Organisational Resource Management in Health and Social Care

Assignment: "An essay about how workforce is funded in the context you are interested in and how it is rewarded at the organizational level."

Application: Funding and Rewarding the Workforce in the Hong Kong Healthcare System

Word Count: 3564

Funding and Rewarding the Workforce in the Hong Kong Healthcare System

Introduction:

The rising ageing population presents financial challenges to the Hong Kong government's healthcare spending. According to the Census and Statistics Department (2023), the number of elderly individuals aged 65+ will nearly double over the next 25 years from 18.3% (1.45 million) in 2021 to approximately 36% (2.74 million) by 2046. While most older adults have good health, the World Health Organization (2023) suggests that they are at risk of developing mental health issues such as depression and anxiety. The ageing population also draws concerns because they can also experience dementia syndrome as they age. According to Lam et al. (2019), about 9.4% of elderly aged 70 or above in Hong Kong are affected by dementia, which is associated with high mortality rate and disability rates. The Hospital Authority does not keep track of the total population with dementia, but research estimates that approximately 11% of persons aged 60 years and above will be suffering from dementia in 2039 (Legislative Council, 2017). This is likely to increase demand on health and social care system, necessitating decision-makers to pay attention to elderly patient services to ensure excellence in elderly patient care.

I am a psychiatric nurse specialising in advanced adult psychiatry, working in an outpatient department of a public hospital. The aim of this essay is to analyse and explore how the Hong Kong healthcare system and workforce is funded and rewarded with application to my workplace. This will be achieved by examining the financial structure of the healthcare system, policies influencing workforce planning and recruitment, and the challenges faced in retaining the psychogeriatric workforce. I will begin by providing an overview of the financial and workforce background of the healthcare system and my organisation. Next, I will evaluate how financial constraints impact workforce planning and service delivery. Finally, I will analyse and discuss the influence of healthcare policies on

workforce management, retention, and development while suggesting potential improvements to enhance service delivery in psychogeriatrics.

Current Financial Structure and Budgeting

Financing

The Hong Kong healthcare system operates on a dual-track model, comprising both public and private sectors. Hong Kong's healthcare funding system appears to be influenced by the principles of the Beveridge Model. In this model, the government plays a crucial role by both providing and financing healthcare through taxation (Bergerot et al., 2023). Many hospitals and healthcare facilities are publicly owned, and a significant portion of healthcare professionals serve as government employees. This dual funding system allows for a mix of

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increase in healthcare expenditure, with total funding rising sharply to HK$150,719 million in 2022/23. This shows how the government has continued to invest heavily in public health care to ensure disease prevention, health promotion, long-term care and rehabilitation services (Schoeb, 2016).

The Hong Kong healthcare system has managed to maintain relatively low public current health expenditure while still providing quality services and health outcomes that align well with global standards. There is a positive correlation between the economic power of a country and its level of healthcare spending, with research suggesting that richer countries have a higher proportion of Gross Domestic Product (GDP) that is allocated to healthcare (Nedjim et al., 2023). Total expenditure on health as a percentage of GDP is used

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as a core indicator of health financing systems and measures the level of resources channelled to health relative to a country's wealth (World Health Organization, no date). For example, in 2022/23, Hong Kong's current health expenditure (CHE) as percentage of gross domestic product was 9.1% (Health Bureau, 2024). This figure has risen from 6.4% in 2019 to 7% in 2020 and 8.2% in 2021. This upward trend indicates a growing investment in

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Raghupathi and Raghupathi, 2020). For instance, investment in preventive care and public health initiatives may yield higher returns than excessive spending on specialised care or administrative costs. Therefore, policymakers should ensure that the rising healthcare budget is allocated efficiently to maximise both health outcomes and economic benefits.

The private services also attract a significant number of people mainly those who can afford it and also those who are looking to gain access to something that the public sector does not have. The private financing schemes significantly complement the public

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providers also have more choices in pharmaceutical and diagnostics treatment compared to public practitioners who need approval from the Hospital Authority. Hong Kong government introduced Voluntary Health Insurance Scheme (VHIS) which links private and public health insurance to give VHIS-insured individuals additional choices to use private healthcare
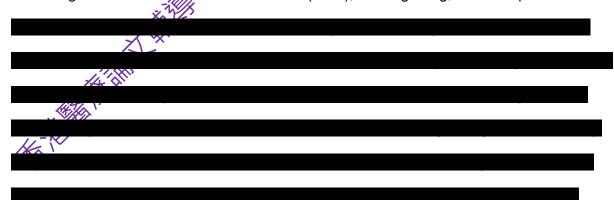
address potential agency problems, and ensure that private services complement the public healthcare system while maintaining equity and access for all.

Consequences for Maintaining Existing Financing Model for the Public Healthcare

The Hong Kong healthcare system is generally recognised for its effectiveness in delivering high-quality medical care while maintaining accessibility for all residents. Its quality is renowned around the world owing to the high life expectancy and low infant mortality rates, which are key indicators of population health an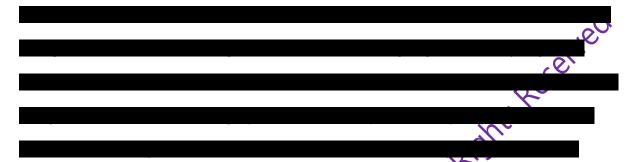d care quality (Ni et al., 2021). According to the Centre for Health Protection (2024), In Hong Kong, the life expectancies at

public health, thus achieving equitable care. This policy is important to psychogeriatric care because it enhances care delivery to vulnerable populations such as the elderly and those with mental health issues who have little income. Furthermore, the Hong Kong healthcare system has demonstrated remarkable healthcare outcomes while maintaining relatively low

health expenditures. Compared to other economies, Hong Kong ranks second highest among 15 countries with similar economic development in terms of public health expenditure expressed as a percentage of total tax revenue.
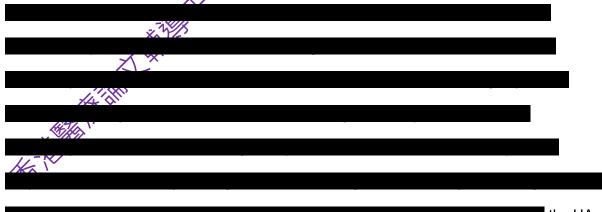
Nonetheless, sustainability concerns of the Hong Kong health model are apparent. The health model is heavily financed through government revenue, which puts a growing fiscal

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patients. The high patient-to-doctor ratio not only affects the time available for each patient but also contributes to increased stress and burnout among healthcare professionals.

Overview of my Workplace

The hospital is primarily funded and managed by the Hospital Authority. I work in the outpatient clinic as part of the psychogeriatric interdisciplinary team that serves those who are 65 years and above. The clinic has approximately 20 medical staff, 70 nurses (including mental health nurses and community psychiatric nurses), 15 allied health staff and 40 other

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spent $6,086 million to provide mental health services (Legislative Council, 2023). The Hospital Authority also provides median waiting time for psychiatric specialist outpatient clinics. Nonetheless, the clinic is often at full capacity, struggling to meet the needs of a growing patient population. On average, patients classified as urgent by the Hospital

Authority can be scheduled to see a psychiatric specialist in the outpatient clinic with a median waiting time of one week. For semi-urgent cases, the waiting time extends to about four weeks, while routine visits may require patients to wait around 30 weeks.

There is a ready access to medical care and also affordable medications because outpatient consultation fees are heavily subsidised by the government. Individuals who have ███ ███ attendance, $80 per subsequent attendance and $15 per drug item, whereas the private charges are around $790 to $2,210 per attendance (Hospital Authority, 2024). This substantial difference highlights the accessibility and affordability of public healthcare services in Hong Kong (Liao et al., 2021).

The nurse manager, who reports to the department operations manager, acts as the unit's chief executive officer and oversees the unit's labour and supply expenses. The nurse ██ ██ ███ ██ ██ ███ ███ and knowledge, which vary in their criticality and scarcity. When a resource becomes essential for the organisation's survival and is in limited supply, the organisation must focus on managing it effectively to ensure continued access and benefit. This theory applies directly to the management of labour and financial resources (Ansmann et al., 2021). As labour (nursing staff, medical staff) is critical for the delivery of services in the outpatient clinic, the nurse manager must carefully manage these resources to avoid shortages that could disrupt operations. If staffing levels become scarce due to external factors such as budget cuts or workforce shortages, the manager must prioritise the efficient use of available

resources to maintain care quality (Scheffler and Arnold, 2018; Yeager et al., 2014; Ansmann et al., 2021).

Workforce Planning

According to Systems Theory, healthcare organisations are seen as complex systems in which human resources such as doctors, nurses, and allied health professionals serve as critical inputs (Anderson, 2016; Cordon, 2013). These resources are processed within the healthcare system to produce care delivery outcomes. Thus, effective workforce

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enrolled nurses make up more than half of the Hong Kong healthcare workforce. Nurses must register or enrol with the Nursing Council of Hong Kong before they are allowed to practice. Over the years, the number of nurses in Hong Kong has increased, but not at a higher rate. At the end of 2023, there were 68,752 registered and enrolled nurses (in terms

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changes. Since 2020, the government implemented talent admission schemes to recruit talent from the Mainland and overseas in a bid to address Hong Kong's manpower demands. From 2020 to May 2024, nearly 130,000 talents have arrived in Hong Kong and are currently employed in different public sectors (Legislative Council, 2024b). This can help alleviate manpower shortage and increase the local talent pool.

The decentralised management structure of the HA grants the hospital leadership the authority to create posts and recruit staff based on the specific needs of their hospital or cluster (Health Bureau, 2015). This approach allows for a more tailored response to the unique demands of each hospital and clinic within the cluster, ensuring that staffing levels and skill sets are aligned with patient care requirements (Bhati et al., 2023). In the HA, all vacancies are advertised publicly, and any individual who meets the entry requirements may

standards is one nurse to six patients (Legislative Council, 2024). In a recent staff satisfaction survey conducted amongst staff in my workplace, many staff raised concerns, citing increased workload that contributes to immense work pressure, increased fatigue and stress. Research shows that nursing work pressure due to high workload is associated with reduced quality of nursing care and job dissatisfaction (Gil et al., 2022). Job dissatisfaction is positively correlated with reduced morale, high turnover rate, absenteeism and poor job performance (Kieft et al., 2014).

The ward manager collaborates closely with the human resource management department to develop a comprehensive workforce plan that accounts for factors such as nursing retirement, turnover rates, future patient needs or changes in service demand and competencies of the existing staff (Weston, 2022; Wu et al., 2019). The leadership relies on "The Demand Based Model" for nursing workforce planning. In the demand-based model,

future nurse workforce requirements are projected based on the current patient demand (Dong et al., 2023; Bosak et al., 2023). Another model that is normally used is the "Need-Based Model," in which the HA determines staffing requirements by assessing the healthcare needs of a population using individual-level health indicators such as gender,

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██████████████████████ needs, ensuring that the clinic can continue to provide high-quality psychiatric care.

Workforce Retention and Rewarding

Retaining staff and ensuring they feel adequately rewarded improves individual job satisfaction and also has a direct impact on the resources and operational efficiency of an organisation (De Vries et al., 2023). As explained by Al-Suraihi et al. (2021), when staff turnover is minimised, there is less need to invest in recruiting and training new personnel,

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██████████████████████████████████████ (Health Bureau, 2023a). Prior research suggests high staff turnover is correlated with job dissatisfaction, inadequate staffing and lack of support (Hu et al., 2022). Therefore, how to improve the satisfaction of the nursing staff is a critical issue for the HA and public hospitals.

The Porter-Lawler Model of Motivation can be used to explain the complex relationship that exists between job satisfaction and performance. The model proposes that job motivation is influenced by the individual's perceived value of rewards and their expected

outcomes (Hofmans et al., 2013). This model links motivation to performance, suggesting that intrinsic (satisfaction) and extrinsic rewards (bonus, commission and pay hike) are crucial for enhancing retention among nurses (Stringer et al., 2011; Zeng et al., 2022). As

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satisfaction, providing a clear path for professional development (Nashwan, 2023). A study conducted by Chan et al. (2013) highlights that nurses in Hong Kong public healthcare leave public hospitals for the private sector due to reasons such as fairness in remuneration policy and stressors. In my workplace, nurses frequently feel that the financial rewards do not adequately reflect the demands and stresses of their roles. Leadership can work to strengthen extrinsic rewards by ensuring that financial incentives, bonuses, and other tangible rewards are not only competitive but also fairly distributed (De Vries et al., 2023). Additionally, providing clear communication about how rewards are determined and distributed can enhance perceived fairness, which increases employee loyalty.

Conclusion

The aim of this essay was to explore how the Hong Kong healthcare system is funded and rewarded, with application to my workplace in psychiatric outpatient clinic. This objective was achieved by analysing the dual-track public and private financing models and evaluating the challenges in workforce planning and retention. The rising demand for services due to demographic changes and the shifting burden of disease presents challenges such as workforce shortage and public funding sustainability. Although progress

has been made, such as through talent admission schemes and structured remuneration

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rewards (fair pay and bonuses) are aligned with performance, thereby addressing workforce

shortages and improving overall job satisfaction in the clinic.

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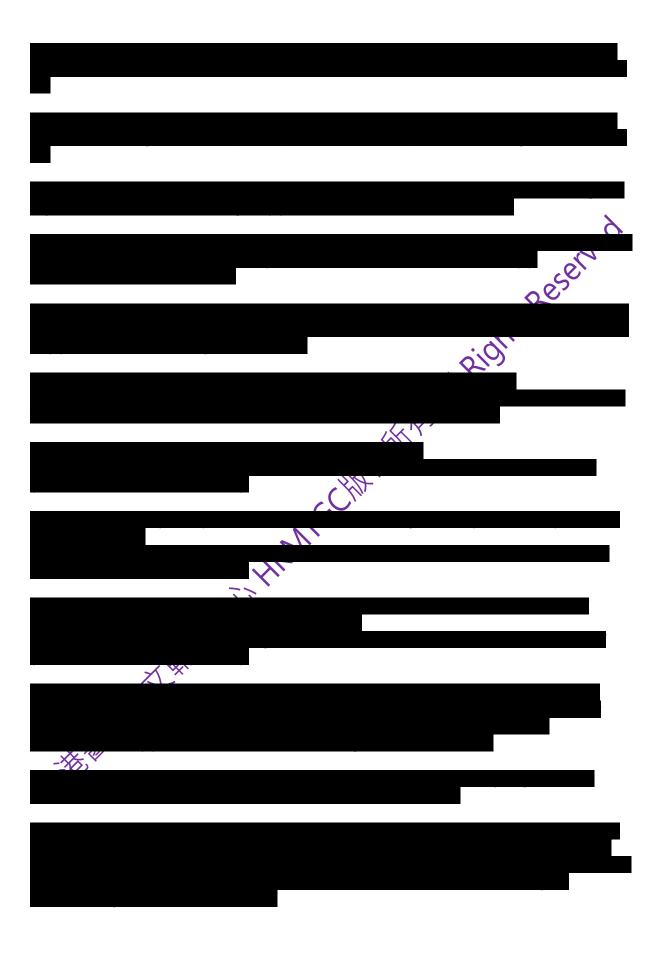
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