

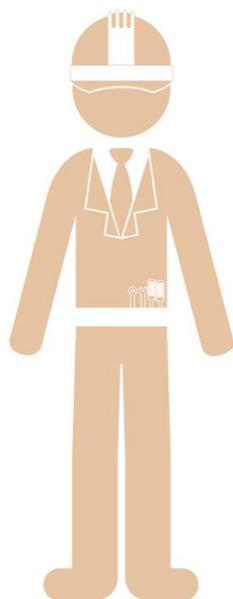
## 2018 Salary Survey

# ENGINEERING MANAGEMENT

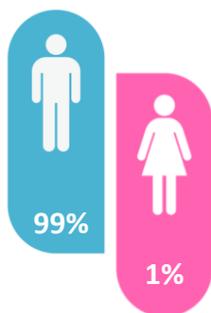
## Food & Beverage Industry



## BRIEF VIEW OF THE SALARY SURVEY RESPONDENTS



**287** Engineering Management Professionals completed the Salary Survey



### 99% Male

In this salary survey, Female Engineering Leaders earned 2.31% (£1,247) less than their male counterparts.



Average Age = **48**

### INTRODUCTION

The food & drink industry is the UK's largest manufacturing sub-sector, larger than automotive & aerospace combined, and contributes £28.8bn of added value to the economy (source: Food and Drink Federation) and consumers spend £203bn annually on food, drink and catering. (source: Department for Environment Food & Rural Affairs).

Engineers are an essential link in the food chain, ensuring businesses have the machinery and equipment in place to produce the foods that make their way from factory to fork and consumers tables. Effective Engineering leadership will guide and develop the Engineers and put plans in place that will enable food & drink businesses to meet production targets and the need of the consumer.

This salary survey looks at the pay scales and benefit packages offered to Engineering Management working across all sectors of the Industry. It covers remunerations paid to Engineering Supervisors up to Engineering Director level, with Site Engineering Managers/Chief Engineers accounting for 43% of all survey respondents.

The UK is struggling with sizable shortfalls in Engineering personnel across all industries, non-more so than the food & drink sector where there is a perennial struggle to recruit and retain engineering talent. The dearth of engineers in the industry is further compounded by those looking to leave the sector, with 23% of survey respondents stating they would welcome a move away from the food & drink industry.

With over two thirds of survey participants stating that no defined career path exists within their current position (even at lower/mid management level), food & drink businesses need to better engage with their Engineering Leaders, or risk losing them to other industries. To meet the sectors shortfall for Engineering talent, employers need to clearly specify career paths and create more graduate and non-graduate Engineering Management Development programmes.

## AVERAGE BASIC SALARIES BY JOB TITLES

Job Title	Average Basic Salary
Group Engineering Manager / Engineering Director	£70,554 pa
Site Engineering Manager / Chief Engineer	£58,838 pa
Engineering Manager / Maintenance Manager (Not Head of Engineering)	£49,499 pa
Assistance Engineering Manager / Engineering Shift Manager	£46,213 pa
Engineering Supervisor / Engineering Team Leader	£43,402 pa
Facilities Manager / Site Services Manager	£43,249 pa

### Are we under selling the earning potential of an Engineering career in the Food & Beverage Industry?

The average basic salary for all survey participants was **£53,986**. This is £2,373 higher than the average base pay for Engineering Manager salaries published on Glassdoor across all industries (16<sup>th</sup> May 2018) .

Sheffield Hallam University, who launched the UK's only Food Manufacturing Engineering Degree, list Engineering management salaries on their website that do not reflect the salary information provided to us from Engineering Leaders when compiling the salary survey, as detailed below:

Job Title	Sheffield Hallam University	FoodEng Salary Survey
Maintenance Manager	£40,500	£49,499
Site Engineering Manager	£55,000	£58,838

For individuals with the drive and ambition to develop themselves further, Engineering Management within the UK Food & Drink Industry can offer tremendous opportunities to progress up the career ladder with noticeable financial incentives at each step, as the below example demonstrates for the typical progression route:

#### Differences in pay by engineering position

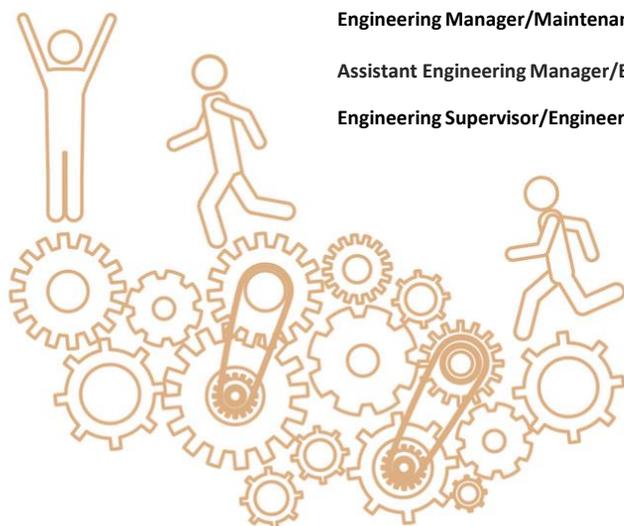
Group Engineering Manager/Engineering Director + 19.9% pay increase

Site Engineering Manager/Chief Engineer + 18.8% pay increase

Engineering Manager/Maintenance Manager (Not Head of Engineering) + 7.1% pay increase

Assistant Engineering Manager/Engineering Shift Manager + 6.4% pay increase

Engineering Supervisor/Engineering Team Leader



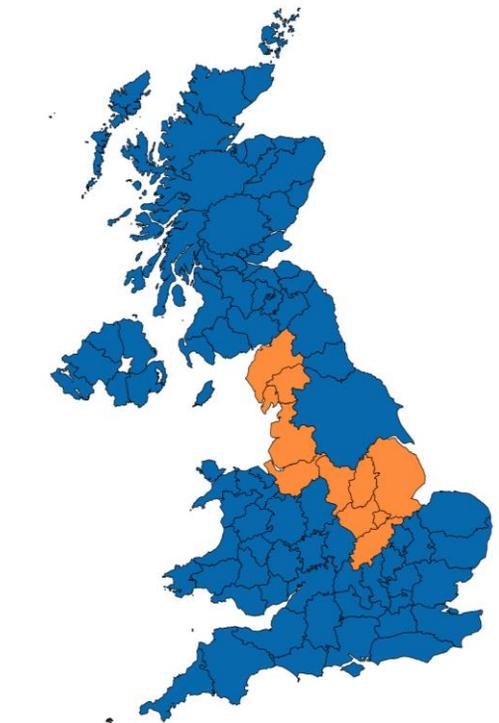
## AVERAGE BASIC SALARIES BY REGION

Region	Engineering Managers / Maintenance Managers (Not Head of Engineering)	Site Engineering Managers / Chief Engineers	Average of all Respondents *
North West	£46,856	£56,030	£52,651
North East	£42,743	£47,665	£43,915
South West	£50,374	£53,570	£50,922
South East (excluding London)	£54,165	£60,832	£52,953
Greater London	£57,499	£70,832	£63,213
Midlands – West Midlands	£50,799	£64,499	£52,499
Midlands – East Midlands	£44,749	£61,905	£55,470
East Anglia	£52,699	£55,070	£51,284
Scotland	£43,936	£60,918	£56,119
Wales	£50,249	£57,499	£50,082
Northern Ireland	£38,749	£48,499	£44,599
Yorkshire	£50,943	£60,232	£54,221

\* All respondents from Engineering Supervisor up to Engineering Director level.

- - Highest Paying for Group
- - Lowest Paying for Group

*The North West and East Midlands regions account for **30%** of survey respondents.*



## AVERAGE BASIC SALARIES BY SECTOR

Sector	Engineering Managers / Maintenance Managers (Not Head of Engineering)	Site Engineering Managers / Chief Engineers	Average of all Respondents *
Ambient	£57,499	£59,165	£68,610
Bakery	£46,149	£56,524	£51,816
Confectionery	£47,999	£79,165	£59,561
Dairy	£54,804	£57,089	£54,804
Food Grade Packaging	£49,999	£62,499	£58,332
Food Ingredients	£52,499	£63,374	£53,165
Fresh Produce	£45,874	£55,082	£48,175
Meat (Fresh & Frozen)	£43,999	£48,811	£46,499
Oils/Fats/Sauces	£42,499	£51,999	£52,299
Pet Food / Animal Feed	£47,999	£62,499	£55,599
Poultry (Fresh & Frozen)	£45,249	£62,499	£50,726
Ready-Meals (Chilled & Frozen)	£57,499	£69,582	£64,999
Ready-to-Eat / Food-to-Go	£41,499	£60,999	£46,832
Seafood	£50,124	£62,499	£57,549
Snacks & Cereals	£45,249	£60,082	£54,862
Soft Drinks & Beverages	£49,802	£59,356	£56,141
Other	£45,999	£59,356	£56,610

\* All respondents from Engineering Supervisor up to Engineering Director level.

 - Highest Paying for Group

 - Lowest Paying for Group

The Institute of Grocery Distribution (IGD) has reported that the Food-to-Go/Ready to Eat sector will grow by 35% from 2017 to 2022, as shoppers preference for eating on the move shows no sign of slowing down. As the Food-to-Go sector is experiencing increased demand for staff to meet demand, it was surprising to learn that the sector was one of the lowest payers within the Food & Drink Manufacturing Industry.

The Meat sector proved to be the lowest overall payer for Engineering Leadership roles. In its defence, from speaking to senior managers and directors working within Meats, it seems that the sector has been particularly affected by increased costs and low margins, and these financial constraints have resulted in a number of Meat processors losing Engineering Leaders to other Food sectors able to pay higher salaries. Many small meat processors are finding it difficult to compete with larger processors following consolidation within the Meat sector, including small abattoirs, where more than a third have closed in the past decade.

## BONUS SCHEMES

**57%** of survey respondents receive some level of Bonus Scheme.

The average Bonus is worth an extra **£6,589** per year.

### Do you receive a Bonus Scheme?

By Food Sector	No	Yes
Ambient	22%	78%
Bakery	51%	49%
Confectionery	38%	62%
Dairy	38%	72%
Food Grade Packaging	50%	50%
Food Ingredients	33%	67%
Fresh Produce	24%	76%
Meat (Fresh & Frozen)	74%	26%
Oils/Fats/Sauces	67%	33%
Pet Food / Animal Feed	20%	80%
Poultry (Fresh & Frozen)	91%	9%
Ready-Meals (Chilled & Frozen)	42%	58%
Ready-to-Eat / Food-to-Go	50%	50%
Seafood	40%	60%
Snacks & Cereals	27%	73%
Soft Drinks & Beverages	24%	76%

### Potential Bonus Values:

Bonus Values	Percentage of Respondents
No Bonus Scheme	43%
Up to 5% of Basic Salary	14%
Up to 10% of Basic Salary	23%
Up to 15% of Basic Salary	7%
Up to 20% of Basic Salary	7%
Other Amount	6%

As the table demonstrates, you are eight times more likely to receive a bonus if you work in the Ambient sector compared to the Poultry sector.

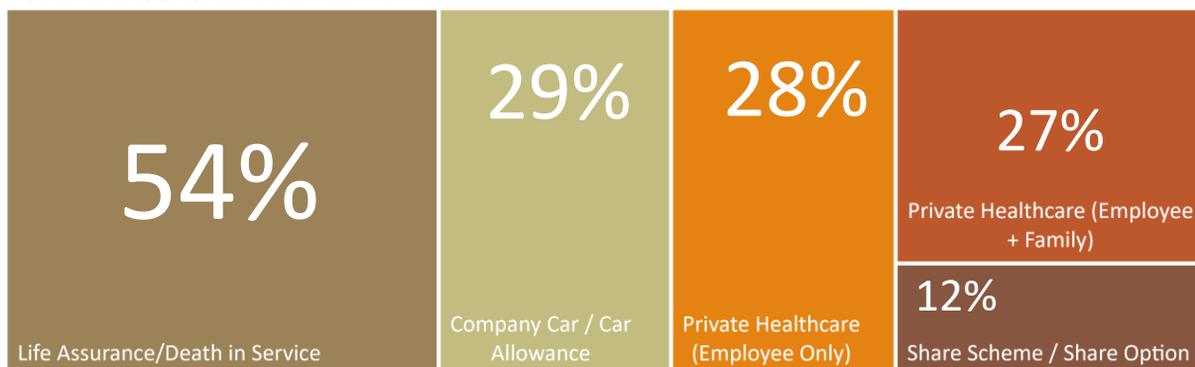
We initially expected the survey results to show bonus schemes were used as an earnings “top up” by companies paying lower basic salaries, but this proved not to be the case. In fact, companies paying the lower basic salaries were less likely to offer a bonus scheme to its Engineering management staff.

### Do you receive a Bonus Scheme?

By Job Title	No	Yes
Engineering Supervisor / Engineering Team Leader	69%	31%
Facilities Manager / Site Services Manager	50%	50%
Assistance Engineering Manager / Engineering Shift Manager	67%	33%
Engineering Manager / Maintenance Manager (Not Head of Engineering)	43%	57%
Site Engineering Manager / Chief Engineer	36%	64%
Group Engineering Manager / Engineering Director	17%	83%

## ADDITIONAL BENEFITS & PENSION RATES

### Additional Benefits Received



### Company Car / Car Allowance Schemes

**12%** of respondents received a Company Car.

**17%** of respondent received a Company Car Allowance.

**71%** of respondents did not benefit from a Company Car or Car Allowance.

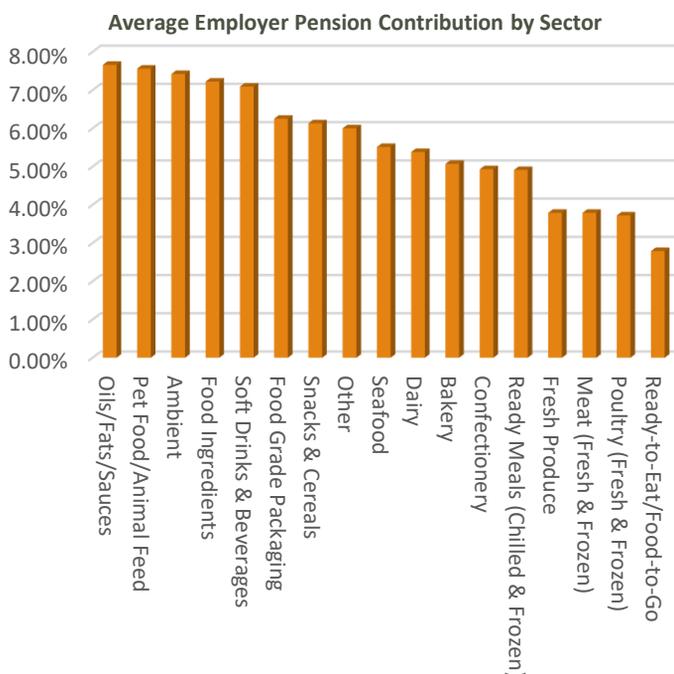
*The average company car allowance equates to **£5,400** pa.*

### Pension Rates

**5.3%** is the average rate for Employer Pension Contributions made by the UK Food & Beverage Industry to Engineering Management staff.

Those working in the Ambient Food sector received the highest employer pension contribution rate at **7.4%**

**29%** of survey respondents received a pension rate between 3%-4% of earnings with 21% of individuals receiving the minimum statutory pension percentage contribution.



## AVERAGE BASIC SALARIES BY ENGINEERING TEAM SIZE



### Average Team Size by Sector:

Sector	Average Team Size
Ambient	20 people
Bakery	19 people
Confectionery	13 people
Dairy	20 people
Food Grade Packaging	22 people
Food Ingredients	12 people
Fresh Produce	17 people
Meat (Fresh & Frozen)	13 people
Oils/Fats/Sauces	11 people
Pet Food / Animal Feed	16 people
Poultry (Fresh & Frozen)	20 people
Ready-Meals (Chilled & Frozen)	22 people
Ready-to-Eat / Food-to-Go	9 people
Seafood	18 people
Snacks & Cereals	15 people
Soft Drinks & Beverages	16 people
Other	16 people

### Average Basic Salary by Team Size:

Engineering Team Size	Average Basic Salary
1 – 4 people	£42,499 pa
5 – 9 people	£49,749 pa
10 – 14 people	£51,450 pa
15 – 19 people	£53,513 pa
20 – 24 people	£60,979 pa
25 – 29 people	£61,280 pa
30 – 34 people	£62,076 pa
35 – 39 people	£64,249 pa
40 + people	£67,976 pa

Site Engineering Managers/Chief Engineers who's direct reports included Mid-Level Engineering Managers are on a basic salary **£12,913** more than others who held the same job title. There was also a clear correlation between team size and salary, with those who managing larger teams receiving more pay.

**43%** of Site Engineering Managers/Chief Engineers had dedicated Project Personnel reporting directly to them.

Only **15%** of Site Engineering Managers/Chief Engineers had no mid-level management or supervisory level between themselves and their maintenance engineers.

**65%** of Engineering Managers/Maintenance Managers, who were not considered as the Head of Engineering, also had another level of Supervisors/Team Leaders between themselves and the Maintenance Engineers.



## ENGINEERING QUALIFICATIONS & CHARTERED STATUS

### Average Basic Salary by Qualifications:

Highest Engineering Qualification Held	Basic Salary (Average)
Degree/Higher Degree	£61,647
ONC/HNC/HND	£53,942
City & Guilds	£49,317
NVQ	£40,999



**77%** of Group Engineering Managers/Engineering Directors who completed the survey held a Degree or Masters/Higher Degree.

### Food Engineering Degree

Backed by leading Food & Beverage Manufacturers such as Nestle, PepsiCo and Warburtons, the BEng and MEng Food Engineering courses were launched in 2014 by Sheffield Hallam University through a partnership with the Food & Drink Federation.

The courses present students with the opportunity to secure the UK's first accredited Food and Drink Engineering Degree and were designed to help tackle strong competition for engineering graduates from sectors such as Technology, Oil & Gas, Aerospace and Automotive.

However, from speaking with the University, there seems to be some doubt about the continuation of the full-time courses due to poor student enrolment numbers. Speaking with their Admissions Team, FoodEng Recruitment learnt that the University will now focus more on Degree Apprenticeships in cooperation with Food & Drink Manufacturers as they feel this will lead to increased levels of enrolment.

Of the 13 students who enrolled in 2014, only 8 students are still on the course.

BEng and MEng Food Engineering Courses	2014/15	2015/16	2016/17	2017/18	2018/2019
Number of applications received:	32	19	39	16	9*
Number of Students enrolled:	13	22	34	32	TBC
Number of Students completing the course:	0	0	0	1	TBC

### Chartered Engineer Status

Only **8%** of respondents were Chartered Engineers.

**£67,814** is the average annual basic salary for Chartered Engineers who completed this survey and 84% of them also received a bonus.



On average, Chartered Engineers in this survey **earned 28.48% more** than those without Chartered Status and 16% of Chartered Engineers earn a basic salary of £100,000 or above. Back in 2014 the Institute of Mechanical Engineers reported that chartered engineers across all industries, and at all seniority levels, earned an average of £63,000 per annum.

## BASIC PAY BY LENGTH OF EXPERIENCE & AGE

### Average Basic Salary by Length of Food & Beverage Experience

Under 12 Months	1-2 Years	3-5 Years	6-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30+ Years
↓	↓	↓	↓	↓	↓	↓	↓	↓
£46,665	£50,999	£51,665	£46,579	£54,024	£55,328	£52,770	£56,213	£60,499

### Average Basic Salary by Length of Management Experience

Under 12 Months	1-2 Years	3-5 Years	6-9 Years	10-14 Years	15-19 Years	20-24 Years	25-29 Years	30+ Years
↓	↓	↓	↓	↓	↓	↓	↓	↓
£35,832	£43,652	£44,710	£48,999	£55,265	£58,781	£60,108	£59,799	£60,590

Interestingly, during our 2017 Maintenance Engineer salary survey, we noticed an increase in basic salaries that mirrored increases in the number of years experience respondents had within the Food & Beverage Industry.

However, this survey reveals industry experience is not the key factor to increased earning potential for Engineering Management, but it is the extent of management experience one may have that makes the biggest impact.

Food & Beverage companies in the UK need to change their mindset if they want to attract a consistent supply of Engineering Managers. Most vacancy adverts posted request that individuals **MUST** have previous Food & Beverage Industry experience. Where internal promotion is not possible and with the lack of Food sector Engineering Managers available, companies need to be flexible to recruit Engineering leaders from other relevant industries, who have transferrable skills.

### Average Basic Salary by Age

Age Group	Average Basic Salary
25 – 34	£45,690
35 – 44	£53,278
45 – 54	£56,999
55 – 64	£52,749
£65 +	£52,208

*46% of people who completed this salary survey were aged 50+*

Those aged between 50 to 54 years old were the biggest earners with an average basic salary at **£61,456pa**. There was a gradual decline in salary after 55 years of age, indicating that older Engineering Leaders see their careers plateau at 55 years old and above, and perhaps, are not pushing for more responsibility or higher paying roles.

## BASIC SALARIES BY WORKING HOURS

### Contracted Hours

Weekly Contracted Hours	Percentage of Survey Respondents
35 hours	2.52%
36 hours	1.68%
37 hours	13.03%
38 hours	10.08%
39 hours	10.92%
40 hours	35.29%
41 hours	10.84%
42 hours	14.29%
43 hours	1.26%
44 hours	2.10%
45 hours	7.98%

### Average Basic Salary by Actual Weekly Hours Worked

Average Weekly Hours Actually Worked	Average Basic Salary	Percentage of Survey Respondents
Contracted Only	£46,565	6.3%
Contracted + 1 to 4 Hours	£47,035	23.53%
Contracted + 5 to 9 Hours	£52,299	31.51%
Contracted + 10 to 14 Hours	£59,270	24.79%
Contracted + 15 or more Hours	£61,741	13.87%

The average of actual hours worked each week equals **47.7 hours**.

There was a Sector-wide correlation between the number of hours worked and salaries, with the exception of the **Poultry** sector, which has shown to be one of the lowest paying sectors but where expected hours worked are highest (50.7 hours per week). This raises the question whether Engineering Management/Leadership working in the Poultry sector are encouraged to opt out of the Working Time Directive, and one would assume the low-pay and long-hours prevalent within the sector makes it difficult to attract good Engineering Leaders.

On average, survey respondents living in Greater London worked 226 hours per year more than individuals living in the East Anglian region. Individuals aged between 50 to 54 also worked more hours per week, which coincides with the high pay levels this age group receive in comparison to other age groups listed in the 'Basic Salary by Age' section of this report.

### Average Weekly Hours Worked by Job Title

Job Title	Average Weekly Hours Worked
Group Engineering Manager / Engineering Director	49.2 Hours
Site Engineering Manager / Chief Engineer	48.4 Hours
Engineering Manager / Maintenance Manager (Not Head of Engineering)	47.7 Hours
Engineering Supervisor / Engineering Team Leader	46.5 Hours
Assistant Engineering Manager / Engineering Shift Managers	46.4 Hours
Facilities/Site Services Manager	46.0 Hours



## ENGINEERING BUDGETS & PROJECTS

### Are you responsible for CAPEX Project delivery on site?



### Average Basic Salary by Project Responsibility:

Project Responsibility	Engineering Manager / Maintenance Manager (Not Head of Engineering)	Site Engineering Manager / Chief Engineer	Average of all Respondents
Yes – with the support of a Project Manager/Project Engineer	£52,852 pa	£63,648 pa	£53,017 pa
Yes – acting as Project Manager	£47,172 pa	£55,488 pa	£53,017 pa
No	£47,570 pa	£50,685 pa	£46,631 pa

Site Engineering Managers responsible for CAPEX Projects earned an average of **£8,883** more than those without CAPEX Project responsibility. 25% of Site Engineering Managers, who stated that they acted as Project Manager also had Project Managers/Project Engineering within their direct reports structure.

**83%** of survey respondents held some level engineering budget responsibility.

**4.8%** of Site Engineering Managers/Chief Engineer did not hold budget responsibility.

**£1.4M** was the average annual budget responsibility held by Site Engineering Managers (excluding CAPEX).

### Average Annual Budget Responsibility by Job Title:

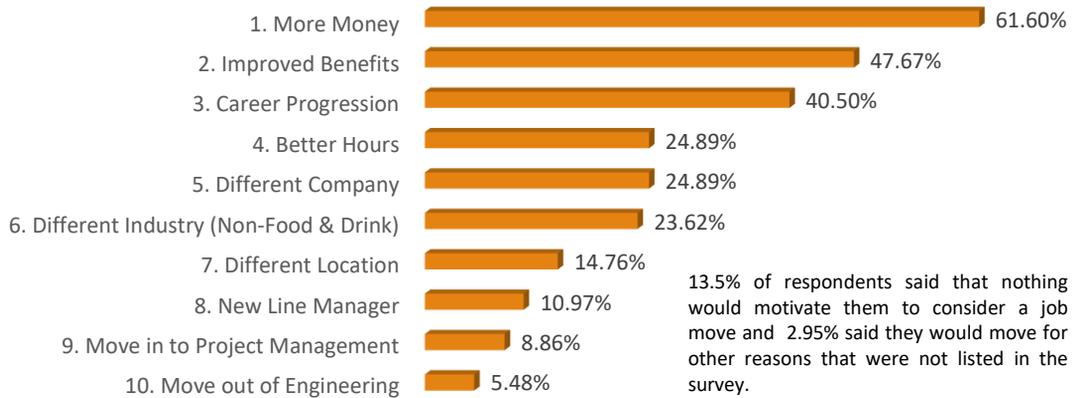
Job Title	Average Annual Budget
Group Engineering Manager / Engineering Director	£2,419,088
Site Engineering Manager / Chief Engineer	£1,358,168
Facilities/Site Services Manager	£1,088,929
Engineering Manager / Maintenance Manager (Not Head of Engineering)	£923,306
Assistant Engineering Manager / Engineering Shift Managers	£451,500
Engineering Supervisor / Engineering Team Leader	£312,000

The Meat sector has the lowest engineering budgets per site with an average of £889K per year (excluding CAPEX budgets), which may give employers some justification for the well-below average pay offered to Engineering Leaders working in Fresh & Frozen Meats.

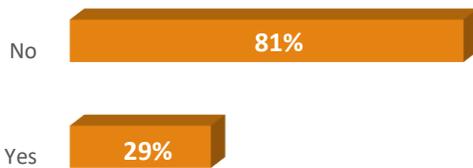
## JOB SATISFACTION & CAREER MOTIVATIONS

### Motivations for considering a job move:

(respondents were given the option to select multiple answers)

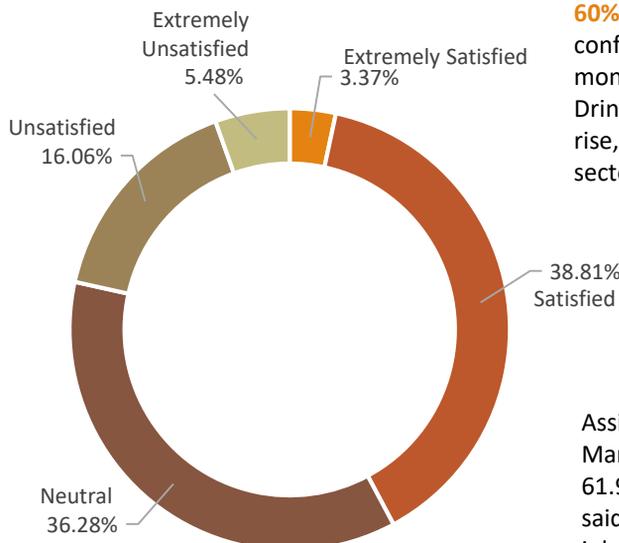


### Is there a defined Career Path/Framework for you to follow in your current role?



*45% of individuals who answered no to this question said that Career Progression would be a main driver when considering a job move.*

### How satisfied are respondents with their rate of pay?



60% of survey respondents are either confident or very confident that their pay will increase within the next 12 months. 90.5% of respondents working in the Soft Drinks & Beverage sector are expecting to receive pay rise, whilst 72% of respondents working in the Poultry sector were not confident of receiving a pay rise.

Facilities/Site Services Managers were the most unhappy about their pay rate. 50% of them stated they were Unsatisfied with their rate of pay, and not one of them stated they were Satisfied or Extremely Satisfied with their pay.

Assistant Engineering Managers / Engineering Shift Manager were less decisive about their pay rate with 61.9% of them answering Neutral, even though 47% said 'more money' would motivate them to consider a job move.



## ABOUT US

FoodEng Recruitment support companies in their efforts to manufacture food & drink products, increase standards and improve machinery efficiencies. We accomplish this by being specialists in the search and selection of Engineering Personnel, ensuring that Engineers appointed by our business have the technical skills, industry knowledge and desire to deliver the required results for our Food & Drink sector customers.

Managing permanent and interim engineering recruitment solutions, we work closely with Food & Beverage Manufacturers, Food Machinery Companies, Food Packaging Suppliers and Engineering Consultancy Firms on the following engineering disciplines:

- Engineering Management
- Production Maintenance
- Project Management
- Continuous Improvement
- Service & Installation
- Controls/Automation
- Commissioning
- CAD Design
- Process Engineering
- Technical Sales/Machinery Sales
- CNC Operations
- Industrial Refrigeration
- Site Services/Facilities Management
- Asset Care
- Maintenance
- Planning/Coordination
- Engineering Stores
- Engineering Procurement

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