



**HRO**<sup>TODAY</sup>

*HRO Today*  
**Research Report**  
**2024 CHRO**  
**Compensation:**  
**The Minority Report**



# introduction

As the function of Human Resources expands, its impact on company performance and metrics is undeniable. In the United States, the Bureau of Labor Statistic (BLS) projects that job opportunities for HR managers will grow by 5% through 2032, which is faster than the national average for all occupations.<sup>1</sup>

*HRO Today* recently published its fourth annual 2024 CHRO Compensation Report to garner views on how HR executives should be compensated given their increasing responsibilities and impact on company performance.

This report expands upon the findings from that publication, focusing on compensation for racial and ethnic minority groups. For the analysis, *HRO Today* gathered publicly available data on the Fortune 1000 and CHRO compensation data on 177 senior HR executives from those companies, a valid sample of 17.7%. Further, a survey of 190 North American and EMEA HR executives from the *HRO Today* network was conducted. The sections of that survey which covered racial and ethnic minority groups compensation and workforce composition are included in this report.

Note that while the CHRO title is the most common in our analysis, other titles include Chief People Officer and Chief Talent Officer, depending upon the location and internal structure of the organization.

Throughout this report, study responses are segmented by organization size. Respondents from organizations with fewer than 500 full-time employees (FTEs) are compared to respondents from organizations with 500 FTEs or more.



# key findings

- **Racial and ethnic minority groups and Caucasian compensation for CHRO's was similar in the Fortune 1000**, with racial and ethnic minority groups making slightly more on average, a 1.3% difference. However, Caucasians made more in salary, a difference of 12.3%.
  - In the Fortune 1000, CHRO's earn an average of \$2,761,253 in total annual compensation.
  - **The vast majority of senior HR leaders are Caucasian.** Among those sampled in this analysis, 88% could be identified as Caucasian and 12% racial and ethnic minority groups.
- **Representational diversity within HR leadership is on the rise.** Nearly two-thirds (65%) of study respondents agree that they have representational diversity within their HR leadership team, up four percentage points from 2023.
- **Representational diversity within HR departments is on the rise.** Nearly three-quarters (74%) agree that they have representational diversity within their HR department, up from 71% in 2023 and up 12 percentage points since 2022.

- **Representational diversity within organizations is also on the rise.** Three-quarters (75%) of study participants agree their organization has representational diversity in their company workforce, up from 2023 (64%) and more in line with prior waves of the study.
- **Over three-quarters (77%) agree that the level of compensation among racial and ethnic minority groups in HR is comparable to their Caucasian counterparts**, up from 62% in 2023.
  - However, nearly one-quarter do not agree that compensation for racial and ethnic minority groups in HR is comparable, resulting in a discrepancy for many HR executives.
- **Racial and ethnic minority groups in executive roles are compensated on par with other executives**, according to three-quarters (74%). This percentage is up significantly from 53% in 2023 but more in line with 2022 (70%) and 2020 (76%). Conversely, it suggests that over one-quarter of HR leaders do not agree that compensation is commensurate.

## Senior HR leaders from larger organizations tend to agree more than those from smaller organizations about the following factors related to compensation:

- There is diversity within the HR leadership team.
- They have representational diversity within their HR department.
- They have representational diversity in their workforce.
- Racial and ethnic minority groups in executive roles are compensated on par with other executives in their company.
- Racial and ethnic minority groups and Caucasian compensation in HR is equitable.

# Race Differences in CHRO Compensation

In the Fortune 1000, CHRO's earn an average of \$2,761,253 in total annual compensation. That average increases to \$4,438,450 in the Fortune 50.

Of the 177 senior HR executives in the Fortune 1000 whose compensation could be gathered, 88% could be identified as Caucasian and 12% racial and ethnic minority groups. The chart below has been derived from the data.

Note that the four highest paid CHRO's were removed from the compensation analysis below because they were considered outliers.

Overall, racial and ethnic minority groups and Caucasian compensation was similar, with racial and ethnic minority groups making slightly more, a 1.3% difference. However, Caucasians made more in salary, a difference of 12.3%.

## Fortune 1000 CHRO Compensation

	Total Compensation	Salary
Caucasian	\$2,756,861	\$544,973
Racial and ethnic minority groups*	\$2,793,049	\$481,778

*\*Averages based upon 21 cases*



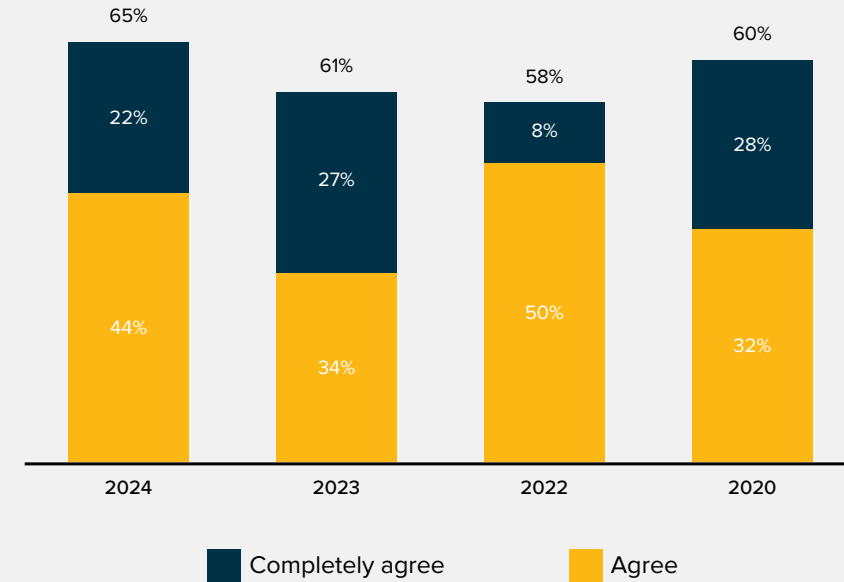


## Representational Diversity Within HR Leadership Team

Nearly two-thirds (65%) of study respondents agreed that they have representational diversity within their HR leadership team, up four percentage points from 2023. This is the second consecutive year of increase, and the highest level of agreement in all four years of this study.

Diverse HR leadership brings varied perspectives, experiences, and backgrounds, leading to better decision-making. McKinsey’s research shows that companies in the top quartile for ethnic and gender diversity are more likely to outperform their peers in profitability. This applies directly to HR leadership, as diverse leaders can better anticipate and address employee needs and organizational challenges.<sup>2</sup>

### Diversity Within Human Resources Leadership Team Extent of Agreement



HR leaders from larger organizations are marginally more likely than those from smaller organizations to agree that there is diversity within their HR leadership team, 67% vs. 64%, respectively.

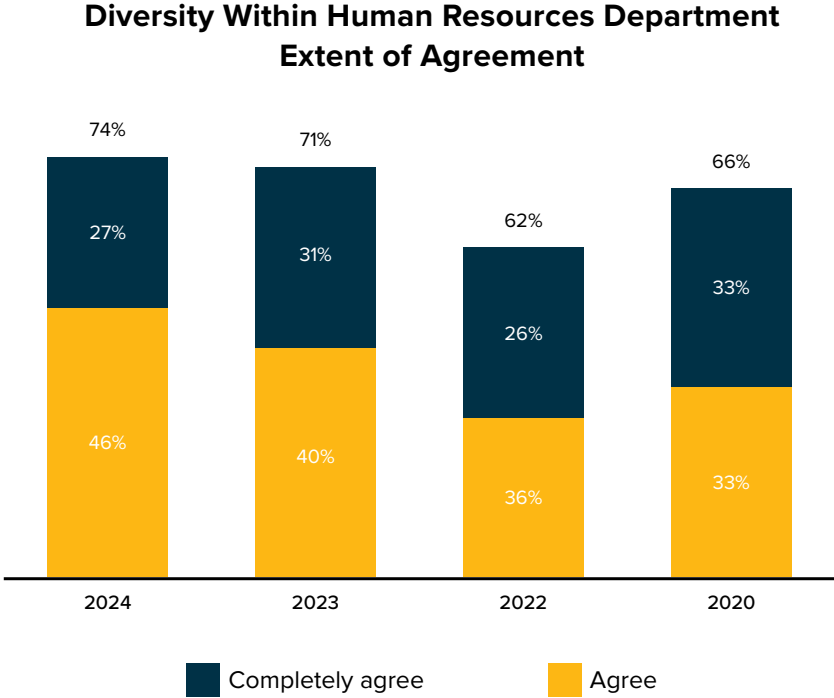
### Diversity Within Human Resources Leadership Team Agree/Agree Completely: By Organizational Size

	Fewer than 500 EE	500 or More EE
	%	%
Agreement (net)	64	67

# Representational Diversity Within HR Department as a Whole

Nearly three-quarters of senior HR leaders (74%) agree that they have representational diversity within their HR department, up from 71% in 2023 and up 12 percentage points since 2022.

HR leaders play a central role in shaping workplace policies and culture. When leadership is diverse in terms of gender, race, ethnicity, age, abilities, and other dimensions, they are better equipped to create policies that are truly inclusive. A diverse HR leadership team can more effectively understand and address the varying needs and challenges of employees from different backgrounds.



Study participants from larger organizations are much more likely than smaller to agree they have representational diversity within their HR department, 78% vs. 68%, respectively.

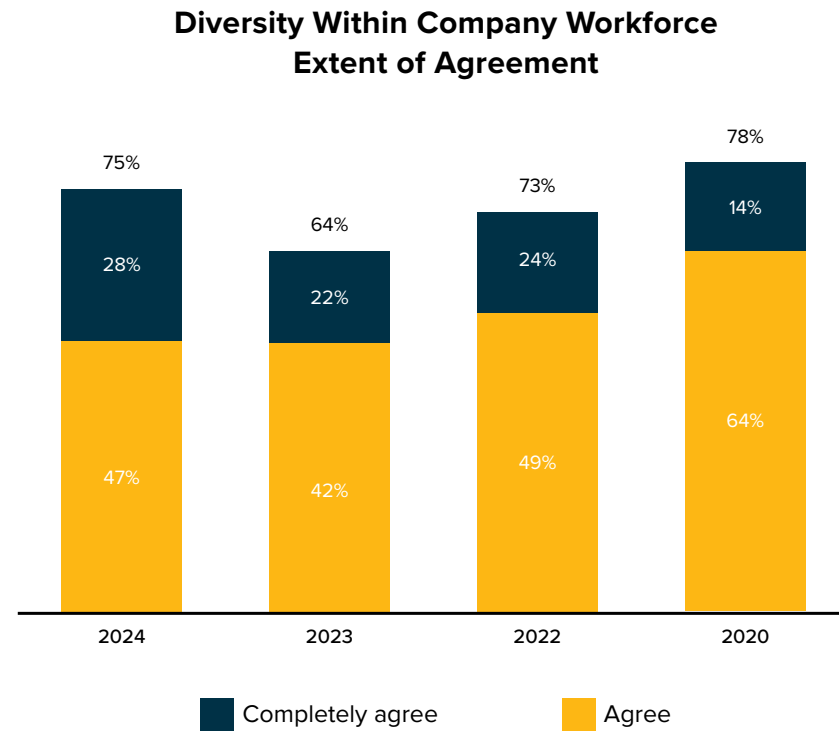
## Diversity Within Human Resources Department Agree/Agree Completely: By Organizational Size

	Fewer than 500 EE	500 or More EE
	%	%
Agreement (net)	68	78

## Representational Diversity Within Company Workforce

Three-quarters (75%) of study participants agree their organization has representational diversity in their company workforce, up from 2023 (64%) and more in line with prior waves of the study.

In 2024, Diversity and Inclusion (D&I) initiatives are not just about representation but also focus on creating equitable and inclusive environments. The focus has shifted to Diversity, Equity, and Inclusion (DEI), where “equity” emphasizes fairness in processes and outcomes, acknowledging that not everyone starts on the same playing field. This shift reflects the growing need for systemic changes to support underrepresented groups, including racial and ethnic minority groups, women, LGBTQ+ individuals, and people with disabilities.<sup>3</sup>



Overall, senior HR leaders from smaller organizations are somewhat more likely than those from larger ones to agree that they have representational diversity in their workforce, 79% vs. 71%. Larger organizations typically have more success in fostering representational diversity within their workforce due to their access to resources, visibility, and ability to formalize processes. However, success also depends on an organization’s commitment to fostering an inclusive culture and its specific diversity goals.

### Diversity Within Company Workforce Agree/Agree Completely: By Organizational Size

	Fewer than 500 EE	500 or More EE
	%	%
Agreement (net)	79	71





Among respondents from larger corporations, 78% agree that racial and ethnic minority groups in executive roles are compensated on par with other executives in their company, higher than the 70% who agree from smaller organizations. This indicates that previous diversity goals in large companies may be increasing racial and ethnic minority group presence, especially as racial and ethnic workforce data is now published more regularly among Russell 1000 companies.

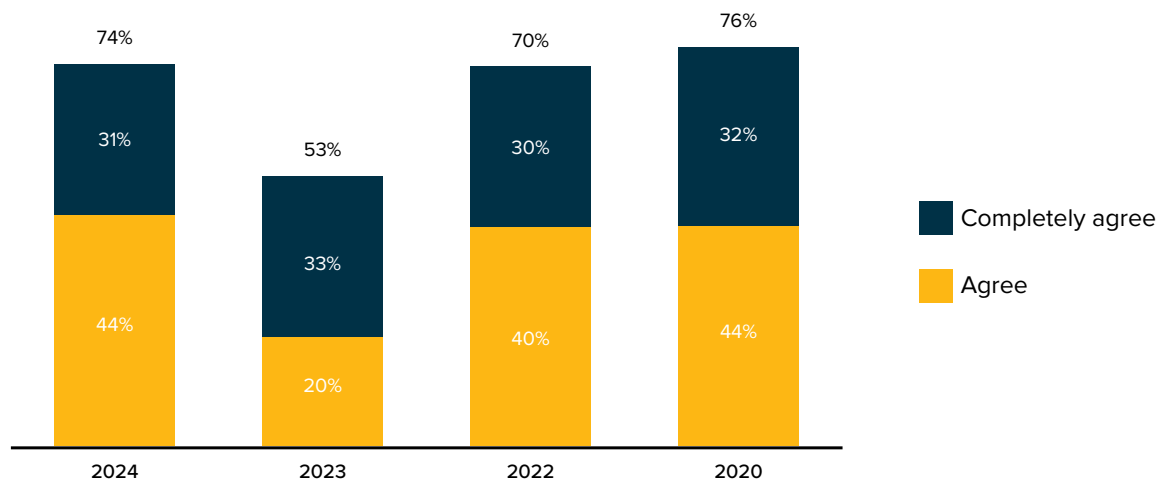
### Racial and Ethnic Minority Groups and Caucasian Compensation Comparability Agree/Agree Completely: By Organizational Size

	Fewer than 500 EE	500 or More EE
	%	%
Agreement (net)	70	78

### Racial and Ethnic Minority Groups and Caucasian Compensation Comparability Within Company as a Whole

Respondents were asked if they feel racial and ethnic minority groups in executive roles are compensated on par with other executives in their company. Just under three-quarters (74%) agree, up significantly from 53% in 2023 but in line with 2022 (70%) and 2020 (76%).

### Racial and Ethnic Minority Groups and Caucasian Compensation Comparability Extent of Agreement





# Views About Company's Compensation and Racial and Ethnic Minority Groups Diversification

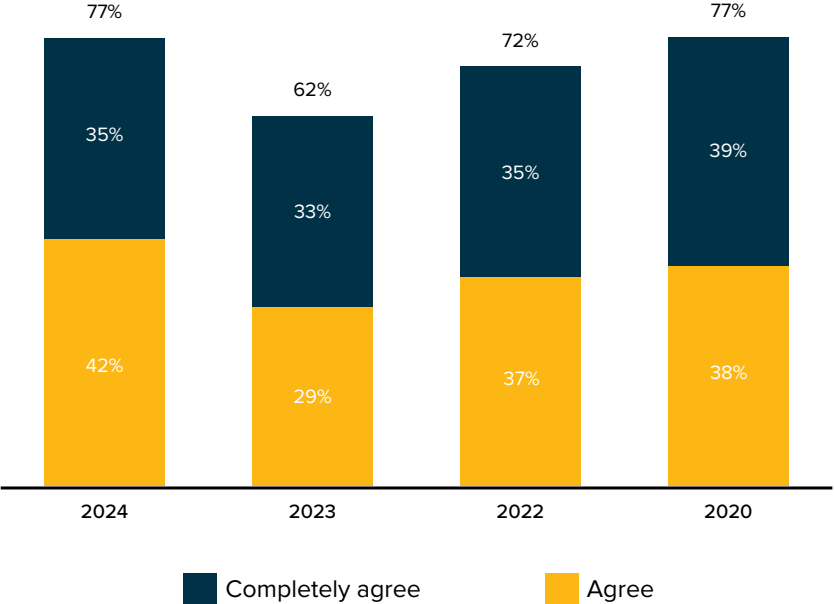
DEI continues to be pertinent to HR departments as systemic racism, pay inequality, and unconscious bias plague the workforce. Some companies have taken additional steps dedicated to DEI, and positions in the DEI space within HR departments have quadrupled in the last five years. Interestingly, over one-half (59%) of companies in the Fortune 500 have a Chief Diversity Officer or equivalent.<sup>4</sup>

To gather an understanding of an HR practitioner's sentiments in an evolving workforce, we asked respondents about their extent of agreement with five statements regarding compensation and diversity in their company. These questions began in the 2020 wave of the study.

## Racial and Ethnic Minority Groups and Caucasian Compensation Comparability Within HR Department

In 2024, over three-quarters (77%) of respondents agree that the level of compensation among racial and ethnic minority groups is comparable to their Caucasian counterparts, up from 62% in 2023. This is the same level as in 2020, reversing a two-year decline.

## Racial and Ethnic Minority Groups and Caucasian Compensation Comparability Within HR Department Extent of Agreement



Those from larger organizations are again marginally more likely to agree that racial and ethnic minority groups and Caucasian compensation in HR is equitable.

## Racial and Ethnic Minority Groups and Caucasian Compensation Comparability Within HR Department Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE
	%	%
Agreement (net)	75	79



## Notes

1. “Occupational Outlook Handbook – Human Resources Managers,” *U.S. Bureau of Labor Statistics*, August 29, 2024.  
<https://www.bls.gov/ooh/management/human-resources-managers.htm#tab-6>
2. Dixon-Fyle, Sundiatu et al. “Diversity Wins: How Inclusion Matters,” *McKinsey & Company*, May 19, 2020.  
<https://www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-how-inclusion-matters>
3. Sharma, Priyakshi. “10 Best Diversity and Inclusion Trends in 2024,” *Vantage Circle*, January 2, 2024.  
<https://www.vantagecircle.com/en/blog/diversity-and-inclusion-trends/>
4. Umoh, Ruth. “From tenure to turnover, here’s how chief diversity officers compare to every single C-suite role,” *Fortune*, January 10, 2024.  
<https://fortune.com/2024/01/10/diversity-officers-ceo-csuite-tenure-turnover-fortune500/>



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