

Pay To Play

Are You Being “Charged” To Work In Action Sports?

By Adam Sullivan, Josh Hunter, and Mike Lewis

For years, the action sports industry has balked at the idea of “Corporate America,” poking fun of it whenever opportunity arose. Hell, *Transworld Business* put Clint Peterson on the cover ollieing a gap in a suit and briefcase. While the idea of a suit and tie may be mocked, ridiculed, and ultimately feared, the one thing that those on the other side of the corporate aisle seem to have going for them is some hefty paper on payday.

Action sports, and sports industry jobs in general, are notoriously underpaid in the opinions of many. Our industry, and any that is considered cool, draws applicants in droves, which puts the invisible hand to work. An increase in supply lowers the demand curve, which in turn lowers the price. However, there are definitely tradeoffs that drive this supply. Salary, benefits, vacation, and other employee programs are all pretty much guaranteed compensation at any reputable company, but the action sports industry’s biggest benefit for many is its lifestyle.

THE ACTION SPORTS “TAX”

JBC Style is an employment agency for the fashion, design, and action sports industries. Mike Machanic is its Director of Active Lifestyle Recruitment. “If you are outside of the action sports industry and trying to get in, be warned,” he says. “The lifestyle, the environment, and the people are the reasons you want to get in. Be prepared to sacrifice some zeros in the paycheck.”

Machanic maintains that it’s the allure of the culture and lifestyle that has hopefuls lined up with resumes in hand. “The ‘tax’ exists because people will take less money to work with the companies that they grew up wearing and watching. The industry is small and there are loads of people who want in. Plus, the free beer at ASR and the chance to hit Mammoth as part of a ‘business trip’ doesn’t hurt.”

Malakye.com, a Web site designed to help action sports enthusiasts find jobs in the industry, averages 28,000 visits a month. Founder Chad Mihalick agrees with Machanic. “How many people feel they’re paid what they’re worth? I think people will accept a lower wage anytime work involves deeply-rooted personal interests because working around what you love can make the workday so much better.”

Mihalick uses the advertising industry as a parallel to action sports. “People will go to work in the ad agency world for low wages because to them there’s some sort of appeal—glamour, prestige, personal interest, and a belief that it will pay off in the long run.”

THE ALMIGHTY DOLLAR

Amenities aside, salary is the biggest factor in determining the smile on your employees’ faces. Bringing your dog to work is great, but if neither of you can buy lunch, what’s the point? But are action sports employees really paid less than



those of other industries? It depends on whom you ask.

A recent transworldbusiness.com poll indicated that 295 out of 384 people—77 percent—felt underpaid to some degree for working in action sports.

“As some brands move from their core roots to a more mainstream customer, they are looking for talent from outside the industry”
—Mike Machanic, JBC Style

One way to gauge the reality of this perception is through salary and employment Web sites. Employees that visit sites like salary.com to gauge their worth will most likely end up feeling disgruntled yet vindicated—that’s sort of the point. Chad Mihalick says the data’s legitimacy depends on a company’s size and location. “Any aggregation of salary is only as good as the data collected, and the reader’s understanding of what he’s looking at,” he says. “If you have salary data for a job, say Chief Financial Officer, and all participating companies are about the same size in revenue and located in the same city or county, the high and low numbers in that range are going to be close together and the average will be pretty true.” Correspondingly, if you’re comparing a ten-million-dollar company to a ten-billion-dollar company, the range is going to vary a lot more.

Employers have to figure out their pay philosophy before they can start hiring, which is determined by the following questions: What kind of employee does the company want to attract, and what will it pay in relation to the market? Are you willing to hire the best at the top ten-percent of the market’s pay rate, or pay less for less experience and train on the

job? It’s the difference between a new hire being able to walk in and work, or dealing with a learning curve.

Of course, the philosophy can vary from position to position. A company may decide to pay at the top of the scale for upper management, and lower on the scale for lower level employees. Depending on the job, the learning curve can get, well, curvier.

A study performed by Fulcrum Search Science—an executive search and human capital management firm based in Toronto—explains the conventional approach: “New employees should be hired into the lower part of the established salary range. Hiring at the lower part of the range preserves internal equity, and gives the employee ‘room to grow’ in terms of getting raises if they stay in the position for several years. Generally, many of the best employees will be promoted into jobs with higher ranges before getting above the mid-point.”

Saving a little money on staffing means one of two things: hiring under the bar for performance and experience, or dealing with attrition—or worse, long-term disgruntled employees. It’s obvious, but important to point out that there are exceptions to the rules. If an employee has critical experience, or is performing above and beyond his goals, of course they may be worth more to the company. Recently, Machanic has noticed momentum in hiring mainstream candidates that bring this critical experience to the table. “There is also a newer trend growing across the industry,” he explains. “As some brands move from their core roots to a more mainstream customer, they are looking for talent from outside the industry. These people are often ‘tax exempt.’ They are not necessarily looking to get into the action sports world. They can be from design, sales, operations, or R&D in the mainstream world. They are being paid ‘tax-free’ because they are not lured by the lifestyle that brought many of us to

the industry to begin with. Companies are forced to pay these people to access that mainstream customer.”

OTHER COMPENSATIONS

Every month *Transworld Business* features a column dedicated to “Movers,” where we list all the hires and fires for each brand. (The fact that we’re never hard up for new hires to report is proof enough that action sports deals with its fair share of attrition.) It goes without saying, but once you hire your staff, the next step is keeping them. There is a saying that goes: those who don’t take care of their employees are creating their own competition. Sounds a bit like fortune-cookie wisdom, but it’s a good point. Plan B (round one), Girl, Lakai, World Industries, Hurley, Volcom, Rome, and more recently Atwater, are just a sampling of the brands that were founded by former employees of current competitors.

But if companies are warned not to overpay employees, how the hell do they retain them? The answer is simple: lots of ways. Attracting and retaining employees happens by creating an environment that people want to work in, and action sports has that built in. Quality can be more valuable than quantity—that is, quality of life can compensate for quantity of dollars.

Benefit packages (medical, dental, 401K, vacation, sick days, and the like) go a long way toward enhancing quality of life, but what does this mean economically? Because there’s such a wide range of options (100-percent medical coverage versus 50-percent, or one week of vacation versus three), and they vary so greatly from company to company, even person-to-person, the amount this adds to the bottom line has to be measured on a case-by-case basis.

Health care costs are more of a tangible out-of-pocket expense for both the employee (especially if they have a domestic partner or family) and the

employer, as are retirement plans and long-term investments (like profit sharing and 401K programs). On the other side, benefits like vacation and sick leave, flextime, and telecommuting are more easily measured on the quality of life scale. Companies should factor in all of these benefits when looking at their pay philosophy and ability to recruit and retain quality help.

Machanic stresses the importance of benefit packages and a quality work environment for both recruitment and retention. “The average person spends half of their waking year at their jobs. Why shouldn’t they have fun during that time?” And if a company is paying less, the benefits need to be more than just a 401k. In our industry, fringe benefits to be considered can take many other forms. Typically, dress codes are way more lax in action sports, work is called off or delayed for powder days and swells, and company appreciation and business trips often involve the mountain, skate park, or beach. Most, if not all, manufacturers offer their products at a discounted rate to employees. Some have an “at-cost” rate, some have a “free deck with a paycheck” plan, some just dole out gear periodically as added stoke.

There’s also something to be said for the company you keep. Even if the office doesn’t have a lunchtime shred zone, or a discounted product program, people flock to industry jobs just for the chance to work with others with similar passions. All these elements translate to fun—and if you’re the boss, reasons you can pay below fair market value and still maintain your employees.

CAN YOU RELATE?

If you don’t skate... well, you don’t relate. That’s how the saying goes, anyway. And within the action sports industry, it sometimes seems like that’s the most important bullet point to have on your resume. Don Brown’s opinion is pretty typical of industry attitudes. “Hell yes, it’s important to have as many Sole Technology employees as possible that skate!” he says. “We were started by skateboarders for skateboarders, and the fact that the company is still 100 percent skateboarder-owned and run kicks arse!” Brown clearly has a lot of pride in his company’s brands, and he feels that skateboarders, whether on a board in the streets or on the board of directors, will defy convention. “Skateboarding doesn’t follow all the traditional rules of business, so when connecting with the market it is important to understand our unique world through the eyes of skateboarders.”

Brown also feels it’s a way for Sole Tech to take care of their own, transitioning team riders who have passed their prime into desk jobs. “I also see that it’s a great opportunity to offer our team riders a career when they are done riding professionally,” he says. Brown and Sole Tech Owner Pierre Andre Senizergues, former pros themselves, employ several skaters of yesteryear including Justin Regan, Mike Ruxczyk, and Seecha Clarke to name a few.

Dwindle’s Steve Douglas began his career as a professional vert skater,

and then transitioned into the back end, helping companies like New Deal, 411, Element, and now Dwindle Distribution. “I think it comes down to the person’s skills and experience and to what job they are in,” he says of the need to ride. “For example, the back end of the company—finance, operations, shipping, production—it doesn’t matter if they skate or not, what is important is they do their job in a professional manner.”

“I don’t think it is absolutely vital within some job titles, but in order to understand the products inside and out, the different riding styles and snow conditions and the culture/lifestyle surrounding the sport that drives the trends and styles, snowboarding becomes pretty important,” says K2 Snowboards International Marketing Manager Danielle Hambleton. Douglas shares Hambleton’s sentiment, stressing that there’s an integral understanding of the market and the people that comes from immersion. “One of the owners of a company was at a contest I was in many years ago, and one of his riders was really nervous because the owner was at the contest. After his run the rider went to see the owner and said ‘I’m just coming back from an injury and I’m not back to 100 percent yet.’ The response from the owner was ‘Why?’ This blew me away. The owner, not a real skateboarder, had no idea what it was like to be hurt, out, and then have to get back to the same standard he was at before his injury.”

One of the ways action sports stands apart from other industries is that its members generally have this understanding, and in fact cling to it. Some feel it’s naive, but others argue that it’s elitism like this that keeps our industry in the hands of riders, and therefore, healthy.

There’s a definite argument for participation in the sense that it helps keep you in touch with the target market, but does everyone who works in golfing have to golf? Will playing three times a week help the guy who is assembling the golf cart? Certain positions—marketing, research and development, team management—are arguably enhanced with participation, but there are many other positions that aren’t. What it comes down to is this: do you want the person keeping your books to be good at keeping books, or good at nollie flips?

The path to the American dream is finding a job that you love to do. At the end of the day, skate companies will attract skateboarders, surf companies will attract surfers, and snow companies will attract snowboarders. If ever there was a characteristic an employer should look for, it’s like-minded employees who share the same passion and enthusiasm for their work. Happy workers are productive workers, which bodes well for our cottage industry—because when the lunch bell rings at Black Box, its skate park is filled up in 30 seconds flat.

But as the action sports industry matures, how long will existing employees accept their current pay scale, and what will the nation’s nascent talent pool expect from its future employers?

Is It Important For Your Employees To Be Participants In Action Sports?

We asked several industry figures to sound off on this question. Here’s what they had to say:

Mike Machanic, JBC Style

“It always helps to know and participate in the sport you want to work in.”

Chad Mihalick, Malakye.com

“Yes and no. ‘Face of the brand’ positions it’s a necessity and it’s always helpful, but not necessary within some job categories or professions, or specific positions at a company, and even in some jobs you’d think the person must be involved in the sports. There’s a point where candidates’ background and expertise within a profession is more important than industry experience or personal involvement in the sports.”

Steve “Lounge” Price, Killer Dana

“[It’s] hard to talk about surfboards if you don’t know about surfing. However, many of the biggest retailers are owned by kooks, I mean non-surfers, so maybe I’m wrong. Not everyone has to surf, but it is a major plus if they do.”

Al Boglio, Cliché

“Of the eight staff at Cliché, only Lucile our accountant doesn’t skate. We session the mini ramp at lunch, everyone is stoked and can relate to skateboarding, which is essential.”

Vinnie De La Peña, Mada

“Generally I do, it adds legitimacy to what we are doing and selling.”

Rian Rhoë, Salomon/Bonfire

“I think that it is absolutely essential for our design and marketing teams to actively participate in snowboarding. It’s a fundamental aspect of why we show up for work every day. On a personal note, I’m not interested in marketing chewing gum, you know what I mean? We’re here because we love snowboarding.”

Ryan Clements, SkatePark Of Tampa

“Right now out of 23 employees at Skatepark of Tampa, 22 of them skate. The one guy that doesn’t is a part-time maintenance dude that cleans this place as good as anyone. But, at the same time, the dude is on the level and cares about what he does. As for the 22 that skate, some skate more than others and some are better than others, but they all love skateboarding, therefore making it more likely that they take pride in their work. But when it comes down to just the work aspect of a job, then you’re going to have those that give a shit and those that don’t. It’s no secret that a lower-end job in the skateboarding industry doesn’t pay too well, so we attempt to attract those with a like mindset.”

Thomas Berger, President and CEO, GST

“It is very important that everyone snowboards to understand what we are doing and to be ambassadors for the company and the sport.”

Danielle Hambleton, K2 Snowboards

“I do think it is important for employees to snowboard. However, I think it’s also important for employees to have other passions...sometimes even above snowboarding that offer a different perspective in the design process. Music, art, photography, other sports, etc. We pull from many different cultures/lifestyles and having employees that can offer insight outside of snowboarding is important too.”

Sam Uisrapassorn, Crimson Skateboards

“I would say that it is important for industry employees to skate and at least have a true respect and understand of what skateboarding is. We have been mindful of building a staff that is balanced here at Arthouse. We employ our staff based on their talents to perform in their individual positions. However, if you’re not a skater at heart I don’t think you would have what it takes to work here.”

How Many Jobs & How Much Money?

Search Simplyhired.com for “Action Sports” and you have more than 2,800 jobs to scroll through.

Jobs Available

Action Sports:	2,835
Skateboarding:	240
Snowboarding:	1,092
Surfing:	1,912*

*but most of those are web-surfing

Average Hiring Salaries

Action Sports:	\$44,000
Skateboarding:	\$30,000
Snowboarding:	\$60,000
Surfing:	\$59,000

* Source: simplyhired.com