

Doctor, does your annual salary review process leave you feeling like you're 'pulling numbers out of a hat', or do you have a fair, logical, performance-related method?

Time for annual salary reviews, and once again you're left wondering, what do I do? Is an across-the-board, one-size-fits-all increase fair? Is there a better way to reward the hardest workers and best ambassadors for my practice, and still direct and motivate other valuable members of my staff?

Yes, according to Oakton, Virginia dentists and The Practice Source clients Craig Scimeca and Tamer Elhady, who have devised a salary review formula that awards salary increases based on percentages allocated to various job performance criteria, including:

- Attendance
- Appearance
- Quality of work
- Quantity of work
- Job knowledge
- Staff relations
- Patient relations
- Action plan fulfilled

"Like a lot of our peers do, I think," said Dr. Craig Scimeca, "we struggled with a salary review system that was fair to everyone, and didn't make us feel as though we were just pulling numbers out of a hat. We understand this formula, our employees understand this formula, and best of all, it rewards the hardest working and most dependable employees at a higher rate than others, while still providing motivation to improve and do better for all."

Even better, the formula is simple. While some criteria apply across the board – attendance, for instance – employees are also evaluated on job-specific duties, with categories for hygienists, assistants and front office staff.

Here's how it works...

A maximum possible overall salary increase is identified, based on practice profitability. In this example, that number is 5.0%. Based on their performance review, employees can 'earn' up to a maximum percentage amount for each performance criteria, with the total for all criteria adding up to 5.0%. In the Scimeca-Elhady model, those percentages are:

- Attendance: up to 0.3%
- Appearance: up to 0.2%
- Quality of work: up to 1.0%
- Quantity of work: up to 1.0 %
- Job knowledge: up to 0.5%
- Staff relations: up to 0.5%
- Patient relations: up to 0.5%
- Action plan fulfilled: up to 1.0%

Total possible salary increase: 5.0%

Let's look at a specific example. Nancy (our fictional employee) is being evaluated on Attendance. Based on the Scimeca-Elhady model, Attendance accounts for up to 0.3% of Nancy's overall salary increase.

The rating scale for Attendance is as follows:

- 1 = Excellent attendance - never late
- 2 = Good attendance - rarely late (2x/year)
- 3 = Poor attendance or frequently late (4x/year)

If Nancy's performance evaluation is a:

- 1 - that contributes the full 0.30% to her overall salary increase (0.3% divided by 1 = 0.30%)
- 2 - that contributes 0.15% to her overall salary increase (0.3% divided by 2 = 0.15%)
- 3 - that contributes 0.10% to her overall salary increase. (0.3% divided by 3 = 0.10%)

Let's say Nancy is a Hygienist. Under the Quality of Work criteria, which is good for up to 1.0% of her overall salary increase and is specific to her job duties, the rating scale (based on the Description of Duties) is as follows:

Description of Duties: Has mastered doctor-hygienist communication; perfect room neatness and clutter-free; clinical skills for plaque and calculus removal; identifies periodontal problems; suggests treatment; notes in charts and follow up; maintains perio-charting as needed; discusses home care therapies and improvements with patients.

- 1 = Perfect neatness and accuracy - can train someone perfectly
- 2 = Very accurate most of time - some reminders and changes needed
- 3 = Good - few mistakes, needs periodic reminders
- 4 = Poor work - needs significant improvement
- 5 = Frequent errors or poor work

If Nancy's performance evaluation is a:

- 1 - that contributes the full 1.0% to her overall salary increase (1.0% divided by 1 = 1.0%)
- 2 - that contributes 0.50% to her overall salary increase (1.0% divided by 2 = 0.50%)
- 3 - that contributes 0.33% to her overall salary increase. (1.0% divided by 3 = 0.33%)
- 4 - that contributes 0.25% to her overall salary increase (1.0% divided by 4 = 0.25%)
- 5 - that contributes 0.10% to her overall salary increase. (1.0% divided by 5 = 0.20%)

This procedure repeats for each performance category, eventually producing an overall total for that particular employee's salary increase.

Let's see how Nancy did.

Attendance: 2 = 0.15%
Appearance: 1 = 0.20%
Quality of work: 3 = 0.33%
Quantity of work: 2 = 0.50%
Job knowledge: 1 = 0.50%
Staff relations: 2 = 0.25%
Patient relations: 1 = 0.50%
Action plan fulfilled: = 0.50%

(Note: Action plan fulfilled does not have a 1-5 rating scale. Employees are evaluated individually based on progress they've made on items included in their previous year's Action Plan.)

By adding the percentages above, you can see that Nancy's total salary increase will be **2.93%**. She has been rewarded for work well done, and also given direction and motivation to improve in certain specific areas.

Customizable for any practice

The examples above comes from the Scimeca-Elhady model, but can be easily adapted to suit any particular practice's needs, whether they are general dentists or specialists.

Would the Scimeca-Elhady model work for you? See for yourself!