

# Employee Engagement in the Veterinary Industry

Research conducted October 2011



# Introduction





In September 2011 we launched our 3rd Pulse Survey on the topic of employee effectiveness in veterinary practices. We received our largest response yet to the survey with 749 veterinary owners, partners and practice managers participating.

This report is the comparison of those views against our inaugural employee attitude survey of veterinary practice employees, for which we received over 3,500 responses. The results provide interesting and informative reading.

Please note that percentages have been rounded up or down for ease of reporting. This may mean that not all charts and graphs add up to exactly 100%.



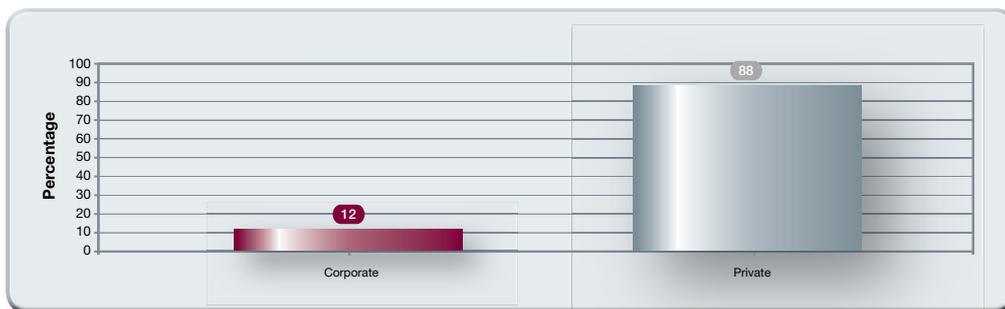
# Demographics

Broadly in line with other surveys, 88% of responses were from private practices, the other 12% from those practices classified as Corporate practices. 65% of respondents were owners/partners and another 28% practice managers, with the remainder assistant vets completing on behalf of their practice.

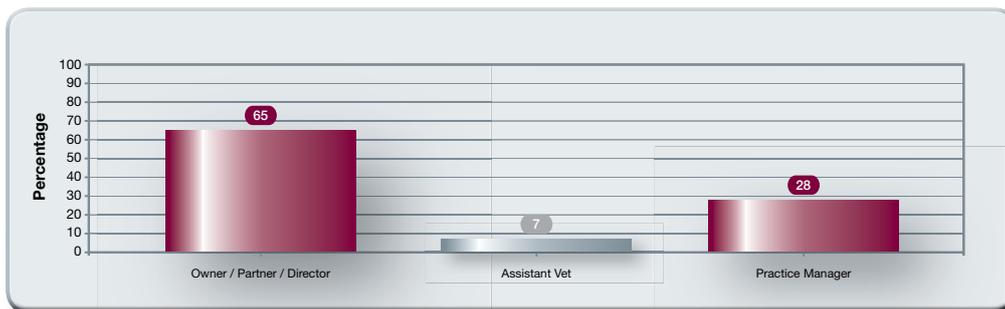
The sample size was slightly larger in terms of full time equivalent vets (FTE), with only 50% coming from single branch practices, another 22% from 2-branch practices and 24% from 3-5 branch practices. 39% had 3-5 FTE vets and another 20% had 6-10 FTE vets. A healthy 14% came from practices with 11+ FTE vets.

The spread of employees was also more even than in the past, with 20% having 1-5 FTE employees, 25% 6-10 employees, 29% 11-20 employees and 20% coming from practices with 21-50 FTE employees.

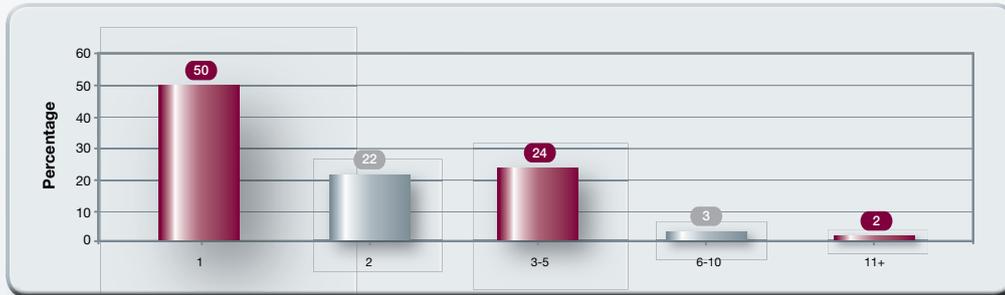
## Are you at a Corporate or Private practice?



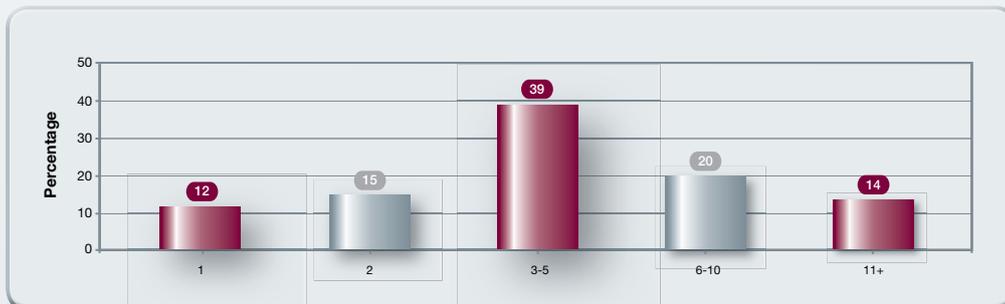
## Are you:



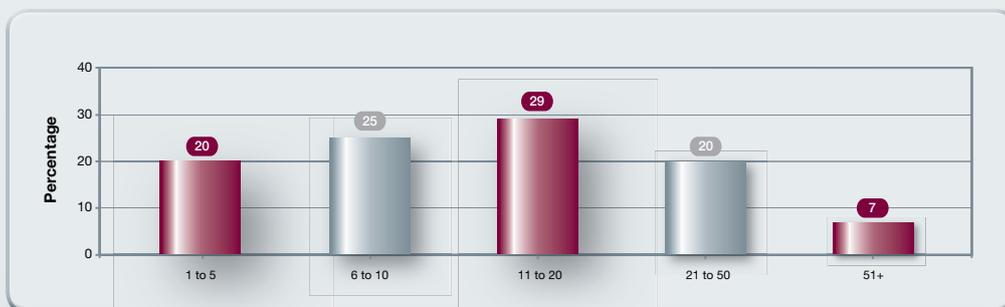
## What is the size of your practice (Branches)?



## Number of full time equivalent vets?



## Number of full time equivalent employees?



# Economic Context

The fear of the deepening economic climate, whilst still proving very difficult for the majority of practices, did not quite live up to the worst expectations. Only 42% of practices said the economic situation within the veterinary market had got more difficult in the first half of 2011. However, only 15% said the situation actually improved, with the remainder saying the situation remained static.

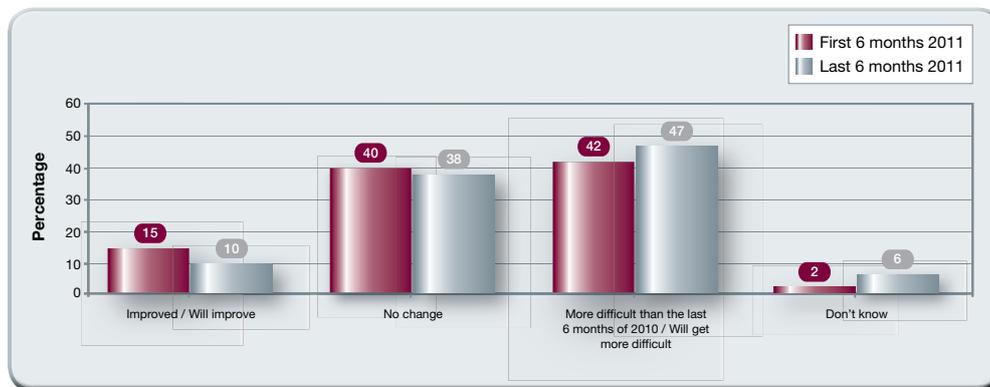
When asked to predict how the veterinary market would fare for the last 6 months of 2011, the ambiguity appears even stronger. Although 47% predicting the situation will continue to get worse and only 10% predicting any improvement, a surprisingly large 38% were predicting no change, whilst a surprising 6% admitting they cannot predict how the market will fare.

When commenting on their own practice for the first 6 months of 2011, the situation was generally more positive, with 37% stating an improvement in fortunes, 32% saying no change and only 30% (compared to a prediction of 36%) saying the situation had got worse.

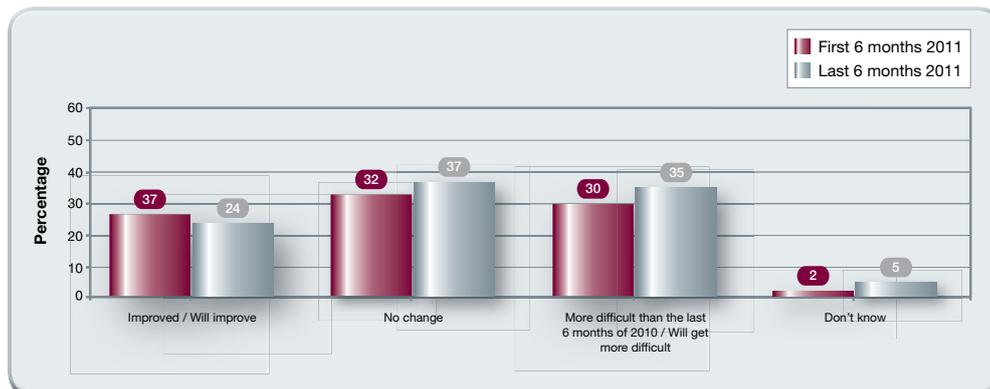
Looking at the prospects for the practice in the last 6 months of 2011, the lack of clarity returns, with the largest group (37%) predicting no change alongside 5% unclear about their own fortunes, another 35% predicting the situation to get worse and only 24% predicting an improvement.



How would you describe the economic situation for the veterinary market in the first 6 months of 2011 and the last 6 months of 2011?



How would you describe the performance of your practice in the first 6 months of 2011 and the last 6 months of 2011?



# Key Highlights

- 80%** of owners believe there is a great deal of trust in the team
- 43%** of staff state they do not receive a formal appraisal meeting
- 32%** of owners admit their teams do not receive a formal appraisal meeting
- 23%** of employees believe their management team are not accessible
- 31%** of staff admit they are not willing to put in effort beyond the norm
- 30%** of staff do not believe communication is good in their practice
- 52%** of staff do not believe they receive ongoing communications about their performance
- 52%** of staff believe poor performers are not managed effectively
- 53%** of both staff and vets believe they/their teams would be happy to spend the rest of their career with their practice
- 43%** of staff do not believe everyone is treated equally
- 85%** of owners believe everyone in their team is treated equally
- 20%** of nurses believe they are not given sufficient freedom to provide a personal service to their customers
- 51%** of staff do not have a personal development plan
- 69%** of employed vets do not believe their pay and performance are linked
- 17%** of staff are actively looking for a new position
- 15%** are also unsure about their intentions to stay





# Engagement

## What is Employee Engagement?

Employee engagement is the creation of a win:win situation between employees and employers, creating alignment and value for both parties. It is a positive attitude held by the employee to the organisation and its values. When working well, a practice with higher levels of engagement will have a competitive advantage through employees who deliver a greater contribution to the practice and to the end customer.

## Our unique proprietary research indicates that engagement is composed of 3 critical factors:

**Motivation:** employees who are proud to work for their practice and committed to help drive success.

**Line of Sight:** the focus and direction that help guide employees in their day-to-day efforts.

**Integrity:** the belief and trust an employee has in the leadership of the practice and the equitable management of employees.

## The Cycle of Engagement

Engagement can neither be 'taught', nor is it consistent over time. A new joiner can typically start with high levels of engagement, fuelled by positive perceptions of how a new challenge may turn out. However, these preconceptions are not guaranteed to last and the degree to which this is sustained is reliant upon how well the working environment lives up to the initial promise – what is often termed the Employment Deal. The practice must work to understand what drives engagement within their practice and continually nurture it through a 2-way relationship between the employer and employee. It is a combination of the more formal employment expectations (appraisals, reward, development) being fair and equitable, alongside less formal aspects (recognition, praise and constructive development) that will help sustain engagement over time.



## Measuring Employee Engagement

Small practices can be complex organisations. Leadership visibility and integrity is critical to the effective management of highly educated teams and clarity of roles and purpose are essential to the efficient running of the practice and can often make the difference between profit and loss to a small business.

Measuring employee engagement can provide a broad and deep insight into the internal dynamics of your business, highlighting areas of focus that may not be visible when immersed in the day-to-day running of the practice.

## How can we help

**We can help you build, deliver and analyse engagement surveys that will provide a measurement of engagement from all key functions of your practice.**

- An independent and anonymous survey and analysis of sensitive issues that will help drive change in your practice
- Survey design and development
- Online survey deployment and data capture
- Statistical analysis that provides actionable results
- Unique proprietary benchmarks against our employee attitudes survey, providing an accurate context
- Analysis of engagement, the factors that construct engagement and the drivers that ultimately impact engagement levels
- Analysis by overall practice, branch (if multiple), job function (e.g. vets, nurses, administration)
- Gap analysis: what actions will have the greatest impact
- Focus group discussions with key teams to understand the reasons behind engagement scores
- Action planning: we can help turn issues into opportunities and help you see the actions through

# Leadership

Our engagement model demonstrates how critical leadership is to any business and in particular to a small business such as a veterinary practice, where the owner(s) are often the fulcrum of the business, being the main revenue generator, setting the strategic direction of the practice and acting as line manager to many, if not all, the staff.

In difficult times more than ever before, leading a practice isn't just about managing the cost base and taking responsibility for earning the revenue, it is about inspiring the team to take ownership of initiatives and empowering individuals to fulfil their potential and by doing so adding value back to the business.

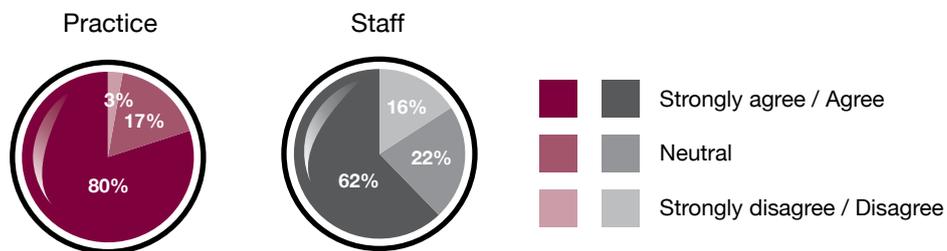
The evidence demonstrates that the personal relationship between staff and management appear to hold up well, with 79% of vets and 76% of staff stating that the relationship between management and teams are generally good.

However, when it comes to assessing levels of trust and accessibility of management the scores are not so positive. Despite 80% of vets believing that there is a great deal of trust in the team only 62% of staff agree and 16% actually disagree. Likewise on the accessibility of management only 57% of staff agree and, of concern, 23% disagree. When pushed on whether staff feel as valued as external customers, only 45% agreed and similarly 21% disagreed.

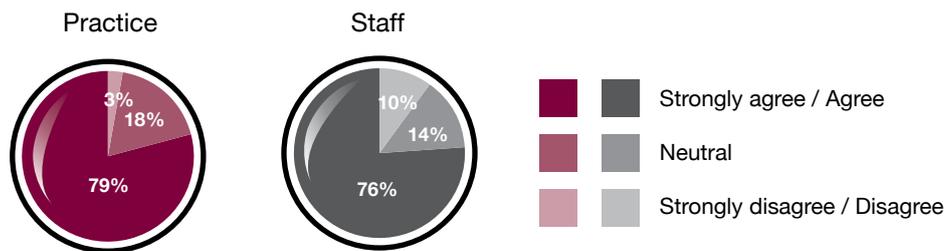
These results demonstrate that many veterinary practices still maintain the environment of the small, friendly family businesses, which is so often crucial to their initial success. However, being a friendly environment doesn't necessarily mean being an effective business. Owners need to ensure that personal relationships do not conflict with their role as line managers, which will necessitate being fair and consistent when measuring the performance of all their staff and no doubt needing to give a harder message to individuals on key priorities. As businesses look to grow and thrive in a turbulent economy, the owners need to establish their role as business leaders and manage their staff on a more formal footing. Visibility is crucial, demonstrating an ethic that everyone in the business is 'in this together' and ensuring that all team members can feel heard and valued.



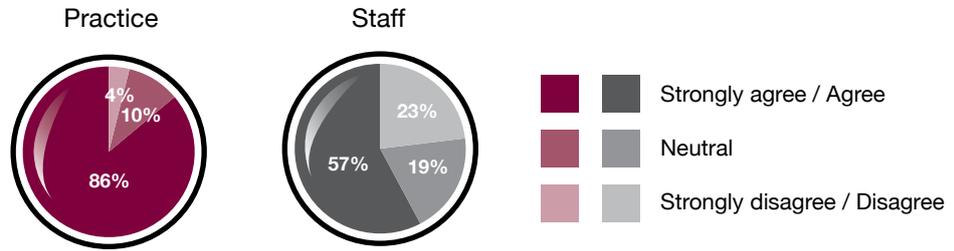
To what extent do you agree that there is a great deal of trust in the team?



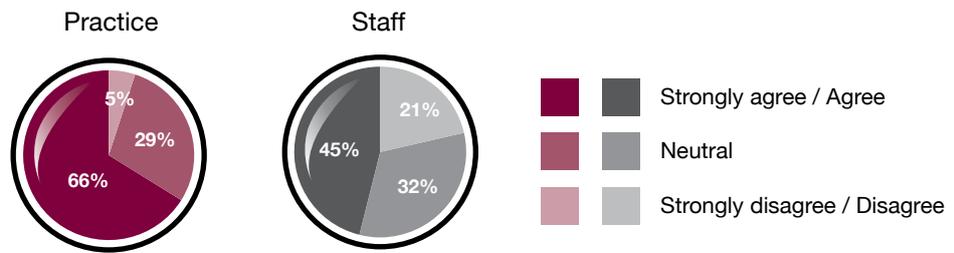
In general to what extent do you agree the relationship between individual team members and the management team is generally good?

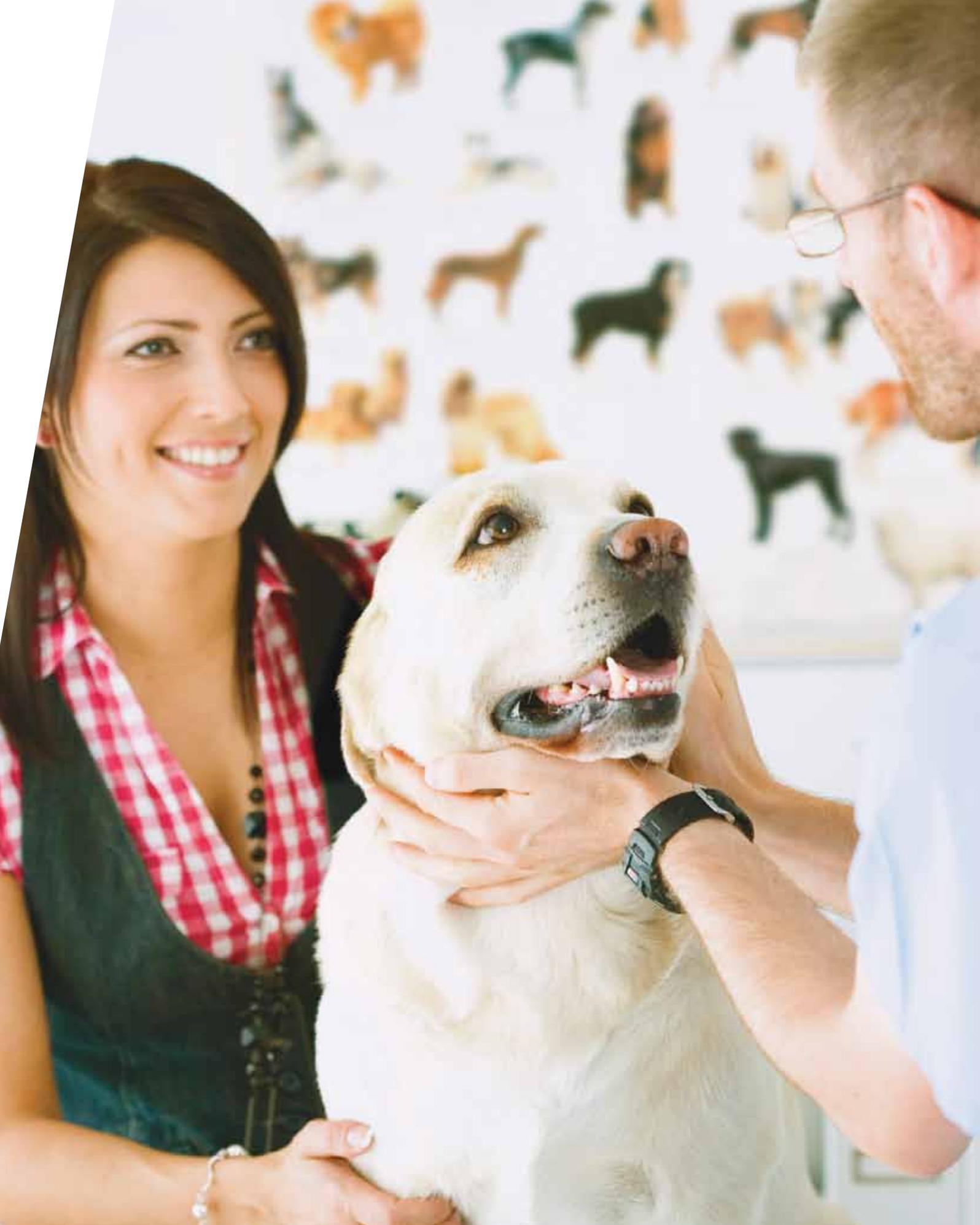


To what extent do you agree that the management team within the practice are typically accessible to staff?



To what extent do you agree that your practice values internal customers as much as external ones?





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# Team Effectiveness

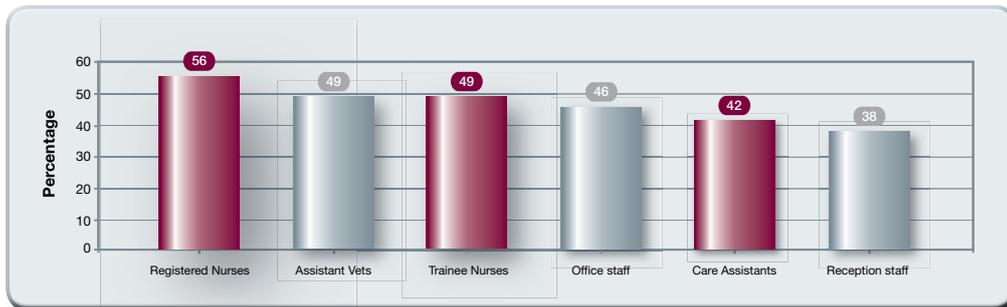
The importance of team effectiveness cannot be overstated. Good communication, efficient processes and consistent protocols make the business function smoothly. When asked about how effective their teams operate, owners were far more positive than their staff with 76% of owners believing their staff were willing to put in effort beyond the norm, whilst only 63% of staff admitted that this was the case – with another 19% disagreeing. Perhaps of more concern is that only 47% of staff (vs 56% of owners) believe the communication within the practice is good with a significant 31% disagreeing that this is the case.

To understand these issues further we separately asked the staff whether they felt the practice failed to fully use their team's expertise, with the nursing staff agreeing most strongly, followed by vets and trainee nurses. More detail about how well teams are functioning is revealed by 44% of staff saying their teams fail to hold regular team meetings. Potentially of real concern is that when asked whether they were able to deal with interpersonal conflict within their teams without long-term discontent, only 53% of staff agreed. 23% of staff disagreed with this and another 24% were neutral.

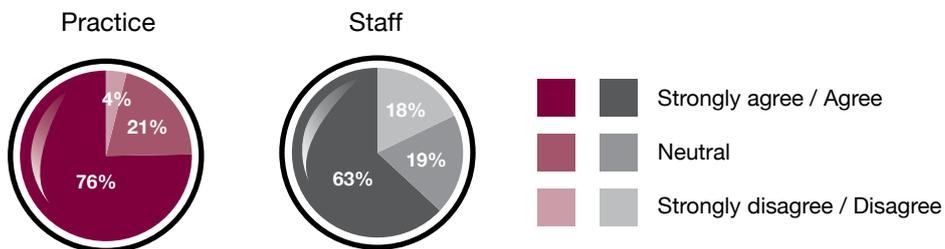
These results do leave the impression that, whilst some practices are benefiting from committed teams, there are a sizeable number that are functioning less than optimally. The term *esprit du corps* is most relevant here and practice owners need to empower their teams to fulfil their potential. Communication is critical to the success of any business and owners need to ensure that teams do not operate in silos. Good communication between teams is at the heart of patient case and compliance, as well as the key to a high quality customer experience. Communication, both formal and informal provides the forums to share differing opinions and if managed well will provide all members of the team with the opportunity to share their views. Differing views and experiences can add value to organisations if harnessed properly, but can also be cause for discontent if allowed to fester.



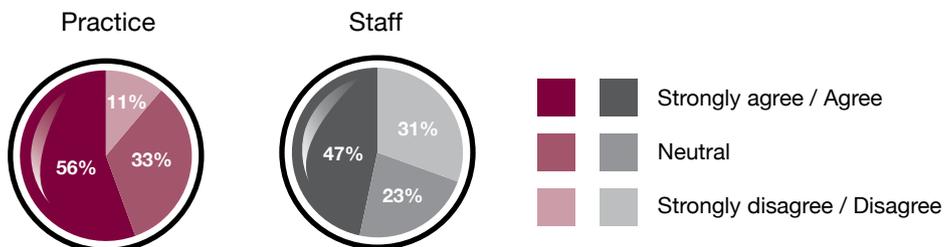
**Staff: I do not believe we fully utilise each team member's expertise:  
Answering Fully Agree or Agree:**



**To what extent are your team willing to put in effort beyond the norm for the success of the practice?**



**To what extent do you agree that the communication between staff members is good?**



# Role Definition

Unsurprisingly, staff gave strong positive feedback regarding their capabilities for performing their role – this is to be expected in an industry where professional competence is a minimum requirement. What is interesting is that in answering how well defined the roles and responsibilities are – the perception is stronger, both positive and negative from the staff – whereas there appears to be a lack of conviction from owners. 72% of staff felt they understood their roles well, but another 12% felt they were undefined – whilst 25% of practice owners were unsure on this topic. Likewise on the topic of how well the team understands the practice's own goals and objectives – 69% of staff felt they did understand, but another 16% were clear that they did not, whereas again a sizeable proportion of owners (36%) felt unclear either way as to whether their staff were in alignment with what the practice was trying to achieve.

In a deeper investigation of the employee study, it would appear that the level of understanding about how their role affects the end customer again weakens for mid-sized practices (between 4 and 10 FTE vets). This may be the size of practice where resources for line management are at their weakest, as they try to manage a growing business, but are not at a point in time where they have brought in more formal line management to help cope with the increasing burden that comes with it.

Having effective role definition is not just about understanding your own tasks and functions. Of equal importance is understanding how your role interrelates with other teams, the end customer and what you need to prioritise to have the maximum impact on the success of your practice.

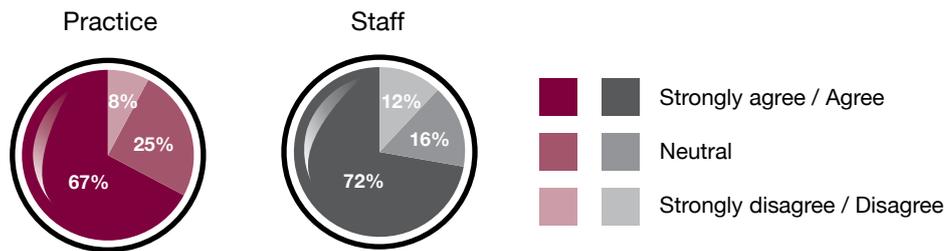
The diverse answers between owners and staff may have 2 origins. It is possible that owners are less convinced than their staff that they truly understand what makes the difference when delivering a service to the customer. It is also possible that staff are judging their professional capabilities, when actually it is 'how' a service is delivered that will make the difference to the customer.

Another possible cause is that role definition has happened 'bottom up' with much of the responsibility having been taken by individual staff members on defining their roles and so the practice owners are less clear about how well role this has been achieved. The concern should be that if staff have taken the initiative to define the roles, they may not be in alignment with what they should be focusing on to add maximum value to the practice.

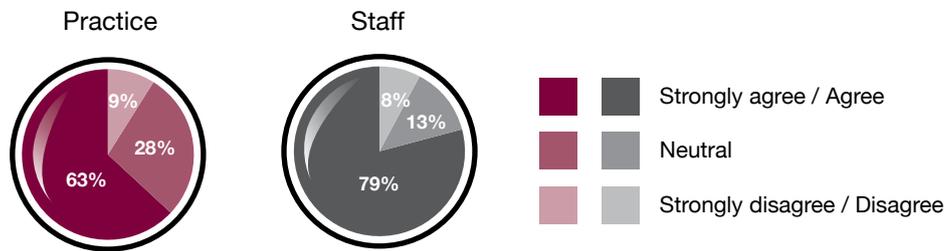


Either way, practice management need to take more responsibility to ensure practice goals and individual responsibilities are in alignment with the true needs of the practice and that staff appreciate that clinical excellence needs to be combined with service excellence to exceed customer expectations.

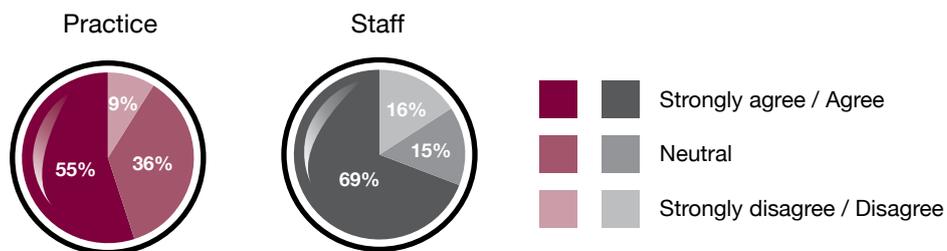
## To what extent do you agree that each individual within your practice has well defined roles and responsibilities?



## In general how well does your team understand how their performance at work contributes to the success of the practice?



## In general how well does your team understand the practice goals and objectives?



# Performance Management

Our unique model of engagement demonstrates the importance of Performance Management as it is the arbiter that makes many of the drivers for engagement effective. Performance management is not just about the annual appraisal, although this is a critical element in ensuring performance is measured fairly and consistently. It is also as much about regular communication from line management and other leadership team members, both formal and informal, that provides constructive feedback on how an individual is performing and offers recognition of their ongoing achievements throughout the year.

Here, our research would suggest, many practices are falling down. Of most concern, is the apparent disparity between owners and staff on the degree of informal feedback, with 48% of owners believing this does happen whilst 52% of staff disagree. This is reinforced by the degree of agreement between practice owners and staff on the lack of formal annual appraisals with 32% of owners and 44% of staff disagreeing that these take place. The final piece of evidence here is the disparity of agreement as to whether all staff are treated equally – with 85% of owners believing this happens, whilst 43% of staff disagree.

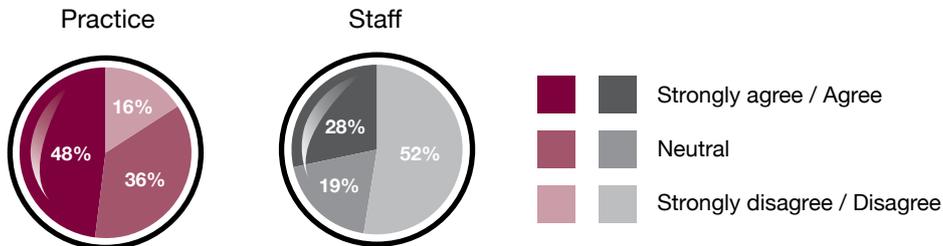
A deeper analysis suggests that those practices that are at most risk of weaker performance management and communication processes are mid-sized practices (between 4 and 10 FTE vets). It would appear that smaller practices can more naturally manage regular informal communications between staff and management and can make the time for formal performance management processes to happen, whilst larger practices (11+ FTE vets) can put the management structure and processes in place to ensure that these processes happen on a formal basis.

Managing poor performance is also critical to maintaining the engagement of staff and this is another area where practices appear to fall down. Overall 52% of staff believe that poor performers are not managed effectively, with 56% of vets and 53% of qualified nurses agreeing. Not dealing with poor performers leads those that do contribute beyond the norm to question their efforts and can ultimately lead to a culture of lower performance. When this starts to affect service levels for the end customer it can damage the reputation of the practice.

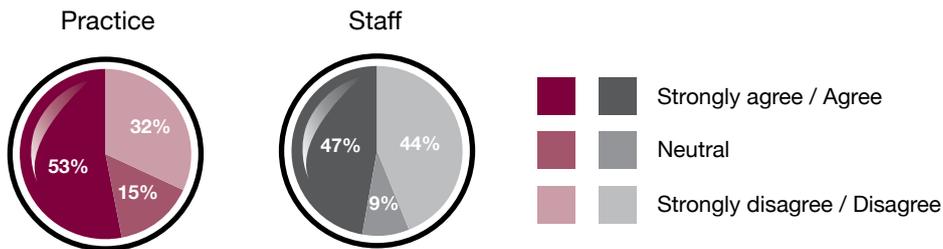
Critical to the effectiveness of performance management is the message it sends to the individual. If that message is to provide regular feedback (both positive and constructive) throughout the year, it will serve to reinforce the perception of consistent and effective management and help build the engagement of the team.



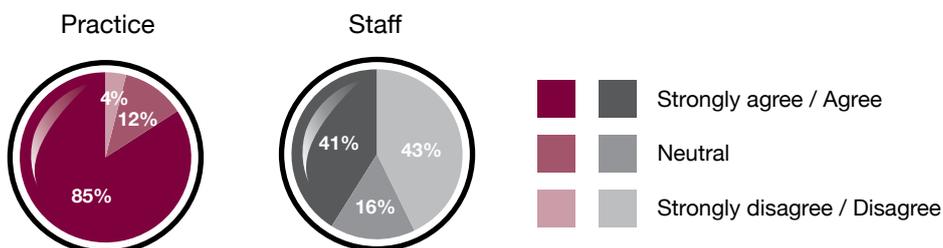
To what extent do you agree that individual members receive ongoing informal feedback about their performance?



To what extent do you agree that individual members receive annual feedback in a formal appraisal meeting?



In general to what extent do you agree that everyone in the practice is treated fairly and consistently?



Best practice suggests that if a robust performance management processes were in place, communication between management and staff would improve and so would trust and the platform would be created to help ensure all staff are being measured fairly and equitably.

# Retention of Key Talent

Levels of pride and loyalty towards the practice are good and provide a platform for practices to build upon. However, as is often the case in many industries, the number of employees actively considering leaving the practice is higher than owners would believe and this should be of concern. 78% of practice owners believe that less than 10% of staff are considering leaving. The actual number is 17% of staff who admitted they were actively considering leaving their current practice. What should also be taken into account is the other 15% who are currently sat on the fence and would not commit themselves to staying. These could be considered ready to leave at the right time for them, or when the right opportunity comes along. 43% of staff agreed that they had too few opportunities to move now.

Registered nurses along with administrative and reception staff displayed the highest levels of pride and loyalty towards their practice, whilst the senior vet population gave the lowest scores.

Another dynamic within this issue is the retention of younger members of staff. Those newly qualified or in trainer positions clearly are more mobile and are far less likely to see their whole future at the practice. Practices need to ensure they bond and engage new talent through structured training programmes if they wish to retain new staff who they invest in heavily during their early years.

Considering we are in the worst economic climate that most have experienced and we are researching the opinion of employees working in a vocational industry, the figure of 32% either actively or potentially looking for work is of concern. If and when, the economic outlook brightens, these numbers will only increase and those currently sat on the fence are those most likely to consider other opportunities. Those in positions that have the greatest opportunity to move (such as vets) and those in younger age groups that make them naturally more mobile, are the most at risk of leaving.

Another question for practices to ask is whether those staff not looking to move are staying for the right reasons – and crucially are they engaged? 49% of staff felt their life would be disrupted if they left their practice.

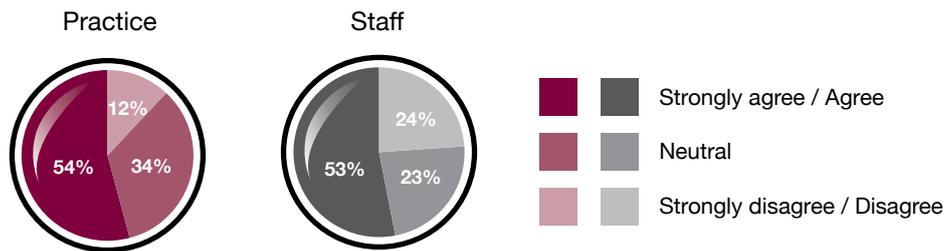
Most, if not all, businesses consider a certain degree of turnover of staff to be healthy, enabling them to bring in fresh ideas and experiences. However, this is only a positive if they are retaining the right people. Critically, practices need to ask whether they are doing enough to link performance and rewards with



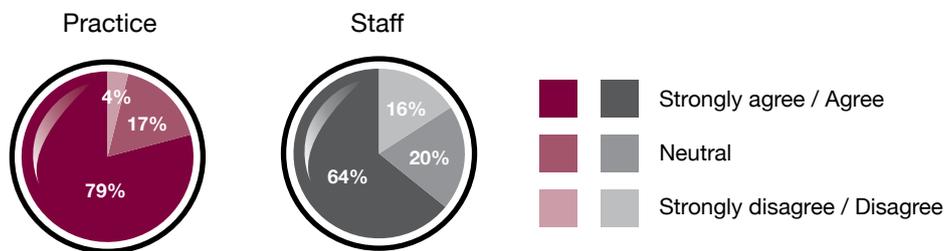
# Retention of Key Talent

the retention of their high performers who add most value to the business. The cost in terms of loss of revenue generating roles, coherency within teams, along with the cost of recruitment and training, should be enough to make practice owners review how hard they are trying to retain their key talent. Ensuring that those that do offer the greatest value back to the business are recognised is crucial. However, nearly a quarter (24%) of staff felt that their contribution to the practice was not valued.

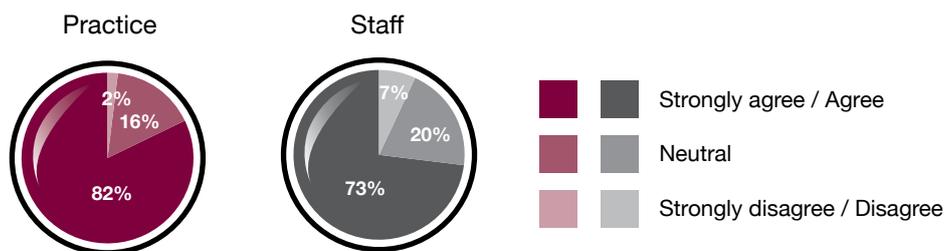
**To what extent do you agree that your team would, in general, be happy to spend the rest of their career with your practice?**



**To what extent do you feel your practice team have a high level of loyalty to your practice?**



**To what extent do you agree individual members of your team are proud to work for your practice?**

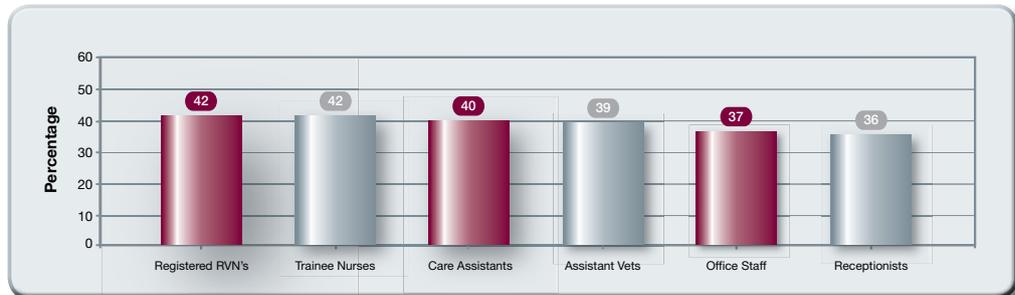


**Practice: What proportion of your staff do you feel are actively considering leaving your practice (by number of full time equivalent vets).**

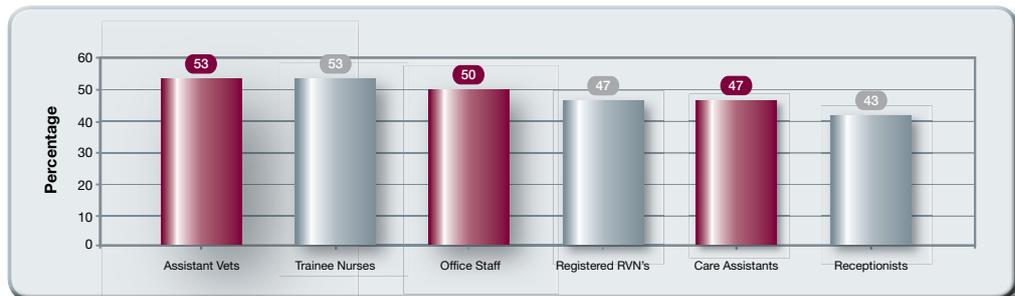
Percentage	Responses
0-10%	78.24%
11-20%	13.75%
21-30%	3.87%
31-40%	1.34%
41-50%	1.74%
51-60%	0.13%
61-70%	0.40%
71-80%	0.40%
81-100%	0.13%

Interestingly 17% of staff said they were actively looking for a new position and a further 15% were also unsure about their intentions to stay

**Staff: I feel I have too few opportunities to move now  
Answer Strongly Agree or Agree:**



**Staff: Too much of my life would be disrupted if I left my practice now:  
Answer Strongly Agree or Agree:**





# Delivering to the end customer

There are positive figures on the degree to which staff understand how their role can impact the end customer and the degree of freedom they have to serve the end customer's needs. In the end, it is the customer who decides the success of the practice and giving sufficient guidance and freedom to provide a personal service is critical to success.

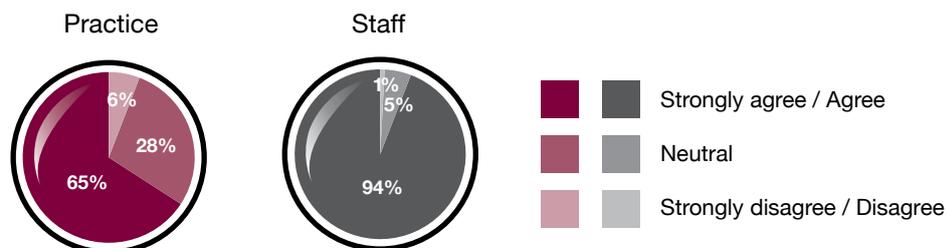
Two figures worthy of further consideration are that staff (94%) feel they have more clarity on how their role impacts the end customer than practice owners (65%). Is this another a sign of the autonomy taken by staff to understand their role, or insufficient control from line managers on clarifying this? On the subject of freedom to provide a personal service, far more staff (16%) felt they did not have sufficient freedom to provide a personal service, compared to the practice owner (3%).

It is also worth noting that 20% of registered nurses and 17% of trainee nurses feel they do not have sufficient freedom to deliver a personal service, compared to only 11% of vets, again reinforcing previous studies that nurses can be an under utilised resource. Given the front office role many nurses have, this should be worth further review.

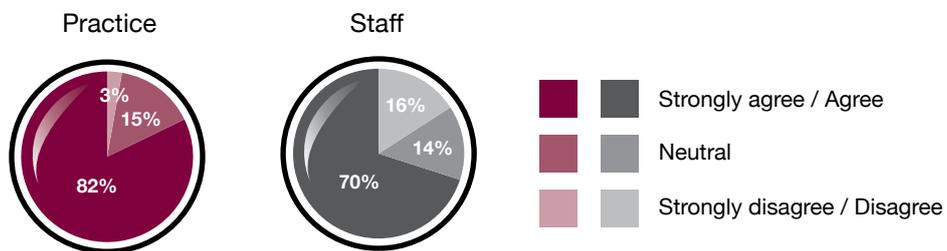
Practice owners need to consider whether their staff are given the right degree of support to take the initiative to provide a high quality service. This means autonomy for the individual but only when supported with the right skills and the right processes and training.

The flip side of these issues relate to the importance of compliance to clinical and service standards. Of potential concern is the perception of vets regarding the degree of freedom that they have to operate autonomously on these issues. Owners need to ensure that the right to clinical freedom is not impinging on the need for a degree of internal compliance.

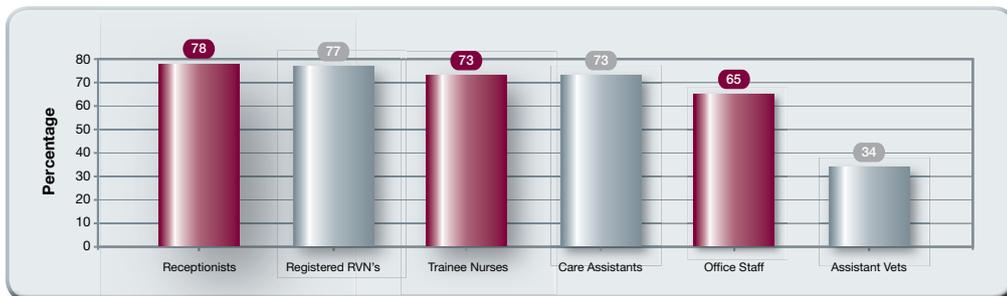
## In general how well do your team understand how their role affects the end customer?



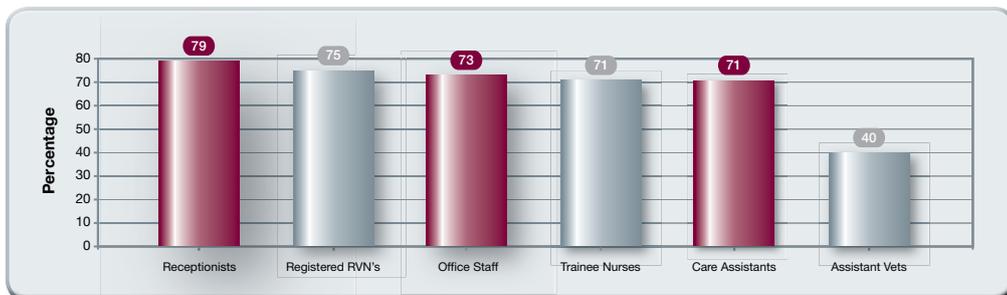
To what extent do you agree that individual members are given sufficient freedom in their role to provide a personal service to customers?



Staff: There are standard operating procedures on clinical care that I must follow:  
Answer Strongly Agree or Agree:



Staff: There are standard operating procedures relating to service standards that I must follow:  
Answer Strongly Agree or Agree:



# Training and Development

Understandably both practice owners and staff feel that they are sufficiently trained to perform their roles to a high degree of quality. However when pushed further, 19% of vets and 20% of nurses felt they were not receiving sufficient ongoing training to improve their knowledge and skills. What is noticeable is the lack of development plans to support training and these should be considered not only for clinical CPD but also service-related competencies that support service levels and the growth of the practice.

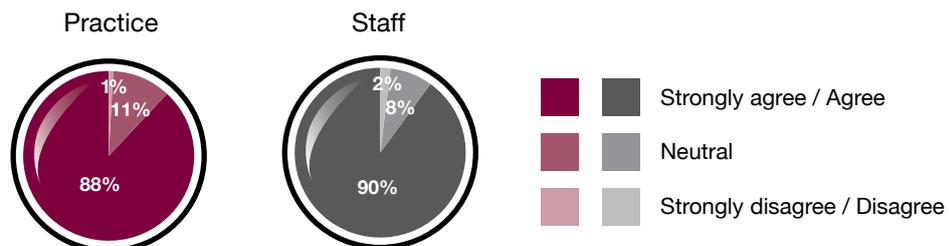
This is supported by previous research by VetSupport+ which revealed that whilst customer perception of vets and nurses was very high, it was other factors such as communication around the consult and presentation of the final invoice that often undermined the perception of value. Making the whole customer experience positive is critical to maintaining client loyalty and growing a practice.

A lack of development opportunities is also a driver for encouraging staff to look elsewhere, again with vets (54%) and nurses (50%) leading the way when asked whether they would consider leaving for career progression opportunities elsewhere.

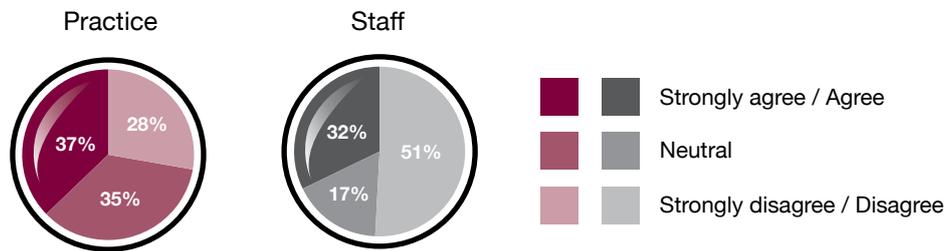
Investing in staff is both an investment in your customers to enhance services levels and your practice, as a means of retaining key talent by providing growth opportunities and supporting their development. Growth does not necessarily mean climbing a career ladder – for many it can be about having broader roles and the opportunity to experience new challenges and take on additional projects and responsibilities.

Another angle on this issue, is the size of practice at which progression opportunities appear more readily available, with larger practices appearing to be able to offer more growth opportunities to their staff. Smaller practices should recognise that they could be in a position to offer equal, if not more, opportunities for staff to broaden the scope of their roles, due to their size.

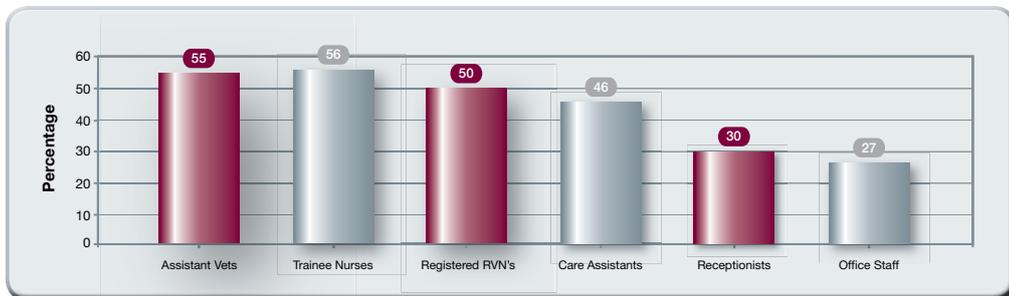
## To what extent do you agree that individual members have the skills and knowledge to do their job?



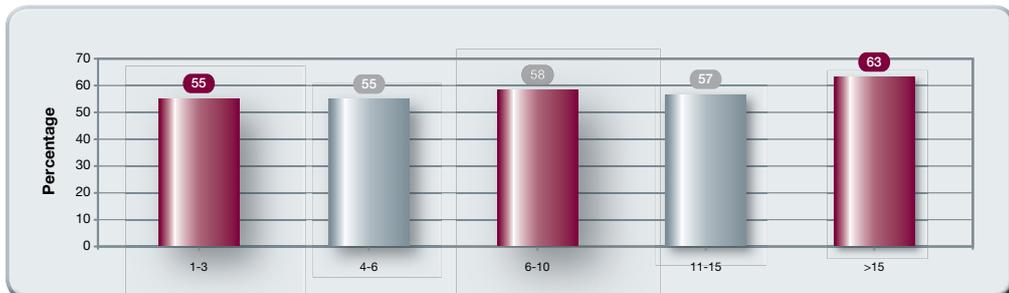
To what extent do you agree that the individual members have personal development plans?



Staff: I would consider leaving my practice for better career progression opportunities elsewhere:  
Answer Strongly Agree or Agree:



Staff: My practice provides me with sufficient opportunities for growth and development (by number of full time equivalent vets)  
Answer Strongly Agree or Agree:



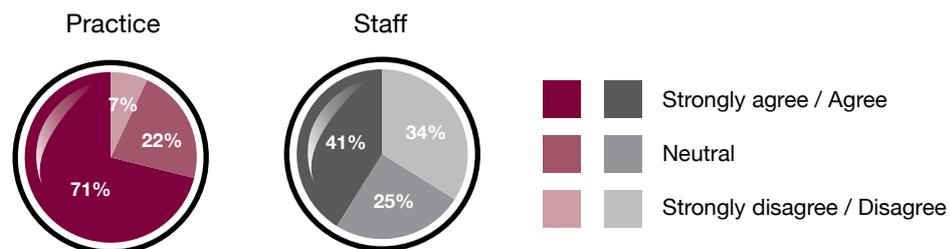
# Reward and recognition

The perception of the fairness of pay often causes a disparity between employers and staff. However, the figures in these studies are quite disparate, with 71% of vets, but only 41% of staff, agreeing that levels of pay are fair and competitive. Similarly only 7% of owners, but 34% of staff, feel that this isn't the case.

Supporting this issue is a widespread belief that pay and performance are not linked, with 69% of vets, 66% of nurses, 75% of trainee nurses (an interesting perspective of people new to the industry) and 71% of reception staff believing this.

What vets should consider is that while pay levels may be fair within the industry sector for each function, the need to demonstrate a differentiation based on the performance of individuals (either through pay rises, bonus awards or smaller recognition schemes), is a visible and effective way of ensuring that whatever is available to reward the individual is given to those that most deserve it.

## In general to what extent do you agree that the pay your team receives is fair and competitive?





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# Conclusions

The veterinary industry continues to evolve from the traditional community practice into more modern businesses that are at the same time, weathering the economic storm. In conjunction with this, the industry is having to compete on the high street and in the increasingly competitive farming industry. Therefore the need to maximise the value of their people and the resultant investment is becoming an increasingly important issue. Each key factor that we have discussed in this report has an important role in making the modern practice a success. However, critically they interrelate.

Engagement is the key – an engaged workforce will deliver increasing value back to the business and provide competitive advantage. However, engagement has to be earned and practice leaders need to ensure they are taking every opportunity to increase engagement within their employees through delivering on the employment deal they make with their staff.

Leadership is crucial in setting the example that staff should follow and setting a common direction. The effectiveness of teams is critical to the efficient running of the practice, but equally each team member must have clarity of the role they play and how this affects both the success of the practice and the end customer. The retention of key performers is essential in maintaining continuity and keeping recruitment costs low and giving developmental opportunities and support for training will support this strategy. However, performance management is the key to bringing all these issues together, acting as a tool for delivering on management, communication and engagement.



## Glossary of terms

**Drivers of engagement:** the actions that practices can control that affect engagement levels

**Engagement:** the combination of leadership, motivation and line-of-sight

**Employment deal:** the total employment proposition to employees: including pay, training, career development

**Integrity:** the creation of an environment that demonstrates the values of the practice and creates a culture of trust

**Line-of-sight:** the focus and direction that enables employees to understand what to do to help their organisation achieve its goals

**Motivation:** the commitment of employees to help achieve organisational goals and the intention to stay with the practice



# Notes







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