Salaries for perioperative nurse managers and directors are keeping pace. But is the pay high enough to keep them in these high-pressure positions?

An OR manager makes on average $85,485 this year compared to $81,694 in 2003, according to the 14th annual OR Manager Salary/Career Survey. For 1 in 5, pay tops $100,000.

But the average salary may not be sufficient to attract leaders to run stressful OR suites with multimillion-dollar budgets. Recruiters say it is increasingly difficult to fill directors’ jobs (related article below). As managers get older—the average age is 50—they are less likely to want to relocate to take a new position or deal with the stress.

Some of the biggest challenges for OR directors, according to the survey, are the relentless need to reduce costs; find capital for new technology; enforce policies; and increasingly, meet competition from surgery centers and specialty hospitals.

Yet, despite the pressure, most managers find their jobs satisfying, particularly their relationships with physicians and the staff. They’re less happy with their pay and the recognition they receive.

The survey was mailed in May to 1,229 OR Manager subscribers and had a return rate of 34% (418). A separate survey was conducted for ambulatory surgery centers. The staffing portion of the survey was reported in the September issue.

Salaries and raises

The average salary for an OR director is $86,043, and the average for a manager is $73,957. The majority (52%) make over $90,000, and 20% are into 6 figures.

Salaries over $100,000 are most common in the West (36%) and in teaching hospitals (30%). A few (7%) earn under $60,000. This is most common in the South and in small ORs (1-5 rooms).

The vast majority (85%) of managers received a raise in the past year, averaging 4.1% over their base. Raises varied little by region and type of hospital. Managers of smaller ORs received smaller increases:

<table>
<thead>
<tr>
<th>Size of OR</th>
<th>Raise</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 ORs</td>
<td>3.7%</td>
</tr>
<tr>
<td>6-9 ORs</td>
<td>4.5%</td>
</tr>
<tr>
<td>10+ ORs</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

The highest earners are in the West, where the average of $93,656 is almost $12,000 over the Central region, which had the lowest average at $81,718.

The highest pay goes to those in teaching hospitals, managing 10 or more ORs, and with multisite responsibilities. For comparison, hospital heads of nursing services earn a median base salary of $147,000, according to Modern Healthcare.

Bonuses

Despite the constant financial pressure, only 39% of managers are paid an incentive bonus, though that rises to half in larger departments. By title, 45% of directors get bonuses, while 20% of managers do. On average, the bonus was 7.9% of base salary.
Those receiving bonuses by size of OR

<table>
<thead>
<tr>
<th>OR Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 ORs</td>
<td>23%</td>
</tr>
<tr>
<td>6-9 ORs</td>
<td>46%</td>
</tr>
<tr>
<td>10+ ORs</td>
<td>50%</td>
</tr>
</tbody>
</table>

Benefits

Benefits have remained fairly stable over the past 5 years, though fewer directors report retirement plans, and more are receiving dental and eye care. Some reported higher copayments and deductibles for health insurance.

<table>
<thead>
<tr>
<th>Benefit</th>
<th>2004</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health insurance</td>
<td>99%</td>
<td>99%</td>
</tr>
<tr>
<td>Dependent health insurance</td>
<td>81%</td>
<td>79%</td>
</tr>
<tr>
<td>Life insurance</td>
<td>94%</td>
<td>95%</td>
</tr>
<tr>
<td>Retirement plan</td>
<td>89%</td>
<td>95%</td>
</tr>
<tr>
<td>Dental insurance</td>
<td>92%</td>
<td>89%</td>
</tr>
<tr>
<td>Disability insurance</td>
<td>83%</td>
<td>81%</td>
</tr>
<tr>
<td>Paid time off</td>
<td>99%</td>
<td>–</td>
</tr>
<tr>
<td>Tuition reimb</td>
<td>88%</td>
<td>85%</td>
</tr>
<tr>
<td>Eye care</td>
<td>62%</td>
<td>52%</td>
</tr>
</tbody>
</table>

About your organization

Three-fourths of respondents (76%) are from community hospitals, 23% are from teaching hospitals, and the rest are from other types of organizations.

About your role

Title and work area. The majority of respondents have the title director (61%), followed by nurse manager (26%), and other titles.

Most titles refer to the work area as surgical services (58%), followed by perioperative services (24%), and operating room (14%).

The term “perioperative services” is more common than in 1999, when 12% had that title.

Reporting structure. Typically, respondents (72%) report to the nursing administration, while 22% report to the hospital administration, and the rest to another structure.
Average annual salary by scope of role

- OR only: $75,955
- OR+ other depts: $84,252
- Multiple sites: $90,657

Average annual salary by facility type

- Community: $75,955
- Teaching: $84,252
- Other: $90,657

Average annual salary by title

- Director (n=247): $86,043
- Nurse manager (n=104): $73,957

What is the overall annual operating budget (in millions)?

<table>
<thead>
<tr>
<th>By facility type</th>
<th>By number of ORs</th>
<th>By title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>1-5</td>
<td>6-9</td>
</tr>
<tr>
<td>Clinical</td>
<td>69.4</td>
<td>28.5</td>
</tr>
<tr>
<td>Nonclinical</td>
<td>19.9</td>
<td>5.2</td>
</tr>
</tbody>
</table>

What is your work area?

- Surgery: 58%
- Perioperative services: 24%
- Operating room: 14%
- Other: 5%
- Nursing: 72%
- Hospital: 22%
- Teaching: 56%
- Community: 42%
- 10+ ORs: 79%
- 1-5 ORs: 5%
- 6-9 ORs: 15%

What is your role in purchasing decisions?

- Committee member: 47%
- Advisory: 18%
- Primary decision maker: 35%
- Other: 5%

Do you have an OR business manager?

In all, 24% (98) of respondents have a business manager for the operating room. This varies by the size and type of the facility. Those with business managers:

<table>
<thead>
<tr>
<th>By number of ORs</th>
<th>Teaching</th>
<th>Community</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-5 ORs</td>
<td>56%</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>6-9 ORs</td>
<td>56%</td>
<td>15%</td>
<td>9%</td>
</tr>
<tr>
<td>10+ ORs</td>
<td>56%</td>
<td>15%</td>
<td>9%</td>
</tr>
</tbody>
</table>

By facility type

- Community: 42%
- Teaching: 56%
- Other: 5%

By title

- Director (n=247): $86,043
- Nurse manager (n=104): $73,957

How many clinical FTEs are under your span of control?

<table>
<thead>
<tr>
<th>By facility type</th>
<th>By number of ORs</th>
<th>By title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community</td>
<td>1-5</td>
<td>6-9</td>
</tr>
<tr>
<td>Clinical</td>
<td>69.4</td>
<td>28.5</td>
</tr>
<tr>
<td>Nonclinical</td>
<td>19.9</td>
<td>5.2</td>
</tr>
</tbody>
</table>
Skill mix in OR remains stable

Do surgical techs circulate?

Hospitals

2004

Ambulatory surgery centers

ORs do not appear to be filling staffing gaps by having surgical technologists (STs) circulate in the operating room. Federal and state regulations say that STs may circulate with an RN in the room or readily available.

The ratio of RNs to STs in hospitals, at 64:36, has not wavered in the past 5 years.

The percentage of respondents who have STs circulating has declined in the past 5 years, from 18% in 1999 to 7% this year. No hospitals report that STs circulate on their own.

Of the 28 facilities where STs circulate, 27 are community hospitals, and 15 are in the South.

A small number of hospitals, 7% (n=27), have a staff that is 90% or more RNs. Twenty are small ORs, and 14 are in the Central region.

Ambulatory surgery centers

The staffing ratio in surgery centers is about the same as that in hospitals: 65:35 RNs to STs.

A higher percentage of ASCs than hospitals have STs circulating (14%) (n=19), but none has them circulating on their own.

In all, 19% (n=25) of ASCs have a staff that is 90% or more RN.

The larger the department, the more likely the director is to report to the hospital administration:

• 10+ ORs: 57%
• 1-5 ORs: 12%

Reporting by facility type

By title

Director (n=249)

Manager (n=105)

OR only within one hospital 6% 22%

OR & other depts within one hospital 84% 72%

OR only at multiple sites 1% 1%

OR & other depts at multiple sites 9% 5%

Management scope

How many sites do you manage?

Managing beyond the OR. Managers wear many hats—90% manage departments besides the OR, and 12% manage beyond the hospital walls.

The largest group (79%) manages the OR and other departments within one hospital.

These managers and directors have an average of:

• 6 departments
• 10 ORs
• 77 clinical and 20 nonclinical FTEs.

They are responsible for an overall annual operating budget of $20.7 million.
Purchasing power

OR managers and directors have considerable clout in purchasing. Nearly 100% say they have influence in selecting and purchasing both OR capital equipment and surgical supplies. And the vast majority—80%—say their decision-making involvement increased in the past year. In all, 35% are the main decision maker, and 47% serve on the decision-making committee or team; only 18% say they serve in an advisory capacity only. The smaller the OR, the more likely the manager or director is to be the primary decision maker:

<table>
<thead>
<tr>
<th>Purchasing influence by size of OR</th>
<th>1-5 ORs</th>
<th>6-9 ORs</th>
<th>10+ ORs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary decision maker</td>
<td>45%</td>
<td>33%</td>
<td>27%</td>
</tr>
<tr>
<td>Member of team</td>
<td>39%</td>
<td>46%</td>
<td>54%</td>
</tr>
<tr>
<td>Advisory</td>
<td>16%</td>
<td>21%</td>
<td>19%</td>
</tr>
</tbody>
</table>

About the operating room

Surgical volumes. The average surgical volume is 7,971.

Surgical volume by size of OR

<table>
<thead>
<tr>
<th>1-5 ORs</th>
<th>6,334 cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-9 ORs</td>
<td>12,963 cases</td>
</tr>
</tbody>
</table>

The rise in surgical volume appears to have slowed. Though a majority (51%) say their surgical volume rose in the past year, the increase was not as high as in past years. Most in the East (53%) and in teaching hospitals (54%) reported increased volumes.

Percentage reporting increase in surgical volume

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>51%</td>
</tr>
<tr>
<td>2003</td>
<td>69%</td>
</tr>
<tr>
<td>2002</td>
<td>58%</td>
</tr>
<tr>
<td>2001</td>
<td>63%</td>
</tr>
</tbody>
</table>
**Number of ORs.** Those with the title “director” manage an average of 11 ORs, while those with the title “nurse manager” are responsible for an average of 8 ORs.

**Annual budget.** Managers and directors run multimillion-dollar businesses. On average, respondents are responsible for an annual OR operating budget of $14.4 million.

**Average annual OR budget managed**

<table>
<thead>
<tr>
<th></th>
<th>Director</th>
<th>Nurse manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average budget</td>
<td>$13.5 million</td>
<td>$11.5 million</td>
</tr>
</tbody>
</table>

Directors who typically manage departments in addition to the ORs on average oversee an overall annual budget of $22 million for all departments.

**About you**

**Age and gender.** The age of OR managers has crept past 50. The average director is 51, and the average manager is 49. Five years ago, the average age was 48. Consistent with past years, 90% of managers are female. Only 1 respondent was not an RN.

**Education.** For those with the title “director,” master’s and bachelor’s degrees run neck and neck as the highest degree (36% and 37%, respectively). The bachelor’s is the most common degree for nurse managers (52%).

The most common master’s is an MS or MSN (41%), with MBAs accounting for 29% and other master’s degrees for 30%.

Most (71%) say their employer requires a specific degree for their position. When a degree is required for directors, it is usually a bachelor’s (58%) or a master’s (41%); 2 facilities (1%) require a doctorate. For nurse managers, the most common requirement is a bachelor’s (77%), with a few requiring a master’s (11%), and the rest specifying a diploma, associate degree, or other education.

—Billie Fernsebner, RN, MSN
—Pat Patterson
Despite the relentless pressure of running an OR, respondents generally are satisfied with their positions.

Satisfaction with support and communication seems to be higher in ambulatory surgery centers (ASCs) than hospitals, perhaps because communication is easier in a smaller facility.

Though working with physicians can be stressful, nearly all managers say they have a positive relationship with their MDs. Teamwork among the staff also is strong.

But managers are not as satisfied with their salaries and recognition they receive. A slim majority say their pay is adequate, and 40% of hospital managers and 30% of ASC managers would like more recognition for their efforts.

Managers’ satisfaction varies with the type and size of hospital and, not surprisingly, by how much they are making.

**Continuing education.**
Managers in larger ORs (10+ rooms) (82%) and earning over $80,000 (79%) are happiest with their continuing education opportunities. In contrast, in the smallest ORs (1-5 ORs), 63% are satisfied.

**Salary.** Managers think a salary under $60,000 is not adequate for running an OR today—only 19% in that salary category are satisfied with their wages. Only 7% earn less than $60,000, and most are in small ORs. In contrast, 66% of those earning $80,000 or more are happy with their pay. The majority in this year’s survey are at that pay level.
There’s a building boom in surgery departments as facilities tool up for an aging population and the needs of technology. About 1 in 3 surgical departments is adding new operating rooms, and 1 in 4 is renovating. The average number of ORs being added is 4, and these are about evenly split between inpatient and outpatient rooms.

The main reasons for adding new ORs:
- increase capacity (70%)
- accommodate new technology (40%)
- replace an old facility (30%).

The major reason for renovating is to provide for new technology, named by 77%.

Thank you

OR Manager thanks its subscribers who generously took time to complete this year’s Salary/Career Survey. We appreciate your part in gathering this information, which will be useful to your colleagues around the country.

Salary/Career Survey director

Billie Fernsebner, RN, MSN, education director for OR Manager, Inc, has coordinated the OR Manager Salary/Career Survey for the past 8 years.