

The Value of Certification

*Connecting the dots between
employers and employees*

March 2007

A Microsoft® Learning Whitepaper

Introduction

This whitepaper discusses how selected organizations view and ultimately compensate technical staff based on their level of technical certification, and by implication, technical competence. The information below is based on responses to a study by research firm, Gartner (“Gartner 2006 IT Market Compensation Study”, July 2006) in which compensation managers, hiring managers and IT managers from 188 US corporations were surveyed on a broad range of compensation related topics. This study was a Gartner led primary research project and Microsoft was not involved in the sponsorship, creation, development, execution or results analysis of this study in any way.

One question in the survey in particular focused on respondent attitudes to offer a salary premium for a selected list of technical certifications based on the following question:

“What premium, as a percentage of base salary, are you willing to pay for individuals possessing the following certifications?”

The responses suggest that a small minority of organizations surveyed actually offer a base salary premium and part of the reason for this is that hiring managers considered certification as part of the job requirement. Equally, hiring managers tend to view certifications as a more objective measure of a candidate’s skill level than self-reported skills and competency.

The added market value that a certification brings can be as high as 30%-40%. The average salary uplift reported across all certifications in the study was in the 5%-11% range.

While the list of selected certifications in the study was broad, it was not comprehensive, and for example, excluded Microsoft’s new generation of certifications. However, the results do provide some highlights to support the notion that technical certifications can in fact attract a base salary premium.

Implications and inferences

From a Microsoft Learning perspective, it is interesting to note that hiring managers tend to view candidate skills and competency as a given and by inference that a candidates competency has been formally validated through certification. There is a growing trend (particularly in the IT services sector) for certification to be a job requirement, and by example, Microsoft partners are required to have a minimum number of certified professionals on staff as a core requirement. However, even outside of the official Microsoft partner ecosystem, certification is growing as evidenced by double digit growth of certifications in IT services oriented economies such as India and in the academic sector, particularly at the higher/continuing education level as students seek to round out their academic achievements with IT skills that have commercial appeal.

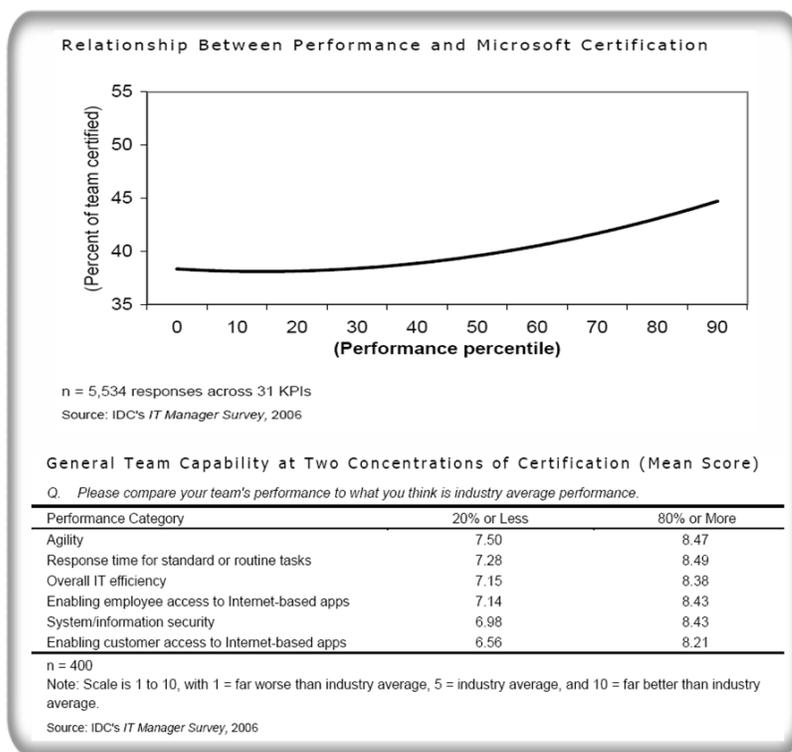
The finding that selected organizations now offer a base salary premium for certified individuals is welcome news following many years of skepticism around the value of certification following the dot-com bust and scandals related to a small set of organizations that traded purely on helping people to cheat at the exam. Microsoft Learning has tackled these issues in a couple of key ways:

- **New Generation of Certifications.** *The new certifications verify both technical skills and more importantly job specific skills to enable individuals to specialize and help hiring managers to target their search criteria.*
- **Implementing rigorous and lasting enforcement procedures to discourage cheating.** *Microsoft takes cheating very seriously and follows up on leads it receives. Anyone caught cheating or helping others to cheat will be banned for life from taking further Microsoft certifications and in addition will be stripped of any existing certifications.*

Connecting the dots

There is a growing body of evidence to support the value of certification in the workplace. This is clearly important as those organizations that offer a salary premium for certified staff will naturally be looking for a reassurance that there will be a corresponding business impact premium. In a November 2006 Microsoft sponsored study (*Value of Certification: Team Certification and Organizational Performance, November 2006*¹) on the impact of certification in the workplace, research firm IDC, concluded that

- For each new team member certified, team performance increases every time.
- The level of skill that a team has is directly responsible for how an organization performs in several key IT functional areas.
- When you increase the concentration of Microsoft certified team members on a team, you directly affect team performance.
- Top performing teams on average are shown to have between 40 percent and 55 percent certified Microsoft team members who are trained on relevant Microsoft technologies and processes.
- 75 percent of managers believe that certifications are important to team performance.
- 66 percent of managers believe that certifications improve the level of service and support offered to IT end-users and customers.

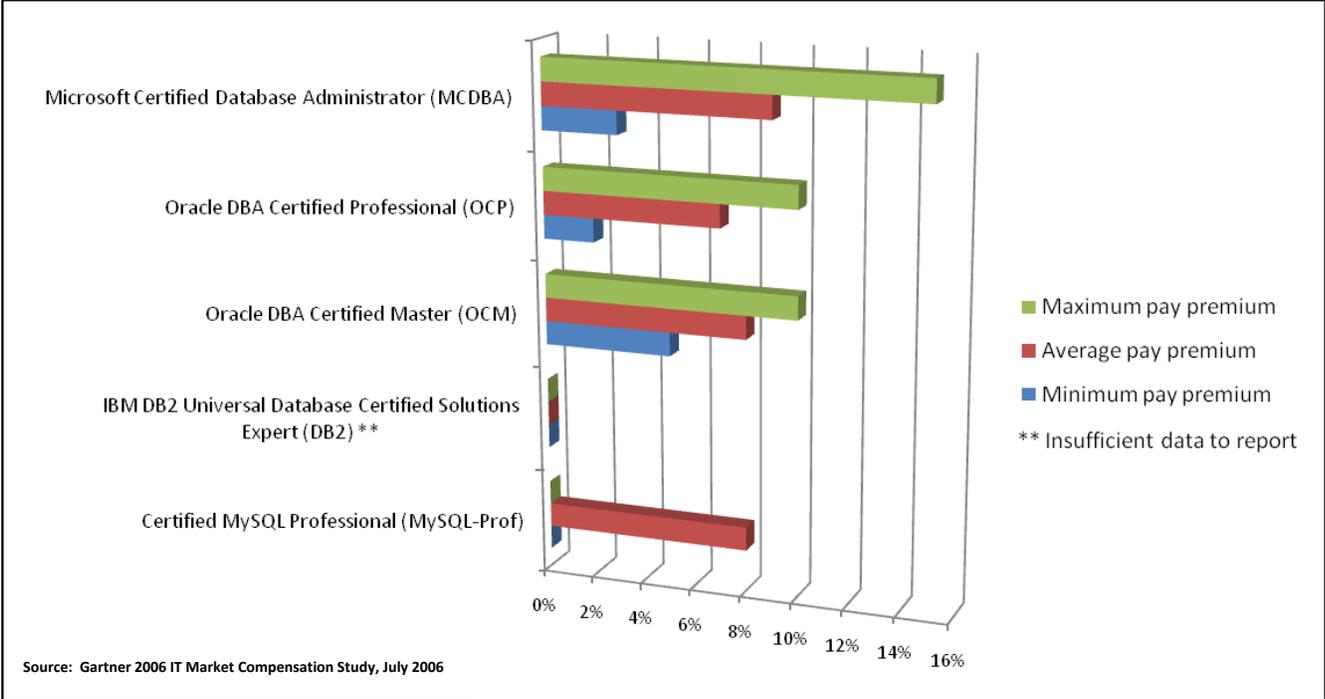


In closing, Certification can help to improve both organizational performance and individual career aspirations as part of a managed skills development approach.

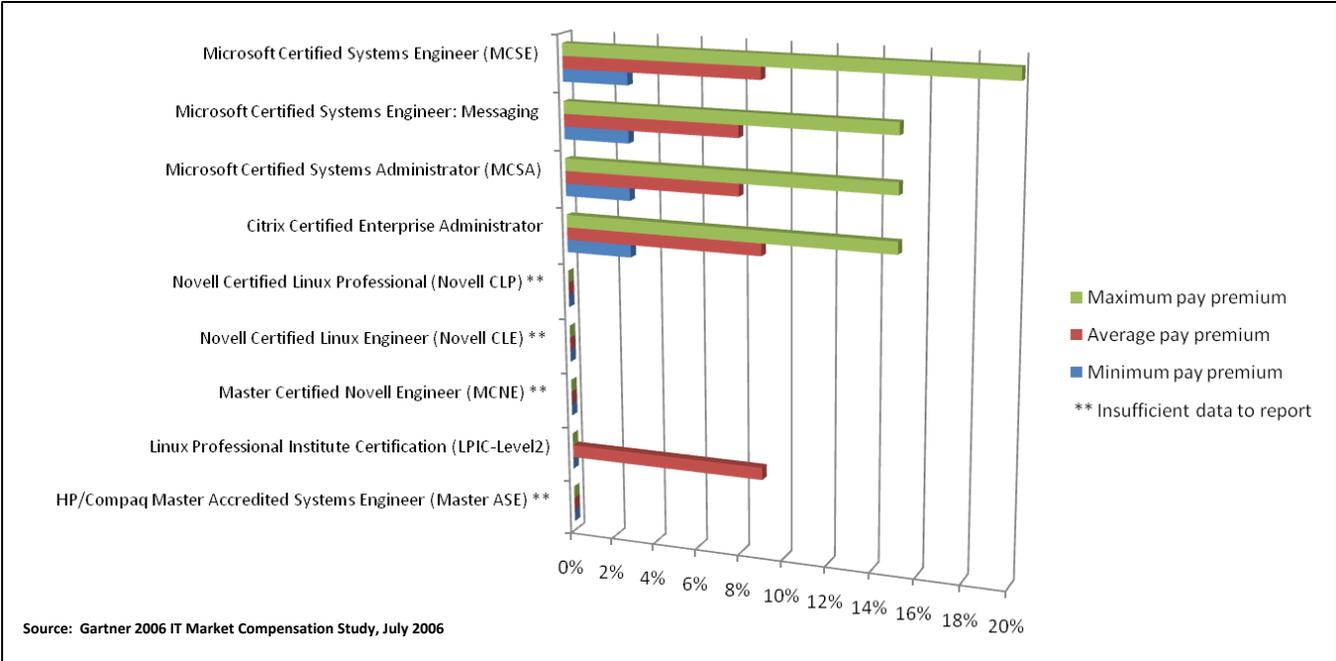
To learn how Microsoft Certifications can help you please visit <http://www.microsoft.com/learning>

The following charts are all drawn from the “Gartner 2006 IT Market Compensation Study” and provide a summary across various technical disciplines and highlight the minimum, average and maximum salary premiums from those survey participants who offered a premium.

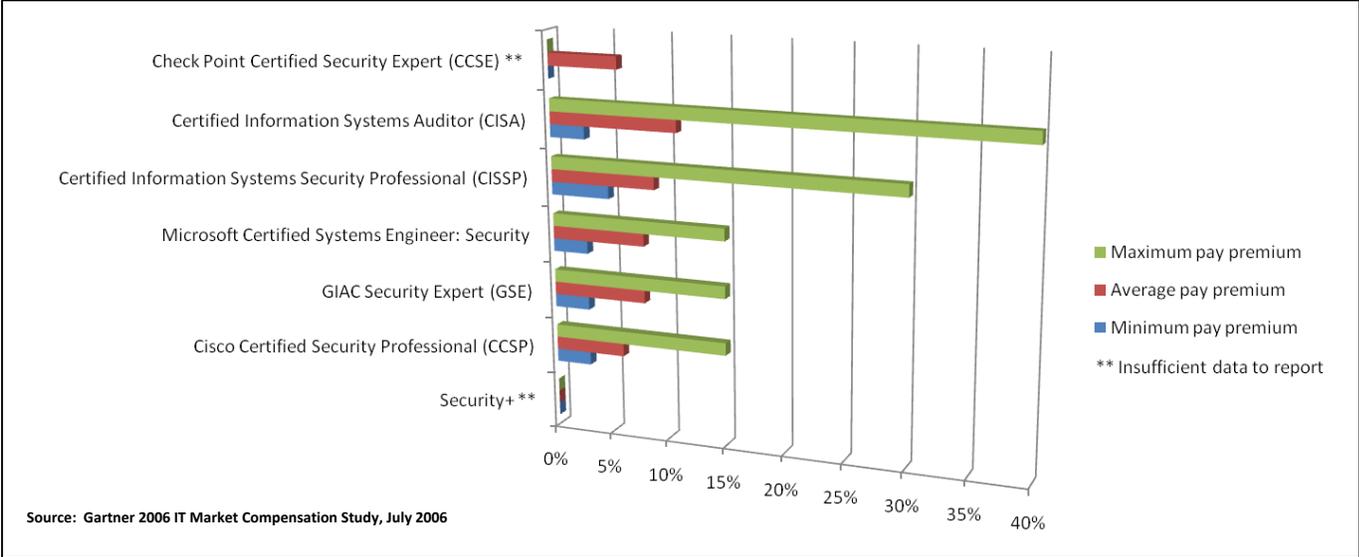
Database



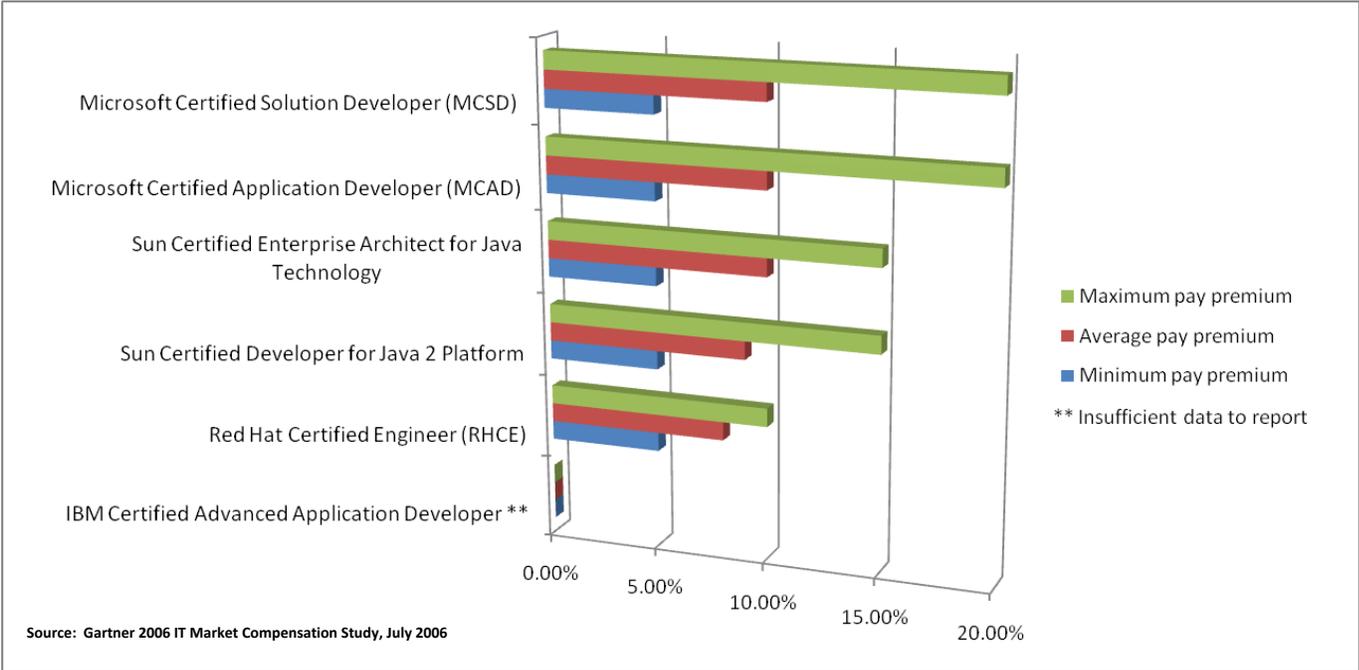
Systems Programming/Administration



Security



Applications Development/Architecture



¹ IDC White Paper sponsored by Microsoft, *Value of Certification: Team Certification and Organizational Performance*, Doc #204360, Nov 2006.

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