

UNIVERSITY OF WASHINGTON CLASSIFIED STAFF SALARY STUDY SUMMARY OF FINDINGS

Presented by:
Greg McNutt
Milliman, Inc.
June 11, 2015

Agenda



About Milliman

International consulting firm, founded in Seattle in 1947:

Milliman consultants provide a full range of consulting services to assist in the most effective management of human capital. Along with consulting, Milliman is the premier publisher of compensation surveys in the northwest. Annually Milliman publishes seventeen surveys. The surveys are noted for their accuracy and breadth. Each year Milliman collects data on more than 500 job titles from 1,000+ organizations.

About Milliman (continued)

Milliman consultants provide a broad range of compensation and job classification consulting services:

- Total compensation philosophy
- Custom compensation and benefits studies
- Job classification
- Market analysis
- Salary structure design
- Communication
- Performance management
- Incentive/variable pay design

Survey Methodology

In order to determine appropriate compensation, an organization must define its labor market. In its most simple form, a labor market is those organizations that compete for the same labor talent. In other words, the types of organizations where the University would recruit from or lose labor talent. We collected data from Milliman's survey effort of the University's peers:

- Health care organizations with similar business operations and jobs using regional data
- University pay targeted at market median

Survey Methodology (continued)

Why?

- Establish a competitive pay practice
- Diagnose compensation problems
- Guide allocation of limited resources
- Provide advice to management
- Respond to internal data (every employee an “expert”)
- Establish credibility

Survey Methodology (continued)

What is a quality survey?

- Administered by an independent third party
- Adequate sample size
- Breadth of sample size
- Clear data compilation practices
- Aggregate NOT individual data reported
- List of participants/sources
- Report of statistical sources
- “Current”

Survey Methodology (continued)

Factors affecting labor markets

Geography

- National
- Regional
- Local

Industry

- Pay may be significantly influenced by industry practice (e.g. public sector, health care, manufacturing)

Function

- Pay may be significantly influenced by function (e.g. information systems)

Size

- Organizational size may influence levels of pay for particular positions
- Complexity created by organization size

Project Steps

Planning

- Identification of jobs included in the study
- University data provided to Milliman
- Discussion of survey sources
- Reporting requirements

Project Steps (continued)

Health Care Jobs - Survey Information

- Benchmarks developed in consultation with the University's HR staff
- Benchmarks were matched to Milliman's Northwest Health Care Salary Survey
 - » The University's primary group of peers was selected from the database
 - » Data was collected from the peer group where possible
 - » Where peer group data was insufficient, all other health care participants were used
- Sixty-two (62) jobs were included in the study
- All data effective as of July 1, 2014

Project Steps (continued)

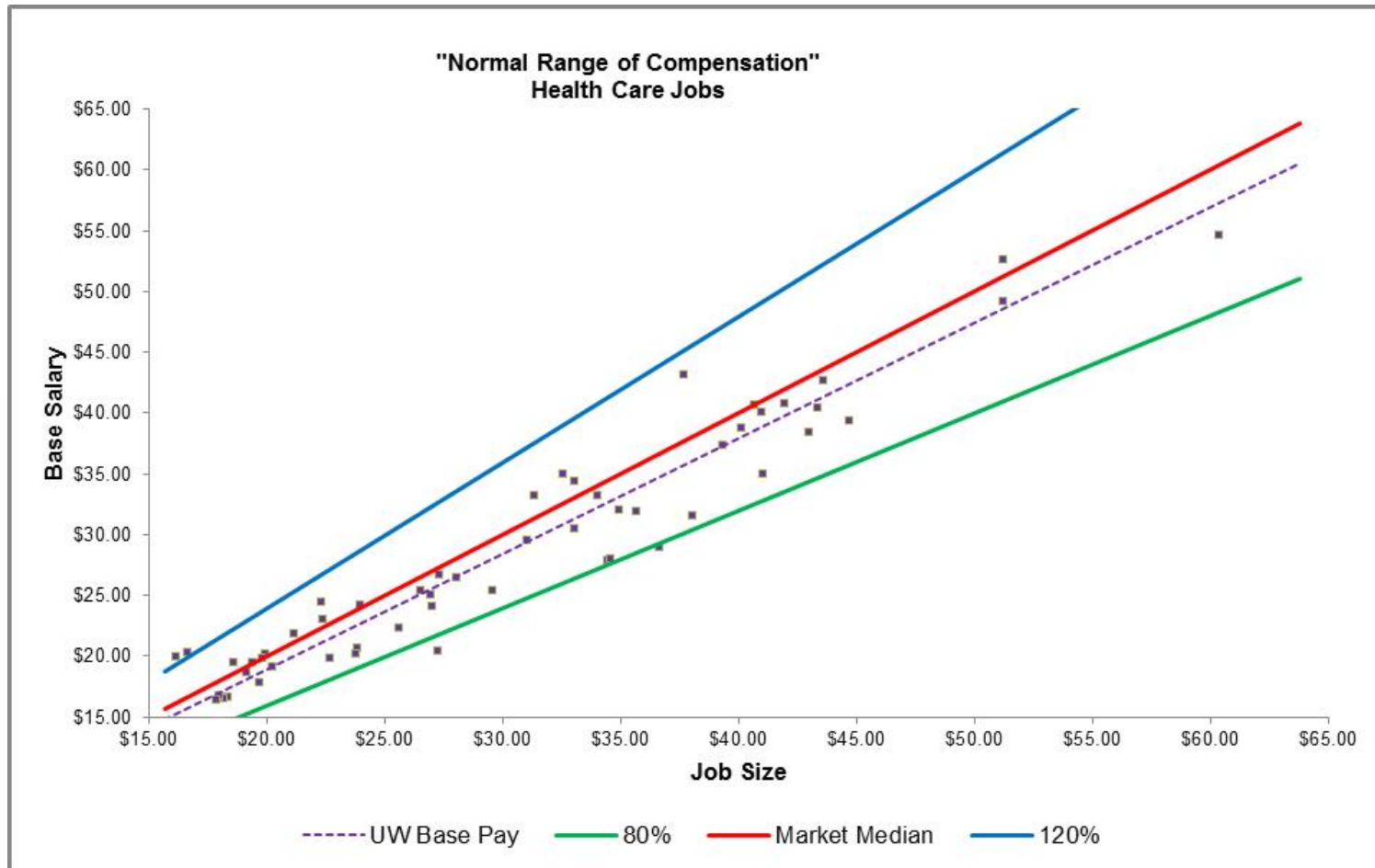
University of Washington's health care peer group:

- EvergreenHealth
- Group Health Cooperative
- MultiCare Health System
- Northwest Hospital & Medical Center
- Overlake Hospital Medical Center
- Providence Regional Medical Center Everett
- Seattle Cancer Care Alliance
- Seattle Children's
- Swedish/Edmonds
- Swedish Medical Center
- Valley Medical Center
- Virginia Mason Medical Center

Findings: Health Care Jobs

- Actual pay falls generally within a “normal range” around the market trend line for most positions
 - » The market line reflects the “trend” of pay as job size increases
 - » The 80% and 120% lines around the market trend line indicate a normal range for pay, depending on variables such as experience, performance, etc.

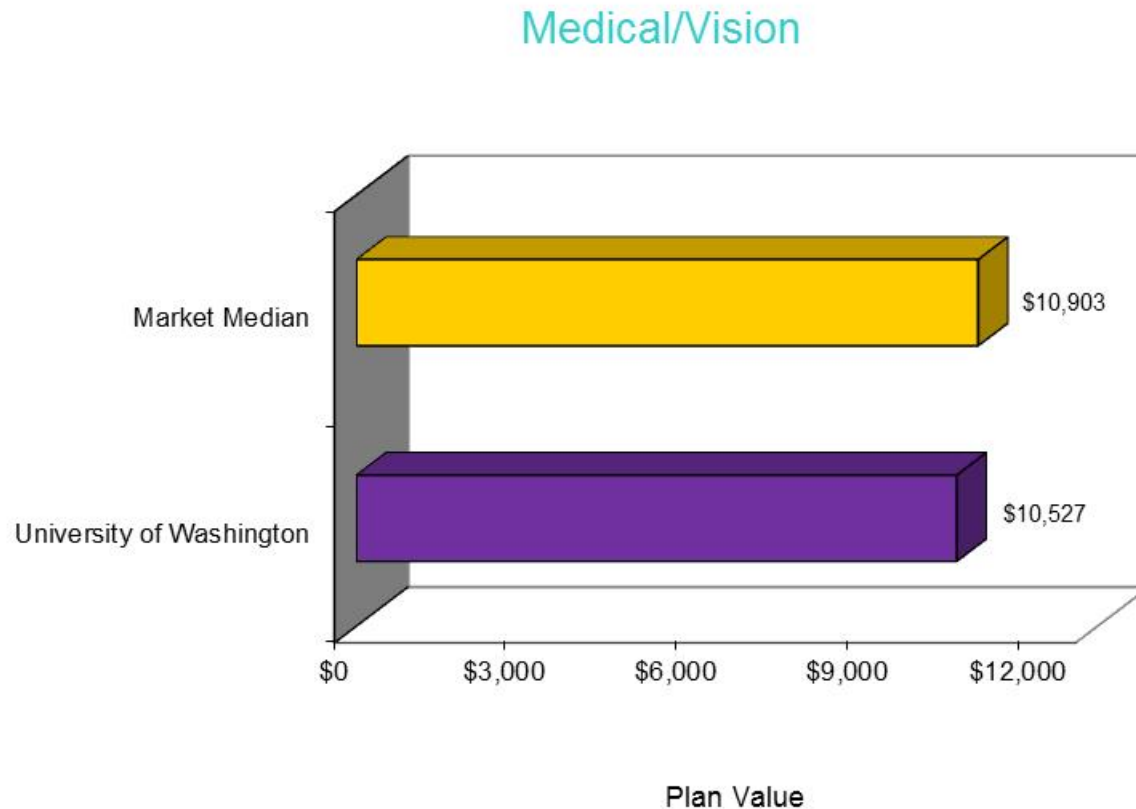
Findings: Health Care Jobs (continued)



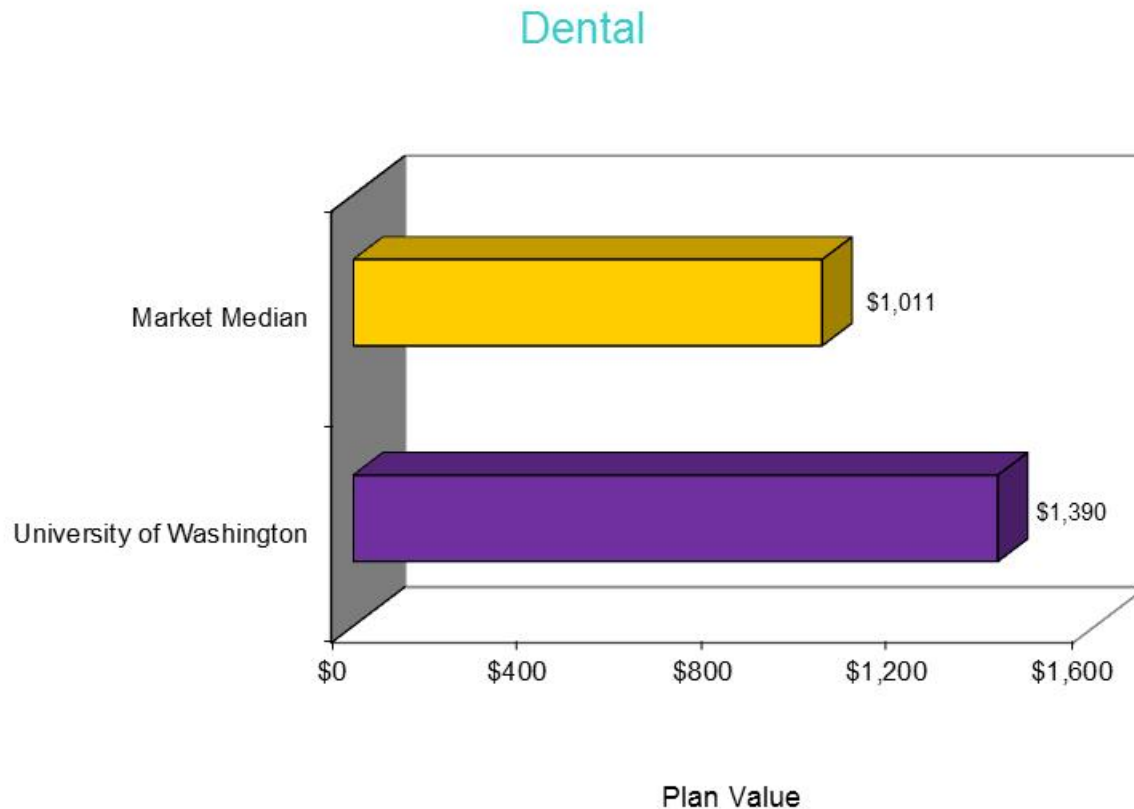
Findings: Benefits

- The University's medical benefits and retirement plan are competitive with the peer group.

Findings: Benefits (continued)



Findings: Benefits (continued)



Findings: Benefits (continued)

Total Retirement

