

The background of the slide features a photograph of a Gothic-style building, likely the University of Washington's Old Chapel, with its characteristic spires and arched windows. In the foreground, there are branches of cherry blossoms in full bloom, with light pink and white flowers. The sky is a clear, bright blue.

UNIVERSITY OF WASHINGTON

CLASSIFIED STAFF SALARY STUDY

SUMMARY OF FINDINGS

Presented by:
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Milliman, Inc.
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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 and non-health care organizations with similar business operations and jobs using regional data
- University pay targeted at 50th percentile (middle market)

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, education, 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, including higher ed custom survey
- Reporting requirements

Project Steps (continued)

Non-Health Care Jobs - Survey Information

- Benchmarks developed in consultation with the University's HR staff
- Benchmarks were matched to the following Milliman compensation surveys:
 - » Puget Sound Regional Salary Survey
 - » Washington Public Employers Salary Survey
 - » Northwest Health Care Salary Survey
- A selected group of employers was targeted from each 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 organizations in the survey were used

Project Steps (continued)

Non-Health Care Jobs - Survey Information

- Fifty-two (52) jobs were included in the non-health care study
- All data effective as of July 1, 2014

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

Project Steps (continued)

Custom Higher Ed Survey Development/Administration

- Identification of peer universities for positions unique to higher ed
- Identification of benchmarks
- Development of survey instrument
- Distribution of survey
- Collection and analysis of data (base salary, salary ranges)

Project Steps (continued)

Custom Higher Ed Survey Development/Administration

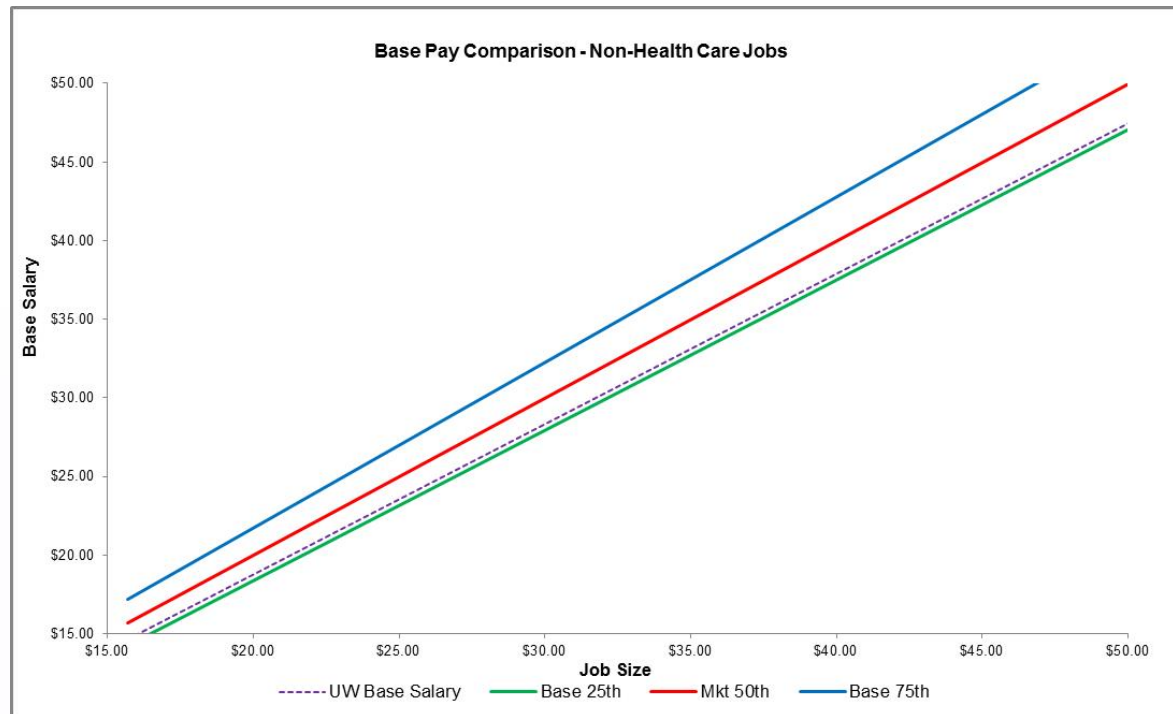
- The custom higher education survey was developed by Milliman
 - » The survey included nine (9) jobs: Animal Technician, Health Physicist, Industrial Hygienist, Psychometrist, Research Technologist, Veterinary Specialist, Campus Police Lieutenant, Campus Police Sergeant, Campus Police Officer
 - » The survey was emailed to seventy-seven (77) universities
 - » ~1/3 responded, a typical custom survey response rate

Findings: Non-Health Care Jobs

- On balance, most of the University's pay is closely aligned with the market 25th percentile
 - » On average, base pay is 4% below the market 25th percentile, and 13% below the market 50th percentile.
- Actual pay falls generally within a “normal range” around the market trend line for many positions, but with several jobs falling below 80%
 - » 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.

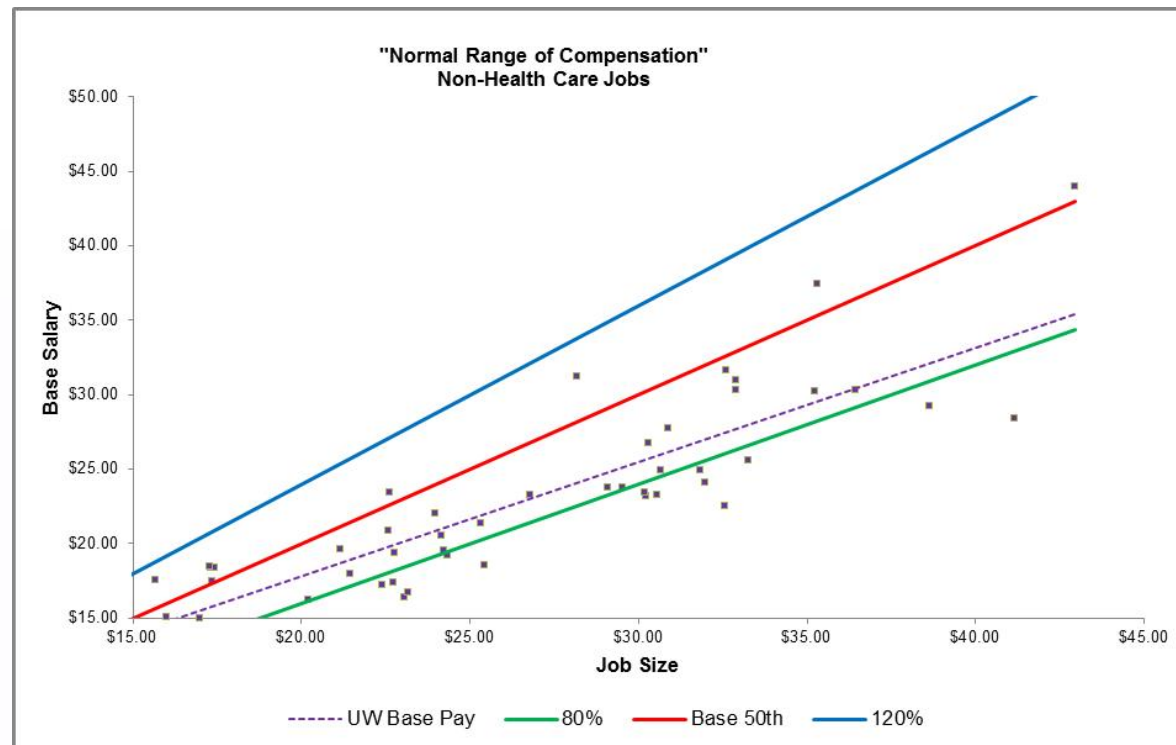
Findings: Non-Health Care Jobs (continued)

- The University's pay aligns closely with the market 25th percentile



Findings: Non-Health Care Jobs (continued)

- A “normal range” allows for variations in compensation caused by market factors, experience and performance, job complexity and organizational values

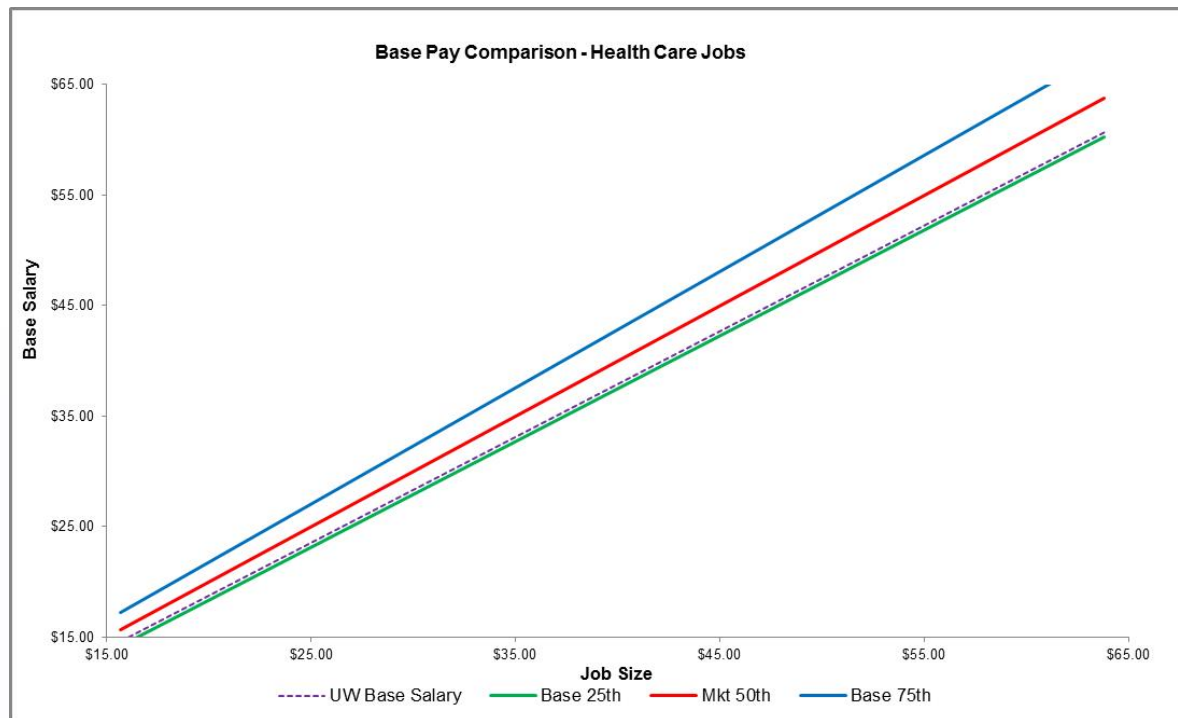


Findings: Health Care Jobs

- On balance, most of the University's pay is closely aligned with the market 25th percentile
 - » On average, base pay is 2% above the market 25th percentile, and 5% below the market 50th percentile.
- 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)

- The University's pay aligns closely with the market 25th percentile



Findings: Health Care Jobs (continued)

- A “normal range” allows for variations in compensation caused by market factors, experience and performance, job complexity and organizational values

