



# Critical factors in determining what to pay your staff

By Julie Parker

**D**etermining the right remuneration for your existing and new staff can be challenging. Many practice owners develop an assumption over the years of what is a fair and equitable pay rate but rarely take a closer look to see whether the amount they currently offer is appropriate.

I suggest that taking the time to perform an assessment of your staff remuneration process will be time well-spent. Developing an effective system that rewards staff appropriately will help you attract and keep talented employees, reward employees who consistently exhibit the right behaviours and motivate employees to continually improve and increase their skills.

The following is a list of critical factors I suggest you consider when assessing what to pay your staff.

## Fair Work Award Rate

**T**he Fair Work Award Rate is a starting point and will give you a base rate. The Award is the bare minimum you can pay someone. Therefore, it is an appropriate amount to pay an employee if you are seeking the bare minimum in terms of their performance. Usually, though, encouraging a stronger performance from your staff is preferable.

## Responsibilities of the role

**T**he number of tasks an employee performs can differ from one practice to another and from one role to another within the one practice. For example, the role of dental assistant can also include being charged with the management of supplies while a dental receptionist may also have the responsibility of tracking key performance indicators.

## Skills now

**W**hat skills does the employee currently master? What are they already proficient in and further training is not justified?

## New skills needed

**I**s there a skills-gap with the employee? Is additional training and education required in order to fulfill the requirements of the role?

## Attitude

**A**n employee's attitude is of crucial importance when determining appropriate remuneration. Many of you will have worked with a colleague with a bad attitude and seen the damaging effect it has on individual performance and team harmony. A positive and enthusiastic attitude has a direct impact on an employee's behaviour and productivity.

## Years of experience

**Y**ears of experience in a role brings with it confidence, ability, efficiency and high-level productivity. Experienced employees get more done in less time with stronger results. This is enormously beneficial to the day-to-day operation of your practice.

## Years of loyalty

**L**oyal employees mean that you do not have to spend the time, energy and money in employing and training up new staff. Loyal employees also form part of the collective knowledge-base of your practice and have the answers to issues that are not necessarily in any practice manual.

## Team contribution

**W**hile some employees keep to themselves, others have such an energy and generosity of spirit that they inspire a better performance from the rest of the team. They cheer on their co-workers and provide support and guidance. They lead by example and foster a culture of great teamwork.

## Standard of personal presentation

**E**mployees who are well-groomed and professional in their appearance more effectively represent your practice image. They are also effective in setting the standard for other team members.

## Communication and care of patients

**P**roviding a caring and friendly environment for patients is an important aspect of building and maintaining a successful practice. Every employee on your team plays a role in creating this environment and good communication skills are of significant benefit. Just calculate the value of harsh words being spoken to one of your best referring patients by a new employee; compare this to kind and thoughtful words that lead to even more referrals!

## Attendance, reliability

**E**mployees who often turn up late (or not at all) have a detrimental effect on the productivity and morale of other employees your practice.

## Accountability

**S**ome roles within your practice hold a higher level of responsibility than others. Employees who are accountable

for not only their own personal performance but also the performance of others deserve this aspect of their role to be recognised in their remuneration.

### Alignment of values

Employees who are aligned with the values of the practice support and work hard to achieve the goals of the practice in the right ways. They are more engaged and play a key role in the positive team culture of your practice.

### Staff wages budget

It is obvious, however still worthy of mentioning, that effective financial management of your business is helped with establishing budgets for each element of your practice, including staff remuneration. Wages are one of the largest (if not THE largest) expense of your business, so have a discussion with your accountant and put in place a frame-

work that can guide you when deciding on the total amount you can budget to remunerate your staff.

### Bonuses

If bonuses form a consistent portion of your employees' remuneration, take this into consideration when determining hourly rates of pay.

Moving through the above factors should help you to create clarity about how to effectively compensate your team in light of the abilities and efforts they bring to the table. A few additional factors to be conscious of are:

- Does the employee...
  - Save you time? (Requires little training);
  - Train others? (Thereby increasing the ROI on team members);
  - Attract new business and maintain existing business? (Swiftly builds strong relationships with patients);

- Relieve pressure on you? (You can delegate some of your workload to them); and/or
- Reduce the time that management spends on addressing minor issues? (They are self-sufficient and self-starters).

Translating all of the above into a method of straightforward calculation can be helpful. A method that I have used is to allocate a series of points for each factor of an employee's performance. If you would like to see our Remuneration Guide Matrix, it is available as a free download on our website: <https://julieparkerpracticesuccess.com/free-downloads>

### About the author

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