

2013 Production Employee Compensation Survey



Confidential



2013 MSCI Production Employee Compensation Survey

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The 2013 MSCI Production Employee Compensation Survey was compiled, tabulated and analyzed by Industry Insights, Inc. and is intended for use by MSCI members. Surveys requesting compensation data were collected between July and August 2013. Forty-nine firms representing 398 plants/locations submitted detailed survey responses for this year's study.

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The statistical information contained in this report is believed to be representative of the individuals responding to the survey. All reasonable efforts were taken by Industry Insights, Inc. to assure data comparability within the limitations of reporting procedures. However, the data used in this report are not necessarily based on audited data and the statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for that particular figure. Industry Insights and MSCI, therefore, make no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in contents, regardless of the cause of such inaccuracy, error or omission. In no event shall Industry Insights and/or MSCI be liable for any consequential damages.



MSCI Production Employee Compensation Survey

Table of Contents

Introduction	1
Executive Summary	5
All Organization Summary	8
Individual Position Data	
Material Handler	9
Saw Operator	12
Shear Operator	14
Cut to Length Operator	16
Slitter Operator	19
Burner	21
Truck Driver	23
Maintenance Mechanic	26
Electrical/Electronic Maintenance	28
Machinist/Craftsperson	30
Machine Shop Maintenance	32
Lead Person/Group Leader	34
Operations Manager I (Large - 50+ Employees)	37
Operations Manager II (Medium - Less than 50 Employees)	39
Transportation Manager	41
Quality Control/ Assurance Manager	43
Operations Supervisor	45
Maintenance Supervisor	48
Inspector	50
Dispatcher	52
Shipping/Receiving Assistant	54
Production Scheduling/ Control Coordinator	56
CAD Programmer	58
Data Definitions	60
Participant List	62



MSCI Production Employee Compensation Survey

Introduction

ABOUT THIS REPORT

The information contained in this report is designed to be of great benefit to anyone concerned with the employee compensation and benefits policies of MSCI member firms. The enclosed review and analysis is based on results and comments collected by a questionnaire launched in July, 2013 and closed at the end of August, 2013. In total, 49 companies, representing 398 plants/locations responded in time for processing. Respondents were permitted to submit data for their entire organization or for individual plants/facilities. All reasonable efforts were taken to assure data comparability within the limitations of reporting procedures. A list of responding firms can be found in the Appendix. All data is reported in U.S. \$. Although 16 locations provided data for Canada, the jobs provided for were not consistent enough to meet the minimum reporting requirements of 5 unique organizations. Therefore no Canadian data cuts were published and all job analysis done in this report is based on U.S. locations only.

Upon receipt, all data were checked both manually and by a specially designed computer editing procedure. Strict confidence of survey responses was maintained throughout the course of the project.

The 2013 MSCI Production Employee Compensation Survey was compiled, tabulated and analyzed by Industry Insights, Inc. and is intended for use by MSCI and its members and other interested parties. Industry Insights, Inc., is an independent, professional research firm headquartered in Dublin, Ohio that specializes in conducting industry operating surveys, compensation and benefit studies, monthly and quarterly trends reports and member attitude surveys for trade and professional associations.

DISCLAIMER

The statistical information contained in this report is believed to be representative of the individuals responding to the survey. All reasonable efforts were taken by Industry Insights, Inc. to assure data comparability within the limitations of reporting procedures. However, the data used in this report are not necessarily based on audited data and the statistical validity of any given number varies depending upon sample sizes and the amount of consistency among responses for that particular figure. Industry Insights and MSCI, therefore, make no representations or warranties with respect to the results of this study and shall not be liable to clients or anyone else for any information inaccuracies, or errors or omissions in contents, regardless of the cause of such inaccuracy, error or omission. In no event shall Industry Insights and/or MSCI be liable for any consequential damages.

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MSCI Production Employee Compensation Survey

Introduction

HOW TO USE THIS REPORT

As a firm compares its compensation information versus the industry, it should remember that the statistics published in this report should be regarded as "guidelines" rather than "absolute standards." Since companies will differ, depending upon their location, size, and other factors, any two firms may offer their employees a reasonably attractive compensation package and yet be very different. For example, duration of employment and nature of prior experience will obviously influence the compensation offering for a particular individual. Thus, a deviation between any one firm's figures and a number appearing on a table in this report is not necessarily good or bad; it is merely an indication that additional scrutiny may be warranted.

In order to use the information in this report to its maximum advantage, it is important to understand how the data is arranged and how to interpret the results. Compensation data is reported only in the aggregate. All percentiles, averages (means), and medians are calculated based on an actual organization count with the exception of employee-weighted average, which is based on employee count. **In order to further protect each participant's confidentiality, statistics for a specific survey position are published only when five or more unique companies provide data.** This approach is consistent with the safe harbor guidelines published by the U.S. Department of Justice and the U.S. Federal Trade Commission.

The report tables are organized so that the following data aggregations are presented if the required participant thresholds are met:

- All Organizations
- Number of Employees (FTEs) per Location
 - Less than 25 FTEs
 - 25-50 FTEs
 - 51-100 FTEs
 - Greater than 100 FTEs
- Line of Business
 - General Line
 - Flat Rolled
 - Tubing
 - Stainless/Non-Ferrous
 - Bar
 - Aluminum
 - Plates and Shapes
- Annual Sales per Location
 - Less than \$25 Million
 - \$25 Million to \$75 Million
 - \$76 Million to \$100 Million
 - Over \$100 Million
- Region
 - New England (CT, ME, MA, NH, RI, VT)
 - Middle Atlantic (NJ, NY, PA)
 - South Atlantic (DE, DC, FL, GA, MD, NC, SC, VA, WV)
 - East North Central (IL, IN, MI, OH, WI)
 - East South Central (AL, KY, MS, TN)
 - West North Central (IA, KS, MN, MO, NE, ND, SD)
 - West South Central (AR, LA, OK, TX)
 - Mountain (AZ, CO, ID, MT, NV, NM, UT, WY)
 - Pacific (AK, CA, HI, OR, WA)
- State
- MSA (Metropolitan Statistical Area)



MSCI Production Employee Compensation Survey

Introduction

The following definitions explain the information that is provided for each job included in the report.

Material Handler

1 and unloads material within a warehouse or storage facility. Utilizes hand trucks, forklifts, hoists, conveyors, or other handling equipment to move material to and from and within the storage facility. May require a high school diploma with 0-3 years of experience in the field or in a related area. Has knowledge of commonly-used practices, and procedures within a particular field. Relies on instructions and pre-established guidelines to perform the functions of the job. Works under immediate supervision. Primary job functions do not typically require exercising independent judgment. Typically reports to a supervisor or manager.

2 Scope	3 Base Salary							4 Short-term Incentives						5 Total Cash Compensation								
	# orgs	#ees	25 th percentile	50 th percentile (median)	75 th percentile	ee-wtd average	org-wtd average	# orgs	#ees	25 th percentile	50 th percentile (median)	75 th percentile	ee-wtd average	org-wtd average	# orgs	#ees	25 th percentile	50 th percentile (median)	75 th percentile	ee-wtd average	org-wtd average	
All Organizations	185	3,521	30.4	34.5	37.6	34.0	34.0	36	636	0.9	1.9	3.6	2.9	2.6	185	3,521	31.6	35.1	37.9	34.5	34.5	
Number of Employees (FTEs)																						
<= 25	37	129	*	*	*	*	*	8	24	*	*	*	*	*	37	129	*	*	*	*	*	*
26 - 50	47	382	32.0	37.3	39.3	35.8	35.5	8	48	*	*	*	*	*	47	382	32.0	37.4	40.0	36.1	35.8	
51 - 100	40	618	29.0	33.5	37.0	33.0	33.4	13	230	*	*	*	*	*	40	618	32.2	34.1	37.2	34.1	34.3	
> 100	27	1,114	27.2	28.4	34.8	32.8	31.4	5	73	*	2.0	*	7.9	4.6	27	1,114	27.5	32.3	36.9	33.3	32.3	

1 Job Description: provides information about the duties and responsibilities of the job to help organizations match this job to one in their own organization.

2 Scope: the survey results for a grouping of organizations with similar characteristics that might influence their compensation practices. Compensation surveys usually include the "All organizations" scope, which includes all organizations participating in the survey, as well as buckets by size (FTE and revenue), industry and geography.

Example: the first row of data includes all organizations that provided data for this job. The second row of data includes only organizations with 50 or less Full-time Equivalent Employees (FTEs).

3 Base Salary: the annual, fixed dollar amount paid to an employee.

4 Short-term Incentives: typically a cash award granted to employees for the achievement of a pre-defined goal, sometimes called "bonuses."

5 Total Cash Compensation: total cash payments made to an employee in a year; base salary plus bonuses.



MSCI Production Employee Compensation Survey

Introduction

Total Cash Compensation						
# orgs	#ees	25 th percentile	50 th percentile (median)	75 th percentile	ee-wtd average	org-wtd average
30	59	49.5	57.2	67.3	57.4	59.4
1	2	3	4	5	6	7

Example (Total Cash Compensation): The average total cash compensation (based on data collected from 30 organizations with 59 incumbents) is \$59,400. The highest paying 25% of organizations are paying at least \$67,300, while the lowest paying 25% pay at most \$49,500. The middle of the market pays around \$57,200.

- #orgs:** the total number of organizations whose data is included in this statistic; the higher the number, the more organizations that provided data for the job and matched that scope.
Example: data from 30 organizations is going into these percentiles and average calculations.
- #ees:** the sum of all incumbents in this job from all the organizations that provided data for this job function and that matched the scope.
Example: thirty organizations provided pay data for 59 employees who hold this job at their organizations.
- 25th pctile:** The observation point below which 25% of the organizations lie (e.g., 25% of organizations pay less than, and 75% pay more than this amount.).
- 50th pctile (median):** The center value of the total distribution of the data that was reported (e.g., it is the value at which 50% of the responses are above and 50% are below). This measure is less likely than an average to be distorted by a few outlying responses.
- 75th pctile:** The observation point below which 75% of the organizations lie (e.g., 75% of organizations pay less than, and 25% pay more than this amount.).
- ee-wtd average:** “employee weighted average”; the average value paid by organizations, taking into account the number of employees in this job at each organization. This value is influenced more by data from those organizations with a higher number of incumbents in this position.
- org-wtd average:** “organization weighted average”; the average value paid by organizations. This calculation allows organizations with few incumbents to influence the data equally as much as an organization with many incumbents in this position.

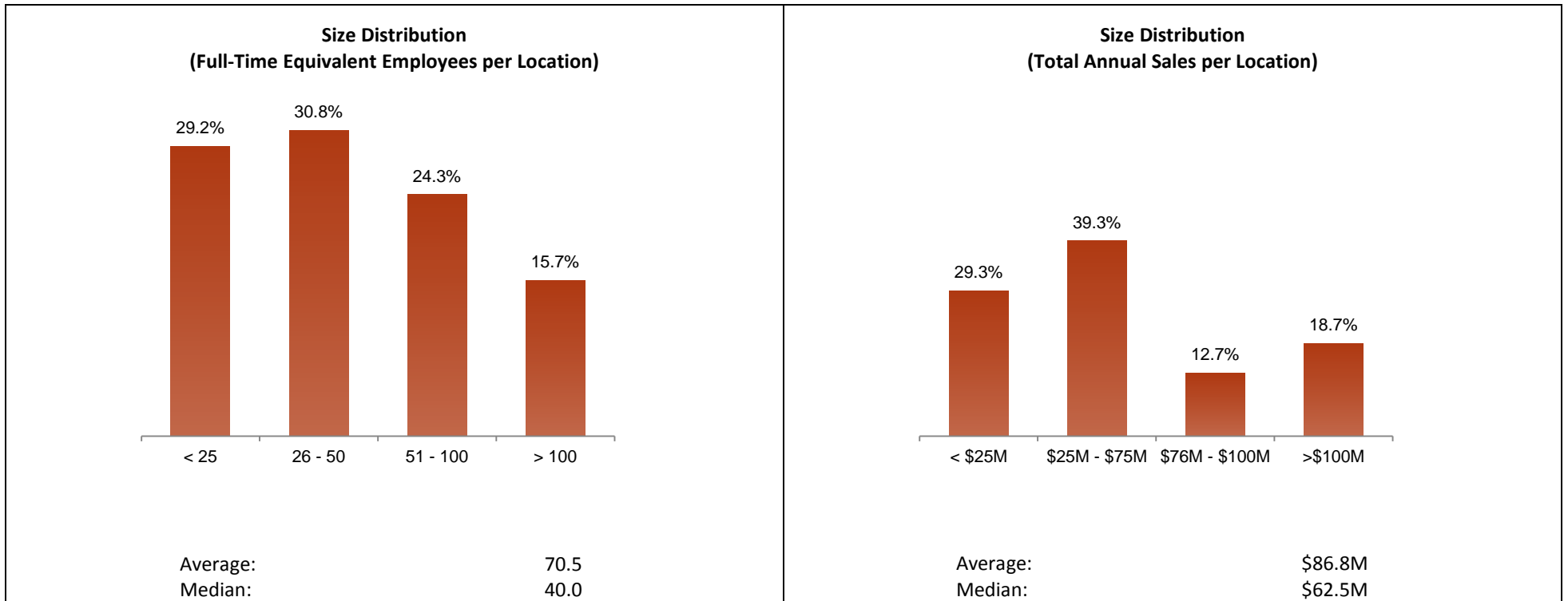
PLEASE NOTE: In cases where sample sizes are too small, insufficient data exists to provide meaningful statistics. Such situations are indicated by "*". In an effort to maintain the confidentiality of the responding firms and to maintain compliance with FTC/DOJ safe harbour, there must be at least five unique firms for any given compensation figure to be reported.



MSCI Production Employee Compensation Survey

Executive Summary Participant Demographics

The **2013 MSCI Production Employee Compensation Survey** contains compensation data for 23 jobs from 49 responding companies representing 398 plants/locations. The following charts summarize the distribution of participants by organization size, line of business, and geography.

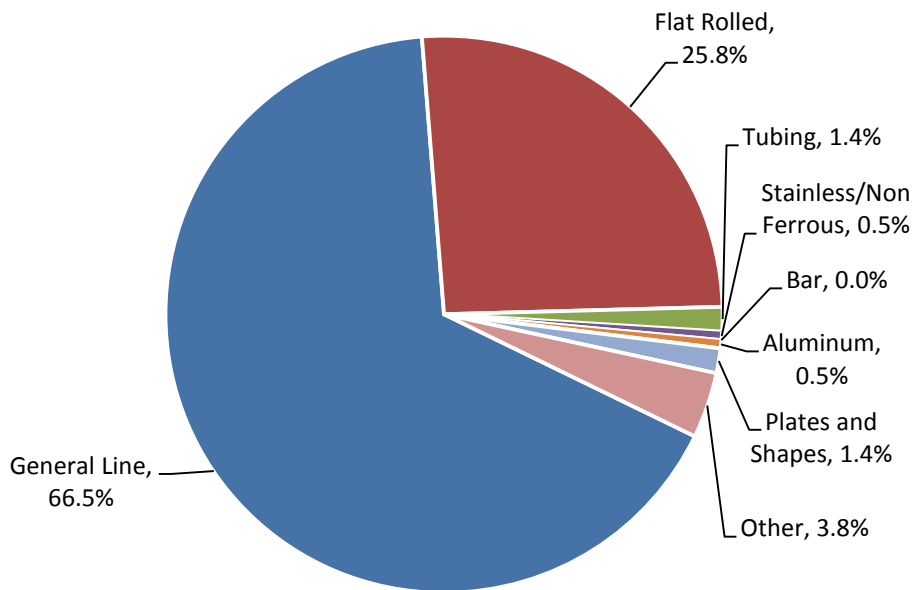




MSCI Production Employee Compensation Survey

Executive Summary Participant Demographics

Primary Line of Business



Regions

