

FROM THE FOUNDING SPONSOR



TSI Group is extremely pleased to partner with Canadian Transportation & Logistics, SCL and Wilfrid Laurier University for the seventh 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 has continued its evolutionary progress toward corporate optimization, and continues to raise the bar towards excellence, thereby heightening its profile and importance within the corporation.

TSI Group is a full service provider of human resource and business solutions, which includes providing advisory, recruitment and corporate training services to the supply chain and logistics industry. We recognize the importance of supply chain excellence. We look forward to the results of this year's salary survey and to continually adapt 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.



taking measure

Part II

Pay is up and the executives that used to ignore you are now interested in just about everything you do. So why is your job satisfaction going down?

By Lou Smyrlis

Supply chain management is one of the most challenging of professions; is it one of the most satisfying?

That's one of the most important questions we try to answer with our annual Survey of the Canadian Logistics Professional.

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. The trend that has been made evident by the data over the past few years is one that

should raise concern: job satisfaction levels are on the decline and this year dropped to their lowest level in the survey's seven-year history.

It was in 2003, a tough year characterized by slumping pay packages and 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 for 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, our survey found.

Fifty-seven percent of respondents reported being either "extremely satisfied" or "satisfied" when responding to our survey late in 2005, a slight drop-off from the 60% that noted likewise the previous year and fairly below the peak set back in 2001 of 66% of respondents being satisfied with their jobs. On the other end of the scale, 13% reported being "unsatisfied" or "not at all satisfied."

What could be causing the drop in satisfaction levels?

As noted, pay packages have improved the last two years, rising to \$79,500 on average in 2004 and \$82,100 in 2005. However, despite the rise in average pay, this may be a source of discontentment as the improvements in pay have not been shared across the board. The number of supply chain professionals reporting that they've received a pay increase has been decreasing for four straight years. Only 68% received a pay increase in 2005, compared to 72% the previous year, 73% in 2003, 76% in 2002, and 82% in 2001. And the average pay increase was 3.9% in 2005, again a dip from previous years. (*For a comprehensive look at pay and benefits packages, see Part I of our report in the January issue.*)

Benefits have also been in decline in recent years (not only in supply chain management but across the Canadian economy.) In 2005, 85% of survey respondents received health benefits, a drop from the 89% reporting receiving such benefits the previous year.

And only half are part of a pension plan, with 43% receiving RRSP contributions from their companies – both drops from previous years. Only 10% of respondents rated their benefits package as excellent while the majority (50%) rated it as good. Thirty percent considered it fair while 9% thought their company benefits package was poor.

Those in the executive management ranks, although the least likely to receive a pay increase the last two years, have enjoyed the largest overall increases over the past five years and were the most satisfied with their salary increases over that time span. Support staff and those with sales responsibilities reported the smallest gains to their salaries over the past five years and provided the lowest rating for their pay increases over that period.

Not surprisingly, job satisfaction is highest among those in executive management roles (3.8) and lowest among support staff and those with sales responsibilities (3.3).

Since the survey's inception seven years ago, the growing number of functional areas of responsibility for supply chain managers has been a concern particularly when coupled with the fact the size of their teams was not getting any bigger. The core job function remains transportation with 78% of respondents noting that as part of their job function. But more than half also have warehousing/inventory control, customer service and purchasing functions as part of their jobs. And more than a third also reported having responsibilities in the order fulfillment, demand planning/forecasting, training and development, and customs areas.

Our latest survey did find improvement in the size of logistics staffs. The number of employees directly managed by our survey respondents rose to an average of 13, compared to 10 in previous years. The average size of budget is also up slightly compared to the previous year. More than a third (35%) of survey respondents made do with a supply chain budget under \$1 million while 38% had a budget in the \$1-10 million range. About a quarter (26%) were in charge of budgets of \$10 million or more.

More staff and more money, however, do not appear to have had a measurable impact on reducing

The "Average" Logistics Professional

Gender: Male (80%)

Average age: 46 years old

Years of logistics experience: 18

Average no. of companies worked for: 4

Average no. of years with current employer: 11 years

Average total compensation (base salary and bonus): \$82,100

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

Training: 15% are currently enrolled in professional development

workload. Supply chain managers are still putting in 49 hours a week on average. Those in executive management roles are working the longest hours - 54 on average. Senior managers are working 50.5 hours a week on average, followed by operations managers and supervisors at 48 hours, and those in support or sales roles at 44.5 hours. The transportation and 3PL sectors have the longest hours, both over 50 but those working in retail are almost at 50. And even though those in manufacturing are working the lowest amount of hours at 48, they're still putting in on average an entire work day above the 40-hour work week.

Frustration over job realities may also be adding to the dropping satisfaction levels. Several studies have now shown that recognition of the contribution of supply chain management to a company's financial performance is growing among company executives. They expect supply chain managers to contribute to the focus on cost and cycle reductions common among many companies seeking to free up money to channel into research and marketing. Yet, now that supply chain managers are in the spotlight and clearly have a chance to

shine, they find themselves in the frustrating position of having to compete in an international arena with what is often an unlevel playing field.

"The big threat to us in the automotive industry is the threat of offshore suppliers undercutting us in our own market. It's difficult to be competitive when the competition is not working under the same rules and regulations that we are," remarked one survey respondent.

Supply chain managers are also finding themselves in the unfamiliar position of having to justify why they can no longer keep transportation costs flat as they have in the past and trying to ensure customer satisfaction despite nagging capacity concerns.

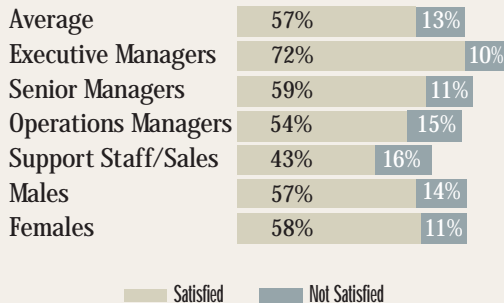
As one respondent wrote about dealing with rising transportation costs, "We try to pass them on to our customers. Often our customers won't accept any price increases, so the bottom guy on the pyramid (us) gets stuck with all the added costs."

It may all be making for a frustrating cocktail that when coupled with long work hours over rides the positive benefits of better pay and larger staffs in determining job satisfaction.

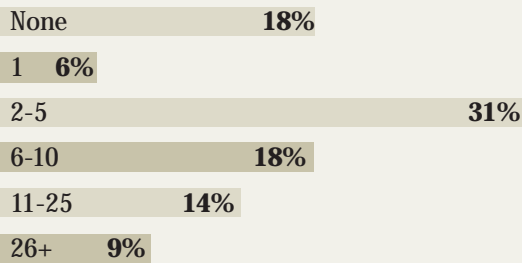
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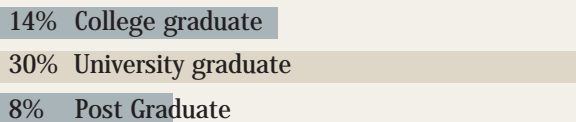
Job Satisfaction (% Satisfied)



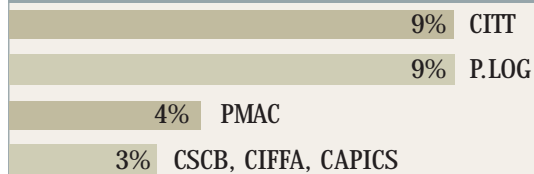
Number of Employees Managed Directly



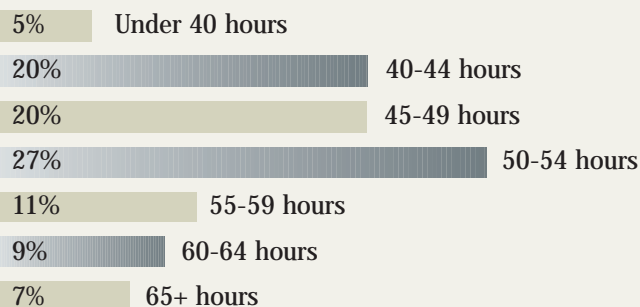
Education (Highest Level Attained)



Top 4 Professional Designations Earned



No. of Hours Worked During Typical Week



Average: 49 hours

Gender Differences

	MALES	FEMALES
Age	46	42
University Degree	30%	28%
Post Graduate Degree	9%	8%
Years in Logistics	19	14
Manage Budget	67%	43%
Direct Reports	15	8
In Executive Mgt	20%	7%
Avg. Hours Worked	50	46
Satisfaction with Job	3.6	3.6