

Salary Rates Steady

By Lisa Cross

Graphic Arts Monthly's annual survey, in line with industry data, finds upward pressure continues

Превземено од Graphic Arts Monthly

The combination of economic recovery and skilled labor shortages is putting upward pressure on printing industry salaries. Still, there is no such thing as a free lunch. So, workers are being to asked to be top performers.

The hot job category is estimating/job planning, according to Craig Press, president of Profectus (www.profectus.com), a print industry management consultancy. Wages for estimators and job planners are increasing, he says, because those positions are difficult to fill.

There are several surveys that track industry salary trends. The results of Graphic Arts Monthly's annual salary survey and those of three associations are presented here. This is the first time GAM has published industry associations' salary survey results with its own. Adding other sources offers a more comprehensive view of salary trends. PIA/GATF and GAM are presented side-by-side; job categories from the GAM survey were used.

Graphic Arts Monthly conducts an annual salary survey for 27 job categories. Results from the study are presented in the adjacent table. The survey was managed by the research group of Reed Business Information — GAM's parent company. The survey reflects results from 269 printing executive respondents from around the country about trends in salaries in 2004. Salaries held steady, increasing at an average of 2.9%, compared to 2.9% in both 2003 and 2002. Those working at small general commercial printing shops reported the highest overall average increase of 3.2%.

The survey also reports many employers (95%) offer health insurance. Two-thirds (66%) of respondent companies offer a 401(k) plan. Disability insurance was offered to 53% of companies surveyed.

The most effective hiring strategy for filling positions, according to the survey, is advertising in newspapers and trade magazines (56%), followed by recruiters (11%) and Internet (10%).

The full report, which contains breakdowns by geographic regions and benefits information, is available from the Reed Research Group for \$99. Contact Pete Cholewinski, pcholewinski@reedbusiness.com or 630.288.8202

Graphic Arts Monthly Annual Salary Survey

Senior Management	PIA/GATF	GAM 2005	GAM 2004
Job Functions			
Chairman of the Board	N/A	\$155,111	\$162,500
President/Owner/CEO	96,000	89,857	96,707
General Manager	95,004	68,694	61,473
VP Manufacturing	N/A	87,730	81,991
VP Finance	N/A	N/A	87,156
VP Information Technology	N/A	84,000	76,717
VP Sales/Marketing	N/A	85,909	110,515
Administrative & Finance			
Controller	\$67,000	\$55,848	\$65,315
Estimator/Planner	40,052	45,899	42,438
Office Manager	36,991	47,681	34,403
Human Resources Manager	48,000	59,273	53,311
Purchasing Agent/Buyer	40,000	52,345	45,577
Production Management Job Functions			
Plant Manager/Superintendent	\$66,082	\$82,406	\$62,346
Production Manager	54,960	59,824	51,338
Quality Control Supervisor	39,000	47,167	53,457
Production Scheduler	43,000	43,899	47,536

Dept. Foreman Job Functions

Art/Design Dept. Foreman	N/A	\$38,663	\$35,492
Electronic Prepress Dept. Foreman	\$55,120	52,505	49,452
Prep Dept. Foreman	58,368	48,878	52,565
Press Dept. Foreman	60,871	54,875	49,085
Bindery Dept. Foreman	50,846	47,144	43,846
Maintenance Foreman	55,000	50,299	44,230

Sales/Marketing Job Functions

Sales Manager	\$81,497	\$79,389	\$54,511
Sales Representative	N/A	44,453	37,553
Customer Service Manager	N/A	48,129	40,417
Marketing Communications Manager	51,500	50,600	47,500
Web Master	42,883	31,787	31,000

Sources: 2003-2004 GATG/PIA Survey; Graphic Arts Monthly

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PIA/GATF, in its 2003-2004 Survey of Printing Management and Administrative Compensation, reports on national and geographic salary trends. More than 500 graphic arts companies participated in the survey. The report cost is \$250 for PIA/GATF members and \$500 for all others. www.gain.net

PrintImage International's 2004/2005 Wage and Benefits Study www.printimage.org, with hourly wages and annual salaries for 17 key positions, shows salaries ranging from \$10.82 (copier operators) to \$21.45 (general managers). The 102-page report, which is based on responses by 350 company owners, offers geographic and population comparisons to assess fair and competitive wages in a given market area. The price of this study: \$85 for platinum members, \$135 for standard members and \$210 for non-members.

Hourly Wage Rates

Job Title	Average wage/Hour
General Manager	\$21,45
Customer Service Supervisor	\$15,03
Customer Service Rep	\$11,99
Production Manager	\$18,00
Sr. Offset Press Operator	\$16,41
Jr. Offset Press Operator	\$12,99
General Bindery Supervisor	\$13,40
Bindery Operator	\$10,45
Digital Press Operator	\$15,82
Copier Operator	\$10,82

Source: PrintImage International 2004/2005 Wage and Benefits Study

The study, now in its 16th year, reports that the most productive and most profitable companies also pay the highest salaries.

However, while the "profit leaders" do pay the highest wages and salaries, their overall payroll costs as a percent of sales are significantly lower, says John Stewart, president, Q.P. Consulting, the firm that conducts the statistical survey for the trade association.

The best-managed companies in the industry report that their total payroll expenses, excluding those paid to the owner, average between 26% and 27%, Stewart says. This figure includes all taxes and health benefit costs. On the other hand, he says, "profit laggards" report payroll costs of 33% to 36% and even higher.

How can this be? He says "profit leaders employ fewer people to get work done and reinvest more of their excess earnings into better, more productive equipment."

The U.S. Dept. of Labor's Bureau of Labor Statistics publishes national hourly wage estimates based on data collected from employers. The latest survey, from May 2004, reports the following average hourly wages for key printing jobs: bindery workers, \$12.59; bookbinders, \$14.22; job printers, \$16.41; mail machine operators, \$11.78; prepress techs/workers, \$16.63; and print machine operators, \$15.99.

Beyond industry statistical compensation surveys, the Internet offers searchable salary databases. PayScale.com provides compensation information of individuals based on job title, skills, location and experience, for example.

Using incentives to reward employees

"More printers are embracing incentive programs that reward employees for improving efficiency," says Profectus' Craig Press.

Diamond Packaging, Rochester, NY, offers its 190 employees a gain-sharing program. "The objective is to motivate employees to focus on key effectiveness measures," says Patricia Holzgartner, Diamond's director of HR. "The program is designed to share the increased profits generated with employees."

The Graphics Complex, Houston, with 215 employees, compensates workers for achieving goals. For instance, if employees achieve specific goals agreed upon between themselves and their manager, they are eligible for a bonus based on a percentage of their annual pay.

Salary plus fixed commission is the most popular method for compensating full-time sales representatives, according to NAPL's 2004 Sales Representative & CSR Compensation Report.

Remuneration methods include:

- Straight salary 3.8%
- Salary plus bonus 6.2%
- Salary plus fixed commission 24.7%
- Salary plus sliding commission 13.7%
- Draw against fixed commission 19.2%
- Draw against sliding commission 15.4%
- Straight fixed commission 9.2%
- Straight sliding commission 6.8%
- Other 1%

Commissions are based on:

- Gross sales 60.7%
- Value added 22.9%
- Profitability of job 10.5%
- Combination of all/other 8.8%

Employee-owned Worth Higgins & Associates, Richmond, VA, allows employees to increase the value of their own stake in the company by improving job performance.

"Contributing to the company's success solidifies employees' financial futures," says Susan Higgins, the company's marketing director. She cites a 23% increase in the value of the company's stock during the past fiscal year as evidence that the plan works.

Worth Higgins practices management by objective, where performance goals are established and rewarded with bonuses to employees who reach those goals.

Profit-sharing programs also raise profit yields. PIA/GATF reports that 60% of industry profit leaders have such programs in place.

Incentives don't have to be only about wages, says Press. Retail gift cards, movie passes and restaurant coupons are being used to acknowledge employee efforts and accomplishments.

He says some companies are using credit card rewards and cash-back programs to fund incentive programs. The rewards earned by company credit purchases are given back to employees.

"I had a client charge part of a printing press purchase that was financed just to get credit card award points," says Press. Rebates from prepress suppliers, he notes, also are used to fund incentives.