

How important is it to give my staff incentives and what should those incentives be?



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Employees become motivated by a variety of factors. For some, it may be strictly money. For others, it may be a simple verbal positive re-enforcement such as “great job”. One consistency however, is that by human nature, we all respond more productively to some form of incentive.

Providing your office staff with forms of incentives that are linked to productivity is a time tested and prudent strategy. The initial step in this decision involves knowing your staff well enough to determine what they would respond best to. *Financial* incentives are usually the most productive, but the amount required may actually be minimal if used synergistically and consistently with other non- financial rewards.

Show me the money...

Financial rewards should be linked to the achievement of a mutually agreed upon goal. In order to maximize an incentive’s effect, they should also be linked to an outcome that is directly under the control of those staff members benefiting from the bonus. As an example, those responsible for the process of billing and collecting should be rewarded based on the achievement of a pre-determined collection goal. Receptionists should be rewarded based on perhaps a different parameter, such as new patients scheduled or collection rate of deductibles and co-pays. Whatever the goal and the outcome may be, it is important for the incentive to be consistent, fair, ethical, and in the best interest of the practice. Implementing an incentive program, and then not being consistent with it or allowing it to be unethical, is far worse than never having one at all. It is critical that management supplies the resources necessary for the staff to achieve the desired outcome. As an example, consider having business cards printed for each staff member (their name and title on the card) for those involved in a “new patient” incentive program.

The financial incentives should be rewarded either monthly or quarterly. I find that more frequent rewards, such as weekly, loses some of its consistency due to the out-of-control variations associated with a medical practice. Conversely, a longer time period such as an annual incentive, loses some of its motivating influence.

Some outcomes that could be linked to a financial incentive program:

Gross monthly collection/or collection of aged accounts/or increase in net collection ratio.

New patients scheduled

In-office dispensing revenues

Total patient visits

Results of patient satisfaction surveys

Results of annual employee review

How is the goal determined?

The predetermined outcome or goal should be one that is mutually agreed upon by all employees involved. It should be determined through a *historical analysis*. As an example, if a practice’s history shows an average of 1000 patient visits/month, an incentive “threshold” should be set for at least 10% above that historical number. This goal would of course be predicated on the fact that this practice is capable of handling the increased volume without compromising

quality. Over the course of a year, should this goal be met fairly consistently, history should dictate a change in the goal to a higher level.

Money isn't everything...

I am always impressed by the answer to a question that I often ask medical assistants throughout the country during my presentations: "What motivates you the most at work"? One would think that "money" is on the top of the list. In fact, money usually comes in last, or if not last, at least at the bottom of the list. The top of the list usually consists of such things as "sense of fulfillment", "respect", and "employer gratitude". Never underestimate the power of these non-financial rewards.

Unlike financial rewards, non-financial rewards are not linked to any monetary goal. They are linked only to a philosophy that should be manifested through kind words, such as "thank you" and other praises. In my opinion, they are the most forgotten forms of reward, yet rank high on most employee's list. I would even dare to say that a financial incentive program would most likely fail if not "synergized" by a simultaneous non-financial program.

In his book *A Passion for Excellence*, Tom Peters explores a management technique that he refers to as MBWA (Managing by Wandering Around). He challenges management to make a fundamental change in the way that they interact with their employees. Rather than looking for things that are wrong, Peters insists that we need to "catch them doing something right". Immediate verbal praise and "symbolic pat on the back" is often worth more than any financial incentive to stimulate continuation of the particular behavior. Many managers often fall into the habit of only criticizing. This leads to a destructive pattern of the employee thinking that "I can't do anything right...so why bother trying"?

Some Non Financial Rewards:

"A sincere thank you"(this almost seems too obvious to have to mention, but we are all guilty of occasionally taking our staff for granted and forgetting the "magic" that this phrase contains).

2. Public acknowledgements such as "employee of the month".

Private acknowledgements such as a post-it-notes expressing "job well done", an E-mail, etc.

A "hybrid incentive" (which costs some money but minimal) such as a gift certificate or movie tickets.

Your staff is your practice's biggest asset. Keeping them motivated, fulfilled and enthused is truly a win-win proposition. The combination of a financial and non-financial incentive program is an outstanding method of practice enhancement.