

# *Analysis of the Current Situation in Chinese Public Hospital Based on AMO Theory*

Nanyang Rao<sup>1,a,\*</sup>

<sup>1</sup>Management School, University of Sheffield, Sheffield S10 2TN, UK

a. nrao1@sheffield.ac.uk

\*corresponding author

**Abstract:** Public hospitals in China have a complicated internal structure with a sizable number of members and a strict management system. Human resource management plays an important part in the management of modern public hospitals, which also serves as the primary management component for efficient internal management. At the same time, in the context of strategic human resources management, the AMO theory has gradually entered the management of public hospitals. Based on a brief overview of human resource management in modern public hospitals, this study adopts the AMO theory (abilities, motivations, and opportunities) perspective in analysing the problems and challenges faced by the human resource management strategy in modern public hospitals, and exploring how human resource management in modern public hospitals should play an effective role based on the AMO theory. Based on a detailed and targeted analysis of the contents of the challenges, theoretical and practical support for the development of modern hospitals and the orderly conduct of internal management is provided.

**Keywords:** public hospital, AMO theory, human resource management

## 1. Introduction

The supply of China's medical resources is often not adequate for the demand. Work is characterised by its complexity and variety in healthcare settings. Teams that have the ability to adapt to the shifting environment and complex patient needs are required in this situation [1]. The health system has been focusing on clinical technology and neglecting hospital management. The low professionalization degree of administrative personnel and the lack of professionalization construction have become the main factors affecting the scientific management of Chinese hospitals [2].

Modern public hospitals have a complex internal structure, a large number of personnel and a strict management system, among which human resource management plays an important part in the management of modern public hospitals and is the main management content of the internal management of modern public hospitals to play an effective role. Therefore, strategic human resource management (SHRM) has become more significant in hospitals as a result of growing workforce-related issues such as staff shortages. The phrase "strategic HRM" is used loosely by human resource (HR) experts to convey their conviction that efficient HRM enhances corporate effectiveness. This is presumably accomplished by HR specialists who collaborate closely with line managers and have "a seat at the table" when important business decisions are made. This fundamental view of what "strategic HRM" entails is shared by many HRM academics [3]. In reality, if the hospital manages its

human resources well, it will not only significantly raise the calibre of its employees' skills and the standard of its overall patient care, but also successfully advance the facility's economic development. Also, the degree of management in charge of human resources has a direct impact on a hospital's general level of medical proficiency. Public hospitals are up against an increasing amount of tough competition in the modern day. Hospitals should improve their sustainable development by consistently enhancing the strategic level of their human resource management.

The expected contribution of this study to theory is the empirical validation of the AMO theory in the context of Chinese public hospitals. The findings of this study will provide evidence to support the importance of employee ability, motivation, and opportunity in Chinese public hospitals. The study will also shed light on the relative importance of each component of the AMO theory. In terms of practical implications, this study will guide managers of Chinese public hospitals on how to effectively implement organizational change by focusing on employee ability, motivation, and opportunity. The study will also help managers understand the factors that may hinder or facilitate internal structure in Chinese public hospitals. The study's findings will give Chinese public hospitals a thorough understanding of the causes impacting them and suggest appropriate solutions.

## 2. Theory---AMO

1982, It was first proposed by Blumberg and Pringel, Performance is influenced by the three factors of individual ability, willingness and opportunity in the organization. It expands the definitions of competence and motivation and introduces a new idea—opportunity—that they see as a crucial missing component [4]. Based on the works of early researchers, Appelbaum wrote “Manufacturing advantage: Why high-performance work systems pay off”, which clearly put forward the theory of high-performance human resource management System “AMO”, that is, organizational performance is the result of Ability, Motivation and Opportunities of participation [5]. Ability refers to the psychological and cognitive ability that helps an individual to engage in an activity effectively. Motivation refers to the psychological and emotional tendency of an individual to engage in an activity. Opportunity refers to the uncontrollable external environmental factors that promote or hinder an individual's behavior. Therefore, in practice, the enhancement of the competency dimension aims to improve these three components. Specific practices include strengthening staff recruitment techniques or formal training. Motivation can be enhanced by extrinsic or intrinsic motivation. This can include incentives or career development opportunities. The AMO model also introduces the opportunity dimension, based on job design theory or authorization-related literature. Therefore, opportunities consider not only personal characteristics but also the working environment. Knowledge exchange and problem-solving exercises are examples of specific techniques [6].

According to AMO theoretical model, human resource management exerts influence on employee performance through three mechanisms: Human resource management directly affects the ability of employees to complete tasks, primarily to match the knowledge, skill, and ability demands of employees, so enhancing self-efficacy, fostering a sense of competence in the face of work, and encouraging employees to take the initiative to take on increasingly difficult tasks; Human resource management affects the motivation of employees to complete tasks, including internal motivation (self-growth, passion for work, etc.) and extrinsic motivation (bonus, compensation, etc.), internal motivation can improve organisational performance more than external motivation; The human resource management system can determine whether employees have the opportunity to participate in management activities, including empowering employees to participate in management activities. This article presents three viewpoints (ability, motivation and opportunity) on the issues Chinese public hospitals are facing and offers appropriate solutions. With the above three mechanisms being independent and interrelated, all of them can achieve the goal of improving performance by encouraging employees to do discretionary behaviors.

### **3. Challenges Faced by Modern Public Hospitals**

#### **3.1. Lack of Flexibility in Recruitment and Training**

The ability to complete a task refers to an individual's skills, experience, attitude, and prior knowledge. Human resource practises such as recruitment and selection, training and development can help to improve individual capabilities. Recruitment and selection assist in attracting and selecting individuals who fit the organization's philosophy, whereas training and development assist in enhancing an individual's existing knowledge and skills and providing opportunities to develop innovative capabilities. Additionally, the term "ability" relates to human qualities (skills, experience, attitudes, and prior knowledge) that are important for completing such activities. Ability in the context of HRM refers to a collection of procedures intended to guarantee that workers have the resources necessary to complete their responsibilities. Hence, those methods put an emphasis on developing people's knowledge, skills, and abilities (KSA) on both an individual and a group level.

The public hospital is always at the forefront of Chinese medical system; it is the leader of medical institutions and also the leader of medical system reform. Chinese medical system's construction and reform begin primarily in public hospitals. Because of public hospitals' dominant position in the medical system, other medical institutions are guided to carry out medical reform consciously, so that the development of the medical system can adapt to the development of society and meet the people's growing social needs [7]. The system for managing employment contracts in public hospitals serves as the foundation for the human resource management system in public hospitals. The employment agreement has a negligible impact on talent management. There is limited flexibility in the introduction of skills due to the uniform employment model, working years, pay, and work content.

**Training:** In the questionnaire survey on the need for further study of all the continuing medical practitioners enrolled in a hospital in March 2022, 87.72% of the continuing medical practitioners have a strong demand for learning new technologies, new methods and new thinking, indicating that the goal of further study has gradually changed from the promotion policy mandatory type to the demand-oriented independent type [8].

**Recruitment:** Public hospitals have a certain attraction for excellent talents because of their organizational system. However, with the implementation of the new medical reform, the hospital staffing system has gradually been replaced by the contract system and the personnel agency system, which has reduced the attractiveness of talents. The implementation of human resources management will also face challenges due to the diverse employment system. In order to ensure good medical services, hospitals often need to recruit staff outside the establishment. Based on the nature and content of work in public hospitals, the work of non-staff is hard and heavy, mainly concentrated in auxiliary posts, such as ICU, emergency department, and some departments that need more physical strength [9]. The entry threshold of non-staff personnel is relatively low, the proportion of personnel with middle and senior professional titles is relatively low, there is differential treatment in terms of salary and welfare, there is different pay for the same work, and there are few opportunities for promotion, all of which are easy to make non-staff personnel have unbalanced psychology, leading to lack of sense of responsibility and strong mobility.

#### **3.2. Lack of Incentive Function and Motivation Drive in the Salary System**

Motivation is defined as "the extent to which an individual desires and chooses to engage in specific behaviours." Extrinsic and intrinsic motivation are both possible. While intrinsic variables come from an individual's interests and values, such as when they find a job rewarding and enjoyable, external elements are tied to incentives like cash rewards and typically lead to concentrate on short-term advantages. Employees' long-term commitment is usually associated with intrinsic motivation.

Employee skill can also have an impact on motivation, as employees with low skill levels may lose interest in their work if they believe it to be too challenging. High levels of performance are produced by employees through the use of motivation-enhancing methods in the framework of HRM. As a result, the motivation bundle includes practises such as performance appraisal, which is typically linked to financial or non-financial incentives [10].

**Extrinsic motivation:** The majority of public hospitals in China spend roughly 30% of their budget on staff, compared to more than 50% for overseas medical facilities. Employees' personal income shows a difference in high-level talent of over 15 times when compared to foreign nations. When compared to domestic foreign-funded enterprises and joint ventures, the difference in high-level talent is also over 5 times. However, the average salary level of Chinese doctors is obviously lower and does not accurately reflect the value of their labour [11].

**Intrinsic motivation:** Many public hospitals use a single incentive method at this stage. In general, the incentive measures adopted by public hospitals are primarily material incentives, such as salary and performance, but they hardly pay attention to their spiritual needs [12]. In contrast, the incentive measures adopted by public hospitals at the state level are primarily spiritual incentives. The majority of employees will not improve through this incentive system because it places an undue emphasis on monetary rewards and ignores spiritual rewards that are beneficial to employees' long-term development. If it cannot be improved through other talent incentive techniques, the idea of internalism will develop in the hospital's internal operations, making it difficult to raise the institution's level of spiritual civilization construction and making the human resource management system less effective.

### **3.3. Lack of Opportunities to Support Talent Development**

The HRM policies and practices are geared towards offering doctors the opportunity to utilise their skills and effort through 'job design policies' and 'participation policies'. Opportunity refers to external environmental factors such as uncontrollable events or people that promote or hinder individual behavior. For example, organizations provide employees with job opportunities or external environmental conditions aimed at providing employees with opportunities to achieve motivation and apply skills.

**Job design:** Most regions and public hospitals in China have the problem of unscientific design of skilled senior positions in the medical industry, which has led to the issue that some departments are overrun with senior positions while others are understaffed. This has resulted in fewer opportunities for personnel to advance to senior positions, which has negatively impacted hospital staff morale. Moreover, it will cause a brain drain in hospitals.

**Participation:** Involving doctors in management decision-making can improve patient care quality by increasing their commitment to their work and job satisfaction. There is a link between doctors' involvement in management decision-making and the quality of patient care. Doctors are more motivated to provide high-quality patient care when they believe their opinions and ideas are valued [13].

Participatory management has always been a management blind spot in large public hospitals. There are significant differences in the ideas, needs, and attitudes of hospital management and ordinary staff, as well as a sense of identification with the hospital. The main reason for this is that ordinary employees are always at the executive level and do not have the opportunity to take a comprehensive view of the overall situation [14]. Employees obtain most of their information about hospital affairs from meetings, websites, and internal publications, with little interactivity and a lack of smooth and timely communication channels and a reasonable suggestion system. Employees lack long-term, stable, and active participation in the hospital's strategic planning, cultural concepts, rules and regulations, annual work planning, and other matters.

## 4. Suggestions

### 4.1. Establish Management Structure

Based on the historical background of China's medical and health management model and the important transformation period of hospitals, according to the requirements of modern hospital management system for the professionalization of hospital management, it is necessary to explore a personalized, professional and professional management training system that meets the needs of hospital development. Because managers of different levels of hospitals have different needs for training forms, time arrangement, training content and expected management quality, different professional training should be customized according to the needs of different levels of hospitals and different types of managers. From the perspective of "training according to materials", highlight theoretical study, analysis and discussion of medical and health policies, and practical operation, so that managers can "learn and use" [15].

Public hospitals need to treat both internal and external staff equally, integrate them into the overall plan of hospital development, improve the salary system of external staff such as salary, performance and annual leave, and ensure that hospital staff can be treated fairly in the reward and punishment system, so as to further eliminate the impact of the two-track system [9]. At the same time, promotion should also be carried out. According to the workability and performance of personnel, they should compete for employment under the same conditions, ensure the vital interests of each employee in public hospitals, improve the sense of responsibility and sense of belonging of non-staff, and also promote the overall quality of hospital medical personnel.

### 4.2. Optimize Incentive System

Modern civilization is characterised by the knowledge economy, and human-based management is increasingly a need. The main challenge with human-based management is motivation. In order to maintain the public welfare of public hospitals with a high concentration of senior intellectuals, the incentive mechanism must reflect the principle of being "people-oriented," putting respect for people, understanding people, caring for people, and igniting people's enthusiasm first [11]. Pay attention to how long-term and short-term incentives are combined, create numerous incentive programmes, create pay incentive programmes based on performance theory, and create a distribution system that emphasises ability and contribution; According to the theory of behavior reinforcement, establish a growth incentive mechanism to meet the needs of self-development and self-realization of employees.

Public hospitals ought to place a high value on the illustration and administration of talent reward mechanisms [16]. More importantly, the hospital should implement the essential changes, including creating and upgrading a performance review system, emphasising both spiritual and financial rewards equally, optimising the wage structure, and extending the timeliness of internal talent incentives.

### 4.3. Promote Personal Development

Post analysis is the basis of human resources work. The rational setting of medical social work posts, human resource planning and management, and the optimal allocation of human resources all rely on post analysis of medical social work posts and clear job qualifications, contents, permissions, responsibilities, and so on. The hospital management system provides doctors with achievable work objectives, necessary information technology support, reasonable allocation of team resources, and positive performance evaluation to boost medical staff's self-worth.

It is essential to create a comprehensive employee participation management model in the hospital, which is critical to the hospital's management efficiency and long-term development. When the



medical staff is eager to repay the organization's support, they will take the initiative to make constructive suggestions and make efforts to reduce the unbalanced relationship between the organisation and the medical staff's plan. Hospitals should place a high value on cultivating employees' sense of identity and ownership, and make decisions with their active participation; depending on the hospital's situation, employees can speak freely and offer suggestions [14].

## 5. Conclusion

Public hospitals should pay attention to the execution of human resources management and offer professional training for essential people as the orderly implementation of human resources management will help to promote the development of contemporary public hospitals. This paper analyzes the current situation of human resources management in public hospitals from ability, motivation and opportunity perspectives, and puts forward constructive suggestions: it is suggested to develop a professional training system, improve the organizational recruitment system, and promote a sense of belonging of employees; it would also be necessary to improve the salary system, and internal and external incentives to jointly promote employee confidence; this paper also found it important to develop a reasonable post system to promote employees' sense of participation.

This study aims to advance the reform of China's healthcare system, solidify the benefits of public hospitals' modernization and their positive social standing. It is suggested to begin internal management with human resource considerations and advance the overall development of contemporary public hospitals through effective internal management.

In order to develop in a complete and scientific manner, the unique planning and thinking around human resources in China's public hospitals must be matched with actual working situations. Managers must effectively organize and coordinate their human resources, maximize each employee's potential, and provide assurance for the hospital's stability and positive growth.

Although this article has contributed to the practical implementation of strategic human resource management in public hospitals, it is not without flaws. Firstly, this article only discusses the problems faced by overall public hospitals without considering regional differences and differences between international public hospitals; secondly, define and promote opportunities in the implementation of AMO theory can be more through. Future research could concentrate on specific measures implemented by organizations in various industries to promote human resource development, followed by a quantitative analysis of the impact of implementing them on employees in public hospitals.

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