

FROM THE FOUNDING SPONSOR



TSI Group is extremely pleased to partner with *Canadian Transportation & Logistics*, SCL and Wilfrid Laurier University for the eighth consecutive year in co-sponsoring the most comprehensive industry specific survey of its kind in Canada, the salary survey of supply chain professionals.

The supply chain profession continues to evolve, and is more than ever a high profile part of corporate organizations. Increased globalization has stretched supply chain demands, and thereby more competencies and elevated talent levels are being required of supply chain professionals. These requirements make the compensation structures of supply chain positions exceptionally dynamic and demonstrate the ever increasing need to keep abreast of the current state of affairs in compensating supply chain experts.

TSI Group is a full service provider of human resource and business solutions to the supply chain, logistics and transportation communities. TSI Group's services include the provision of advisory, recruitment and corporate training services. We recognize the importance of supply chain excellence, and assist organizations in achieving that excellence. We look forward to the results of this eighth annual salary survey and to continually adapting future surveys to meet the needs of the supply chain profession.

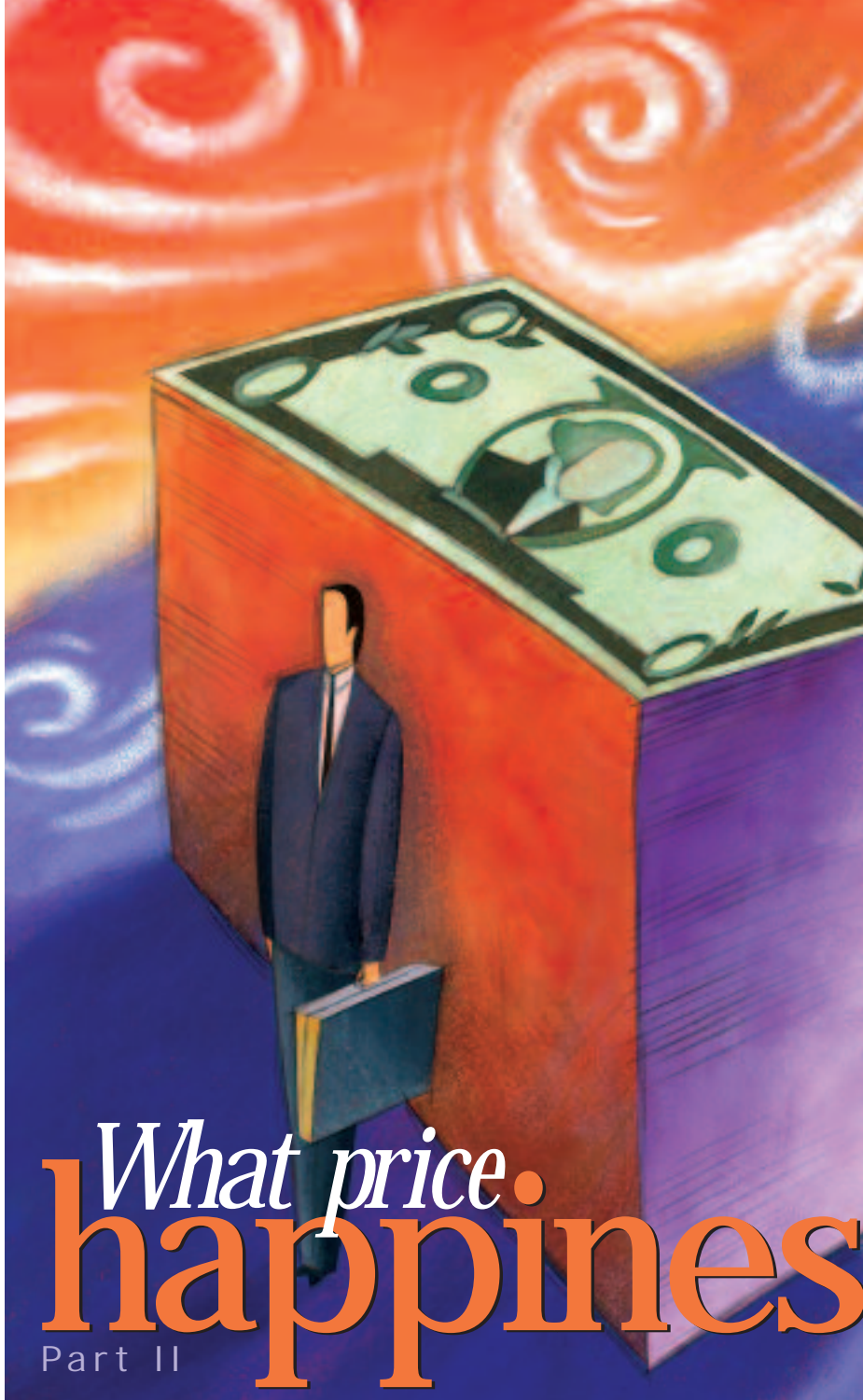
FROM THE SUPPORTING PARTNERS



Supply Chain & Logistics Canada (SCL) is pleased to be a partner in the delivery of this comprehensive study of logistics professionals. With a mission to advance the logistics and supply chain profession in Canada through communication and networking; education and training; and knowledge and leadership, SCL focuses on developing the skills of Canada's logisticians. The Association's research endeavours and highly rated educational programs cover many aspects of the supply chain, including human resource development.



Laurier Business & Economics is proud to be a supporter of the seventh annual Survey of the Canadian Logistics Professional. Wilfrid Laurier University's School of Business & Economics is one of Canada's largest business schools. As supply chain and logistics management transforms business practices by linking strategic planning with information technology and general management, Laurier Business & Economics is creating educational opportunities for professionals in this growing field.



What price happiness?

Part II

By Lou Smyrlis

Supply chain is on the rise but it's no shelter against dropping job satisfaction

Improved pay is not necessarily translating into greater job satisfaction for many of Canada's supply chain professionals our latest annual Survey of the Canadian Logistics Professional indicates. In fact, job satisfaction in 2006 continued on the downward trend our survey has uncovered of late.

For the last several years we have been keeping track of satisfaction levels by directly asking survey respondents to rate their job satisfaction on a scale of 1 to 5, with 5 indicating the highest satisfaction level. In our previous survey we found job satisfaction levels sagging to their lowest level in the survey's



history. And this year, there was no improvement with job satisfaction mired at an average of 3.5. Put another way, Canadian supply chain professionals give their working lives a low B grade. While such a grade is not necessarily alarming, the continuing drop in satisfaction levels should be of concern to a sector of the economy working hard to attract new talent and retain the best of current talent.

It was in 2003, a tough year characterized by slumping pay packages and supply chain managers being asked to respond to a number of unexpected economic shocks, that our survey found job satisfaction levels dropping for the first time. The satisfaction level dropped to 3.6 that year, compared to 3.7 in 2002 and 3.8 in 2001 and 2000. The year 2004 proved much better not only for the economy but the pocketbook of the average supply chain professional. Pay packages were on the increase again after two years of decline. But the job satisfaction level, although not getting any worse, did not get any better, remaining at 3.6. In 2005, despite yet another increase in pay packages, the job satisfaction level dropped once again to an average of 3.5, where it remains today, despite a rise in average pay increases in 2006 and more equal sharing of pay hikes across the four different corporate levels our survey tracks. (See our Salary Survey report in the January issue for more details and breakouts.)

Only 54% of the more than 1,000 respondents to the survey reported being either “extremely satisfied” or “satisfied” with their current job. In comparison 57% said likewise with our previous survey conducted in 2005 and 60% said so with the 2004 survey. Going even further back, in 2001 two-thirds of respondents reported being satisfied in their current jobs. About a third (31%) are indifferent about their current job, reporting neither strong satisfaction or dissatisfaction. On the other end of the scale, 14% reported being “unsatisfied” or “not at all satisfied”. In comparison, back in 2001 only 8% had said likewise.

Those in executive management roles are the most satisfied with 69% reporting they are either satisfied or extremely satisfied, followed by 64% of senior managers, 47% of operations managers and 42% of those in support and sales roles. The fact that less than half of operations managers and those in support roles are happy with their jobs should be of concern. Question is how likely is it to be addressed when top level managers are so happy in their own jobs (one third of executive managers are actually “extremely satisfied” in their jobs) they may not realize the extent of the dissatisfaction in the ranks below them.

Gender wise, slightly more males (55%) are satisfied with their jobs than are females (51%).

Are declining job satisfaction levels having an impact on retention levels? For the first time our survey looked into that question, asking respondents whether they were seriously looking for work with another company. Twenty nine percent reported that they were.

Our survey also tried to determine the most important factors involved in changing companies. The vast majority of respondents, almost three quarters, said better money would be sufficient motivation to jump to another company. Better career opportunities, was ranked second with 50% of respondents noting that as a factor. Forty percent said better benefits would be a factor while 42% cited geographic location as a factor in considering another employer.

Should retention become an issue – and it’s too early to say that it would – it will likely be compounded by difficulties on the recruiting end. Our survey also delved into that area for the first time and found that 54% of respondents were having at least some problems in filling vacant positions in their supply chain teams. Ten percent reported that recruitment was “very problematic.” Nor is there optimism that the situation will improve with only 6% of respondents anticipating that filling job vacancies would get easier in the future. Forty percent expected it to stay about the same while one quarter expected it to get harder. Almost 30% were not sure which way things would go.

While job satisfaction may be the more interesting characteristic we track about Canada’s supply chain professionals, it is far from the only one. We’ve been monitoring several characteristics over the past 8 years to be able to create an accurate picture of the people in charge of the nation’s supply chains. Here’s what the latest numbers show.

A quarter of you are in your thirties and 39% of you are in your forties. Another 22% of you are over 50. If you are the “average” logistics or supply chain professional, you are 44 years old and have been in the industry for 17 years. During that time you have worked for four different employers and held six different positions. But you have been with your current employer for an average of 9 years, an impressively lengthy stay. All of these characteristics have held relatively steady over the eight years of our survey.

Your job is increasingly becoming a management-level position. Over three quarters (78%) of our survey respondents indicated they were part of their organization’s management layer. Thirteen percent of you have cracked the executive management ranks.

The “Average” Logistics Professional

Gender: Male (75%)

Average age: 44 years old

Years of logistics experience: 17

Average no. of companies worked for: 4

Average no. of years with current employer: 10 years

Mean total compensation (base salary and bonus): \$79,820

Education: 38% have attained bachelor’s or higher degree

Training: 22% are currently enrolled in professional development

On average, you have 19 people reporting directly to you, a number that has been rising the last couple of years. The largest percentage of survey respondents (36%) had 2 to 5 direct reports. Another 20% had 6 to 10 people reporting to them, and 18% had 11-25 direct reports. Fifteen percent managed more than 26 people.

The management-level standing of your positions is also likely reflected in your education level. Eighty-six percent of you have at least some community college training. A bit more than a quarter of you hold an undergraduate university degree while 7% hold a post graduate degree and another 7% have some post graduate education. Professional designations have grown in popularity in recent years. Our survey found that 24% of you had a CITT designation, 15% had a P.Log, 11% had a PMAC and 10% had a CIFFA designation. (CITT helped out with our survey this year, forwarding it to its members, so that should be noted as a possible bias in the numbers.)

Your top four job functions are transportation (80%); warehousing/inventory control (50%); customs (50%); and customer service (48%). In keeping with past surveys, 62% of you manage a budget. For 38% of you that budget is under \$1 million but the majority of survey respondents (37%) managed budgets between \$1 million and \$10 million. Another 24% managed budgets over \$10 million.

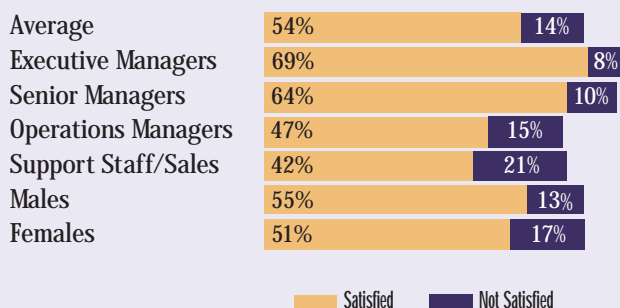
Such responsibility has made the 40-hour work a long-forgotten reality for most. Only 4% of you are able to work less than 40 hours a week. On average, you are putting in 48 hours a week, a welcome drop from the high average of 50 hours a week of a few years ago. Still, 13% of you are working more than 60 hours in a typical week. The higher up the corporate structure you climb, the more hours you can expect to work. Executive managers are working 53 hours a week on average. Senior managers are putting in 50 hours on average. That's almost 10 hours more a week (the equivalent of one extra week per month) than someone in the support staff ranks.

Logistics does remain a male-dominated profession, but becoming less so with each year. Our random sample consisted of 75% males this time, a 12% drop from the first year of the survey in 1999. Almost 60% of the women in our sample were in the management ranks, compared to 84% of men. There was more male representation in the management ranks the higher up the corporate ladder we looked. Forty four percent of the men in the survey were in either the senior or executive management ranks compared to 26% of the women. However, the women supply chain professionals in our sample were also about four years younger than the men and although they had similar education levels they tended to work for slightly smaller companies.

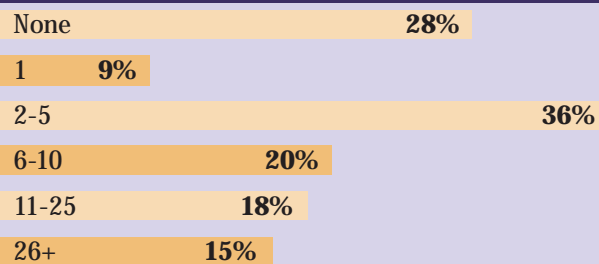
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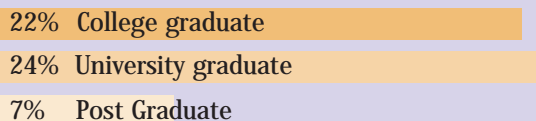
Job Satisfaction (% Satisfied)



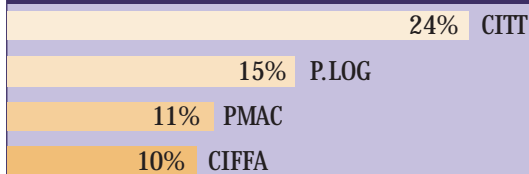
Number of Employees Managed Directly



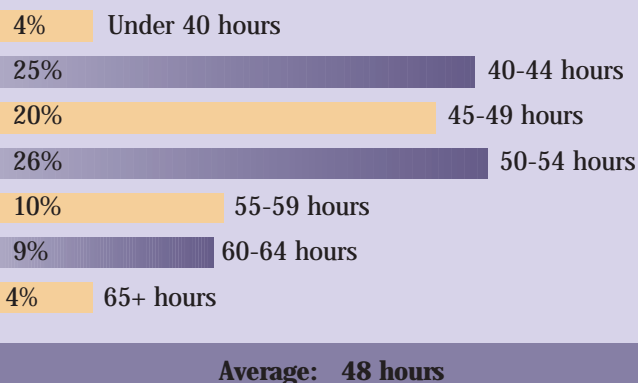
Education (Highest Level Attained)



Top 4 Professional Designations Earned



No. of Hours Worked During Typical Week



Gender Differences

	MALES	FEMALES
Age	45	41
University Degree	24%	23%
Post Graduate Degree	7%	5%
Years in Logistics	18	13
Manage Budget	68%	42%
Direct Reports	21	8
In Executive Mgt.	13%	9%
Avg. Hours Worked	49	45
Satisfaction with Job	3.5	3.4