

HEALTH WEALTH CAREER

# SUNCOASTHR MEMBER MEETING

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MAKE TOMORROW, TODAY



# US COMPENSATION PLANNING AND MBD SURVEY OVERVIEW

## US Compensation Planning Survey

Comprehensive budget data collected for a broad spectrum of compensation planning aspects



**16**  
MILLION  
EMPLOYEES  
REPRESENTED

## Mercer Benchmark Database (MBD) Survey

Job based research on changes in compensation across industries, job families, and career streams

**2.5**  
MILLION  
EMPLOYEES  
REPRESENTED



Surveying this topic for

**20+** YEARS

**1,500+**  
POSITIONS

**35** JOB  
FAMILIES

**16** CAREER  
LEVELS



More Than  
**1,500**

PARTICIPATING  
ORGANIZATIONS

More Than  
**3,100**  
PARTICIPATING  
ORGANIZATIONS

# US COMPENSATION PLANNING KEY FINDINGS

98%

.....  
OF PARTICIPATING  
ORGANIZATIONS  
WILL AWARD SALARY  
INCREASES

3.4%

- AVERAGE 2017 TOTAL INCREASE BUDGET (INCLUDES SALARY INCREASE BUDGETS AND PROMOTIONAL INCREASE BUDGETS)

2.8%

.....  
AVERAGE BASE  
SALARY INCREASE  
BUDGET IN 2017<sup>(1)</sup>

88%

.....  
OF PARTICIPATING  
ORGANIZATIONS TIE  
SALARY INCREASES  
TO INDIVIDUAL  
PERFORMANCE

HIGH PERFORMERS GET **1.7X**

.....  
THE SALARY INCREASE OF AN AVERAGE  
PERFORMER.

2.9%

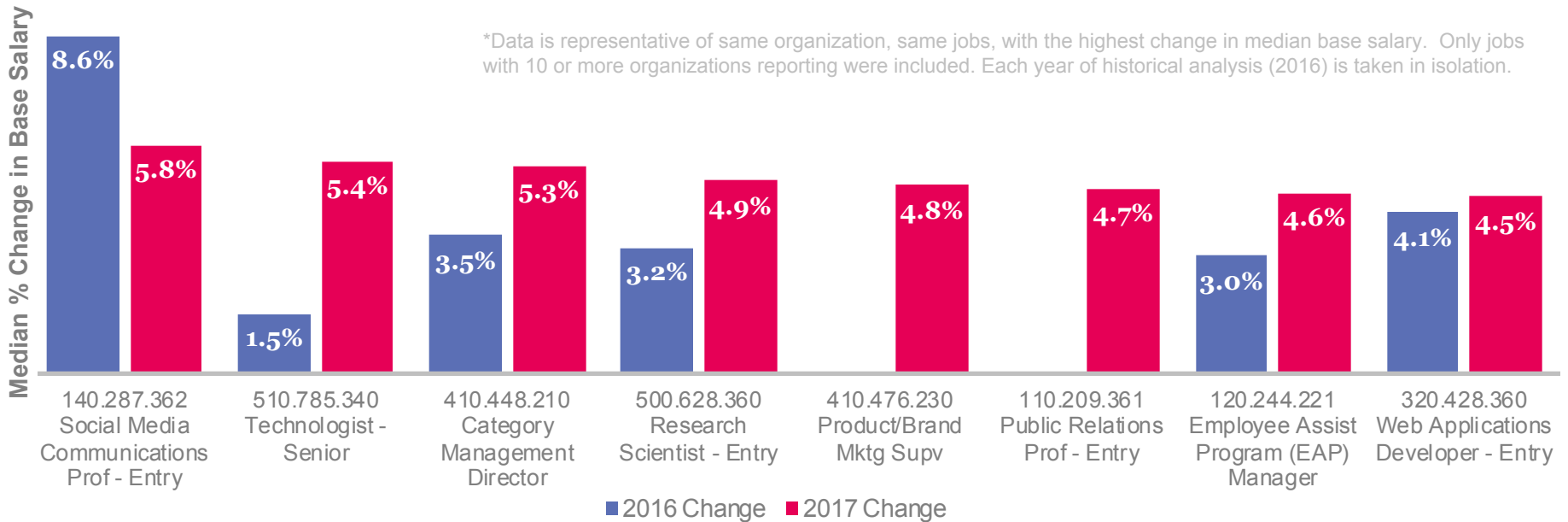
.....  
AVERAGE PROJECTED  
2018 BASE SALARY  
INCREASE BUDGET<sup>(1)</sup>

2017 SALARY INCREASES REMAIN

**CONSISTENT** WITH THE PAST 5 YEARS.

# ACTUAL BASE SALARY CHANGES POSITIONS WITH LARGEST CHANGES\*

Social Media Communications Professional – Entry had the greatest increase in median base salary (5.8%) for the second consecutive year; other positions ranged from 4.5% to 5.4%.



## JOB FAMILY

Communications

Engineering

Marketing

R&D

Marketing

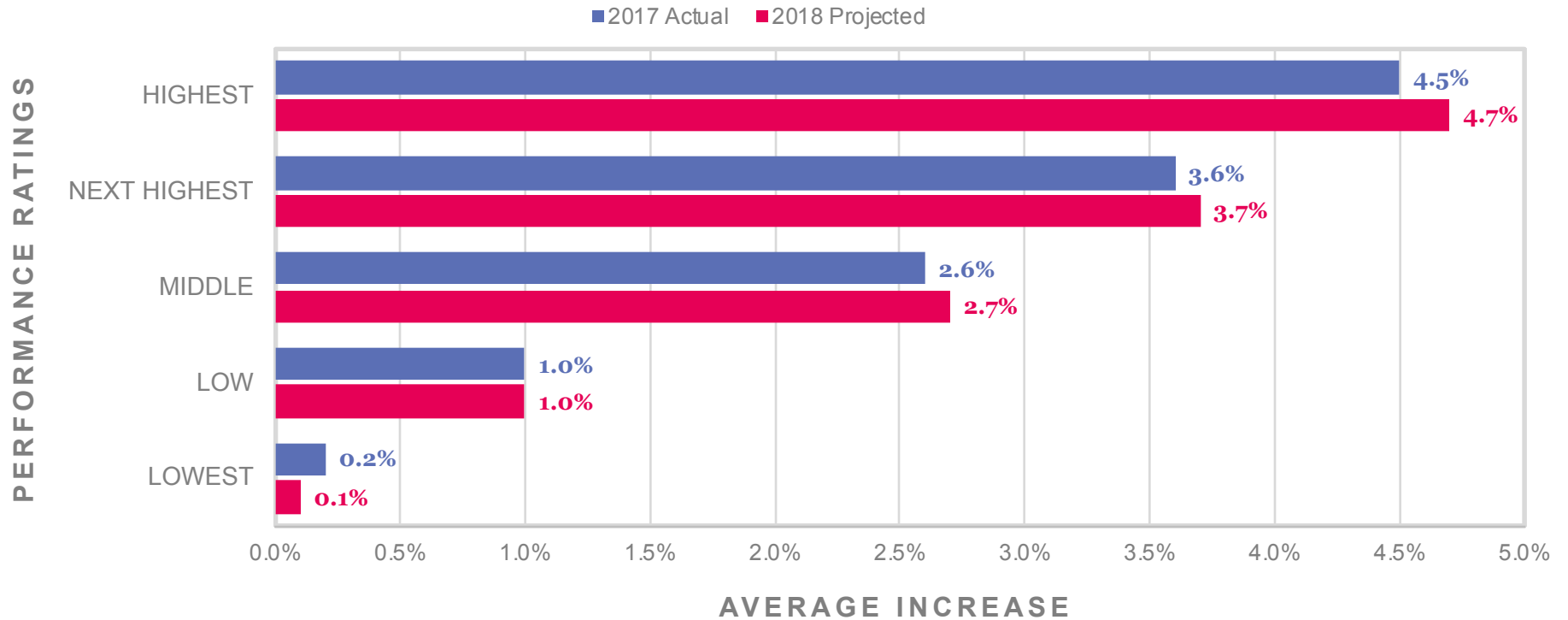
Corporate Affairs

HR

IT Analysis & Design

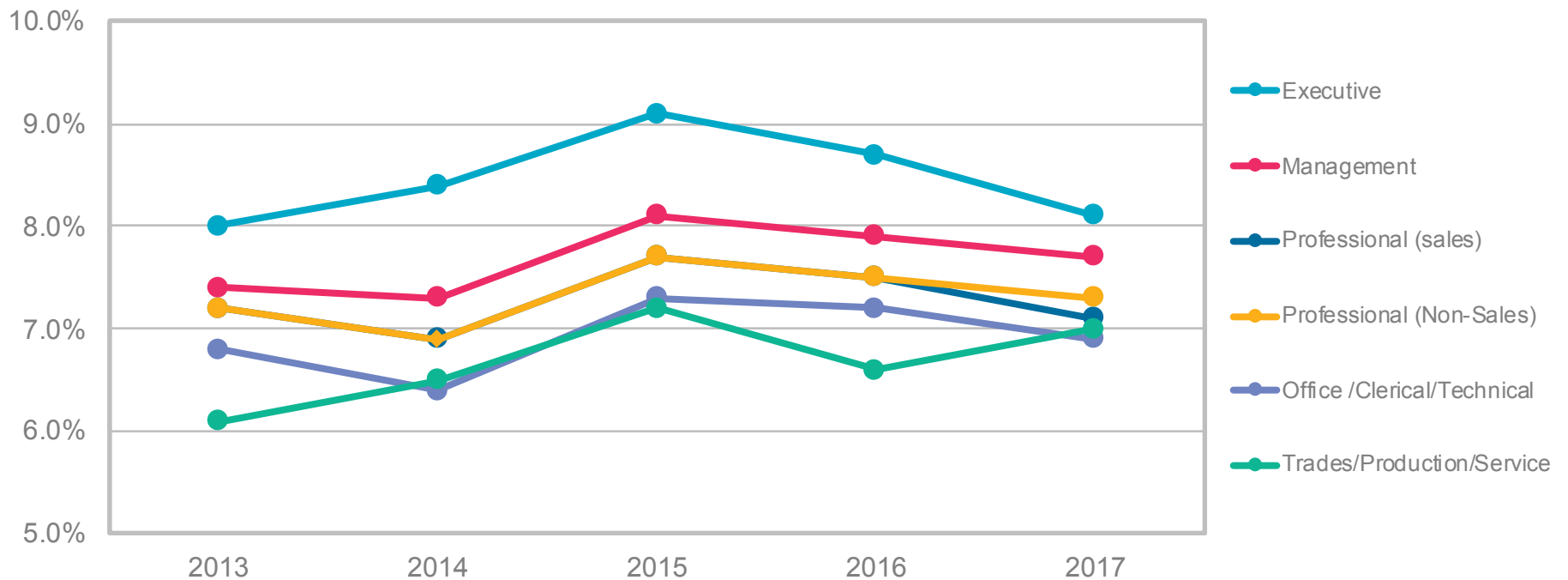
# BASE SALARY ADJUSTMENT BY PERFORMANCE DIFFERENTIATION CONTINUES

88% of organizations use individual performance to drive base salary.



# PROMOTIONAL INCREASES ORGANIZATIONS CONTINUE TO BUDGET SEPARATELY

## PROMOTIONAL INCREASES (AS % BASE SALARY) FIVE-YEAR TREND

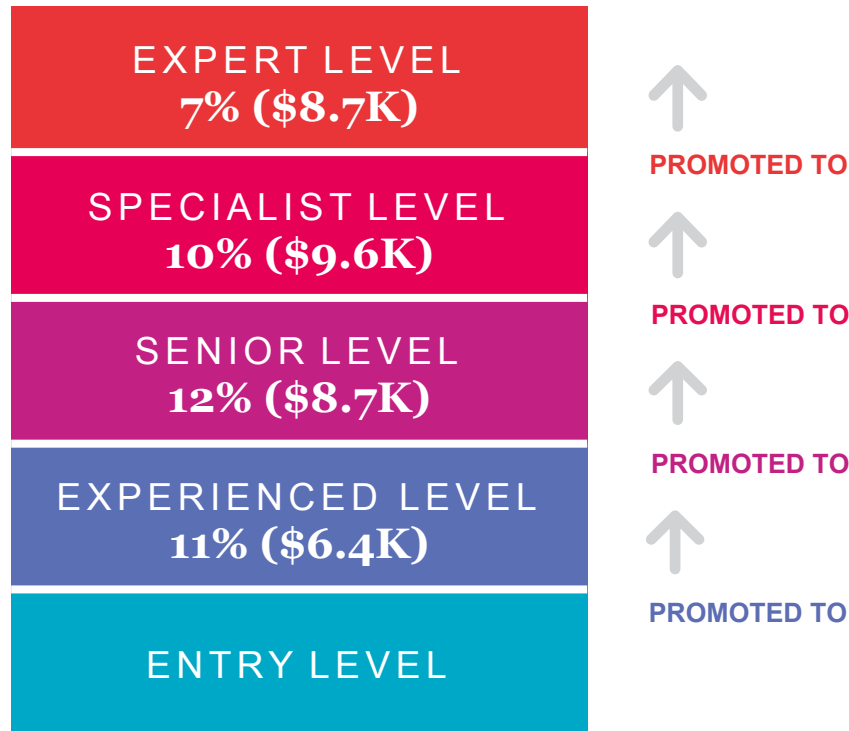


All averages exclude 00's. Some data points may not be visible due to similar values in more than one employee group.

# PROMOTIONAL INCREASES

## PROFESSIONALS CAREER STREAM DIFFERENTIATION

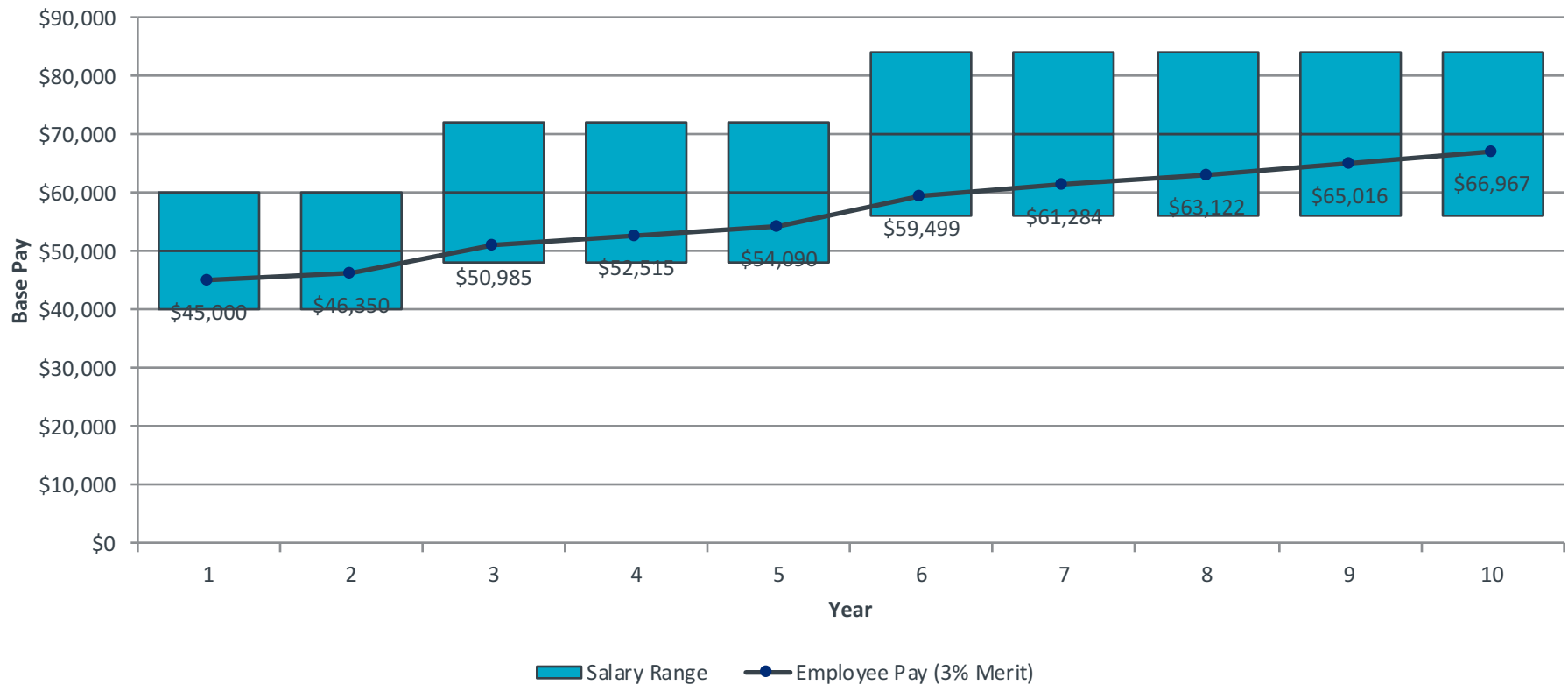
The median change in base salary for professional-level incumbents promoted to the next level ranges from 7-12%.



Promotional increase % (\$)  
n=19,879 incs

# AN EMPLOYEE'S CAREER JOURNEY

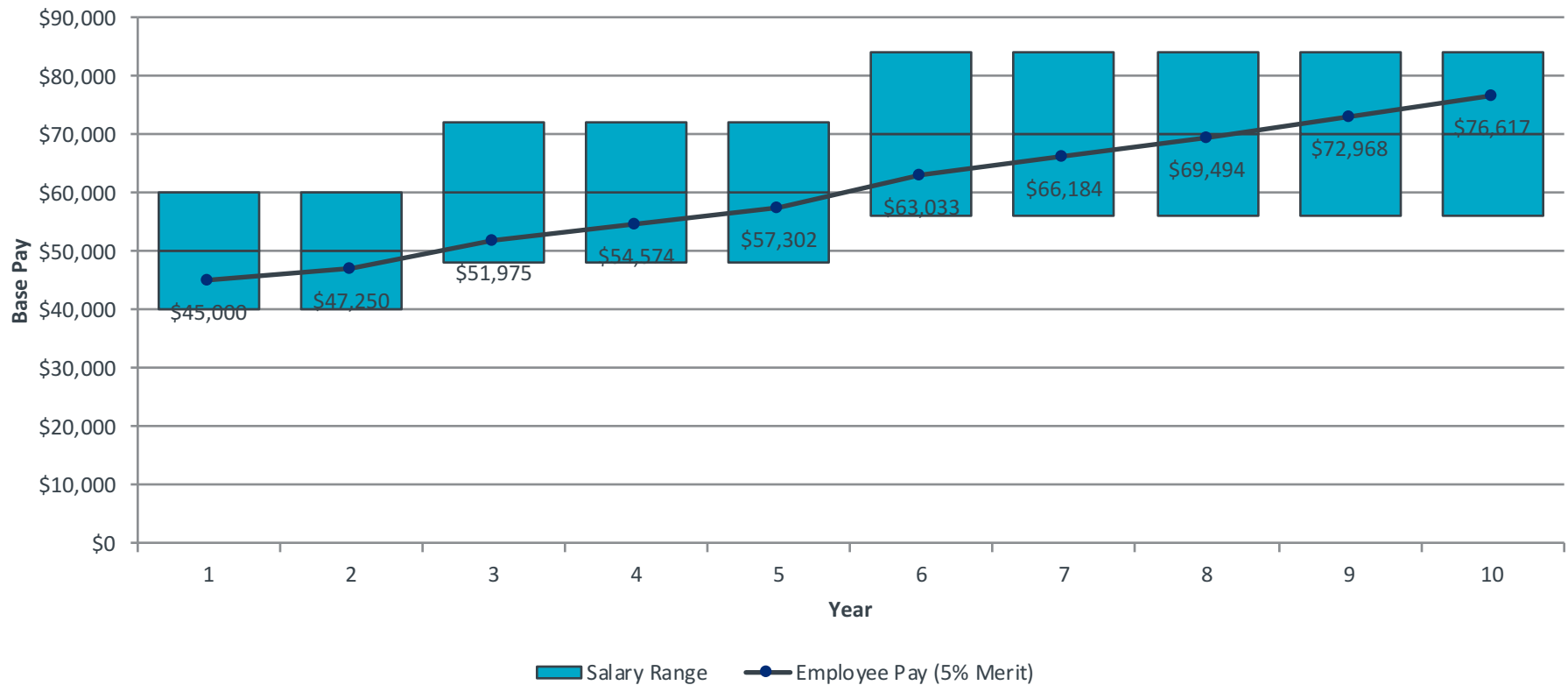
At 3% merit and 10% promotional increases (or bring to minimum), our employee is still not at market median after 10 years





# AN EMPLOYEE'S CAREER JOURNEY

At 5% merit and 10% promotional increases (or bring to minimum), our 5-star rated employee is finally compensated above market median in year 9



# SALARY STRUCTURE ADJUSTMENTS

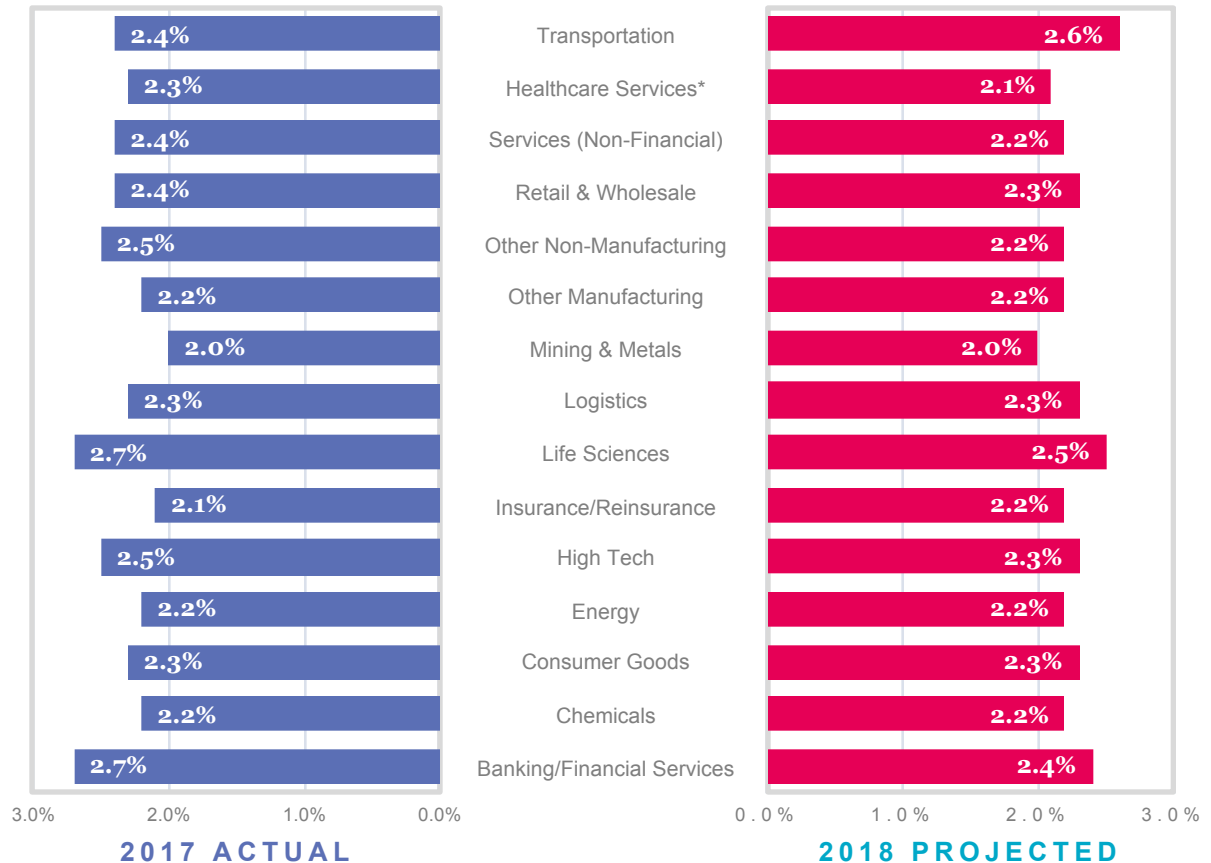
83% of organizations reported having a formal salary structure.



**74%**

Of organizations plan to adjust their salary structure in 2018.

## STRUCTURE ADJUSTMENTS BY INDUSTRY



\*Healthcare Services is an industry sector and is included in the Services (Non-Financial) Industry Super Sector

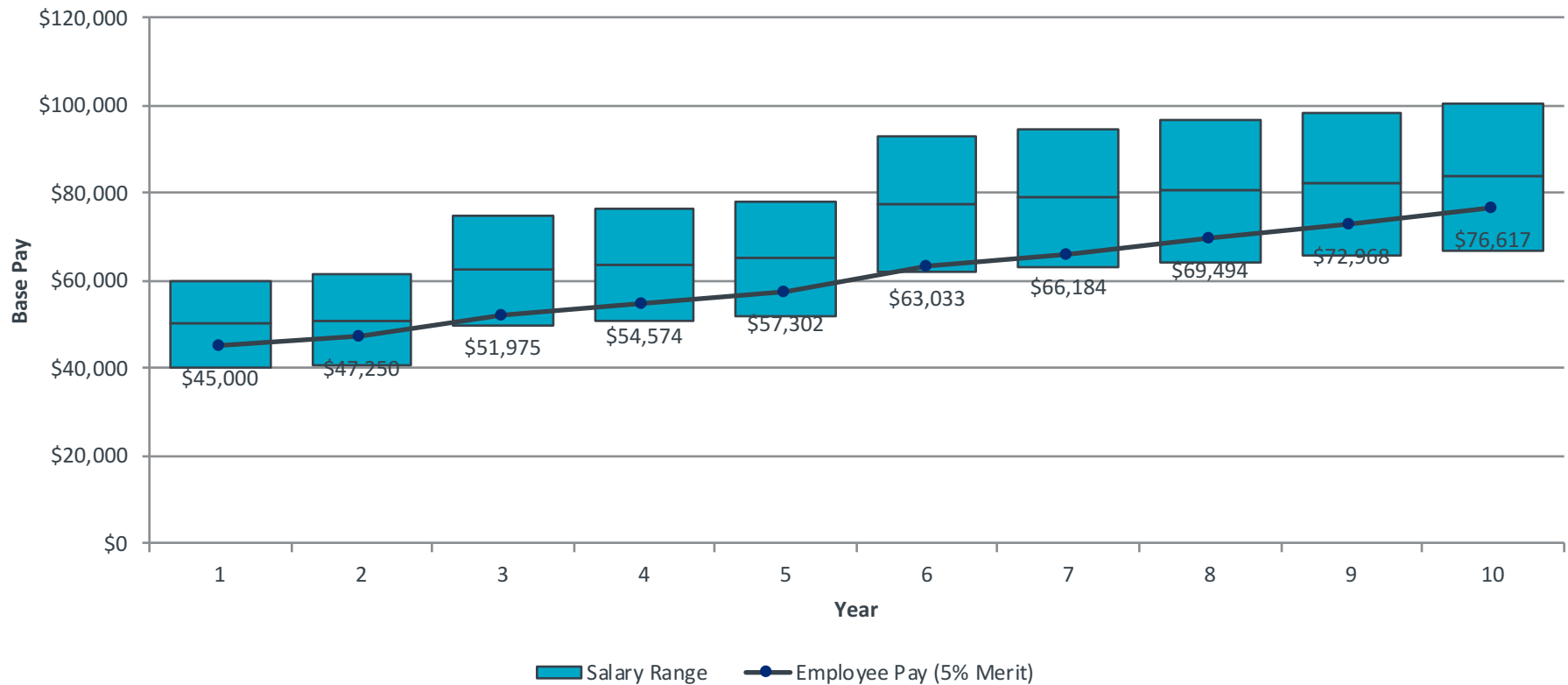
# AN EMPLOYEE'S CAREER JOURNEY

At 3% merit and 10% promotional increases (or bring to minimum) along with 2% structure movement, our employee consistently rides the range minimum



# AN EMPLOYEE'S CAREER JOURNEY

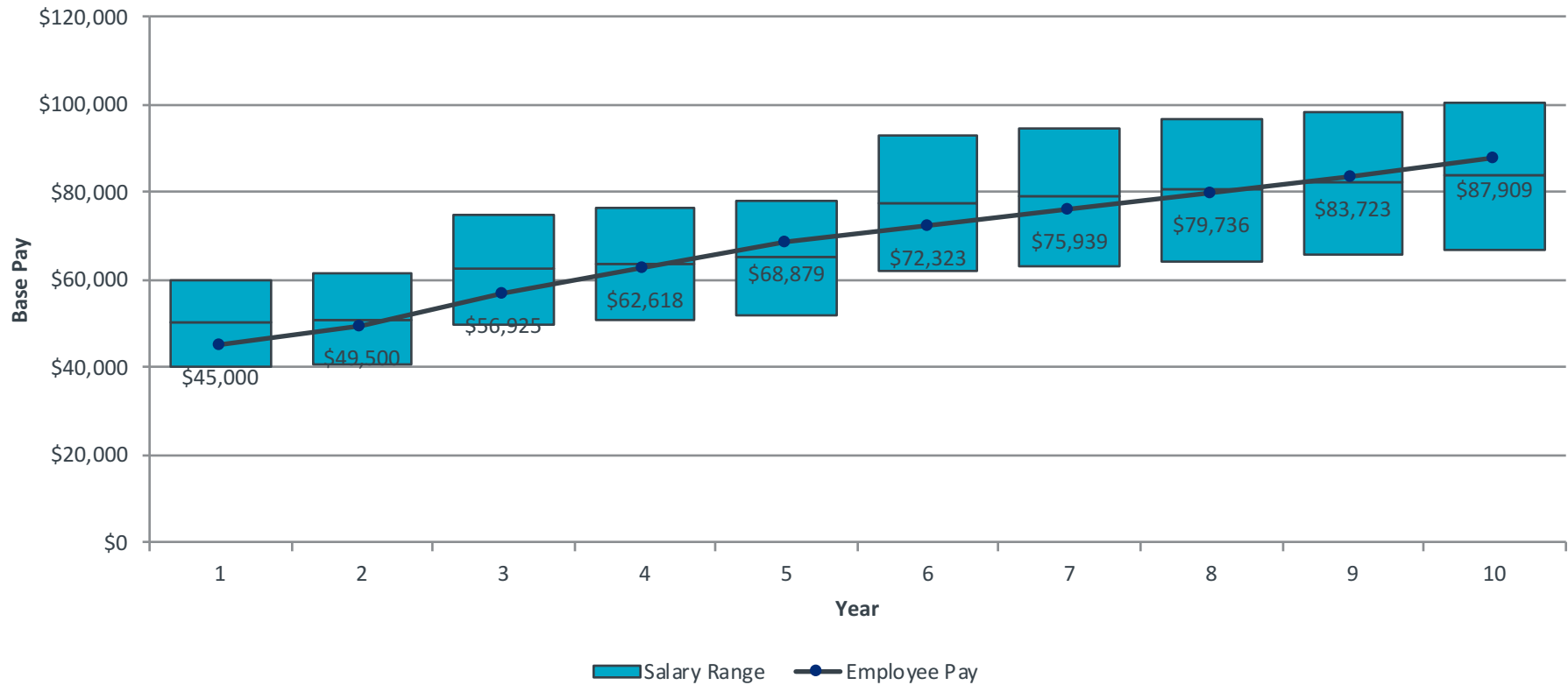
At 5% merit and 10% promotional increases (or bring to minimum) along with 2% structure movement, our 5-star rated employee is below market median all 10 years



# AN EMPLOYEE'S CAREER JOURNEY

## AN OPTIMAL JOURNEY

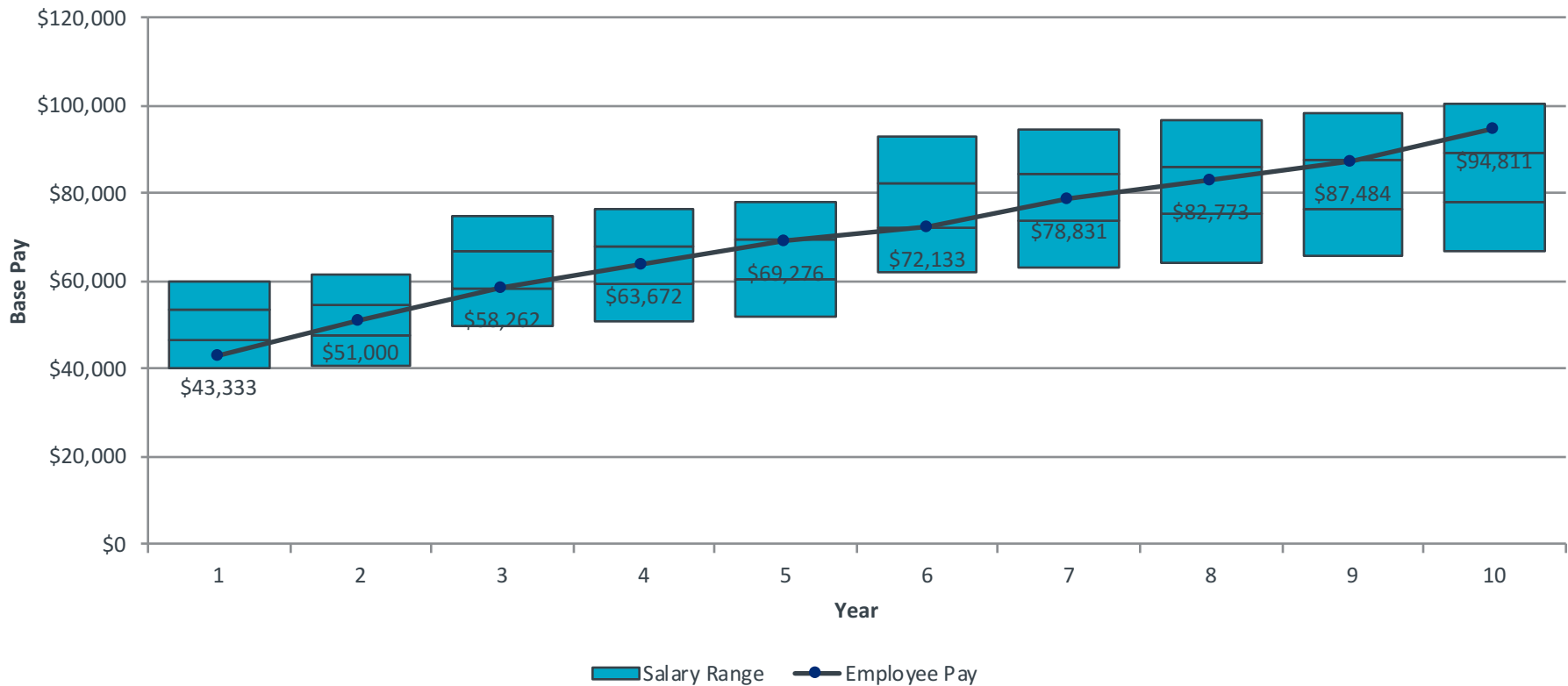
Years 1-2	Years 2-3	Years 3-4	Years 4-5	Years 5-6	Years 6-7	Years 7-8	Years 8-9	Years 9-10
10%	15%	10%	10%	5%	5%	5%	5%	5%



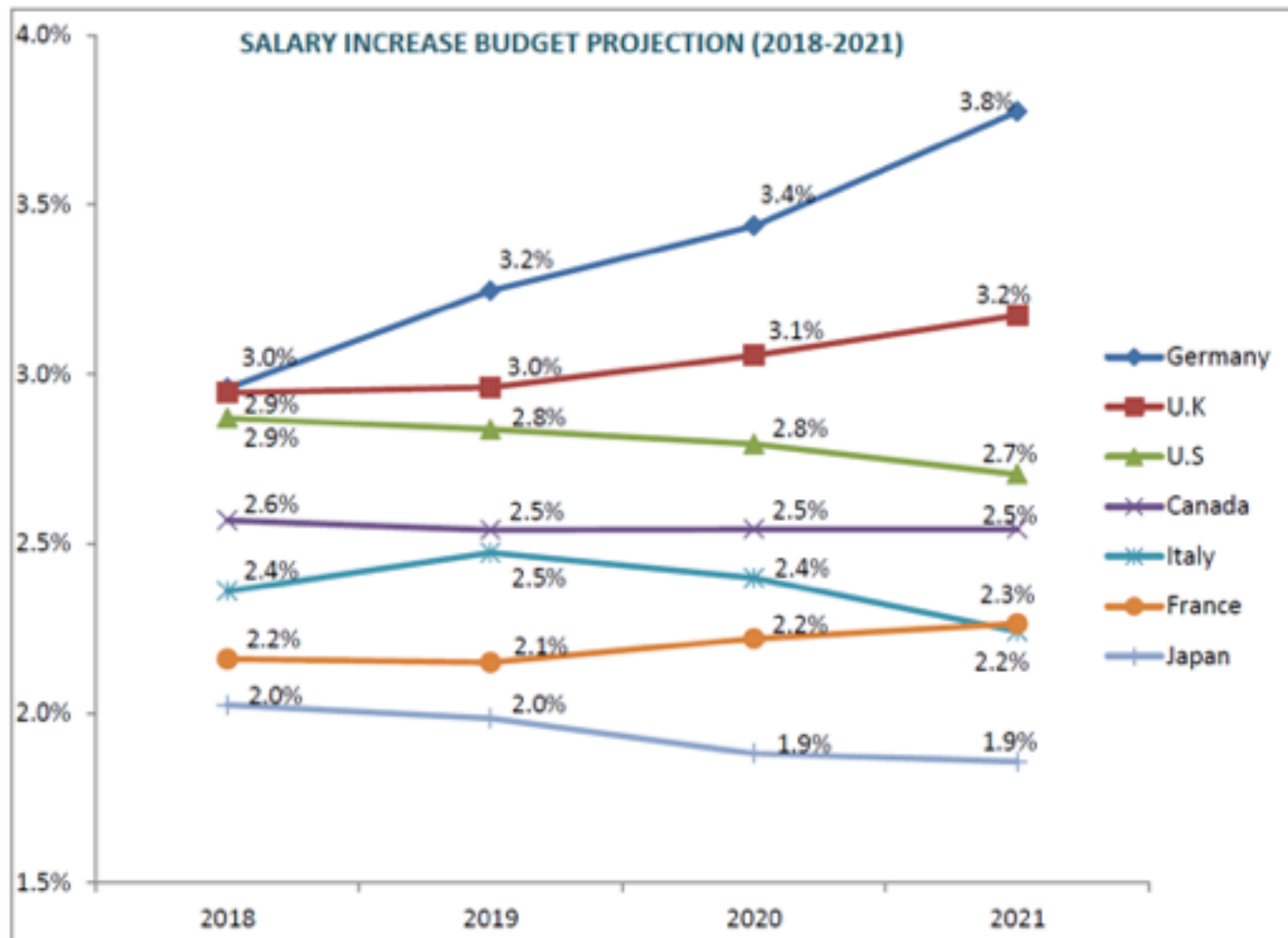
# AN EMPLOYEE'S CAREER JOURNEY

## AN OPTIMAL JOURNEY – DIVIDING THE RANGE

Years 1-2	Years 2-3	Years 3-4	Years 4-5	Years 5-6	Years 6-7	Years 7-8	Years 8-9	Years 9-10
18%	14%	9%	9%	4%	9%	5%	6%	8%



# GLOBAL COMPENSATION PLANNING G7 COUNTRIES



# GLOBAL COMPENSATION PLANNING

## OTHER NOTABLE COUNTRIES (2017)

Country	GDP Change	Inflation Rate	Unemployment Rate	Salary Increases
Brazil	0.4%	3.5%	13.1%	6.3%
Venezuela	-4.8%	736.67%	25.3%	319.22%
China	6.6%	2.4%	4.0%	6.5%
India	7.2%	4.8%	3.4%	9.5%
South Korea	2.7%	1.8%	3.8%	4.4%
Poland	3.5%	1.8%	5.2%	3.1%
UAE	1.5%	2.8%	3.6%	4.0%
Switzerland	1.5%	0.4%	4.5%	1.5%
South Africa	0.8%	6.2%	26.9%	6.9%

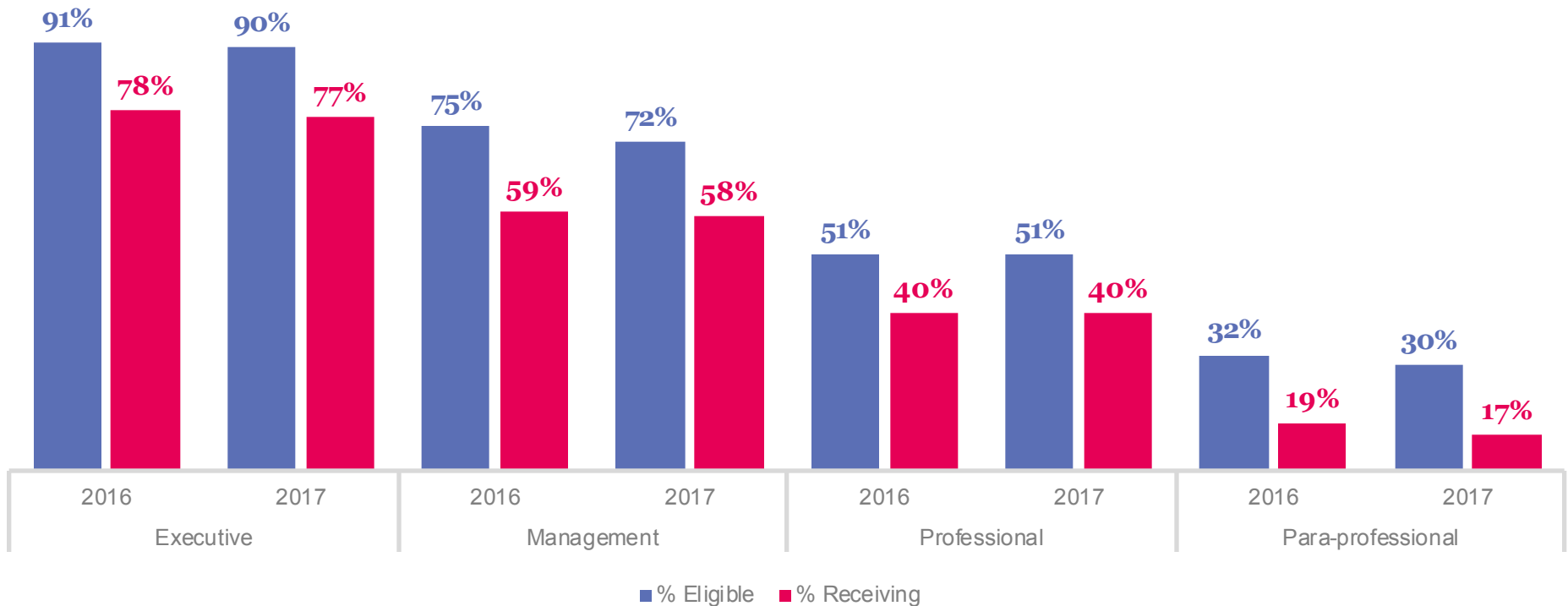


# SHORT-TERM INCENTIVES BY CAREER STREAM\* ELIGIBILITY AND RECEIVERSHIP

Incentive eligibility and receivership remained largely unchanged year over year.

2016: N=1,507,673 Incs  
2017: N=1,580,947 Incs

\*Each year of historical analysis (2016) is taken in isolation.

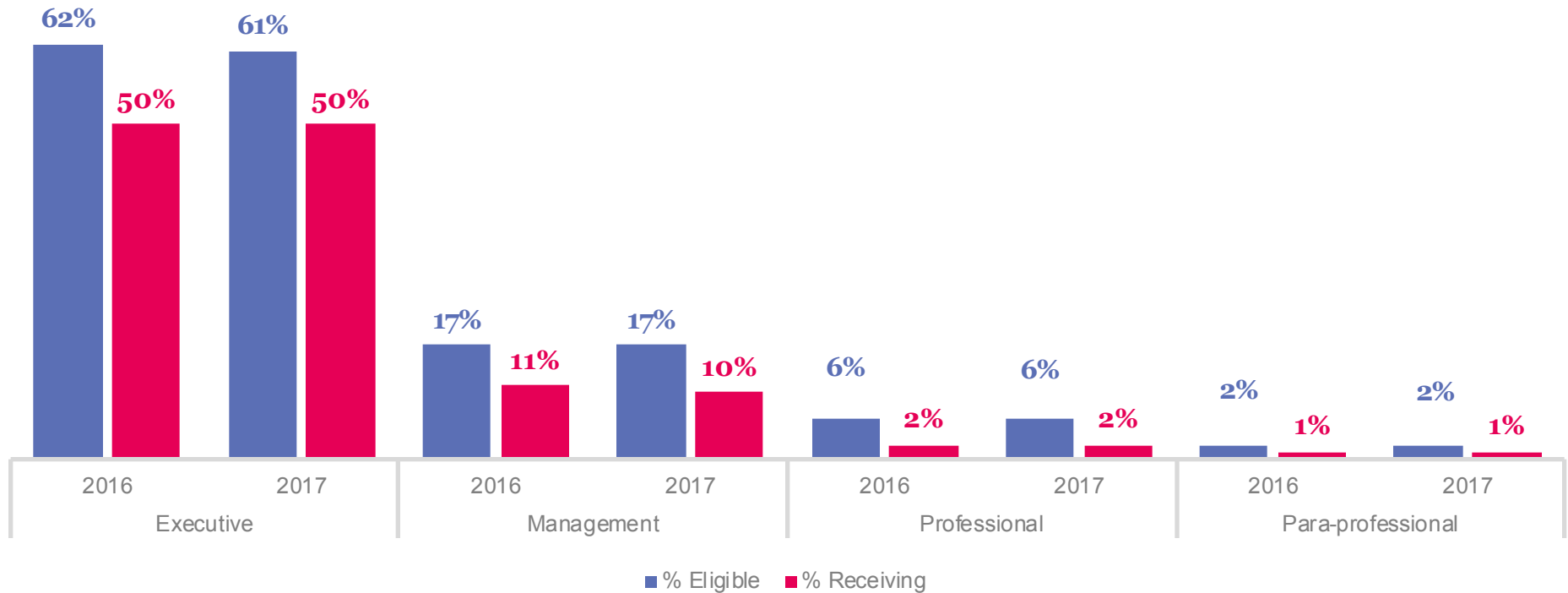


# LONG-TERM INCENTIVES BY CAREER STREAM\* ELIGIBILITY AND RECEIVERSHIP

Long-term incentive eligibility and receivership remained consistent across all career streams.

2016: N=1,507,673 Incs  
2017: N=1,580,947 Incs

\*Each year of historical analysis (2016) is taken in isolation.





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