

WHEN AND HOW TO REVIEW STAFF COMPENSATION & GOALS

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I have always considered the employment engagement at every level as a non-verbal “use/use” agreement. In theory, this means that the employee will use us as the employer as a value proposition for economic security (vis-à-vis a paycheck). On the other hand, we use the services of our staff member to assist in the economic growth of our medical practice. Seems fair enough, as long as it equates to a win/win for both parties.

So let’s review how and when to review staff performance and how it relates to compensation. We first need to determine the following steps:

- **What is the job description?** One of the biggest blunders we make is not having a proper job description outlining all of the criteria you need in order to properly evaluate your employee. This should always be in writing and an acknowledgement of receipt should be kept in the employee’s human resource (HR) file.
- **How do you determine the compensation upon the initial hiring of your employee?** Define how you can justify the compensation you are giving to each level of your staff. Is it based on industry standards, industry-related experience, tenure in your practice, commission based on production/net profit, or even possibly a combination of all of these? Providers’ compensations must ultimately boil down to production of several times their compensation.
- **What manageable and measureable goals did we set down from the very beginning?** Upon the initial hiring and training process, how does the employee know what they are expected to do, and if it is actually being done to the best interest of your practice? Do you have the capability (staff and technology) to evaluate their performance? You must evaluate your staff multiple times during the year, sharing both positive and improvement needed criteria. Each evaluation does not have to come with a financial twist attached to it.
- **What tools do you have in order to measure the performance/goals?** You know you’ll need resources such as staffing, a top performing I/T system, and an accounting analyst.
- **What promises (written or verbal) were made to the employee?** Have you recently or ever promised an employee anything regarding compensation, and, most importantly, have you fulfilled all of your obligations? When you initiate the hiring process, you should immediately define the financial terms and conditions. Timely reviews are always optimal and much easier to manage.
- **Compensation comes in many forms outside of hourly and weekly compensation.** All employees must know that their respective compensation comes in many forms outside of the direct hourly/weekly/annual based salary. These other methods may include, but are not limited to:
 - *Commissions* – This can be based on a wide variety of criteria. It may relate to either a flat rate or percentage of the gross or net profit of accumulated sales and production.
 - *Health benefits* – This includes health and welfare, and deductible and co-pay reimbursement.
 - *Holiday pay* – You can start with the standard six federal holidays and decide to include additional days.
 - *401/IRA match* – Decide on a percentage of the employees’ contributions under governmental guidelines.
 - *Disability insurance* – This protects the employee in the event of an unfortunate illness or injury. Short/long terms coverage is available.

- **PTO** – Paid time off can be accumulated with extended tenure. As the tenure increases, so does the amount of PTO allowed.
- **Bereavement** – This is a gracious allotment of additional paid time off due to the loss of a family member. Defined relatives must be noted in your company policy.
- **Profit sharing** – You may want to offer a small percentage of the profits to the staff as a bonus and a token of your appreciation. This is based strictly on the profitability of the practice.
- **Auto allowance** – With the high cost of fuel, insurance and maintenance, a stipend to assist in the cost to maintain their vehicle may be an added perk.
- **Cell phone allowance** – Many employees use their personal cell phones to contact patients in the evening; this is a way to help finance that. Additionally, a small stipend or allowance may be in order.
- **Education assistance and reimbursement** – If an employee wants to further their education while under your employ, and the courses are field related to allow them to become more of an expert in your office, tuition reimbursement is a wonderful perk.
- **Products and procedures (gratis or at practice cost)** – There is no other way to have your employees show off your work and wonderful products you sell than to allow them to be the showcase of your practice. Allowing them to experience your wonderful talents at no or minimal charge is the least expensive form of advertising.
- **How do performance reviews play a role in staff compensation?** These should be the perfect way to share written results on your employees' overall performance, and how you want them to understand how they will be coached moving forward. Reviews should be quantitative and qualitative, and written in good taste for future review by other members of your management team. Comprise a schedule with your employee when they will be reviewed next, and what improvements will be needed to correct any current deficiencies.

Do you currently have a systematic approach to evaluate your staff member now that it's actually time to sit down

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with them and share their positive performance and needed opportunities going forward? Make sure you have all of your facts ready prior to the actual performance review because your employee is more often smarter than you think. They may already have their facts in order, waiting to compare their data to yours.

A few items to review an employee's performance as it ties to compensation are with manageable and measurable goals and objectives. What are goals and objectives? Goals are general guidelines that explain what you want your employee to achieve in your medical practice. They are usually mid- to long-term and represent the practice's mission, such as protection of the patients' and staff's health and safety, or determining a specified amount of procedures and a defined range of time.

Objectives determine what strategies or steps you need to put into place to achieve your desired goals. Unlike goals, objectives are specific, measurable, and have a defined completion date. They are more specific and outline the “who, what, when, where, and how” of reaching the goals.

Why do we need to identify goals and objectives? Your mission is like a roadmap that tells you where you want to go. When you identify them, it allows you to know if you actually took the right path to achieve them. If not, then you need to either start over or detour along the way.

No one ever said this was an easy task. We often use our best judgment to guide us, and most of the time we are more than 50 percent correct. It's the other 50 percent we need to be concerned about. This is why the measurement tools are what best suits us to know our successes and future opportunities. ■



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