

IT Pay: Can Higher Ed Compete?

Few colleges can match the private sector when it comes to IT salaries, but higher education has some advantages that can help level the playing field.

- By Keith Norbury
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Illustration by Traci Daberkó

About a decade ago, Mike Pearce left a high-flying position with Bausch & Lomb to become CIO at the University of Southern California. Factoring in the loss of stock options and bonuses, the career move cut his pay in half. On the plus side, he no longer had to travel more than 100,000 miles a year for his job.

Now vice president of IT at the University of South Florida, Pearce is a prime example of the challenge facing higher ed in the competition for IT talent. "I know what I made in private industry," Pearce says. "And you know I'm never going to get near that now."

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He and others familiar with IT recruitment at colleges and universities say the same dynamic applies across the spectrum of IT jobs: On pay alone, higher education simply cannot compete with the private sector--or even other public institutions. While the extent of the divide varies depending on the locale, [Bureau of Labor Statistics](#) figures indicate that corporate IT positions pay as much as 30 percent more than comparable college IT jobs.

It's a finding corroborated by Kamran Khan, vice provost for information technology at **Rice University** in Houston, who says corporate IT positions in his city pay 5 to 20 percent more than his school does. "More and more, I believe we're competing with corporations, medical centers, and

startup companies," Khan says. "That is very hard for our compensation packages to equal."

Comparing Pay Scales

In attempting to make comparisons between IT pay scales in the private sector and higher education, it is necessary to use data sets from two different organizations: the [May 2012 numbers](#) from the Bureau of Labor Statistics (BLS) representing industry employers nationwide, and the [2013 statistics from the College and University Professional Association for Human Resources](#) (CUPA-HR) representing higher education. Unfortunately, exact comparisons are difficult because the organizations seldom use the same names for job classifications. Given these provisos, here's a brief rundown on some IT salaries:

- The average salary for a CUPA-HR web designer/developer was \$53,447 compared with a web developer average of \$66,100 (BLS).
- A network IT administrator (CUPA-HR) earned an average of \$61,200 compared with \$76,320 for a network and computer systems administrator (BLS).
- An IT client-support specialist (CUPA-HR) was paid an average of \$46,088 versus \$50,130 for a computer user support specialist (BLS).
- Database administrators (BLS) earned an annual mean salary of \$79,120, significantly more than the \$68,866 paid for the same position in higher education (CUPA-HR).

At the University of Tennessee at Chattanooga, Thomas Hoover, associate vice chancellor and CIO, says his department aims to pay about 80 percent of market value for IT personnel, whose annual salaries range from the low \$30,000s to the low \$100,000s.

"It's a struggle to hang onto my top staff," concedes Hoover, who has to compete for talent with the likes of Volkswagen, which has a Passat factory in the city, and the Tennessee Valley Authority, the local energy utility. "We lose a lot through the recruitment process." Ultimately, if the candidate is only interested in the money, he's not interested in the candidate. "I'm not going to win that and I don't want to win that," Hoover explains.

So, if schools can't compete on pay, how can they attract and retain the kind of IT talent needed to usher higher education into the 21st century? Here, CIOs at a wide range of schools share their strategies for hiring--and keeping--a first-rate IT staff.

1) Leverage the School's Assets

IT recruiters should not overlook one of their key selling points: the school itself. Many of the nation's colleges are beautiful, imbued with a smart young vibe, and offer a plethora of recreational, social, and cultural outlets. Not many companies can compete on this front, says Susan Swayze, an assistant professor of education research at The George Washington University (DC) who coauthored [a paper on disengagement, exhaustion, and turnover intention among IT professionals](#) at a mid-Atlantic university. Plus, she notes, these perks come with a minimal price tag.

It's a strategy that is paying off for Indiana University of Pennsylvania, which takes a "holistic approach" to IT hiring, says CIO Bill Balint. "We try to leverage things that don't cost the institution a lot of money." These include access to fitness centers and discounts on athletic, artistic, and cultural events.

Higher education also appeals to IT workers who simply believe in its lofty mission. Such an affinity is "almost a prerequisite" for an IT job at IUP, says Balint. "There has to be something about the higher

education experience that the person is drawn to, other than just the job that provides the highest salary and benefit combination."

Balint's belief finds some corroboration in a study that Educause was planning to release at its annual conference in October (the study was not available at press time), says Susan Grajek, the organization's vice president of data, research, and analytics. According to the study, salary is among the least important reasons that higher ed staff stay in their jobs. "And the most important reason across the board...is the colleagues, the people that you work with," notes Grajek.

2) Offer Education Perks

Possibly the biggest perk that colleges and universities can offer potential hires is education itself. While the private sector has cut back on training in recent years, many colleges and universities are willing to train new staff. IT departments should develop policies outlining the kind of education and training available, and recruiters should be sure to tout them.

"It doesn't really cost the university anything to add one or two IT people to a class that's already being taught," explains Gerry Ledford, a senior research scientist at the [Center for Effective Organizations](#) at USC's Marshall School of Business. "And it's a way to keep their skills more cutting-edge."

At Rice, for example, IT provides free courses for employees, as long as they are approved by the supervisor and align with the department's job needs and the career goals of the worker. At South Florida, IT extends the educational options as wide as possible. "We try to give people broader-based experiences than necessarily they would get in the private sector," says Pearce. "And for truly technical people, that is a big draw."

Given the expense of a college education, schools can also go a long way toward narrowing the pay divide by giving tuition breaks to the dependents of employees. At Rice, children of employees receive free tuition, says Kahn.

But free training and education can have their downside, Swayze notes. Free tuition might draw people to a university job, she says, but it's also linked to staff losses because workers often "spread their wings and fly" after earning a diploma or degree. "It's a good recruitment tool, but it may not be a good retention tool," concludes Swayze.

3) Offer a Work-Life Balance

In the private sector, the days of 9-to-5 workdays and leisurely lunches are a distant memory. The pressure to be on the job and on call 24/7 has ratcheted up significantly over the past decade. While higher education IT is certainly not immune to high-stress work environments--especially as institutions become more reliant on IT services--it is also not hostage to a company's quarterly earnings report or shareholder expectations. As a result, schools can often sweeten their job offers--and keep their existing employees--with everything from more generous vacation packages to 9-to-5 work hours and flex time.

"We get almost 24 days a year of vacation," Hoover notes. "Most likely, you're not going to get that at a private institution."

According to Khan, Rice actually encourages flexibility, with workers allowed to put in 10-hour days to get Fridays off, for example, or to work remotely from home if they cannot make it to the office on a given day. For its part, IUP tries to provide the best combination of vacation time, sick pay, and other benefits possible. "We really try to stress work-life balance heavily," Balint says.

4) Reduce Staff to Increase Pay

While it's unlikely that most college IT shops can compete with the private sector on the pay front, it's

in their interest to narrow the gulf as much as possible. To achieve this during a period of anemic budgets, some IT departments are reducing employee numbers and using the savings to increase the salaries of the remaining staff. To handle the work previously done by employees who are laid off or quit, schools tend to use three primary strategies:

Outsourcing. By farming out commodity services to third-party service providers, schools can often reduce operational costs and in-house staffing. E-mail is the classic example: Providers such as Google, for example, can operate a school's e-mail service far more cheaply than the institution can. But schools should be careful about what services they outsource. "There's a misconception that outsourcing is going to reduce the IT budget," says Jerry Luftman, founder and managing director of the [Global Institute for IT Management](#). "It isn't always the case and sometimes it increases the budget."

At South Florida, the IT department outsourced its e-mail and learning management systems, as well as some cloud services. "What we try to do is look at a very, very simple model with outsourcing," notes Pearce. "We'll outsource anything that doesn't create competitive differentiation."

Efficiencies. If schools can increase the efficiency of IT systems, they can reduce operational costs and free some money to increase salaries. In a roundabout way, that's exactly what Hoover did at UTC. First, to acquire some funds, he cut back on hiring and then funneled some of the savings into systems designed to improve operational efficiency. For example, he purchased 200 [Citrix VDI-in-a-Box](#) virtual desktops that "allow one person to manage 200 computers," he notes. In addition to the savings in staff time, the virtual desktops cost about half as much as a comparable number of PCs and utilize much less in energy: \$288 worth over two years compared with \$14,900 for PCs.

In aggregate, such moves can add up to a lot of money, but it can be surprisingly difficult for a CIO to shift these savings into higher staff salaries. Although he was ultimately successful, Hoover had to put together a whole justification for his superiors, since energy costs come out of a different budget than the one used for IT salaries. "I simply make the claim, and I've got real numbers from the Tennessee Valley Authority to support it," explains Hoover.

Getting a handle on actual costs is rarely so straightforward, however. According to USC's Ledford, using attrition and outsourcing to reduce staff and reallocate savings toward bonuses is "hard to calibrate."

"It's often very hard to show that you're really getting enough value to have fewer people and pay them more," Ledford explains. "Ideally, you'd like to be able to do that, and that's often the philosophy at private-sector companies where there are very good performance metrics."

Student Workers. For basic IT work, such as staffing the help desk, colleges and universities should consider using student workers, since they don't cost as much as full-time workers. At South Florida, Pearce says his IT department hires students "in the hundreds." It's a similar situation at Rice, where students work on the first tier of IT, Khan says. While Rice uses its student workers to free IT staff for more complex work, colleges could just as easily reduce their full-time staff and transfer the savings into bonuses or higher salaries.

5) Pay More for Key Talent

Every organization has them: star employees or staff with specialized skills who would be difficult to replace. In such circumstances, it may be in the IT department's interest to boost their salaries, even if savings have to be found elsewhere.

Hoover says he sometimes justifies paying a staff member more to stay because "I'm actually saving more money than if I had to hire someone at market value." For example, he has paid top dollar for

enterprise resource planning system people because ERP needs top talent. To offset the bumped-up salary, he might pay \$10,000 less for an entry-level position.

It's an approach that Ledford endorses. "If you have limited dollars, you want to make sure that you are hanging onto the people that really are performing the best and that are the most important to you," he advises. "Universities are not a strong pay-for-performance culture in general, but there are possibilities there."

If a school is reluctant to make a permanent salary adjustment, Ledford suggests other possibilities. "For example, a university could pay bonuses for getting a supercomputer up and running by a certain deadline," he notes, or it might offer more of the perks it used to attract employees in the first place, such as additional vacation time or training.

In a [report](#) she prepared in February 2013, Susan Grajek, vice president of data, research, and analytics at Educause, noted that IT salaries in higher education did not keep up with inflation from 2011 to 2012. Overall salaries increased 2 percent, whereas the consumer price index rose 3.2 percent in 2011. Salary increases were higher at private institutions than at public institutions. They were also higher for directors and managers than for other IT staff.

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