GET PRODUCTION

PAY PLANS THAT REWARD THE RIGHT WORK

Your pay plan will produce exactly what it pays for, including the things you did not intend.

WHAT A GOOD PAY PLAN DOES

A good plan lets a tech predict their paycheck. It rewards the behavior you want, and it holds up in a slow month. It also has to be legal, and it has to be simple enough to explain in two minutes.

THE COMMON MODELS

Hourly. Simple and predictable. Techs have no direct reason to produce more, so you need strong management and a culture of good work. It tends to suit newer techs, helpers and install crews.

Hourly plus commission or spiffs. A base for security, with extra for sales, plans or tech-generated leads. This is the most common mix, and it's flexible. The danger is making it so complicated that nobody trusts the math.

Commission on revenue. Pay is a percentage of what the tech produces. Strong producers do very well. Slow months hurt, and quality can suffer if callbacks aren't accounted for.

Flat rate. Pay is based on the book hours assigned to each task, regardless of actual time. It rewards speed and skill. It can encourage rushing, and it requires an accurate price book.

Salary plus bonus. Stable, and easy to budget for. It requires careful classification, because most technicians are non-exempt and owed overtime.

PICK WHAT YOU WANT TO REWARD

List the five behaviors that matter most in your shop. They might be billable hours, average ticket, memberships sold, callbacks avoided and customer reviews. Now look at your plan, and ask what it pays for. If you only pay on sales, expect sales. If quality matters, build it in.

Beware of these common mistakes:

- Paying a sales spiff with no callback or cancellation clawback rule that's been reviewed by counsel
- Paying on review counts. Google's policy bars asking staff to solicit a certain number of reviews. See the Google rating guide.
- Changing the plan every few months
- Having plans that vary by person with no clear reason
- Giving some techs all the good calls, then paying them for the results

BUILD IN THE TOUGH MONTHS

Your plan needs a floor, or good people will leave after the first slow stretch. Many shops keep a base wage or a guaranteed minimum. Run the plan against last year's numbers for your slowest month, for every technician. If anybody would end up in trouble, fix it before you launch.

OVERTIME DOESN'T GO AWAY

Commission and production pay don't remove overtime. Under the FLSA, the regular rate generally includes commissions and nondiscretionary bonuses, and overtime is calculated on that regular rate. A promised bonus for hitting a goal generally counts. States can add rules of their own. Have a wage and hour attorney review your plan before you roll it out. See cutting wage and hour risk.

ROLL IT OUT CAREFULLY

1. Model the new plan against 12 months of real data for each person.
2. Show each tech what they would have earned, side by side.
3. Put the plan in writing, with clear definitions.
4. Consider a transition period that protects current earnings.

5. Review it after 90 days, and listen to complaints.

MAKE THE NUMBERS VISIBLE

Give techs a simple statement each pay period. Show jobs, revenue, commissions and how each number was calculated. Let them check it in the app. Fix errors immediately and without argument. When techs trust the math, they spend less time worrying about it and more time on the work.

WATCH FOR BAD INCENTIVES

Review recommendations and photos. Compare replacement recommendations across techs. If one tech recommends far more replacements than everyone else, it could be skill or it could be a problem. Ride along and see. A plan that pushes people to oversell will cost you far more than it earns.

Sources: DOL Fact Sheet 22; DOL Fact Sheet 56A, regular rate; Service ProCall program guidance.

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BEST PRACTICES: HIRING AND KEEPING GOOD TECHS

MAKE IT A HABIT

What good looks like

> You know your turnover rate and why people leave.

> Every new tech has a 90-day plan and a mentor.

> Pay, growth and recognition are clear and written down.

The habits

1. Hire for attitude and teach the trade, with a clear path from helper to lead.
2. Plan the first 90 days: ride-alongs, checklists and weekly check-ins.

3. Hold stay interviews with your best people before they think about leaving.
4. Make pay plans simple enough to explain on one page.
5. Use a fair scorecard, and coach before you correct.
6. Remove the frustrations that make techs quit, such as bad routes, missing parts and chaotic days.

Signs it's time to get help

- You lose more than one in five techs a year.
- New hires quit in the first few months.
- Techs complain about routes, callbacks or the office.

How one shop did it: Barron Heating AC Electrical & Plumbing (Ferndale, Washington). Built its own 15-week technician school with classroom, lab and field time, and takes six students per class. Nearly 40 graduates, retention above 90%, every graduate passing the NATE and EPA exams, and warranty callbacks reportedly cut in half. Contracting Business, July 15, 2026

Where we fit: We don't place techs. ProCall Field helps with what makes them stay: organized days, fair scorecards and training.

More on hiring and keeping good techs