

Illinois Manufacturers' Association

Webinar

March 22nd, 2017

Kevin Paulsen, Principal

Contact at: 319-393-4836 or
Kevin.Paulsen@Newportgroup.com

Nicole Roach, Senior Associate

Contact at: 309-736-6939
Nicole.Roach@Newportgroup.com



Nicole M. Roach, MA

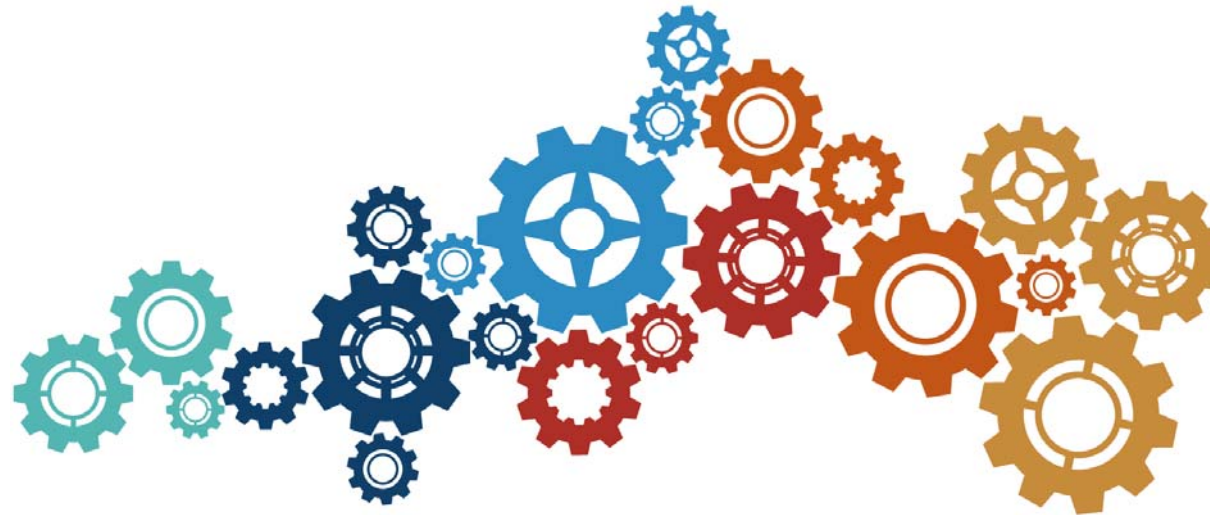
Experience:

- **10+ years human resources experience**

Specializing in:

- **Compensation & Benefit Management**
 - Survey Design & Analysis
 - Wage & Salary Structure
 - Job Evaluation
 - Benefit Analysis
 - FLSA Review
 - Job Descriptions
- **Higher Education**
 - Master's of Organizational Management
 - » Specialization: Human Resource Management
 - Adjunct Business Instructor
 - » Human Resource Management
 - » Professional Development
 - » Effective Team Dynamics

About Newport Group



Who We Are



RETIREMENT

INSURANCE

CONSULTING

Newport Group helps companies offer their associates a more secure financial future through retirement plans, insurance and consulting services.

Newport Group offers comprehensive plan solutions and consulting expertise to plan sponsors and the advisors who serve them.

As a provider and partner, Newport Group is independent, experienced and responsive.

National Footprint

Office locations

Alabama
Mobile

Arizona
Scottsdale

California
Fresno
Folsom
Los Angeles
Walnut Creek (HQ)

Florida
Heathrow
St. Petersburg

Illinois
Chicago
Moline
Rockford

Iowa
Urbandale

Kansas
Overland Park

Maryland
Annapolis

Minnesota
Minneapolis

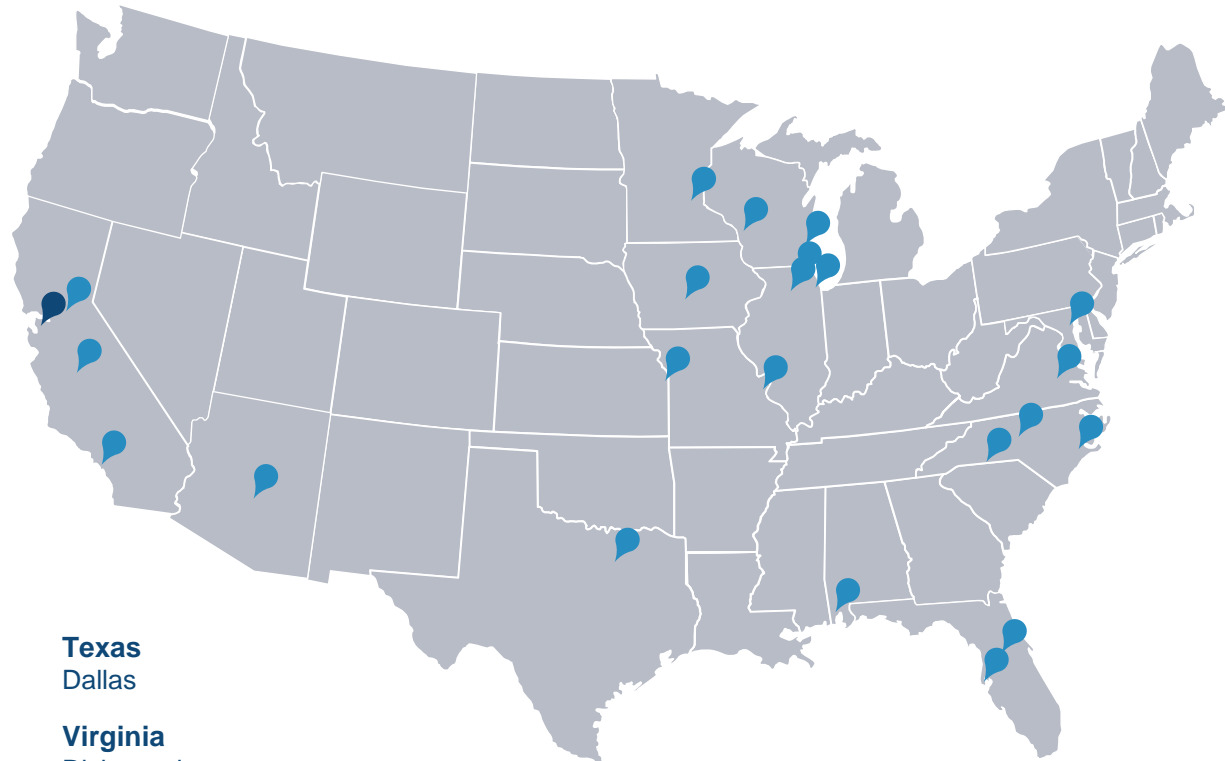
Missouri
St. Louis

North Carolina
Charlotte
Greensboro
New Bern

Texas
Dallas

Virginia
Richmond

Wisconsin
La Crosse
Milwaukee



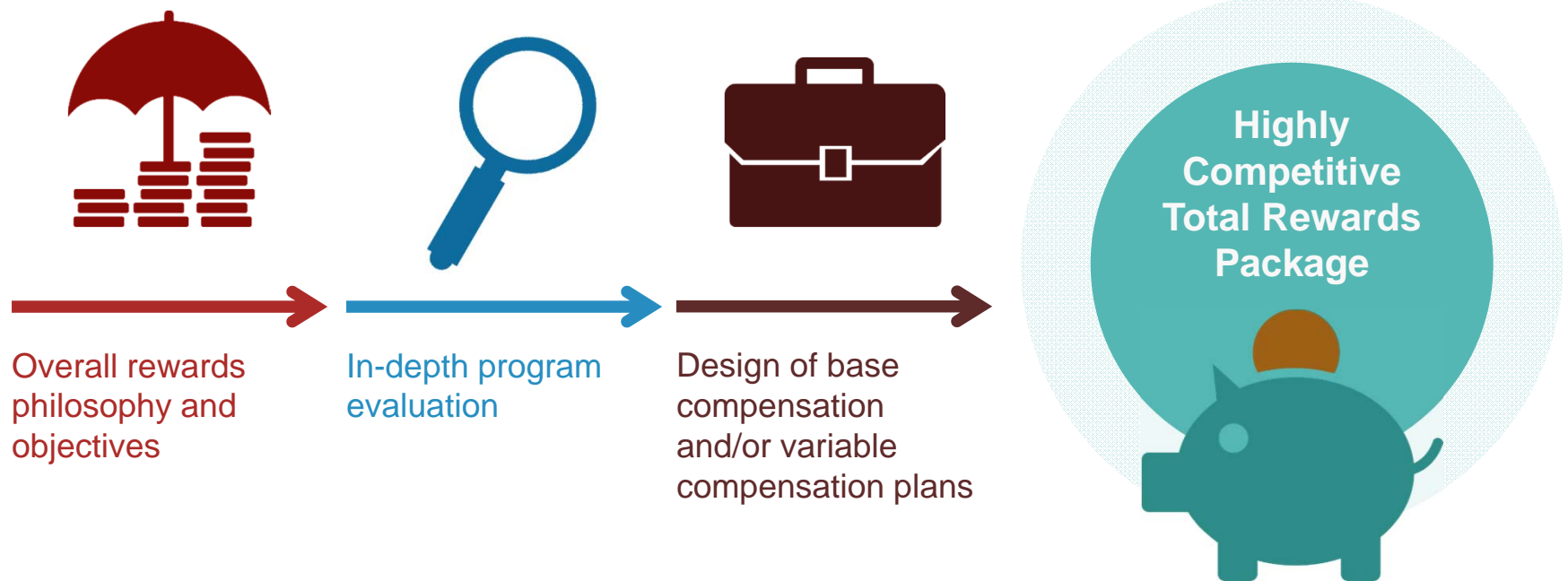
Consulting



What do we Help Clients do?

Attract and retain top talent cost effectively

Newport Group's Compensation Consulting



Our Main Services



Survey Services

Newport Group can provide surveys that accurately benchmark compensation trends and other key measures among executives and the broad-based workforce populations. These surveys, combined with our compensation consulting and our expertise in both qualified and non-qualified plans, provide employers with a complete picture of how their comp and benefits packages match up to the competition.

- Industry specific compensation surveys
- Board compensation level surveys
- Employee engagement surveys and action planning
- Customer satisfaction, pricing/customer service practices
- Operational and staffing benchmarking surveys
- Polls and trending topic surveys
- Benefit Surveys



2016 IMA Highlights & Trends



2016 IMA Survey - Salaried Year over Year Results

Job Titles with a Percent of Change -20% or Greater

- **Board of Directors – President/Chairman**
 - - 27.1%

Job Titles with a Percent of Change +20% or Greater

- **Assistant Credit Manager**
 - + 24.0%

2016 IMA Survey - Hourly Year over Year Results

Job Titles with a Percent of Change -20% or Greater

- **No Reportable Data**

Job Titles with a Percent of Change +20% or Greater

- **No Reportable Data**

Year over Year Analysis

Salaried Positions

2016 vs 2015 Year over Year Analysis

Job Code Order (Salaried)

Job #	Position Title	2015	2016	Difference	% Change
A-01	Board of Directors - President/Chairman	240.0	175.0	-\$65.0	-27.1%
M-01	Environmental Compliance Manager	90.0	73.0	-\$17.0	-18.9%
B-01	Chief Executive Officer	231.0	191.6	-\$39.4	-17.1%
G-05	CAD Drafter- Layout	53.9	44.9	-\$9.0	-16.7%
M-04	Quality Assurance Auditor	41.6	34.9	-\$6.7	-16.1%
C-06	Assistant Credit Manager	44.6	55.3	\$10.7	24.0%
G-27	Research and Development Engineer	70.0	85.0	\$15.0	21.4%
A-02	Board of Directors - Vice President	135.5	162.0	\$26.5	19.6%
B-04	Chief Information Officer	140.4	165.0	\$24.6	17.5%
F-02	Computer Operator	46.8	54.1	\$7.3	15.6%

Year over Year Analysis

Hourly Positions

2016 vs 2015 Year over Year Analysis
Job Code Order (Hourly)

Job #	Position Title	2015	2016	Difference	% Change
J-41	Production/Master Scheduler	27.04	25.26	-\$1.78	-6.6%
J-15	Grinder/Sandblaster Machine Operator	16.63	16.09	-\$0.54	-3.2%
J-47	Stockperson	15.70	15.45	-\$0.25	-1.6%
J-01	Assembler- General	14.42	14.37	-\$0.05	-0.3%
J-14	Fork Lift Operator	15.00	15.08	\$0.08	0.5%
J-38	Polisher and Buffer	14.94	17.57	\$2.63	17.6%
J-16	Inspector/Tester	15.70	18.00	\$2.30	14.6%
J-09	Chemical Production Operator	17.82	19.69	\$1.87	10.5%
J-13	Assembler- Fabricator	16.40	18.01	\$1.61	9.8%
J-03	Assembler- Electronic	14.74	16.16	\$1.42	9.6%

IMA Survey - Low Participation

Salaried Positions

- **Board of Directors – Treasurer**
- **Civil Engineer**
- **Data Processing Manager**
- **Die Cast/Plastic Molding Supervisor**
- **Legal Secretary**
- **Pipe Fitter/Plumber**
- **Telemarketing Representative**
- **Word Processor**

Hourly Positions

- **Crafter**
- **Crane Operator**
- **Regulatory Affairs Specialist**
- **Truck Driver – Long Distance**

Shift Premiums & Differentials

Shift Differentials - Hourly Dollar Amounts			
	No. of Orgs	Median	Average
Second Shift (\$)	75	\$0.50 (same 2015)	\$0.68
Third Shift (\$)	53	\$0.60 (same 2015)	\$0.68

2016 – 2017 IMA Compensation Survey

Observation: Shift premiums have been gradually increasing over recent years

- *No changes in medians as compared to last year*

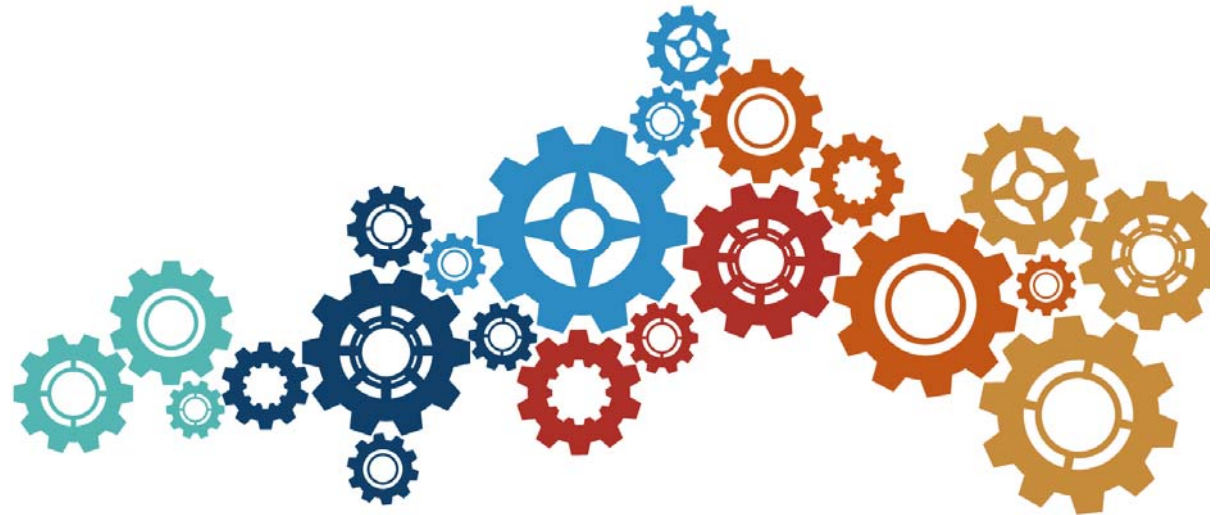
Shift Differentials - Multiples of Base Pay			
	No. of Orgs	Median	Average
Second Shift (X)	19	1.1	1.1
Third Shift (X)	11	1.1	1.1
Weekends (X)	17	1.5	1.6
Holidays (X)	34	2.0	1.9

2016 – 2017 IMA Compensation Survey

Observation: Shift differentials have been gradually increasing over recent years for 3rd shift in particular

- *All differential amounts stayed virtually identical to last year*

MARKET TRENDS

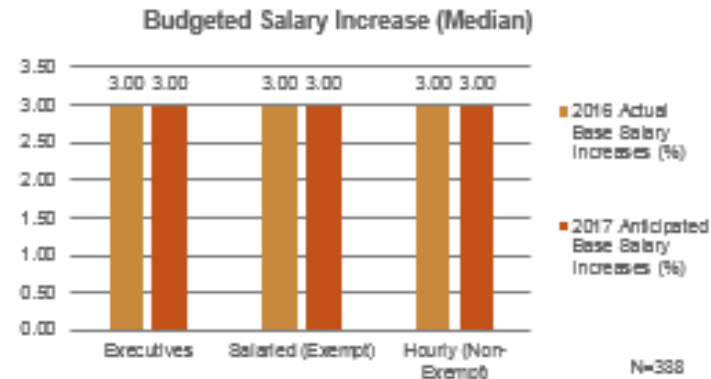


COMPENSATION PRACTICES

Base Salary Increases

In 2016, median salary increases in employee compensation are consistent with the past many years for executive, salaried exempt and hourly non-exempt workers, remaining at 3.0 percent; and overall median salary increases for 2017 are expected to stay rather flat with 2016 levels at 3.0%.

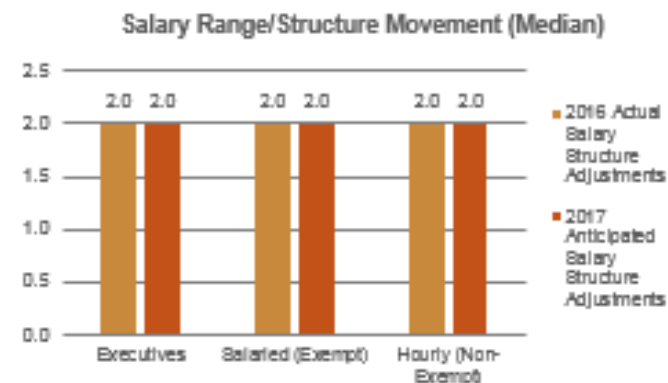
Please indicate the AVERAGE percentage amount allocated for base salary increases in 2016 and the amount anticipated for 2017, as a percent of base pay.



Salary Range/ Structure Movement

Salary structures are anticipated to remain steady in 2017. In 2016, median salary structure movement settled at 2.0 percent, and it is expected to stay consistent in 2017.

Please indicate the percentage salary range/structure movement for 2016 and the amount anticipated for 2017.

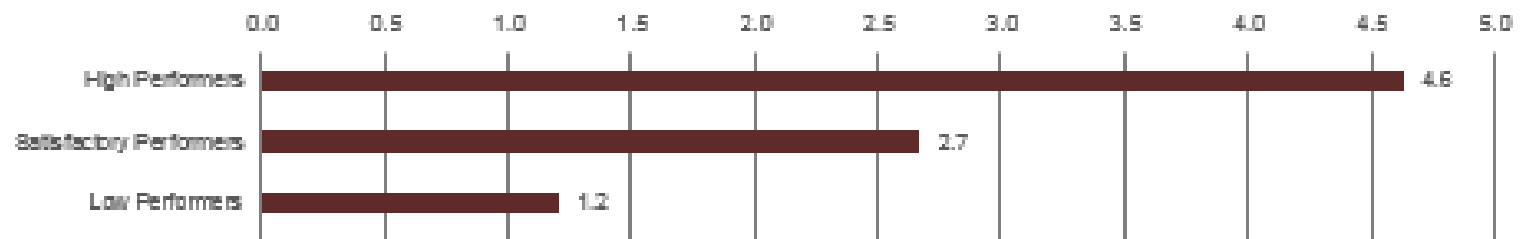


COMPENSATION PRACTICES

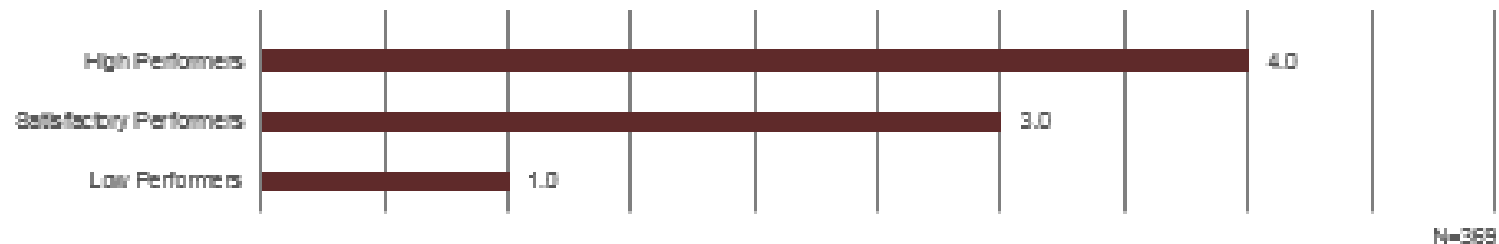
Pay for Performance Increases

Increasingly, dollars continue to be allocated to differentiate high performers and less money is being utilized, as a percent of payroll, to reward low performers. While salary budgets increased 3 percent, higher performers received approximately an average 4.6 percent adjustment.

In general, please indicate the average base salary increases in 2016 for each of the following categories:



In general, please indicate the median base salary increases in 2016 for each of the following categories:



N=369

Salary Structures

2016 Manufacturing

	Overall	Manufacturing, Distribution, Utilities, Technology, & Transportation
Yes	47%	46%
No	53%	54%
Base	421	127

	Overall	Manufacturing, Distribution, Utilities, Technology, & Transportation
Executives	%	%
Average	2.3	2.3
Median	2.0	2.0
Base	155	47
Salaried (Exempt)		
Average	2.7	2.8
Median	2.0	2.7
Base	159	49
Hourly (Non-exempt)		
Average	2.4	2.9
Median	2.0	2.7
Base	159	49

Salary Increases

- Salary budget trends have remained consistent in the latest WorldatWork Salary Budget survey

Position Level	Salary Budget Increase (zeroes included)		Salary Structure Adjustment	
	Actual 2016	Projected 2017	Actual 2016	Projected 2017
All Organizations: National	n = 6288	n = 5726	n = 4126	n = 3720
Nonexempt Hourly	3.0%	3.1%	1.9%	2.1%
Nonexempt Salaried	2.9%	3.0%	1.9%	2.1%
Exempt Salaried	3.0%	3.1%	2.0%	2.1%
Officers/Executives	3.0%	3.1%	2.0%	2.1%
All Organization: Illinois	n = 1805	n=1661	n = 1117	n = 1026
Nonexempt Hourly	3.0%	3.1%	1.9%	2.1%
Nonexempt Salaried	3.1%	3.1%	2.0%	2.1%
Exempt Salaried	3.1%	3.2%	2.0%	2.1%
Officers/Executives	3.1%	3.1%	2.0%	2.2%

Includes zeros (i.e., salary freezes)

2016- 2017 WorldatWork Salary Budget Survey

Manufacturing Salary Increases

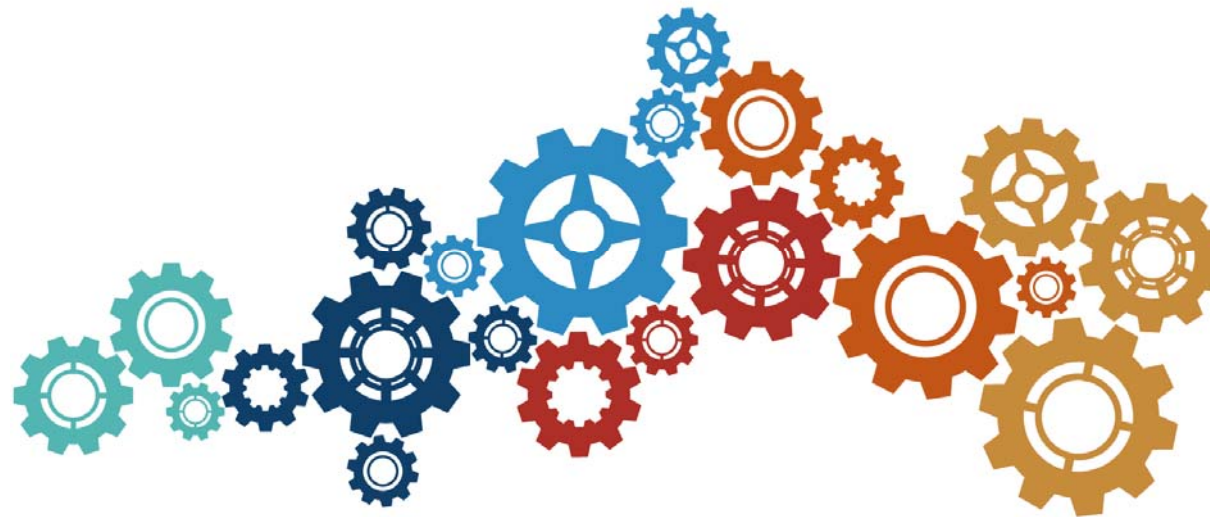
- Salary budget trends in the Manufacturing sector were similar to All sector increases in the latest WorldatWork Salary Budget survey

Position Level	Salary Budget Increase (zeroes included)		Salary Structure Adjustment	
	Actual 2016	Projected 2017	Actual 2016	Projected 2017
All Organizations: National	n = 1549	n = 1431	n = 1053	n = 948
Nonexempt Hourly	3.0%	3.1%	2.2%	2.3%
Nonexempt Salaried	2.9%	3.0%	2.0%	2.2%
Exempt Salaried	3.0%	3.1%	2.1%	2.3%
Officers/Executives	3.0%	3.1%	2.2%	2.4%
All Organization: Illinois	n = 502	n=469	n = 314	n = 283
Nonexempt Hourly	2.9%	3.0%	1.9%	2.2%
Nonexempt Salaried	2.9%	3.0%	2.0%	2.1%
Exempt Salaried	3.0%	3.1%	2.0%	2.2%
Officers/Executives	3.0%	3.0%	2.0%	2.3%

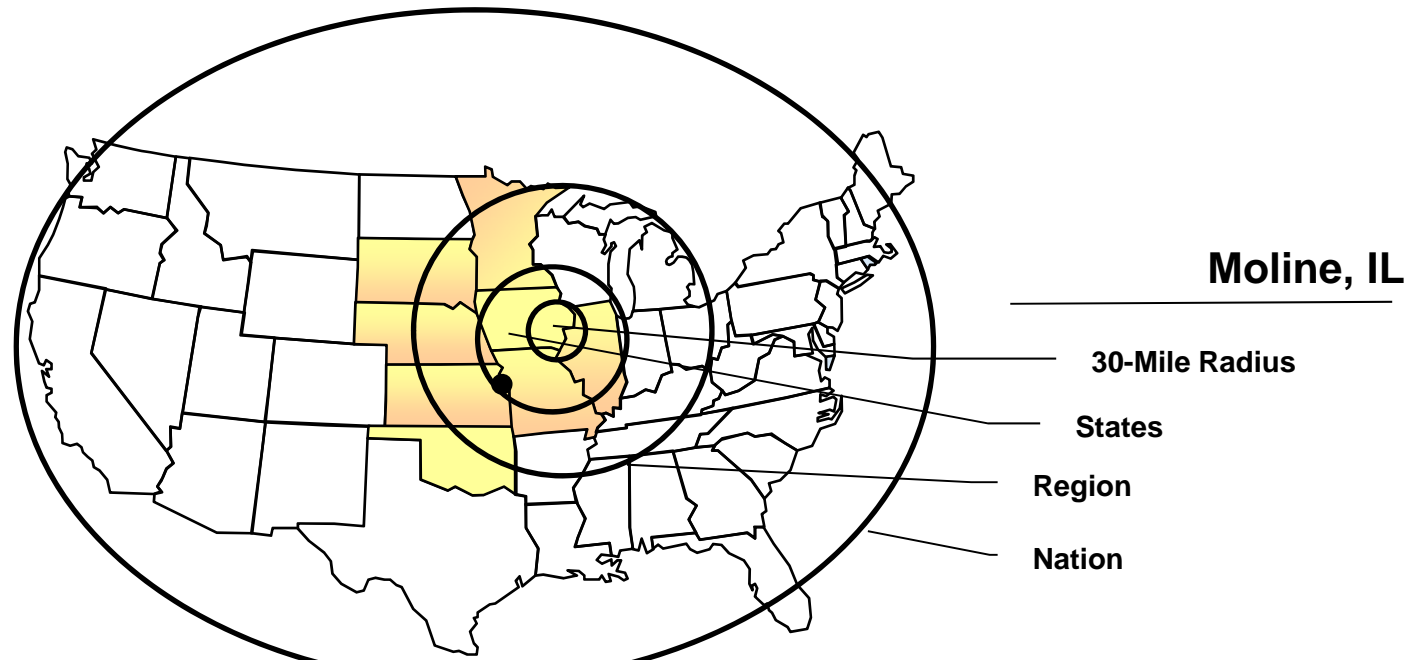
Includes zeros (i.e., salary freezes)

2016- 2017 WorldatWork Salary Budget Survey

USING THE DATA



Defining the Competitive Marketplace



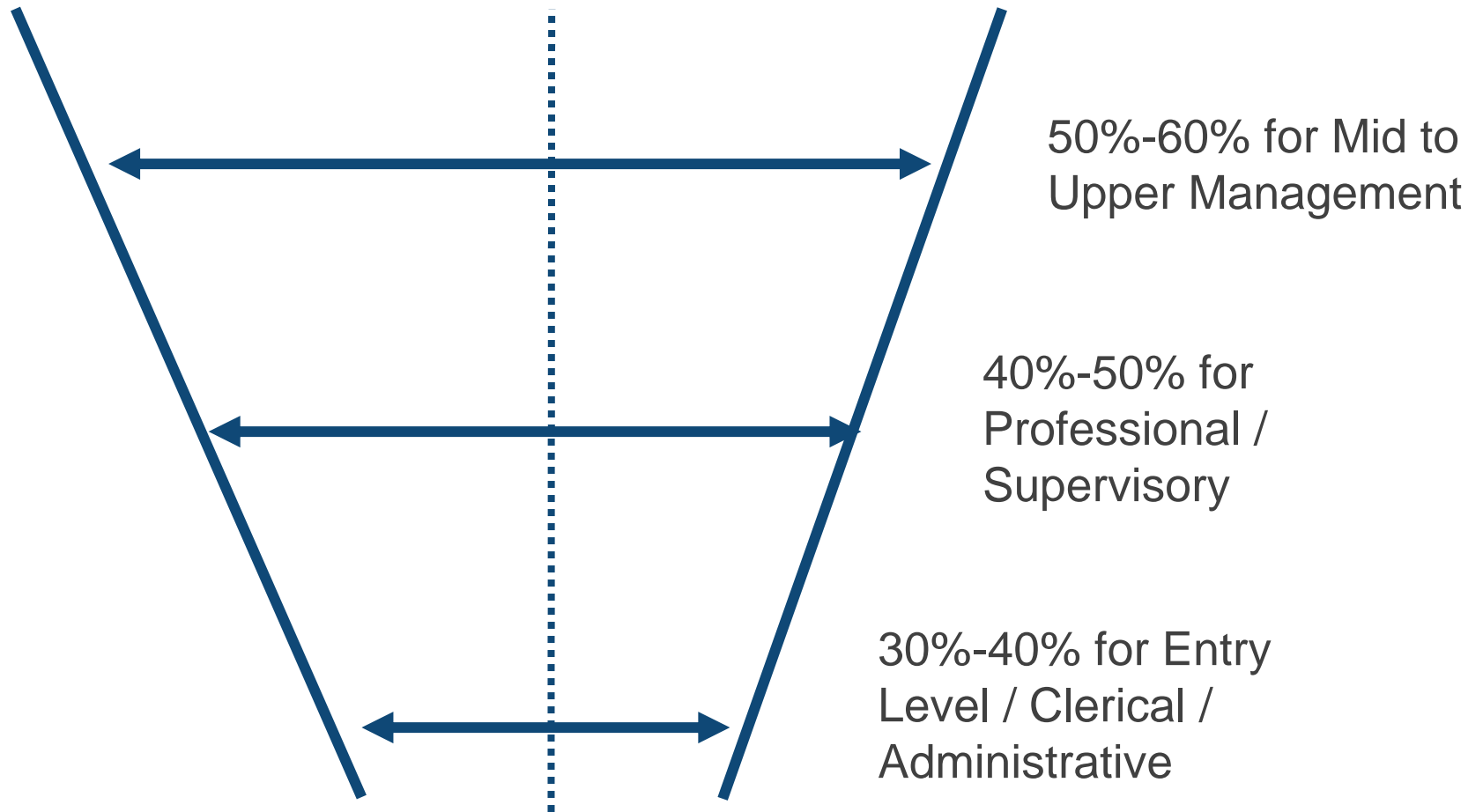
Employee Group Occupation	Survey Scope Reference Geography
Executive, Sr. Management	Nation
Sr. Technical, Management	Region
Sr. Clerical, Technical, Professional	State
Clerical, Support	30-mile radius

Salary Range Width

Minimum

Market Rate

Maximum



How to use the Information

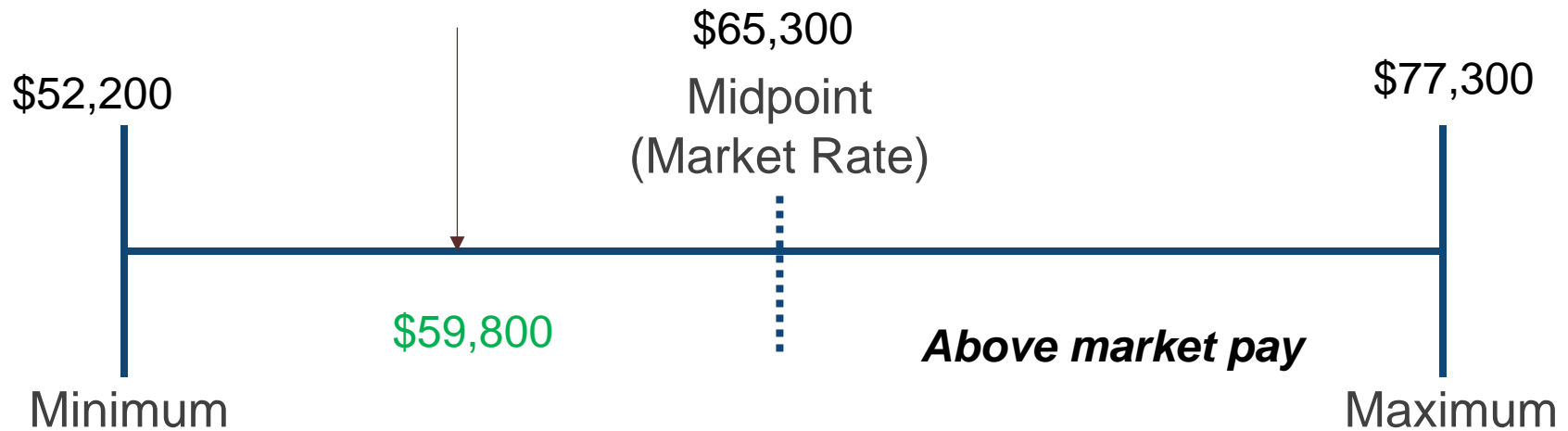
Example

Job C-01: Accountant

Under general supervision, performs a variety of accounting activities, including the day to day maintenance of an accurate general ledger as well as more complex activities associated with developing financial statements and reports. Typically requires a Bachelor's degree in accounting or the equivalent in education plus experience, and frequently reports to Accounting Manager.

Summary of Compensation Data			Base Salary (\$000s)				Pay Range (\$000s)		
	No. of Orgs	No. of Ees	Avg	25th %tile	50th %tile	75th %tile	Min	Mid	Max
Scope									
All	62	132	\$60.7	\$50.0	\$59.8	\$71.0	\$52.2	\$65.3	\$77.3

Using a Salary Range



Minimum:	The lowest salary that a company should pay for a given job.
Midpoint:	Rate of pay that a fully qualified, fully competent performer could reasonably expect to earn in the competitive marketplace to perform the same job (or one requiring comparable skills/abilities).
Maximum:	The highest salary that a company is willing to pay for a given job.

2017 IMA Survey Kick Off



2017 IMA/VIA Compensation Survey

Deadline: April 14th



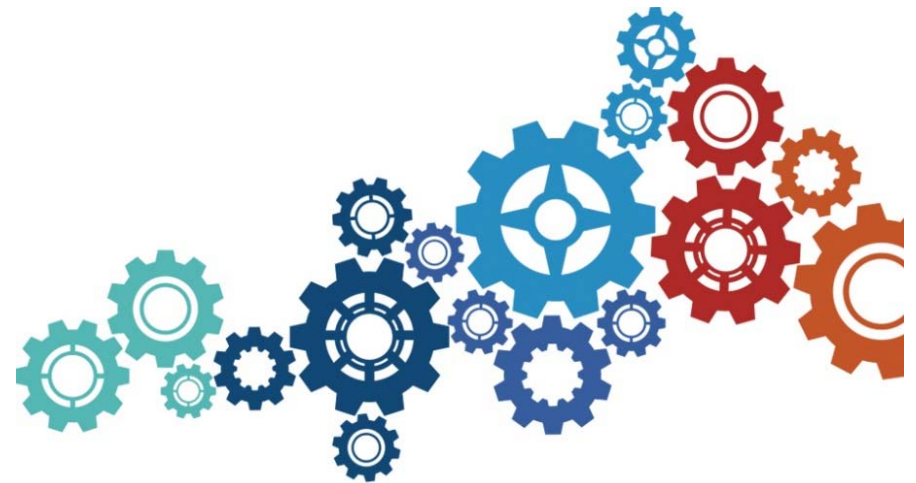
2017 Illinois Manufacturers' Association Compensation Survey

Thank you for participating in the 2017-2018 Illinois Manufacturers' Association Compensation Survey. All information that you provide as a participant will be held in the strictest of confidence and results will only be reported in aggregate to assure anonymity of responses. Only your organization's name will appear on a list of participants. The 2017-2018 Compensation report is a very useful tool when setting wage and salaries and contains data and job descriptions on 194 manufacturing occupations in 13 job families. All data should be reported with an effective date of March 1, 2017.

Questionnaire Overview

2017 IMA Compensation Survey

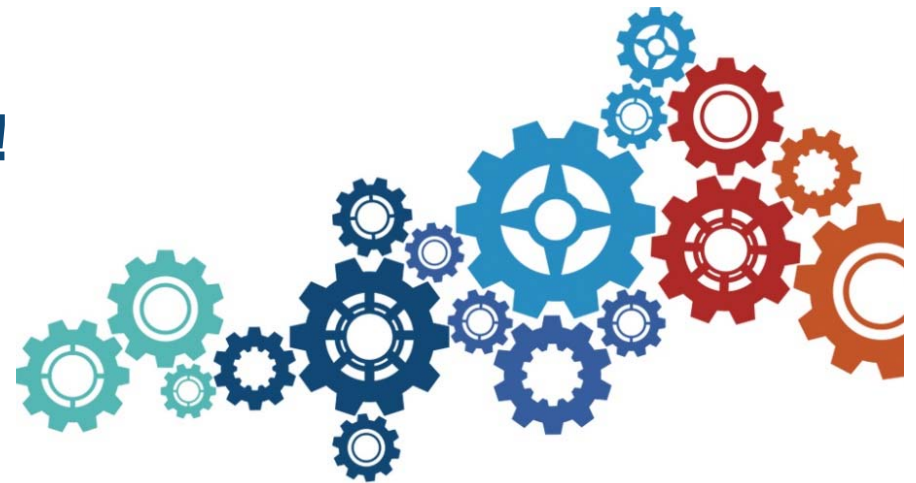
- **Demographics**
- **Compensation**
 - Total number of incumbents
 - Typical work week (hrs)
 - Average base Pay
 - Pay range
- **Incentives**
- **Shift Differentials**
- **Holiday schedule**



2017 IMA/VIA Compensation Survey

Valuable Benchmarking

- **Complete the survey for a free Executive Summary**
- **Be part of the salary trends and benchmarking**
- **Understand the competition!**



Contact Information

Kevin Paulsen

Principal

Compensation Consulting Services

Newport Group

1930 St. Andrews Ct NE, Suite V

Cedar Rapids, IA 52402

Phone: 319-393-4836

Kevin.Paulsen@newportgroup.com

Nicole Roach

Senior Associate Consultant

Compensation Consulting Services

Newport Group

1601 River Drive, Suite 200

Moline, IL 61265

Phone: 309-736-6939

Nicole.Roach@newportgroup.com