OR incentive programs reward staff for ingenuity, taking initiative

Too often, when OR staff work harder to improve service by reducing turnover time or improving on-time starts, their reward is to have another case added to the schedule.

Some OR managers are finding other ways to recognize initiative and ingenuity—cash, gift certificates, and letters from top executives.

So far, those giving financial rewards are in the minority: 18% of respondents to this year’s OR Manager Salary Career Survey say they have such a program. Four managers described their incentive programs in interviews with OR Manager. (They were identified separately from the survey.)

Building a case for cash bonuses

St Joseph Hospital in Orange, Calif, developed a 3-tiered program to reward staff members in the 26-room main OR and 13-room outpatient surgery center. Now in its second year, the program provides bonuses for achieving 50%, 75%, and 100% of targeted goals, with a maximum payout of $525 per individual every 6 months.

Joanne Stermer, RN, MBA, CNOR, executive director of surgical services and endoscopy, began by asking the staff what they thought a meaningful incentive would be. They suggested a take-home amount of $300 every 6 months.

Three incentive targets they suggested were:
- improved turnover times
- getting first cases started on time
- lowering supply costs per unit of service (surgical minute).

She and her team then built a case for the incentives with the Human Resources (HR) Department. One stumbling block was that HR didn’t believe all staff members should be paid the same incentive. Instead, they wanted the incentive based on job classification, so an RN would receive more than an environmental services staff member, for example. The OR staff disagreed and said everyone should be rewarded the same amount because they all have to work together to reach the target.

Setting targets

Targets were set by examining a year’s worth of baseline data for turnover time, supply costs, and first-case starts. For example, the baseline for turnover time in the main OR was 26 minutes. The targets were set at:
- 100% of the bonus: 23 minutes
- 75% of the bonus: 24 minutes
- 50% of the bonus: 25 minutes.

Each incentive target was worth a maximum of $175. If 100% of all 3 targets was achieved, staff could be rewarded a maximum of $525 every 6 months (chart).

In the first 6 months, the main OR had significant improvements on all 3 targets. The outpatient surgery center also improved significantly, but the center’s staff found its target of reducing turnover time from 14 to 11 minutes was too aggressive. At the end of the first 6 months, the target was readjusted.

To kick off the first-case-start incentive, Stermer notified every surgeon and anesthesiologist the OR staff would receive a bonus if they met the target. The staff also began gently reminding surgeons and anesthesiologists they could help them earn the incentive by being on time.

“We have made a great improvement by making them aware the staff would be getting an incentive,” she says.
Self-funding the program

Because the OR had not budgeted for the bonuses, Stermer had to make the program self-funding. She determined the program could pay for itself by lowering the supply cost per unit of service by 2%, which was one of the incentive targets. This was enticing to the CEO, she says.

Stermer believes the staff has a major role in controlling supply utilization. “Management can negotiate the lowest contract price for supplies, but if the staff opens 1 or 2 items they don’t need, costs go up,” she says.

The staff surpassed the goal, decreasing supply cost per unit by 2.1%.

The payout

In the first 6 months, each surgical services staff member in the inpatient ORs received a total percentage payout of 78% ($409.50 for a full-time person). Staff in the outpatient ORs were rewarded with a 76.6% payout ($402.15 for full time). (Payouts are prorated according to time worked during the 6-month period.) The total payout for the 320 staff members totaled $68,853. Those receiving payouts included RNs; surgical technologists; support technicians; anesthesia personnel; and personnel from the surgical prep unit, postanesthesia care unit, sterile processing, and environmental services.

After the incentives were awarded, the inpatient OR staff signed a thank you letter to the vice president and OR committee. The outpatient OR staff thought its turnover time target was unrealistic, which prompted a reexamination of the target.

“This was a key learning experience for us,” says Stermer. “Setting realistic, achievable goals is the key to success.”

Now in the program’s second year, having done the best they think they can with turnover time, the staff plans to concentrate on improving preference card accuracy and keeping supply costs down.

Stars and Pit-to-Peach awards

Daily rewards called Stars are given at Piedmont Hospital in Atlanta. Employees win Stars for staying to help finish cases, achieving quick turnover times, and
showing teamwork. The hospital has 31 ORs and a surgical volume of 26,000 cases a year.

Employees collect Stars and trade them for free lunches, time off, massages, and other perks. Each award is worth $1, and it takes 15 Stars to get an hour off. Employees can earn more than 1 Star in a day.

A record of each award is kept in the employee’s file. At the time of the annual performance evaluation, managers can see how many Stars an employee has. Thirty to 45 Stars in a year means the employee is a high performer, says OR director Shirley Lewis, RN, CNOR.

The Pit-to-Peach award is given biannually during Perioperative Nurse Week in November and National Nurses Week in May. The award goes to employees who identify a need and fix it with little assistance. Along with a framed certificate, the employee receives a $25 American Express gift check. The award has been given to entire teams, with each member receiving a plaque and a $25 gift check.

The last winner addressed a problem with broken instrument tips. Investigating the cause, the person found not all instrument trays had a mat in the bottom. She worked with the Central Supply Department on her own time to order mats and help put the mats in all trays. There hasn’t been a problem with broken instrument tips since.

“That definitely was turning the ‘Pit’ into a ‘Peach,’” says Lewis.

Another Pit-to-Peach award was given to a group of 5 clinical partners who improved the handling of OR equipment. Often, the partners couldn’t find equipment when the OR staff called for it, even though there were lists in each equipment room. The group came in on a Saturday and revamped the equipment system.

“The Pit-to-Peach is not a reward to motivate the staff,” Lewis explains. “It is to reward motivation the staff has shown.”

**On-the-Spot Awards**

At Bryn Mawr Hospital in Bryn Mawr, Pa, hospital staff, including those in the OR, are given On-the-Spot Awards for service above and beyond normal duties, says OR manager Lynne McGrath, RN, MSN, CNOR. With 8 ORs, Bryn Mawr performs 6,800 cases a year.

Every quarter, each department manager is given a supply of $10 gift certificates to a local supermarket, 10 to 12 for the OR and 6 or 7 for the postanesthesia care unit (PACU).

Best of all, when a staff member receives an On-the-Spot Award, the name is placed in a quarterly drawing held by the Main Line Health System. In the past 2 years, 4 OR staff have received more than $500 each in the drawings.

The idea is to recognize a high performer at the time, not 6 months later. Anyone, not just managers, can recommend a staff member for an award. OR and PACU staff who have received the award include:

- the nurse who volunteered to take on quality improvement when the former QI person wanted to relinquish it after 15 years
- the surgical technologist who got Puddle Guppies and hooked them to 4 suction when a scrub sink water pipe valve broke
- the OR nurse who volunteered to stay over to finish a case or recover a patient in the PACU
- the nurse who took special breast reduction instruments home and engraved them so they wouldn’t get lost
- the nurse who got the program for endovascular abdominal aortic aneurysm procedures up and running
- the OR secretary who worked with the information systems personnel to revise the on-call schedule.

McGrath posts the names of those who receive awards on the staff bulletin board. Recipients also receive a letter from hospital executives, which goes in their personnel file.

The Main Line Health System also has a Performance Plus Award of up to $5,000 for individuals or teams. The OR scheduling coordinator recently won because she

---

**Graph:**

**Does your facility reward staff financially for helping to improve performance or reduce supply costs?**

- Yes 18%
- No 83%

Total equals more than 100% due to rounding.

**Table:**

<table>
<thead>
<tr>
<th>Type of Facility</th>
<th>Community</th>
<th>Teaching</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16%</td>
<td>25%</td>
</tr>
</tbody>
</table>

**Number of ORs**

<table>
<thead>
<tr>
<th></th>
<th>1-5</th>
<th>6-9</th>
<th>10+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of ORs</td>
<td>10%</td>
<td>19%</td>
<td>23%</td>
</tr>
</tbody>
</table>

was helpful in arranging the schedule so staff members could go to meetings.
Managers must submit an application explaining why a person deserves the bonus.

—Judith M. Mathias, RN, MA