

2015 Executive Compensation Report

By

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Houston IT Executive Compensation Report 2015

As we have noted the past few years, the focus on total compensation is among the most prominent shifts we have seen. Companies are after broader packages designed to include more than just monetary incentives.

As the Houston IT employment market continues to grow, attracting and retaining talent at all levels has become increasingly competitive and difficult, even at the executive level. There are three factors driving executive level hiring:

First is the aging workforce. As more baby-boomers retire, more and more people each year are taking advantage of good investments and cash out on stocks and options.

Second, the boom in oil and gas has grown more companies to larger sizes. This necessitates new types of leadership and requires skilled people who are able to handle and thrive in such environments.

Third, the role of technology in the operations and profitability of all companies is increasing. This also creates a need for more strategic leadership to more effectively manage and integrate technology into all aspects of business.

The combination of these has a profound influence on compensation for IT executives. The specifics of this compensation are moving towards three distinct groups, in competitive base salaries, bonuses for hitting or exceeding target numbers, and lucrative, long term incentives designed for better retention.



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All components of compensation are increasing. This year, increases on base salaries for Houston IT executives ranged from 2 to 17 percent. Over 40 percent of executives received an increase of 3 to 6 percent, 25 percent received a raise of less than 3 percent. This proportion has changed from last year, with more moving into the higher bracket. On top of that, 10 percent had an increase of over 6 percent.

Offered bonuses range from 10 to 100 percent of base salary. 41 percent of respondents received a bonus of 10 to 20 percent. This is almost identical to the figures from last year; however, the almost 30 percent receiving more than 20 percent of their base is up substantially from last year, reflecting the increased profitability of companies.

Many respondents also had longer term incentives ranging from stock options, grants, and profit sharing with many making contributions to retirement accounts. In these cases, they are all improved.

Additionally, many have received other perks, such as several additional weeks of vacation time, car allowances, and various education/training programs.

About the survey:

We conduct a bi-annual executive compensation survey and this year we had close to 100 participants. The survey is aimed at the top level of IT; CIO's, VP's of IT, and IT Directors. This represents a broad spectrum of companies ranging from Fortune 100 to private and even some governmental. Based on this, several assumptions are made: governmental executives receive fewer large bonuses and no stock; private, entrepreneurial companies had greater payouts when numbers were hit; and large, public companies had the best overall compensation programs. We adjusted outliers to balance the report and sorted data in two ways, by size of company and size of department. This allows alternate means to interpret and review the data. Several of our clients have informed us that these reports have been effective in negotiating compensation both with current employers and in moves.

If you would like to discuss this further, feel free to call me at 713.548.5444.



Executive Compensation by Company Revenue

		Low	Mid	High
<i>Less than \$100M</i>	Salary Range	\$95,000-115,000	\$120,000-165,000	\$168,000-210,000
	Total Comp	\$110,000-130,000	\$145,000-185,000	\$190,000-285,000
	Average Salary	\$109,000	\$141,000	\$217,000
	Average Total Comp	\$120,000	\$157,000	\$246,000
<i>\$100M to \$499M</i>	Salary Range	\$120,000-135,000	\$135,000-162,000	\$170,000-250,000
	Total Comp	\$130,000-155,000	\$148,000-190,000	\$195,000-285,000
	Average Salary	\$130,000	\$155,000	\$201,000
	Average Total Comp	\$150,000	\$187,000	\$248,000



Executive Compensation by Company Revenue

		Low	Mid	High
<i>\$500M to \$999M</i>	Salary Range	\$145,000-175,000	\$175,000-190,000	\$200,000-290,000
	Total Comp	\$160,000-195,000	\$200,000-280,000	\$300,000-370,000
	Average Salary	\$160,000	\$184,000	\$238,000
	Average Total Comp	\$175,000	\$235,000	\$325,000
<i>Greater than \$1B</i>	Salary Range	\$140,000-168,000	\$176,000-225,000	\$235,000-325,000
	Total Comp	\$151,000-185,000	\$205,000-255,000	\$300,000-450,000
	Average Salary	\$158,000	\$212,000	\$274,000
	Average Total Comp	\$176,000	\$285,000	\$384,000



Executive Compensation by Department Size

		Low	Mid	High
<i>Less than 10 People</i>	Salary Range	\$95,000-110,000	\$115,000-142,000	\$175,000-225,000
	Total Comp	\$95,000-125,000	\$130,000-175,000	\$180,000-325,000
	Average Salary	\$105,000	\$138,000	\$217,000
	Average Total Comp	\$120,000	\$157,000	\$243,000
<i>10 to 49 People</i>	Salary Range	\$95,000-140,000	\$145,000-184,000	\$185,000-275,000
	Total Comp	\$120,000-160,000	\$150,000-220,000	\$230,000-400,000
	Average Salary	\$127,000	\$164,000	\$231,000
	Average Total Comp	\$145,000	\$177,000	\$313,000

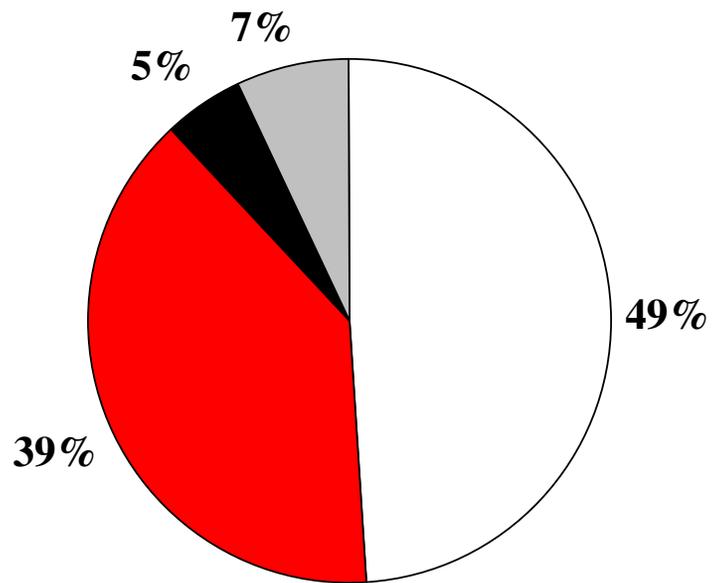
Executive Compensation by Department Size

		Low	Mid	High
<i>50 to 99 People</i>	Salary Range	\$120,000-145,000	\$145,000-190,000	\$215,000-315,000
	Total Comp	\$140,000-175,000	\$165,000-235,000	\$260,000-350,000
	Average Salary	\$135,000	\$166,000	\$251,000
	Average Total Comp	\$169,000	\$194,000	\$312,000
<i>100+ People</i>	Salary Range	\$140,000-160,000	\$175,000-230,000	\$245,000-325,000
	Total Comp	\$164,000-193,000	\$190,000-275,000	\$300,000-400,000
	Average Salary	\$152,000	\$201,000	\$267,000
	Average Total Comp	\$182,000	\$259,000	\$375,000

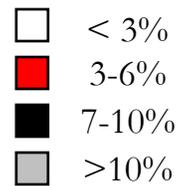
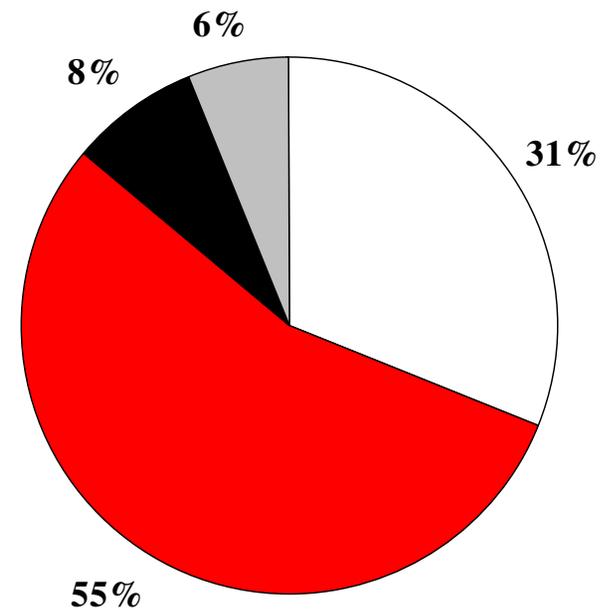


Base Salary Increases

2013

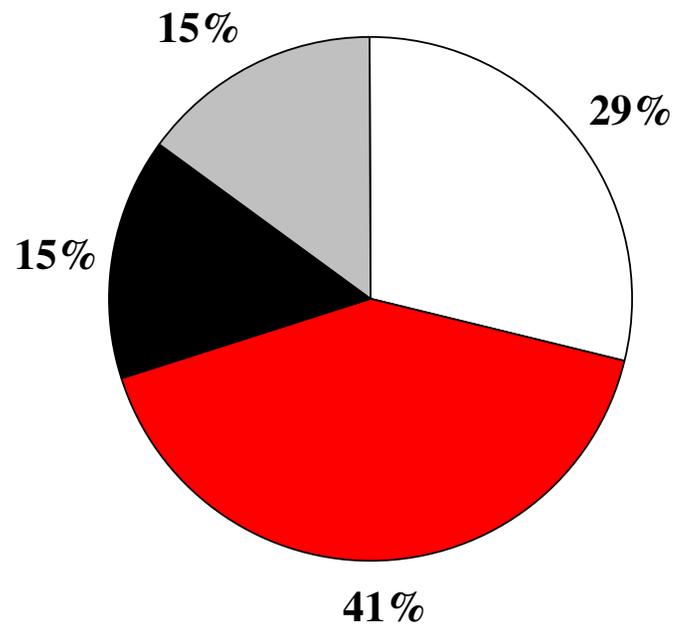


2014

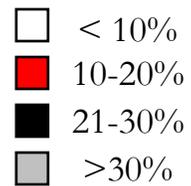
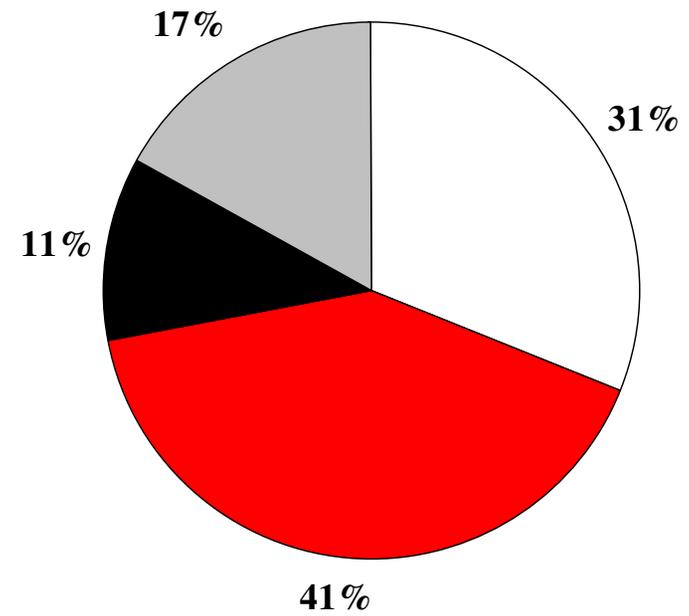


Bonus Paid

2013



2014



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