6.1. Data analysis**

The use of a literature review based on theoretical frameworks is an efficient method of organising the analyses of the data in qualitative research (Blumberg et al. 2011:719). The literature review has identified objectives of the necessity of cost accounting in traditional healing and its partial usage which provided the structure for the analyses of the data from the focus group interview. Folkestad (2008:4) and Kruger and Casey (2000:46) suggest that the researchers must always refer to the purpose of the study when beginning with analyses of the

focus groups interview. They furthermore suggested that focus group analyses should be systematic and continuous.

- **Systematic analyses:** A systematic analysis is deliberate and planned (Folkestad; 2008:4). It ensures that the results are a reflection of what was shared by the group and data documented are understood and transparent. The transcript of the focus group's interview, along with the moderator's notes are analysed with themes and subthemes identified (Blumberg et al. 2011:719). Appendix F and G provides a brief summary of the focus group's discussions on both Sepedi and English versions.
- **Continuous:** Analyses of the data begins at the first focus group interview, with the moderator being aware of the questions that the group were enthusiastic in discussing and the areas where they were more reluctant to reveal their thoughts. Each group's data are analysed and compared with the others in an ongoing process (Singh, 2006:215).

For this study the researcher undertook a transcript based style of analysis, where the transcripts and notes from the focus groups are read through and coded so that issues and themes can be identified (Blumberg et al. 2011:719). A report was developed that provided a descriptive summary of the responses for each of the questions illustrating the points with quotes from the transcripts (Dedu & Yigzaw, 2006:66). Kruger and Casey (2000:46) recommend that analyses of the transcript be undertaken by someone who was present at the focus group, in this case the researcher, as they are able to not only make notes of what was said but also factor in other influences during the focus group discussion such as talking over or laughing on particular issues.

### **3.6.2 Analysis of interview data**

Folkestad (2008:10) and Birks, Chapman and Francis (2007:156) state that the main intention of a qualitative interview is not to compare cases or units but to get access to actions and events that are viewed as relevant for the research. Analysing qualitative data is basically a process of organising, categorising and meaningfully interpreting a large volume of words obtained from interviews, field notes or documentary survey. Furthermore, Creswell (2009:173), Folkestad (2008:10) and Miles and Huberman (1994:22) argue that regardless of the different ways of analysing the data, any analysis technique has to be anchored to the conceptual framework and tied up to the research objectives of the study. As qualitative data involve a huge amount of written and spoken data, a researcher should look for a sound way

to begin the analyses or else a researcher will simply drown in the stream of data (Degu & Yigzaw, 2006:66; Miles & Huberman, 1994:20; Creswell 2009:173). While there are no hard and fast rules as to how to commence the data analyses, suggestions by, Miles & Huberman (1994:20) and Creswell (2009:173) proposed a three phase qualitative data analysis such as data reduction, data display and conclusion drawing as useful to the researcher.

Data reduction is about organising and reducing a large volume of data by means of focusing, simplifying, summarising and covering the data from interview transcripts and documents (Miles & Huberman, 1994:22). The major activity in the data reduction phase is data coding and categorisation according to different themes and key areas of research. Data displays, involves organising and matching the reduced data into a reasonable and understandable format to allow the researcher to make inference and suggestions concerning a particular issue, practice or policy undertaken by the participants in the settings (Degu & Yigzaw, 2006:66). The final step, drawing, is also known as the interpretation phase and entails giving details and making sense to the analysed data (Creswell, 2009:175).

### **3.6.3. Content analysis**

Content analysis is used when documents are used during data analyses and is an analytic approach that involves systematic examination to document emerging patterns objectively. Gilson (2012:49) found that with content analysis, a researcher will be able to compare contexts across many texts and analyse them using quantitative techniques. Furthermore, content analysis is a more reliable and effective approach that can be used during data analyses than any other qualitative research method. In addition, Cooper and Schindler (2014:384) and Welman and Kruger (1999:46) opine that content analysis allows the researcher to obtain an objective and quantitative description using a pattern-matching logic. The pattern-matching will help to strengthen the internal validity of a case study and allow the researcher to compare the procedures, guidelines, documents policies of the traditional health organisations in relation to cost accounting practice.

In content analysis, the measurement to be used by the researcher will be systematic and careful observation based on written rules that explain how to categorise and classify observations. The written rules make replication possible and help improve reliability of the research. Through the findings, the researcher found similarities and non-similarities during interview analyses. The non-similarities were highlighted if they have a direct impact on the

practice of cost accounting in traditional healing. In content analysis, the unit of analysis varied accordingly, either a theme or a character. The written rules make replication possible and help improve reliability. Such findings will be significant in addressing the objectives of this study.

### **3.7. Reliability, validity, objectivity and trustworthiness**

Gilson (2012:56) and Bless et al. (2006:149) state that reliability is the extent to which the observable measures that represent a theoretical concept are accurate and stable when used for the concept in several studies. An instrument with very high reliability becomes useless if it has a poor validity. For reliability, the focus group were piloted to test the data collection procedure. Reliability refers to the consistency of measurement, the extent to which the results are similar over different forms of the same instruments or occasions of data collection. Reliability of a test or instrument is determined by its consistency of results when applied repeatedly, administered by either the same or different persons.

In validity, the questions as to whether the measures which are to be used will really deliver what the researcher claims of them or whether they give a competent measurement of something that turns out to be different from what the researcher claims to deliver (Gilson, 2012:56; Sapsford & Jupp, 1996:2). Validity were based on the use of an extensive body of knowledge when designing the focus group and on the method of probing to determine more in depth information in this research. The idea of objectivity assumes that the truth or independent reality exists outside of any investigation or observation. Gilson (2012:56) and Creswell (2009:175) suggest that in qualitative research, a realistic aim for the researcher is to remain impartial to the outcome of the research, to acknowledge their own preconceptions and to operate in an unbiased and value-free way as possible.

Shenton (2004:73) identifies four quality criteria for trustworthiness in qualitative research and identified them as credibility, transferability, dependability and conformability. Credibility refers to the adoption of appropriate, well recognised research methods, through different types of informants and ensuring honesty in iterative questioning during data collection. Transferability is the provision of data to establish context of study and detailed description to allow comparisons. Dependability refers to the overlapping methods supported by in-depth methodological description to allow study to be repeated. Conformability refers to effect of the researcher bias, admission of researcher's beliefs and assumptions, recognition of

shortcomings in study's methods, potential effects and in-depth methodological description to allow integrity of research results to be scrutinised (Shenton, 2004:73). Hence, a case study focus group was conducted whereby the interview questions was translated and administered in the language of the traditional healers (Sepedi) to gain their understanding of cost accounting.

### **3.8. Bias**

Miles and Huberman (1994:22) and Macdonald and Headlam (2009:61) believe that the terms credibility, trustworthiness and authenticity refer to validity in phenomenological research where flaws in validity may cause response bias. Šimundić (2013:14) states that bias is any trend or deviation from the truth during data collection, data analysis and data interpretation which can cause false conclusions. During data collection, a sample needs to be representative of the population as conclusions will not be generalisable and the study will not have the external validity. Bias exists because the population studied does not reflect the general population. Furthermore, Šimundić (2013:15) suggests that data should be analysed in such a way that will not give preference to the conclusions in favour of the research question. And lastly, one needs to make sure that proper results are presented and interpreted correctly.

### **3.9. Ethical considerations**

Cooper and Schindler (2014:28) and Saunders et al. (2003:129) contend that ethics refer to the appropriateness of the researcher's behaviour in relation to those who will become the subject of this work or will be affected by it; as a result the respondents will be given a consent form before participating in the study. Macdonald and Headlam (2009:59) and De Vos et al. (2005:69) regard ethics as a set of widely accepted moral principles that offers rules and behavioural expectations of the correct conduct towards experimental subjects and respondents, employers, sponsors, other researchers, assistants and students. Any respondent who does not wish to participate in the study were allowed to do so. The researcher will ensure that the respondents are protected and the findings are presented honestly without distortions. The participants in this study are the traditional healers who are under the traditional healers' organisation, were therefore be required to sign an informed consent form for ethical purposes (Gilson 2012:50; Welman & Kruger, 1999:48).

There are six ethical issues that were considered in undertaking this study (Gilson, 2012:50; Welman & Kruger, 1999:48; Cooper & Schindler, 2014:28). They are:



- Informed consent of the participants
- Voluntary participation without coercion or deception
- Confidentiality and anonymity
- Potential for harm
- Communicating the results and
- Ethical issues specific for the study, in this case the collection of data from traditional healers who are members of Traditional Healers Organisation.

According to the university rules, ethical approval is required to address the above listed issues. An application was made to the Turfloop Research Ethics Committee (TREC) which gave approval to proceed with the study before any primary data were collected (see Appendix A). Prior to their involvement, participants were informed about the nature of the research and assurance was given that all information obtained will be treated confidentiality (Gilson, 2012:50). The focus groups and individual interviews were all video-taped and transcribed to ensure correctness of information (Welman & Kruger, 1999:48). Information of personal nature was not asked and the participants had the opportunity to cease involvement with the study at any time (Gilson, 2012:50). There was no potential harm to participants as a result of taking part in this study (Blumberg et al. 2011:226).

### **3.10. Summary**

Having reviewed the literature in Chapter Two, this chapter has developed an appropriate research design and analytical framework based on cost accounting and African traditional healing practice to enable the examination of the research objectives and research questions in Chapter One. The study has adopted the focus group within case study approach to examine the research problem. Field studies and interviews during case studies provide richer data and can explore causal effects more closely.

The study has adopted largely a qualitative approach in the collection of both primary and secondary data. Quantitative techniques have also been used to collate responses from the field based on content analyses. A variety of primary evidence has been gathered from the focus group and discussions, field observations, and other secondary sources of research instruments.

Overall the study has developed a theoretical justification for the research addressed in this study and has presented them in this chapter as a strategic framework designed to simplify their analysis.

Finally, it is important to take note that most of interviewees and respondents of the focus group preferred anonymity. Therefore, for reasons of confidentiality references for the quotes as presented in next chapter will not disclose specific names of individuals or their authorities. Instead such quotes will be distinguished in terms of status of particular interviewees or respondents. The discussion, presentation and interpretation of the findings from this study are detailed in the Chapter 4.

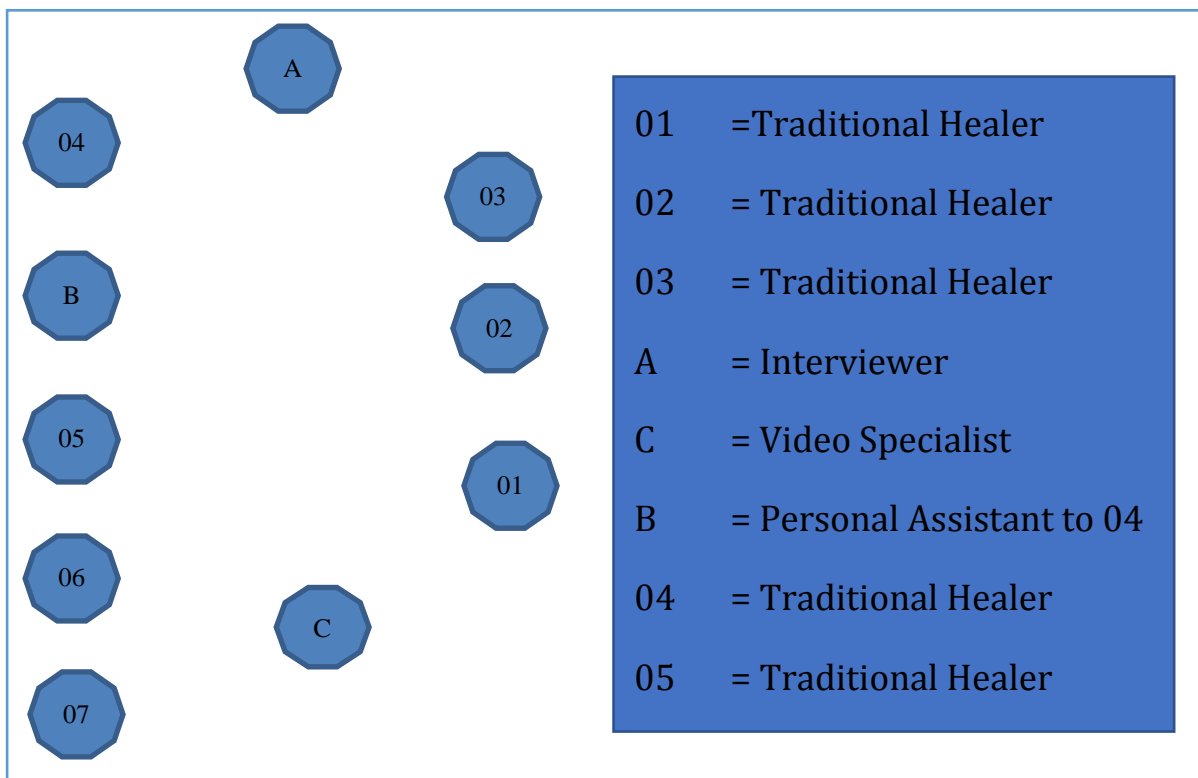
## CHAPTER 4: DISCUSSION, PRESENTATION AND INTERPRETATION OF FINDINGS

### 4.1. Introduction

The previous chapter discuss the research design, methodology, data collection and analysis approach, and ethical issues. In this chapter, data gathered from the focus group interviews will be analysed in order to explore the three research questions, which relate to the application of cost accounting practice in African traditional healing. This chapter details sample characteristics of the African traditional healers and presents analyses of the data to assess whether the research questions outlined in Chapter One can be supported.

### 4.2. Starting time of the focus group interview

The appointment with the chairperson of the Traditional Healers Organisation of Makhuduthamaga Local Municipality was made on 29 April 2015 and scheduled for 10h00



**Figure 4. 1: Socio-gram of focus group.**

on 25 June 2015. The researcher arrived at the research venue by 09h30 for preparations. By

10h30 only one participant had arrived, followed by another participant at 11h10. The seventh participants eventually arrived at 11h50. Due to logistic arrangement as the office was closed, the interview briefing of all the seven participants started at 12h15.

The official focus group interview eventually started at 12h45. The arrangement of the interview is illustrated by figure 4.1. The interview session was agreed to be opened by prayer other than their normal 'Thokoza Gogo' greeting which is a normal greeting and opening of any conversation by traditional healers.

### **4.3. Sample characteristic of the participants**

Participants of the study included seven (7) traditional healers from Makhuduthamaga Local Municipality consisting of six (6) females and one (1) male. This is the focus group used in the study. Among the six (6) female African traditional healers, there were five (5) herbalists and a faith healer or prophet who uses both herbal medicines and prophetic healing and holy water to heal clients for a fee. All the traditional healers were approached through their association and agreed to take part in the study. However, most of them reported that they were unable to sign the consent form because they were illiterate. The traditional healers did not express any discomfort with the idea of the interview being audio recorded as they were assured about their anonymity. Details of the participants who took part in the study are presented in a Table 4.1 without revealing their identities. This study seeks to understand cost accounting in traditional healing and to achieve this non-probability, sampling strategy was utilised to form one focus group with seven traditional healers. Table 4.1 summarises the sample of the focus group. The sample consists of traditional healers who are involved in African traditional healing.

**Table 4.1: Sample Characteristic of the Participants**

<b>Variable</b>	<b>Traditional Healer 1</b>	<b>Traditional Healer 2</b>	<b>Traditional Healer 3</b>	<b>Traditional Healer 4</b>	<b>Traditional Healer 5</b>	<b>Traditional Healer 6</b>	<b>Traditional Healer 7</b>
<b>Gender</b>	Female	Female	Female	Female	Female	Female	Male
<b>Marital Status</b>	Married	Married	Single	Married	Married	Married	Single
<b>Member of THO</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>Type of TH</b>	Herbalist	Prophet	Herbalist	Herbalist	Herbalist	Herbalist	Herbalist
<b>Age</b>	41-50	More than 60 Yrs.	More than 60 Yrs.	More than 60 Yrs.	More than 60 Yrs.	More than 60 Yrs.	31-40
<b>Education</b>	Secondary	Secondary	Primary	Primary	Primary	Primary	Graduate
<b>Experience</b>	11-20 Yrs.	11-20 Yrs.	More than 20 Yrs.	More than 20 Yrs.	More than 20 Yrs.	More than 20 Yrs.	11-20Yrs
<b>Employees</b>	Less than 50	Less than 50	Less than 50	Less than 50	Less than 50	Less than 50	Less than 50
<b>Turnover</b>	Less than R50K	Less than R50K	Less than R50K	Less than R50K	Less than R50K	Less than R50K	More than R50K
<b>Registered Business</b>	None	None	None	None	None	None	None
<b>Knowledge of CA</b>	General Knowledge	General Knowledge	General Knowledge	General Knowledge	General Knowledge	General Knowledge	General Knowledge
<b>Learning of CA</b>	Never	Never	Never	Never	Never	Never	Never

#### **4.4. The translation of the focus group interview**

The questionnaire was originally developed in English. However, the researcher decided to provide a Sepedi translation in order to make it clear to the respondents in the context of traditional healing, as in Filep (2009:59), who found that the researcher has to find a solution for translating the expressions and concepts in a way that their meanings do not get lost in translation. Moreover, Regmi, Naidoo and Pilkington (2010:17) found translation as a process of converting ideas expressed from one language into another, embedded in the sociocultural language of a particular context and also described the translation process as basically a boundary-crossing between two different languages. Although Sepedi is the native language of the residents of the Makhuduthamaga Local Municipality, English is an official language that is widely used in many sectors such as business, industry and education. Therefore, the researcher believed that presenting the questionnaire as a two-language document might increase the response rate and the focus group questionnaire translated accurately since poorly translated questionnaire can reduce the response rate and may provide misleading data. Therefore, a language specialist was used to do the translation. The questionnaire was originally developed in English by the researcher based on extensive review and understanding of the literature and bearing in mind the research aim and objectives.

#### **4.5. Focus Groups Interview of the research questions**

The focus group interviews were conducted to explore the three main research questions: to what extent is cost accounting practices' adoption necessary to improve product and service pricing in African traditional healing in South Africa?, to what extent is cost accounting practices currently being adopted to improve product and service pricing in African traditional healing in South Africa?, and how can the use and adoption of current cost accounting practices be applied to improve product and service pricing of African Traditional Healing in South Africa?

#### **4.6. Key Findings from documents and sites visits**

A number of documents were accessed from the traditional healing organisation's offices with their permission. Documents examined contain no trace of cost accounting records or any form of accounting practice, except a record of the Traditional Healing Organisation's

patient treatment fees for 2007. The document consists of three parts; full treatment package set, general body cleansing, protection and prevention; and health practitioners training in traditional healing as indicated in Table 4.2.

Table 4.2 presents a full set of treatment fees charged to patients who patronise traditional healers. This list is made available by the Traditional health Organisation.

**Table 4.2: Traditional Health Organisation’s Patient Treatment Fees for 2007**

<b>TREATMENT PACKAGES FULL SET</b>	<b>FEES</b>
<b>1. CONSULTATION</b>	<b>R</b>
1.1. Diagnosis-single client	50.00
Home & all members of the family diagnosis	100.00
1.2. Childhood diseases full treatment set	100.00
Childhood chronic diseases full treatment set	160.00
1.3. Young & grown- ups diseases full treatment	180.00
Young & grown- ups chronic diseases full treatment	200.00
1.4. Female diseases full treatment set	250.00
Female chronic diseases full treatment set	300.00
1.5. Adult male diseases full treatment set	350.00
Adult male chronic disease full treatment set	400.00
1.6. Adult male diseases full treatment set	500.00
Treatment for chronic long illness full treatment	2,000.00
1.7 All general body sicknesses full treatment set	750.00
All chronic general sicknesses full treatment set	800.00
<b>2. GENERAL BODY CLEANSING, PROTECTION &amp; PREVENTION</b>	
2.1. Natural body cleansing	360.00
Natural body cleansing full treatment set	850.00
2.2. Workers’ body cleansing	450.00
Workers’ complete body cleansing & protection	900.00
2.3. Business people & their businesses lucky charm	600.00
Powerful prevention & protection full set	1,000.00
2.4. General body lucky charm treatment	1,500.00
General body powerful prevention & protection charm	2,000.00
2.5. Home treatment & protection	1,000.00
Big family home full treatment, protection & prevention	1,200.00
<b>3. HEALTH PRACTITIONERS TRAINING</b>	
3.1. Beginners training initial fee before treatment for non-possessed & traditional general practitioners	500.00
3.2. Graduation ceremony fee	600.00
3.3. Traditional media practitioners fee after graduation paid after completing training	1,500.00
3.4. Traditional medical practitioners full medicinal bag or trunk	2,000.00
3.5. Traditional medical centre kit full medicine apparatus to be provided	2,500.00
3.6. Homeopathic doctor full training course	2,800.00
3.7. Herbal medicine chemist permit, license and initial stocks as for your requirements	5,000.00

The fees listed in Table 4.2 for full treatment package sets range from R50 to R800 and the fees for general body cleansing, protection and prevention ranges from R360 to R2,000, while the health practitioners training fees ranges from R500 to R5,000 as illustrated in Table 4.2. When the traditional healers were contacted, the researcher confirmed that the above fees were not realistic and therefore not followed by all the traditional healers since some services have very low and others abnormally high prices to implement to their patients or customers.

#### **4.7. Analyses of the focus group**

The focus group interview was analysed in three important parts which are, the introductory focus group interview, the analyses in terms of the first two research questions of the study and lastly the concluding remarks made by the traditional healers during the focus group interview.

##### **4.7.1. Introductory focus group**

This section highlights key findings from the introduction of the focus group which the researcher cannot afford to ignore.

Key Findings:

- Traditional healing does not have the support from the government.
- Traditional healers can be trained in cost accounting.
- Traditional healers are co-operating with medical practitioners.
- Traditional healers have co-operation among themselves.
- Modern medical practitioners and nurses undermine traditional healers.
- Traditional healers have confidence in their medication and services.
- Traditional healers are consulted secretly by modern medical practitioners and nurses for assistance.
- The traditional healers are able to identify their cost accounting shortcomings.

The above are key findings from the introduction of the focus group. The participants during the introduction of the focus group raised important concerns which the researcher cannot afford to ignore.



The participants during the introductory phase in this study were unaware of the concept of cost accounting or its application which can assist them in determining their product costs, as a result, they felt that they have failed to attract the necessary support from the government. *“Because we work on different people with different diseases but we do not have government support, we are not supported by the government as we also work with orphans, people who are poor”*.

The chairperson of the traditional healers mentioned that *“Now our government is against us treating the patients as they refuse to recognise and trust us even though we live with these patients and understand them. Even when a patient is dehydrated, when you take him/her to the hospital and upon arrival the officials will inform us in front of the patient that we were to the cause of the patient’s vomiting by inducing diarrhoea (go peita)”*. The chairperson detailed the way government lends support to Western medical practitioners at the expense of the traditional practitioners. She therefore believes that this lack of support by government has deprived them from learning about the benefit of cost accounting practices in their profession.

Most of the participants, even though they lack the necessary education about cost accounting practice that can assist them to control their service cost and ensure that prices are fair to their customers, believe that traditional healers can be trained in the principles and practice of cost accounting. *“I noticed that I had a problem with the western medical doctors. When I arrived here for training in Traditional Healing Organisation THO, I realised I have to train and attend courses with medical doctors, to be a specialist. I have attended the course with medical doctors, hence I consider myself as a doctor”*.

The participants have an understanding regarding co-operating with modern or Western medical practitioners and in making referrals. However, *“the problem with referring to hospitals is that hospitals have a problem of not accepting referrals from us. They are also not willing to refer patients to us. We do refer patients especially in the case of Shingles which is a type of disease with rash in a belt like form in the middle of the body”*. While it is plausible that medical doctors have mutual understanding and respect for one another in treatment of patients, the same cooperation cannot be said between medical doctors and traditional healers.

Many of the participants felt that modern medical practitioners and nurses undermine their profession and knowledge. They claimed that the same medical doctors and nurses approach them secretly for assistance. *“As a matter of fact they should humble themselves before us, we will help and assist them and heal them, they are often afraid to consult us in public, they hide and come to us during the night looking for help and assistance and we assist them and heal them together with their families. Even some of the nurses in our community also come with their children and families to us for healing and we assist and heal them, but they seem to be afraid to do it in public but they make appointments to visit late at night or after work when people cannot see them”*.

The participants have cooperation among themselves in sharing and providing basic health care services to the South African population. One of the traditional healers states that, *“I may not know how to treat a certain illness while my colleague may know how to treat such an illness, therefore I can refer such a patient to my colleague for treatment”*.

The traditional healers seem very confident about the potency of their medications in comparison to modern medical doctors, *“and we understand and trust our knowledge; we are doctors because we can diagnose an illness and cure the patient successfully. We are not doctors that have learned from the books, but we are doctors from birth and grew up as such”*.

When asked how they view themselves as compared to modern medical doctors, one of the traditional doctors stated that, *“Often times when children are admitted to the hospital they never come back, because most sicknesses are known and understood by traditional healers, often a person may not find a cure when they visit medical doctors at the hospital but when they come to us most definitely get healed through our muthi (mixed medication) and herbs”*.

The traditional doctors are able to demonstrate and identify their shortcomings regarding the understanding of cost accounting as one of the participants noted that: *“On the management of our resources, income and outcome, we have yet to adopt costing methods because a client living in Polokwane may request my service with me residing at Burgersfort in Nebo which is about 120km. Upon arrival I might charge R2000 or R3000. The money we used for transport from there or the one I used to hire a car never factored*

*into the price of the service, but my focus is only on the money I received*". The introductory focus group interview shows that cost accounting can be implemented in African traditional healing in a practical, simple and tailor-made manner for use by the traditional healers in their businesses. It can also be observed that cost accounting practices can be an important element in traditional healing. One thing that is evident from this study is that cost accounting is partially practiced by the traditional healers or in traditional healing without realising it. The next section will concentrate and analyse the data on the two objectives of the study which are the necessity of cost accounting in traditional healing and the reason for the partial usage of cost accounting in traditional healing.

#### **4.7.2. Necessity of Cost Accounting in African Traditional Healing**

The following findings can be made regarding the needs or necessity of cost accounting practices' adoption to improve product and service pricing in African traditional healing in South Africa.

##### **4.7.2.1. Understand the concept of cost accounting and its relevance to assist in business decision-making**

This section highlights key findings from the focus group about their understanding of the concept of cost accounting and its relevance in decision-making.

Key Findings:

- Traditional healers felt that cost accounting can be implemented in traditional healing.
- The use of cost accounting can allow traditional healers to cost their products and services realistically.

The information gained from the focus group shows that the traditional healers are enthusiastic about cost accounting and its role in controlling cost and ensuring that their prices and charges are fair and can lead to improvement in the quality of service delivery. The majority of the traditional healers feel that cost accounting can be implemented in traditional healing and assist in critical business decision-making. As noted by a member of the group: *"Yes, the way I understand it as explained today it can be helpful, in the sense that it will help us to calculate realistic service charge and consultation fees"*.

One of the participants went as far as stating that: *“Yes, after today’s session, I can proudly say I do understand the significance of cost accounting and also think that it can be useful in traditional healing since it will assist us when calculating our services charges and product costs”*. They are of the view that traditional healers can benefit from the use of cost accounting principles to ascertain product costs and services charges.

When asked whether they understood the cost accounting concepts and its relevance as explained to them to assist in their business decision-making, all of the participants agreed that cost accounting will be a welcome relief for their small businesses and very important to the traditional healing services. As one of the participants reiterated: *“Cost accounting is significant because most times we tend to buy things without giving it proper cost consideration when we have to use ingredients or consider the cost of materials and time spent when we charge the fees for our services”*. Another participants shared her thoughts: *“I think that it will be beneficial, because when we get herbs, muthi and artefacts from different places, often times you might find that we may need to sit down and account for the herbs, muthi and artefacts we have bought which we often neglect to do properly before now”*.

The first impressions of the investigation suggest that cost accounting can be practiced successfully in African traditional healing while cost accounting can also allow the traditional healers to cost their products and services in African traditional healing.

#### **4.7.2.2. Cost accounting as in private and public service organisations can be applied in African traditional healing**

This section highlights key findings from the focus group about applying cost accounting principles to traditional healing practices.

Key Findings:

- Cost accounting can be applied in traditional healing and can help to determine profit.
- Traditional healers feel that cost accounting can be important in traditional healing as it is in both private and public organisations.

- Traditional healers feel that cost accounting can be an effective tool in calculating product processing costs and service charges.

It is plausible that cost accounting principles may be very useful because the Traditional healing processes follow the same principles as private and public organisations in the manufacturing processes of their products and services.

When participants in the focus group were asked whether it will be necessary to have cost accounting in African traditional healing, the traditional healers were unanimous in their responses that cost accounting as practiced in private and public organisations will help in identifying unprofitable products or product lines so that they may be eliminated or alternative measures taken.

One respondent states: *“Yes it will be important, particularly in private surgeries for traditional healers if we are to take into account the costing of the equipment and rental of buildings”*. This assertion consistently appeared in the original transcript.

Throughout the interview, traditional healers were optimistic about the use of cost accounting in their practice and showed no disapproval of its usage but were quick to recall the advantages to be gained if applied as in private and public organisations. One of them said: *“I regard the system with high esteem due to its ability of accuracy of cost estimation, especially in our own surgeries, for instance, it can be useful when we process the herbs, muthi and artefacts and process them and allow the medicines to dry and surf them and finally we put it in bottles for consumption and drinking”*. This belief indicates that the use of cost accounting will allow traditional healers to determine their profitability. This conviction is consistent with previous studies such as that of Horngren et al. (2006:10) and Alex (2012:7) that cost accounting can assist businesses to ascertain the cost of the products, processes and services and also assist in planning future operations. The traditional healer feels that cost accounting can be used effectively to determine the processing costs of their products and services. Here is the response from one of them: *“Firstly, I sometimes look for the remedy to a health problem brought before me. Often times you might find that the herb, muthi and remedy are found in different places, perhaps I might find some in a one area and others in a different areas and this process entails*

*incurring travel costs*". This explains that traditional healing involves processes and procedures similar to manufacturing concerns.

Another participant responded: *"The herb is often collected or found in different areas and most of the time far apart, you might need to travel very far and in different places to find different the types of medicines, herbs and muthi and I also have to take into consideration the amount of time it has taken me to get the herb and remedy and use that to charge my services and products accordingly"*.

These findings suggest the necessity of cost accounting in African traditional healing as used in private and public organisations since traditional healing have similar features to manufacturing processes. This will enable traditional healers to determine their profitability accurately.

#### **4.7.2.3. For planning and controlling of costs and determining the unit and total production costs.**

This section highlights key findings and discusses issues raised from the focus group about the essence of cost planning and control in determining unit and total costs of healing services and products.

Key Findings:

- Traditional healers can use cost accounting to plan, control and determine unit cost.
- Traditional healers can use cost accounting effectively to determine their production costs.

As previously discussed, the participants of the focus group felt that apart from being used in public and private organisation, they were of the opinion that cost accounting will assist them to plan and control unit costs of traditional healing. This is evident in this response: *"Yes it will be possible, this can only be determined if the herbs have been compiled and packaged accordingly, only then will I be able to determine how much it will cost me and allow me to charge for services accordingly"*.

Many of the participants believe that cost accounting can be effectively used to determine their production costs. The traditional healers opined that if cost accounting can be tailored to meet their business needs, cost accounting can effectively be used to determine total product costs. This is expressed in this response: *“I will need to take into consideration the quantities of herbs and the muthi used. I would also need to take into consideration that during the healing process of a patient, whether a particular weighed-teaspoon will be sufficient to heal the patient or whether it will take a day or more for the patient to get healed, needs to be determined as well as its related costs before charging the necessary fees”*.

Participants described how cost accounting can be implemented in a traditional healing environment. Here is an explanation by one of them: *“The way I understand cost accounting. For instance, let’s say I buy prophetic water (sewashu) for R10 or R15, I would then measure the required quantity for such treatment. I will use a certain amount of dosage for that particular patient, even when I am compiling herbs for two patients I will take into consideration the amount of time, money and effort it has taken me to get that particular herb and muthi before I conclude a price”*.

One focus group participant replied: *“I have gone out looking for medication in the bush or mountain for different types of muthi and herbs and I have processed and put them together as a complete medication and when I have put them together I know how to differentiate them, that this package is for a certain sickness and this will give me an idea of how much I will get for a single trip of looking for medication in the bush and mountains”*.

The data gathered from this focus group suggest that traditional healers consider cost accounting as a useful tool that could bring about a turnaround in their business practices. The traditional healers believe that as cost accounting is used by organisations to plan and control cost, it will be useful in determining their unit and total production costs.

The next section will concentrate on whether there is a cost accounting system in place to determine product costs and service charges of African Traditional Healing.

#### 4.7.2.4. Existence of cost accounting system to determine cost of product and services

This section highlights key findings and discusses responses from the focus group on whether they have attempted the use of cost accounting principles in determining their product and service costs.

Key Findings:

- Traditional healers may have used cost accounting without being aware to determine the cost of products and services.
- Traditional healing products are stored safely for years until they are used.
- Traditional healers would be grateful to have a full costing system to determine travelling costs.

Participants in the focus group were particularly satisfied about the benefits that will accrue to them under cost accounting practices. Many have been using cost accounting without being aware of it to determine the cost of products and services. *“Yes I believe I use the cost accounting system maybe not as sophisticated as the one you have described. I try to keep track of my spending even though is not so much effective, but yes I am trying to make sure I at least have a budget”*.

The participants mentioned that the products are stored safely for years before they can be used. A member of the group has a different view about the usage of cost accounting in her practice. She had this to say: *“We do not use accounting in our field because at times we do not have money, but when we do, we try to get most of the herbs we need for the different types of sicknesses. I may need to heal a patient and put the herbs aside for whenever another patient comes as our products can be stored for a long time and are not perishable”*.

Participants were of the opinion that some of the benefits that can be achieved under cost accounting practices would promote their cost decision-making process. Many of them feel that applying cost accounting principles can assist them to make proper decisions at the right time regarding cost determination especially their travel costs in the provision of their services. *“The way we operate presently is that we would only measure how long the*



*travelling distances is and determine the price from there onwards and also see how much money will be needed in order to get to that particular place, which is our cost system currently”.*

The study reveals that while traditional healers partially use cost accounting (although not formally recognised) in their traditional healing processes, they intend to use cost accounting principles henceforth to determine the cost of the products and services. They believe that the application of cost accounting in their costing process will assist them as they store their products or medical products safely for years until they are utilised. The next section will concentrate on whether African traditional healing processes can be documented through cost accounting.

#### **4.7.2.5. Use of cost accounting to document cost records**

This section highlights key findings and discusses responses from the focus group on whether they use of cost accounting principles to document cost records.

Key Findings:

- Traditional healers feel Cost accounting can allow traditional healing processes to be documented.
- Traditional healing feel that cost accounting can be used to document the manufacturing processes.
- Traditional healing costing processes are not fully utilised by the traditional healers.

The overall consensus from the focus group showed that the African traditional healers can use cost accounting effectively in the traditional healing processes through documentation of cost-related transactions and for planning. One of the participants shared her thoughts: *“It will be important to document the healing processes costs in order to determine the true cost of the product and services that we provide in order to know what herb or muthi have been manufactured or given out as prescriptions and the value of such herbs or muthis”.*

The participants feel that cost accounting can be used to document the manufacturing processes in order to determine the true cost of the products and services. As expressed by

one of the participants: *“It is important to differentiate between the different types of herbs, muthi and artefact, by writing labels (coding) on packaging and prices and also knowing the ingredients and the type of treatment that the medication can treat, that is how we work and document our services and products presently, we also have to take into consideration, how long and the distances we have travelled to get those particular herb, muthi or medication”*.

There is a general feeling among the traditional healers that though they do not understand strategic cost accounting processes, they do document the prices for the products and services. *“The process that I have personally started although I have not finished it, is to document the different consultation fees, how much a particular herb has cost me as this assists me to determine how much I will charge a person for consultation, for muthi, herb or artefact”*, contended one of the participants.

The data from the focus group show that traditional healers have a strong feeling that it will be necessary to have cost accounting in their practices to enable them to effectively determine the true cost of the products and services. The following section will concentrate on whether policy makers such as Government and Traditional Health Organisations can use cost accounting systems to determine appropriate pricing of products and services of the African Traditional Healing to regulate the profession.

#### **4.7.2.6. Standardising cost accounting practices through government intervention**

This section highlights key findings and discusses responses from the focus group on whether they have attempted to standardise cost accounting practices through government intervention.

##### **Key Findings:**

- Traditional healing costing processes can assist policy makers in developing strategies to protect clients.
- Once cost accounting is used by traditional healers, government will be able to assist traditional healers to improve their profitability.

- May help to reduce the unfair competitive advantage of conventional medical practitioners.
- Government can provide necessary training to the traditional healers on the application of costing principles in their practice.

Traditional healing is regarded as a parallel health care system in South Africa where policy makers can develop strategies to protect clients of traditional healers who mostly pay for such services out of pocket. Such strategies may involve recognition of traditional healing practices by Medical Aid groups. The majority of the participants feel that the government and the traditional healers' organisation can use cost accounting to develop strategies that can protect clients in the determination of fair pricing of the products and service charges. *“Yes, if this system is properly applied and practiced by Traditional Health Organisations with the support of the government, we will be able to identify and account for our expenditures, it will also be beneficial to the Traditional Health Organisations for the government to know what and where to give grants to subsidise our practice”*.

Participants believe that with the use of cost accounting in traditional healing to determine the true profitability through the correct pricing of the products and services, government health departments will be able to help in product packaging and overall improvements to the services. *“This will also help the government in identifying where we are in need of help and funding, that is because the government does not know where we need assistance and what kind of assistance we need, so this system will help us in creating a budget, this will also help the government in identifying how they can help us and how this can be done, in terms of the kind of funding we may need”*, observed one of the participants.

The traditional healers feel that Western medical practitioners have been given preferential treatment by government, because they apply cost accounting principles in the production of pharmaceutical products. They hoped that having similar use of cost accounting principles in their system it will diminish the unfair advantage or competition that the Western medical doctors are presently enjoying. *“This system can be helpful in the sense*

*that right now most traditional healers have given up hope in getting assistance and funding from the government”, lamented one of the participants.*

When the participants were asked about how the unfair competitive advantage can be eradicated between the traditional healers and western doctors, they indicated that the introduction and application of cost accounting principles in their practices may pave way for training opportunities that enables them to manage their expenses. *“If we can get together as the government and traditional healers and discuss such matters, such as budgeting and funding, this could truly be beneficial to all of us especially the traditional doctors”*. Proper application of cost accounting principles will help in the identification of profit; hence it will facilitate the assessment of income tax and formulation of policies regarding the practice.

It is evident from this study that policy makers can utilise financial information generated through the application of cost accounting principles by African traditional healing to regulate the profession and practice for the benefit of the South African society. It can also assist in determining the appropriate pricing of products and services of the African traditional healing and profit for the purpose of taxation. The next section discusses the impact that cost accounting principles can have on the products and services pricing had they been aware of the potential of cost accounting principles in their processes.

#### **4.7.2.7. Potential benefits of cost accounting principles on traditional healing practices**

This section highlights key findings and discusses responses from the focus group on whether they have attempted to standardise cost accounting practices through government intervention.

##### **Key Findings:**

- If aware of cost accounting processes, traditional healing costing processes would have been greatly improved in terms of pricing and regulation.
- Cost accounting processes would enable traditional healing practices improve in their budgeting processes.

The information produced by cost accounting provides the basis for determining the product cost and the selling price and assist in planning and controlling operations (Kludacz, 2012:5; Van der deck, 2010:4). Many of the participants during the focus group indicated that if they were aware of cost accounting practices, they would have done their pricing differently. *“If I had known about this cost accounting system, I would have known about the importance of budgeting and packaging cost and accurate pricing, perhaps I would have some money in my bank account that will have brought my dignity back as a traditional doctor”*, reiterated one of the participants.

The participants indicated that cost accounting practices would enable traditional healers prepare functional budgets. *“Had cost accounting existed in the traditional healing environment before now, we would be driving some nice cars such as 4x4s by now and because we had no knowledge about it, we end up like as we are now without money, because we cannot see the fruits of our work and our profession”*, lamented one of the participants.

One participant further elaborated by saying *“If we had known about it, we would definitely have benefited from its potential, although we do not fully understand its applications we welcome its introduction. Now that you are now informing and educating us on the importance and benefits of such a system we are now going to take it into consideration because you are teaching us, we have hope that that since you are teaching us about the importance of this principle, it will go on to benefit us in the future”*, opined one of the participants.

The study highlights the fact that most of the traditional healers in this focus group believe that if they were aware of cost accounting practices before now, it would have made a lot of difference in the way they priced their products and services. The following section will consider how the traditional healers control costs if those costs are not measured appropriately.

#### **4.7.2.8. How have profits been determined without appropriate cost measurement?**

This section highlights key findings and discusses responses from the focus group on how possible the traditional healers have determined profits without appropriate cost accounting measurement.

##### **Key Findings:**

- Traditional healers have tried to use cost accounting in their products and services in order to control costs of the products and services.
- Traditional healers need intensive costing accounting system training in order to control the costs of the products and services.

Traditional healing practices form part of the multi-million rand industry in South Africa that is stimulated by high population growth, unemployment and high cultural values of traditional medicines (Dold & Cocks, 2002:3). The participants during the focus group explained that they have tried to use cost accounting in their products and services in order to control cost of their products and services. *“Right now I try to draft my prices and draw up a monthly budget so as to try and keep my work and my patients happy and I try so hard in order to see in which direction my work and my expenses are headed to, without success”*.

The participants agreed that in order to be part of this multi-million hidden economy of the traditional healing in South Africa, they will need an intensive understanding of cost accounting practice training in order to control costs of the products and services. They were unanimous in their expression: *“The way we cope right now with our financial records is not sufficient and is unsatisfactory. Our hope is that perhaps someone will come and help us with regards to formulating a costing system that will help us to change the way we have been working in traditional healing and assist in professionalising our profession and our work. Right now we are not coping, because at times we do not have money for travel to collect the necessary ingredients to prepare medications to treat our patients. Sometimes when a patient arrives, we do not have medications to give to them”*.

The majority of the participants said they were not aware of any cost accounting practice as a result they have never thought about whether their products and services pricing were appropriately done. Therefore, it has been very difficult to price product costs and measure it appropriately. The following section discusses whether cost accounting can be used effectively in African traditional healing.

#### **4.7.2.9. Using cost accounting practices effectively in African traditional healing**

This section highlights key findings and discusses responses from the focus group on whether cost accounting can be used effectively in African traditional healing.

Key Findings:

- Traditional healers need cost accounting to appropriately determine the price of their products and services.
- Traditional healers feel they could have managed their income and expenses effectively.

The participants in this study observed that cost accounting can assist African traditional healing practices to control product and service costs with respect to unit costs. The focus group participants were not aware of the potential benefits that can be brought by cost accounting before this study.

As previous mentioned, cost accounting in traditional healing can assist traditional healing practitioners to identify unprofitable products or product lines in order to eliminate them. It will also assist to match cost and revenue in future operations in order to maximise profit.

Most of the participants believe that cost accounting practices are needed in traditional healing in order to determine unprofitable products and services. *“As I indicated previously, yes, cost accounting can certainly help and benefit a lot in determining the pricing of the products and services in both the informal and the formal sector, but we do not know how to determine whether we should accept or decline some services in terms of the profitability”*.

One participant went as far as suggesting that: *“With the introduction of cost accounting, things will become much easier in the traditional healing environment, we will also be able to formulate an annual budget and also see where our cost and revenue are flowing and we will also be in a better position to calculate our income and expenses”*.

Findings from this focus group support the objective that there is a need to have cost accounting in African traditional healing. The participants feel that cost accounting can be used effectively in African traditional healing to determine the pricing of the products and services in formal and informal small businesses. The next section will consider whether cost accounting can assist African traditional healing in determining the monthly and annual cost of African traditional healing.

#### **4.7.2.10. Determining monthly and annual costs and revenue of the product and services**

This section highlights key findings and discusses responses from the focus group on whether cost accounting can assist African traditional healing in determining the monthly and annual cost of African traditional healing.

##### **Key Findings:**

- The traditional healers can use cost accounting to facilitate communication about diseases and related social issues with their patients.
- The traditional healers can use cost accounting in providing the monthly, annual and the necessary revenue for their products and services

Having established that traditional healing services brings services very close to its clientele, the traditional healers can easily facilitate communication about diseases and related social issues. The participants feel that through cost accounting, the traditional healers will be able to assist clients who are unable to afford consultation fees. *“Yes, it can definitely be beneficial particularly for our grannies who do not know how to write and calculate money, it can be of great benefit to us to relate and effectively assist the traditional healers in determining the monthly and annual costs of our patients”*.



Participants within this focus group interview felt that they were more confident about cost accounting to provide monthly, annual and the necessary revenue data for their products and services. *“Yes, cost accounting can possibly help to determine our monthly and annual costs and revenue streams because even if you do not know how to do these calculations, you can ask an expert to assist you in the calculation of those annual cost and revenue”*.

Most of the participants felt that as their practice or as traditional healing is sustainable by generating their own source of income and does not need external funding like modern medical practitioners; they can utilise cost accounting principles to determine their monthly and annual costs and revenue of the products and services. *“Yes, cost accounting can help the traditional healers of South Africa, because some traditional doctors do not have the knowledge while even when they do, they will be able to use such knowledge to their advantage to determine the monthly and annual costs and revenue of the product and services of African Traditional Healing”*.

Findings from this study indicate that cost accounting can be used by the traditional healers to determine their monthly and annual costs and revenue of the products and services. The next section will investigate whether cost accounting practices can be used to evaluate African Traditional Healing by exploring its potential to address the South African health care and economic needs of the country.

#### **4.7.2.11. Use of cost accounting principles to evaluate cost effectiveness**

This section highlights key findings and discusses responses from the focus group on whether cost accounting practices can be used to evaluate African Traditional Healing by exploring its potential to address the South African health care and economic needs of the country.

Key Findings:

- Traditional healers would be able to assist the orphans in the community.
- Traditional healers would be able to assist those without money to consult on credit.

This study seeks to evaluate the extent that cost accounting can be used for cost effectiveness in African traditional healing practices. African traditional healing plays a

critical role in African societies and are unlikely to disappear even with the rapid socio-cultural changes in African societies (Kang'ethe, 2009:87; Pinky, 2001:3; Jackson, 2002:8). It is assumed that they will continue to play a crucial role addressing the psychological problem arising from conflicting expectations of changing societies.

Most of the participants said they believe that cost accounting has a role to play in this way to effectively enable traditional healers in the health sector's delivery agenda. *“Because some of us traditional healers do counselling, in that case we will be able to assist the Traditional Health Organisation to be able to evaluate African Traditional Healing and explore its potential in addressing the South African health care and economic needs of the country”*, contends one of the participants.

Some participants found that it will be easier to assist the orphanages in communities that they serve by providing free health care to inmates who ordinarily cannot afford the charges. *“When we have this type of system in place, we will also be able to identify and assist the Traditional Health Organisation to be able to evaluate African Traditional Healing and explore its potential in address the South African health care and economic needs of the country’, even for those who cannot afford to pay like the orphans and elderly”*, one of the participants maintained.

The study has shown that traditional healers can explore cost accounting practices to achieve cost effectiveness in order to cater for the less privileged in society. Cost accounting will assist traditional healers to fulfil their social responsibility and assist the orphans in the community by assisting community members without money to consult on credit.

#### **4.7.3. Partial usage of cost accounting in African traditional healing.**

The following findings discuss the extent or the limitation in the use of cost accounting practices as currently adopted in African traditional healing in South Africa.

#### **4.7.3.1. Challenges to implementing a cost accounting system in African traditional healing**

This section highlights key findings and discusses responses from the focus group on the challenges facing traditional healers in implementing cost accounting system in African Traditional Healing.

Key Findings:

- Traditional healers feel they will have some challenges if they are to use the costing system.
- Traditional healers need a decent working environment in order to implement cost accounting.
- Traditional healers need security to implement and secure their processing and computer equipment.

Findings from the focus group showed that traditional healers are consistent about some of the likely challenges they may encounter if they are to implement or adopt a cost accounting system. *“I don’t think that there will be any problems with cost accounting, the only problem or challenges I foresee is if a person does not have enough knowledge on budgeting and cost control, if you do not have these two things you may experience problems of not being able to implement the system”*, observed one participant.

The majority of the traditional healers feel that to effectively implement a cost accounting system they need technology. Technology like a cost accounting programme will be needed to effectively implement cost accounting in African traditional healing. *“Some of the challenges that may arise with the introduction of the cost accounting system, is a decent working place where we will be able to work freely and professionally, when I use my products and services properly in my practice I do not think there will be any challenges that I may experience, however if I do not have a place to work in I may experience challenges”*, according to a participant.

One of the participants stated that, *“If I am not knowledgeable about cost accounting, let’s say for instances I do not have my own surgery it can be a serious challenge”*.

The participants felt a bit concerned about the security of their premises against theft as one of the challenges. If they were to implement cost accounting practices, the traditional healers believe they need to beef up their security systems in order to secure their equipment. *“One of the challenges would be the accommodation, because if we do not have a proper working place, we are at risk of our products and services being not safe, one way to avoid these challenges, is perhaps to have a security guard to protect your belongings and it would also be important for me to be available as well as to check up on these things”*, stated one of the participants.

The first focus group for the second objective of the reason for partial usage of cost accounting in African traditional healing suggest that traditional healers are likely to experience challenges if they were to implement cost accounting in African traditional healing. The next section will investigate the efforts that the traditional healers will take to improve or tackle those challenges.

#### **4.7.3.2. The likely efforts to improve identified challenges**

This section highlights key findings and discusses responses from the focus group on the efforts that the traditional healers will take to improve or tackle those identified challenges.

Key Findings:

- Traditional healing practitioners are willing do everything in their power to overcome the above technological and security challenges.
- They will use traditional medicine to secure their equipment.
- The traditional healers feel that they will need technological expertise to maintain the equipment.

When the participants in the focus group were asked how those challenges can be tackled, they said they will do everything possible to overcome those challenges. Such challenges will be overcome through the use of security personnel and also to make the place very safe through the application of traditional medicines in order to secure their equipment and other important equipment and documents. *“One way to avoid these challenges is perhaps to have a security guard to protect your belongings and it would also be important for me*

*to be available as well as to check up on my products and services”,* advocated one participant.

Other participants, when asked if they have a plan to overcome those challenges, responded that: *“The only way to resolve these challenges is to make sure that we have security in place, to ensure that our herbs and property are secured; another way would be to have computers in place as well as machines that can help us process our muthis and herbs”.*

Another participant stated that *“One way to overcome these challenges is to ensure that one has security in place to protect the property and herbs and also I must make sure that the whole place is also secured with traditional muthis”.*

Findings suggest that traditional healing have a plan to overcome any challenges in order to implement cost accounting in traditional healing. None of the participants suggested that the traditional healers were not capable of solving the challenges that may be encountered.

The findings would suggest that there are challenges in the successful implementation of cost accounting in African traditional healing, but these are not beyond their skills or traditional healing skills in order to solve them. The next section will further investigate how the traditional healers account for the processes of products and services of African traditional healing.

#### **4.7.3.3. Cost of collaboration among traditional healers**

This section highlights key findings and discusses responses from the focus group on how the traditional healers account for the processes of products and services of African traditional healing.

Key Findings:

- They share the payments with members for their collaboration.
- They grant credit to their clients.

Many of the participants when asked how the traditional healers account for collaboration of the products and delivery services of the African traditional healing, indicated that they share or pay for such collaboration once their clients have paid them for their products and services. *“When a person has paid me and I have gone to fortify his or her homestead (beya motse) I cannot go alone, I will need someone to acorganisationy me and assist me even when we return I will have to give that person half of the money I have received, so that even next time when I ask that person to assist me, he or she may do so knowing that his or her service will be acknowledged at the end of the day. It is therefore very important to have a healthy relationship built on trust between me and the person assisting me”*, confirms one of the participants.

Another participant explained the process of collaboration this way: *“The way I work currently as I specialise and work with the muthi, herbs and artefact where I store them and put them aside and I also know that with the amount of herbs I will be able to assist a certain number of people and even when they pay me, I make sure that I put money aside to re-stock the herbs and muthis”*.

The traditional healers mentioned how difficult it is to account for the processes of collaboration without receiving payments from their clients as they are capable of working on credit even though they have no follow up methods to recover their payments. *“When you have helped someone and they have not paid you, as I know that if you are not paid by the person whom you have been assisting, you have to open a file and write that person on your files and keep a record of this and also keep on reminding him to pay his or her debt”*, one of them asserted.

Findings from the focus group consistently showed that the traditional healers would prefer to use cost accounting principles to help them sort out issues of collaboration. The next section considers whether cost accounting can be used in African traditional healing to capture the entire process flow of the products and services.

#### 4.7.3.4. Using cost accounting the capture process flow costs

This section highlights key findings and discusses responses from the focus group on whether cost accounting can be used in African traditional healing to capture the entire process flow of the products and services.

Key Findings:

- Cost accounting will improve accounting for process flow costs.
- Applying cost accounting will result in a successful organisation.

The overall consensus from the focus group shows that the participants are in favour of the application of cost accounting being implemented in African traditional healing. The majority of the participants feel that cost accounting in African traditional healing will improve the way they do their business. One of them said: *“I believe that if this cost accounting system was to be implemented in traditional healing, that even people who are not traditional healers would like to be traditional healers as cost accounting will have improved the way we conduct our business, because of our working conditions and this will also give us a sense of pride in our work as traditional doctors”*.

One of the participants commented when referring to cost accounting being used to capture the whole or entire flow of the products and services of the African traditional healing. *“I have got no doubt that this costing system can effectively be used to capture the entire flow of products and services of the African Traditional Healing. I personally would like to see myself with my own surgery with help from the information that I am getting today with regard to budgeting and cost accounting”*. Some of the participants feel that cost accounting will assist the traditional healers and bring respect to the community they serve and will make them not to be undermined by the same community they serve. *“Some people are jealous when they see a person progressing and moving forward, they tend to be jealous, it is therefore important that we continue to make them jealous by being funded effectively by the government and having a decent office so that we can provide our services with dignity”*.

Findings from the focus group reveal that traditional healers have confidence in cost accounting practice being applied in African traditional healing to capture the entire flow of the products and services. The next section will investigate whether cost accounting is able to generate enough relevant cost information to make sound decisions on the products and services.

#### **4.7.3.5. Generating relevant cost information for decision-making**

This section highlights key findings and discusses responses from the focus group on whether cost accounting may be able to generate enough relevant cost information to make sound decisions on the products and services.

Key Findings:

- They have confidence in the cost accounting system to gather enough cost system information.
- The traditional healers feel that the cost accounting will make them to be on par with modern medicines.
- Cost accounting information generated will assist them to be independent and owning they own sites.

Most of the participants during the focus group said they were looking forward to using and applying cost accounting in their traditional healing process as cost accounting will enable them to gather enough cost accounting information for decision-making purposes. They believe in the credibility and ability of cost accounting information to make sound decisions on products and services processes. When asked if they were looking to adopt a cost accounting system, some of the participants replied: *“Cost accounting can give us enough information on how to run our own businesses, I personally would like to see myself with my own surgery and being able to determine my own pricing of the products and services with help of the information that I am getting today with regard to costing of the products and services, budgeting and costing”*.

The participants believe that the potential of cost accounting to generate enough relevant information will assist in making sound decisions on their products and services and will



assist them to be independent and they perceived their practice to be modernised. *“Eventually, we want to be viewed as modern traditional healers and not as those old traditional doctors that are associated with being witch doctors as this system will assist us and generate enough information and assist in making sound decisions on the products and services”*, claimed one of the participants.

One participant responded about owning of their sites: *“This system can help us and give us pride as it will be able to assist us and generate enough information and assist in modernising and making sound decisions on the products and services”*.

The study highlights the fact that many of the traditional healers have confidence in cost accounting for gathering enough cost accounting information that will make the traditional healers to be on par with modern medical practitioners. The finding would suggest that cost accounting will assist African traditional healers to have an opportunity to own surgeries.

#### **4.7.3.6. On the accuracy of cost accounting information**

This section highlights key finding and discusses responses from the focus group on whether cost accounting is capable of generating accurate processes information for their products and services.

Key Findings:

- They have confidence in the ability of cost accounting to deliver accurate costing information for their products and services.

As previously discussed, traditional healing processes follow different stages such as identification of the cause on discovery of the violation of the established order by supernatural divination and the removal of the hostile source by neutralisation or by prescription of medication. Traditional healing also is reflected by the conditions of treatment of skin and hair such as acne, eczema, boils, insect bites and sting.

The participants in the focus group states that cost accounting is capable of generating accurate processes information for their products and services. *“I have never heard about cost accounting before but what we have already heard, I think this cost accounting system*

*is capable of generating accurate processes in the products and services of African traditional healing”.*

When asked how accurate can the process of cost information about their products be, they stated that they believed that cost accounting data are capable of generating the required cost information on all their products and services. *“This system will benefit us greatly within the organisation and as indicated already cost accounting will assists the traditional healers to generating accurate processes in the products and services of the African traditional healing”*, opined one of them.

The data gained from the focus group may suggest that cost accounting would assist in determining accurate processes for the products and services of African traditional healing even though there is no cost accounting data base. The next section will investigate whether the traditional healers have ever been requested by their organisation to use cost accounting system.

#### **4.7.3.7. Any previous request by their organisation to adopt a cost accounting system**

This section highlights key finding and discusses responses from the focus group on whether the traditional healers have ever been requested by their organisation to use cost accounting system.

Key Finding:

- The traditional healers have never been requested by the Traditional Healers Organisation to use a cost accounting system.

The overall consensus from the focus group showed that apart from hearing from the researcher, the traditional healers indicated that they have never been requested by anyone, even the Traditional Healers Organisation, to use cost accounting in their products and services. *“We have to use this system as is a nice system, whereas, no one ever spoke about this system in the government and in our own organisation regarding the importance of costing the products and services of our African traditional healing”*, they maintained.

The data gained from the focus group may suggest that due to non-exposure of cost accounting in African traditional healing, the traditional healers were never requested by

the Traditional Healers Organisation to use a cost accounting practice when treating patients for high blood pressure, eczema, constipation, heartburn, indigestion and the treatment of worms. The next section will investigate further on whether the traditional healers has a cost accounting data-base for the products and services of African traditional healing.

#### **4.7.3.8. The availability of cost accounting data-base for the traditional healing products and services of African traditional healing.**

This section highlights key findings and discusses responses from the focus group on whether the traditional healers have cost accounting data-base for the products and services of the African traditional healing.

##### Key Findings:

- Cost accounting will assist the traditional healers to have a cost data base.
- Due to lack of a cost accounting system, traditional healing is losing membership.

The information gained from the focus group shows that the traditional healers are very enthusiastic about cost accounting and its role in assisting the traditional healers to have a cost accounting practice in the products and services, yet they would want to make it part of their day to day running of their businesses. One participant stated that: *“Cost accounting will be very beneficial to us and will be able to generate a cost data-base for my products and services. We have never had such a cost data-base for your products and services”*. Another participant has this comment. *“This system can help us and give us pride by generating a cost accounting data-base for my products and services”*.

A few of the participants feel that the lack of strategic concepts like cost accounting may have resulted in traditional healing losing membership due to a lack of profitability. When asked how the following was said: *“The way I see it is far more relevant in traditional healing as it will be able to generate a cost accounting data-base for my products and services as, due to lack of direction, some of the traditional healers are now refusing to renew their organisational membership”*. Other participants summed it up by saying:

*“This system will benefit us by generating a relevant cost data-base for my products and services”.*

The data gained from the focus group suggest that the traditional healers are confident that cost accounting will be able to assist traditional healers to prepare a cost accounting data-base for their products and services and minimise the loss of membership of the Traditional Healers Organisation. The following section will look at whether African traditional healing will benefit by integrating cost accounting in their organisation.

#### **4.7.3.9. Benefits from integrating cost accounting into traditional healing practices**

This section highlights key findings and discusses responses from the focus group on whether African traditional healing will benefit by integrating cost accounting in their organisation.

Key Findings:

- Integrating cost accounting in traditional healing can benefit the traditional healers.
- Due to lack of training many are not happy anymore.

The overall consensus from the focus group showed that cost accounting can have the necessary benefits to the traditional healers if cost accounting can be integrated in traditional healing, its product and services. One focus group participant, said this concerning the benefits of cost accounting’s integration in traditional healing: *“Why not, benefits will be visible once integrated in traditional healing as it will be in a position to generate a cost data-base for my products and services”.*

Many of the participants felt that even though there are benefits of integrating cost accounting in traditional healing this may result in divisions among the traditional healers. *“This system will benefit us greatly within the traditional healing organisation as the problem with traditional healing is that there is lack of relationship among traditional healers”*, contended one of them.

When asked to elaborate she responded: *“This system can help us and give us pride, there are often people who come and attempt to help us, but nothing ever comes out of it by integrating it with traditional healing we will indeed reap the benefits”*.

Findings from the focus group suggest that traditional healers will benefit by integrating cost accounting in traditional healing, but that in actual fact some of the policies that were introduced in traditional healing have divided the traditional healers. The next section will determine whether there is cost accounting in their organisation.

#### **4.7.3.10. Responsibility for cost accounting system information in traditional healing**

This section highlights key findings and discusses responses from the focus group on whether there is someone responsible for cost accounting system information in traditional healing.

Key Findings:

- The traditional healers were never assisted by anyone in cost accounting information.
- They need the researcher to assist them in cost accounting training.

When the participants were asked about the person responsible for generating cost accounting information before this study, the participants were consistent in their response that they have never been assisted by anyone to generate cost accounting information. *“Because there is none, one can be happy if we were assisted and we have somebody providing cost accounting information for the traditional healers in order to professionalise our profession”*, explained one participant.

Common reply such as: *“It is unfortunate, because the way we now understand it, we should have progressed”* consistently appear in the transcript in identifying the responsible person who should have provided cost accounting information.

In a switch, the participants asked the researcher to assist in training them on cost accounting in order to identify all the costs of the products and services as they now understand that cost accounting and can deliver additional savings to them: *“What can we*

*do, no one is assisting us and maybe you may also assist in training us in this cost accounting system”.*

Findings from the focus group showed that due to lack of exposure on cost accounting the traditional healers were never assisted by anyone in cost accounting information. They requested the researcher to assist in providing them with training on cost accounting. The next section will investigate whether cost accounting provided the necessary cost information to support the pricing on the products and services of African Traditional Healing.

#### **4.7.3.11. The perception of whether cost accounting has provided the necessary cost information to support the pricing on the products and services of African traditional healing**

This section highlights key findings and discusses responses from the focus group on whether cost accounting provided the necessary cost information to support the pricing on the products and services of the African Traditional Healing.

Key Findings:

- Cost accounting will assist them in drawing up their budget.
- They need training to understand the principle of cost accounting.
- Their medications are stored for a number of months without expiring.
- The traditional healers prefer to be paid after providing the service.
- The traditional healers are capable of identifying the charges or cost to customers.

Having established that cost accounting will assist traditional healers in African traditional healing, the traditional healers feel that cost accounting will assist in drawing up their annual budget. *“We would love to have cost accounting as it would allow us, the traditional healers in getting the necessary cost information and allow us to draw up our budgets effectively”*, one of them said.

When asked how cost accounting will provide the necessary cost information, one participant replied: *“My opinion on cost accounting is that yes we need it and it will also*

*allow us to be able to identify those patients that just refuse to pay us, as by not paying us those patients make us suffer financially and unable to buy additional muthis and herbs for patients that are still coming”.*

The participants understood that cost information will support their pricing decisions on the products and services of the African traditional healing since most of their medication are stored for a number of months without expiring. *“It will allow us to be able to identify those muthis that have been stored for a long time as our products can stay for a long without expiring”*, commented one participant.

Findings revealed that while the traditional healers are hopeful that cost accounting will assist in drawing up their annual budget, they would prefer to be trained in order to understand the principles of cost accounting. The next section will look at the number of services that traditional healers can store or provide.

#### **4.7.3.12. The total number of the services provided by traditional healing practitioners**

This section highlights key findings and discusses responses from the focus group on the total number of services that traditional healers can store or provide.

##### **Key Findings:**

- Traditional healers provide a number of services.
- A traditional healer’s services are clearly categorised for cost accounting purposes.
- Traditional healer’s services are very expensive.

The study evaluated the potential benefits of applying cost accounting in African traditional healing. Traditional healers derived their income from the products and services that they provide. Primarily, most of the participants provide a number of services in providing health care services to the South African community.

Some participants indicated that they provide a number of services to their clients in order to generate an income and are clearly categorised. One participant said: *“I specialise in child headache (hlogwana) and charge R200 and man-made mental disorder (lefofonyane) and charge R3,000, while for Stomach-ache (teng) I charge R300”*.

The study showed that the traditional healers provide specialised services in a variety of diverse health related issues. *“I specialise in effective prophesising and bones searching (dikgagara) for only R150; feet problems for R200; and child headache (hlogwana) for only R120. In this case, a client would need to bring traditional alcohol and a chicken, the price is reduced because of some of the things a client may need to come with”*, confirmed another participant.

The participants during the focus group revealed that cost accounting can be effectively applied as the traditional healers offer services that are important and sometimes expensive. *“My child (referring to the researcher), I do not want to lie to you, when a person comes to me sick or perhaps has ancestral spirit I will need a pocket-opener (khunulla moraba) for you to come in, for me to take you to the floor and play drums, as well as speak to the ancestors for them to welcome you, I will need R1000, as I am beating the drums and burning scents I will than see what kind of ancestors you have, whether you have a combination of Basotho and Nguni or if you have an ancestral line of Basotho or Nguni , I will need R6000 from you, but if you have a combination of both Basotho and another Nguni line I will need R10 000”*, a participant reiterated.

Findings showed that traditional healing’s use of a cost accounting systems will assist the cost information of the products that are difficult to count as there are many, while the manufacturing processes of the products takes a number of days and it involves different stages. The finding would suggest that cost accounting was partially applied due to lack of exposure on cost accounting principles.

#### **4.7.3.13. The total number of products provided by traditional healing**

This section highlights key finding and discusses responses from the focus group on the total number of products that traditional healers can store or provide.



## Key Findings:

- Traditional healers produce countless numbers of products.

Primarily most of the participants stored countless numbers of products that they use to heal and provide health care services among the South African public.

Some participants indicated that they have stored countless numbers of products in order to generate an income. *“I have a combination of both herbs and muthi and artefacts; there are too many to mention and even to count”*, one participant claimed.

The participants, during the focus group, revealed that cost accounting can be effectively applied as the traditional healers offer processed products that they use to provide their services. *“I have too many herbs to mention but I am sure I must start counting them so that I can be able to determine the amount of stock that is in my surgery”* and comments such as *“I have too many shrubs, muthis and herbs in my home, they are too many to mention”*, professed one participant.

The study has showed that traditional healing will use cost accounting effectively as they have countless numbers of products and services that are difficult to count as they are many, while the manufacturing processes of the products take a number of days and it involves different stages. The findings would suggest that cost accounting is partially applied due to lack of exposure on cost accounting principles.

### **4.7.4. Concluding the focus group interview**

As previously mentioned during the introduction of the focus group, the comments made by African traditional healers during the closing of the focus group were very important as a result the researcher cannot afford to ignore these in line with the study objectives. The literature review in Chapter 2, mentioned that there are 68,000 full-time traditional healers who through their street trading collect about R38,891 as an annual income per traditional healer (Mander et al., 2007:192). The majority of the traditional medicines' business is conducted in the informal sector with a street value of between R5 and R10 per unit.

The information gained from the focus group's closing comments showed that the majority of the traditional healers feel that they have inherited this traditional healing directly from their forefathers. *“Traditional healing is very important to me, we have been given this healing and we deem it to be important even more than our very lives, furthermore traditional healing feeds us and our families”*.

One participant further states that: *“Traditional healing is very important because it benefits both the healer and the sic”* suggests the traditional healers view the traditional healing as their source of income and a way of life.

A few of the participants regard traditional healing as a 'source of income', as the traditional healing allows and assists the traditional healers to support their families. *“What is important about traditional healing is that, you are on the same level as a king, because as healer you work hand in hand with the king, as traditional healer you birth children for those who cannot have children, traditional healing helps those who cannot have children, healers bind families, they support kings, they help people come together, because as a healer you always have people in your home, healers help orphans, you are treated like a healer”*.

The traditional healing trade in medicines plants is estimated at R520 million per annual, while an additional R2,6 billion is estimated to be added through the prescription of the traditional plant medicines as the plants and products are estimated to be worth R2,9 billion annually (Mander et al., 2007:192). Many of the participants acknowledged that traditional healing allows them to assist the orphanage with drinks, food, clothing and financial need. The agreed on: *“The importance of traditional healing is protecting your family and the people around you, helping and healing those that need assistance by means of drinks, food clothing and financial need”*.

Findings from the focus group suggest that the inheritance of the traditional healing by the traditional healers from their forefathers suggest that the decision to inherit traditional healing from their forefathers is a business decision. This inheritance also allowed them to play an important role in the community by supporting and taking care of the orphanage. The traditional healers' failure to generate enough income and lack of cost accounting exposure affect their families and the orphanage negatively.

#### **4.8. Summary**

This chapter presented findings and the key issues that arose from the participants' responses regarding their perceptions of cost accounting in African traditional healing. Following on from these findings, Chapter 5 provides summary, conclusion and recommendations, the implementation of the cost accounting practice in traditional healing as well as making recommendations for the further research.

## **CHAPTER 5: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

### **5.1. Introduction**

The study has thus far identified the aim and research questions in Chapter One. Chapter Two presented a review of the literature relating to the research questions and identified twenty four focus group questions. Chapter Three outlined and justified the methodology used to explore the topic and Chapter Four presented the key findings as they related to the focus group questions.

In this chapter, the summary and interpretation of the research findings and the conclusions of the study are outlined. Based on the findings from this study, the limitations of cost accounting on costing the unit price of the products and services in traditional healing are also outlined. The limitations of this study are addressed and the recommendations for future research are detailed.

### **5.2. Research Design and Methods**

Qualitative data were collected from the Makhuduthamaga traditional healers which shed light on how cost accounting practices are integrated in traditional healing. A qualitative research was deemed fit for the purpose of this research. The intention of the researcher was to unearth the best possible way of using cost accounting practices to determine the unit cost for the products and services in traditional healing. Data were collected from the traditional healers through a focus group with the Makhuduthamaga traditional healers. The literature review was done, exploring the general trends of cost accounting practice in traditional healing.

The literature review discussed cost accounting in the private and public sectors, the cost accounting in African traditional healing, subsequent sections discussed the necessity of cost accounting in African traditional healing; reasons for the absence of cost accounting practices in African traditional healing; economic importance of traditional medicine around the world and the regulation of the African traditional healing in South Africa..

The orientation to the study also included the methodological approach, which covered the research methodology, research design and the focus group case study approach, unit of

analysis and the research population and sampling. It further included data collection and data analysis methods. The area of study was included as well as the reliability, validity and objectivity of the study, bias, ethical considerations and the significance of the study. The focus group questions were open-ended and divided into themes relating to the objective of the study for easy analysis.

### **5.3. Summary and interpretation of the research findings**

The focus group questions outlined and identified in chapter two and listed below, provided an organising structure for the analyses of the data and assisted in identifying the key findings from the focus group. The focus group questions are in accordance with the objectives of the research which are: the necessity of cost accounting in traditional healing and the partial usage of cost accounting practices in African traditional healing. The role of cost accounting in traditional healing in the revitalisation of the current health care system is highly critical.

The introductory focus group showed that cost accounting can be implemented in African traditional healing in a practical, simple and tailor-made for the business way. It can also be observed that the cost accounting practices are necessary in traditional healing and it is clear that it is partially practiced by the traditional healers or in traditional healing although the theory is unknown to most of them.

#### **5.3.1. Necessity of cost accounting in African traditional healing**

It was discussed in chapter 2 of the literature review, that the importance of cost accounting as an effective tool to improve cost control in both private and public sectors has been documented both locally and internationally (Blake, et al. 2012:2; Moisello, 2012:55; Lane & Durden, 2013:3). The same cost accounting has been implemented successfully in private and public sectors with a number of benefits (Blake, et al. 2012:5; Kludacz, 2012:3; Lane & Durden, 2013:3). While, as a reminder, cost accounting is defined as the provision of information for management accounting and financial accounting by measuring, analysing and reporting financial and nonfinancial information relating to the costs of acquiring the resources in an organisation (McNabb & Schafer, 2004:141; Horngren et al. 2006:2).

It was therefore imperative to determine or examine the need or extent at the necessity of cost accounting practices' adoption to improving the product and service pricing in African traditional healing and to suggest or recommend how the adoption of cost accounting practices can improve product and service pricing in African traditional healing. Hence the following conclusions regarding the finding of the objective can be made:

- To learn that most traditional healers believe that cost accounting can be used on African traditional healing. This belief was supported by traditional healers during the focus group. The first impression of the investigation suggests possible reasons for the traditional healers using cost accounting and the necessity of cost accounting in African traditional healing. It is according to the researcher's understanding that in most cost accounting literature, cost accounting is used to determine the unit price of the products and services and to plan and control.
- To have cost accounting in African traditional healing as in private and public organisations as traditional healing have manufacturing processes for the products and services.
- To consider cost accounting as a useful tool to turnaround their business practices. The traditional healers believe that as cost accounting is used by organisations to plan and control cost, it will also be useful in determining the unit price and total production costs.
- The traditional healers partially use cost accounting in their traditional healing processes. They use cost accounting principles to determine the cost of the products and services. The cost accounting will assist the traditional healers as they store their products or medical products safely for years until they are utilised.
- It will be necessary to have cost accounting in African traditional healing as it will allow them to effectively determine the true cost of the products and services.
- The policy makers can utilise the information generated from cost accounting for African traditional healing to develop strategies to protect clients and it can also assist in determining the appropriate pricing of products and services.
- The study highlights the fact that many traditional healers believe that if they were aware of cost accounting practices, the pricing of their products and services would have been different from the way they priced their products and services in the past.

- The traditional healers are not aware of any cost accounting practices, as a result they have never thought about pricing their products and services differently and appropriately as it has been very difficult to price and measure the production costs.
- There is a need to have cost accounting in African traditional healing as the participants feel that cost accounting can be used effectively to determine the pricing of the products and services in formal and informal small businesses.
- The information of cost accounting can be used by the traditional healers to determine the monthly budget, annual costs and revenue of the products and services as they continue to provide the services diligently.
- The traditional healers can use cost accounting practices to explore its potential in order to address health care and economic needs of the country. Cost accounting will assist traditional healers to act as councillors and assist the orphans in the community by assisting community members without money to consult on credit.

Hence, there is a need to facilitate decisions in traditional healing through cost accounting principles regarding the appropriate costing of products and services through the provision of accurate cost accounting information. The next section will explain the conclusion on the findings for the reason of the partial usage of cost accounting in African traditional healing.

### **5.3.2. Partial usage of cost accounting in African traditional healing.**

It was also mentioned in chapter two when the objective was formulated that in every organisation, a cost accounting system provides a financial reflection of its economic processes and circumstances and has a role of presenting financial information needed for the management of the organisation (The Federal Finance Administration, 2008:4; Neumann et al. 2004:12). It also identified cost accounting as a system that controls costs and ensures prices are fair, wastage limited and the quality becomes better (Van Der Beck, 2010:4, Kludacz, 2012:4). However, it was also observed that cost accounting information systems should be designed to permit the determination of unit costs and total product costs, while maintaining that cost accounting is able to assist businesses to ascertain the cost of products, processes and services and helps in planning for the future (Kuchta & Zabek, 2011:11; Alex, 2012:7).

Looking at the lack of literature on cost accounting in traditional healing, the objective was therefore cautiously identified as to determine or examine the reasons for the partial application extent of cost accounting practices' adoption to improve product and service pricing in African traditional healing and to suggest or recommend how the gap regarding the partial application can be minimised to full adoption of cost accounting practices as it can improve product and service pricing in African traditional healing. Hence the following conclusions regarding the finding of this objective can be made:

- The application of cost accounting in African traditional healing will experience challenges if the traditional healers are to implement cost accounting.
- The challenges in the successful implementation of cost accounting in African traditional healing will not be beyond their skills or traditional healing skills in order to solve them.
- The traditional healers will utilise cost accounting in the products and services of their African traditional healing as cost accounting is able to capture the entire process flow of the products and services.
- The traditional healers have confidence in the cost accounting practice as cost accounting will be applied in African traditional healing to capture the entire flow of the products and services.
- The traditional healers have confidence in cost accounting in gathering enough cost accounting information that will make them to be on par with modern medical practitioners.
- The cost accounting will assist in determining accurate processes for the products and services of African traditional healing even though the traditional healers have no cost accounting data base.
- Due to non-exposure of cost accounting in African traditional healing, the traditional healers were never requested by the Traditional Healers Organisation to use cost accounting practices when treating patients for high blood pressure, eczema, constipation, heartburn, indigestion and the treatment of worms.
- The traditional healers are confident that cost accounting will be able to assist them to prepare a cost accounting data-base for their products and services and maximise the loss of membership of the Traditional Healers Organisation.



- The traditional healers will benefit by integrating cost accounting in traditional healing as the policies that were introduced have divided the traditional healers as many are no longer happy to practice as traditional healers.
- The data gained from the focus group showed that due to lack of exposure to cost accounting, the traditional healers were never assisted by anyone in cost accounting information and they thereafter requested the researcher to assist in training them in cost accounting.
- The traditional healers understand that cost accounting will assist in drawing up their annual budget and they also need training in cost accounting in order to understand the principles as their medication are stored for months without expiring.
- The traditional healing will use cost accounting in the cost information of the products that are difficult to count as there are many, while the manufacturing processes of the products takes a number of days and it involves different stages.

Hence, there is a need to facilitate decisions in traditional healing through cost accounting principles regarding the appropriate costing of products and services of the traditional healers through the provision of accurate cost accounting information even though there is a small trace of the application of cost accounting. The next section will draw the conclusions to the research.

#### **5.4. Conclusions of the study**

From the summary and interpretation of the research findings as well as discussions in the previous chapter of the research results, conclusions and findings of the work as presented in the literature, the following most important and basic conclusions can be drawn:

- From this study it was found that most traditional healers are over 60 years of age and the majority are female, hence male traditional healers may have a different perception.
- Cost accounting has the potential to benefit the traditional healers, although it cannot be stated as a precondition for success.
- The process of cost accounting practice in traditional healing needs not be a very formal one. In other words, it is not necessary for traditional healers who engage in strategic

cost accounting practice to compile an amount of paperwork in order to be successful in costing the unit price of their products and services.

- It is more difficult for traditional healers to manage and plan strategic cost accounting practices and it is easier for larger organisations to manage and plan strategic cost accounting.
- Costing the products and services of the traditional healing may not guarantee success, but it should improve the way the traditional healers price their products and services.
- The role of cost accounting in traditional healing in the revitalisation of the current health care system is highly critical.
- Cost accounting can be implemented in African traditional healing as more practical, simple and tailor-made.
- It is necessary and possible to have cost accounting in African traditional healing as in private and public organisations as there are manufacturing processes for their products and services.
- Cost accounting will assist the traditional healers to prepare a cost accounting data-base for their products and services.

### **5.5. Recommendations for future research**

Traditional healing has been in an African culture for centuries but strategic concept such as cost accounting has never been introduced in traditional healing. According to the researcher, much of the research relate to traditional healing in general, with little academic research published in the area of cost accounting integration into traditional healing. The numbers of essential areas of research have been identified as potential topics for further research.

Firstly, the previous section identified the use of traditional healers at Makhuduthamaga Municipality as a limitation for this study. Consequently, understanding the perceptions of cost accounting in traditional healing using participants from a larger sample around South Africa would be a suggested area for further research. Within this study, having respondents of all ages through qualitative research would also provide the opportunity for comparison and generalisability in perceptions of cost accounting practices in traditional healing.

Secondly, a study could also be conducted to investigate possible applications of cost accounting practices that can be used by the traditional healers as a small business in South Africa.

Thirdly, more investigation into the unit price of the products and services needs to be done to understand these phenomena in clearer detail with traditional healers with a better educational background

Fourthly, the traditional healers indicated that they have countless numbers of products and services that they provide for health care services to the community, it will be ideal to do research on costing the products and services of African traditional healing in order to create a framework of costing for their products and services.

Lastly, it will be necessary to develop the adoption model of cost accounting principles in African traditional healing to facilitate the traditional healers' decision-making in order to develop an indigenous cost accounting model in traditional healing.

## **5.6. Contribution of the study**

Findings of the research have added to the knowledge and understanding of the subject of cost accounting and management accounting practices and its applications in the traditional healing environment on costing the units of services and products of the traditional healers. This study is significant in the sense that it has:

- Allowed the identification of the concept and framework of cost accounting that takes into account the nature of work and environment of the African traditional healers;
- Supported and enriched theory and model of cost accounting in the product and services of the traditional healing that have similarities in their nature of service with the Western doctors;
- Generated greater awareness among traditional healers' and their organisations on the importance of having a proper and practical cost accounting framework as a vehicle to improve traditional healers' effectiveness;
- Provided useful knowledge on factors that might have impact on and contribute to the successful adoption of cost accounting in traditional healing.

## **5.7. Limitations of the research**

The following limitations of the research can be made in relation to this study:

As with any qualitative study, there are limitations as to the generalisability and reliability of the findings. As the study is exploratory, many of the findings may not be generalisable to all the traditional healers in South Africa. However, this study provides a starting point for future research into the area of cost accounting in traditional healing. The participants of the study are all from the traditional healers in Makhuduthamaga Local Municipality.

Taking into account that the meeting was supposed to start at 10h00 on 25 June 2015, but only started at 12h15, shows lack of commitment by the traditional healers or that they do not regard themselves as being in business by not respecting time. The traditional healers did not offer an apology which becomes clear that there is a lack of professionalism in their approach to business. The results could have been different if the traditional healers showed professionalism.

The findings of the study might not be accurately representative of the role of perception of cost accounting on traditional healing, because of the limited sample size from a small area. However, this research has succeeded in capturing the basic views on cost accounting in traditional healing regarding their products and services. The topic, the application of cost accounting practices in traditional healing, views expressed on the costing of the products and services of the traditional healing might not have been accurately representative of the data that were gathered during the interview. For example, it emerged during the study that there is little understanding of cost accounting by the traditional healers that were interviewed during the focus group.

A different cause of concern is that about 33% of the female traditional healers participated in the focus group, have a secondary school qualification, making the researcher to interpret and accept the results with caution. The results would have been different if the focus group was conducted with traditional healers with Grade 12 and above, as they were in a position to differentiate between financial accounting and cost accounting in their products and services of the traditional healing. It was clear from the focus group that the traditional healers do not have an understating of the concepts of cost accounting. The

results can be even more satisfactory if it could have been conducted with traditional healers with postgraduate qualifications as the understanding of the two terms, financial accounting and cost accounting will be clearly differentiated.

The fact that only females and one man were interviewed in this research project calls for interpretation of the results with caution. The results could have been different if the research conducted was dominated by males. Two of the traditional healers interviewed during the focus group were under the age of thirty, while the majority of the traditional healers were above sixty. The results could have been different if the age group was less than forty as the majority of them would be those that are educationally active. The other limitation was the fact that any comment from the chairperson of the Makhuduthamaga was accepted and the other traditional healers never deviated from her comments, the results could have been different if the traditional healers were diverse in their approach, providing different opinions in their experience as traditional healers.

A reader might have these questions in mind when reading this project. In support of the researcher's view, when the researcher was speaking to the traditional healers, both parties mutually appeared to be on the same wavelength about what they were talking about. It was evident that they were talking about financial accounting in general, which is equivalent to what none accounting person call cost accounting. For example, one of the traditional healers mentioned that they wanted to see them owning their own surgeries to show that cost accounting works even though the research was to see and assist them to apply cost accounting in the unit pricing of their products and services.

The results and the interpretation of the study will also be different if the same traditional healers with their little education were trained in cost accounting and able to apply cost accounting the way they understand it in their businesses, as the traditional healers also do not view themselves as people who are in business.

## **5.8 Concluding remarks and summary**

This study designed processes of cost accounting practice in African traditional healing to improve costing of the products and services. Cost accounting practice is integrated in African traditional healing practices to create accurate costs of the products and services. Cost

accounting practice in African traditional healing may be able to assist in cost allocation and analysis to enhance decision-making on cost savings and reductions.

In a design of the application of cost accounting practice in African traditional healing in the Makhuduthamaga Local Municipality, this study examined cost accounting best practices in successfully costing the products and services through cost identification and measurement to support a holistic approach of the application of cost accounting practice in African traditional healing. Current practising traditional healing organisation or healers have been unknowingly or partially, practicing cost accounting. To understand this unknowingly or the partiality, and the necessity of cost accounting practice in African traditional healing, the researcher investigated using quantitative components.

The investigation aimed to establish appropriate cost accounting practices for accurate cost accounting data of the products and services of the African traditional healing. This study further identified cost accounting best practice for African traditional healing's products and services by conducting in-depth focus group with selected African traditional practitioners. This aimed to create a deeper understanding of cost accounting best practices for cost identification and measurement, and design the holistic approach of the application of cost accounting practice in African traditional healing.

The literature reviews explain the need of organisations to accurately identify and measure the impact of cost of products and services for traditional healing clients value added components, economic environment, and social performance in health care provision. This study concludes that cost accounting has the potential to benefit the African traditional healers, although it cannot be stated as a condition for success. The process of cost accounting practice in traditional healing needs not be a very formal one. In other words, it is not necessary for traditional healers who engage in strategic cost accounting practice to compile an amount of paperwork in order to be successful in costing the unit price of the products and services. It is more difficult for traditional healers as small business to manage and plan strategic cost accounting practices and it is easier for larger organisations to manage and plan strategic cost accounting.

The application of cost accounting in African traditional healing provides traditional healing organisations with a cost accounting mechanism to fully cost products and services for improving decision-making, while reporting accurate cost accounting data to support the stakeholders' interests and public demands. Accurate cost information of African traditional

healing are incorporated in preparation of annual reports to stakeholders and the government. As a result, traditional healers are perceived as basic provider of health care in South Africa and are socially-aware of treating different illnesses, thus creating a competitive advantage in the marketplace. Importantly, the application of cost accounting in African traditional healing creates economic, environmental and social value adding, and ensures that sustainability is achieved in the provision of basic health care services.

It is hoped that this study will prompt further research in this area of the adoption of conceptual model of cost accounting practice in African traditional healing to facilitate decision making, and that the conceptual model will be used to frame the development of a sustainability cost accounting system which is desperately needed to support organisations' measurement and reporting requirements in African traditional healing. Cost accounting in African traditional healing ought to play a significant part of costing the products and services, hence causal linkage between Cost accounting in African traditional healing and their success or failure is difficult to measure due to lack of interest by academic researchers in this field.

In conclusion, a decision was taken by the researcher after meeting and discussing with the traditional healers during the focus group as a further study, decided to develop a cost accounting practice model in African traditional healing to facilitate decision making and such a model can be adopted by the traditional healers as an indigenous cost accounting model.

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## **Definition of Key Terms**

**Management accounting practices:** McNabb and Schafer (2004:2) regard management accounting as providing information for planning, control and decision making within the organisation with the primary focus of determining the cost of projects, processes or products.

**Cost accounting practices:** Blake, Channon, Grube and Sussman (2012:2), Kludacz (2012:3), Lane and Durden (2013:3), and Alex (2012:3) regard cost accounting as a process of accounting for cost, income and expenditure relating to the production of goods and services rendered and is part of management innovations design to reinvent or modernise an organisation. Livia and Györgyi (2013:5) define cost accounting as a process of accumulating, measuring, analysing, interpreting and reporting cost information that is both useful and relevant to the users. Furthermore, Blake, Channon, Grube and Sussman (2012:2), Kludacz (2012:3), Lane and Durden (2013:3) and Alex (2012:3) regard cost accounting as a process of accounting for cost, income and expenditure relating to the production of goods and services rendered and is part of management innovations design to reinvent or modernise an organisation.

**Traditional healing practices:** Truter (2007:4) regard traditional healing as the practice of traditional philosophy that include the utilisation of herbal medicines or practices. In addition, Krige (2009:6) found traditional healing as using medicines that include bark, roots, leaves, animal skin, blood, animal parts, herbs and seawater. Ndhlalambi (2009:10) describes the traditional health system as a holistic approach that focuses on the whole person's health rather than particular organs or disorders; the body, spirit and environment are all considered important to one's health.

**Cost Accounting Methods:** ICWA (2008:13) reiterates that cost accounting methods are those which help a organisationy to compute the cost of production or services while costing techniques are those which help to present the data to facilitate the decision making, cost control and cost reduction.



**Traditional Health Practitioners:** Traditional healers are defined as someone who possesses the gifts of receiving spiritual guidance from ancestral world. (Moagi, 2009:117; Kale, 1995:1183; Semanya and Potgieter, 2014:1746; Sepota and Mohlake, 2012:2; Nene, 2014:359; Adesiji and Komolafe, 2013:275) In addition, Moagi (2009:6) regard a traditional healer as someone who possesses the gifts of receiving spiritual guidance from the ancestral world.

**Traditional Medicines:** Nxumalo et al. (2011: 124) and Truter (2007:4) found that traditional medicines are substances used in traditional health practices for treatment or prevention of a physical or mental illness. Richter (2003:3) , WHO (2003:5) and Moagi (2009:123) regard African traditional medicines as total knowledge and practices, used in the diagnoses, prevention and elimination of physical, mental or societal imbalances and relying exclusively on practical experiences and observation handed down from generation to generation verbally or in writing. Richter (2003:3) and WHO (2003:5) found traditional medicine as health practices, approaches, knowledge and beliefs incorporating plant, animal and mineral based medicines, spiritual therapies, manual techniques and exercises, applied singularly or in combination to treat, diagnose and prevent illnesses or maintain well-being.

**Implementing cost accounting system.** Markgraf (2015:1) found that the successful implementation of a cost accounting system provides management with the information needed to operate the business effectively. Freedman (2015:2) further found that the implementation of a cost accounting system is an important step for growing a small business through the identification of the correct costing system for the business, deployment of the system and post-deployment support by training employees on how to use the system effectively.

**Limitations of Cost Accounting.** Popesko (2009:38) and Alex (2012:9) identified the disadvantages of cost accounting as being unable to be applied in small businesses and there is no single method of costing that can be applied to all types of businesses, while the expenses of installation is disproportionate to the benefits received from it and the procedures and methods of cost accounting followed by different organisations are not uniform and therefore, they provide different results for the same information.

**Regulation of African Traditional Healing.** The South African Government through the Department of Health developed the Traditional Health Practitioners Act of 2007 in order to transform and recognise the importance of traditional healers in a traditional philosophy that provides primary healthcare in South Africa. Gcaleni et al. (2007:177) found that the implementation of the Traditional Health Practitioners Act will ensure that traditional healers are placed on an equal footing with other types of health care practitioners in South Africa as all practitioners must be registered in order to practice and qualify for registration and are required to achieve minimum standards of training at an institution accredited by the relevant council as set up by the Department of Health.

**Case Study.** In identifying and formulating the answers to the research questions, the researcher will use the case study approach on a focus group with the traditional healers. According to Blumberg, Cooper and Schindler (2011:374) and Rowley (2002: 17), the case study approach has a unique quality that will enable the researcher to deal with a full variety of evidence from interviews, documents and observations. Singh (2006:149) regards case study as a method of exploring and analysing the life of a social unit, be that unit a person, a family, institution, culture group or even an entire community.

**Focus Group.** Onwuegbuzie, Dickinson, Leech and Zoran (2009:2) and Zimmunt (2003:117) define the focus group interview as an unstructured free flowing interview with a small group of people. A focus group allows the researcher to collect information from a small group, while observing non-verbal behaviour and guiding and probing the participants so that all the information required can be uncovered.

### **Abbreviation of Illnesses**

STDs	=	Sexually Transmitted Disease
AIDS	=	Acquired Immune Deficiency Syndrome
HIV	=	Human Immunodeficiency Virus

### **Abbreviation of Country's Currencies**

US	=	United States Dollar
ZAR	=	South African Rand
\$AU	=	Australia dollar
CFA francs	=	Burkina Faso francs
K Sh	=	Kenyan shilling
Z\$1	=	Zimbabwean dollar

### **Abbreviation of Name of Organisations**

CAF	=	Conserve Africa Foundation
ICWA	=	Institute of Cost and Works Accountants
NTN	=	National Traders Network
ICA	=	Institute of Cost Accountants of India
UNSD	=	United Nations Division of Sustainable Development
SACM	=	South African Chamber of Mines
IBC	=	International Bioethics Committee
IFA	=	International Federation of Accountants
IMA	=	Institute of Management Accountants
NUM	=	National Union of Mineworkers
WHO	=	World Health Organisation
UNSD	=	United Nations Sustainable Development
THO	=	Traditional Healers Organisation

## **Other Abbreviation**

USA	=	United State of America
KZN	=	Kwa-Zulu Natal ( <i>One of South Africa's Provinces</i> )
TM	=	Traditional Medicines
CAM	=	Complementary Alternative Medicines
PBC	=	Performance Based Costing accounting
CSF	=	Critical Success Factor
VCA	=	Value Creation Area

## **Health Organisations**

Department of Health

The Traditional Health Practitioners Council

Allied Health Professional Council

Health Professional Council

Dental Technicians Council

South African Nursing Council

South African Pharmacy Council

## **Name of Legislative Acts**

Natal Codes of Native Law of 1891

Witchcraft Suppression Act of 1957

Medical Schemes Act of 1998

Witchcraft Suppression Amendment Act of 1970,

Traditional Health Practitioners Act of 2007.

## Appendix A: TREC clearance certificate



**University of Limpopo**  
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### TURFLOOP RESEARCH ETHICS COMMITTEE CLEARANCE CERTIFICATE

**MEETING:** 27 January 2016

**PROJECT NUMBER:** TREC/03/2016: PG

**PROJECT:**

**Title:** Cost accounting practices in African Traditional Healing: A case study of Makhudumathamaga Traditional Healers  
**Researcher:** Mr ML Taba  
**Supervisor:** Prof MB Fakoya  
**Co-Supervisor:** N/A  
**Department:** Accountancy  
**School:** Accountancy  
**Degree:** Masters in Commerce

  
PROF TAB MASHEGO

CHAIRPERSON: TURFLOOP RESEARCH ETHICS COMMITTEE

The Turfloop Research Ethics Committee (TREC) is registered with the National Health Research Ethics Council, Registration Number: REC-0310111-031

**Note:**

- i) Should any departure be contemplated from the research procedure as approved, the researcher(s) must re-submit the protocol to the committee.
- ii) The budget for the research will be considered separately from the protocol. PLEASE QUOTE THE PROTOCOL NUMBER IN ALL ENQUIRIES.

*Finding solutions for Africa*

## Appendix B: THO authority letter



Dear Greaves,

I have just received this proposal from Taba, a MCom student currently registered with Limpopo and wants Jane Furse members to assist him with his academic work. Please forward him training and meeting dates if any set yet. You may also link him up with gogo Mkefane or Lingwati who will assist him a great deal in his work. However, ensure you share with him some policy matters of the organisation including the mentioning of the THO name in all his academic work and making reference to the organisation and that we need him to not only look for support from us but also assist members with technical support in the Jane Furse area so that they run a successful business. For instance assist with administration and financial management basic training so that they run a growing healing business.

Greaves please keep us informed of developments in this project and share with us the report once the thesis is handed in. Greaves contact details are: 011 337 6177.

Thanks for demonstrating confidence in the THO.

Thanks,

Phephsile Maseko

Coordinator

Traditional Healing Organisation



**Appendix C: Consent form: English version**

I am Makomane Taba, a student at the University of Limpopo studying a Master’s degree in Accounting. You are requested to participate in this study that seeks to evaluate “**Cost Accounting Practices in African Traditional Healing: A case study of Makhuduthamaga Traditional Healers**”. This study is the requirement for the completion of this study.

If you agree to participate in this study, please take note of the following before giving your consent by signing this form.

- I understand that my participation in this study is voluntary and that I may withdraw at any stage should I feel uncomfortable about the interview.
- I understand that this study will contribute to scientific knowledge that will be used to help traditional healers.
- I understand that all information collected will be used only in this study and be confidential.

I have read the above information and give my consent to participate in this study.

.....

Signature of the participant

.....

Date

.....

Place

## Appendix D: Consent form: Sepedi version

Nna ke nna Makomane Taba, ke morutwana ka mo Unibesiting ya Limpopo gomme ke moithuti wa grata ya Masters ka dipalopalo. Le kgopetswe go tsea karolo mo dinyakisisong tse eo e rego ‘ ’ Cost Accounting Practices in African Traditional Healing: A case study of Makhuduthamaga Traditional Healers’. Dinyakisiso tse diamana le go feleletsa dithuto tse.

Ge eba ka nnete o nyaka go tsea karolo mo dinyakisisong tse, hlokomela tse di latelago pepe ga ge o saena sengwalwana se;

- Ke kwisisa gabotse gore ke tsea karolo mo dinyakisisong tse k age ke ithaopa go dira bjalo ebile nka tlogela go tsea karolo nako efe go ba efe ge nka ikwa o kae ga ke kgotsofalele go tsea karolo.
- Ke kwisisa gape gore dinyakisiso tse di tla thusa go oketsa tsebo ya mahlale mabapi le dithuto tsa bongaka bja segagabo rena.
- Ke kwisisa gape gore bohlatse bjo bo kgopoketswago fa, botla somiswa fela mo dithutong tse, ebile e tla ba sephiri saka le monyakisisi.

Ke badile se se ngwadilego ka mo godimo, ka go realo ke a dumela gore ke tsea karolo dinyakisisong tse.

.....

Mosaeno was motseakarolo

.....

Letsatsi Kgwedi

.....

Lefelo



## Appendix E: Demographical information

Please indicate, by ticking the appropriate box the answer that suits your situation.

1. What is your gender?  Male  Female
2. Are you a member of Traditional Health Organisation?  
Yes  No
3. In which of the following traditional healer groups do you regard yourself?  
Herbalist  Prophet  Diviner  Birth Attendant
4. In which of the following age group do you belong?  
20-30 yrs  31-40 yrs.  41-50 yrs.  More than 60 yrs.
5. Please indicate the highest level of education achieved.  
Primary  Secondary  Graduate  Post graduate
6. How long have you worked as a traditional healer?  
Less than 5 yrs  5-10 yrs  11-20 yrs  More than 20 yrs
7. Please indicate the number of employees in your organisation:  
Less than 50  Between 50-100  Between 100-250  More than 250
8. Please indicate the annual turnover of your practice or institution:  
Less than R50 thousand  R50 to R100 thousand   
R100 to R150 thousand  More than R150 thousand
9. Please indicate if your practice is registered as a public or private entity on none:  
Public  Private  None
10. Please indicate how familiar you are with Cost Accounting Practice?  
No Knowledge  General knowledge   
Good knowledge  Extensive Knowledge
11. Where did you first learn of Cost Accounting Practice?  
 University  Professional training  Seminars or conferences  
 Own reading  Never  other (please state) \_\_\_\_\_

## **Appendix F: Letter of introduction: English version**

### **COST ACCOUNTING PRACTICES IN AFRICAN TRADITIONAL HEALLING: A CASE STUDY OF MAKHUDUTHAMAGA TRADITIONAL HEALERS**

Good day and welcome to our session. Thanks for taking the time to join us to talk about traditional healing methods in the county. My name is Makomane Taba and assisting me is Mr Manabeng Isaac Morota for video. You were invited because you are a member of Traditional Health Organisation, so you're familiar with traditional healing methods, and you all have extensive experience in traditional healing in this county. There are no wrong answers but rather differing points of view. Please feel free to share your point of view even if it differs from what others have said. Keep in mind that we're just interested in understanding the important or necessity of traditional healing and the cost accounting practice with regard to your product and services i.e. how much it cost you as a traditional healer to offer your services.

You have probably noticed the microphone. We are video recording the session because we do not want to miss any of your comments. People often say very helpful things in these discussions and we cannot write fast enough to get them all down. We will be using your first names today, but we won't use any names in our reports. You may be assured of complete confidentiality. The reports will go back to the traditional healers association to help them plan future traditional healing methods.

Well, let's begin. We've placed name cards on the table in front of you to help us remember each other's names. Let's find out some more about each other by going around the table. The survey forms part of my **Master of Commerce in Accounting** which I am undertaking in the School of Accounting at the University of Limpopo. It is also hoped that aspects of the result will assist in professionalising or institutionalising traditional healers.

## **Appendix G: Letter of introduction: Sepedi version**

### **COST ACCOUNTING PRACTICES IN AFRICAN TRADITIONAL HEALLING: A CASE STUDY OF MAKHUDUTHAMAGA TRADITIONAL HEALERS**

Ke a le dumidisa mesong ya lehono. Ke leboga ge le iphile nako ya go ba lenna go bolela ka bongaka bya segagabo rena. Nna ke Makomane Taba, yo a nthushago ke Mna. Manabeng Isaac Morota yena o tlile go thusa ka go tsea diswantsho. Ke le kgopetse go tla mo ka ge le le mo mokgatlong was dingaka tsa setso, e lego Traditional Healing Organisation, gomme le nale tsebo e e tseneletso mabapi le bongaka bjo ka mo Afrika borwa. Go seo re tlogo bolela ka sona, ga go na karabo e elego maleba goba eo e fosagetsego, ke fela ka mokgwa woo o tsebago bongaka bjo bo sepediswa ka gona. Ke kgopela gore o ntshe kgopolo ya gago ka mokgwa woo o kwisisago ka gona le ge e ka fapana le batho ba bangwe. Tseba gore ke nyaka fela go kwa gore wena o kwisisa bongaka bjo bjang gape le bohlokwa bja bongaka bjo bja segagabo rena.

O kabe o lemogile gore go nale segodisa mantsu a rena mola thokwana. Maekemisetso a magolo ke go gatisa poledisano e gore ke se ke ka lahlegelwa ke selo seo re se boletsego mo. Batho ga ntshi ba bolela dilo tse bohlokwa gomme nka se kgone go ngwala dilo ka moka tseo re di boletsego. Ke tlile go somisa fela maina a lena, e fela nka se ke ka a ngwla felo mo dinyakisisong tse. Maina a lena a tlo ba sephiri. Dinyakisiso tse di tlo boela go mokgatlo wa lena wa bongaka gore ba kgone go somisa bongaka bjo bja segagabo rena bokaone.

Ke tshepha gore re ka tswela pele, disthupetso tsa maina di beilwe pele ga lena gore re kgone go ikgopotsa gore mang ke mang. A re thome ka go tsebana pele, gore mang ke mang, re tswa kae. Ga ke nyake go lebala gore dinyakisiso tse re di dirago fa, ke karolo ya dithuto tsa Masters ya kgwebo ka dipalo-palo, go la Universiting ya Limpopo. Yona e tla thusa go dira gore bongaka bjo bja gesso bo bonale bo dira di tirelo tsa bona bjalo ka batho ba matsatsi a lehono.

## Appendix H: Focus group questions: English and Sepedi version

### Focus Group Questions

<i>Questions Type</i>	<i>Questions</i>	<i>Comments</i>
<b>Opening</b>  <i>Matseno</i>	<ul style="list-style-type: none"> <li>▪ Tell us how long you have been a traditional healer. <i>Ke nako e kakang le soma bjale ka ngaka ya setso?</i></li> <li>▪ Do you regard yourself as a healer or doctor?" <i>Le itsea bjalo ka ngaka go ba bjalo ka motho eo a fodisago batho?</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Designed to be answered in less than thirty seconds.</i></li> <li>• <i>Based on fact or uncontroversial opinion</i></li> </ul>
<b>Introduction</b>  <i>Mathomo</i>	<ul style="list-style-type: none"> <li>• When I say traditional healer what immediately comes to mind? <i>Ge ke bolela ka mtoho eo a fodisago, ke bolelela ke eng?</i></li> <li>• What does to be a good traditional healer mean to you? <i>Go ra goring ge kere le ngaka go ba mofodishi e mokaone-kaone?</i></li> <li>• What's your impression of the Traditional Healers Association? <i>Le e kwa bjang ka mokgatlo wa lena wa Traditional Healers Association?</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Bringing up the general topic of discussion.</i></li> <li>• <i>Offering participants the chance to reflect on what they know about the subject.</i></li> </ul>
<b>Transition</b>  <i>Tsenelelo</i>	<ul style="list-style-type: none"> <li>▪ Can you describe your first experience of been a traditional healer? <i>Le ka nthlalosetsa ka seo le ithutilego sona mo go beng ngaka?</i></li> <li>▪ Can you name three things you've tried in the past year to improve your traditional healing system, whether you stuck with them or not?</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Logically links introductory and key questions.</i></li> <li>• <i>Ask participants to move from broad and general impressions to specific experiences.</i></li> <li>• <i>During these questions, participants begin to</i></li> </ul>

	<p><i>Le ka mpha goba go nneela dilo tse tharo tseo le ilego la di leka go dira bongaka bja lena bo be kaone, o ile wa tsela pelo le dilo tseo goba o ile wa ditlogela?</i></p> <ul style="list-style-type: none"> <li>▪ Tell me about a time when you were particularly moved by traditional healing?</li> </ul> <p><i>Ke eng seo se ilego sa go tsea maikutlo kudu ka bonga bjo bja segagabo rena?</i></p> <ul style="list-style-type: none"> <li>▪ How do you view yourself as compared to Medical doctors?</li> </ul> <p><i>O ipaea mokae ge o ipapetsa le dingaka tsa sekgowa?</i></p>	<p><i>learn how their experiences compare to others.</i></p>
<p><b>Key Questions</b></p> <p><i>Dipotsiso tse</i></p> <p><i>Bohlokwa</i></p>	<p style="text-align: center;"><b>Necessity of Cost Accounting in African Traditional Healing</b></p> <ol style="list-style-type: none"> <li>1. Do you understand the concept of cost accounting and its relevance to assist in business decision-making? If yes why, if not why? <ul style="list-style-type: none"> <li>○ <i>O kwisisa eng ka cost accounting le gore e sepelena ga yona le go tsea sephetho mo kgwebong? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> </li> <li>2. In relation to private and public service organisation, do you think it will be necessary to have cost accounting in African Traditional Healing? If yes why, if not why? <ul style="list-style-type: none"> <li>● <i>Mabapi le dikwebo tseo e lego tsa mmuso le tseo di e kemego, naa o gopola gore go k aba bohlokwa go ba le cost accounting mo phosisong ya segagabo rena? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> </li> <li>3. Since cost accounting systems are used by organizations to plan and control costs, do you think it is or will be useful to apply in determining the unit and total production costs? If</li> </ol>	<p><b>Research Question 1</b></p>

	<p>yes why, if not why?</p> <ul style="list-style-type: none"> <li>• <i>Go tloga mola cost accounting e somiswa ke mekgotlo go ba dikgwebo go beakanya le go laola maseleng ao re a lefago, o nagana gore go k aba bohlokwa go isomisa go beakantsha ditshelo tsa tsweletso ya disomiswa? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> <p>4. Do you have a cost accounting system in place to determine cost of product and services of African Traditional Healing? If yes why, if not why?</p> <ul style="list-style-type: none"> <li>• <i>E kaba e le gore le nale cost accounting go beakantsha ditsehelete tsa ditsweletswa le ditirelo tsa bongaka bya segagao rena? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> <p>5. Do you think it is necessary to document African Traditional Healing processes through the application of cost accounting systems to determine the true cost of product and services? If yes why, if not why?</p> <ul style="list-style-type: none"> <li>• <i>Naa o nagana gore go kaba bohlokwa mo kalafong ya segagabo rena go somisa yona cost accounting mabapi le go hwetsa tselete e somisitswego ya ditsweletswa le ditirelo? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> <p>6. Do you think that the cost accounting system can be used by policy makers especially by Government and Traditional Health Organisations, to assist in developing strategies to protect clients in South Africa to determine appropriate pricing of products and services of the African Traditional Healing? If yes why, if not why?</p> <ul style="list-style-type: none"> <li>• <i>Naa o nagana gore cost accounting y,e e ka somiswa bokaone ke bao be diragi melao kudu mo mmusong le mo mokgatlong wa lena wa dingaka go thusa go beakanya mogwa woo o kago sireletsa ba somisi ba bongaka bya segagabo rena go</i></li> </ul>	
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<p><b>Key Questions</b> <i>Dipotsiso tse Bohlokwa</i></p>	<p><i>bekantsha tshelete ya ditsweletswa le ditirelo tsa bongaka bja setso? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></p> <p>7. Do you think by been aware of the correct cost of the products and services of African traditional healing would have made a difference in the way you priced your product and services. If yes why, if not why?</p> <ul style="list-style-type: none"> <li>▪ <i>Naa o nagana gore ge nkabe o ile wa tseba ka tshelete ya maleba eo e kago lefiwa mo ditsweletsong ke ditirelong, nkabe o ile wa kgona go hlola phapano mabapi le ditefelo tsa diterelo le ditsweletswa tsa gao? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> <p>8. As a profit making organisation, how do you control cost of the products and services if you cannot appropriately measure its cost?</p> <ul style="list-style-type: none"> <li>• <i>Bjao ka ge o le mogatlo wa go dira tshelete, o kgona bjang go laola tshelete eo e swanetswego ke go lefelwa, gee le gore gao kgone go tseba gore ke bokae tshelete ya ditsweletswa le ditirelo tsa gago? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> <p>9. Do you think cost accounting practices can be used effectively in African Traditional Healing to determining the pricing of the products and services in informal and formal entrepreneurial sector? If yes why, if not why?</p> <ul style="list-style-type: none"> <li>• <i>Naa o nagana gore cost accounting e ka kgona go somiswa bokaone mo bongakeng bja setso mo go bo rakgwebo bao ba tsebalegago le bao bas a tsebalegego? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> <p>10. Do you think cost accounting can assist African Traditional Healing to determine the monthly and annual costs and revenue of the product and services of African Traditional</p>	<p><b>Research Question 2</b></p>
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<p><b>Key Questions</b></p> <p><i>Dipotsiso tse</i></p> <p><i>Bohlokwa</i></p>	<p>Healing? If yes why, if not why?</p> <ul style="list-style-type: none"> <li>• <i>Naa o nagana gore cost accounting e ka kgona go go thusa mo bongakeng go beakantsha ditshetele tsa tshomiso tsa kgwedi le tsa ngwaga tsa ditseletsa le ditirelo tsa bongaka bya segagao rena? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> <p>11. Do you think that through cost accounting practices, Traditional Health Organisation can be able to evaluate African Traditional Healing to explore its potential to address the South African health care and economic needs of the country? If yes why, if not why?</p> <ul style="list-style-type: none"> <li>• <i>Naa o nagana gore ka cost accounting e, mokgatlo o wa bongaka o ka kgona go beakantsha bokaone lefapha la tsa maphelo le ekonomi ya Afrika borwa bokaone? O wa dumela go ba ga o dumela, efa mabaka a phetolo ya gago?</i></li> </ul> <p style="text-align: center;"><b>Partial Usage of Cost Accounting in African Traditional Healing.</b></p> <ol style="list-style-type: none"> <li>1. What are the likely challenges as African Traditional Healing practitioner if you were to implement a practical cost accounting? Please explain.</li> </ol> <ul style="list-style-type: none"> <li>• <i>K e dithohlo tse di feng tseo o kago kopana le tsona ge eba o nyaka go somisa cost accounting e hlamasegilego mo bongakeng bya segageso? Hlolosa hle ka kgopelo.</i></li> </ul> <ol style="list-style-type: none"> <li>2. What efforts are you likely to take to improve or tackle those challenges? Please explain.</li> </ol> <ul style="list-style-type: none"> <li>• <i>O tlile go dira eng go fenywa go ba go lokisa dithohlo tseo? Hlolosa hle ka kgopelo.</i></li> </ul> <ol style="list-style-type: none"> <li>3. How does your practice account for the process of products and services of the African Traditional Healing? Please explain.</li> </ol>	
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	<ul style="list-style-type: none"> <li>• <i>Naa mo bongakeng bja gago, o kgona bjang go hlokomela ditseletswa le ditirelo tsa bongaka bja segagabo rena? Hlolosa hle ka kgopelo.</i></li> </ul> <p>4. Do you think that cost accounting system can be used in African Traditional Healing to captures the entire flow of products and services of the African Traditional Healing? Please explain.</p> <ul style="list-style-type: none"> <li>• <i>Naa o nagana gore cost accounting e ka kgona go somiswa moo mo bongakeng bja segageso go fana ka tsweliso ka moka ya ditseletswa le ditirelo tsa bongaka bja segageso? Hlolosa hle ka kgopelo.</i></li> </ul> <p>5. From your perspective, do you think that cost accounting is able to generate enough relevant cost information to make sound decisions on the products and services processes? Please explain.</p> <ul style="list-style-type: none"> <li>• <i>Ka mokgwa woo o e bonago ka gona, o nagana gore cost accounting e ka kgona go neelana ka ditselete tse swanetsego gore re kgone go tsea sephetho mabapi le ditseletswa le ditirelo tsa bongaka bja segageso? Hlolosa hle ka kgopelo.</i></li> </ul> <p>6. Do you think a cost accounting system is capable of generating accurate processes in the products and services of African Traditional Healing? Please explain.</p> <ul style="list-style-type: none"> <li>• <i>Naa o nagana gore cost accounting e ka kgona fo neelana ka lenanego le hlamasegilego la ditirelo le ditseletswa tsa bongaka bja segagabo rena? Hlolosa hle ka kgopelo.</i></li> </ul> <p>7. Have you ever been requested by your organisation to use cost accounting system, if yes what was the purpose of the request? Please explain.</p> <ul style="list-style-type: none"> <li>• <i>Naa o ile wa kgopelwa ke mokgatlo wa gago wa bongaka gore o somise cost accounting, ge eba o ile wa kgopelwa go dira bjalo, e be e ele ka lebaka la eng?</i></li> </ul>	
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	<p><i>Hlolosa hle ka kgopelo.</i></p> <p>8. Do you have a cost data-base for your products and services of African Traditional Healing? Please explain.</p> <ul style="list-style-type: none"> <li>• <i>Naa o nale moo o ngwalelago ditseletswa le ditirelo tsa bongaka bja segagabo rena? Hlolosa hle ka kgopelo.</i></li> </ul> <p>9. Do you think African Traditional Healing will benefits by integrating cost accounting into your system? Please explain.</p> <ul style="list-style-type: none"> <li>• <i>Naa o nagana gore bongaka bjo bja segagabo rena bo tla holega ge cost accounting e ka akaretswa mo go yona? Hlolosa hle ka kgopelo.</i></li> </ul> <p>10. Who is currently responsible for providing cost accounting system information in your organization? Please explain.</p> <ul style="list-style-type: none"> <li>• <i>Ke mang yeo a hlokometsego gore o fan aka ditswanelo tsa cost accounting mo bongakeng bja segagabo rena? Hlolosa hle ka kgopelo.</i></li> </ul> <p>11. What is your opinion on the cost accounting, did you think it provided the necessary cost information to support the pricing on the products and services of the African Traditional Healing if any? Please explain</p> <ul style="list-style-type: none"> <li>• <i>Kgopolo ya gao ke e mabapi le cost accounting , naa o nagana gore e kgonne go fan aka ditswanelo tse hlamasegilego go thuseng ga ditshetele tsa diterelo tsa ditseletswa le ditirelo tsa segagabo rena? Hlolosa hle ka kgopelo.</i></li> </ul> <p>12. How many services does your practice or institution provide? Please explain</p> <ul style="list-style-type: none"> <li>• <i>Naa ke ditirelo tse kae tseo di hwetsalago ka mo bongakeng bya segagabo rena? Hlolosa hle ka kgopelo.. Naa ke ditirelo tse kae tseo di hwetsgalago ka mo bongakeng bya segagabo rena? Hlolosa hle ka kgopelo.</i></li> </ul>	
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	<p>13. How many products are produced by your practice or institution? Please explain</p> <ul style="list-style-type: none"> <li>• <i>Naa ke ditsweletswa tse kae tseo di hwetsaalago ka mo bongakeng bya segagabo rena? Hlolosa hle ka kgopelo. Naa ke ditirelo tse kae tseo di hwetsgalago ka mo bongakeng bya segagabo rena? Hlolosa hle ka kgopelo.</i></li> </ul>	
<p><b>Conclusion</b> <i>Tswalelo</i></p>	<ul style="list-style-type: none"> <li>▪ Which one thing that a traditional healing does is most important to you? <i>Ke eng selo se tee mo bongakeng bya segageso seo se lego bohlokwa mo go wena?</i></li> <li>▪ Is there anything we didn't talk about regarding the traditional healing that you wish we had? <i>Ke eng seo re sego ra bolela ka sona, seo o bego o ka nyaka re boletse ka sona?</i></li> </ul>	<ul style="list-style-type: none"> <li>▪ <i>Help close the discussion, give participants a final word.</i></li> <li>▪ <i>Give participants a chance to summarize their positions and views.</i></li> </ul>

## Appendix I: Glossary

<b>Glossary</b>		
<b>#</b>	<b><i>Sepedi</i></b>	<b><i>English</i></b>
1	Makgoma	Sexual disease
2	Bolwetši bja lepanta	Shingles
3	Bolwetši bja phehli	Cancerous wound
4	Bolwetši bja mootlwa	Fibroids
5	Bolwetši bja toropo	Gonorrhoea
6	Dikgagara/ditaola	Knuckle bones
7	Badimo	gods
8	Go oretša	Inhale smoke of muti
9	Go peita	Anal-induced controlled diarrhoea
10	Go rwala dirifhi	Walking with unknown dead person
11	Go tshela ka tšato	To be energetic
12	Hlogwana	Child Illness
13	Lebea	Piece of broken clay pot
14	Lebala	Red spot on the back of the head opposite medulla oblongata
15	Kilelo	Forbidding oneself from doing certain things
16	Lefofonyana	Manmade Mental disorder
17	Mangaka	Traditional healers
18	Makgoma	STD related disease associated with intercourse with widow/widower
17	Meshidi	Black remains of burnt wood (carbon)
18	Mokokotlane	183   Page
	Mokokomane	Severe Stomach
19	Meriana	Muti