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Digital, Technical and Executive Compensation Soared in 2015 *Incentives, Amenities and Culture Critical to Winning Talent Race*

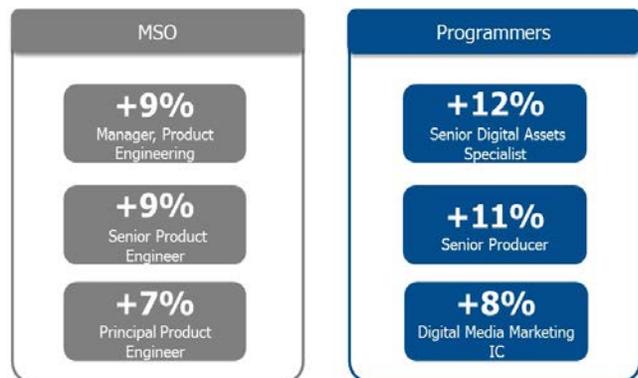
NAPERVILLE, ILL., January 20, 2016 — The law of supply and demand is alive and well when it comes to compensation in the cable and telecommunications industry. The Cable and Telecommunications Human Resources Association’s (CTHRA) 2015 Annual Compensation Surveys found that the most sought-after talent, individuals with digital and technical skills, garnered the highest salary increases last year. Executives once again benefitted from robust equity incentives, continuing a multiyear industry trend. The surveys also revealed that employers must look beyond pay and expand their notion of compensation to include perks and culture as they strive to attract and retain high-caliber talent in the intensely competitive job market.

The proliferation of mobile and over-the-top distribution and the entrance of new content developers spurred salary increases for hot digital media and engineering jobs at rates two to three times higher than the national average (see Figure 1). The attractive amenities and hip cultures prevalent at digital and high-tech companies, whether they are located in Silicon Valley or Silicon Alley, also served as powerful talent lures. CTHRA’s 2015 surveys examined amenities and culture for the first time.

Pamela Williams, CAE, CTHRA’s executive director shared some insight, “It’s a dynamic time in the world of compensation as a growing number of employers are thinking outside of the box, expanding the scope of compensation to include things like free food, onsite gyms, competitive recreation and flexible schedules.”

“Adding amenities and culture is a great enhancement to the surveys,” noted David Crossen, senior vice president of human resources, NBC Broadcasting and Distribution, and co-chair of CTHRA’s Compensation Surveys. “It helps us look at the total value of a job at NBCUniversal versus one element of compensation.”

**Figure 1. Hot Technology and Digital Jobs
Base Salary Increases**



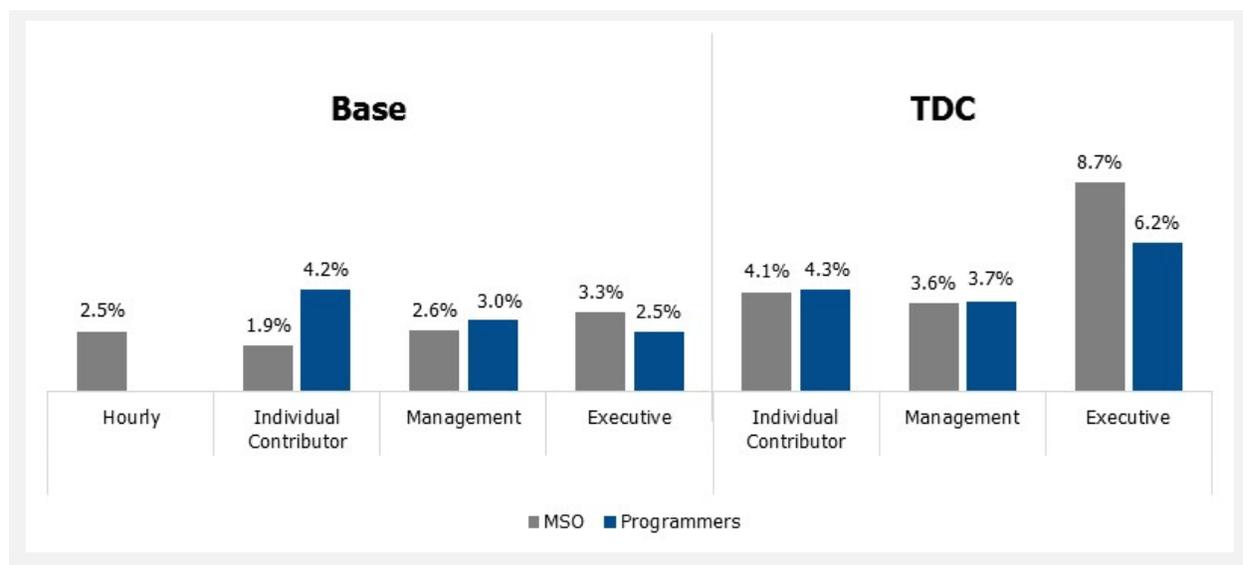
Salary Adjustment Budgets Continue Incremental Growth

There were 58 responses to the 2015 surveys representing divisions from 53 companies, including digital content competitors such as Amazon, hulu and RedBull Media House. Both multiple system operators (MSOs) and programmers reported 2015 salary adjustment budgets (which include raises for merit, promotion and cost of living adjustments) of 3%. This annual increase is on par with the national average and has remained at roughly 3% since 2011.

Among MSOs, base salary increases were modest ranging from 1.9% for individual contributors (ICs) (non-management professionals) to 3.3% for executives. At programmers, base salary increases ranged from 2.5% for executives to 4.2% for ICs (see Figure 2).

Base salary is just one component of pay. Bonuses and equity incentives spurred total direct compensation (TDC) higher in nearly all job categories. In 2015, executives garnered the greatest gains, with TDC escalating 8.7% at MSOs and 6.2% at programmers (see Figure 2).

Figure 2. Compensation Growth 2014 to 2015¹



¹ For companies participating in both the 2015 and 2014 CTHRA surveys, excludes sales positions.

Among MSOs, the 2015 survey revealed geographic differentials in the pay for expert installers and service techs. Base salaries were 13% higher for nonunion positions in the West and 5% higher in the East. MSOs in the South, Midwest and Southwest reported lower base salaries for installers and techs by 8%, 4% and 4%, respectively.

Sales results were mixed in 2015. MSO direct sales were generally at target, boosting IC bonuses by 4%. However, programmer ad sales were below target, with bonuses for management advertising sales positions falling 6% and declining 4% for ICs. Advertising sales should see a boost in 2016 driven by the election and Summer Olympics.

Bonuses Prevalent, Equity Incentives Limited

Short-term incentives, or bonuses, continued to be important components of compensation in the industry, and both MSOs and programmers pushed bonus eligibility deeper into their organizations. In 2015, 92% of MSOs offered bonuses, and of those 64% extended eligibility to all employees. At programmers, 90% offered bonuses, with 50% making bonuses available to everyone (see Figure 3). Digital and high-tech competitors had more inclusive bonus programs, with 94% offering bonuses and 55% extending eligibility to all.

The difference between cable and digital employers was dramatic when comparing long-term incentives (LTI) such as stock options, shares and long-term cash awards. As already noted, the cable industry's use of equity incentives has raised compensation for executives. It has also encouraged their retention. In 2015, turnover among MSO executives was just 4% and only 11% at programmers. However, none of the MSO participants and only 6% of programmers extended LTI eligibility to all employees (see Figure 4), whereas 45% of digital employers offered equity incentives to everyone.

Figure 3. Bonus



“Technology and digital companies recognize their strategic advantage comes from employees who innovate — software engineers and product managers who are individual contributors deeper in the organization. That’s why they treat the middle ranks so well,” said Hali Croner, president and chief executive officer (CEO) of The Croner Company, the firm that conducted the surveys for CTHRA. “The biggest shift media companies will need to make is to understand that the individual contributor is now needed for competitive advantage, and compensation packages will need to reflect that.”

Figure 4. LTI Eligibility



Expanded Participation and Job Families Reflect Changing Market

To provide competitive intelligence necessary to attract and keep talent in the emerging multi-subscription environment, CTHRA expanded survey participation to digital content developers and added new job families. “We are tapping the same talent market,” explained Lisa Kaye, president and CEO of greenlightjobs, and co-chair of CTHRA’s Compensation Surveys. “Growing participation outside our normal niche and including new job families as emerging markets develop will help the industry remain competitive.”

The 2015 Programmer Survey included eight new job families: digital journalist, digital anchor and digital coordinator as well as research, marketing strategy, participation and residuals, government relations and anti-piracy. The MSO Survey included two new job families: workforce management and national enterprise commercial sales.

Compensation Now Includes Perks, Culture and Purpose

For the first time, CTHRA’s surveys also gathered data on amenities and culture, reflecting the expanded notion of compensation prevalent at digital and high-tech competitors. “In addition to competitive pay and benefits, these companies attract and retain top talent through attractive amenities and exciting cultures,” noted Croner. “Understanding prevailing practices in the areas of amenities (such as food and environment) and culture (such as transparency, communication and mobility) is essential for competing.”

The surveys found that the digital industry had a greater prevalence of free fully stocked pantries, while most cable participants offered cafeterias, sometimes subsidized and sometimes not. In terms of work environments, digital offered “cooler” amenities such as theaters, eco-friendly buildings and competitive recreation such as volleyball, basketball and ping pong. Enhanced work environments at MSOs and programmers were typically limited to the building — open work space and creative architecture — while recreation amenities tended to be game rooms.

Figure 5. Onsite Gym and Membership Subsidies

	Full	Partial	None
Digital	Onsite & Memberships: 38%	43%	8%
Programmers	Onsite: 64% Memberships: 0%	36% 59%	0% 41%
MSOs	Onsite: 50% Memberships: 0%	50% 33%	67%

Onsite gyms and local memberships were popular with both digital and cable employers. Digital companies more frequently offered onsite gyms or memberships (66%), but programmers have nearly caught up in prevalence (39% onsite, 44% local memberships) and subsidization (see Figure 5). MSOs are close on prevalence (33% onsite gym, 25% local membership), but lag on subsidization.

Regarding culture, the 2015 surveys found that company values, innovation, transparency, collaboration, inspirational leadership, autonomy, mobility and even purpose resonate with digital employees and millennials. “Culture has become an integral part of the whole compensation package — how the work is done, whom you will work with and what you will get from work itself and the environment,” explained Croner.

Crossen agreed. “Culture is a major factor in employees having a positive experience,” he said. “You can attract people with compensation, but retaining people requires investment in development, amenities, benefits and culture.” To compete with digital employers, organizations need to think beyond pay and review how they might expand what they offer to attract and retain talent.

Methodology

CTHRA’s 2015 Compensation Surveys included 58 responses representing divisions from 53 companies. Participation included 12 MSOs and 41 programmers (see attached 2015 participant list). The majority of the industry’s employers participated, including eight of the nine largest MSOs, one satellite delivery company, the top national cable networks, broadcast networks and new digital content providers. The survey results are industry-specific, providing an in-depth analysis of pay practices for roughly 168,800 incumbents, including both exempt and nonexempt positions ranging from technicians to top executives.

The participants submitted data reflecting 2015 budgets, base compensation figures, amenities and benefits. The Croner Company, a leading compensation consulting firm specializing in compensation plan design, compensation surveys and organizational design, developed the surveys and collected and analyzed the data, separating results into two participant categories: MSOs and programmers. Given the highly confidential survey data, the results from any given company cannot be seen. Only summary information pertaining to all participants is available. This reporting approach complies with Federal Trade Commission (FTC) regulation and encourages participation without fear of exposing proprietary information to the public.

CTHRA is currently seeking participants for its 2016 Compensation Surveys. For more information, please visit www.cthra.com/surveys.

About CTHRA

The Cable and Telecommunications Human Resources Association (CTHRA) is the premier human capital resource for the industry and a growing nonprofit organization with more than 3,000 members spanning 50 companies. CTHRA provides industry-specific benchmarks, information and resources, as well as networking and educational opportunities. Its groundbreaking initiatives include compensation, employee benefits and human capital metrics surveys and an Annual HR Symposium. For more information, visit www.cthra.com.

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2015 Multiple System Operator (MSO)

Participants

Atlantic Broadband Inc.

Baja Broadband

Bright House Networks

Cablevision Systems Corporation

Charter Communications Inc.

Comcast Cable Communications Inc.

Cox Communications Inc.

DIRECTV Inc.

DISH Network Corporation

Midcontinent Media Inc.

RCN Telecom Services LLC

Time Warner Cable Inc.

Hasbro Inc.

HBO Latin America Production Services L.C.

Home Box Office Inc.

Hulu LLC

ION Media Networks, Inc.

Madison Square Garden

MLB Network LLC

National Basketball Association

National Football League

NBCUniversal Media LLC

nuvoTV

PGA Tour

Public Broadcasting Service

QVC, Inc.

Red Bull Media House North America Inc.

Scripps Networks Interactive Inc.

Sony Pictures Entertainment

Starz Entertainment LLC

The E.W. Scripps Company

The Inspiration Networks

Time Warner Cable Inc.

Tribune Media

Turner Broadcasting System Inc.

TV One LLC

Univision Communications Inc.

Viacom Media Networks

Warner Bros. Entertainment Inc.

World Wrestling Entertainment Inc.

2015 Programmer Survey Participants

A+E Networks LLC

Al Jazeera America LLC

Amazon.com Inc.

AMC Networks Inc.

AT&T

CBS Corporation

Crown Media Holdings Inc.

C-SPAN

DIRECTV Inc.

Discovery Communications Inc.

Disney ABC Television Group

ESPN Inc.

Fox Networks Group