Fullerton Hospital[[1]](#footnote-1)

# Background

Fullerton Hospital has its humble beginnings in the late 1980s. Over the last 20-odd years, the hospital has expanded to its present 300-bed hospital, located in the southern region of Singapore, under the very capable CEO Mr Ho Chong Yew. The hospital boasts a wide range of medical and surgical services for the total management of patients, and has more than 200 on-site doctors from over 20 specialities and sub-specialities. The hospital prides itself in being renowned for the depth of expertise of its specialists, quality care of their nurses and staff, and state-of-the-art technology.

Two years ago, Mrs Tan-Lee Mei Yong was appointed as CEO when the long-serving Mr Ho retired. Fullerton was already popular among the locals, and even with patients in the region. However, when Mrs Tan-Lee saw how many hospitals which cater to medical tourists draw in more patients from regions as far as Doha and Oman, one of her goals was to make Fullerton a top hospital for medical tourists.

To achieve that goal, she believed that the pool of 520 nurses and nursing aides had to expand if this goal was to become reality. Thus, when she was approached by Regent Polytechnic, shortly after she took over the reins, to offer a one-year internship to students who graduate from their Diploma courses in Nursing, Occupational Therapy and Physiology, she readily agreed to have them.

The one-year internship programme that the Fullerton Human Resources Department came up with included:

* preliminary 8-week familiarisation “tour” and induction (starting in May)
* 16-week attachment to Specialist Clinics
* 20-week attachment to wards
* 4-week attachment to operation theatres or the Rehabilitation Centre

Interns get a 2-week break during the internship – one after the 16-week attachment to Specialist Clinics and another after the 20-week attachment to wards. Student interns are assessed jointly by Regent Polytechnic and Fullerton Hospital – Regent Poly grades the report and Fullerton the practical part of the internship. Competent interns are offered full-time employment at the end of their internship.

The first batch of 32 Regent Polytechnic interns completed their one-year internship in May 2014, and all but two of them opted to stay on in the hospital. They have been employees with Fullerton Hospital since 1 June 2014, and have proven themselves to be capable and efficient support to the doctors, and are also good with the patients. They are hardworking, cheerful, and always willing to work overtime when the situation demands it.

# The Situation

Fullerton’s corporate office oversees all non-healthcare functions and support divisions such as Human Resources, Accounting and Finance, and Operations. It is the start of the new year when Mr Kenneth Manji, the Director of Human Resources, receives a call from Ms Farisa Hazun, the Director of Accounting and Finance.

Farisa: I’ve just been told by IT that they have discovered some irregularities in the payroll system. Apparently, in the recent upgrade to a new accounting system with the latest software, a glitch went unnoticed and became apparent only when they were investigating a problem raised by Operations.

Kenneth: What’s the impact of this glitch?

Farisa: The new staff, from the internship programme, are the ones affected. They were given a full month’s performance bonus in July, when they should not get any bonus at all. We need HR to inform them of the error, so that the amount paid to them can be recovered, hopefully before the end of our financial year in March.

Kenneth: As I understand it, their starting pay upon coming on board as full-time employees is $1,800. So how much have they been overpaid?

Farisa: Here are the figures. Please make it clear to them how much they have to return to Fullerton. Finance will recover from the CPF Board the excess employer and employee contributions to CPF.

Farisa passes Kenneth a document showing details of performance bonuses and CPF contributions:

Performance bonus (PB) given – $1,800

Employee CPF contribution @20% – $360

Employer CPF contribution @16% – $288

Net PB (amount credited into employee’s bank account) – $1,440

Kenneth calls for a meeting with his HR Manager, Jemma, and Assistant HR Manager, Sandra, to discuss how to recover the overpaid net PB of $1,440 from each of the 30 affected employees.

Kenneth: Finance has just informed me that all 30 of our graduate-interns working for us had mistakenly been given full performance bonus payments instead of pro-rated ones due to a system glitch. And, we are to recover the overpaid amount ASAP.

Jemma: But weren’t bonuses paid in July? Why have we just been informed?

Kenneth: Apparently, Finance has only just been informed by IT.

Sandra: So, Finance wants us to inform these employees? I guess we can send them an email. Shouldn’t be too difficult – I can draft the message to inform them.

Jemma: Not so fast, Sandra. Put yourself in their shoes. They were given the full-month bonus in July. They would have been very happy at the unexpected amount of bonus, and might have thought that their work during the internship was considered.

Sandra: But they should know that interns are not entitled to performance bonuses. Also, payroll policy regarding bonuses is clearly spelt out in the Employees’ Handbook.

Jemma: Sure, but this is the first time they are into full-time employment. They may not have picked out that point. Also, they were paid in July 2014, and it’s now January 2015! They would not expect to be told to repay the overpaid bonus after so many months.

Kenneth: Right. HR hopes to recover the overpaid amount by March, so we need to let them know as soon as possible.

Sandra: But the Christmas holidays have just passed and Chinese New Year is coming; they would have spent the money on gifts or year-end holidays. Some may have already spent it all! They will be upset to be told that they have to pay back the money.

Kenneth: We definitely do not want to upset them. They are really good workers, and we’ve spent so much time training them. Sure, we pay them competitive salaries, but with the aggressive recruitment drive by all hospitals in Singapore, and the fact that they are not bound by a contract with us…

Jemma: Yah…I’ve heard only good things about them. We’ll have to be very careful about how we tell them to pay back the overpaid amount, especially with the tone of the message. We do not want anyone to express their unhappiness on their blogs and other social media platforms.

Sandra: How should they pay?

Kenneth: Write a crossed cheque to Fullerton Hospital.

Jemma: They probably do not have checking accounts.

Sandra: But their parents would have. Hey, perhaps the parents might even be willing to pay a one-time lump sum.

Kenneth: Let’s make it easier for them to repay the amount, by giving them the option to pay a lump sum or in three instalments. Instalments can be deducted from their monthly pay, with the first instalment at the end of this month. $400+ a month shouldn’t be considered too large a sum, I think.

Jemma: Actually, it’s almost $500 a month. That’s quite a bit for these young employees.

Sandra: What if there are some who really cannot pay back in three instalments, especially since they are likely to have spent most of it during the holiday period? Can we be more sympathetic?

Kenneth: Let’s push for the 3-month instalment plan, and say we’ll consider, on a case-by-case basis, requests for a longer time to repay the amount. Requests must be made to me before the end of this month. Sandra, can you draft the message right away and email it to me by the end of today, so I can send it out first thing tomorrow morning?

# Task

You are Sandra. Draft that email for Kenneth, who will send out the message to the 30 affected employees.

1. This is adapted from a fictitious case study created by Lee Hui Kwang. [↑](#footnote-ref-1)