


APPROVED BY THE THESIS COMMITTEE:
A STUDY TO EVALUATE THE FULL-TIME EMPLOYEE'S UNDERSTANDING
OF THE FRINGE BENEFITS PROGRAM
AT BAPTIST MEMORIAL HOSPITAL,
MEMPHIS, TENNESSEE


Director of the Program

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A substantial portion of the personnel costs can be attributed to the cost of fringe benefits. A survey conducted in 1971 of 835 employers, of all types, reported that 30.8 per cent of the payroll was for fringe benefits.² The Bureau of Labor Statistics conducted a survey in 1972 of the Federal sector and reported that 26.3 per cent of the payroll was allocated for fringe benefits.³ Thomas B. McCall reported in 1974 that it was not uncommon for employers to spend in excess of 30 per cent of their base payroll for fringe benefits.⁴

Frederick Herzberg in 1968 stated, "These benefits are no longer rewards; they are rights."⁵ With this in mind, most hospital administrators have become extremely critical of any new fringe benefits.⁶ Before any new fringe benefit is added, its present value to the organization as well as its projected cost is calculated and programmed into the total organization budget.⁷ These costs have also resulted in management developing a better understanding of what constitutes a fringe or employee

CHAPTER I

INTRODUCTION

General Information

The demand by consumers, government, and other sectors of society to reduce the spiraling cost of health care has forced hospital administrators to be keenly aware of the necessity to reduce hospital costs. Hospitals are, by nature, labor-intensive organizations and, consequently, the cost of personnel commands at least two-thirds of the total budget.¹

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benefit.

The term, "fringe benefits" or "employee benefits," is used to distinguish the benefit portion from the wage or salary portion of a total compensation package. The definition for a fringe or an employee benefit is essential to this study, as both terms are used by some authors interchangeably. A fringe benefit, is a benefit other than salary or wages, received by an employee from his employer's contributions or efforts. Other definitions are included in Appendix A.

The question might still be asked, "Why so much emphasis on fringe benefits?" The answer is that, "hospital personnel costs are influenced by four principal factors: (1) wage and salary rates; (2) fringe benefits; (3) staff size and mix; and (4) labor turnover."⁸ Couple this with the projection by the Bureau of Labor Statistics that by 1980 almost 70 per cent of American jobs are expected to be in service industries.⁹ Of all the service-oriented industries, the health care field has become the "fastest growing industry in terms of labor required."¹⁰ These current and projected trends have made hospital administrators aware of the importance of fringe benefits to their employees as well as the cost of these benefits to the organization.

Hospital History and Setting

The history of Baptist Memorial Hospital began in 1906, as a result of a resolution made at a meeting of the Tennessee Shelby County Baptist Association. This resolution was backed by the College of Physicians and Surgeons of Memphis, Tennessee, who donated a lot in Memphis, valued at \$25,000 and promised to provide another \$25,000 for construct-

ion of a sanitorium for the mid-South area. Baptist Memorial Hospital admitted its first patients in July of 1912. This auspicious beginning was best described by a local newspaper:

For years to come this building will stand as a monument to the Baptist Denomination and the liberality of the generous people of Arkansas, Tennessee, and Mississippi. Baptists of three states have opened here one of the most complete hospitals in the country. By a natural evolution this institution came into being. It started in the dream of a Baptist Churchman and passed through the realm of blueprints and specifications into a reality--magnificent, thoroughly equipped, imposing and superb. It represents many trials, a game between optimism and pessimism. The evidence of one of the greatest victories the Church people of the three states have ever achieved.¹¹

Baptist Memorial Hospital has since not only become the largest private general hospital in the United States, but also ranks second in the total number of patients admitted by United States hospitals.¹² These achievements are the results of a progressive attitude that has established several "hospital firsts" which include: (1) first computer for automatic data processing in a United States hospital; (2) first to provide a medical office building for the immediate availability of the hospital's medical staff; (3) first to monitor by telemetry a vast range of mechanical equipment through the use of an automated supervisory data center; and (4) first to personalize patient care through a visiting hostess program.¹³

Reasons Which Prompted the Study

There were five primary reasons for initiating this study. First, the turnover (Appendix B) at Baptist Memorial in 1974 was estimated to cost between \$800 and \$1,000 per terminated, full-time employee.¹⁴ The 1974 annual turnover cost of approximately \$1,080,000 included neither

the expertise that was lost to the hospital nor the detrimental effect that was experienced by the patients.

Second, the administration decided it would like to know what impact fringe benefits had on an employee's decision to stay at Baptist Memorial Hospital.¹⁵ Third, an analysis of the total compensation package of each Memphis hospital was conducted by the Personnel Department which concluded there was not a significant difference between the salary and fringe benefits that each hospital offered its employees.¹⁶ As a result of this analysis, several informal discussions were held with full-time employees which indicated the employees did not fully understand what fringe benefits were available, even though the employees considered the benefits important.¹⁷

Fourth, the administration wanted to know not only how the full-time employees found out about fringe benefits, but also how well the employee understood these benefits.¹⁸ Fifth, the administration wanted to know which fringe benefits were considered the most important to the full-time employees.

Statement of the Problem

The problem was to determine if full-time employees understood the fringe benefits program at Baptist Memorial Hospital.

Objectives

The intermediate tasks of this study were to:

1. Design a questionnaire capable of validly reflecting an individual's understanding of fringe benefits as well as determining the source from which such knowledge was received.

2. Determine full-time employees' understanding of the fringe benefits programs at Baptist Memorial Hospital.

3. Determine Baptist Memorial Hospital supervisors' knowledge of the fringe benefits program.

4. Make recommendations to the management of Baptist Memorial Hospital concerning how to improve employee knowledge of the fringe benefits program.

Criteria

The criteria established for this study were as follows:

1. Recommendations must utilize the media that are presently available within the internal communications of the hospital.

2. Recommendations must provide for increasing the full-time employee's understanding of the present fringe benefits program.

Limitation

The limitation placed upon this study was as follows:

Some full-time employees were excused from the survey by the administration because of the employee's duties.

Assumptions

The assumptions were as follows:

1. The background and qualifications of job applicants, as well as the labor market, would not change drastically in the short-range future.

2. The relationship between fringe benefits and compensation would remain essentially the same at the hospitals within the Memphis area.

Research Methodology

A review of the literature was conducted to determine the current managerial philosophy concerning turnover, fringe benefits, communicating fringe benefits, and survey techniques. Telephone interviews were conducted with the Vice-President of Baptist Memorial and the Personnel Director to specifically define the problem and to obtain data that could be used in developing a survey instrument. These interviews resulted in a record of the gross turnover since 1969 (Appendix B); the identification of the population to be surveyed; a listing of possible questions to be asked or answered in the survey; copies of all booklets and brochures distributed to employees; copies of the BMH News Letter (Green sheet) and Baptiscope for the past year; a brief sketch of the employee orientation program (Appendix C); and a copy of the improvements to the fringe benefits program (Appendix D). Using the review of the survey techniques as a guide and the preceding written material as a foundation, a survey instrument was drafted and systematically refined (Appendix E). Additional interviews were conducted with full-time employees and supervisors; these will be discussed later in this study.

Review of the Literature

A review of the literature revealed that there were very few studies devoted to determining an employee's understanding of fringe benefits. Some studies were conducted on the importance of fringe benefits to employees, but not on how well the employees understood their benefits. The literature did reveal that employers were beginning to show interest in educating their employees as to the benefits available.

During World War II, fringe benefits were regarded by employers as a means of inducing employees into their company without violating the wage stabilization program. In the era before the war, employers would pass-the-hat for some poor soul who had experienced a misfortune. Later on, some employers began to add, as a part of their procuring advertisement, certain benefits that were a "little extra" for their employees, such as paid sick leave and severance pay.¹⁹ In complete contrast is the company of today that had a "'fringe benefit of the month club' going for awhile."²⁰ Once given, however, the employers knew the benefit could not be withdrawn.²¹ Since fringe benefits could not be withdrawn, they began to accumulate until today they presently command approximately 30 per cent of the payroll dollar.

Hospitals and other health care facilities were content to let industry march ahead while they rationalized that employees who worked in the health care field received intangible benefits.²² Hospitals paid a high price for this fallacy, with a turnover rate that exceeded 50 per cent, while industry experienced a turnover rate of less than 30 per cent.²³ In a study conducted in 1965 by the U.S. Department of Health, Education, and Welfare, it was estimated that the average direct cost for separating and replacing the average hospital employee was \$300, using 1958 compensation.²⁴ The current cost of terminating, advertising, selecting, hiring, orienting, training, and breaking in a new employee at Baptist Memorial Hospital has been estimated to cost somewhere between \$800 and \$1,000.²⁵ The cost of these same procedures for a registered nurse or a highly trained technician would be closer to \$1,200 or higher.²⁶

In today's job market the hospital is competing, not only against all other hospitals, but also against certain other industries for the highly qualified employee. These personnel, in turn, are demanding better pay and better fringe benefits in return for their services.²⁷ This "chase" has resulted in a spiraling effect not only upon the cost of fringe benefits, but also upon the method of administering the benefit program. Some employees have been given "the latitude of determining what amount of their compensation will be paid in cash and toward what levels of benefits their remaining compensation dollars will be applied."²⁸ "Flexible compensation," has been referred to as the hottest employee-compensation concept to hit management circles in years.²⁹ With the wide range of benefits that are now being offered by some companies, the average employee may soon find that the selecting of benefits is not an easy task.

In order for employees to make logical decisions regarding benefits, they must know or understand their benefit program. The communication of benefits has usually been accomplished through such traditional methods as: orientation programs; staff meetings; employee handbooks; newsletters; company newspapers; flyers; public address systems; television; and various training programs.³⁰ Recently, there has been some experimenting with new methods such as General Mills' new "Fact Fone" which transmits a prerecorded message, and records messages in return;³¹ and State Farm's slide/tape programs which insure that the same information concerning personnel programs is available to all employees.³² Ronald Haneberg, General Counsel for Actuaries and Employee Benefit Consultants, perhaps summed it up best when he stated: "In reality one

of the most important requirements for establishing a successful employee benefit program has yet to be completed--the communication of the program to the employee--beneficiaries."³³ The need for better communication, both up and down the chain-of-command, was a comment frequently expressed in a survey of over 17,000 hospital employees taken by Health & Institutional Consultants, Incorporated.³⁴ One way management can improve communications is through employee surveys.

Donald A. Wolff concluded in a survey that when employees found out that administration was heeding their responses by taking appropriate action, their job satisfaction improved and the turnover rate was reduced.³⁵ Many authors feel that well-designed employee surveys can take the place of old-fashioned person-to-person talks and give the employee some feeling of participation.³⁶ While there is a general agreement about surveys being a valuable tool in either identifying or verifying employee views or attitudes, there are potential weaknesses that must be addressed early if the survey is to be effective.³⁷ The survey instrument that has gained the most acceptance has been the questionnaire. The questionnaire technique has been used for a long time in the behavioral sciences.³⁸ The behaviorists have learned that the development of a questionnaire involves several different planning stages and is a science in itself. ~~should be realistic when establishing~~
~~the~~ The initial planning should identify not only the problem, but also the desired outcomes.³⁹ The second planning stage should determine the scope of the survey: (1) broad, and incorporate everyone from executives to janitors; or (2) narrow, and only sample certain levels

of the company.⁴⁰ The third planning stage should select or design the questionnaire. Another requirement in this stage should be to decide if personal interviews will supplement the questionnaires. This decision should determine how much time will be devoted to the selection or design of the questionnaire. If the questionnaire used will be the only method of fact-finding then its construction, distribution, and interpretation require a great deal of care.⁴¹

The fourth planning stage should be devoted to determining what instructions will accompany the questionnaire, how much publicity will precede its distribution, how will its confidentiality be protected, and how will it be pretested and validated. The fifth planning stage should be concerned with making corrections and clarifying or adding questions as a result of the pretesting survey. Once these modifications have been made there are three possible courses of action:

(1) either another group can be surveyed; (2) the survey results from the first group can be tabulated and compared to an established norm; or (3) the survey results can be established as the norm.⁴² Employees have shown little interest in comparisons of norms that show a 60 per cent dissatisfaction; what the employees are interested in is what management is going to do to correct or reduce the dissatisfaction.⁴³

The designers of the questionnaires should be realistic when establishing norms which will be used for comparison purposes.

The sixth stage should decide how the survey will be conducted. The most common methods used are the group interviews, personal interviews, and mail surveys.⁴⁴ Each of these methods has certain advantages

and disadvantages, depending upon the nature of the questionnaire and the population to be surveyed. It is usually at this stage when it should be decided whether or not to have an outside consultant conduct the actual survey. The seventh stage should be when the survey is actually conducted and the results tabulated. The eighth stage should involve the analysis of the data and the interpretation of the results. The initial interpretation will usually require more analysis and interpretation before the final results are agreed upon and, even then, the final interpretation may raise other questions that require an even more detailed analysis.⁴⁵ According to David Sirota, a well-known surveyor, "Pragmatism--identifying the problems through opinion surveys--is a down-to-earth task to take, but beware of pie-in-the-sky interpretation of findings."⁴⁶

The ninth stage should require that the results be published for both management and the employees. The report published for the employees should be in terms the employees can understand and it is management's responsibility to not only approve, but to distribute the report to the employees. If the survey indicates that some action should be taken, management can explain the action as a "result of the recent survey."⁴⁷ The results of the survey should be well-documented with both survey statistics and interviews. This additional documentation will add validity to the survey. The final report provided to management should contain facts, recommendations, and a plan of action. The tenth stage should involve a resurveying to

determine if the actions taken, based on the first survey, produced favorable results. This resurvey should be conducted in either six months or a year in order to measure the effectiveness of the change.⁴⁸

George F. Wieland said:

. . . for managers to learn to become better managers and for the organization to become more effective, the gathering of information (most commonly by surveys in the manager's own organization) and acting on the results of the surveys as a means of solving problems will thereby move the organization toward its goals.⁴⁹

Since fringe benefits are commanding more and more of the hospital's budget, it becomes imperative that hospital administrators know how important benefits are to their employees.

One method of evaluating employees' understanding and opinions of fringe benefits is through employee surveys--using the questionnaire technique. Hospital administrators should be aware, however, that the development of a questionnaire is a science in itself and should be carefully designed.

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⁴⁶Sirota, p. 25.

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CHAPTER II

DISCUSSION

Collection of Questionnaire Data

Background information

A newly hired full-time employee at Baptist Memorial Hospital received an orientation that lasted approximately one day. During the orientation the employees were briefed concerning the policies, procedures and sources of information available to them. The employees were briefed on the benefits program by the Employee Benefit Counselor and she also advised them of her location in the Personnel Department of the hospital.

Employees were informed of benefits through an Employee Manual, Bulletin Boards, an Employee Benefit Card, fellow employees, payroll staffers, the Personnel Department, BMH News Bulletin, and their supervisors. Special meetings were scheduled at different times in order to brief employees on new or expanded programs. These were the methods used at Baptist Memorial Hospital to publicize and inform their employees of the fringe benefits program.

The concern at Baptist Memorial Hospital was whether full-time employees understood the fringe benefits available and the sources employees used to obtain more fringe benefits information. In order to answer these questions a survey instrument had to be developed.

The survey instrument

Based on the research of the literature, the interviews with the Vice-President of Baptist Hospital, and the review of the hospital's written material, the decision was made to use the questionnaire technique as the method for surveying the full-time employees. Discussions and consultations with educational psychologists,¹ as well as others experienced in developing a questionnaire, were held prior to designing the initial draft.² Based on their recommendations and reviews of the questionnaires, several students in the U.S. Army-Baylor University Health Care Administration Course were selected as the pretest group. The comments of these students were reviewed and modifications were made to the initial instrument.

Copies of the initial draft questionnaire were also sent to the Vice-President and Personnel Director of Baptist Memorial Hospital for their review and comments. From their responses, minor changes were made in the sentence composition of some questions, plus two additional questions were formulated and added to the questionnaire. Before the questionnaire was administered, a final draft questionnaire (Appendix E) was prepared and reviewed by educational psychologists to insure that the design of the questions and the ranking would provide valid responses.

The number of full-time employees at Baptist Memorial Hospital was 4,281 as of January 31, 1975.³ With the population identified, the next step was the determination and selection of the sample size. The sample size of full-time employees surveyed was determined using the

standard formula:
$$n = \frac{z_o^2 pq}{e^2}$$

Substituting z_0 with a .95 probability (1.96 standard deviations), the estimated population proportion, pq with a .5 and a standard error, e with a .05 produced the following:

$$n = \frac{(1.96)^2 (.5) (.5)}{(.05)^2} = 384.16$$

The number of full-time employees required to be surveyed was 385.⁴

An initial sample size of 459 full-time employees was selected from the population using the simple random sampling with replacement method. The names of the employees that had quit, been fired, were on leave, or had been drawn more than one time were eliminated from the sample size. This reduced the sample size to 390 employees; five employees more than were required to obtain a 95 per cent confidence interval. These employees were notified by letter (Appendix F) of their selection and asked to cooperate in a fringe benefits survey. The administration sent a memorandum to each Department Head explaining the survey and encouraging their support (Appendix G). Attached to the administration's letter was a list of each department's personnel who had been selected to participate in the survey.

On the 11th and 12th of March, questionnaires were administered to the 305 employees that had agreed to participate in the survey. Of that number, only 3 questionnaires were filled out incorrectly, leaving 302 that were usable. Although this number represents a respectable 78 per cent rate of return, it was not large enough to obtain a 95 per cent confidence interval. The next step was to survey the supervisors.

The review of the literature had indicated that the supervisor was considered the most logical person to explain benefits to employees.⁵

Unfortunately, the literature also indicated that the supervisor's ability to communicate these benefits to employees was not good, due to the supervisor's lack of understanding of the facts;⁶ therefore, it was decided to survey the supervisors. The Personnel Department identified 377 supervisory personnel.⁷ Of that number, 205 of the supervisors were contacted and agreed to cooperate in the fringe benefits survey. This response represented approximately 54 per cent of all the supervisory personnel employed by the hospital.

After both surveys were completed and the usable questionnaires identified, they were coded to permit the information to be key punched into computer data cards. The Academy of Health Sciences was contacted in order to use their computer and the Statistical Package for the Social Sciences (SPSS) Program. The SPSS provided print-outs with a frequency and percentage for each question in the questionnaire.

Presentation of Questionnaire Data

With the methodology for gathering and grouping the data already explained, the next step was the actual presentation of the responses of the 302 full-time employees and 205 supervisors. These responses were tabulated in the same table to facilitate comparison. The data presented in the succeeding tables, follows the format of the questionnaire.

Initial briefing

The Personnel Department was responsible for conducting the Orientation Program and, as such, could be credited (by adding Orientation Program and Personnel Department percentages together) with providing 63 per cent of the employees and 54 per cent of the supervisors with

their first briefing on fringe benefits. The Orientation Program was similar in format to the orientations that are described in the literature.⁸ For example, the orientation was scheduled for a certain day in the week, Monday; the new employee was scheduled to report to the orientation at a certain time, prior to assuming his regular duties; and the orientation followed a basic format of reviewing the policies and procedures of the hospital. Table 1 shows the distribution.

TABLE 1
INITIAL BRIEFING

Source	Employees (n=302)		Supervisors (n=205)	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Supervisor	63	20.9	58	28.3
Orientation Program	107	35.4	44	21.5
Co-workers	16	5.3	11	5.4
Personnel Dept.	83	27.5	64	31.1
Other	29	9.6	26	12.7
No Response	4	1.3	2	1.0

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

Most important source

The 20.5 per cent by the employees and 27.8 per cent by the supervisors were in agreement with the national trend of the supervisor being

the most logical person to tell the employee about benefits. The Employee Manual was chosen as the next most important source by both groups. See Table 2 for a complete frequency.

TABLE 2
MOST IMPORTANT SOURCE

Source	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Supervisor	62	20.5	57	27.8
Personnel Department	49	16.2	26	12.7
Public-Relations Dept.	7	2.3	5	2.4
Employee Counselor	35	11.6	33	16.1
Co-worker	45	14.9	15	7.3
Bulletin Board	8	2.6	1	.5
Employee Manual	60	19.9	39	19.0
Employee Benefits Card	8	2.6	8	3.9
Baptiscope	3	1.0	4	2.0
BMH News Bulletin	6	2.0	6	2.9
Other	5	1.7	6	2.9
No Response	14	4.6	5	2.4

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

Length of employment

Over 44 per cent of the full-time employees surveyed had been employed for over five years. This percentage was consistent with the results of a 1971 survey which had shown that over 43 per cent of Baptist's personnel had been employed for over five years⁹ (Appendix H).

Employee's sex

The percentage of female employees and supervisors was consistent with both the national and overall hospital average of approximately 70 to 75 per cent.¹⁰ The results were 70.9 per cent females among full-time employees and 73.2 per cent females among supervisors (Appendix H).

Employee's shift

More of the day shift full-time employees (62.6 per cent) responded, than did the night (23.2 per cent) or morning (8.6 per cent) shift personnel. The lack of participation can partially be explained by the skeletal crews that work the other shifts (Appendix H).

Employee's feeling

Only 38.7 per cent of the full-time employees felt they understood their benefits; while over 56 per cent felt they either did not understand or were not sure (Appendix H).

Most important benefit

Blue Cross/Blue Shield was selected by both groups as being the most important fringe benefit. This benefit was not ranked lower than sixth on any of the questionnaires reviewed. Sick pay was ranked second

by the full-time employees receiving 13.9 per cent of the responses. Whereas, retirement was ranked second by the supervisors receiving 16.1 per cent of their responses. Leave of absence received the fewest number of responses as the most important benefit. The significance of this information has been explained in the analysis of Table 6 on Page 32. The distribution of responses for this question is contained in Appendix H.

Age

A review of the age differences makes it easy to see why retirement was ranked second by the supervisors and fifth by the full-time employees. Almost 50 per cent of the supervisors were over forty years of age. The full-time employees, however, had just the opposite distribution with 55 per cent of them being below forty years of age (Appendix H).

Education

Approximately 71 per cent of the employees and 90 per cent of the supervisors were high-school graduates. Over 67 per cent of the supervisors have been to, or were graduated from, college. The frequency of responses for this question is contained in Appendix H.

Most important reason

Salary was the main reason among employees and supervisors for remaining at Baptist Memorial. Fringe benefits were ranked a distant fourth.

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

In a 1971 survey of the registered nurses at Baptist Memorial Hospital in Memphis, Tennessee, salary was ranked first, and fringe benefits tied with congenial co-workers for fourth. Table 3 shows the breakdown for all ten reasons.

TABLE 3

MOST IMPORTANT REASON FOR REMAINING

Reason	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Salary	103	34.1	66	32.2
Satisfaction in work	66	21.9	46	22.4
Friendly work	32	10.6	24	11.7
Fringe benefits	15	5.0	18	8.8
Opportunity for Ed.	13	4.3	14	6.8
Good working cond.	10	3.3	3	1.5
Job security	9	3.0	3	1.5
High standards of nursing-care	4	1.3	6	2.9
To work in speciality area	4	1.3	4	2.0
Other	7	2.3	4	2.0
No response	39	12.9	17	8.2

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

The best way

Both groups agreed that the Employee Benefits Counselor was the best way to find out about benefits. Co-workers among supervisory personnel did not receive a single vote, and yet, 65 per cent of the supervisors felt they understood the benefit program. The distribution is shown in Table 4.

TABLE 4
BEST WAY TO FIND OUT ABOUT BENEFITS

Source	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Ask supervisor	57	18.9	33	16.1
Read Employee Manual	41	13.6	29	14.1
Ask Personnel Dept.	75	24.8	48	23.4
Read Employee Ben. Card	3	1.0	5	2.4
Ask Co-worker	13	4.3	0	0
Read Baptiscope	1	.3	1	.5
Ask Employee Counselor	76	25.2	77	37.6
Read Bulletin Board	3	1.0	0	0
Ask P. R. Dept.	13	4.3	4	2.0
Other	0	0	0	0
No responses	20	6.6	8	3.9

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

Are benefits better

Only 39.4 per cent of the employees felt the benefits were better. The 69.8 per cent of the supervisors who felt the benefits were better was consistent with the 65 per cent who felt they understood the fringe benefits program; fringe benefits also received a higher percentage rating (Table 3) from the supervisors than from the employees. Table 5 has the distribution.

TABLE 5

ARE BENEFITS BETTER AT BAPTIST MEMORIAL

Reply	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Yes	119	39.4	143	69.8
No	66	21.9	20	9.8
Not sure	103	34.1	38	18.4
No responses	14	4.6	4	2.0

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

Item analysis

The fringe benefits questions used in the questionnaire were taken from the Employee Manual. This Manual was given to all new employees during the orientation program; when new or revised manuals were

published they were distributed to all hospital personnel. The current Employee Manual was printed in August, 1973, and was presently being revised.¹¹ Notices of improvements to the benefits program (Appendix D) had been made primarily by payroll staffers and notices in the BMH News Bulletin.¹² Less than 3 per cent of the supervisors and only 2 per cent of the employees rated the news bulletin as the most important source for finding out about benefits. Payroll staffers were written in by 1 per cent of the supervisors and by 1.3 per cent of the employees as being the most important source for finding out about benefits. The orientation program (Appendix C), in addition to providing the Manual, devoted about thirty minutes to explaining the fringe benefits program. See Table 6 for distribution.

The remainder of this chapter is devoted to the interviews that were conducted with full-time employees and supervisors and to the review and evaluation of the sources that employees used to find out about their fringe benefits. The interviews took place in a conference room using the questionnaire (Appendix E) that was used in surveying the full-time employees and supervisors as a format.

Each source was discussed and evaluated as to its effectiveness in providing information concerning fringe benefits to the full-time employees of Baptist Memorial Hospital.

Results of Interviews

Interviews were conducted with 20 employees and 5 supervisors to supplement the questionnaires. The results of these interviews

TABLE 6
ITEM ANALYSIS OF EMPLOYEE BENEFITS

Benefits	Employees (n=302)		Supervisors (n=205)	
	Number	Per Cent (100)	Number	Per Cent (100)
Probation				
Right	193	63.9	152	74.1
Wrong	54	17.9	26	12.7
Not sure	40	13.2	25	12.2
No response	15	5.0	2	1.0
Vacation				
Right	262	86.8	180	87.8
Wrong	24	7.9	8	3.9
Not sure	6	2.0	15	7.3
No response	10	3.3	2	1.0
Sick Benefits				
Right	156	51.7	130	63.3
Wrong	90	29.8	55	26.9
Not sure	46	15.2	18	8.8
No response	10	3.3	2	1.0
Sick Leave				
Right	151	50.1	148	72.2
Wrong	40	13.2	24	11.7
Not sure	99	32.8	31	15.1
No response	12	3.9	2	1.0
Disability Ins.				
Right	84	27.8	105	51.2
Wrong	35	11.6	31	15.1
Not sure	169	56.0	67	32.7
No response	14	4.6	2	1.0
Annuity				
Right	116	38.4	114	55.6
Wrong	61	20.2	51	24.9
Not sure	112	37.1	38	18.5
No response	13	4.3	2	1.0

TABLE 6 --Continued

Benefits	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Normal Retirement				
Right	177	58.6	134	65.4
Wrong	73	24.2	49	23.8
Not sure	39	12.9	20	9.8
No response	13	4.3	2	1.0
Holiday				
Right	206	68.2	166	81.0
Wrong	25	8.3	11	5.3
Not sure	60	19.9	26	12.7
No response	11	3.6	2	1.0
Absence				
Right	57	18.9	53	25.9
Wrong	70	23.2	61	29.7
Not sure	164	54.3	88	42.9
No response	11	3.6	3	1.5
Education				
Right	82	27.2	85	41.5
Wrong	19	6.3	17	8.2
Not sure	184	60.9	100	48.8
No response	17	5.6	3	1.5
Blue Cross/Blue Shield				
Right	276	91.4	187	91.2
Wrong	3	1.0	0	0
Not sure	14	4.6	15	7.3
No response	9	3.0	3	1.5
Discounts				
Right	275	91.1	185	90.2
Wrong	2	.7	3	1.5
Not sure	14	4.6	14	6.8
No response	11	3.6	3	1.5

Source: Personnel Fringe Benefits Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

provided an insight to some of the responses of the questionnaire survey. Those employees from both groups that had been employed more than 5 years said the Personnel Department gave them their initial briefing; whereas, those employees who had been employed less than 5 years said the Orientation Program gave them their initial briefing. Almost all of those interviewed felt the orientation should have been conducted in another area. Throughout the interviews, as with the questionnaires, there was a high correlation between the responses of the full-time employees and those of the supervisors. Where differences did occur, they were attributed to age and/or length of employment. The responses of those interviewed supported the results of the questionnaires (Table 1).

In the second question, those employees interviewed said they thought the Public Relations Department was part of the Personnel Department, which may explain why it was selected as one of the sources of information by some of the personnel surveyed (Table 2). Both groups said their supervisors usually told them about a new benefit, but could not explain the new benefit. This seems to not only validate Table 2, but also Table 4 which shows that both groups know to ask the Employee Benefits Counselor or someone in the Personnel Department when they want to find out more about a benefit. It was also interesting that the Employee Manual was listed second as a source (Table 2) and was listed fourth as the best way to find out about benefits (Table 4). This was due, the group explained, to the manual being old and needing revision. The greatest difference in responses between full-time employees and supervisors was in their rating of Bulletin Boards. Those employees that had been there the longest

rarely if ever read the Bulletin Board; however, the new employee tried to check it at least once during a shift.

A random survey was conducted of 30 bulletin boards located in both nursing and administrative support areas. One notice (payroll stuffer) was found posted on the bulletin board in the Carpenter Shop which told of the addition of Dental Care to the Blue Cross/Blue Shield plan. On the bulletin board in Nursing Service's Office there was posted the back of a payroll envelope with "Have You Thought About Fringe Benefits?" underlined. These two notices were the only notices concerning fringe benefits posted on any of the bulletin boards checked. Special benefit flyers were not used to tell employees of new benefits or changes in benefit policies.¹³

Over 60 per cent of all persons interviewed had a length of service of at least three years; 75 per cent were female, and; 70 per cent worked the day shift. These percentages were comparable to those of the questionnaire. Appendix H contains the results of the questionnaire survey.

When most of the full-time employees were asked if they felt they understood their benefits, the answer usually given was, "Well, not all of them." The supervisors tended to be more positive in their responses. Both groups admitted, however, they had found out about benefits they did not know existed prior to the survey. Those employees that said they were not sure or did not feel they understood their benefits, felt even more in doubt after seeing all the fringe benefits listed in question seven.

One-third of the employees interviewed ranked Blue Cross/Blue

Shield as the most important benefit. Sick pay or retirement was usually ranked second, depending on the age of the employee. Their ranking did not differ significantly from those rankings in Appendix H. Of those interviewed, 4 were less than 25 years old. These young employees had heard so much about the Blue Cross plan that they each had ranked it in the top five even though none of them had used the plan.

Since four of those interviewed had already been identified as to their age group, the remaining 21 were as follows: one in the 60-69 age bracket; eight in the 50-59 age bracket; four in the 40-49 age bracket; five in the 31-39 age bracket; and three in the 26-30 age bracket. This distribution was very similar to the survey results shown in Appendix H.

The education level of the interviewees did differ from the questionnaire group in one area. More of the interviewed full-time employees were high school graduates; approximately 50 per cent as compared to 36.4 per cent (Appendix H).

Salary was the most important reason for staying at Baptist Memorial Hospital according to 50 per cent of those interviewed. Fringe benefits were usually ranked third or fourth except for one supervisor who ranked it ninth. Those that did not rank salary first ranked it no lower than third. The reason the employees said salary was so important was due to the high cost of living in the Memphis area.

When those that were interviewed were asked how they would find out more about benefits they responded as follows: four said they would ask their supervisors about fringe benefits; fifteen employees said they would ask Mrs. Holiday (Employee Benefits Counselor) or someone in the

personnel shop; three of the older employees pulled out their Employee Benefit Card and said they would look at it to find out more information; and the three remaining employees said they would either ask a co-worker or read the Baptiscope.

Less than half of the full-time employees felt the benefits were better at Baptist while all of the supervisors felt the benefits were definitely better at Baptist.

When the employees were asked about the benefits, not a single employee could answer all the questions correctly. In fact, the full-time employees, on the average, were correct on only six of the twelve benefits. The supervisors did somewhat better by answering correctly an average of nine benefits. Each employee was shown the answer to each question in the Employee Manual. Twenty of the employees said they thought the Manual was easy to read; however, because parts of it were incorrect they did not use it very much. Even though the employees said they felt better knowing about all the benefits that were available to them, they still considered salary to be the most important.

The results of these interviews add validity to the questionnaire's results. There also appears to be no significant difference between those interviewed at random and those surveyed at random. With the questionnaires and interviews complete, the next step was to review the media available.

Review of Sources

A review of Table 6 shows that 50 per cent of the employees answered correctly eight of the twelve questions. The Table also showed

that 50 per cent of the supervisors answered correctly ten of the twelve questions. It can, therefore, be concluded that supervisors surveyed do-in-fact have a better understanding of fringe benefits than the employees surveyed. The benefit that the greatest percentage of employees and supervisors answered correctly was Blue Cross. The benefit having the fewest number of correct answers was leave of absence and in comparison with the responses in Appendix H this shows that leave of absence received only one vote as the most important benefit from employees and zero votes from supervisors.

With this information as background the next step was to look at the sources used by the full-time employees to find out about fringe benefits. Initially the Orientation Program was the source that most employees credited with providing them their first exposure to fringe benefits. With this in mind, the Orientation Program (Appendix C) will be reviewed.

As mentioned earlier in this study, the Orientation Program was similar to other Orientation Programs. The main difference was not in the format or method of presentation, but in the facilities and presenters. The program was conducted in what was referred to as the Service Building which was part of the original hospital complex. The room was cluttered with desks and chairs and the lighting was poor. The Program was introduced by the Personnel Director with other personnel from the Personnel Department conducting the rest of the program. Of those employees interviewed, almost all felt the program should have been moved to a better location in the hospital. The interviewed employees also said they

thought the program was disorganized because four different people talked to them.

The next step was to review the Employee Manual. This booklet was well organized, and those employees interviewed found it easy to understand. The manual had not been revised since 1973; which was detrimental to its effectiveness. As noted earlier, the manual was being revised and should have been distributed sometime during 1975.

The Employee Benefit Card was used by three of the older employees that were interviewed. When this card was shown to those interviewed, over half of them had never seen one. During the Orientation Program, this card was not distributed. The card was small and the type was hard to read. Both characteristics had detracted from its usefulness as a medium for educating employees on their benefits.

A review of the Baptiscope, for 1974 and the first issue of 1975, revealed not a single reference to any benefit program or modification. A review of the improvements of benefits during 1974 (Appendix D) showed that dental care was added and full-time employment was changed from 10 to 5 years for the disability benefit. This source was ranked last by supervisors and ninth by employees (Appendix H).

The BMH News Bulletin (Green Sheet) publicized the following notices of benefits: Blue Cross/Blue Shield; discounts; time tests; cost-of-living increase; credit union; taking of blood pressures; and pins for length of service. Other than those notices, the news bulletin was used for welcoming new employees and advertisements.

The Personnel Department, to include the Employee Benefits Counselor, consistently received the highest percentage of votes from

the groups surveyed and the employees interviewed. There was a good feeling toward the Personnel Department displayed by all the employees interviewed, and the results of the questionnaire survey were further evidence of the employees' feelings (Table 4). Even though the Employee Benefits Counselor was ranked first as the best way to find out about a benefit, it would be impossible for the over 4,000 employees to talk to her. In the same respect, the Personnel Department could not, on a continuous basis, brief employees on the benefits that were available, modified, or added.

Footnotes

¹David L. Garber, Chief Social Work/Psychology Branch, Academy of Health Sciences, Fort Sam Houston, Texas, Private interview, February, 1975; Otis W. Snyder, Jr., Instructor, Community Science Branch, Academy of Health Sciences, Fort Sam Houston, Texas, Private interview, February, 1975.

²Randy Manning, Division Writing Advisor, Health Care Administration Division, Academy of Health Sciences, Fort Sam Houston, Texas, Private interview, February, 1975; Henry T. Lippert, Education Specialist, Academy of Health Sciences, Fort Sam Houston, Texas, Private interview, February, 1975.

³Bethune interview.

⁴Paul G. Hoel and Raymond J. Jessen, Basic Statistics for Business and Economics (New York: John Wiley & Sons, Inc., 1971), p. 169.

⁵Richard L. Taylor, "Examination of Fringe Benefit Costs and Employee Benefit Preferences in a Voluntary Acute Care Hospital" (unpublished Master's thesis, University of Minnesota, 1973), p. 42.

⁶Ibid.

⁷Bethune interview.

⁸Thomas La Motte, "Making Employee Orientation Work," Personnel Journal, LIII (January, 1974), 36.

⁹Edith V. Knox, "A Study to Determine a Pattern of Identifiable Factors That Contribute to Longevity of Tenure of Nurses at Baptist Memorial Hospital" (unpublished Master's thesis, Baylor University, 1972), p. 14.

¹⁰Bethune interview.

¹¹Reynolds interview.

¹²Sue B. Holiday, Employee Benefits Counselor, Baptist Memorial Hospital, Memphis, Tennessee, Private interview, March 11, 1975.

¹³Ibid.

3. The present sources that are available to the full-time employees do not contain the most current information on fringe benefits.

CHAPTER III

CONCLUSIONS AND RECOMMENDATIONS

Recommendations

Summary

This study was conducted to determine if employees understood the fringe benefits program at Baptist Memorial Hospital. The employees ranked fringe benefits as the fourth most important reason for staying at Baptist Memorial Hospital. They also ranked the supervisor and the Employee Manual as the two ways they find out most often about fringe benefits. The majority of the employees felt they did not understand the benefits that were available to them.

Two groups were randomly surveyed using the questionnaire technique: full-time employees and supervisors. Another group consisting of full-time employees and supervisors were surveyed using the interview technique. There were no significant differences among the responses from any of the three results that would make the results of the study invalid.

Conclusions

The conclusions of this study were as follows:

1. The full-time employees only partially understand the fringe benefits that are available.
2. The full-time employee does not consider his supervisor a good source for information about existing, modified, or new fringe benefits.

3. The present sources that are available to the full-time employee do not contain the most current information on fringe benefits.

Recommendations

The following recommendations were offered for the purpose of improving the understanding of fringe benefits by employees:

1. The Personnel Director should develop a program of classes for supervisors that would cover the present as well as projected fringe benefits.

2. The Orientation Program should be relocated to another area within the hospital. The Orientation Program should also be periodically reviewed and updated.

3. The Employee Manual and similar handouts that are given to new employees should be reviewed and errata sheets provided when there are modifications to the present fringe benefits program.

4. The Baptiscope should include a section that addresses fringe benefits.

5. The Employee Benefits Counselor should schedule periodic briefings at departmental meetings to discuss the fringe benefits program.

6. Surveys should be conducted in the future to determine if employees' understanding of fringe benefits is increasing.

DEFINITIONS

Annual turnover rate.—The accumulated total of the monthly turnover rates for one calendar year.

Avoidable termination.—A termination, either involuntary or voluntary, which could have been prevented by some sort of organizational action or change in policy.

Employee benefit.—A benefit, other than salary or wages, received by an employee from his employer directly, or indirectly, through his employer's contributions or efforts.

APPENDIX A

Fringe benefit.—A benefit, other than salary or wages, received by an employee from his employer directly, or indirectly, through his employer's contributions or efforts.

DEFINITIONS

Full-time employee.—An employee who satisfactorily completes the probationary period and is not a part-time employee, a student, or a volunteer.

Payroll stuffers.—Short notices that tell of changes, meetings, or events. These notices are placed in the pay envelopes of employees.

Personnel policy.—This is a statement, formulated by the company, that describes how certain situations will be handled.

Probation period.—This is a three-month period, as a minimum, that each employee must complete before becoming a full-time or regular employee.

Regular employee.—One who is a full-time employee.

Termination.—The separation of an employee from his position.

DEFINITIONS

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Fringe benefit.--Same as employee benefit.

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Probation period.--This is a three-month period, as a minimum, that each employee must complete before becoming a full-time or regular employee.

Regular employee.--Same as a full-time employee.

Termination.--The separation of an employee from his position.

Total compensation.--This is the sum of the wages and/or salary, and the fringe benefits, plus the other direct or indirect compensation elements that a company utilizes in compensating its employees.

Turnover.--This is the movement that a work force exhibits as it joins and leaves a company.

GROSS TURNOVER DATA

<u>YEAR</u>	<u>Month</u>	<u>Turnover Rate</u>	<u>Per cent of Gross Turnover</u>
1969	January		4.8
	February		7.0
	March		8.5
	April		8.5
	May		8.5
	June		8.5
	July		8.5
	August		8.5
	September		8.5
	October		8.5
	November		8.5
	December		8.5
		Annual Turnover	

APPENDIX B

<u>YEAR</u>	<u>Month</u>	<u>Turnover Rate</u>	<u>Per cent of Gross Turnover</u>
1970	January		3.0
	February		2.4
	March		1.4
	April		3.0
	May		3.0
	June		3.0
	July		1.6
	August		3.0
	September		2.4
	October		2.4
	November		1.6
	December		1.8
		Annual Turnover Rate	

GROSS TURNOVER DATA

GROSS TURNOVER DATA			
<u>YEAR</u>	<u>Month</u>	<u>Number of Terminations</u>	<u>Per cent of Gross Turnover</u>
1969	January	139	4.2
	February	76	2.3
	March	99	2.9
	April	99	2.9
	May	126	3.7
	June	88	2.5
	July	162	4.5
	August	132	3.7
	September	144	4.1
	October	108	3.0
	November	83	2.3
	December	104	3.0
	Annual Turnover Rate		39.1
1970	January	107	3.0
	February	91	2.4
	March	55	1.4
	April	113	3.0
	May	113	3.0
	June	138	4.0
	July	70	1.8
	August	126	3.3
	September	100	2.6
	October	85	2.2
	November	60	1.6
	December	69	1.8
	Annual Turnover Rate		30.1
1971	January	97	1.7
	February	87	1.5
	March	100	1.8
	April	100	1.8
	May	125	2.2
	June	153	2.6
	July	128	2.2
	August	170	3.0
	September	142	2.4
	October	101	1.7
	November	79	1.4
	December	109	1.9
	Annual Turnover Rate		32.3

<u>YEAR</u>	<u>Month</u>	<u>Number of Terminations</u>	<u>Per Cent of Gross Turnover</u>
1971	January	67	1.7
	February	47	1.2
	March	46	1.2
	April	59	1.5
	May	85	2.1
	June	62	1.5
	July	55	1.4
	August	73	1.8
	September	70	1.7
	October	84	2.1
	November	46	1.1
	December	114	2.8
		Annual Turnover Rate	
1972	January	66	1.6
	February	78	1.9
	March	67	1.7
	April	55	1.3
	May	88	2.1
	June	112	2.7
	July	93	2.2
	August	107	2.6
	September	122	3.0
	October	113	2.7
	November	70	1.7
	December	126	3.1
		Annual Turnover Rate	
1973	January	109	2.7
	February	66	1.6
	March	89	2.1
	April	118	2.8
	May	125	3.0
	June	153	3.6
	July	126	3.0
	August	170	4.03
	September	142	3.4
	October	101	2.4
	November	73	1.7
	December	109	2.6
		Annual Turnover Rate	

<u>YEAR</u>	<u>Month</u>	<u>Number of Terminations</u>	<u>Per Cent of Gross Turnover</u>
1974	January	92	2.02
	February	66	1.5
	March	112	2.6
	April	75	1.7
	May	116	2.6
	June	139	3.1
	July	108	2.4
	August	129	2.8
	September	115	2.5
	October	85	1.9
	November	60	1.3
	December	95	<u>2.1</u>
	Annual Turnover Rate		26.52

APPENDIX C

EMPLOYEE ORIENTATION

EMPLOYEE ORIENTATION

<u>Location</u>	<u>Time</u>	
101 Service Building	8:30 A.M. to 9:30 A.M.	Completion of Physical Forms--- Mrs. Sue Holliday, Employee Benefits Counselor
Admission Lab., Admission X-ray, Outpatient Dept.	9:00	Employee Physicals
101 Service Building	1:00 P.M.	Welcome and Introduction--Mr. James Sullivan, Personnel Director

1. Organization, Administrative Staff and Department Heads.

APPENDIX C

EMPLOYEE ORIENTATION

Personnel Policies

- A. Pay Day--Pay Periods
- B. Assignments and Career/Service Promotion Periods, Resignations, Dismissals
- C. Elevators, Telephones, Paging
- D. Chapel Services (Religious Services Day--1st Wednesday of month)
- E. Concessions: Pharmacy, Sundry Shop, Food Services, Barber Shop, Hotel Beauty Shop
- F. Fire Drills (Dr. Red 1-2-3)
- G. Disaster Drills (Operation "D" is in effect)
- H. Safety and Workman's Compensation
- I. Communications: Bellscope and Green Sheet
- K. Night Hours of Personnel Office

101 Service Building	1:30 P.M.	Slide Presentation of EMS--Miss Janet Johns, Personnel Secretary
	2:00 P.M.	Employee Benefits--Mrs. Sue Holliday, Employee Benefits Counselor
		<ol style="list-style-type: none"> 1. Holiday 2. Vacation 3. Sick leave

EMPLOYEE ORIENTATION

<u>Location</u>	<u>Time</u>	
101 Service Building	8:30 A.M. to 9:30 A.M.	Completion of Physical Forms--- Mrs. Sue Holliday, Employee Benefits Counselor
Admission Lab., Admission X-ray, Outpatient Dept.	9:00	Employee Physicals
101 Service Building	1:00 P.M.	Welcome and Introduction--Mr. Lamou Bethune, Personnel Director
		<ol style="list-style-type: none"> 1. Organization: Administrative Staff and Department Heads. 2. Personnel Policies <ol style="list-style-type: none"> A. Pay Day--Pay Periods B. Assignments and Garnishments C. Probation Periods, Resignations, Dismissals D. Elevators, Telephones, Paging E. Chapel Services (Religious Emphasis Day--1st Wednesday of month) F. Conveniences: Pharmacy, Sundry Shops, Food Services, Barber Shop, Hotel Beauty Shop G. Fire Drills (Dr. Red 1-2-3) H. Disaster Drills (Operation "D" is in effect) I. Safety and Workman's Compensation J. Communications: Baptiscope and Green Sheet K. Night Hours of Personnel Office
101 Service Building	1:30 P.M.	Slide Presentation of BMH--Miss Janet Johns, Personnel Secretary
	2:00 P.M.	Employee Benefits--Mrs. Sue Holliday, Employee Benefits Counselor <ol style="list-style-type: none"> 1. Holidays 2. Vacation 3. Sick Leave

4. Leave of Absence and Maternity Leave
5. Social Security
6. Change in Number of Dependents
7. Purchase Discounts
8. Educational Assistance Program
9. Parking
10. Disability Insurance
11. Retirement Program
12. Hospitalization Discount

Completion of Personnel Forms

1. Shelby United Neighbors
2. Blue Cross/Blue Shield
3. Life Insurance
4. W-4 Forms

Personnel Office

3:00

I. D. Photographs--Mrs. Sue Holliday

IMPROVEMENT OF BENEFITS

<u>BENEFIT</u>	<u>DATE OF CHANGE</u>	<u>CHANGE</u>
Vacations	1-1-69	After ten years of service, employee is then eligible for three weeks.
Holidays	1-1-69	Employee receive their birthday as an extra holiday.
Blue Cross	10-28-69	Employee with 25 years service & retires @ age of 65, the hospital picks their B.C. & pay premium for life.
	1-1-72	90 day confinement increased to 120 days. Medical increased from \$20,000 to

APPENDIX D

IMPROVEMENT OF BENEFITS

<u>BENEFIT</u>	<u>DATE OF CHANGE</u>	<u>CHANGE</u>
	7-1-71	Medical Umbrella Policy
	1-1-74	Dental care added to Blue Cross.
Annuity	1-1-69	Eligibility lowered from five years to three years of employment.
	1-1-69	Changed from 8 per cent to 10 per cent Plan.
	1-1-69	Employee fully vesting after 15 years in the plan. Retroactivity in employer and employee contributions (If employee contributes 5 per cent).
	1-1-73	Eligibility lowered from three years to two years of employment.
		After 10 years of participation, the hospital has a supplemental contribution equal to employees' accumulations, and 25 years of participation and upon retirement the hospital contributes an additional amount sufficient to provide the employee a calculated annuity equal to 50 per cent of their salary based on the last seven years.

IMPROVEMENT OF BENEFITS

<u>BENEFIT</u>	<u>DATE OF CHANGE</u>	<u>CHANGE</u>
Vacations	1-1-69	After ten years of service, employee is then eligible for three weeks.
Holidays	1-1-69	Employees receive their birthday as an extra holiday.
Blue Cross	10-28-69	Employee with 25 years service & retires @ age of 65, the hospital picks their B.C. up and pays premiums for life.
	1-1-72	70 days confinement increased to 120 days. Major Medical increased from \$20,000 to \$25,000.
	7-1-73	\$250,000 Major Medical Umbrella Policy was initiated.
	1-1-74	Dental care added to Blue Cross.
Annuity	1-1-69	Elgibility lowered from five years to three years of employment.
	1-1-69	Changed from 8 per cent to 10 per cent Plan.
	1-1-69	Employees fully vesting after 15 years in the plan. Retroactivity in employer and employee contributions (If employee contributes 5 per cent).
	1-1-73	Elgibility lowered from three years to two years of employment.

After 20 years of participation, the hospital has a supplemental contribution equal to employees' accumulations, and 25 years of participation and upon retirement the hospital contributes an additional amount sufficient to provide the employee a calculated annuity equal to 50 per cent of their salary based on the last seven years.

<u>BENEFIT</u>	<u>DATE OF CHANGE</u>	<u>CHANGE</u>
Disability	1-1-74	Changed from 10 years of full-time employment to 5 years. Reduce coverage to 62 years of age rather than age 65.

PERSONNEL FRINGE BENEFITS

QUESTIONNAIRE

A sample survey of the full-time

employees at Baptist Memorial

APPENDIX E

PERSONNEL FRINGE BENEFITS QUESTIONNAIRE

Designed by:
Ronald W. Marshall, Graduate Student
U.S. Army-Navy University Program
in Health Care Administration
Fort Sam Houston, Texas 78234

FRINGE BENEFITS' QUESTIONNAIRE

PERSONNEL FRINGE BENEFITS

Purpose of this survey:

The administration of Baptist Memorial Hospital is interested in knowing how well you understand the benefits that are provided for you. This questionnaire has been designed to provide the administration with an accurate estimate of how well all the employees generally understand their fringe benefits.

You were randomly selected and are considered as being representative of the employees that presently work at Baptist Memorial Hospital.

DO NOT EMBLE YOUR NAME.

No one from this hospital will see your questionnaire. Your answers will be grouped with others and only a percentage or total number will be furnished to the administration. This is a sample survey of the full-time

employees at Baptist Memorial Hospital. The purpose of this survey is to determine your understanding of the fringe benefits provided by Baptist Memorial Hospital. Please be completely honest in your answers to determine their understanding of their benefits.

PART I asks general information needed for comparison purposes.
PART II asks your understanding of the benefits at Baptist Memorial.

PART I. GENERAL INFORMATION

Directions: Please complete each question as instructed.

1. When you were first hired as an employee of Baptist Memorial Hospital, who explained your fringe benefits to you? Please mark one.

Supervisor _____

Orientation Program _____ Designed by:

Co-worker _____ Russell R. Blackwell, Graduate Student

Personnel _____ U.S. Army-Baylor University Program

Other _____ in Health Care Administration

Fort Sam Houston, Texas 78234

2. All things considered, how much of the people, departments, or written material listed below do you find out most often about fringe benefits? Please number them "1" thru "11". Use "1" for the one you find out from most often, "2" for the next most often, and so on until you reach "11" for the one you find out from the least about fringe benefits.

FRINGE BENEFITS' QUESTIONNAIRE

Purpose of this survey:

The administration of Baptist Memorial Hospital is interested in knowing how well you understand the benefits that are provided for you. This questionnaire has been designed to provide the administration with an accurate estimate of how well all the employees generally understand their fringe benefits.

You were randomly selected and are considered as being representative of the employees that presently work at Baptist Memorial Hospital.

DO NOT SIGN YOUR NAME.

No one from this hospital will see your questionnaire. Your answers will be grouped with others and only a percentage or total number will be furnished to the administration.

This questionnaire is designed to evaluate your understanding of the fringe benefits that Baptist Memorial Hospital offers. Please be completely honest in your answers.

PART I asks general information.

PART II asks information needed for comparison purposes.

PART III asks your understanding of the benefits at Baptist Memorial.

PART I. GENERAL INFORMATION

Directions: Please complete each question as instructed.

1. When you were first hired as an employee of Baptist Memorial Hospital, who explained your fringe benefits to you? Please mark one.

Supervisor _____
 Orientation Program _____
 Co-workers _____
 Personnel Dept. _____
 Other _____

2. All things considered, from which of the people, departments, or written material listed below do you find out most often about fringe benefits? Please number them "1" thru "11". Use "1" for the one you find out from most often, "2" for the next most often, and so on until you reach "11" for the one you find out from the least about fringe benefits.

7. Rank the following fringe benefits you consider the most important. Use "1" for the benefit you consider the most important, and so on until you consider the least important to you.
- Supervisor _____
 - Personnel Dept. _____
 - Public Relations Dept. _____
 - Employee Counselor _____
 - Co-worker _____
 - Bulletin Boards _____
 - Employee Manual _____
 - Employee Benefits Card _____
 - Baptiscope _____
 - BMH News Bulletin _____
 - Other (Please Specify) _____

- Shift Premium _____
- Performance evaluation _____
- Employee discounts _____
- Credit Union _____
- Leave of absence _____
- Workers's compensation _____
- Social Security _____
- Other (Please Specify) _____

3. How long have you been a full-time employee at Baptist Memorial. Please mark one.

- Less than 90 days _____
- 3 to 6 months _____
- 7 months to one year _____
- More than 1 year, but less than 2 _____
- More than 2 years, but less than 3 _____
- More than 3 years, but less than 5 _____
- More than 5 years, but less than 10 _____
- More than 10 years, but less than 20 _____
- More than 20 years, but less than 30 _____
- More than 30 years _____

4. Sex:

- Female _____
- Male _____

5. What shift do you usually work? Please mark one you work most often.

- Day shift _____
- Night shift _____
- Morning shift _____
- All shifts _____

6. Do you feel you understand the fringe benefits that are available to you?

- Yes _____
- No _____
- I am not sure _____

7. Please choose the one fringe benefit you consider the most important. Please number them "1" thru "20". Use "1" for the benefit you consider most important to you, "2" for the next most important, and so on until you reach "20" for the one you consider the least important to you.

Dental	_____	Shift Premium	_____
Vacation	_____	Performance evaluation	_____
Sick Pay	_____	Employee discounts	_____
Disability Income	_____	Credit Union	_____
Holidays	_____	Leave of absence	_____
Blue Cross-Blue Shield	_____	Workman's compensation	_____
Life Insurance	_____	Employee parking	_____
Retirement	_____	Educational Assistance	_____
Funeral Leave	_____	Social Security	_____
Overtime Pay	_____	Other (Please Specify)	_____

8. Your age: you find out more about a fringe benefit? Please mark only the ten listed.

Under 20 years _____

20-25 years _____

26-30 years _____

31-39 years _____

40-49 years _____

50-59 years _____

60-69 years _____

Read Brochure _____

Ask Employee Counselor _____

Read Bulletin Board _____

Ask someone in Public _____

Relations Dept. _____

Other _____

PART II. INFORMATION FOR COMPARISON PURPOSES

9. How much education have you completed so far?

Eighth grade _____

Some high school _____

High school graduate _____

Some college (or diploma R.N.) _____

Bachelor's degree _____

Graduate school _____

Master's degree _____

Ph.D. _____

Other _____

10. Listed below are ten (10) reasons your co-workers have given for staying at Baptist Memorial Hospital. Please number them "1" thru "10". Use "1" for the reason you consider the most important and "10" for the reason you consider the least important, for staying at Baptist Memorial.

- Salary _____
- Satisfaction in work _____
- Friendly workers _____
- Fringe benefits _____
- Opportunity for education _____
- Good working conditions _____
- Job security _____
- High standards of Nursing Care _____
- To work in specialty area _____
- Other (Please Specify) _____

11. How would you find out more about a fringe benefit? Please mark only one of the ten listed.

- | | | | |
|--------------------------------|-------|------------------------|-------|
| Ask Supervisor | _____ | Read Baptiscope | _____ |
| Read Employee Manual | _____ | Ask Employee Counselor | _____ |
| Ask someone in Personnel Dept. | _____ | Read Bulletin Board | _____ |
| Read Employee Benefit Card | _____ | Ask someone in Public | _____ |
| Ask Co-worker | _____ | Relations Dept. | _____ |
| | | Other | _____ |

12. Do you feel the benefits you are given at Baptist Memorial Hospital are better than the benefits you could get at another hospital in Memphis?

- Yes _____
- No _____
- I am not sure _____

13. In what Section/Department in the Hospital do you work?

15. How long must a regular employee work before he receives the disability insurance policy?

- 1 year _____
- 2 years _____
- 3 years _____
- 4 years _____
- 5 years _____
- 6 years _____
- 7 years _____
- 8 years _____
- 9 years _____
- 10 years _____
- I am not sure _____

PART III. YOUR UNDERSTANDING OF FRINGE BENEFITS

Directions: Please mark the answer that best fits your understanding of the fringe benefits.

14. How long are new employees on probation before they become a regular or full-time employee?

3 months _____
 6 months _____
 9 months _____
 12 months _____
 I am not sure _____

15. Regular or full-time employees get how much vacation after one (1) year?

1 week paid annual vacation _____
 2 weeks paid annual vacation _____
 3 weeks paid annual vacation _____
 None _____
 I am not sure _____

16. How many days does a regular or full-time employee have to be sick before he can receive sick benefits.

6 days in a row _____
 7 days in a row _____
 8 days in a row _____
 Supervisor decides _____
 I am not sure _____

17. Are the number of weeks of sick leave a regular employee can have based on his length of service?

Yes _____
 No _____
 I am not sure _____

18. How long must a regular employee work before he receives the disability insurance policy?

5 years _____
 6 years _____
 8 years _____
 10 years _____
 I am not sure _____

19. The Baptist Memorial Hospital's Annuity Program is available to all full-time employees after two (2) years.

True _____
 False _____
 I am not sure _____

20. Normal retirement age is

60 _____
 62 _____
 65 _____
 68 _____
 I am not sure _____

21. Can an employee be paid for a holiday he works if another day off cannot be given within two (2) weeks?

Yes _____
 No _____
 I am not sure _____

22. How long must a full-time employee work before he can take a leave of absence?

3 months _____
 6 months _____
 12 months _____
 Determined by Supervisor _____
 I am not sure _____

23. How long must a full-time employee work before he can get a refund of his tuition costs under the Educational Assistance Program?

One-half ($\frac{1}{2}$) a year _____
 One (1) year _____
 Two (2) years _____
 No such program _____
 I am not sure _____

24. The Blue Cross plan now includes dental care.

True _____
 False _____
 I am not sure _____

25. Discounts on prescribed drugs are available to employees at the P & S Pharmacy.

True _____
False _____
I am not sure _____

March 7, 1975

Dear Employees:

A survey of employees' understanding of fringe benefits is presently being conducted at Baptist Memorial Hospital. The President of Baptist Hospital has given me permission to contact you and ask your cooperation in this survey.

Information for the survey will be gathered from over 400 employees who have been randomly selected. This letter is to notify you that you are one of those employees. The survey will only require about 15 to 20 minutes of your time. A questionnaire will be given to you but you are not to sign it. The questionnaire will be anonymous.

APPENDIX F


This study should point out vital areas that the hospital should consider if they are to retain good employees.

LETTER TO EMPLOYEE

The survey will be administered on the following days and times:

March 11	8 a.m. - 2 p.m.	Day Shift
	8 p.m. - 10 p.m.	Night Shift
March 12	8 a.m. - 3 a.m.	Morning Shift
	8 a.m. - 2 p.m.	Day Shift
	8 p.m. - 10 p.m.	Night Shift

Questions concerning this survey can be answered by calling 522-5134.


 Russell E. Blackwell
 U.S. Army-Baylor University
 Graduate Student in Health
 Care Administration

RBS:jw

March 7, 1975

Dear Employee:

A survey of employees' understanding of fringe benefits is presently being conducted at Baptist Memorial Hospital. The President of Baptist Hospital has given me permission to contact you and ask your cooperation in this survey.

Information for the survey will be gathered from over 400 employees who have been randomly selected. This letter is to notify you that you are one of those employees. This survey will only require about 15 to 20 minutes of your time. A questionnaire will be given to you but you are not to sign it. The questionnaire will be anonymous.

This study should point out some of the vital areas that the hospital should consider if they are going to retain good employees.

The survey will be conducted in Room 159 Union East on the following days and times:

March 11	9 a.m. - 2 p.m.	Day Shift
	8 p.m. - 10 p.m.	Night Shift
March 12	2 a.m. - 3 a.m.	Morning Shift
	9 a.m. - 2 p.m.	Day Shift
	8 p.m. - 10 p.m.	Night Shift

Questions concerning this survey can be answered by calling 522-5134.



Russell R. Blackwell
U.S. Army-Baylor University
Graduate Student in Health
Care Administration

RRB:jw

MEMORANDUM

BAPTIST MEMORIAL HOSPITAL
 679 Madison Avenue
 Memphis, Tennessee

TO: Department Heads

FROM: Stephen C. Reynolds, Administrative Assistant

DATE: March 7, 1975

SUBJECT: Survey of Fringe Benefits

The purpose of this note is to inform you that Captain Russ Blackwell, graduate student in the U.S. Army-Taylor University program in Health Care Administration, is conducting a survey on the fringe benefits of the hospital as a part of his thesis. He is actually attempting to determine the employees' understanding of our benefits program. In order for him to make this determination, he plans to survey approximately 400 employees who will be selected at random from the various departments.

APPENDIX G

Mr. Blackwell will personally conduct the survey in Room 159 Union East on March 11 and 12. Employees who have been selected will be contacted by letter and informed about the survey. The survey should only consume 30 minutes of each employee's time.

LETTER TO DEPARTMENT HEADS

It would be appreciated if you supervisors could schedule your employees at one of the stated times.

A copy of the letter to the employees, the survey, and a list of your employees that were selected is attached to this memorandum.

Thank you for your assistance.

SCR:jv
 Attachments

MEMORANDUM

BAPTIST MEMORIAL HOSPITAL
899 Madison Avenue
Memphis, Tennessee

TO: Department Heads

FROM: Stephen C. Reynolds, Administrative Assistant *SR*

DATE: March 7, 1975

SUBJECT: Survey of Fringe Benefits

The purpose of this note is to inform you that Captain Russ Blackwell, graduate student in the U.S. Army-Baylor University program in Health Care Administration, is conducting a survey on the fringe benefits of the hospital as a part of his thesis. He is actually attempting to determine the employees' understanding of our benefits program. In order for him to make this determination, he plans to survey approximately 400 employees who will be selected at random from the various departments.

Mr. Blackwell will personally conduct the survey in Room 159 Union East on March 11 and 12, 1975. Each employee who has been selected will be contacted by a separate letter and informed about the survey. The survey should only consume 30 minutes of each employee's time.

It would be appreciated if you supervisors could schedule your employees at one of the stated times.

A copy of the letter to the employees, the survey, and a list of your employees that were selected is attached to this memorandum.

Thank you for your assistance.

SCR:jw
Attachments

LENGTH OF EMPLOYMENT

Length of Employment	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
less than 90 days	10	3.3	4	2.0
3-6 months	25	8.3	2	1.0
7 months-1 year	31	10.3	4	2.0
1-2 years	26	8.6	9	4.4
2-3 years	21	7.0	14	6.8
3-5 years	41	13.6	17	8.3
5-10 years	51	16.9	63	30.7
10-20 years	51	16.9	63	30.7
20-30 years	13	4.3	8	3.9
No response	13	4.3	8	3.9

APPENDIX H

LENGTH OF EMPLOYMENT;
 EMPLOYEE'S SEX; EMPLOYEE'S
 SHIFT; EMPLOYEE'S FEELING ABOUT UNDERSTANDING
 HIS BENEFITS; MOST IMPORTANT BENEFIT; AGE; AND EDUCATION

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

EMPLOYEE'S SEX

Sex	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Female	214	70.9	150	73.2
Male	75	24.8	51	24.9
No response	13	4.3	4	2.0

Source: Personnel Fringe Benefits Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

LENGTH OF EMPLOYMENT

Length of Employment	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
less than 90 days	10	3.3	4	2.0
3-6 months	25	8.3	2	1.0
7 months-1 year	31	10.3	4	2.0
1-2 years	26	8.6	9	4.4
2-3 years	21	7.0	14	6.8
3-5 years	43	14.2	17	8.3
5-10 years	71	23.5	63	30.7
10-20 years	53	17.5	63	30.7
20-30 years	10	3.3	21	10.2
No response	12	4.0	8	3.9

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

EMPLOYEE'S SEX

Sex	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Female	214	70.9	150	73.2
Male	75	24.8	51	24.9
No response	13	4.3	4	2.0

Source: Personnel Fringe Benefits Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

EMPLOYEE'S SHIFT

Shift	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Day	189	62.6	159	77.6
Night	70	23.2	25	12.2
Morning	26	8.6	14	6.8
All (Rotating)	9	3.0	2	1.0
No response	8	2.6	5	2.4

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

EMPLOYEE'S FEELING ABOUT UNDERSTANDING HIS BENEFITS

Feeling	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Yes	117	38.7	135	65.9
No	52	17.3	20	9.8
Not sure	117	38.7	45	22.0
No response	16	5.3	5	2.3

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

MOST IMPORTANT BENEFIT

Benefit	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Dental	12	4.0	4	2.0
Vacation	30	9.9	18	8.8
Sick Pay	42	13.9	24	11.7
Disability Inc.	25	8.3	31	15.1
Holidays	2	.7	2	1.0
Blue Cross/Blue Shield	104	34.5	59	28.8
Life Ins.	7	2.3	1	.5
Retirement	20	6.6	33	16.1
Funeral Leave	4	1.3	0	0
Overtime Pay	9	3.0	5	2.4
Shift Premium	6	2.0	4	2.0
Performance Eval.	7	2.3	3	1.5
Employee Discounts	1	.3	1	.5
Credit Union	3	1.0	1	.5
Leave of Absence	1	.3	0	0
Workman's Comp.	2	.7	1	.5
Employee Parking	0	--	2	1.0
Educational Assist.	6	2.0	2	1.0
Social Security	4	1.3	2	1.0
Other	1	.3	2	1.0
No response	16	5.3	10	4.6

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

AGE

Age	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Under 20	7	2.3	0	0
20-25	77	25.5	14	6.8
26-30	48	15.9	32	15.6
31-39	41	13.6	48	23.4
40-49	43	14.2	39	19.0
50-59	57	18.9	53	25.9
60-69	17	5.6	10	4.9
No response	12	4.0	9	4.4

EDUCATION

Education	Employees		Supervisors	
	Number (n=302)	Per Cent (100)	Number (n=205)	Per Cent (100)
Eighth grade	29	9.6	2	1.0
Some high school	40	13.2	15	7.3
High-school graduate	110	36.6	41	20.0
Some college (diploma RN)	70	23.2	84	41.0
B.S./A. degree	30	9.9	34	16.6
Graduate school	4	1.3	14	6.8
Master's degree	0	0	5	2.4
Ph.D.	1	.3	2	1.0
Other	7	2.3	3	1.5
No response	11	3.6	5	2.4

Source: Personnel Fringe Benefit Questionnaire, Baptist Memorial Hospital, Memphis, Tennessee.

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BIOGRAPHICAL SKETCH

Russell Robert Blackwell [REDACTED]

[REDACTED] He graduated from Sheffield High School, Sheffield, Alabama, in 1961. He completed his undergraduate work at Florence State College, Florence, Alabama, in 1966. Upon graduation, he entered active duty as a Regular Army Infantry Officer in the grade of Second Lieutenant.

Captain Blackwell's assignments include: Germany, Republic of Viet Nam, and the United States. In August 1971, he transferred from Regular Army Infantry to Regular Army Medical Service Corps. After transfer to the Medical Service Corps, his first assignment was to attend the AMEDD Officers Advanced Course. Upon completion of this course, he was assigned to the United States Army Hospital at Fort Campbell, Kentucky, where he remained until he entered the United States Army-Baylor University Program in Health Care Administration in August, 1974.

Upon completion of the formal course of instruction, Captain Blackwell was assigned to United States Reynolds Army Hospital, Fort Sill, Oklahoma, for a one-year administrative residency program.