
NCVEI's Compensation Evaluation Tools

Traditionally, employers tend to think that the main thing on employees' minds is a paycheck, accompanied by regular and (hopefully) generous raises. In actual practice, employers frequently don't know what employees want. Kenneth Blanchard, author of *The One-Minute Manager*, surveyed 10,000 employees about job satisfaction. He asked managers and supervisors what they thought made employees satisfied with their jobs. Interestingly enough, the answers were very different.

Employees list high salary or wages at number five on their list of what makes them happy on the job. Employers thought that salary was the number one component of job satisfaction for employees. While salary is not the most important thing to most employees, this is not to say that great working conditions will make up for poor salary: salary does matter. When an employee gets a raise, he or she is thrilled with it for the first month, but after that accepts it as the standard pay. This is the point at which it ceases to motivate him or her to higher performance. However if a practice does not pay a fair market wage, the employee will continually be demotivated.

As a veterinarian, it is important to know what the salary range in your community is for the position under consideration and set your salary range accordingly. But the question arises: how does a veterinarian learn what salary and benefits are considered "normal" in their area?

The National Commission on Veterinary Economic Issues provides AVMA and AAHA members with a free, analytical method of learning whether their benefits package stacks up in their area. By logging on to the NCVEI Web site at ncvei.org, veterinarians have the ability to benchmark various issues related to employment including hiring, retaining, utilizing and paying members of their support staff. Currently there are 10,000 practices in all 50 states using these free tools. In Oregon, approximately 180 veterinary practices have logged on to check out what NCVEI has to offer.

Included in the benchmarking program is a tool appropriately titled, "How does your pay and benefits package stack up?" This tool gives you the ability to compare your clinic's benefits against other practices on a national, regional and state level. As more and more clinics enter data, the NCVEI will gain the ability to give results based on more specific demographics. The program covers benefits such as:

- Paid holidays
- Vacation time
- Sick days
- Retirement benefits
- CE allowances
- Insurance benefits
- Association dues
- Veterinary services provided to employees

Users of the tools are asked a series of questions covering the benefits that are offered in their clinic. They are given immediate results, in the form of charts and graphs, showing where they stand. (All data collected on the Web site remains completely confidential.)

After viewing their own personal results, veterinarians are given “Recommended Treatment” on changes they may want to consider making within their practice. Recommended Treatment in the Pay and Benefits tool includes information on benefits, local market rates, developing a compensation system, pay for performance and other topics.

Here is a brief sample of the advice given to one clinic using the NCVEI’s benchmarking program:

It would seem logical to pay more to employees who produce more or perform better. The key is to know how to measure job performance and how to tie it with the practice’s mission and goals.

This is where defined job descriptions and a well-designed performance appraisal system come into play. Employees need to know exactly what tasks and duties their job requires and the level of competence at which these are to be performed. Then salary ranges and increases can be set based on specific job performance standards.

An effective performance appraisal system enables matching pay to performance. Some employees may receive an “annual cost-of-living adjustment,” those who are doing their jobs adequately but not exceptionally. Some veterinarians feel that salary should have ceilings, for example, a receptionist should never receive more than \$10.00 an hour. The problem with this thinking is that it is unrealistic. The economy never stands still, and neither should the salaries of employees. More competent employees should receive more than an annual adjustment. If an employee has increased the level of responsibility, moved into a new position, acquired new skills that make him/her more valuable, he or she should be rewarded with a “merit raise,” in addition to the regular annual raise. This merit raise might match or exceed the annual adjustment.

Once the initial compensation system is set up, it should be reviewed each year to ensure it is still meeting the needs of the practice.

For more information on the NCVEI's benchmarking program, check out the "Exam Room" found on their Web site, www.ncvei.org, or contact the NCVEI at (847) 925-1230. Food animal and mixed animal practitioners are needed to help establish benchmarking tools for these areas of practice; contact the NCVEI for more information.