

For On The Floor: Salary Satisfaction?

Written by Rick Carter, Executive Editor
Monday, 28 May 2012 17:43



GE's Jack Welch is quoted as saying, "If you pick the right people and give them the opportunity to spread their wings and put compensation as a carrier behind it, you almost don't have to manage them." Most would agree, in principle if not always in practice. This month, our Reader Panelists report on how satisfied they are with their own compensation.

While we didn't ask for compensation details—*focusing instead on salary trends and the factors that impact them*—most Panelists, encouragingly, feel fairly compensated and that their salaries and wages generally align with those of similarly titled and tenured peers. This could be taken as corroboration of the government's current (as of December 2011) Employment Cost Index (ECI) of 114.7 for the manufacturing sector, which suggests most manufacturing employees probably make more today than they did several years ago. The ECI indicates that manufacturers, in fact, are spending almost 15% more on their employees' compensation (wages, salaries and benefits) than they did in the 100-level base year of 2005.

In a category the size and breadth of manufacturing, however, anomalies are to be expected. Comments from those who are less positive about their compensation serve as a reminder that when it comes to salaries, a rising tide does not automatically lift all boats. Here's what our group had to say:

Q: Regarding your salary history with your current employer (or recent past employer), how has your pay changed from when you started with the company?

"My salary has increased much more quickly with my current employer than it did with previous employers. I'm up over 75% in seven years. One increase is from a promotion, all others were for performance and cost-of-living increases. In the last year I'm up 6%."

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... *Maintenance engineer, West*

"I went from a union pay scale, which was not a bad salary, to management. The starting salary was a raise and is very competitive with my peers in the industry."

... *FME site coordinator, Northeast*

"I am at the industry average, but I have held different positions within my company over the years, and those positions did come with a pay increase. Within the last year I received a very modest salary increase."

... *Production support manager, Midwest*

"My salary is about average for skilled trades in our area, but it was hit fairly hard after we [recently] came out of bankruptcy and were then sold. At that time, we took an \$8-per-hour pay cut, so the wage I get now is the same I received when I hired into [the original company] in 1999."

... *PM leader, Midwest*

"My pay scale is average-to-low for my experience level and position. My salary has not changed since I was hired due to the economic conditions of my employer, a start-up company. We were told we would begin to get salary increases when we became profitable. We expect that to happen this year, but we're not there yet. Also, we have no 401K match until we are profitable."

... *Maintenance supervisor, South*

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“My salary is below average for my position and education. My salary adjustment was curtailed by 30% [several years ago] and was followed by minor adjustments of up to 3%, except in 2008 when we all took freezes, though management continued to get their large bonuses. The excuse was that they were all under contract and could sue the company if they did not get their bonuses. I believe that I and my peers in this company are under-compensated by at least 15%, according to the market surveys I have seen.”

... Maintenance manager, New England

Q: What opportunities does (or did) your company offer to make money above your original pay?

“We have a profit-sharing program, which paid the maximum after the [company] sale, but I have not heard if we will see anything for the last half of 2011. But overtime is pretty much available on a daily basis.”

... PM leader, Midwest

“Once a year we get a performance bonus, depending on our job evaluations. This amount isn’t a great deal, especially if you compare it to senior management, but it is nice and it is appreciated.”

... FME site coordinator, Northeast

“I received stock options offered at hire for the first four years, now vested, which have since become de-valued due to the current economic condition of the company.”

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... Maintenance supervisor, South

“My bonus has dropped progressively, and is now 35% down from four years ago. The reasons have been consistent: pricing pressures and a decline [in] the economy. In my current position, the end-of-year performance bonus is the only way to make money above my salary.”

... Production support manager, Midwest

Q: How does your current workload compare with your average workload over your career: higher, lower or about the same?

“Our workload has increased because we have lost a lot of trades people that have not been replaced. We are so busy now, you can make almost the same wage with overtime as we did with the higher pay.”

... PM leader, Midwest

“We have to do more and work longer hours for the same pay. That is getting to be common throughout the world today.”

... Maintenance manager, New England

“My workload has increased, but that is partially because of me. I am actively involved in our industry group and tend to accept projects no one else has time for. All of these projects are

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necessary, so anything I can do to further them along is a plus.”

... *FME site coordinator, Northeast*

Compensation quality

We also asked Panelists if they felt their compensation adequately reflected their personal experience and specific talent, as opposed to simply being in line with trends or time in service. An aspect not reflected in official stats, the topic elicited several strong responses. The maintenance supervisor in the South, for example, who pegs his salary as “average-to-low” was originally “excited about being part of a start-up,” but when his company’s stock options lost value, he found he was making a greater-than-expected sacrifice: “With my 30 years of experience, plus accreditations (CRMP, CPMM, Six Sigma Black Belt), I believe I could fairly easily move to other employment in a similar position and earn 10% more at minimum.”

The inequities typically found between compensation levels for management and workers are also on Panelists’ minds: “As the economy improves I believe that companies that practice [inequitable] compensation methods will have a difficult time retaining employees and recruiting new employees,” says the maintenance manager in New England. “There is very little loyalty today displayed by employers or employees. All the greed that is going on will undoubtedly hurt our country’s future if it does not subside soon.”

Interestingly, at least one Panelist is inspired by what he sees as the potential inherent in such inequities: “I do think I am fairly compensated,” says this Panelist in the Midwest. “But when you see the public disclosures of the company’s executive management team getting huge bonuses and base pay, it just makes me want to do better so I can get to that compensation level some time in my life.” **MT**

The Maintenance Technology Reader Panel is comprised of approximately 100 working industrial-maintenance practitioners and consultants who have volunteered to answer bi-monthly questions prepared by our editorial staff. Panelist identities are not revealed, and their responses are not necessarily projectable.

Our Reader

Panel welcomes new members:

Have your comments and observations included in this column by joining the Reader Panel at www.mt-online.com. Click on “Reader Panel” under the “MT Resources” header, and follow instructions. If accepted, you will automatically be entered into a drawing for a cash prize after one year of active participation.