

Salary Review Process for Salaried Employees

Valuing employees

Boeing is committed to attracting, developing and retaining people who are critical for meeting our business needs. A key part of this commitment is a data-based market salary analysis process that ensures that the compensation of Boeing employees is competitive, internally equitable and reflective of the value of each person's contribution.

Creating competitive salaries

The procedure for creating a competitive salary package is an ongoing process at Boeing. Early in the year, the company participates in an industry survey that collects, compares and analyzes job descriptions and salary data from hundreds of companies representing more than 1 million employees.

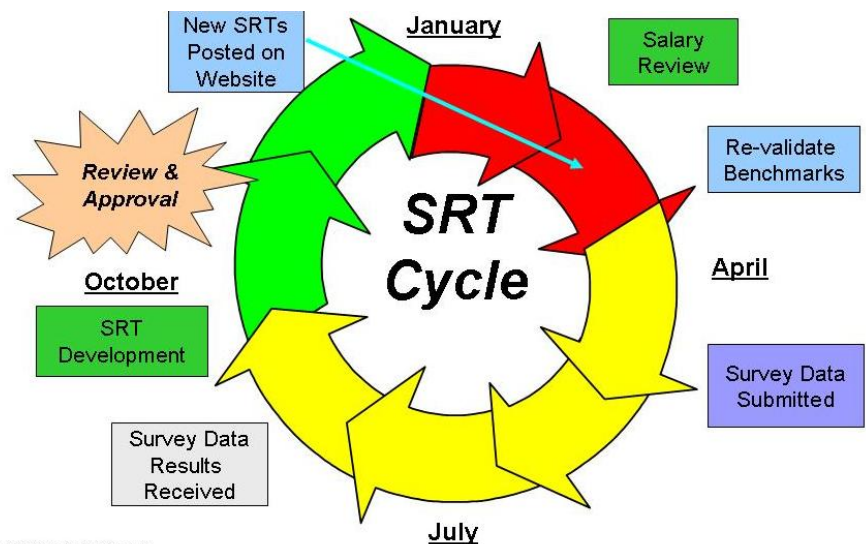
As part of the process, an enterprise compensation team reviews Boeing job descriptions and aligns them to industry benchmarks based on scope of work. The data is then submitted and audited by the survey provider to ensure accuracy with industry definitions.

Developing the Salary Reference Table

When the survey data results are returned to Boeing in September, the data are evaluated and used as a basis for adjustments to our Salary Reference Tables (SRTs).

The SRTs which identify a pay range for job families and levels, are updated in the fall and effective in March.

The SRT ranges are used to help guide the manager in determining the base salaries of all Boeing's salaried employees.



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Performance Affects Pay

Because both the company and SPEEA believe that performance affects pay, Boeing's SPEEA-represented employees participate with their managers in the Performance Management process which is used to help determine individual salaries.

From the year-end Performance Management reviews, employees are given Integrated Performance Assessment (IPA) ratings that reflect achievement towards their Business Goals & Objectives, Performance Values, overall ratings, and value of contribution compared to employees in the same job code and level.

Putting it together for your salary review

Using the Salary Reference Tables and salary adjustment funds as guides, managers consider job classification, performance, value of contribution compared to peers, market competitiveness and business environment to adjust individual employee salaries as appropriate.