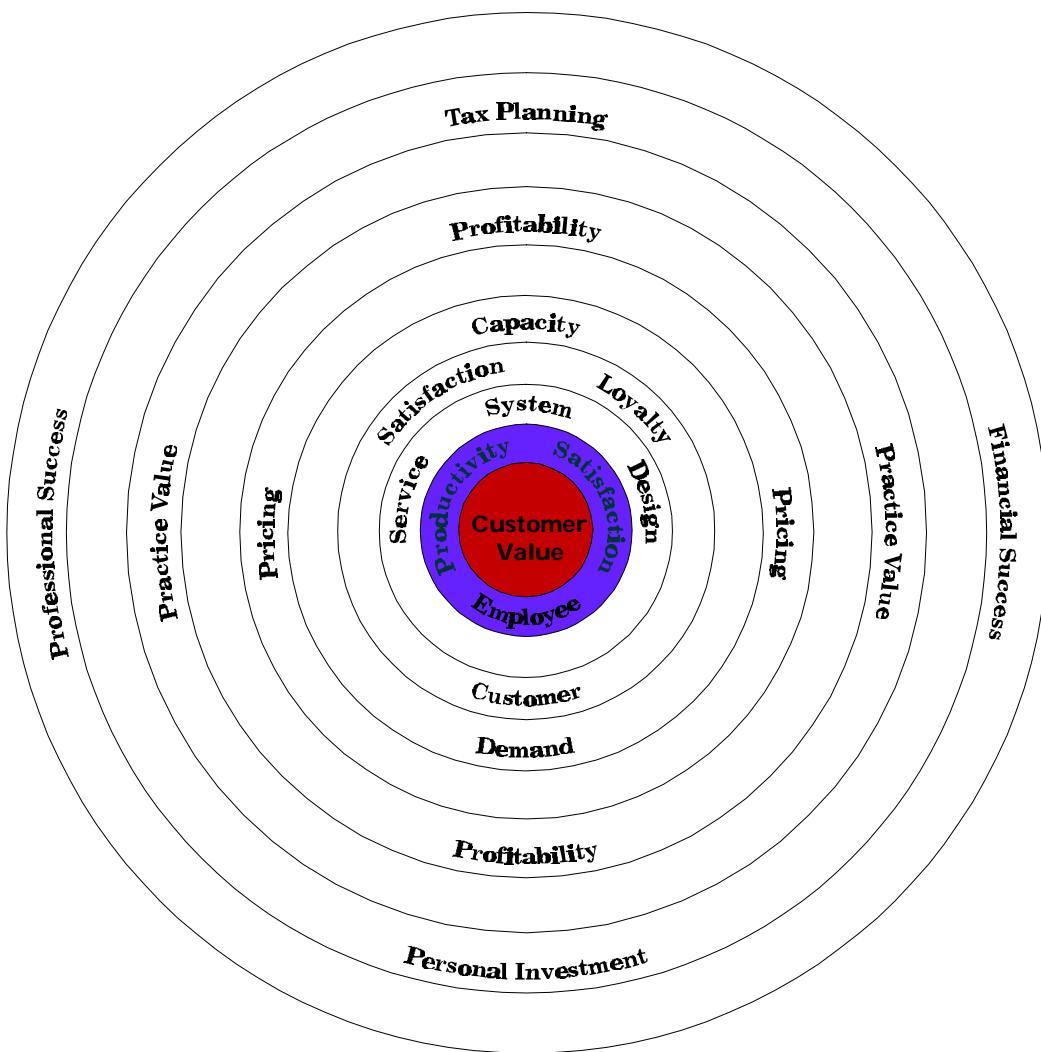
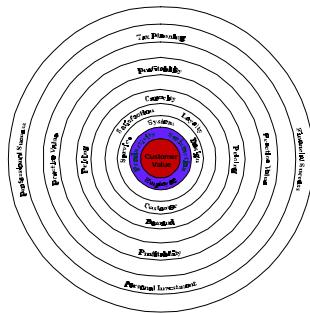


Employee Satisfaction & Productivity





Employee Satisfaction and Productivity

At the core of financial and professional success is client value. Staff satisfaction and productivity are of pivotal importance to the delivery of client value . Those process components through which veterinary clients derive value must be delivered through both the professional and non-professional staff of the practice.

To understand the dependence of value upon staff satisfaction and productivity, it is necessary to appreciate what makes staff members satisfied and productive and to understand the reciprocal relationship that staff has with clients.

Employee Satisfaction

Several factors influence employee satisfaction. Each factor interacts with the others, and collectively all factors contribute to employee satisfaction.

Work Environment

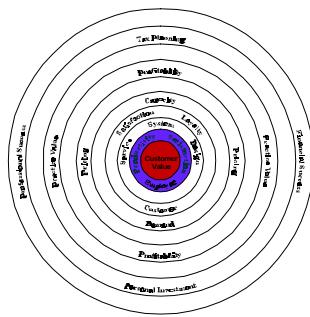
The single most important factor contributing to employee satisfaction is the internal quality of the work environment. This internal environment is determined by the employees' feelings towards their jobs, colleagues, and employers.

Employees want to be treated with respect and dignity by both colleagues, employers and clients. Employees want to feel that they are part of the team and that they serve a valued function in the operation of the practice. Employees need to have a feeling of mutual respect with both colleagues and employers.

Not unlike their employers, employees thrive on responsibility and a feeling of accomplishment. Greater responsibility gives employees a feeling of worth. Responsibility instills in them the feeling that they are trusted and valued by their employers. Employees will go to great lengths not to betray this sense of trust.

Ability to Achieve Results

Employees who service the public are fulfilled by being able to achieve results for customers. Conversely, they become frustrated and dissatisfied when they are unable to achieve results for customers.



So what is obstructing employees from achieving results for customers? The answer in many cases is the boss. Employees are often not trained well enough to be able to take the responsibility of making decisions that are necessary to achieve desirable results for clients. Even if they are sufficiently trained, many employees are prohibited from making decisions by employers who have not placed enough trust in them. Employees are often forced to work within the confines of very rigid practice guidelines and policies.

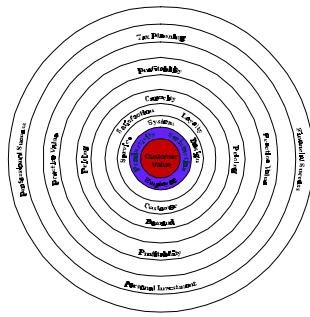
In order to allow employees to achieve results for clients and experience the related satisfaction, it is necessary for employers to train employees and then empower them with the freedom to make prudent decisions for clients. At the same time, it is obvious that employees cannot assume endless responsibilities and have limitless liberty. The truth is, they do not want endless liberty. However, well-selected and well-trained employees will make a more conservative decision than would their employer and can act within the bounds of empowerment bestowed upon them by the employer.

Employee Rewards and Compensation

Although it is a given that employees wish to receive what they feel is fair and competitive financial compensation for their efforts, compensation beyond this level is not as motivating as the factors related to the internal work environment and their relationships with clients.

Recognition for a job well-done, by employers, colleagues, and clients, is very inspirational. A feeling of respect and mutual trust is very motivating.

An employee's contribution beyond financial production can be recorded on a balanced score card. A balanced score card bases financial compensation and promotion on not only financial productivity but also qualitative factors such as client satisfaction ratings and the ratings of colleagues relative to team effort.



Business Knowledge

Employees do not necessarily want to know about the finances of the business. On the other hand, they do want to know how the business works. This knowledge leads to employee satisfaction by enabling employees to better assist clients. Employee satisfaction is heightened by their ability to take on more responsibility and to perform their tasks more efficiently. Employees who are knowledgeable about the operation of the business become high performers, providing excellent customer service and performing their responsibilities efficiently, while functioning in a team where they know how and why their role is important.

Client Relations

Satisfied clients, as discussed above, increase the satisfaction of employees. Satisfied employees generate satisfied clients. This reciprocal relationship, once in motion, perpetuates itself.

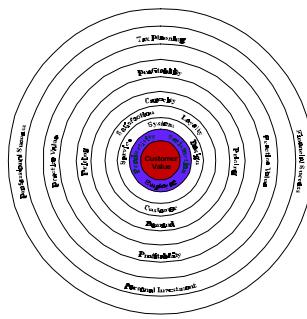
The following factors instill employee satisfaction.

- *Employee training*
- *Desire for responsibility*
- *Sense of belonging*
- *Mutual trust and respect*
- *Business knowledge*
- *Pride in serving clients*

It is clear that satisfied employees can provide clients with those attributes of the process component of service (*Responsiveness*, *Reliability*, *Assurance*, and *Empathy*) that clients value.

Responsiveness

Is it any wonder that a satisfied employee is willing and happy to provide friendly, prompt service or to return phone calls? Is it surprising that trained employees empowered with the freedom to make key decisions will not hesitate to resolve difficult situations or take on stressful and urgent requests, especially when they are recognized for their accomplishments?



Reliability

Employees who understand their roles within the operation of the business and what is needed to make the business work are not likely to disappoint either a customer or an employer. In fear of losing the respect and trust of their clients or employer, satisfied employees will go the extra mile to ensure that the clients receive the service that they depend on.

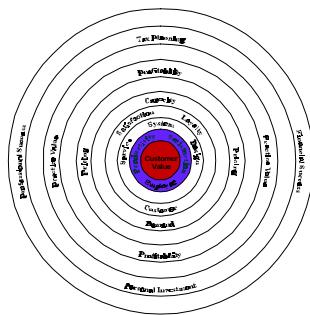
Assurance

Veterinary and technical staff have the benefit of professional training and have the appropriate degrees and accreditations. Clients depend on professionals to maintain competence in their respective fields. Reception staff may be formally or informally trained in their roles. Personal integrity, a high level of professional competence, and an extensive knowledge of the operation of the business allow employees to convey confidence and instill trust in clients. After this confidence and trust are established in a significant number of clients, the word of mouth in the community establishes the *reputation* of the hospital. Even before interacting with the practice, potential clients will trust the hospital that they have heard positive reports about from friends, family, neighbours and co-workers.

Empathy

Empathy is defined as the ability to be aware of, to understand, and to appreciate the feelings and thoughts of others. Empathy is “tuning in” (being sensitive) to what, how and why people feel and think the way they do. Empathetic people care about others and show concern for them.

Clients want to be understood. Understanding and expressing the fact that you understand another’s circumstances shows empathy and should not be confused with sympathy. It is highly probable that a clients’ circumstances cannot be altered. Clients wish to be understood, not pitied. Nor is empathy found in the act of cuddling pets or being obsequious to the owner. These superficial acts often replace the more difficult task of being empathetic.



Staff that are treated with respect and dignity and thus take pride in serving others will make the effort to understand clients' predicaments and assist in effective ways. This service is what clients expect of veterinary staff.

Service Recovery

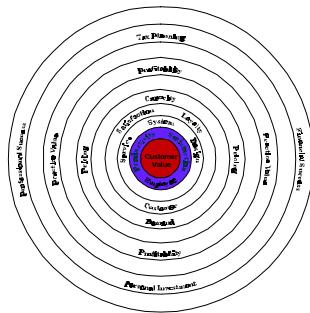
The attention to service detail and the development of optimal service systems will minimize service failures. Despite every effort to provide high-quality customer service, service failure is a fact of life. The diversity of services predisposes veterinary practices to some unavoidable level of service failure.

Experienced and trained staff can often see a service failure unfolding. If the staff are trusted by the employer and empowered to take steps when they sense a problem is developing, the service failure may be minimized or totally avoided.

In situations where failure does occur, recovery is still possible. The fundamentals of a successful recovery from a service failure are as follows:

- *Fast response*
- *Customized to the circumstances*
- *Explanation of the problem*
- *Personalized to the client*
- *Compensation*
- *Assurance*

Staff members who are armed with knowledge of the business operations and with employer-trust have the confidence to effectively recover from service failures. They have the competence to instill assurance in clients while explaining the problem and making the necessary arrangements to accommodate the clients' needs. Properly empowered, they can act quickly and offer compensation when appropriate.



Employee Productivity

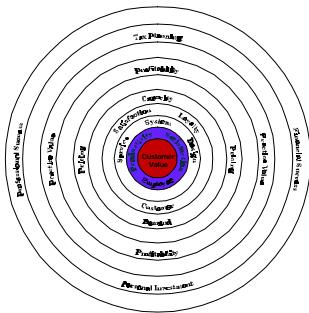
The industrial economy has recognized for some time that quality saves money through less waste and fewer returns. Now the service economy is recognizing that quality is a financial benefit rather than a cost. Efficient service systems and satisfied, loyal employees minimize the time spent recovering from failures and repeating services. Service quality generates greater revenue through loyal customers. The factors that drive employee satisfaction and productivity have a negligible financial cost.

Many of the drivers of employee satisfaction also drive employee productivity. If they are well trained and understand the business, employees can play their role in the business activities and in team efforts so that they can maximize their productivity. Motivated by the respect of their employer, a balanced score card, and a sense of accomplishment, employees make their best effort to be productive.

Proper employee training and cooperative team work can reduce employee numbers by $\frac{1}{4}$ to $\frac{1}{3}$, depending on the size of the practice. If employee costs are held constant while employee numbers are reduced, the well-trained, efficient staff can be financially compensated at much more attractive levels.

Traditionally, the financial cost associated with the loss of an employee has been associated with the cost to replace and train a replacement. For service providers, such as veterinary hospitals, a further financial cost is experienced through the loss of productivity of the former employee and reduced satisfaction of those clients that the former employee had served and developed a relationship with.

It is not surprising that satisfied employees are loyal employees. Satisfied employees work in a favourable environment, where they enjoy the mutual respect of colleagues and employers. They are fairly financially compensated for their efforts and are better-trained and better-informed than their counterparts in competing practices. Satisfied employees find professional and personal gratitude in the relationships that they have developed with employers, colleagues, and clients.



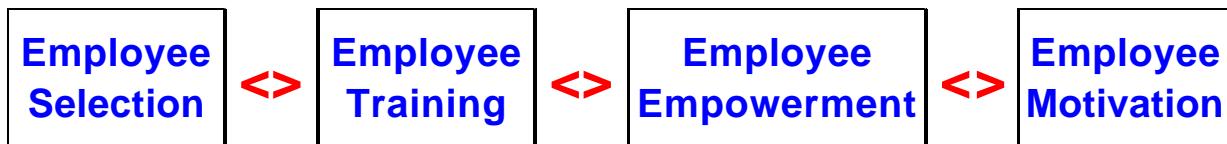
Measuring Employee Satisfaction

Surveys should be used to measure the degree of employee satisfaction. Used at intervals, such surveys can gauge changes in employee satisfaction.

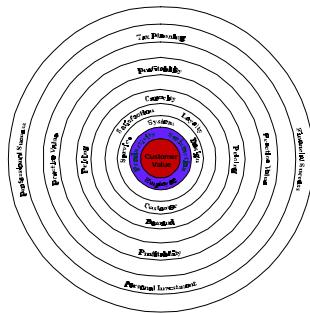
Between surveys, employee satisfaction can be estimated by observing secondary elements such as employee turnover and customer satisfaction. In ideal circumstances, the work environment will have a service culture in which there is little need to question the degree of employee satisfaction and loyalty.

How to Get There

The key to developing satisfied and loyal employees lies in employee selection, training, motivation, and empowerment.



Three of these topics have been covered adequately in the above narrative. However, the task of employee selection remains to be examined. In brief, successful businesses hire people on the basis of attitude rather than on the basis of skills. An individual must have some base level of skill to perform a given job. However, this base level is easily raised to levels that exceed the need for the position considered. In contrast, a person's attitude cannot easily be altered, if it can be altered at all. The emotional stability of prospective employees is more important than their skill levels beyond a base requirement.



In the book *The EQ Edge*, Steven J. Stein and Howard E. Book suggest that the emotional skills most important to customer service representatives are as follows:¹

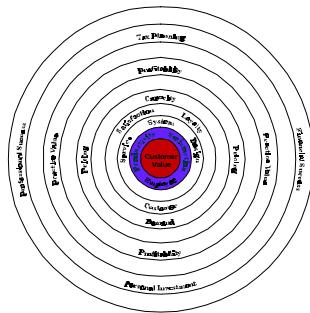
- *Stress Tolerance*
- *Assertiveness*
- *Happiness*
- *Interpersonal Relationships*
- *Self-Actualization*

Emotional intelligence (measured by EQ, Emotional Quotient) is defined as an array of non-cognitive capabilities, competencies, and skills that influence one's ability to succeed in coping with environmental demands and pressures. In everyday language, emotional intelligence is what is commonly referred to as "street smarts" or "common sense". In contrast, IQ is a measure of an individual's intellectual, analytical, logical and rational abilities.

Studies have shown that IQ serves to predict between 1 to 10 percent (the average is 6 percent) of success in a given job. EQ, on the other hand, has been found to be directly responsible for between 27 and 45 percent of job success, depending on which field was studied.

Although it is beyond the scope of this article to expand further on emotional intelligence, Stein's text is a very interesting and enlightening read.

1 Steven J. Stein and Howard E. Book, *The EQ Edge*, New York: Stoddart Publishing Company Limited, 2000.



In general, employees wish to be treated well and wish to experience the same gratification as does the practice owner. Approaching staff in a manner that allows them to grow personally and professionally and to enjoy success is morally correct. This approach requires sincerity and empathy on the part of the practice owners. An insincere pat on the back and empty “good job” rhetoric will not suffice. Many practitioners fail to deliver value through their staff because they do not hold the personal beliefs that are necessary to relate to their staff in the appropriate manner.

What Is the Pay-Off

Included in the key findings of the 1998 Brakke study of management and behavior in the US veterinary profession is that; “Veterinarians who scored higher in financial acumen, and who owned or worked in clinics applying a larger number of standard business and service practices, had higher average incomes than those who do not”²

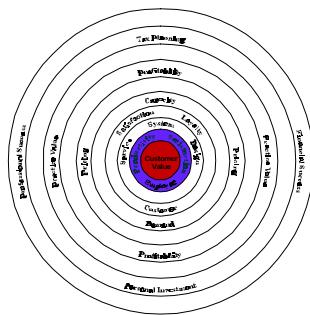
The Brakke study noted that veterinarians utilizing management practices normally associated with successful service businesses experienced a net income approximately 15% higher than those veterinarians who did not.

Of the 19 standard business practices associated with well-managed companies, the three business practices that had the most positive influence on veterinary incomes were:

- Promoting employee longevity
- Measuring employee satisfaction
- Tying rewards to client satisfaction

On average, veterinarians using these business practices experienced net incomes 16% higher than those veterinarians who did not.

2 Cron William L., Slocum John V. Jr., Goodnight David B., and Volk John O., *Brakke Management and Behavior Study*, American Veterinary Medical Association, 1999.



Attention paid to developing a satisfied and loyal staff creates a work environment that will attract the best qualified and suited employees. These employees will attract satisfied and loyal clients. Beyond market share, quality of market share is an important component of profit generation. Less desirable employees and clients can be left to those practices that fail to provide the equivalent work environment and the equivalent client value.