

The Journal of the Michigan Dental Association

Volume 104 | Number 8

Article 8

8-1-2022

Staff Matters: The Value of Using Total Compensation Statements

Jodi Schafer SPHR, SHRM-SCP
HRM Services, jodischafer@hrmservices.biz

Follow this and additional works at: <https://commons.ada.org/journalmichigandentalassociation>



Part of the [Benefits and Compensation Commons](#), [Dental Public Health and Education Commons](#), [Health and Medical Administration Commons](#), [Health Law and Policy Commons](#), [Leadership Commons](#), [Organizational Communication Commons](#), and the [Performance Management Commons](#)

Recommended Citation

Schafer, Jodi SPHR, SHRM-SCP (2022) "Staff Matters: The Value of Using Total Compensation Statements," *The Journal of the Michigan Dental Association*: Vol. 104: No. 8, Article 8.
Available at: <https://commons.ada.org/journalmichigandentalassociation/vol104/iss8/8>

This Monthly Departments is brought to you for free and open access by the State & Local Dental Publications at ADACOMMONS. It has been accepted for inclusion in The Journal of the Michigan Dental Association by an authorized editor of ADACOMMONS. For more information, please contact commons@ada.org.

The Value of Using Total Compensation Statements



By Jodi Schafer, SPHR, SHRM-SCP

Question: We are struggling in this job market to not only attract employees but retain the ones we have. Part of our challenge is that job candidates and current employees are expecting a much higher salary than what we can pay. We provide a rich benefits package, but candidates and current employees are only thinking about salary. What can we do to help them see the whole picture of what we are offering?

Answer: It's not uncommon for employees to think only about the direct compensation they receive in the form of W-2 wages when evaluating the competitiveness of their current pay. However, as you indicate, employers often enhance hourly/salary rates with indirect compensation as well, like paid time off, uniform allowances, health and wellness benefits, etc. Unfortunately, the value of these benefits is rarely communicated with employees. But in a labor market this tight, failing to provide current and potential employees with the dollar value of their total compensation (direct plus indirect pay) is a missed opportunity. Therefore, you might consider creating total compensation statements, also known as total rewards statements, for each employee and prospective position.

A total compensation statement outlines the specifics related to pay (direct compensation) and benefits (indirect compensation) and the cost for each. It shows the employee (and prospective employee) what the practice is investing in them. When done well, being transparent about total compensation can increase your employees' understand-

ing of the total benefits they are receiving, which goes a long way toward building trust with your employees. Employees can also use this information to better assess and compare their total compensation to other employers.

The process for creating total compensation statements is fairly straightforward. Often, practices use an Excel spreadsheet and detail the specifics related to wages, including base pay and bonuses, the employer-paid costs for health and welfare benefits such as health, dental, and vision plans, short- and long-term disability, flexible spending accounts, life insurance, and retirement. They also include the quantitative value of employer-paid training/CE, paid time off, as well as federal Social Security taxes, Medicare, workers' compensation, and unemployment insurance paid on the employee's behalf. Each employee receives this customized, itemized listing of the total investment you have made in them.

It's essential that these calculations are error-free and calculated consistently across employees. Expect employees to compare their numbers, and if they find a mistake, they will doubt the accuracy of the entire summary, which can erode trust and confidence in management. For this reason, it's also important to ensure that you have internal pay equity before implementing total compensation statements. Employees in like positions with like circumstances (e.g. experience, education, performance) should be paid in a like manner. If you have concerns that you may not have a pay

structure in place that is consistently applied, you should assess and make changes, as necessary, so that your

(Continued on Page 73)

Consider steps you can take to increase confidence and transparency in your practice's total rewards structure. Employees appreciate transparency from their employers if it is communicated well, and may truly see the full picture of your investment in their success.

compromise on quality. We are a full-service general dental office with subspecialties in full-mouth reconstruction, implant dentistry, sleep apnea, and clear aligner orthodontics. We have a great relationship with specialists and refer only those procedures that we can't handle in our office, which are mostly impacted wisdom teeth and complicated or questionable endo teeth. Please call or email me if you are ready to transition or want to chat and get more info on us. I know how important the right fit is in such a step, so I don't take it lightly. My email is dr.dardelean@gmail.com or cell 248-890-9773.

MISCELLANEOUS

Troubled by addiction, stress, or other practice or personal problems? Many dentists and dental team members are. But you don't have to go it alone. The MDA Member Assistance Program can help you, or your family, with personalized, 24/7 service. Visit michigandental.org/Assistance for complete details, or via email at care@michigandental.org. ●

Dr. Richard Youngs (Continued from Page 11)

served as one of its presidents. My late father was a charter member of that same club and had known Dick for many years before I was even born. After I started practicing with Dick, I told him that I was thinking of joining Kiwanis because of my dad, and he quickly responded, "No, I wish you wouldn't. Since I'm already a Kiwanian, I want you to join Rotary, then we'll have patients from both organizations." And so, reluctantly, I did — but I've never had any regrets. Because of Dick, I'm celebrating my 50th year as a Rotarian this year.

Just before my 4½-year lease agreement was to expire on Dick's of-

fice space, I went to him and told him that a business partnership, which owned a large professional office building in the city, was looking for another investor. I told him this was a move I really was anxious to take if I was to venture out to have my own practice. Needless to say, Dick was surprised and disappointed by my decision, and the truth be told, so was I. The two of us had built such a solid professional relationship over the years. We really enjoyed each other's company, day to day. But in the end, he told me that if that's what I wanted to do, then do it.

Dick Youngs, truly, was my principal role model when I started out as a wet-behind-the-ears dental practitioner. He not only helped me build my confidence but instilled in me the importance of being a true professional, one who commits to rendering the best service to all patients.

I last spoke with Dick in 2018 when I was back in Adrian attending my 50th college reunion. During that short phone conversation, he told me that he had lost Lela the year before and that, because of his worsening macular degeneration, he was almost blind and was now in an assisted living facility in Adrian. I never spoke to him after that, and I deeply regret it.

When my former dental assistant informed me out here in California that Dick had passed away, she told me that she had actually seen him the week before in the Hospice of Lenawee facility. She said the first thing he asked her was, "What do you hear from Bill?" I shed a few tears alone that night regretting that I never picked up a phone to chat with Dick before he joined his wife, Lela, in heaven. He was not only my hero, but a hero to the thousands of people he treated over his 44 years in practice.

RIP my friend. Thank you for all the things you did for me and for others. I love you and will never forget you. ●

Dr. Chase is a former MDA president and former MDA editor, now retired and living in California.

Staff Matters® (Continued from Page 24)

transparency in sharing employee pay information doesn't backfire, with a lot of questions you cannot answer.

Additionally, you'll want to spend some time thinking about the communication method you'll use to distribute this information to your team. Will employees view this process as justifying why their pay is not increasing? That can be a typical response, but you can proactively address this by:

- Clearly communicating the purpose for sharing the total compensation statements (e.g., to increase transparency, so that they have the full picture and understanding of their pay and benefits, etc.).

- Ensuring a strong and consistently applied performance evaluation process, so that any differences in pay due to performance is documented and has been discussed with the employee.

- Ensuring internal pay equity.

As you weigh the pros and cons, consider steps you can take to increase confidence and transparency in your practice's total rewards structure. Employees appreciate transparency from their employers if it is communicated well, and may truly see the full picture of your investment in their success. This process may also contribute to a more positive work culture, which is also a great retention strategy. ●

For more human resources assistance, visit michigandental.org/Human-Resources or email Brandy Ryan, MDA director of human resources, at bryan@michigandental.org.

Order Jodi Schafer's Most-Asked Human Resources Questions, available as a free eBook or in hard copy (member price \$19) at the MDA Store: store.michigandental.org. It's a great resource for you and your office manager.