



Compensation Survey Launch 2012

September 13, 2012

National Association of Home Builders
1201 15th Street, NW, Washington DC, 20005





Diane Walker, President, HRA-NCA

Welcome



Agenda

-  Welcome and Introductory Remarks
-  The Washington Region as a Market for Talent
-  Survey Overview & Trends in Compensation
-  Trends in Government Contracting Compensation
-  Custom Queries and Data Cuts
-  Questions and Wrap Up



Welcome

- Objective for Today's Seminar
- Benefits of Membership
- Upcoming Chapter Events:
 - September 18: Benefits Survey Launch Webinar
 - September 19: Career Management Program -- "Disability as a Diversity Talent and Compliance Strategy"
 - September 19: Job Seekers Group



Erika Johnson, Compensation Survey Chair
Consultant, Towers Watson

The Washington Region as Market for Talent



Snapshot of the Washington Region

The economy is....

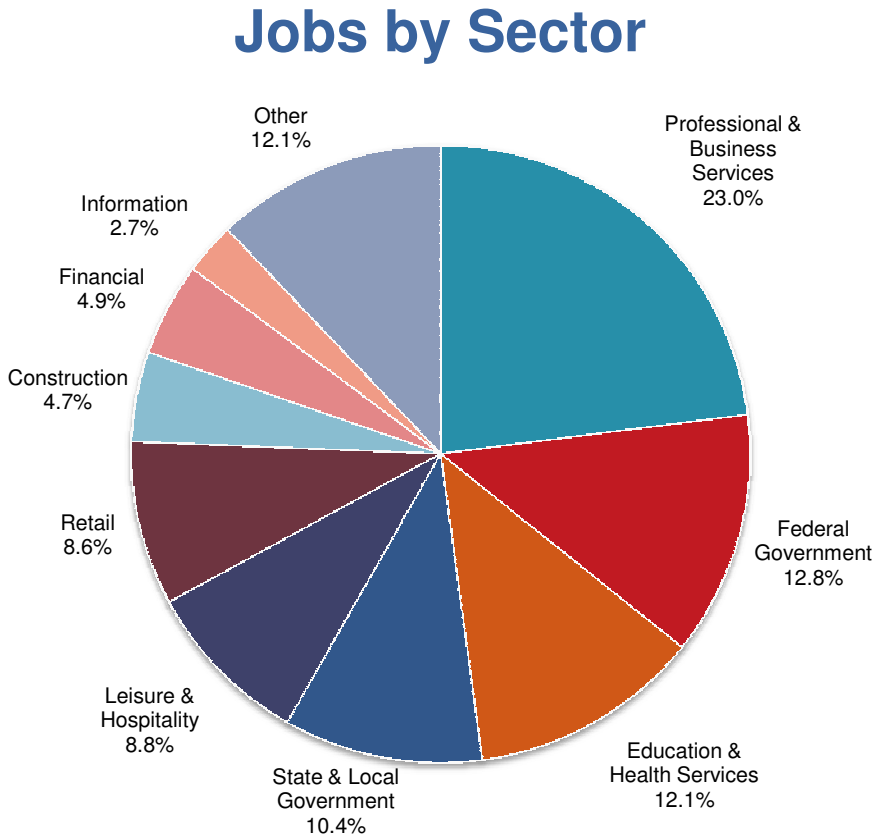
- Large
- Resilient & Growing
- Diverse

The workforce is....

- Educated
- Diverse
- Occupationally concentrated
- Highly compensated

Its institutions are....

- Entrepreneurial
- Innovative
- Diverse



Source: "Greater Washington 2011-2012 Regional Report", Greater Washington Board of Trade



Audience Questions

Can you guess (or do you know) who are the region's largest employers?

Which employers were doing the most hiring this summer?



Largest Regional Employers/Most Regional Hiring

Top 15 Employers

1. Lockheed Martin
 2. Northrop Grumman
 3. SAIC*
 4. Inova*
 5. Verizon
 6. Booz Allen*
 7. MedStar*
 8. Marriott
 9. CSC*
 10. Adventist
 11. BAE*
 12. General Dynamics*
 13. CACI*
 14. Deloitte
 15. Children's National Medical Center*
- * 2012 HRA-NCA Survey Participant*

Source: "Greater Washington 2011-2012 Regional Report", Greater Washington Board of Trade

Most Job Openings

- Washington D.C. Top Hiring Employers as of June 2012:
1. Lockheed Martin: 2,099 openings
 2. Capital One: 1,360 openings
 3. Inova Health System: 1,309 openings
 4. CACI International: 1,228 openings
 5. Accenture: 983 openings

Source: "US Employment Outlook", Simply Hired, June 2012..



Audience Question

How many Fortune 500® company headquarters are in Greater Washington?

- A. 0
- B. 2
- C. 18
- D. 30
- E. None of the above



Erika Johnson, Compensation Survey Chair
Consultant, Towers Watson

Mike Kostrewza, Compensation Committee Member, Independent
Consultant

2012 Survey Overview and Compensation Trends



Participants 2012

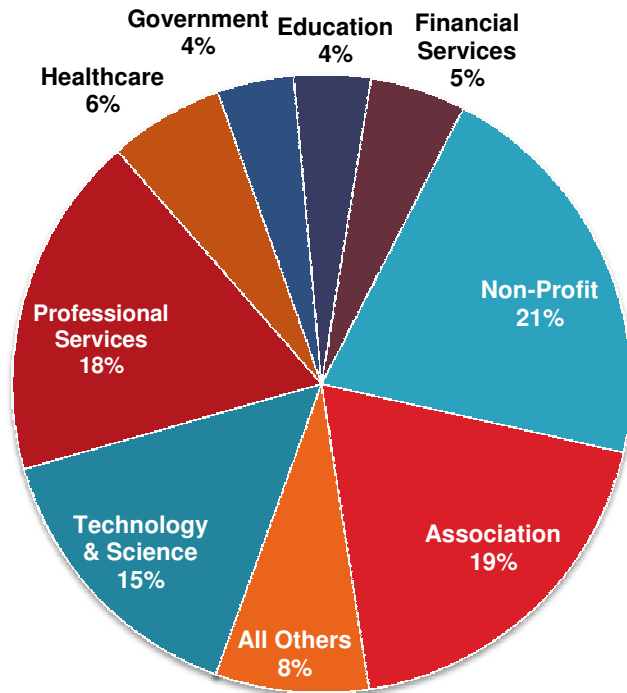
- 281 participants
 - 77% repeat participants
- Representing 325,791 employees in the region
- Provided data on 84,682 Incumbents
- Across 512 jobs

High participation levels and consistently high repeat participation results in a robust and reliable data source for assessing market competitiveness

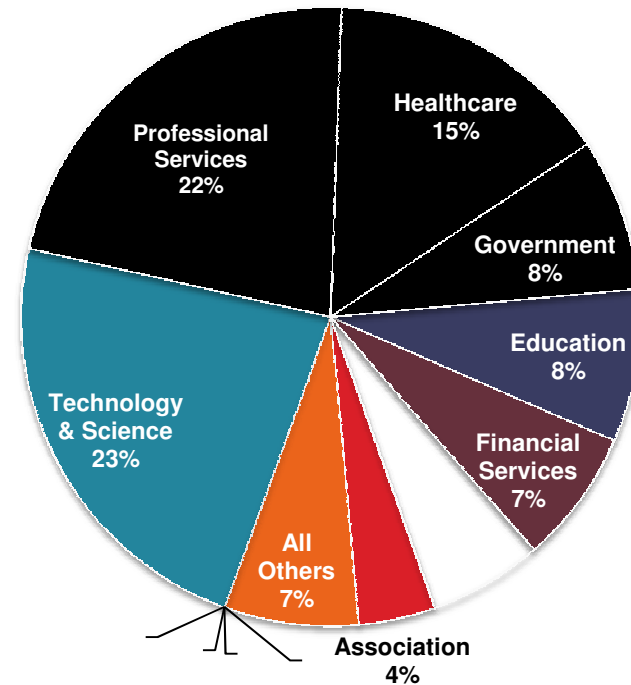


Industry Profiles of Participants

By Respondents



By Incumbents





Who Are HRA-NCA Survey Participants?

Participant Attribute	Government Contractors (94)	For-Profit/ Non-GCs (91)	Associations/ Non-Profits (96)
Predominant Industry Classifications	Technology (39%) & Professional Services (31%)	Professional Services (22%), Finance (15%), Healthcare (18%)	Slightly more Associations (53%) than NFPs (47%)
Largest Job Site	Fairfax County	District	District
Typical Revenue Size	Less than \$250M (61%)	Over \$1B (24%) \$25M to \$100M (22%) \$251M to \$500M (20%)	Less than \$100M (85%)
Employee Size	1,297 avg 276 med	2,066 avg 460 med	166 avg 104 med
Median Exempt Population	93%	80%	95%
Multiple Sites Throughout Region	68%	54%	19%
Increased Staff Levels Last Year	47%	33%	45%
Turnover Levels	18%	13%	12%



How Do Participants Structure Their Compensation Programs?

Compensation Organization and Program Design	Government Contractors (94)	For-Profit/ Non-GCs (91)	Associations/ Non-Profits (96)
Have formal Compensation Department	37%	41%	8%
Average Number of Comp Staff	3	3	1
Have a compensation philosophy	66%	71%	59%
Target the 50 th %ile	93%	72%	75%
Predominant Method of Job Evaluation	Market Pricing (66%) Slotting/Whole Job Ranking (15%)	Market Pricing (60%) Slotting/Whole Job Ranking (18%)	Market Pricing (60%) Point-Factor (15%)
Have Formal Salary Structures	80%	77%	76%



What Do Participants' Compensation Programs Look Like?

Compensation Program Element	Government Contractors (94)	For-Profit/ Non-GCs (91)	Associations/ Non-Profits (96)
Salary Budgets	Aligned to Local and National Market	Aligned to Local and National Market	Aligned to Local and National Market
Median % of Staff Receiving an Increase in 2011	94%	90%	97%
Median Lowest Granted	0.9%	1.0%	1.0%
Median Highest Granted	8.0%	5.0%	5.3%
Number of Performance Ratings (Prevalence)	5 (53%)	5 (53%)	5 (68%)
Top Performers (Median)	22%	25%	26%
Middle Performers (Median)	65%	63%	60%
Low Performers (Median)	5%	5%	5%
2011 Promotions	53% Budgeted Median 1%	52% Budgeted Median 1%	51% Budgeted Median 0.5%
Median % of Staff Promoted	7.0%	4.4%	5.0%
Median Promotion %	7.0%	7.0%	7.5%

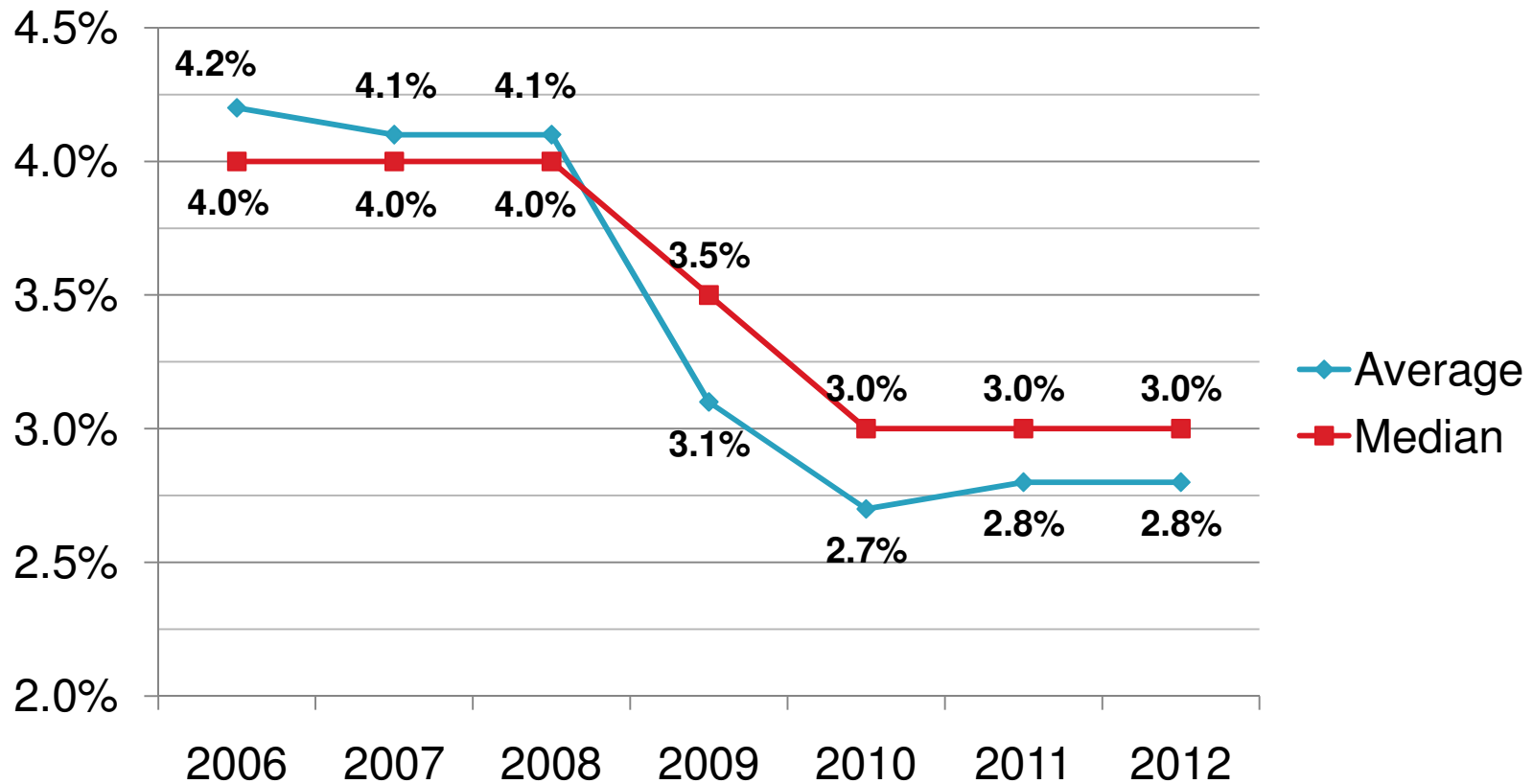


What Do Participants' Compensation Programs Look Like? (cont.)

Compensation Program Element	Government Contractors (94)	For-Profit/ Non-GCs (91)	Associations/ Non-Profits (96)
Prevalence of Non-Cash Awards	19% received	8% received	11% received
Prevalence of Variable Pay	83% received	68% received	59% received
Most Common Type of Variable Pay	Discretionary (36%)	Non-Discretionary, based on Org Performance (30%)	Discretionary (34%)
Shift Work Prevalence	33%	65%	11%
On-Call Pay Prevalence	21%	43%	4%
Referral Bonuses Eligibility Prevalence & Range	64% \$500 - \$2,000	52% \$500 - \$1,000	53% \$500
Signing Bonuses Granted Prevalence and Median Amount	44% \$4,150 or 7.5%	32% \$4,000 or 7.5%	23% \$4,000
Retention/Completion Bonus Program Prevalence	44%	14%	14%
Severance Pay Prevalence	Job Elimination (52%)	Job Elimination (41%)	All Involuntary (53%)

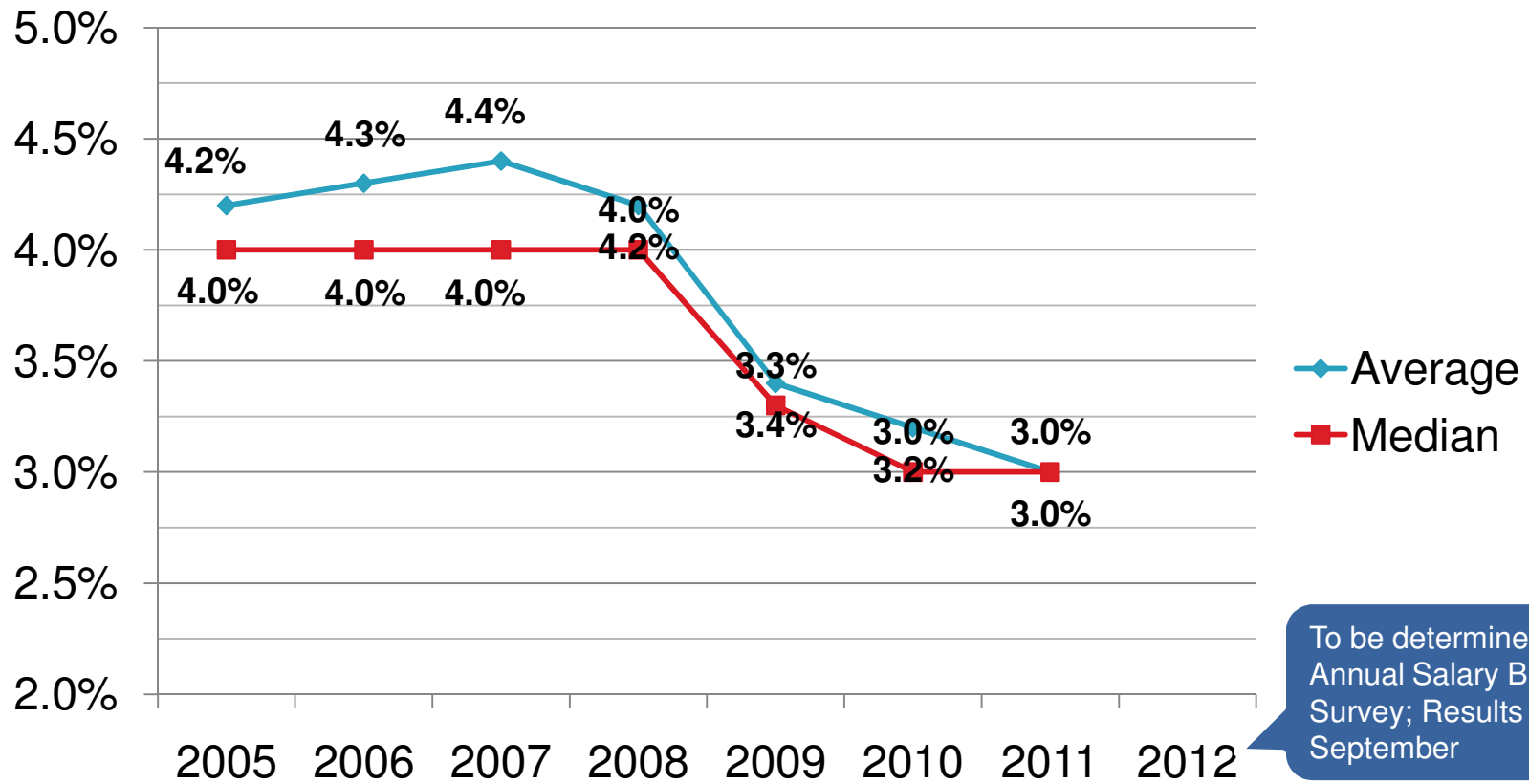


What was your planned salary budget for all employee groups this year?





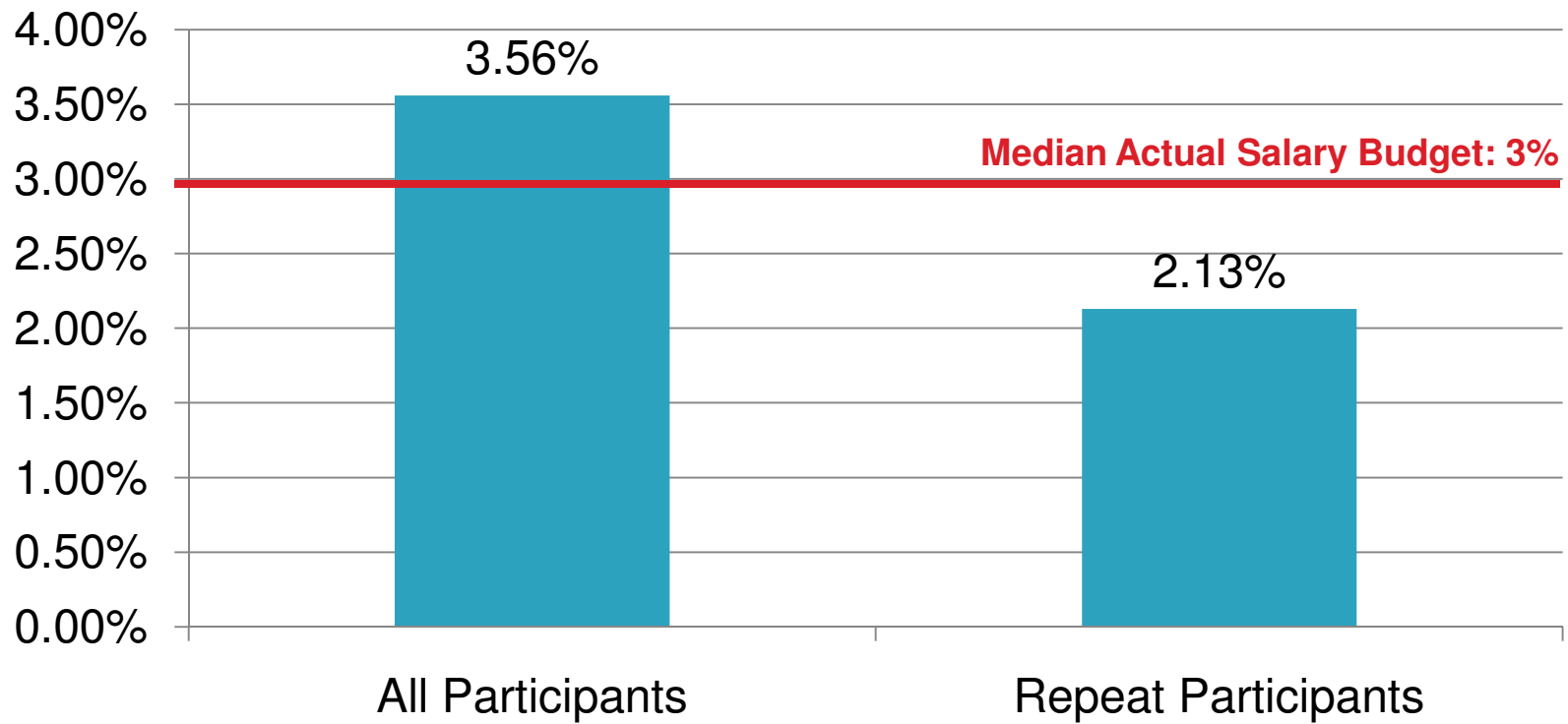
What was your actual salary increase budget all employee groups last year?





Survey Job Data Trends Versus Actual Salary Budget Results

Median Salary Changes by Job 2011 - 2012





Audience Questions

Do you use planned salary budget projections to age your survey data? Or do you use actual aggregate job movement?



Base Salary Median Change – Widely Held

Job Family	ERs	EEs	% Change in Median	Repeat ERs	Repeat EEs	% Change in Median (repeat)
Executive Assistant to CEO III	117	192	(0.7%)	78	87	0.2%
IT/Helpdesk Support Specialist III	71	456	(1.7%)	44	318	(5.3%)
Financial Analyst II	62	306	6.3%	28	140	5.9%
Accounting Manager	118	288	4.2%	78	180	1.1%
Conference/Meeting Coordinator II	53	141	1.3%	36	113	1.8%
Program Manager I (Administrative)	58	820	1.2%	30	680	0.6%
Human Resources Director	109	152	3.5%	60	77	1.4%
Building & Facilities Manager	76	122	0.6%	47	84	2.2%
Database Administrator II	59	148	(2.5)%	36	105	(2.6)%
Graphics Designer II	70	175	8.4%	41	101	5.8%

ER: Employers; EE: Employees



Hot Jobs: Cyber Security & Network Security

Job Family	ERs	EEs	Median	Average	Med % Change	Avg. % Change	STI Target	STI Actual
Cyber Security Analyst I	9	77	\$66.8	\$66.5	3.4%	4.6%	--	--
Cyber Security Analyst II	17	219	\$83.1	\$82.2	13.0%	11.2%	--	--
Cyber Security Analyst III	13	389	\$101.5	\$102.08	5.7%	10.3%	--	--
Cyber Security Analyst IV	15	343	\$120.9	\$121.9	5.4%	10.4%	3.0%	8.6%
Cyber Security Analyst V	11	98	\$150.3	\$148.54	42.8%*	34.9%*	12.0%	11.7%
Network Security Administrator I	16	38	\$56.6	\$60.4	(15.5%)	(13.4%)	8.5%	7.1%
Network Security Administrator II	25	78	\$85.1	\$84.0	11.3%	10.6%	6.0%	9.7%
Network Security Administrator III	35	156	\$98.7	\$99.4	1.2%	3.4%	7.6%	6.5%

*We believe this to be an anomaly based on the emerging nature of the job family and as participants acclimated to this newly added family as well as the levels



Audience Question

What are the hot jobs in your industry?



Largest Gain/Loss in Median - Repeat

Job	# EEs	Median Base Pay	% Change in Median (Repeat)
Building (Stationary) Engineer II	51	\$58.4	55.8%
Collector/Adjustor III	62	\$42.8	40.4%
Assistant Branch Manager II	99	\$48.2	38.9%
Applications Analyst/Developer II	333	\$82.5	20.5%
Mortgage Loan Processor III	65	\$43.6	18.8%
Librarian/Information Center Specialist II	66	\$47.6	(11.8%)
Software Quality Assurance Analyst II	67	\$76.0	(13.4%)
Customer Service Representative II - Banking (Teller)	78	\$33.5	(20.0%)
Call Center Representative III	426	\$34.7	(36.0%)
Call Center Representative II	303	\$31.6	(40.4%)



Change in Median by Job Family-Repeat

Job Family	# Jobs	Average Inc/Job	% Change in Median (Repeat)
Banking	6	73	19.1%
Accounting/Finance	28	136	6.7%
Building & Facilities Maintenance	10	154	4.6%
Engineering & Field Services	19	220	4.6%
IT & Computer Operations	29	208	4.4%
Human Resources	8	102	4.1%
Executive	13	36	4.0%
Program/Project Management	12	286	2.8%
Management Services & Research	16	145	2.0%
Telecommunications	9	80	1.8%
Software & Systems Development	9	183	1.5%
Non-Profit	7	84	1.4%
Office Administration	10	441	1.3%
Training	4	127	1.1%
Marketing & Sales	3	69	0.8%
Media & Communications	17	474	0.6%
Biomedical & Lab Services	3	71	-0.1%
Health Care	12	652	-1.5%
Legal	3	133	-3.2%
Customer Service & Product Support	4	236	-29.3%



Change in Median by Job Level-Repeat

Job Level	# Jobs	Average Inc/Job	% Change in Median (Repeat)
Executive	13	36	4.0%
Vice President	7	10	4.1%
Director	24	53	3.4%
Manager	51	57	4.7%
Supervisor	24	56	4.0%
Professional 5	13	136	2.6%
Professional 4	19	157	4.0%
Professional 3	66	118	3.0%
Professional 2	74	100	4.4%
Professional 1	62	144	-0.6%
Staff 3	41	110	-2.0%
Staff 2	50	84	1.6%
Staff 1	108	40	2.4%



Change in Median by Industry-Repeat

Industry	# Jobs	Average Inc/Job	% Change in Median (Repeat)
Hospitality, Transportation, Services	8	2.3	15.5%
Financial Services	225	19.0	9.0%
Technology and Science	337	46.5	6.5%
Non Profit	271	15.3	6.1%
Association	235	11.3	5.0%
Education	259	22.9	3.8%
Publishing and Broadcasting	78	3.1	3.4%
Professional Services	326	34.9	2.9%
Telcom, ISP and Network Services	136	5.2	1.2%
Health Care	223	50.3	1.0%
Other	160	8.8	0.1%
Government	209	20.9	-1.7%



Audience Question

Where are you seeing unusual compensation activity in your organization? Is it related to individual jobs? Industry-specific job families?



Short Term Incentive – Top 10 Jobs

STI was reported on 407 of 512 positions (79%)

Highest Targets	% Target of Base	% Actual
Business Developer II	40.8%	28.1%
Senior Vice President, Group/Profit Center	33.5%	26.6%
General Counsel	33.3%	28.7%
Chief Technology Officer	32.4%	18.7%
In House Attorney IV	24.9%	20.6%
Internal Audit Manager	18.4%	13.8%
Compensation Manager	16.9%	15.6%
In House Attorney II	14.9%	12.3%
Vice President, Government Relations	14.8%	17.3%
Information Systems Manager	14.0%	10.0%



Short Term Incentive – By Family

Job Family	Number of Jobs	Jobs with STI	% Target of Base	% Actual
Executive	13	13	29.9%	25.4%
Marketing & Sales	19	19	14.4%	13.5%
Legal	10	10	11.1%	10.6%
Software & Systems Development	16	16	8.6%	5.5%
Training	14	13	7.6%	24.6%
Accounting/Finance	43	42	7.5%	7.8%
Human Resources	29	26	6.4%	7.6%
Engineering & Field Services	33	28	6.3%	5.9%
Building & Facilities Maintenance	18	14	6.3%	5.5%
Information Technology & Computer Operations	52	43	6.2%	6.0%
Management Services & Research	29	21	5.8%	5.9%
Program/Project Management	18	18	5.8%	5.2%
Media & Communications	27	23	5.4%	4.5%
Customer Service & Product Support	15	13	5.3%	6.3%
Warehousing & Manufacturing	21	10	4.2%	5.4%
Office Administration	17	14	4.1%	4.4%
Telecommunications	24	15	4.1%	4.6%
Non-Profit	33	22	4.0%	6.5%
Biomedical & Lab Service	11	5	2.5%	1.8%

Table reflects only families where there were at least 5 jobs reporting STI



Short Term Incentive – By Level

Job Level	Jobs	Jobs with STI	% Target of Base	% Actual	Average STI (\$)
Executive	13	13	29.9%	25.4%	87.6
Vice President	7	6	11.5%	25.2%	43.5
Director	25	22	10.2%	10.8%	17.5
Manager	52	44	8.9%	8.9%	10.7
Supervisor	24	17	7.0%	6.3%	5.1
Professional 5	14	10	10.6%	9.3%	18.1
Professional 4	19	14	12.2%	6.5%	10.3
Professional 3	67	55	6.6%	7.3%	5.2
Professional 2	76	56	5.6%	7.7%	4.4
Professional 1	64	45	4.0%	4.0%	2.1
Staff 3	43	27	5.5%	5.8%	3.7
Staff 2	51	35	4.8%	4.8%	3.2
Staff 1	57	30	3.7%	4.6%	2.0



Short Term Incentive – By Industry

Industry	%Rec	% Target of Base	% Actual
Financial Services	41.9%	14.7%	12.2%
Other	15.9%	9.9%	12.1%
Publishing and Broadcasting	0.0%	9.7%	--
Telcom, ISP and Network Services	59.3%	9.1%	9.8%
Technology and Science	4.0%	8.6%	6.6%
Professional Services	19.4%	8.6%	6.1%
Health Care	1.0%	7.8%	10.1%
Non Profit	1.8%	7.6%	6.9%
Association	16.2%	5.4%	5.0%
Government	3.8%	4.5%	4.9%
Education	0.0%	--	--
Hospitality, Transportation, Services	0.0%	--	--
Manufacturing and Construction	0.0%	--	--



Where Are We Headed?

- Sequestration – will change the competition for talent for GC and non-GCs
- Federal pay freeze extended
- Continued demand for Cyber Security; other high-demand fields include Search Engine Optimization, Social Media Marketing and Health Informatics
- Healthcare reform – changing the Employee Value Proposition (EVP)
- Increased priority on compensation communications
- Continued segmentation or tailoring of rewards programs as a way to effectively distribute limited funds



Alan Chvotkin, Compensation Survey Committee Member
Executive Vice President & Counsel, Professional Services Council

2012 Trends in Government Contracting Compensation



Overview

- Definition: 50% or more of firm's revenue derived from government contracts
- 94 organizations reported
- 468 jobs reported
- 44,232 employee salaries reported
- Aggregated trends; year-over-year comparison



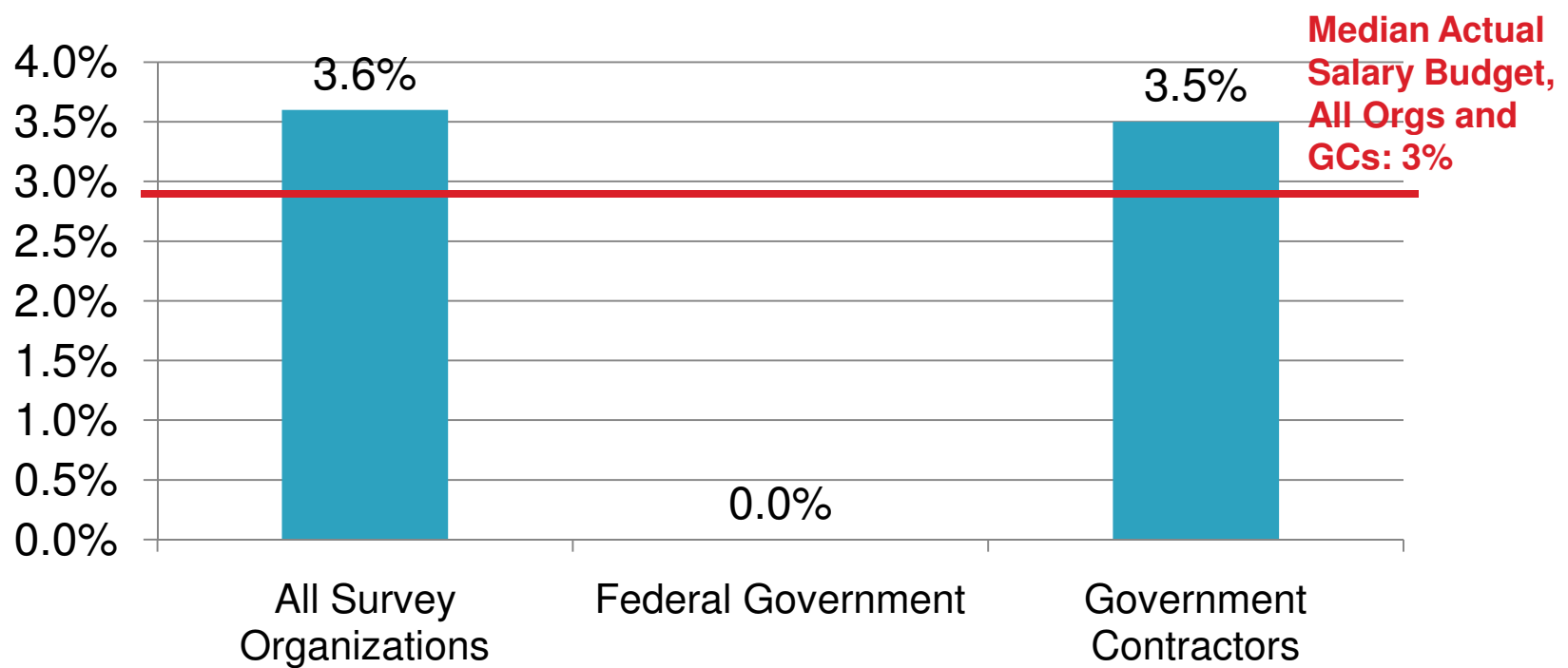
Government Contractor Trends

- 131 jobs declined in pay, 282 went up (+/- more than 0.5%)
- 7.0% overall pay differential for government contractor employees ABOVE federal employees (vs. 7.3% in prior survey)
- 5.0% if we exclude “Executive” pay (vs. 6.8% in prior survey)
- Government Contractor “Executive” pay levels on average 69% higher than federal employee counterparts (same differential as last year)



Government Contractor Trends

2011-2012 Changes in Median Pay by Job





Sample Jobs – Median Comparison

Job Title	Fed Govt. Median	HRA 2012	HRA 2012 GC
Chief Technology Officer	\$130.8	\$195.3	\$185.3
Software Developer III	\$69.1	\$97.9	\$90.0
HR Generalist III	\$110.1	\$87.7	\$85.9
Social Worker (MSW/LCSW) II	\$81.6	\$60.8	\$59.2
Accountant II	\$51.8	\$64.5	\$65.2



Security Clearance Policies

- Surveyed at the organizational level
- 45% provide additional compensation to cleared personnel (vs. 48%, 53%)
- 5% - 12% average differential in base pay reported through all clearance levels (Secret through TS/Poly), in Policies and Practices section. (vs. 5% - 15%)



Survey Trends – Security Clearance

Clearance Level	Jobs Compared	Average Premiums	Incumbent Weighted Premium
Secret	87	1.9%	2.4%
Top Secret	60	7.2%	6.1%
Top Secret SAP	18	13.1%	15.9%



Top Jobs – Top Secret Clearance

Job	Premium
Business Development Director	20.5%
Contracts Administrator III	15.7%
Software Developer V	13.4%
Administrative Assistant II	12.6%
Contracts Director	8.2%
Software Developer III	5.5%
HR Manager	5.0%



Top Jobs – Top Secret/SAP Clearance

Job	Premium
Software Developer IV	21.6%
Systems/Electronic Engineer V	19.1%
Information Technology Director	17.8%
Systems/Electronic Engineer VI	15.0%
Applications Analyst/Developer I	13.1%
Systems/Electronic Engineer IV	10.9%
Applications Analyst/Developer IV	9.3%
Systems/Electronic Engineer III	9.2%



Angelo Kostopoulos, Compensation Survey Administrator
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Online Query and Data Customization



Erika Johnson, Compensation Survey Chair
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Questions & Wrap-Up



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