

HR CAREERS REPORT 2018

Trends in Salaries, Titles, and More

Namely  HR for Humans

INTRODUCTION

Think you know HR? It's time to forget the cliches about [complaint departments](#) and the office police. There are few professions better positioned to positively impact the future of work. Pulling from Namely's database of over 1,000 companies and 150,000 employees, we sought to uncover new insights into the profession.

From demographics to compensation, no datapoint was off-limits. Our findings cut through the stereotypes to paint a more vivid picture of the individuals central to today's workplace—HR professionals.

THE CHANGING STATE OF HR	3
DEMOGRAPHICS	5
TITLES	8
LEADERSHIP	11
SALARY	14
TEAM STRUCTURE	24
TENURE	26
THE FUTURE OF HR	29

1

THE CHANGING STATE OF HR

A brief history of the profession.

For those considering a career in human resources, job prospects have never been better. After a year of high-profile HR nightmares at companies like [Uber](#) and [Thinx](#), the field's importance has never been more apparent.

It all began modestly enough. [The first HR department](#), then called “personnel management,” was formed in 1901 by the National Cash Register Company in response to an employee strike. That department was focused exclusively on recordkeeping, compliance, and worker safety. While that sounds familiar enough today, consider the additional responsibilities of modern-day teams: recruiting, performance management, processing payroll, promoting employee well-being, and countless others.

In other words, from the first phone screen to the last exit interview, modern HR teams orchestrate the entire employee lifecycle. Together, all those touchpoints shape how individuals view their employer. While that isn't news to HR, the C-Suite is starting to catch on. [Nine in ten](#) chief executives rank employee engagement as a top priority, and HR professionals are best-positioned to drive that metric forward.

So who are these workplace heroes, tasked with accomplishing everything under the sun? In this report we'll lift the veil obscuring one of the most misunderstood professions, diving into demographics, compensation, and much more. What we found might not just shed light on HR, but the future of work as a whole.

2

DEMOGRAPHICS

When it comes to staffing equity, do HR teams walk the walk?

DEMOGRAPHICS

There are over [5.6 million HR professionals](#) in the country. Who are these individuals so central to the workplace? Using Namely's database, which represents over 1,000 mid-sized companies, we looked at the demographic information of HR teams.

HR DEMOGRAPHICS (GENDER & AGE)

COMPANY SIZE	0-100 EMPLOYEES	101-300 EMPLOYEES	300+ EMPLOYEES
Gender Ratio (Female-Male)	58.2%	53.5%	47.9%
Average Age	35.9	37.0	31.5

Gender

Our findings show that HR teams at companies with 100 or fewer employees lean nearly 60 percent female. As businesses grow, they appear to approach a more even gender distribution. There are a number of potential reasons for this. For one, [single-person HR teams](#) are common at smaller companies, skewing the sub-100 employees category. Additionally, the near 50-50 ratio that emerges at larger companies should come as no surprise given how involved HR departments are at ensuring workforce diversity and gender equity. In other words, in an era where [workplace gender diversity has become a mainstream talking point](#), HR teams are leading by example.

Why else might HR be leading the charge for staffing equity? Empowering women has long been the modus operandi of the profession. Data from the Bureau of Labor Statistics (BLS) shows that nearly [70 percent](#) of HR leaders are women, more than any other field. In comparison, marketing and technology leaders only tend to be women 43 percent and 27 percent of the time, respectively. Namely's own data confirms this: of the C-Suite HR executives we considered in this report, 73% are female.

Age

While HR professionals have to deal with weighty issues like compensation and [FLSA compliance](#), our data reveals that they really are young at heart. The average age across all company sizes was just 35—or [seven years younger than the average U.S. worker](#). The youngest subset of HR professionals, who averaged just over 31, was found at companies with 300 or more employees—which likely represents the mix of tenure and experience on the larger HR teams needed for larger companies.

[While many “fall” into the field by happenstance](#), a growing number of young professionals are deciding to major in HR. Why? For newly-minted [MBA graduates](#), HR’s tangible impact over the business, be it through recruiting or managing employee performance, makes it an appealing first-choice. It also helps that the job prospects have never been brighter. Per estimates from the Department of Labor, demand for HR professionals is expected to increase 10 percent over the next decade. Further sweetening the deal, [the median income for an HR Generalist](#) currently sits at a handsome \$106,910.

The thirty-something HR professional isn’t going away anytime soon. And judging from the the Society for Human Resources’ latest edition of its “[30 under 30](#)” series, the next generation will be equally up to the task.

3

TITLES

Will we see a Chief Happiness Officer
in every office?

From Payroll Specialist to Recruiter, HR Assistant to the all-encompassing HR Director, HR professionals go by [many names](#). We took a closer look to identify the most common job titles in the landscape of modern HR.

Despite the rise of more creative and specialized roles in the field, the most common HR job titles are quite straightforward, representing a mix of job levels and areas of focus:

TOP 10 MOST COMMON HR TITLES

1 HR Manager	6 VP, HR
2 HR Generalist	7 HR Assistant
3 HR Director	8 HR Specialist
4 HR Coordinator	9 Director, HR
5 Recruiting Coordinator	10 Recruiting Manager

Aside from recruiting roles, every title includes the word “HR.” This suggests that the concept of creatively branded HR teams—like People Operations or Talent—is still in the early stages of popularity. That said, titles that convey personality, capture a company’s unique culture, and speak to the heart of what it means to be in HR do exist.

Our records show a slew of job titles that highlight the personal side of HR. Here are some of the most creative titles within the Namely network:

MOST CREATIVE HR TITLES

- 1 Chief Happiness Officer

- 2 Culture & Geek Resource Manager

- 3 Director, Talent Attraction Strategy

- 4 Office Happiness Champion

- 5 Head of Optimistic People

- 6 People & Culture Systems & Process Guru

Now more than ever before, HR is asked to consider what their role represents for the rest of the company. Job titles create a first impression of who someone is and play a part in determining how all employees interact with that person. With a history of HR being viewed as the “principal’s office” or the “firing department,” it can make a huge impact to brand the HR team as a champion of happiness, for example. Doing so reminds employees that HR is an inherently human function and that the HR team is a source of support—not discipline.

Creative HR titles can help pave the way for more expressive titling throughout the entire company. With compelling titles, employees can feel a renewed sense of importance and individuality. In this way of thinking, a “Receptionist” may become the “[Director of First Impressions](#).” A job’s importance is embedded in its title, and as employees have an increasing focus on branding, this trend is likely to remain active in the future of the workforce.

4

LEADERSHIP

Does it matter when companies make a
C-Suite HR hire?

One of the most eye-catching data points we uncovered is the fact that few mid-sized companies have senior HR leadership. While the importance of effective HR departments has become a recent news headline, it seems that many companies have not yet invested in HR leaders.

We talk often about the importance of HR taking a seat at the table. But in an ideal world—and we believe, in the company’s best interest—HR will not just have a seat presenting to the C-Suite, but HR will have a seat *in* the C-Suite.

So how many HR professionals are currently there? We found that only 7% of mid-sized companies have a “Chief” HR person. When considering that some mid-sized companies are still small, it makes sense that their HR teams are small or even solo operations. Seniority, of course, depends on individual business needs and evolves as the business grows.

277

MEDIAN SIZE OF COMPANIES WITH C-LEVEL HR

Our data reveals that mid-sized companies tend to invest in HR leadership once the company has grown to a certain size. **The median size of companies with a C-level HR role is 277 employees.** Consider how company growth and employee engagement might soar if Chief HR Officers or Chief People Officers were considered as essential an early hire as the CTO or CFO.

Proving the connection between senior HR leadership and increased employee happiness seems like it might be impossible. But we dug into Glassdoor's company ratings to elicit further insight. We found that the average Glassdoor rating of companies *with* a C-Suite HR hire is **3.84**, versus an overall [average Glassdoor rating of 3.3](#). This suggests that investing in HR leadership does positively impact the company overall. Perhaps it's time to make this investment even sooner than the 300-employee mark.

3.84

AVG. GLASSDOOR RATING FOR COMPANIES WITH C-SUITE HR

For companies without an HR executive, consider opening up this position. If a C-level HR leader can improve overall employee happiness and productivity, the company will be better positioned for long-term growth as the company scales. Often, high-growth companies fail to foresee growing employee needs. Bringing on leadership to drive the company's vision and culture allows for better processes and support during high-growth periods.

5

SALARIES

How do HR's paychecks stack up?

With the exception of the finance department, HR professionals are the group most familiar with employee salaries. But when it comes to their own salaries, how do they stack up?

Across the entire US workforce, HR salaries trend above average. According to the [BLS](#), \$44,668 is the median annual salary across all industries. Meanwhile, they estimate that HR specialists bring home a median amount of \$59,180 and HR Managers a whopping \$106,910—well above the national average. Namely's own data shows that the average HR salary is **\$98,048** across all levels.

But we wanted to dig deeper to understand how HR professionals are being valued. Do companies of a certain size place a higher premium on HR talent? Which job titles indicate peak salaries? And how do a number of demographic factors—like location and age—impact how much an HR professional brings home?

HR Salaries by Company Size

There's a widespread assumption that bigger companies mean bigger paychecks. Larger companies tend to be more established and are able to offer competitive salaries. The salary gap between small and large organizations is demonstrated by BLS data: the average hourly worker at a company with 500+ employees earns nearly *twice* the total compensation of an employee at a company with under 50 employees.

But when it comes to HR, we saw a different trend at play. While small companies do pay significantly less than large companies, 100-300 employees is the sweet spot for peak salaries.

ANNUAL HR SALARY & COMPANY SIZE

COMPANY SIZE	0-100 EMPLOYEES	101-300 EMPLOYEES	301+ EMPLOYEES
Average Annual Salary	\$91,858	\$101,001	\$98,004

In other words, once companies hit the 100 employee mark, the average HR salary is nearly 10 percent higher than smaller companies. But companies with 101-300 employees make 3 percent *more* than their counterparts at companies with over 300 employees.

As companies grow, the role of HR becomes increasingly important. Companies with 101-300 employees may find themselves with only a couple of HR professionals, each of whom are critical to company processes. It's also worth noting that 100 employees can be a tipping point for certain HR issues—from the [WARN act](#), which requires notices and waiting periods for mass layoffs, to the application of large group health plans in certain states.

Once companies have over 300 employees, it's likely that their department headcount will grow—and with it, comes the addition of more entry-level HR professionals who might round down the average HR salary.

HR Salaries by Job Title & Level

Earlier, we revealed the most common HR job titles. So how are professionals with those titles compensated?

SALARIES FOR THE MOST COMMON TITLES

JOB TITLE	AVERAGE SALARY
HR Coordinator	\$55,054
HR Generalist	\$68,604
HR Manager	\$93,360
HR Director	\$126,307

Clearly, title and level increases come with a steady incline in compensation. This data confirms that the HR career trajectory is a promising one for those in the field.

HR SALARIES BY JOB TIER

JOB TIER	AVERAGE ANNUAL SALARY
Entry Level <i>e.g. Coordinator, Associate</i>	\$52,757
Mid Level <i>e.g. Generalist, Manager</i>	\$83,494
Senior Level <i>e.g. Director, VP</i>	\$184,250

SALARY

When analyzing salaries between job tier, there are significant jumps: 58% between Entry and Mid Level, and a staggering 121% between Mid and Senior Level.

Of course, this does not mean HR professionals experience such large salary increases year over year (the annual average salary increase across all industries [hovers at 3 percent](#)). That said, this chart shows that there is dramatic growth potential for HR salaries. As more companies recognize the impact of senior HR leadership, they are compensating their contributions accordingly. For those new to the industry, investing in an HR career long-term can pay dividends.

We also took a look at how company size impacts salaries by job tier. Does the trend of 101-300 employee companies paying HR the most continue across job levels?

HR SALARIES BY JOB TIER & COMPANY SIZE

COMPANY SIZE	0-100 EMPLOYEES	101-300 EMPLOYEES	300+ EMPLOYEES
Entry Level <i>e.g. Coordinator, Associate</i>	\$59,419	\$51,799	\$51,311
Mid Level <i>e.g. Generalist, Manager</i>	\$77,049	<u>\$94,799</u>	\$74,929
Senior Level <i>e.g. Director, VP</i>	\$166,832	\$187,081	\$192,592

For entry-level and senior-level roles, once companies hit the 100-employee mark, salary growth is moderate relative to the number of employees. Entry level HR salaries are nearly stagnant when comparing companies with 101-300 employees and 300+ employees. And senior level HR salaries increase just under 3 percent under the same conditions.

What jumps out, however, is how much mid-level HR employees are valued at companies in the mid-sized sweet spot of 101-300 employees. We found that this group (highlighted) makes 23 percent more than in companies with under 100 employees—and most surprisingly, 27 percent more than peers at companies with 300+ employees.

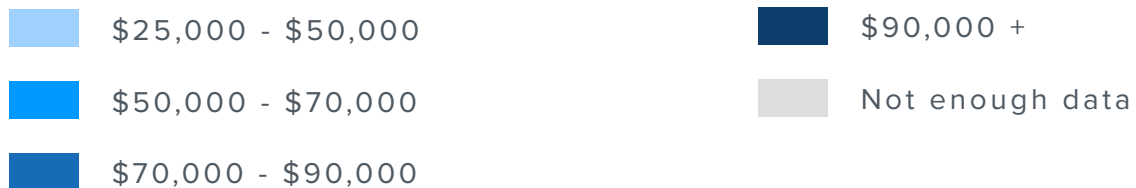
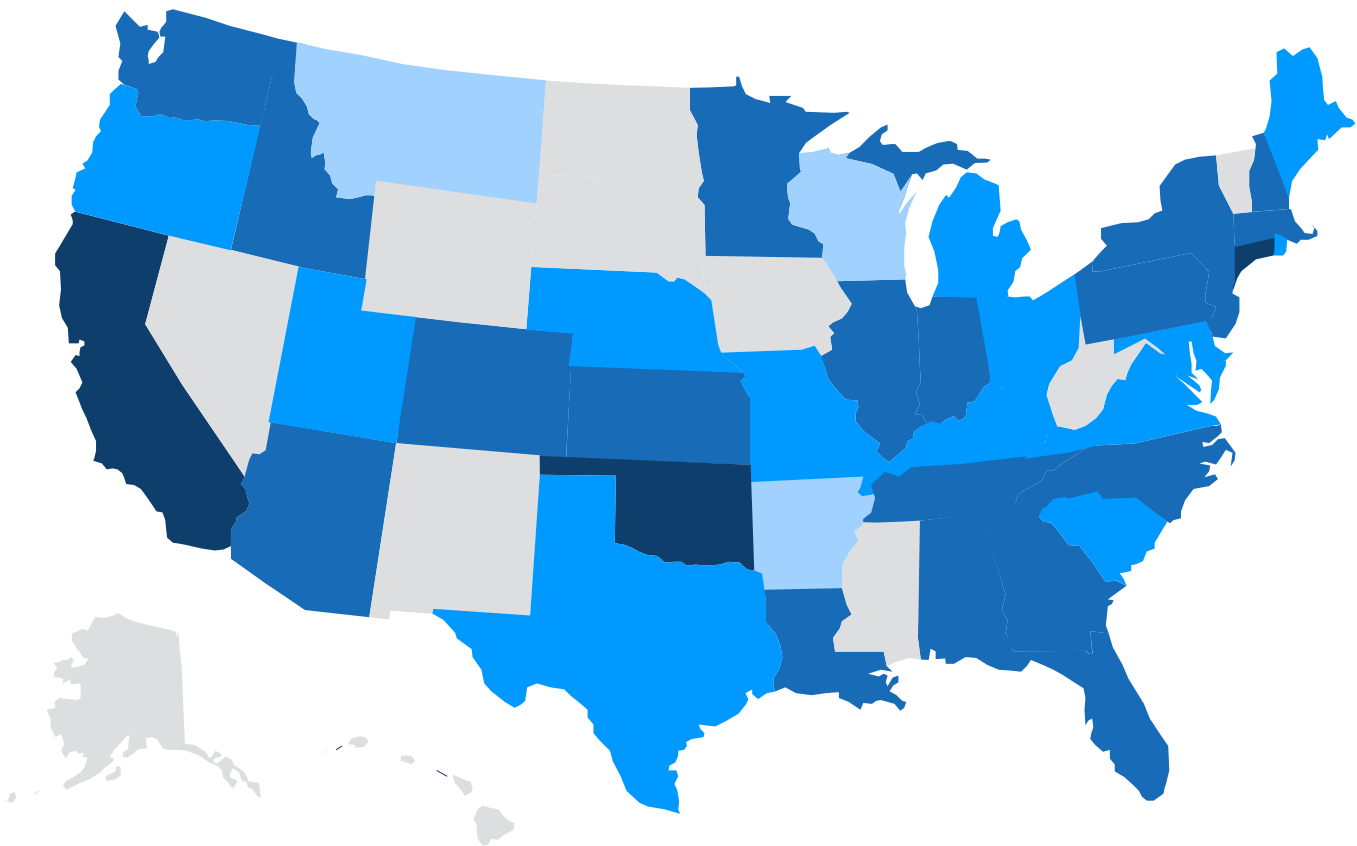
Why might this be? Let's assume that companies have three HR employees for every 100 employees, including talent acquisition professionals (see Team Structure). That means that a company with 150 employees may have only one or two people leading their core HR function. With such a small team, it's possible that job titles deemed "mid-level" actually represent the most senior HR leadership at the company. When companies grow far beyond 300+ employees, their HR teams scale as well.

In other words, it seems that the "mid-level" HR professionals at "mid-sized" companies are being valued—and compensated—as the company's senior HR resource.

HR Salaries by Location

With the average HR tenure at just over two years, it's fair to say that HR professionals move around regularly over the course of their careers. If relocation is on the table, where can they expect the highest salaries?

HR SALARIES ACROSS THE UNITED STATES



STATES WITH HIGHEST & LOWEST HR SALARIES

HIGHEST PAYING	LOWEST PAYING
Connecticut - \$111,387	Arkansas - \$27,788
Washington D.C. - \$93,110	Montana - \$36,000
California - \$96,245	Wisconsin - \$48,094

An [analysis of BLS data](#) by state confirms our findings: both our highest and lowest paying states were found on their respective lists of highest and lowest paying states overall (with the exception of Wisconsin). For HR professionals looking to uplevel their salaries, it may be time to consider a move to the “Constitution State,” (AKA Connecticut).

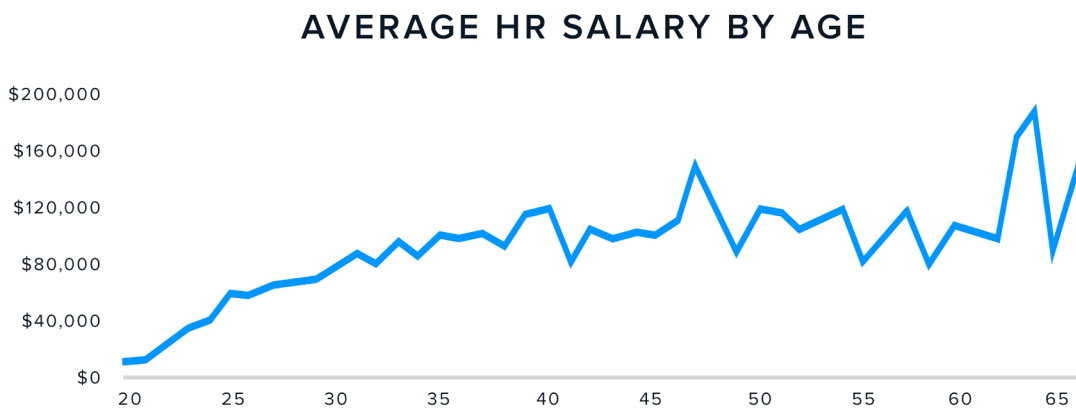
Many HR professionals may be looking to take on their next big role in one of the country’s major cities. Here’s how US metropolises stack up.

HR SALARIES BY CITY

CITY	AVERAGE ANNUAL SALARY
New York, NY	\$111,260
San Francisco, CA	\$104,284
Seattle, WA	\$83,720
Austin, TX	\$77,426
Atlanta, GA	\$71,352
Los Angeles, CA	\$66,059
Chicago, IL	\$66,362

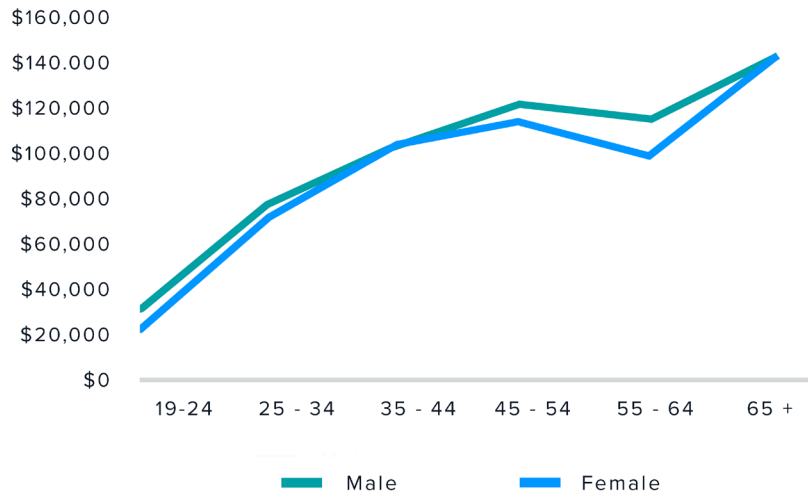
HR Salaries by Age and Gender

We've seen that a wide number of factors, like location, do impact HR salary ranges. Let's take a look at two additional demographic data points: age and gender. Whatever stereotype of HR persona you may have in mind, HR professionals represent an incredibly diverse group.



As in most industries, compensation for HR professionals increases commensurate with experience. Salaries break into the six-figure salary range right as HR crosses the thirty-year-old mark. However, once this range is reached, the average salary tapers off for a while, without much influx until much further into one's career. Considering that only 7 percent of companies currently employ executive level HR personnel, this is not entirely surprising. If the future holds an increase in HR leadership positions, the average salary also has the potential to rise.

SALARY BY GENDER AND AGE GROUP



Across a variety of industries, research has revealed that [women tend to make less](#) than their male counterparts—76 cents to the dollar. According to our salary data, women in the HR space are not exempt from this trend. Though the gap is minor, women in HR do experience lagging salaries, and the gap widens around age 45. This delayed gap could reflect a return to the workforce by women who have taken time off to start a family.

Overall, female entry-level HR professionals make nearly 11% less than their male counterparts. While that’s not quite 76 cents to the dollar, it is surprising that those in charge of making hiring and salary decisions are affected by this trend. As [equal pay legislation](#) becomes increasingly prominent, the future is optimistic for a more aligned picture.

6

TEAM STRUCTURE

How does a company's size affect the HR team?

Ever hear of the so-called “HR team of one?” For some individuals, particularly at smaller companies, the cliched phrase is very much a reality. Tasked with managing recruiting, employee benefits, performance, and everything else under the sun, these one-person teams are pushed to their limits. That said, are these solo teams actually commonplace?

SHARE OF HEADCOUNT BY COMPANY SIZE

COMPANY SIZE	0-100 EMPLOYEES	101-300 EMPLOYEES	300+ EMPLOYEES
HR's Avg. Share of Headcount	3.5%	3.0%	2.4%

Our data revealed that HR's share of overall headcount peaks at 3.5 percent at companies with 100 or fewer employees. Once companies cross the 300 employee mark, HR only accounts for 2.4 percent of full-time staff.

HR-to-employee ratio understandably fluctuates over a company's lifespan, as needs change and efficiencies develop. For example, HR teams at smaller organizations sometimes employ what seems like a disproportionately high number of recruiters to help facilitate a hiring sprint. While established businesses may have larger people teams on paper, their HR-to-employee ratio is generally smaller due to the stronger internal processes and the implementation of [all-in-one technology](#).

Is there an ideal state? Each case is different, and teams need to be staffed according to company needs. That said, the [Society of Human Resources Management](#) finds that U.S. businesses, on average, have 2.57 HR professionals for every 100 full-time employees. Once companies stray too far from this number, they could be either over or under-staffed. If you're over-staffed, you might not be taking advantage of the HR technologies available to teams today. And what of the opposite scenario? Look no further than today's headlines to learn what the consequences might be for skimping on HR hiring.

7

TENURE

Do HR pros job hop more than the average employee?

At a time when [job hopping](#) has become increasingly common, HR is given the difficult task of attracting and retaining top talent. But what about HR practitioners themselves? How long do they stay with a company, and how does this impact their career growth over time?

Our data reveals that the average tenure across all HR professionals is just under two and a half years. That’s fairly short—and significantly, below the average employee tenure across all departments, which is two years nine months. Considering that it is HR’s job to increase engagement and retention across the company, it is interesting that they are prone to move around more frequently than the average employee. Perhaps this is attributable to the wide range of responsibilities and challenges faced by HR professionals in growing companies.

HR TENURE BY JOB LEVEL

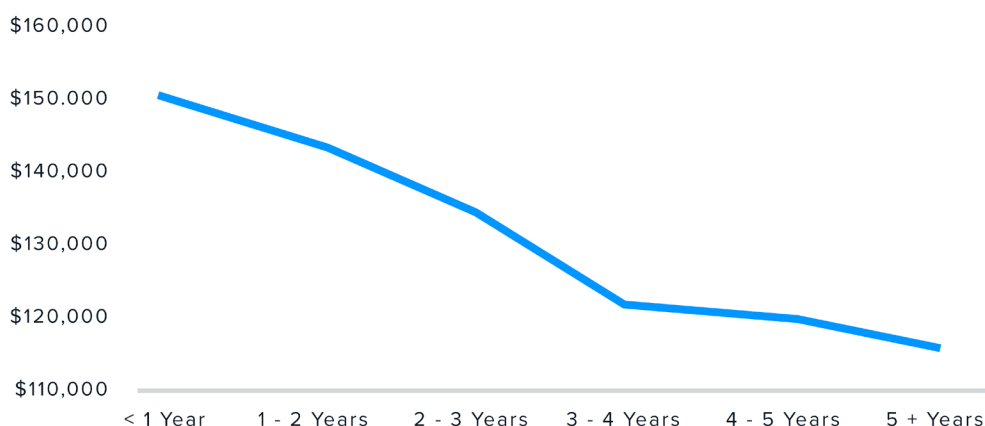
TENURE	< YEAR	1 - 3 YEARS	3 + YEARS
Entry Level	61%	28%	11%
Mid Level	40%	39%	21%
Senior Level	29%	41%	30%

We also took a look at how average tenure is affected by career stage. Unsurprisingly, the majority of entry-level employees (61 percent) have an average tenure of under a year. As employees move up the HR career ladder, their average tenure increases. Only 29 percent of senior level HR employees had been with their company for under a year, and the majority (41 percent) have been at their current company for between one and three years.

On average, we also found that HR professionals had received an average of two salary increases in their current roles, and the increases averaged 10 percent. When coupled with the average tenure, you can assume that HR is receiving an annual raise.

So is it wise for HR professionals to stay in their roles longer than two years? When it comes to compensation, the answer appears to be no. Take a look at what happens with the salaries of senior level HR professionals over their tenure with a company:

SENIOR LEVEL HR SALARY BY TENURE



That's a pretty steep decline. The highest recorded salary is associated with senior HR practitioners who have a tenure of less than one year with their current company. From a pure salary prospective, employee loyalty does not always pay off. Across all job levels, as an employee's tenure at a company lengthens, their salaries decrease relative to peers. This suggests that HR professionals entering a new company have *much* more negotiating power than those in existing roles.

8

CONCLUSION

What does the future of HR hold?

CONCLUSION

Whether you consider yourself an HR generalist or “Chief Happiness Officer,” it’s never been a more exciting or challenging time to be an HR professional. As employee engagement and culture emerge as key areas of focus for businesses, the C-Suite continues to invest heavily in bolstering people teams. According to our data, the profession today boasts impressive earning potential and senior leadership opportunities, with less of the gender equity issues which have plagued other industries as of late.

It wasn’t always this way, but HR has evolved far beyond its strictly administrative legacy. While tasks like processing payroll and managing compliance continue to matter, the profession has a new, higher calling. Modern day people teams are expected to be strategic and data-driven, whilst driving seemingly subjective criteria like employee wellbeing. Business theorists no longer talk about HR needing “a seat at the table,” because it’s assumed as an established fact. If people truly are a company’s most valuable resource, it’s hard to overstate an HR professional’s role in cultivating and maintaining that asset.

Quite simply, the state of HR has never been stronger.