

HIRO TODAY RESEARCH REPORT

HR Compensation Still Underperforms, Except for Executives



introduction

The function and impact of Human Resources continues to evolve, deepening its impact on company performance and metrics. According to *The Economist*, HR is expanding at a faster rate than any other corporate function.¹ In Europe, the HR industry is expected to grow at a CAGR* of 7.6% from 2025 to 2033, showing its increased importance and impact on the region.² In North America, the HR industry is expected to reach \$53 billion by 2032.³

HR's top executive position, typically the Chief Human Resources Officer (CHRO), is now an integral part of the C-suite. HR executive compensation should accurately reflect the industry's continued growth and indisputable impact on company performance.

HRO Today publishes its fifth CHRO compensation study to garner these insights. The analysis includes publicly available data on the Fortune 1000 and published CHRO compensation data on 213 senior HR executives from those companies, a valid sample of 21.3%. The data was segmented into Fortune 50, Fortune 100, Fortune 200, and Fortune 500 subcategories for analysis. Within each segmentation, we also studied correlations to salary, total cash compensation, and non-cash compensation, like stock options and grants. Additionally, we looked

for correlations between senior HR executive compensation, company performance, company size, market capitalization, earnings per share (EPS), earnings before income tax, depreciation, and amortization (EBITDA).

To dive deeper into how HR practitioners feel about their organization's compensation, we surveyed over 300 executives from the *HRO Today* network and compared the survey results to prior waves of the study. Note there are no separate findings for 2021, since the 2020 study was conducted late in the year.

Results of the 2025 study were combined with the Fortune 1000 analysis described above to provide an overarching view of the CHRO compensation structure, trends, and perceptions. Additionally, study findings were segmented by the respondent's location of North America or EMEA, and company size by less than 500 employees or more than 500 employees.

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

*CAGR, or Compound Annual Growth Rate, is an indicator of yearly growth of an investment.

Compensation Trends

Though HR initiatives and perceptions are ever-changing, recurring themes and sentiment can be found across each wave of the CHRO Compensation Study.

- **Total CHRO compensation and company performance correlate** in more than one instance. In 2025, Total Compensation vs. EBITDA and Total Compensation vs. Market Capitalization were highly correlated.
- **Several facets of company performance and total compensation correlate closely.** Restricted Stock vs. EBITDA and Restricted Stock vs. Market Capitalization were highly correlated. Restricted Stock vs. EBITDA was nearly perfectly correlated at 0.95, its highest level recorded in this study.
- **Less than half of HR practitioners agree their senior leader is compensated similarly to other senior executives.** Only 49% agree with this sentiment, down from 57% in 2024. This marks the first decline in agreement since this study began in 2020.
- **HR practitioners continue feeling undercompensated compared to other departments.** Only 32% of respondents believe HR departments are compensated fairly compared to other organizational departments.
- **Human Resources agrees their senior HR leader does not have the skills necessary to become CEO.** Just over one-third (39%) are confident their HR leader has the skills necessary to one day become CEO.
- **EMEA respondents are more likely to feel HR has become a field of choice among students considering business careers** as 56% agree compared to 34% in North America.



Key Findings

Our research shows a variety of HR compensation packages across the Fortune 1000. There is still no significant correlation between company performance or size in CHRO compensation. Other factors, like total responsibility, industry, or region determine compensation.

Especially compared to last year, there are significant correlations between compensation levels and company performance among Fortune 50 organizations. A correlation of “1.00” is perfect while a correlation above 0.70 is considered highly correlated.

The accompanying chart shows the five company performance metrics within the Fortune 50 that tend to correlate closely with compensation. Notably, there was no correlation between compensation and other indicators, like company size.

The Dow Jones Industrial Average saw strong growth, up by 11.9% year-to-date.⁴ The US stock market showed its resilience after seeing strong growth following a global crash in April.⁵ Though Wall Street expects strong growth in 2026, the impact on CHRO compensation is still unknown.⁶

Correlation Between CHRO Compensation and Fortune 50 Company Performance Metrics

	2025	2024	2023	2022	2020
Total Compensation vs. EBITDA	0.98	0.95	1.00	0.98	0.85
Restricted Stock vs. EBITDA	0.97	0.78	0.98	0.90	0.95
Total Compensation vs. Market Capitalization	0.96	0.94	1.00	0.98	0.88
Restricted Stock vs. Market Capitalization	0.96	0.75	0.99	0.91	0.98
Non-Equity Compensation vs. Market Capitalization	0.93	0.63	0.98	0.81	0.87

Gender Differences in CHRO Compensation

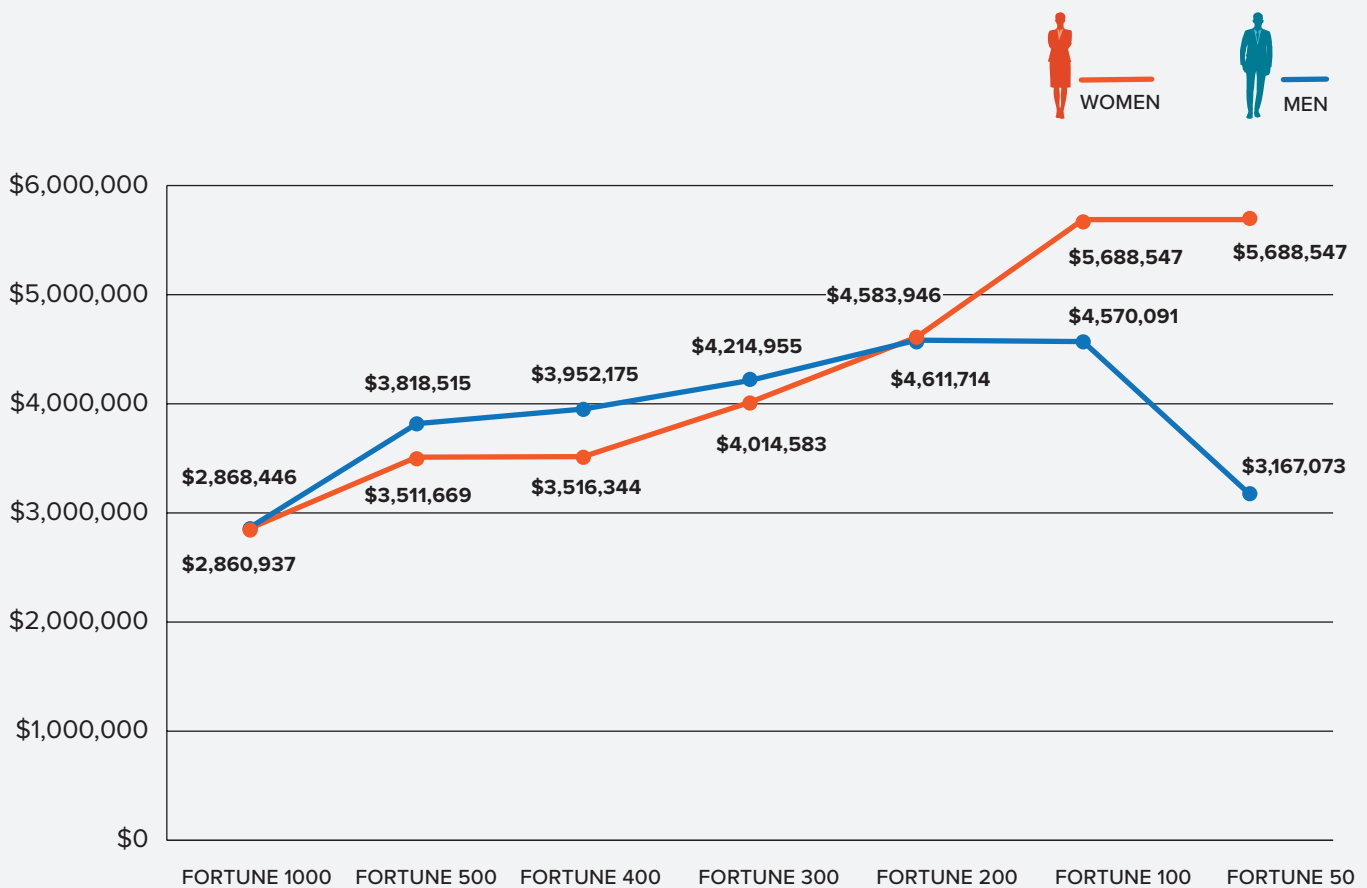
In the Fortune 1000, CHROs earn an average of \$2,864,691 in total annual compensation. That average nearly doubles in the Fortune 50, to \$5,328,336.

In the Fortune 1000, men and women earn very similar salaries, \$2,868,466 to \$2,860,937, respectively. However, in higher rankings starting with the Fortune 200, women begin earning more than men on average. In the Fortune 50, women earn an average of \$5,688,546

compared to men's average compensation at \$3,167,073, a difference of nearly 57%.

In 2025, four of the five highest paid CHROs in the Fortune 1000 were women. However, their compensation was removed from calculations shown because they were considered outliers. If those salaries were included, though the salary gap by gender would narrow, men would still earn more than women in the Fortune 500.

Gender Compensation Gap Among CHROs*



*Outliers removed

EMEA HR Compensation

HRO Today did not include a separate analysis of compensation for EMEA-based HR professionals in this study. However, Salary.com provides insight into this region, with their findings summarized below.

Salaries for HR professionals vary across Europe, especially as demand for HR professionals, cost of living, and economic conditions vary by region. CHROs in the UK earn an average of \$252,235, the highest of the countries shown below.

CHRO Salaries: EMEA*

	Average Salary (USD)	Salary Range (USD)
United Kingdom	\$252,235	\$118,430 – \$441,678
Germany	\$218,804	\$150,931 – \$295,670
France	\$224,308	\$165,966 – \$329,575
Spain	\$182,042	\$88,454 – \$262,887

*Source: salary.com

Due to the varying forms of pay within total compensation, we compared compensation across regions based on average salary instead. While the average CHRO salary in the U.S. is nearly \$350,000, the average CHRO salary for the major economies in EMEA is approximately \$205,000, a difference of 41%.

Study Findings

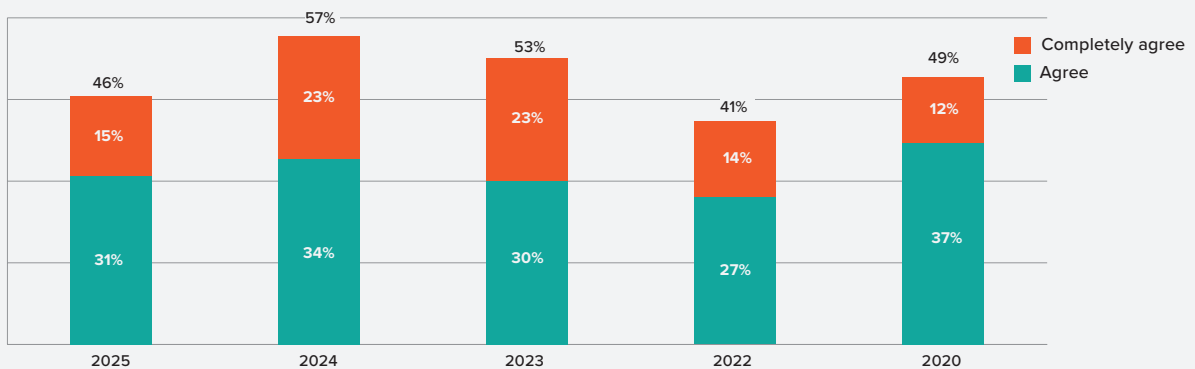
The evolution of the workforce continues changing the views of HR practitioners on the intricacies of their profession. The findings of this study show the change over five years.

HR Practitioners’ Views on Industry Compensation

We asked senior HR executives if they feel the CHRO compensation in their organization is comparable with other senior executives. Less than half (46%) agree that CHRO compensation is aligned with other C-suite

executives. This is a stark decrease in the level of agreement from 2024 (57%) and marks the first decline in three years. Note: in some cases, the CHRO was the survey respondent.

CHRO Compensation Is Comparable with Rest of C-Suite _Extent of Agreement



In 2025, there was not a significant difference in agreement between small and large organizations regarding senior HR executive compensation. Two-thirds (66%) of those from small organizations (fewer than 500 employees) agree that compensation for senior HR executives in their organization is comparable with other C-suite executives. In large organizations (500 or more employees), nearly three-quarters (70.5%) agree.

Regionally, respondents in EMEA are more inclined to agree that their organization compensates HR executives comparably to other executives than those from North America, 54% vs. 48%, respectively.

By size, respondents in larger companies are more inclined to agree than those from smaller companies, 55% vs. 42%, respectively.

CHRO Compensation Is Comparable with Rest of C-Suite Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	42	55	54	48

Ways to Determine CHRO Compensation

For a more comprehensive view of respondents' views on CHRO compensation, we asked two questions addressing how the respondent's company should determine CHRO compensation: "CHRO/Senior HR compensation should

correlate with company size as defined by the number of employees," and "CHRO/Senior HR compensation should correlate closely with company profits."

1 CHRO/Senior HR Compensation Correlation with Company Employee Count

Correlating compensation and employee count had essentially an unchanged level of agreement in 2025 at 68%, compared to 67% in 2024. Since 2023, there has been a weak positive correlation between compensation and company size in Fortune 1000.

2 Using Company Profits to Determine CHRO Compensation

After reaching a new high in 2024, the number of HR practitioners that believe company profits should decide compensation declined to 58%. CHRO compensation and company performance, defined as Total Compensation vs. EBITDA, have the strongest correlation. Still, CHRO compensation is not determined by any single factor or methodology.

Ways to Determine CHRO Compensation — Extent of Agreement

	2025	2024	2023	2022
	%	%	%	%
Employee Count				
Agree (net)	69	67	70	82
Agree	49	49	51	68
Completely Agree	20	18	19	14
Profits				
Agree (net)	59	66	52	52
Agree	44	44	40	40
Completely Agree	15	12	12	18

Nearly three-fourths (70%) of respondents from EMEA agree compensation should reflect an organization’s employee count, slightly higher than the level of agreement among North American respondents (69%).

Respondents from larger companies are more likely to agree CHRO compensation should be correlated to employee count as 71% agree.

Ways to Determine CHRO Compensation — Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Employee Count	67	71	70	69
Profits	54	66	67	58

CHRO Compensation Vs. Other C-Suite Executives

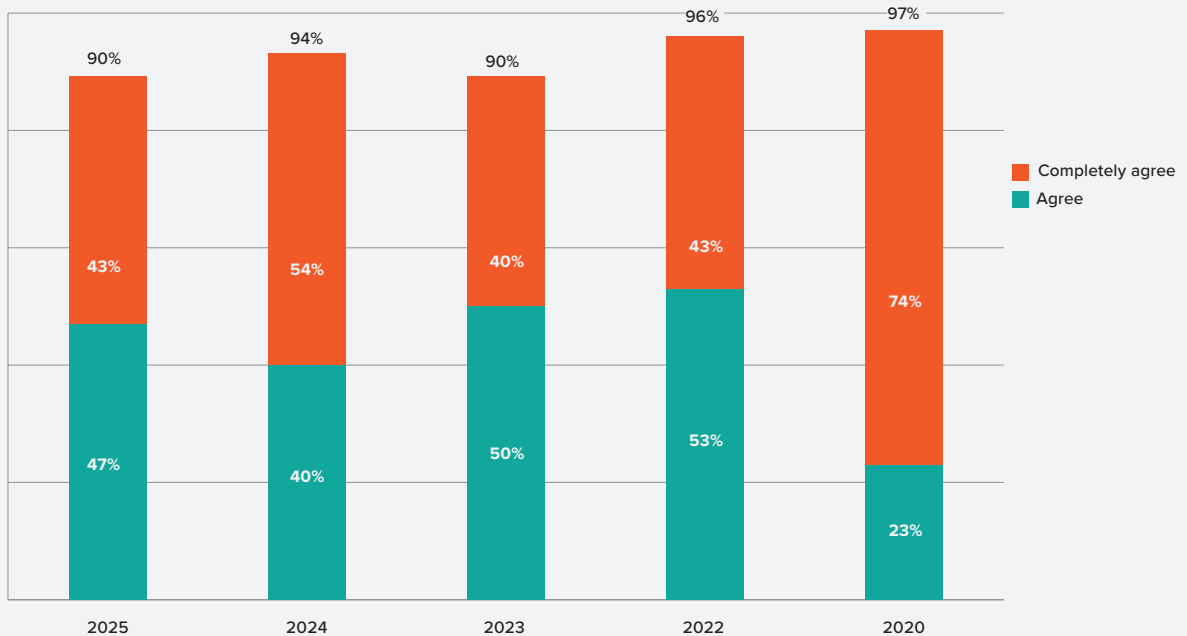
The C-suite in HR should be compensated on par with other C-level executives.

We asked respondent if they feel their CHRO should be compensated on par with other C-level executives within their company. Most (90%) agree compensation among all C-level executives should be comparable, though this has declined since 2024.

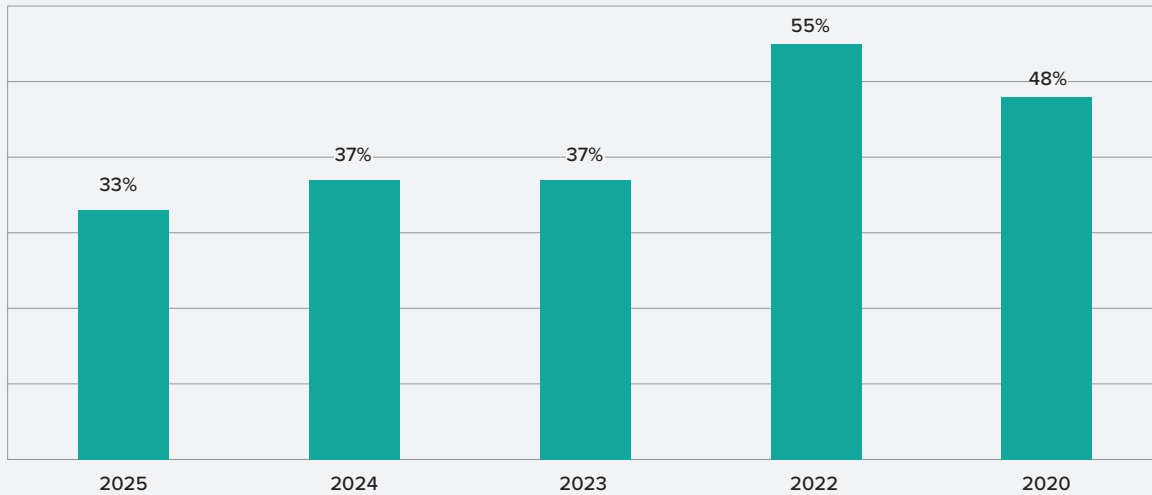
to other C-level executives within their organization. This means there is a 33-percentage point difference between what respondents think should occur within CHRO compensation and what they believe is occurring. This is a decline from 2024.

As we mention above, less than one-half (46%) believe CHROs in their organization are compensated comparably

CHRO Compensation Should Be Comparable With Rest of C-Suite Extent of Agreement



Gap in Agreement Between: CHRO Compensation Should be Comparable to C-Suite vs. CHRO Compensation Is Already Comparable to C-Suite



The level of agreement on CHRO compensation aligning with the rest of the C-suite is very similar in EMEA and North America, 93% vs. 92%. Though the vast majority of

both still agree, respondents in EMEA had a higher level of agreement in 2024, at 98%.

CHRO Compensation Should Be Comparable with Rest of C-Suite — Agree/Agree Completely: By Segments

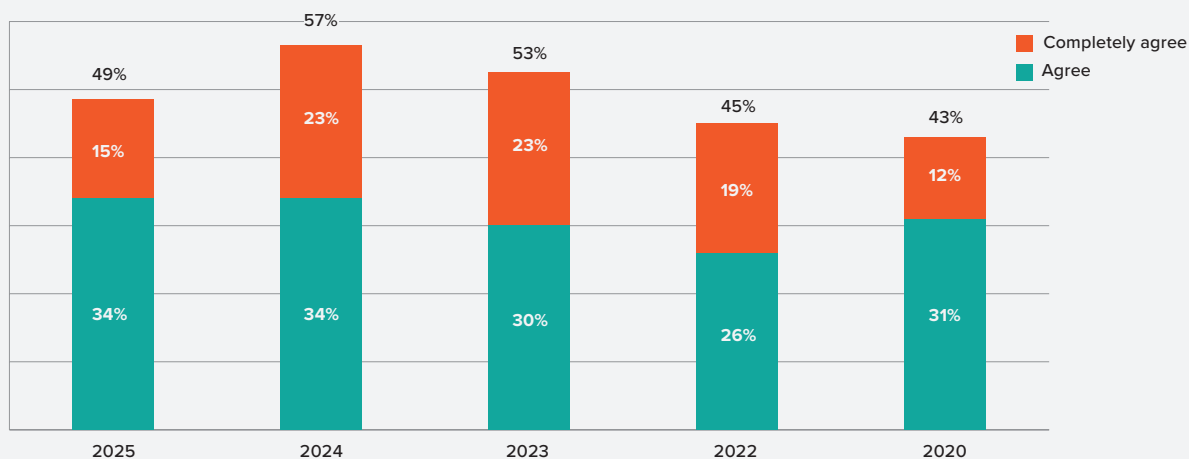
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	91	92	93	92

Most Senior HR Executives are Compensated Similarly to Other Senior Executives

We asked respondents if they believe their CHRO/senior HR leader is compensated on par with other senior executives. Less than one-half (49%) agree, a decrease of

eight percentage points from 2024. This marks the first decrease in agreement since the study began. However, agreement is still up from 2022 and 2020.

Most Senior HR Executive Compensated Similarly to Other Senior Executives — Extent of Agreement



There is a moderate difference between the views of those from smaller organizations and larger ones. Only 42% of smaller organizations believe their most senior HR executive is compensated on par with other senior leaders, compared to 55% of those from larger organizations. However, this gap has decreased from 33 percentage points to only 13 percentage points, fueled by

decreases in agreement by respondents from larger organizations.

HR leaders in the EMEA region are more likely to agree that their most senior HR leader is compensated similarly to other senior leaders than North American respondents, 54% vs. 48%, respectively.

Most Senior HR Executive Compensated Similarly to Other Senior Executives — Agree/Agree Completely: By Segments

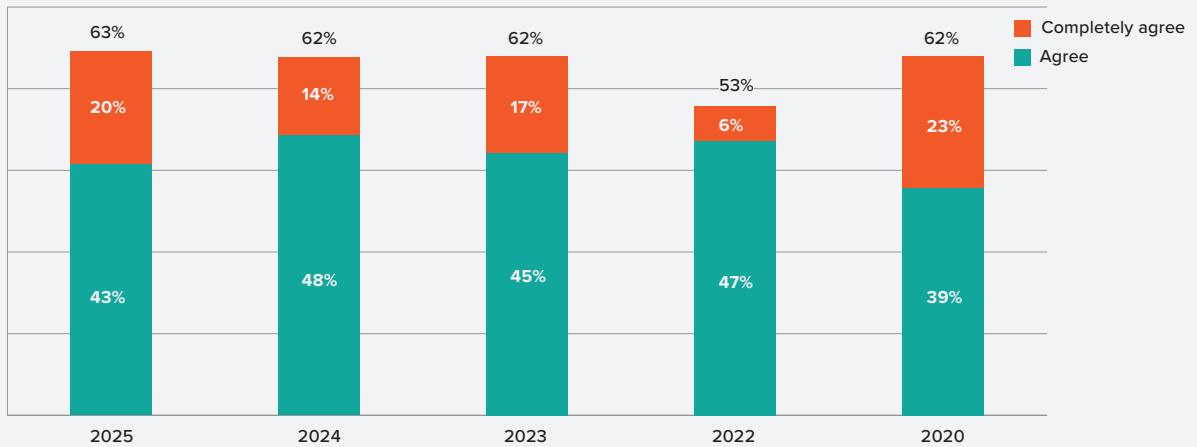
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	42	55	54	48

Compensation of Senior HR Leaders is Fair

Respondents were asked about their extent of agreement that HR executives are compensated fairly in their organi-

zation. Less than two-thirds (63%) agree, which has been the sentiment since 2023.

Compensation of Senior HR Leaders is Fair — Extent of Agreement



Respondents from larger organizations are considerably more likely to believe HR executives are compensated fairly in their organization than respondents from smaller organizations, 69% vs. 58%, respectively.

There is no considerable difference in the level of agreement between HR respondents in EMEA or North America as about two-thirds (65% vs. 64%) agree HR executives are compensated fairly in their organization.

Compensation of Senior HR Leaders is Fair — Agree/Agree Completely: By Segments

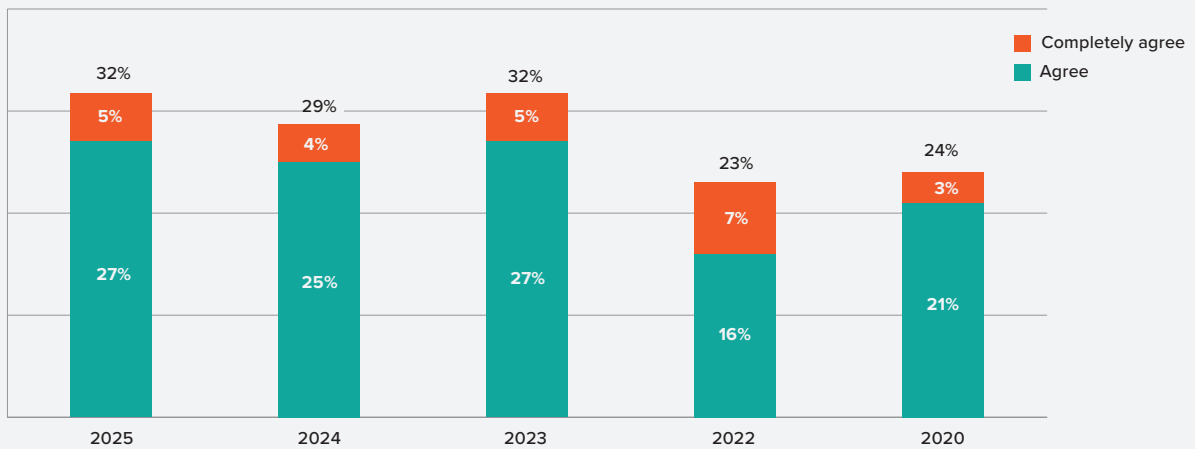
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	58	69	65	64

Agreement That Senior HR Executives Are Compensated Fairly Across Organizations

When asked if they believe senior HR executives are compensated fairly across organizations, nearly one-third (32%) of respondents agree. The level of agreement has increased from 2024, when only 29%

agreed. However, the perception of fairness in compensation for senior HR leaders across organizations is still low as 68% still do not agree. This level of agreement has been standard since 2023.

Senior HR Executives Are Compensated Fairly Across Organizations — Extent of Agreement



HR respondents from smaller organizations are less likely to believe CHRO compensation is fair across organizations than those from larger organizations, 29% vs. 42%

Though the extent of agreement changed for both regions in 2025, the gap between the two is nearly the same as last year, 16 percentage points vs. 17 percentage points.

Agreement regarding fair compensation for HR executives is higher in EMEA than in North America, 49% vs. 33%.

Senior HR Executives Are Compensated Fairly Across Organizations — Agree/Agree Completely: By Segments

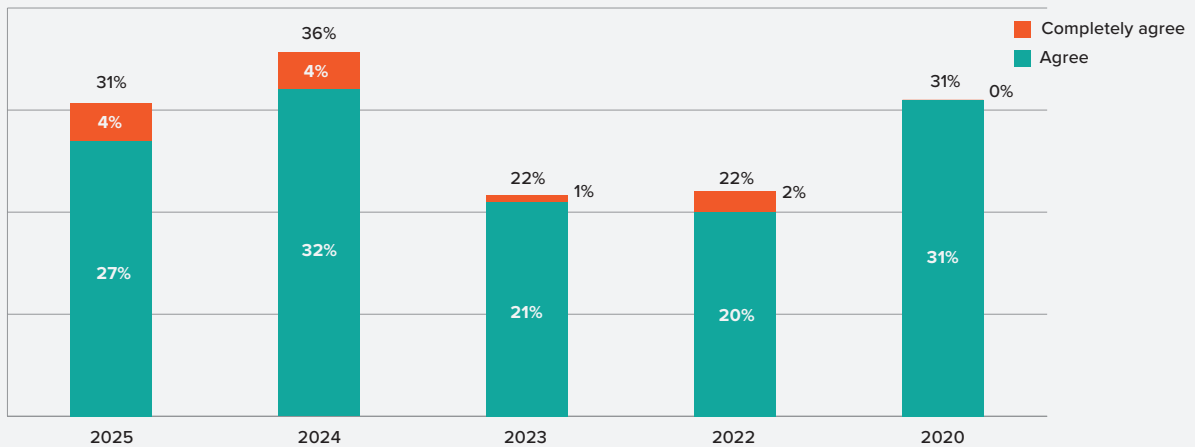
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	29	42	49	33

HR Practitioners Not Compensated Equitably Compared to Other Departments

Respondents were asked about their level of agreement with the statement: “HR departments as a whole are compensated fairly compared to other departments in organizations.” Respondents can consider their previous organizations, too.

In 2025, less than one-third (31%) agree that HR departments are compensated fairly, down from 36% in 2024. HR practitioners are even less likely to believe their departments are compensated fairly compared to other departments within organizations.

HR Departments Compensated Fairly Compared to Other Departments — Extent of Agreement



Respondents from smaller organizations are less likely to agree that HR departments are equitably compensated compared to others when compared to larger organizations, 30% vs. 35%. Interestingly, the level of agreement from larger organizations declined by nine percentage points from 2024.

EMEA-based HR practitioners are more inclined to agree that HR departments are fairly compensated than their North American counterparts, 43% vs. 30%, respectively.

HR Departments Compensated Fairly Compared to Other Departments — Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	30	35	43	30

Agreement That Larger Organizations Compensate HR More Highly Than Smaller Organizations

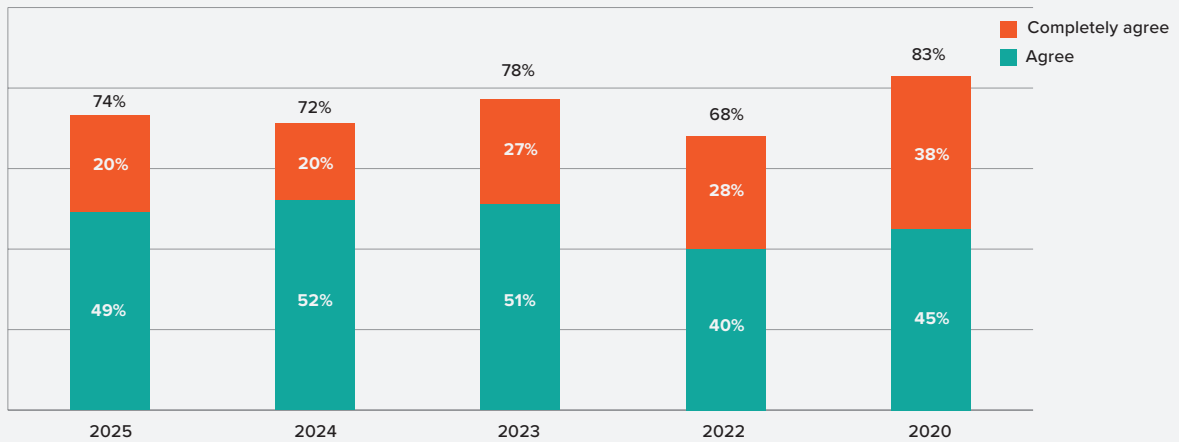
Larger organizations compensate HR more highly than smaller organizations.

We asked study respondents if they agree that larger organizations compensate HR practitioners more highly than their smaller counterparts.

Nearly three-quarters (74%) of respondents agree that larger organizations compensate HR practitioners more

highly than their smaller counterparts, up from 72% in 2024. Larger companies may have more robust HR departments or may seem to have more responsibilities due to the size of the company. With the recent influx of AI-powered tools and comprehensive HCM products, this belief could shift.

Larger Organizations Seemingly Compensate HR More Highly Than Smaller Organizations – Extent of Agreement



Across organization size and region, most HR executives believe larger organizations compensate HR more highly

than smaller organizations. Interestingly, the level of agreement among all subsections increased from last year.

Larger Organizations Compensate HR More Highly Than Smaller Organizations – Agree/Agree Completely: By Segments

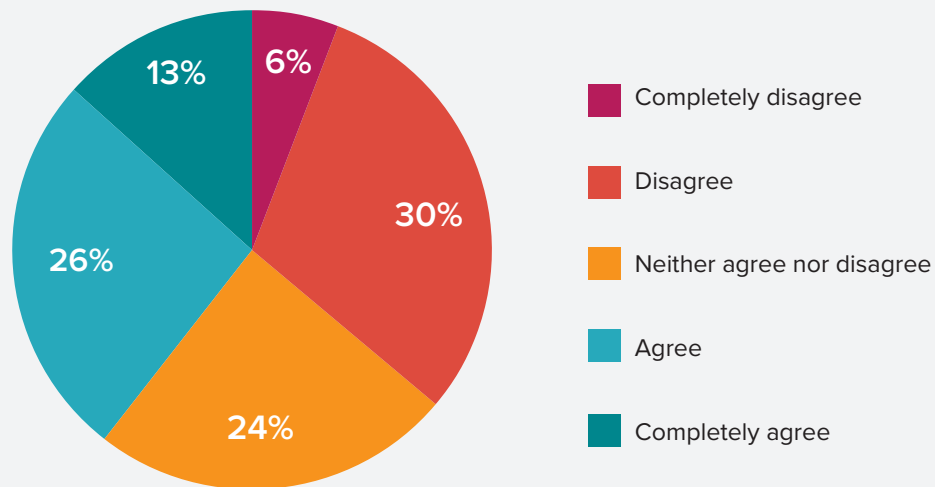
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	79	76	81	77

Do Senior HR Leaders Have the Skills to Become CEO?

Are HR practitioners confident their senior HR leaders have the skills necessary to one day become CEO? Only

39% agree. There was no significance in agreement between larger and smaller organizations.

Our Most Senior HR Leader Has the Right Skills to Become CEO



Though the subsections have roughly the same extent of agreement, EMEA-based practitioners are the most likely

(44%) to agree their senior HR leader has the skills to become CEO.

Our Most Senior HR Leader Has the Right Skills to Become CEO — Agree/Agree Completely: By Segments

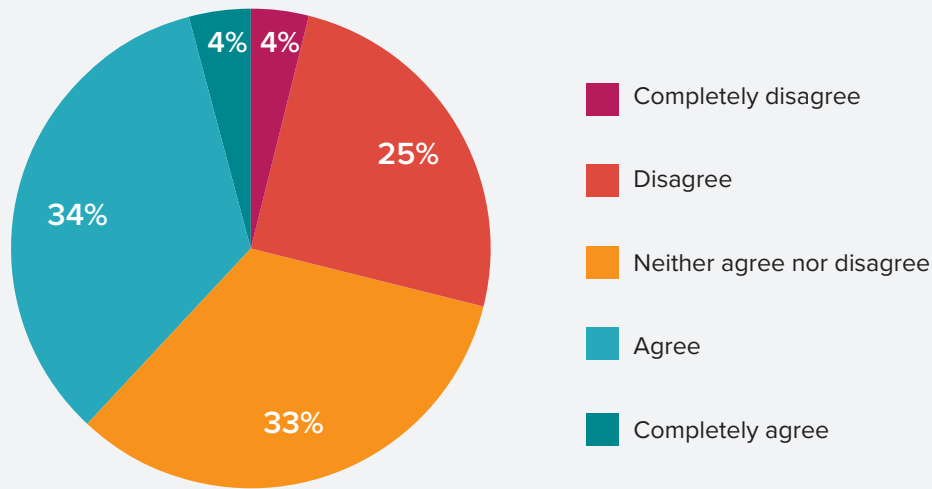
	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	38	40	44	38

Perception of HR as a Field of Choice

Next, we asked respondents if they feel recent events propelled HR as a field of choice among students considering business careers. Over one-third (38%) of respondents agree with the statement: “Recent events have propelled HR to be a field of choice among students considering business careers.”

More EMEA-based respondents (56%) believe HR is propelled as a top business career choice than in North America (34%). In 2024, there was no discernible difference by segment.

Perception of HR as a Field of Choice — Extent of Agreement



Perception of HR as a Field of Choice — Agree/Agree Completely: By Segments

	Fewer than 500 EE	500 or More EE	EMEA	North America
	%	%	%	%
Agreement (net)	34	43	56	34

conclusion

Despite the growing strategic importance of the CHRO role and HR's expanding influence on organizational success, there is still a misalignment between HR and CHRO compensation and the perceptions of HR practitioners. Through five study waves, there has not been an identifiable component that organization's base compensation off, or a single way HR respondents agree CHRO should be determined. However, HR practitioners mostly agree that HR, as a department and for its senior

leaders, should be treated comparably to its corporate counterparts. It will be particularly interesting to see how this extent of agreement shifts within HR.

In addition to themes and trends found in this report, *HRO Today* explored differences in minority compensation and perceptions. This analysis can be found in the CHRO Compensation: Minority Report, which will be published in February 2026. ■



Notes

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