

She Works Hard For the Money (Benefits, and Perks, too)! How to Pay Your People

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Do you have any idea what your true staff costs are? Have you ever sat down to give someone a raise and realized you had no idea how they got to where they are, salary-wise? We will talk through some of the most common pitfalls that veterinary practices face when it comes to paying their teams, as well as discussing how to create a balanced budget that takes staff needs into account, how to consider and choose perks and benefits that fit your team and how to create a payscale system that puts your individual team members in control of how much they make and how fast they can change that.

OBJECTIVES:

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1. Review the basic concepts for a balanced budget with particular attention to staff and DVM labor percentages of gross revenue.
2. Review the idea of an established payscale: what needs to be considered, where are your people now and how to implement a scale when you have people who are overpaid.
3. Review benefits as a piece of compensation: what are the options (hint: the sky is the limit), what you can't include, how to pay for it and how to get your team to understand the costs associated with benefits.
4. Discuss how to implement a payscale and tie it to your training program, so that your team knows exactly where they stand when it comes to money and how they are now in the driver's seat.

Honest money starts with asking some honest (and hard) questions

Step 1: What Is Your Practice Philosophy Towards Compensation?

Before creating payscales, you have to first determine what is your (hospital) approach or philosophy towards compensation. What is the mindset that drives your pay decisions? Determining the compensation philosophy requires an in-depth look at the company's beliefs regarding compensation. The key is to create a philosophy and be consistent in its application regarding pay practices.

Q: Why do you pay what you pay? _____

Step 2: What Is Your Turn-Over Rate?

What is your turn-over rate? Do you do an exit interview? Do you know if what you are paying is a part of people leaving your practice? If you haven't asked people, you are losing an opportunity to address a problem that you could solve. This step sucks if you have to get really honest with yourself. But know that the majority of practices have room to improve their pay setup, so you are not alone.

Step 3: What Do You Offer Your Team In Addition to Cold Hard Cash?

You have to consider the entire package that you offer your team. There is a huge amount of soft cost associated with benefits that your team doesn't see. You need to make yourself attractive to them. You also need to make sure they understand the true costs that go into their checks. You need to review the benefits you are offering your team. Make a list and check it twice. Then go through and do a "total compensation" worksheet for each employee. (See the toolbox for where to look on dm360 to find Mark Opperman's excel sheet).

Q: What Benefits Do You Offer?

Benefit Type

Step 4: Conduct a Job Analysis

What is the job? What are the actual tasks, roles and responsibilities of each position in your practice? A job analysis is a process for gathering, documenting and analyzing information about a job to determine the activities and responsibilities it includes, its relative importance to other jobs, the qualifications necessary for performing the job and the conditions under which the work is performed. You can observe your team, you can conduct surveys, interview your team about their jobs or any combination of these options but you have to talk to the people actually doing the job! The end result of a quality job analysis is a clearly defined job description.

Q: Do you have job descriptions? _____

If yes - when was the last time you did an observation and updated them?

If no - use the job description resources in toolbox to make one and keep in mind the steps below:

- Interview employees, asking them specific questions about their job duties and responsibilities.
- Obtain log sheets from employees with information about each of their tasks and the time spent on each task for at least one full work week.
- Complete duty audits where you observe employees at different times of the day and days of the week and track what they do and for how long.
- Interview your team on how they interact with each other! Interview both up and down the hierarchy (ask DVMs about working with techs and tech with DVMs, etc.)
- Compare the job to other jobs in the department as well as the job grade or job family to show where it falls on the payscale.

If there is more than one person doing the same job, make sure to observe and obtain feedback and information from more than one person. Get feedback from your team, from your team leaders and tweak your findings until you have an accurate reflection of the job duties and responsibilities.

Once an accurate overview of a position is developed, you can write your job descriptions!!! Or update them. Make it a point to update your descriptions with your team every 2 years or any time you make major changes. Involve your team in the process.

Step 5: Conduct Market Research

Conducting market research ensures that wages paid to employees are comparable to similar positions in the marketplace. Most clinics do this by watching Craigslist and Indeed. I would challenge you to look in your local area. That said, the veterinary field is notorious for NOT including any pertinent information in their ads, so this may be difficult to do. So, you should also do some research on the industry benchmarks. You need to compare at least two industry benchmarks - I like the AAHA Compensation and Benefits Study and the Well-Managed Practice Benchmarks Study.

Q: What is the going wage in your area and how do you measure up against benchmarks:

Licensed Technician: _____

Veterinary Assistant: _____

Kennel Attendant: _____

CSR: _____

Misc. Position in Your Practice: _____

