



HRO^{TODAY}

2025-2026 CHRO Compensation: The Minority Report

An *HRO Today* Research Report

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

HRO Today recently published its fifth annual 2025-2026 CHRO Compensation Report, uncovering insights into how HR executives view compensation, especially considering increasing responsibilities and impact on company performance.

This report expands upon findings from that publication, focusing on compensation for racial and ethnic minority groups. For the analysis, *HRO Today*, gathered publicly available CHRO compensation data and Fortune 1000 information on 213 senior HR executives from those companies, a valid sample of 21.3%. Additionally, *HRO Today* conducted a survey of over 300 HR executives from North America and EMEA. Sections from that survey that cover racial and ethnic minority groups' compensation and workforce composition are featured in this report.

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.

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.



Key Findings

- **In the Fortune 1000, compensation was comparable between racial and minority ethnic groups and Caucasians,** though racial and ethnic minority groups earn slightly more on average, a 4.3% difference. Again, Caucasians made more in salary, a difference of 4.3%, though the gap decreased from 12.3% in 2024.
 - In the Fortune 1000, CHROs earn, on average, \$2,864,691 annually in total compensation.
- **Within HR leadership, representational diversity stagnated.** Almost two-thirds (65%) of senior HR leaders agree their HR leadership team has representational diversity, the same level as in 2024.
- **Representational diversity within HR departments may be falling.** 70% agree their HR department has representational diversity, down 3 percentage points from 2024.
- **For the second consecutive year, representational diversity within the workforce rose.** Over three-fourths (77%) of senior HR leaders agree their company workforce has representational diversity, a slight increase from 2024.
- **Less than three-quarters (73%) agree racial and ethnic minority groups in executive roles are compensated on par with other executives,** down slightly from 2024. Seemingly, an increasing number of executives are agreeing that compensation between racial/ethnic minority groups and Caucasians is not on par.
- **Three-quarters (75%) agree that compensation between racial and ethnic minority groups in HR is comparable to that of Caucasians,** similar to levels from 2024.
- **Senior HR leaders from larger organizations have a higher level of agreement** than those from smaller organizations about the following compensation factors:
 - There is representational diversity within their HR leadership team and HR department.
 - Racial/ethnic minority groups and Caucasians are comparably compensated in executive roles.
 - In the HR department, racial/ethnic minority groups and Caucasians are comparably compensated.





Race Differences in CHRO Compensation

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

Of the 213 senior HR executives in the Fortune 1000 with publicly available compensation data, 86% were identified as Caucasian and 14% were identified as belonging to racial and ethnic minority groups. The chart below is derived from that data.

Overall, compensation was similar between racial/ethnic minority groups and Caucasians, though racial/minority groups earn slightly more, a difference of 1.8%. In just salary, Caucasians earn more for the second consecutive year, a 4.3% difference.

Note: four out of the five highest paid CHROs were removed from the compensation analysis below as they are statistical outliers. All four of these CHROs are Caucasians.

	TOTAL COMPENSATION	SALARY
Caucasian	\$ 2,924,857.86	\$ 558,227.66
Racial & Ethnic Minority Groups*	\$ 2,978,261.54	\$ 534,955.82

*Averages based on 29 cases.



Study Findings

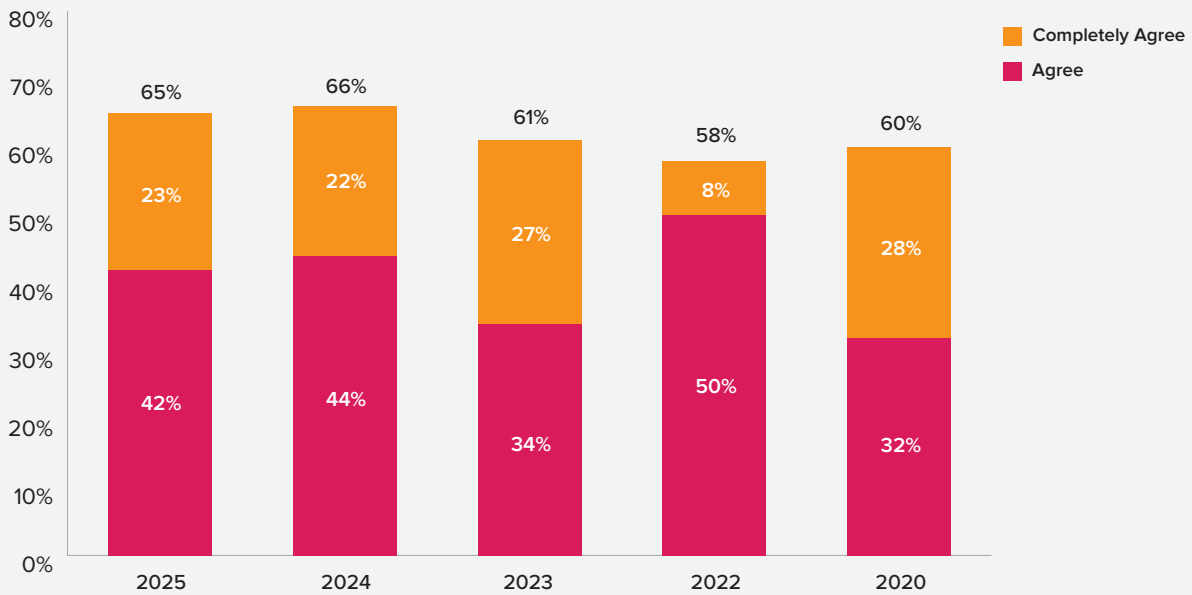
Representational Diversity Within HR Leadership Team

Just under two-thirds (65%) of senior HR leaders agreed that their HR leadership team has representational diversity, similar to levels from 2024.

Diversity within leadership can bring nuance and inclusiveness to decision-making, change, and overall workplace satisfaction. A diverse leadership team can influence, and further diversify, an organization by driving initiatives, implementing inclusive practices, and holding teams accountable for progress made.⁴

Organizations with diverse executive teams typically perform better, with a 19% increase in revenue compared to organizations with below-average executive diversity.⁵ Additionally, a diverse and inclusive HR leadership team are more likely to create a safer, more diverse HR department as a whole.

Diversity Within HR Leadership Team — Extent of Agreement



HR leaders from larger organizations are much more likely to agree that their HR leadership team has diversity than those from smaller organizations,

71% vs. 56%, respectively. HR leaders from smaller organizations felt agreement decline from 2024 to 2025 from 64% to 56%.

Diversity Within HR Leadership Team — Agree/Agree Completely: By Organizational Size

	FEWER THAN 500 EE	500 OR MORE EE
Agreement (net)	56%	71%

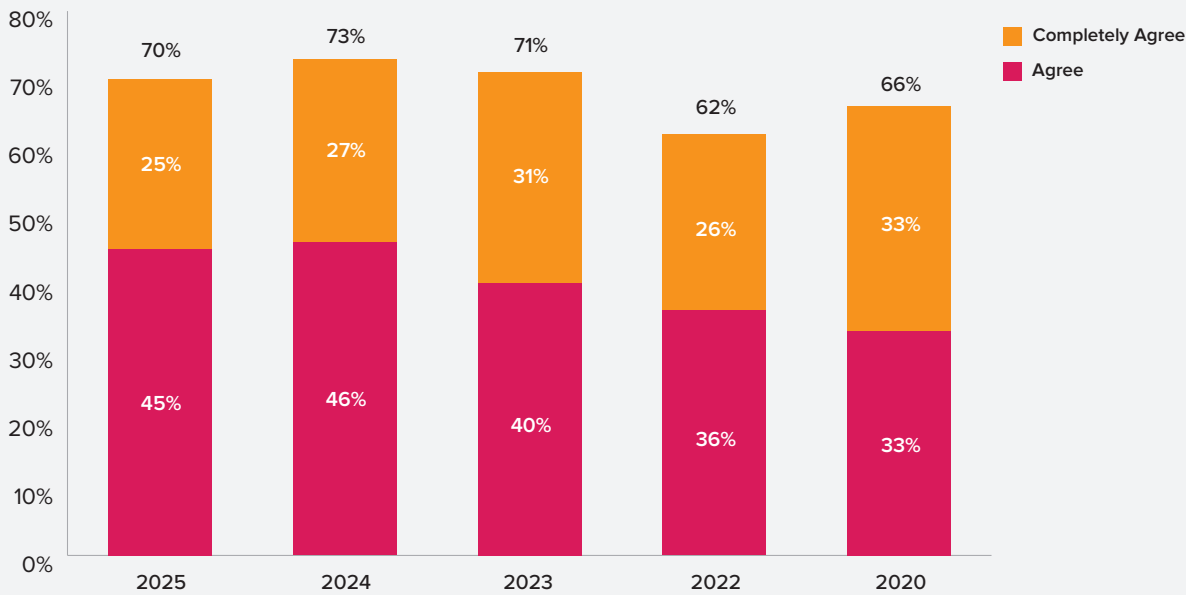


Representational Diversity Within HR Department as a Whole

Nearly three-fourths (70%) of senior HR leaders agree their HR department as a whole has representational diversity. This level of agreement has been fairly consistent over the last three years.

HR departments manage employees throughout their lifecycle, shaping perceptions, experiences, and workplace culture. Inclusive HR practices can lead to higher employee trust and engagement, influencing retention, internal mobility, and overall stability. A study by Deloitte found that organizations that practice inclusivity are 22% more innovative and 27% more profitable than those without inclusive practices.⁶

Diversity Within Human Resources Department — Extent of Agreement



Study participants from larger organizations are more likely to agree they have representational diversity within their HR department, 75% vs. 65%.

Interestingly, the agreement gap between HR leaders from small and large organizations stayed the same from 2024 at 10 percentage points.

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

	FEWER THAN 500 EE	500 OR MORE EE
Agreement (net)	65%	75%

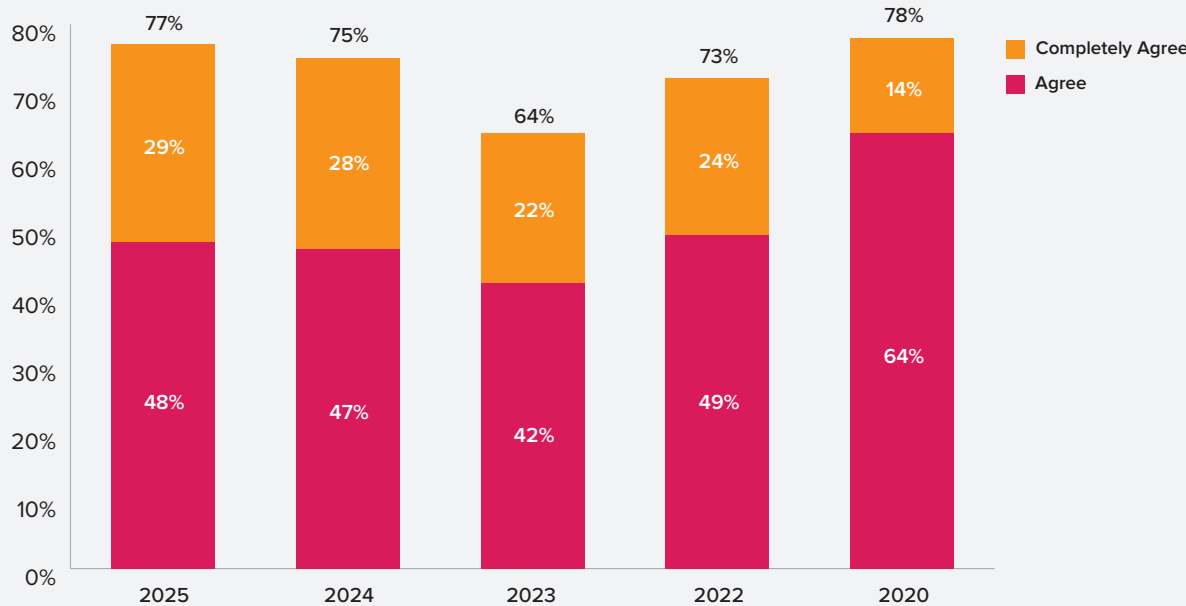


Representational Diversity Within Company Workforce

Over three-quarters (77%) of HR leaders agree their company workforce has representational diversity, up two percentage points from 2024, a slight but consistent incline. However, level of agreement rose considerably since 2023, up 13 percentage points. A diverse workforce is linked to stronger organizational performances, top talent attraction, and high employee engagement.

However, recent shifts have led to dismantling or reprioritizing company-wide DEI initiatives. Amid regulatory pressures, several large companies, like Verizon, Google, and Amazon, eliminated formal DEI programs. This can include removing diversity targets from hiring, discontinuing DEI reporting, and repurposing or eliminating DEI leadership roles. This organizational shift away from diversity will need to be monitored to successfully determine its impact. However, a recent study by Catalyst and NYU's Meltzer Center of Law found that over 80% of executives believe minimizing diversity efforts will lead to legal risk while 77% believe it will negatively impact financial performance.⁷ Meanwhile, as the full impact of dismantled diversity practices has yet to be seen, perceptions of company diversity have grown.

Diversity Within Company Workforce — Extent of Agreement



Interestingly, senior HR leaders across organizations share the same extent of agreement that their company workforce has representational diversity at

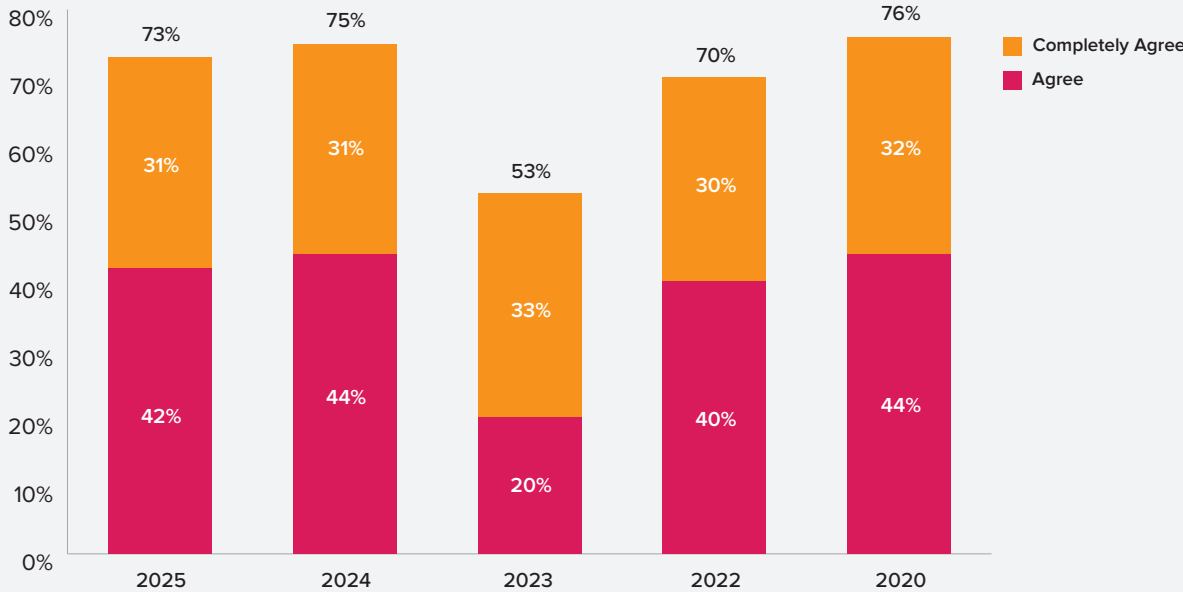
78%. Historically, larger organizations are typically more diverse due to their access to resources and hiring levels.



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

Senior HR leaders were asked if they feel racial/ethnic minority groups in leadership or executive positions are compensated on par with other executives within their company. Just less than three-fourths (73%) agree, consistent with levels from prior years, excluding 2023.

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



HR leaders from larger organizations are slightly more likely to agree that racial/minority groups in executive or leadership roles are compensated on par with other executives in their organization, 73% vs. 71%. The difference in level of agreement between large and small companies is significantly

smaller in 2025 at 2 percentage points versus 8 percentage points in 2024. Though HR leaders in large organizations are more likely to agree minority executive compensation is on par with their Caucasian counterparts, their level of agreement declined from 2024, when it was at 78%.



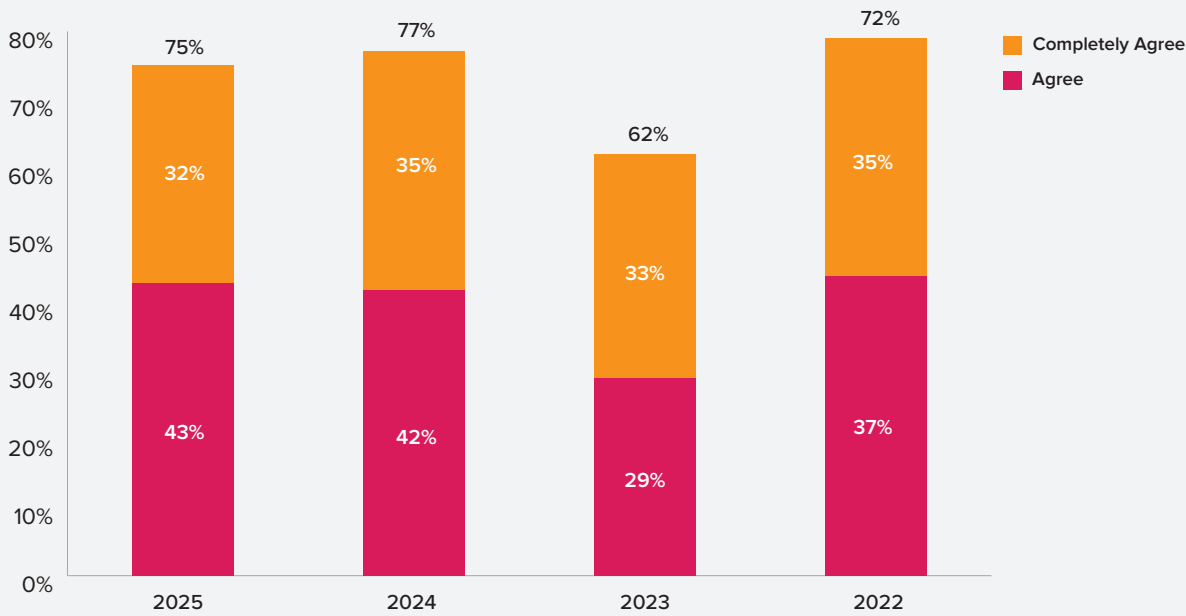
Views About Company’s Compensation and Racial & Ethnic Minority Groups Diversification

Though some organizations are publicly moving away from diversity initiatives, diversity is associated with attracting and retaining top talent, improved business performance, lower legal risk, limited discriminatory practices, and better company perception. In fact, 76% of employees are more likely to stay with a DEI-forward employer while 61% would not consider applying to a company unsupportive of DEI.⁸ Across younger generations, these levels rise dramatically.

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

In 2025, three-quarters (75%) of HR leaders agree that compensation levels among racial/ethnic minority groups and their Caucasian counterparts is comparable. This is similar to levels in 2024 and 2022.

Racial & Ethnic Minority Groups and Caucasian Compensation Comparability, Within HR Department — Extent of Agreement



Senior HR leaders from large organizations are, again, more likely to agree that racial/ethnic minority groups are compensated equitably within their HR department compared to their Caucasian counter-

parts. Interestingly, the level of agreement from small organizations decreased by five percentage points from 2024.

	FEWER THAN 500 EE	500 OR MORE EE
Agreement (net)	70%	78%

Looking Foward

Research shows that diversity within the workforce leads to better financial success, more inclusive practices, and higher employee retention. However, representation and compensation within HR does not yet reflect the magnitude of this impact. As some US-based companies repeal their DEI initiatives, the future importance of diversity and inclusion in the workforce is uncertain. ■



Notes

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