

# A Comparative Study on the Salary System of Chinese and American Universities

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**Abstract**—Salary management in colleges and universities is closely related to attracting, using and stabilizing academic talents. This paper first analyzes the characteristics of the salary system of American college teachers, and then through comparative analysis, analyzes the weak competitiveness of the salary level of Chinese college teachers in the talent market at home and abroad, the unreasonable salary structure, and the large salary gap within the group. Aiming at the problems, this paper puts forward the measures of comprehensively advancing the reform of the salary system of college teachers, strengthening the external competitiveness of the salary of college teachers, formulating a reasonable salary structure for teachers, and improving the salary distribution of colleges and universities in the reform of the personnel system.

**Keywords**—Salary system; Salary management; Colleges and universities; The United States

## I. INTRODUCTION

As the main body of the national knowledge innovation system, colleges and universities are the strategic places to cultivate innovative talents and realize innovation-driven development. The common experience of developed countries in the world shows that the ability and quality of university teachers directly affects the quality of innovative talent training, and also determines the competitiveness of a country's scientific and technological innovation to a certain extent. Therefore, how to attract, use and stabilize outstanding talents to serve in colleges and universities through reasonable salary has become an important issue concerned by human resource management of colleges and universities in various countries. From the perspective of international comparison, this paper makes a comparative analysis of the salary of Chinese and American college teachers, which can provide useful enlightenment for the reform of the salary system of Chinese college teachers.

## II. CHARACTERISTICS OF AMERICAN COLLEGE TEACHERS' SALARY

### A. The salary of university teachers has strong external competitiveness

The external competitiveness of salary determines whether colleges and universities have the ability to attract outstanding talents in the domestic and foreign talent markets. The United States is a typical talent importer. In order to attract outstanding

talents to pursue academic careers, colleges and universities will provide internationally competitive salary levels. In 2012, Philip et al. conducted a comparative study on the monthly salary of teachers in public universities in 28 countries (including high and medium level of development), and found that the starting salary of teachers in American universities ranked the second<sup>[1]</sup>. Similarly, compared with other industries in the United States, the salary of college teachers is more competitive. In 2015, data from the bureau of labor statistics showed that the average annual salary of college teachers in the United States was \$77,480, about 1.6 times the total annual salary of 22 categories of occupations. Although there is still a certain gap between them and high-income industries such as management, lawyer and IT engineering, on the whole, the salary level of college teachers still has strong external competitiveness, as shown in Fig. 1. Even as downward pressure on the economy has led to cuts in federal spending on higher education, college teacher pay has remained high. In 2002, only 7% of full-time teachers in universities left their posts<sup>[2]</sup>. In 2010, a survey found that nearly 35 percent of U.S. teachers said they would like to work until age 70 before retiring, compared with 24 percent in other professions.<sup>[3]</sup> It is the higher salary and treatment that provides stable career security for college teachers, enabling them to devote themselves to teaching and research, and thus make their due contributions to American higher education and scientific and technological innovation.

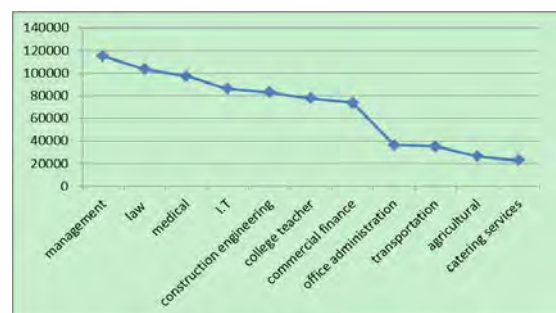


Fig. 1. The average annual salary of different occupational fields in the United States

### B. Salaries vary greatly among different types of colleges and universities

The relatively decentralized education management system in the United States has a direct impact on the salary management of college teachers. Colleges and universities can

hire teachers independently, dynamically adjust the salary level of teachers through the market mechanism, and then directly adjust the employment relationship between colleges and universities and teachers. Therefore, the salaries of teachers holding the same position in different universities vary greatly. Data from the education statistical center in the United States for the 2014-2015 academic year show that teachers in universities that grant doctoral degrees generally earn more than those that grant master's degrees and for-profit universities. Among the five categories, the private research universities that award doctorates have the highest average annual salaries. This data also shows that the determination of teacher salary standard in the United States is correlated with the school's fund, scientific research strength and social reputation. Compared with public research universities, private research universities have a long history of running schools, diversified sources of funds, and enjoy high reputation in the international teaching and research quality.

### *C. Higher marketization degree of college teachers' salary*

The salary standard of American college teachers is closely related to the labor market, which is embodied in the fact that the school determines the salary level of teachers in different disciplines according to the situation of the labor market and regularly adjusts the salary increase of teachers. In 2016, the survey data of teachers' salary of colleges and universities in the United States by human resources professional association of colleges and universities showed that teachers' salary of law, business administration, engineering, computer and other fields was significantly higher than that of philosophy, education and humanities. The average annual salary of assistant professors in business administration and law is even higher than that of professors in philosophy, education, humanities and other fields. It can be found from the above data that the relationship between social demands for human resources is one of the important factors affecting the salary level of American college teachers.

## III. THE CURRENT SITUATION AND EXISTING PROBLEMS OF TEACHERS' COMPENSATION IN COLLEGES AND UNIVERSITIES IN CHINA

Since the founding of the People's Republic of China, the salary system of college teachers has gone through five wage reforms. After the reform, the salary of college teachers has broken the egalitarianism, the salary level has been improved and the salary structure has been optimized. However, compared with the salary levels of teachers in other countries and other industries, there are still some problems in the salary of college teachers, such as weak external competitiveness, large internal income difference and low salary satisfaction.

### *A. The external competitiveness of teacher compensation in China is weak*

Knowledge-intensive industries require a large amount of human capital input in the early stage, and the high investment in human capital will inevitably require the return of a higher salary level. As academic institutions for knowledge innovation

and dissemination, colleges and universities require teachers to have a high intellectual level and innovative ability. The proportion of university teachers who have obtained doctor's degrees and master's degrees is higher than that of other institutions. However, there is a phenomenon of "inversion" between the high human capital stock and the salary level of Chinese university teachers. First, the international competitiveness of teacher compensation is weak. According to the research results, both the overall average monthly salary of teachers and the average monthly salary of professors in Chinese universities rank the third from the bottom, while the average monthly salary of new teachers still ranks the last<sup>[4]</sup>. From the perspective of absolute level, the overall salary level of college teachers in China is far lower than that of developed countries in Europe and the United States, and there is a gap between China and other Asian and African countries in terms of international competitiveness. In 12 of the 31 provinces, the average income of education industry is lower than the average income of society. In general, education industry has low salary level and weak competitiveness.<sup>[5]</sup> At the same time, rising house prices and rising prices in China have led to increasing living costs. College teachers (especially young teachers) are under increasing pressure to survive, and it is difficult for them to concentrate on teaching and research. To raise their income, some teachers have to work part-time in enterprises and other institutions. In the long run, this will have a negative impact on talent training and scientific research in colleges and universities.

### *B. The salary structure of teachers in China is not reasonable*

At present, the salary structure of college teachers in China consists of post salary, salary scale salary, performance salary and subsidy. The basic salary (post salary and salary scale salary) shall be determined uniformly by the state, and the performance-related salary and subsidy shall be determined independently by colleges and universities. In the case of fixed basic wages, performance and subsidy as a living part of the income of teachers accounted for a larger proportion. In 2013, the survey results of the compensation research branch of China higher education society showed that the basic salary of teachers accounted for 14% of the total income, and the role of stability and guarantee was significantly weakened, which was not suitable for the professional characteristics of college teachers.<sup>[6]</sup> First, the working characteristics of university teachers are not easy to produce results in a short period of time, and the current performance assessment standards for scientific research orientation are quantifiable basis. University teachers' salary structure in the proportion of performance pay is too big, is bound to cause the teacher to more struggling to apply for the competitive subject of scientific research achievement, published papers, intensifying research tendency of utilitarianism, is not conducive to encourage teachers involved in basic research and academic thinking. Second, the subsidy is mainly related to the position and academic title of teachers. This makes teachers more willing to assume corresponding administrative positions and acquire academic titles, and intensifies the administrative orientation of colleges and universities.

### *C. There is a large internal difference in teachers' remuneration in China*

The professional title level of teachers in colleges and universities is one of the main factors determining the salary standard. With the improvement of the professional title level, the salary level will increase correspondingly. Setting a reasonable salary gap for different levels of teachers can stimulate teachers' enthusiasm and potential for work or attract more excellent talents. Especially after the implementation of the post-performance salary system in 2006, a reasonable income gap has been opened between teachers. However, colleges and universities have independently formulated the distribution mode of performance salary, which has increasingly highlighted the large income gap between teachers. First, there is a big difference in the salary between young teachers and teachers with senior professional titles. In 2011, teachers' salaries in China's institutions of higher learning

The research team conducted a survey of 32 universities directly under the ministry of education. The results show that low-income groups in colleges and universities are relatively concentrated on young teachers, 81.9% of whom have an annual income of less than 100,000 Yuan, and 34.6% of whom have an annual income of less than 60,000 Yuan.<sup>[7]</sup> In recent years, China has been increasing efforts to attract overseas talents. A number of domestic research universities attract talented people back to China by offering annual salaries equal to or better than those of European and American countries.<sup>[8]</sup> These measures have enhanced the international competitiveness of Chinese universities in attracting global outstanding talents, and are conducive to playing their role in promoting talent training and scientific research. But it also leads to income between overseas and local talent. Too large salary gap will generate negative emotions and a sense of injustice among teachers, which is likely to intensify the contradictions among teachers and is not conducive to the formation of a sustainable and stable incentive mechanism for schools.

## IV. THE ENLIGHTENMENT TO THE REFORM OF TEACHERS' SALARY SYSTEM IN COLLEGES AND UNIVERSITIES IN CHINA

### *A. Strengthen the external competitiveness of teachers' salary*

Under the condition of market economy, the market competitiveness of income is an important factor that determines the efficiency of talent resource allocation and talent flow in colleges and universities. Although salary is not the only consideration for practitioners to choose academic career or academic mobility, it is a key determinant. In order to attract, motivate and stabilize a group of outstanding talents and avoid the one-way outflow of talents, it is necessary to strengthen the external competitiveness of teachers' compensation in Chinese universities. Teachers in colleges and universities have a high degree, and their jobs are characterized by knowledge activities, which are complex and difficult to quantify. Their teaching and scientific research abilities need long-term accumulation, and their early intellectual investment is high with a high content of human capital. Therefore, according to the current situation of national economic development and the characteristics of academic career, we

should further improve the salary level of teachers in China's universities and colleges, improve the normal salary adjustment mechanism according to the labor market situation.

### *B. Formulate a reasonable salary structure for teachers*

The salary structure of teachers can reflect the salary gap between teachers. The salary structure of college teachers in developed countries in Europe and the United States is composed of basic salary and additional benefits, of which the basic salary accounts for a relatively high proportion and the additional benefits account for a relatively low proportion. The income gap between different ranks is small. Colleges and universities is to realize the development strategy of China's innovation drive, the important position of cultivating creative talents, and talent cultivation and engaged in basic research frontier all need long time input and insist, it's need for teachers to provide compensation to ensure stability and encourage them to pursuit, devotion to teaching and scientific research. Therefore, in the process of promoting the reform of public institutions, it is necessary to implement the spirit of the reform of the salary system of public institutions in 2015, further optimize the salary structure of colleges and universities, and grasp a reasonable limit of incentive income. According to the organizational characteristics and development goals of colleges and universities, the salary structure with fixed salary as the main and performance-based salary as the auxiliary should be determined, so as to reasonably exert the incentive function of performance-based salary while ensuring the guarantee function of fixed salary. At the same time, it is necessary to reduce the interference of administrative power in academic affairs, and change the previous quantitative and research-oriented evaluation mechanism, which leads to low quality research results in order to make more and faster achievements. Establish a scientific and rigorous performance evaluation mechanism in accordance with the rules of academic activities to provide a basis for reward incentive.

### *C. Improve the salary distribution of colleges and universities in the reform of personnel system*

The reform of salary distribution needs to be integrated into the reform of the personnel system of colleges and universities for the overall layout and promotion. Flexible teacher recruitment system should be adopted according to the school's strategic development goals, and salary distribution methods should be formulated according to the job responsibilities and characteristics of different post sequences. We will explore the implementation of an annual salary system in some research-based universities. In terms of salary management, it is necessary to make a comprehensive layout of overseas returnees and local talents, so as to avoid the formation of the difference between overseas returnees and local talents and the attack of the innovation vitality of local talents and the loss of outstanding talents. To provide sufficient funds for teachers to devote themselves to basic research and create a good scientific research environment that encourages teachers to carry out basic research based on curiosity. To ensure the appropriate income gap between teachers, not only ensure the fairness of salary distribution, but also play the incentive

effect of differential income; We should set up the compensation management thought of total compensation, pay attention to the incentive effect of intangible rewards such as teacher career development, work recognition, work environment and organizational culture while implementing tangible rewards, so as to provide teachers with comprehensive compensation incentive and stimulate their work enthusiasm for a long time.

#### V. CONCLUSION

To achieve the strategic goal of moving from a big country of higher education to a strong country of higher education, it is necessary to build a first-class teaching staff and establish a scientific and reasonable salary incentive mechanism to attract and retain outstanding talents. Therefore, it is necessary to learn from the experience of the United States, attach great importance to the construction of university teachers and increase the salary incentive for university teachers.

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