



Summary Report
on the
Engineering Pay Research
January 2005

for
Amicus the Union



Prepared by: Peter Jackling, IDA 16th February 2005
Client contacts: Steve Scott
Version: I

Plaza Research January 2005 - Contents:

<u>Section:</u>	<u>Page:</u>
- Introduction and Objectives	3
- Methodology	4
- Survey Sample Profile	5
- Main Findings:	
- Pay averages	7
- Pay increases and shift premiums	9
- Bonus schemes	10
- Hours of work	11
- Holiday entitlement	12
- Summary and Conclusions:	13
- Questionnaire and cover letter	15

1. Introduction and Objectives:

As the major union for skilled and professional people, Amicus are committed to campaigning for member's rights, particularly in regard to employment law, with the aim of reducing working hours and achieving working patterns to suit the needs of members.

An important part of the Union's work in wage bargaining is knowing the rates of pay and benefits which prevail in each sector and within grades. This survey of workplace representatives has been undertaken by Amicus to help build a comprehensive database of engineering pay, including rates of pay, bonus schemes, overtime and shift premiums, working hours and holiday entitlement.

Overall, the main objectives of the membership survey are:

- To build up a database on pay rates across engineering grades in the engineering sector
- To accumulate further information on employment conditions
- To use this information in collective bargaining arrangements

This report summarises the main survey findings, which in tabular form have been analysed in full for each question in the questionnaire, cross-profiled by: Amicus region, industrial sector, and position of the respondent. The full detailed tabulations have been provided in advance.

2. Methodology:

The questionnaire was designed by Amicus Research Department. Apart from profiling questions on Amicus region, industrial sector, trade union recognition, and the position of the respondent, the questionnaire included questions on:

- Current pay rates
- Percentage increases in the past three years
- Shift premiums
- Overtime rates
- Bonus schemes
- Working hours
- Holiday entitlement

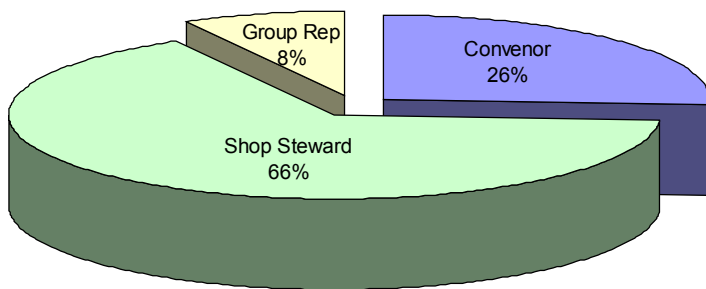
The short questionnaire, two sides of A4, was sent by post to all 7,276 registered Amicus workplace representatives together with a cover letter (on Amicus headed paper) explaining the importance and purposes of the survey, together with assurances about confidentiality. See appendix. The questionnaires were sent out on 31st December 2004 for arrival early in the new year. Respondents were asked to complete and return the questionnaire in the reply-paid envelope provided by 28th January 2005.

It is thought that the number of completed questionnaires returned, 520, provides a representative sample of workplace representatives. In statistical terms, overall this gives 95% confidence limits of $\pm 5\%$. It is not known how representative the sample is for the region and sector sub-groups.

Responses have been entered and analysed on an anonymous basis by IDA to produce the aggregated tabulated results and grouped listings of verbatim responses to open questions, in accordance with the code of conduct of the Market Research Society.

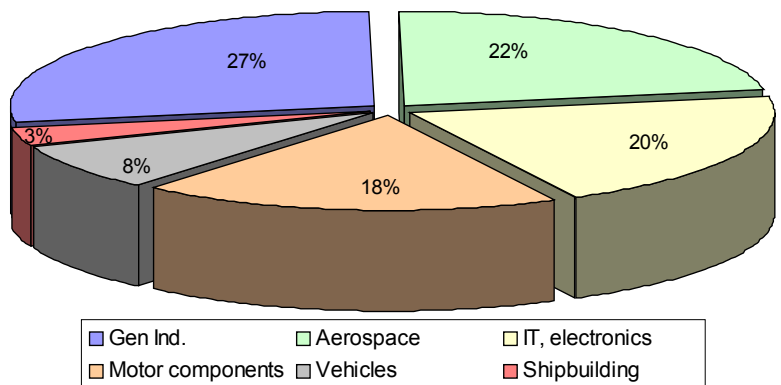
3. Survey sample profile:

Respondents are from the full Amicus list of 7,276 workplace representatives in engineering grades. A total of 520 completed questionnaires were returned in time for analysis. In statistical terms, this gives 95% confidence limits of no worse than $\pm 5\%$ points at the 50% level.

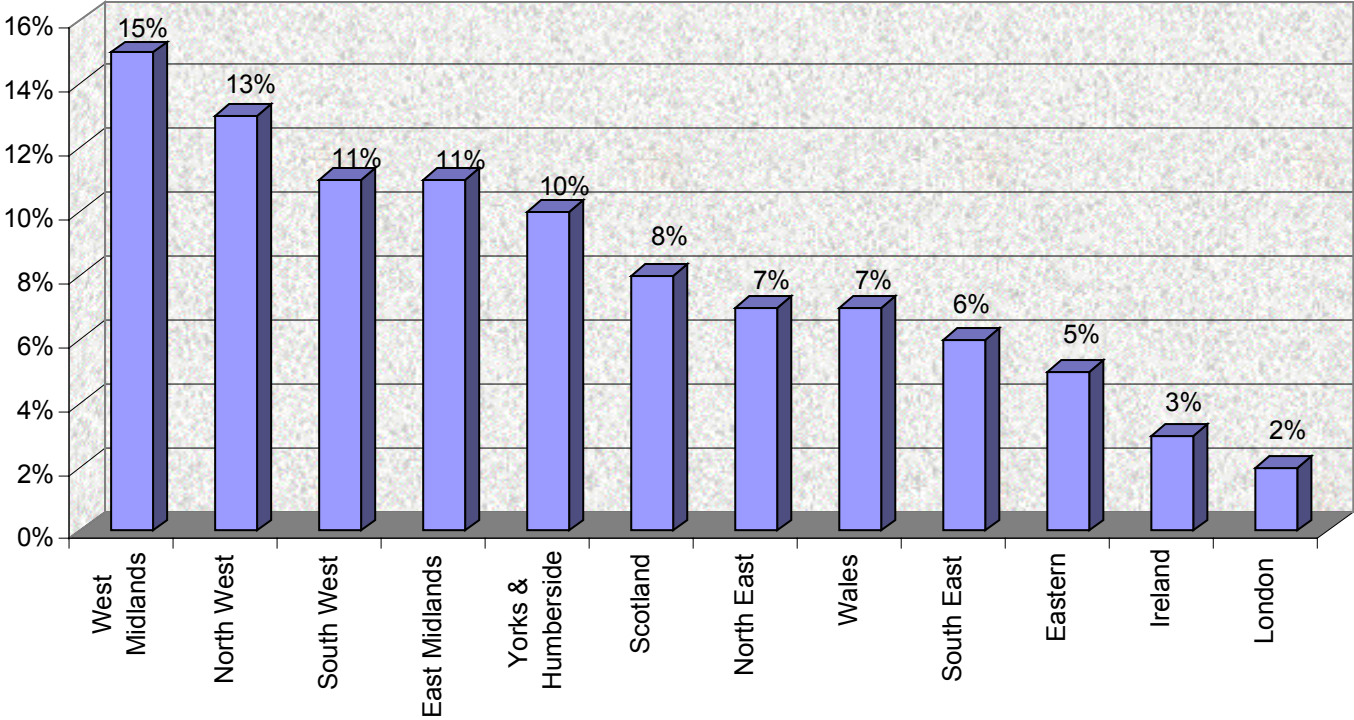


Two thirds of respondents are Shop Stewards – this is consistent across sectors except in aerospace, where the proportion is 53%. A quarter overall are Convenors, highest in Aerospace (33%), lowest in Shipbuilding (13%).

Just over a quarter (27%) say their industry sector is General Industries, and just under a quarter (22%) work in Aerospace. IT, electronics and engineering is the next largest proportion, at 20%, then 18% from motor components.



In terms of geographical spread, representation is strongest in the Midlands. The largest proportion (15% of all respondents) are based in the West Midlands, followed by 13% in the North West and 11% in each of the South West and the East Midlands.



In the vast majority (94% overall, fairly evenly across sectors) of cases where the respondent works, Amicus is recognised by the employer for the purposes of collective bargaining for pay.

4. Main findings:

4.1 Pay averages:

Respondents were asked to indicate current pay rates for engineering grades in their company, within category – either hourly and/or weekly. Average pay rates recorded are shown by region and sector on pages 4-11 of the tabulations, but it should be noted that some of the cell sizes are too small to be statistically robust.

Naturally, average pay levels increase with the seniority of the role, and there are some differences by region depending on whether pay is hourly or weekly.

OVERALL PAY:	<u>Hourly pay rate (£)</u>	<u>Weekly pay rate (£)</u>
Basic semi-skilled	7.59	290.61
Advanced semi-skilled	8.19	315.27
Basic skilled	8.88	343.18
Advanced skilled	9.55	370.31
Multi-skilled	9.99	384.67
Team leader	10.23	406.81
Professional engineer	12.41	486.76

OVERALL AVERAGES:	<u><i>Minimum</i> weekly (£)</u>	<u><i>Maximum</i> weekly (£)</u>
Basic semi-skilled	275.71	352.54
Advanced semi-skilled	309.93	386.50
Basic skilled	336.48	432.45
Advanced skilled	364.97	468.18
Multi-skilled	383.17	493.78
Team leader	383.27	487.45
Professional engineer	461.67	641.64

Taking pay levels overall (averaged across grades), Ireland, the North West, and West Midlands have the highest rates, whilst London, Wales and Scotland have the lowest rates. By sector, Aerospace is the highest paying sector and General Industries the lowest on hourly pay, whilst on a weekly pay basis IT/Electronics is the lowest average pay sector.

OVERALL AVERAGES:	<u>Hourly pay rate (£)</u>	<u>Weekly pay rate (£)</u>
<i>UK Total</i>	9.55	371.08
Aerospace	10.57	397.69
Motor components	9.20	355.81
Shipbuilding *	10.16	372.85
General industries	8.93	361.81
Motor vehicles	10.40	382.36
IT/Electronics	9.04	352.46

OVERALL AVERAGES:	<u><i>Minimum</i> weekly (£)</u>	<u><i>Maximum</i> weekly (£)</u>
<i>UK Total</i>	359.31	466.08
Aerospace	388.27	492.35
Motor components	342.83	458.56
Shipbuilding *	160.24	184.00
General industries	341.78	429.43
Motor vehicles	406.67	502.71
IT/Electronics	355.51	457.53

* Very small base

4.2 Pay increases and shift premiums:

Overall, pay increases have gradually increased over the past three years, averaging 2.58% in 2002, 2.74% in 2003, and 2.88% in 2004. The highest recent percentage increases have been in the North West (among the highest for each of the past three years) at 3.17% in 2004, and in Shipbuilding at 3.30% in 2004. The lowest % increases in 2004 were in Ireland at 2.08% and Motor Components at 2.69%.

OVERALL AVERAGES:	<u>% increase in 2004</u>
UK Total	2.88%
Aerospace	3.01%
Motor components	2.69%
Shipbuilding *	3.30%
General industries	2.84%
Motor vehicles	3.07%
IT/Electronics	2.73%

Where shift premiums apply, these vary significantly by sector, generally highest in motor components and vehicles, lowest in Aerospace.

AVERAGE % increases for shift premiums:	<u>0600-1400</u>	<u>1400-2200</u>	<u>2200-0600</u>	<u>Continental</u>
UK Total	16.77%	19.05%	26.63%	22.29%
Aerospace	17.33%	19.21%	24.95%	15.54%
Motor components	19.53%	21.23%	29.90%	27.18%
Shipbuilding *	13.71%	16.12%	28.90%	16.00%
General industries	15.29%	18.47%	26.09%	28.70%
Motor vehicles	17.44%	20.90%	30.57%	23.50%
IT/Electronics	14.90%	16.04%	22.25%	15.93%

* Very small base

Respondents were asked to indicate overtime rates as a factor for various days. Bank and statutory holidays have the largest factor, averaging 1.85 overall. The lowest factors tend to be in Aerospace, but in general the factors are very consistent.

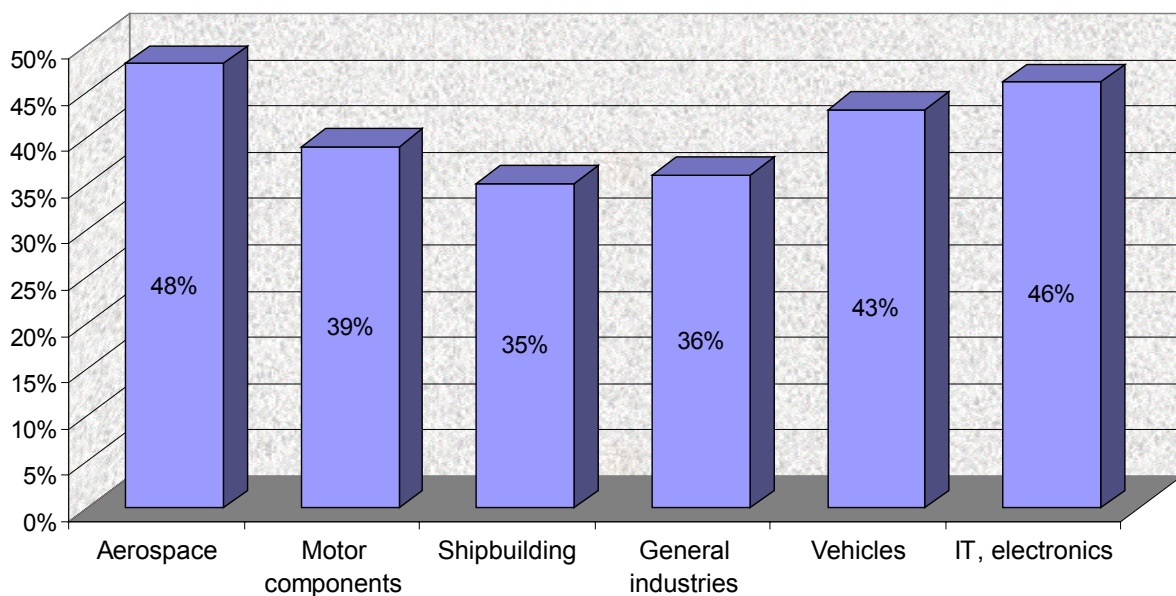
AVERAGE factor increases by day:	<u>Monday to Friday</u>	<u>Saturday am</u>	<u>Saturday pm</u>	<u>Sunday</u>	<u>Bank Hols.</u>
UK Total	1.39	1.50	1.57	1.85	1.85
Aerospace	1.40	1.49	1.52	1.69	1.80
Motor components	1.37	1.50	1.54	1.92	1.81
Shipbuilding *	1.35	1.48	1.42	1.68	1.76
General industries	1.40	1.51	1.62	1.92	1.89
Motor vehicles	1.39	1.49	1.52	1.89	1.89
IT/Electronics	1.41	1.51	1.61	1.88	1.86

* Very small base

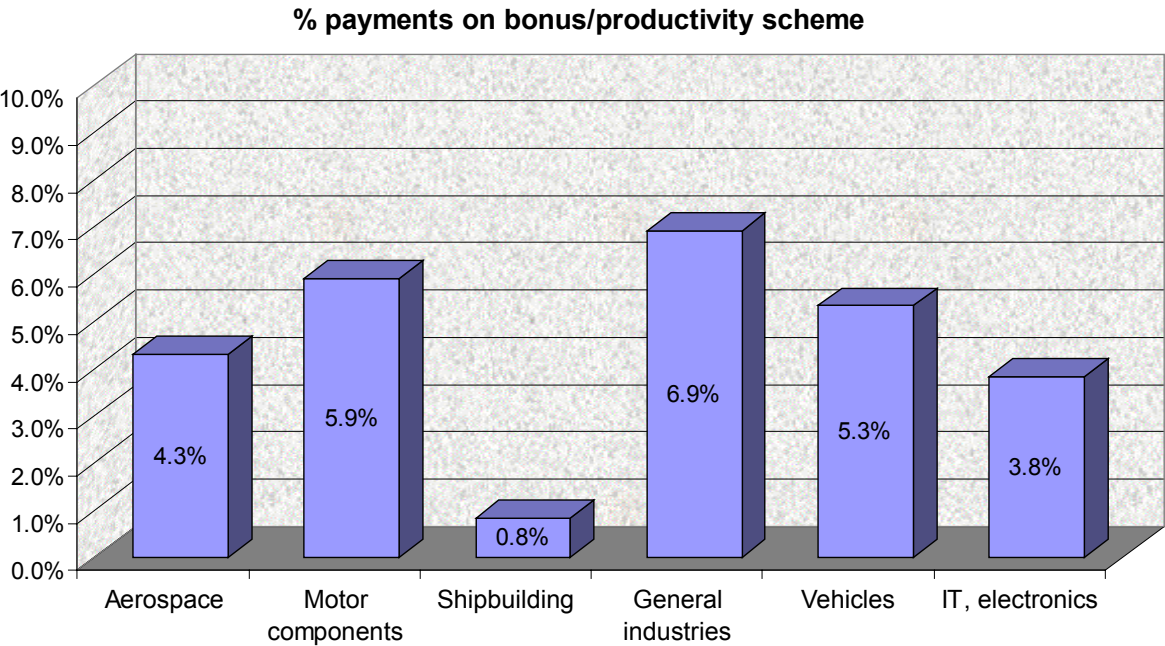
4.3 Bonus schemes:

Fewer than half, 42%, of respondent's companies operate a bonus or productivity scheme. They tend to be more common in the South West (50%), London (55%) and East Midlands (55%) than elsewhere, and less common in Ireland (31%), North East (29%) and Eastern (29%). In terms of sector, they are most frequently to be utilised in Aerospace (48%), and least often in Shipbuilding (35%).

% sectors with a bonus/productivity scheme

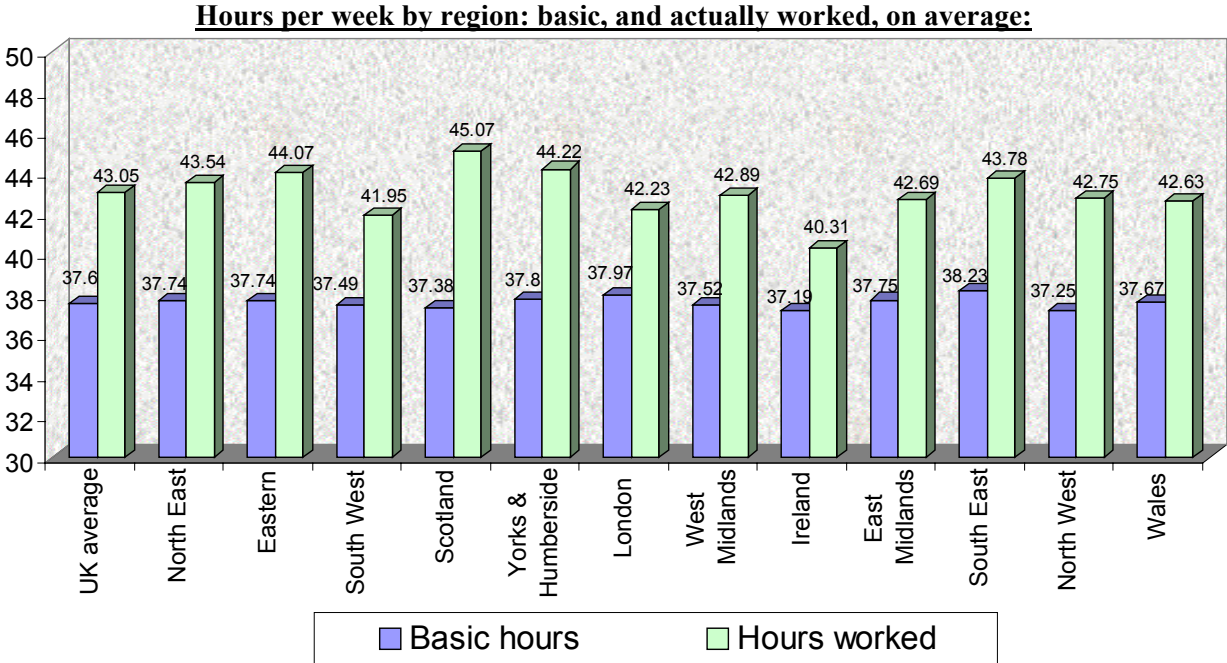


Such bonus/productivity schemes have increased over the past three years, from 4.46% overall in 2002, 4.93% in 2003, to average just over 5% in 2004 – highest in general industries and lowest in shipbuilding (although on a very low base).



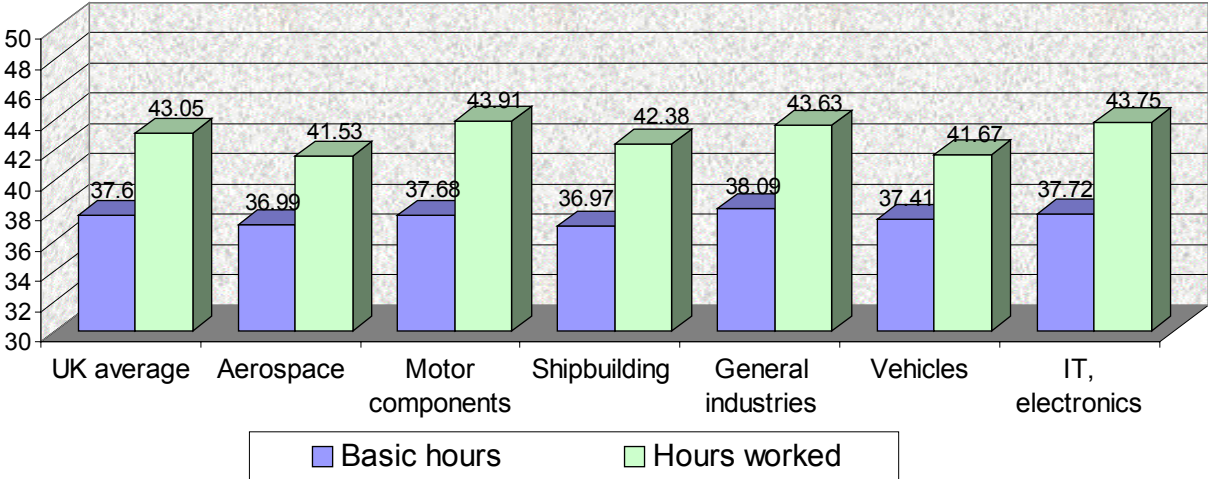
4.4 Hours of Work:

The average basic number of hours per week is consistently 37½ hours or very slightly over, although in the South East the basic weekly hours is highest at 38¼ hours. On average, people work nearly six hours a week longer than their basic: lowest in Ireland (3 hours over basic), highest in Scotland (nearly 8 hours over basic).



There is rather less variation in hours actually worked by sector than by region. General industries have the highest number of basic hours per week: 38.1 on average, but the level is still steady around 37½. IT/electronics (43.8) and motor components (43.9) have the highest number of *actual* hours worked per week on average.

Hours per week by sector: basic, and actually worked, on average:



4.5 Holiday Entitlement:

At the level of the workplace representative, the average holiday entitlement is a little over 25 days, with very little variance by region or sector. 10% of workplace representative level employees have fewer than 25 days holiday entitlement (usually 22-24 days). Motor vehicles and components appear to have slightly more holiday entitlement than other sectors: 14% of those in motor components and 13% in vehicles have 29 or more days a year compared with 9% average overall, although those base numbers are small.

With a few (less than 1%) rare exceptions, holiday entitlement is calculated on service rather than grade or age.

5. Summary and Conclusions:

The survey has helped to build a database on pay rates, bonuses, shift premiums, overtime rates, hours of work and holiday entitlement across engineering grades in the UK, profiled by region and sector. This report has summarised the findings, which are supported by the tabulations showing all figures broken down by region and sector. When considering some of the detail it is essential to bear in mind that some of the bases (e.g. London and Ireland, and Shipbuilding) may be unreliably low.

- **Pay:** pay averages were provided on either an hourly or weekly basis:

OVERALL PAY:	<u>Hourly pay rate (£)</u>	<u>Weekly pay rate (£)</u>	<u>Range (weekly) £:</u>
Basic semi-skilled	7.59	290.61	276-352
Advanced semi-skilled	8.19	315.27	310-386
Basic skilled	8.88	343.18	336-432
Advanced skilled	9.55	370.31	365-468
Multi-skilled	9.99	384.67	383-494
Team leader	10.23	406.81	383-487
Professional engineer	12.41	486.76	462-642

- **% increases in pay:** overall, pay increases have gradually increased over the past three years, averaging 2.58% in 2002, 2.74% in 2003, and 2.88% in 2004.

- **Shift premiums:** where shift premiums apply, these vary significantly by sector, generally highest in motor components and vehicles, lowest in Aerospace. In summary, shift premiums are:

- 16.8% for 0600-1400
- 19.1% for 1400-2200
- 26.6% for 2200-0600
- 22.3% for continental

- **Overtime rates:** there are new significant variations by sector, on factors of:

x 1.4 Monday to Friday

x 1.5 Saturday am

x 1.6 Saturday pm

x 1.85 Sundays and Bank Holidays

- **Bonus schemes:** fewer than half (42%) of companies surveyed operate a bonus or productivity scheme. More so in the South West, London, and East Midlands than elsewhere, less so in Ireland. They are more commonly used in Aerospace and IT/Electronics than in other sectors, although these two sectors have lower percentage levels for payment than in other sectors.

- **Hours of work:** the average basic number of hours per week is consistently 37.5. On average, people work six hours over the basic per week, with more variance by region than by sector.

- **Holiday entitlement:** at the level of the workplace representative, the average holiday entitlement is a little over 25 days, with very little variance by region or sector. 10% of workplace representative level employees have fewer than 25 days holiday entitlement. With a few (less than 1%) rare exceptions, holiday entitlement is calculated on service rather than grade or age.

**COVER LETTER
ON AMICUS NOTEPAPER**

**Survey of workplace representatives in engineering grades:
pay and related benefits**

31st December 2004

Dear Colleague

Amicus is keen to build up its data on pay rates across engineering grades in key industrial sectors. This important survey will provide information on the rates of pay, bonus schemes, overtime and shift premia as they apply to Amicus members. We are also collating information on hours and holiday entitlement. This information will be added to that already gathered from the national agreements that apply in construction and public sector areas to provide the most comprehensive database of engineering pay available.

Your assistance in this is crucial and I do hope that you will find the time to complete the attached survey and return it in the envelope provided. Your involvement in the survey is entirely voluntary and any personal information provided will be treated completely confidentially.

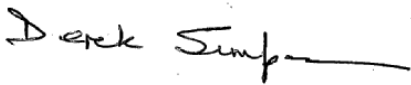
The results of the survey will be published and the information shared widely across the union to assist workplace representatives and full time officials in their collective bargaining arrangements.

The survey information will also be used as a basis for establishing guidance on national minimum pay rates for engineering grades and will inform future Amicus involvement in sector agreements across industrial sectors.

If you have any queries arising from this survey, please contact the Information Officer in the Research Department on 020 7939 7018 or email Steve Scott on steve.scott@amicustheunion.org

Thank you for your co-operation.

Yours sincerely



Derek Simpson
General Secretary

Amicus

ENGINEERS PAY SURVEY FORM

PART A

Personal details

1. Name

2. Company

3. Amicus Region (please tick box)

North East Yorkshire & Humberside East Midlands, Eastern
London South East
South West West Midlands North West, Scotland Ireland
Wales

4. Industrial Sector (please tick box)

Aerospace Shipbuilding Motor Vehicle
Motor Components General Industries IT, Electronics and Engineering

5. Amicus position (please tick box)

Convenor Shop Steward Group Rep

PART B

Pay

1. Please indicate current pay rates for engineering grades in your company in the categories* listed below. Where minimum and maximum rates apply please give details.

* Sample job titles for each category are given on page 3 at the end of this survey

Category	Hrly/Weekly pay rate		Weekly Pay range	
	Hourly	Weekly	Min £	Max £
Basic semi skilled				
Advanced semi skilled				
Basic skilled				
Advanced skilled				
Multi skilled				
Team leader				
Professional Engineer				

2. Please indicate the percentage increase in pay for each of the last 3 years at your present company

2002

2003

2004

3. Shift premiums

0600 - 1400 please give percentage

1400 - 2200 please give percentage

2200 - 0600 please give percentage

Continental please give percentage

Other please give percentage

4. Overtime rates (please indicate as a factor e.g 1.5 =time and a half)

Monday to Friday

Saturday a.m.

Saturday p.m.

Sunday

Bank/Stat Holidays

5. Bonus schemes

Please indicate if a bonus/productivity scheme operates in your company

Yes No

If YES please give an average percentage level of payment for each of the last 3 years

2002

2003

2004

6. Hours of work

What are the basic hours per week in your company?

What are the average hours worked per week in your company?

7. Holiday Entitlement

In your present company and at your level, what is the average annual holiday entitlement, in days If appropriate, how are additional holidays calculated?

Service

Grade

Age

8. Trade union Recognition

Is Amicus recognised by your employer for the purposes of collective bargaining for pay?

Yes No

Thank you for taking the time to complete this survey form. Please place it in the reply paid envelope provided and return it to IDA (33 Welbeck Street, London W1) for analysis, to arrive by 28 January 2005.

*** Sample Engineering Job Categories**

Basic semi skilled Advanced semi skilled Basic skilled

Process operator Process operator (Higher grade)

Fitter

Technical Assistant Relief operator Process operator
(Top Grade)

Semi skilled fitter Advanced operator Manufacturing
engineer

Maintenance handyman Senior operator Engineering
technician

General operator Technical operator Craftsman

Assembly operator Welder/fabricator Assembly fitter

Machine operative CNC Setter Manufacturing
technician

Production worker Technician Shift engineer

Manufacturing operator Senior Technician

Advanced skilled Multi skilled Team leader

Fitter Toolroom fitter Shift leader

Craft technician Multi skilled maintenance Team leader

Shift maintenance technician Multi skilled craftsman Line leader

Associate engineer Sites services technician Supervisor

Skilled process operator Core technician Group leader

Toolmaker Senior technician Process team leader

Test technician Multi skilled technician Cell leader

Inspector Shift technician Chargehand

Electrical technician fitter Production team leader