

ClearBridge

November 2025

CLEAR*thinking*

Pay Trends & The Expanding Role of the
Chief Human Resources Officer



Executive Summary

Over the past decade, the Chief Human Resources Officer (“CHRO”) has emerged as one of the most strategically influential roles in the C-Suite. Once seen primarily as an operational function, today’s CHRO is advancing organizational performance, shaping culture, and guiding organizations through rapid workforce and technological transformation. The evolution of the role, and the compensation that follows, reflects a clear shift: human capital has become a direct driver of enterprise value.

In this *CLEARthinking*, we combine quantitative data for proxy-reported CHROs among Russell 3000 companies with qualitative insights from our advisory experience to illustrate the expanding strategic significance of the CHRO role.

Topics Covered	Key Takeaways
Target Total Direct Compensation	- Median CHRO total direct compensation (“TDC”) is ~\$1.7M - TDC grew ~10.0% year-over-year, in large part due to increases in long-term incentives (“LTI”)
Compensation Elements & Pay Mix	- Salaries typically range from ~\$400k to ~\$600k and target bonuses typically range from 60% to 85% of salary - LTI reflect approximately 1.75x salary at median - Average pay mix is 49% cash and 51% LTI, with variability based on company size and industry
Impact of Company Size & Industry	- CHRO pay increases relative to company size and complexity: CHROs at companies with <\$1B in revenue earn a median TDC of \$1.0M, compared to nearly \$3.0M at companies ≥ \$10B in revenue - CHROs in Information Technology, Communication Services, and Health Care earn the highest TDC, above \$2.0M at median

As the CHRO role continues to expand in scope and influence, compensation committees are redefining how the position is assessed and rewarded. The role’s growing impact requires evaluation beyond traditional HR benchmarks, aligning compensation with broader measures of leadership, adaptability, and engagement. For compensation committees, the implications are clear:

- Reevaluate the CHRO’s role as an enterprise leader, not just a functional head
- Strengthen long-term alignment by reviewing LTI weighting relative to with other strategic roles
- Broaden success metrics to include succession readiness, company engagement and adaptability

Looking ahead, the CHRO’s influence will deepen as organizations navigate AI-driven transformation, workforce evolution, and investor focus on human capital governance. The next generation of CHROs will serve as the bridge between people and performance, ensuring that culture, capability, and strategy advance together.

See following pages for the full report.



Target Total Direct Compensation

Analysis of the most recent proxy statements from Russell 3000 companies that disclose a CHRO among their named executive officers (“NEOs”) shows that median TDC in 2024 was ~\$1.7M. It is worth noting that this data is generally reflective of the highest paid CHROs in the market given SEC rules require companies to disclose only their five highest paid executive officers.



CHRO TDC is ~\$1M at the 25th percentile and ~\$2.5M at the 75th percentile, representing the wide range of pay for this executive.

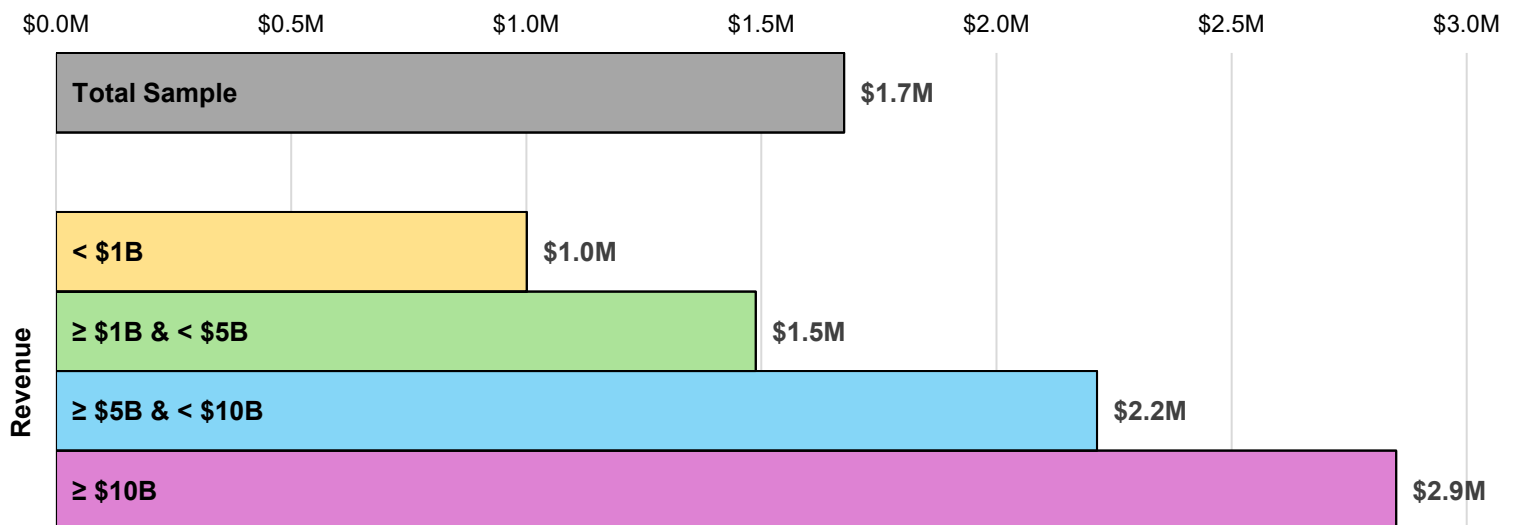
CHRO compensation levels vary meaningfully both by company size and industry, reflecting differences in business complexity and workforce composition. Provided below is a summary of median TDC by size and a summary of median TDC by industry, with additional detail provided in the Appendix.

Company size amplifies distinctions in CHRO pay. Larger organizations typically have more complex workforce structures, global operations, and talent demands, factors that require broader strategic oversight and justify higher levels of CHRO compensation.

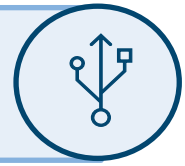
CHRO median TDC is ~\$2M higher at companies with over \$10B in revenue compared to companies with less than \$1B in revenue.



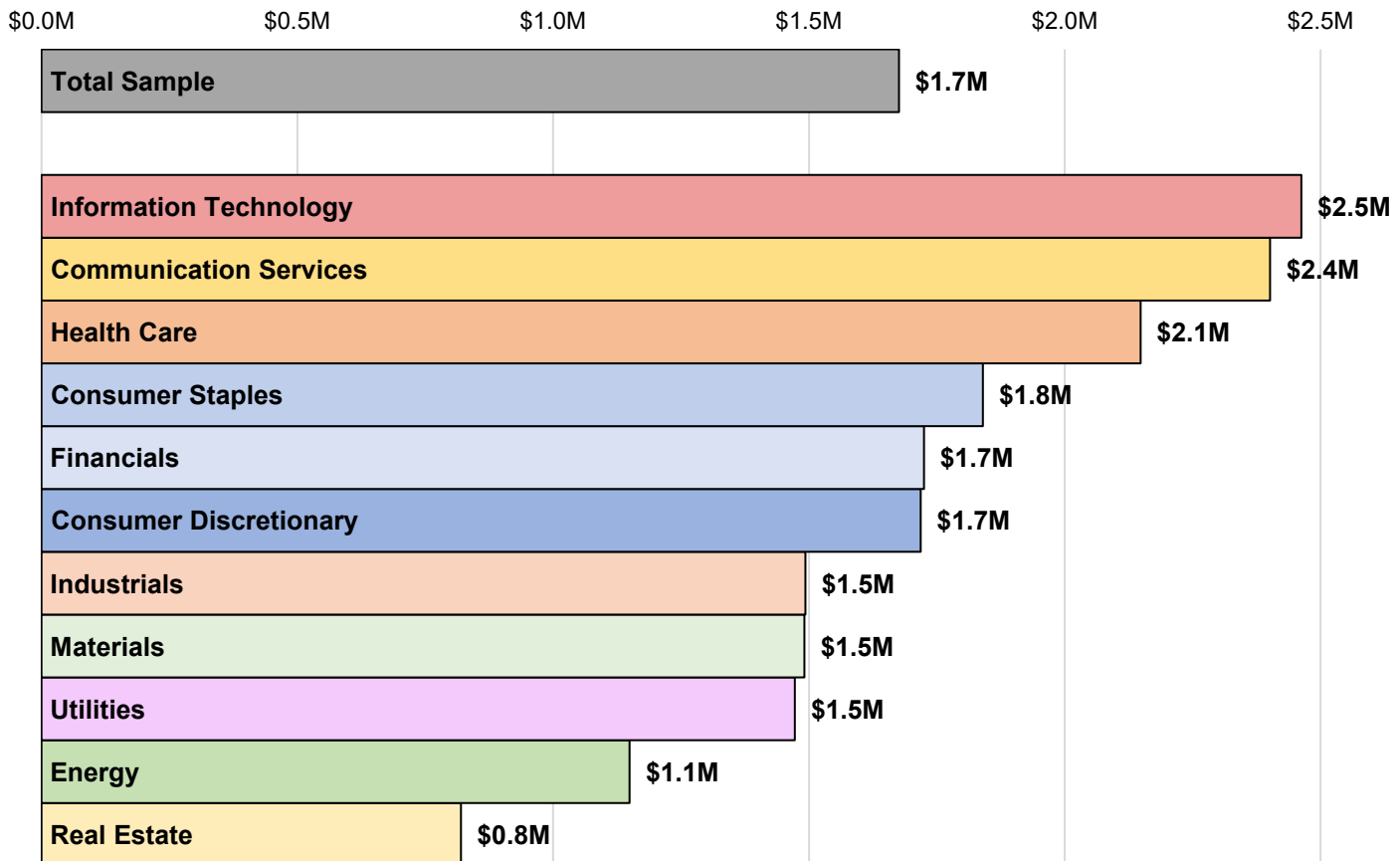
Median TDC by Size



Information Technology, Communication Services, and Health Care companies lead in CHRO pay, with median TDC above \$2M.



Median TDC by Industry



Compensation Elements & Pay Mix



Median salary ranges from ~\$388K to ~\$650K, by company size.



Median target bonus ranges from ~50% to ~100% of salary, by company size.

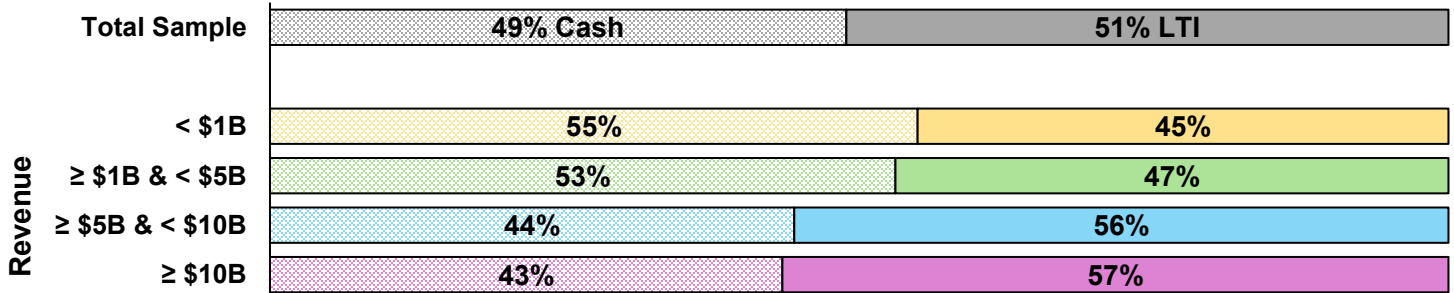


LTI to salary ratio is ~1.75x at median.

LTI values vary considerably across the market, representing ~45% to ~60% of total direct compensation at the median, depending on company size.

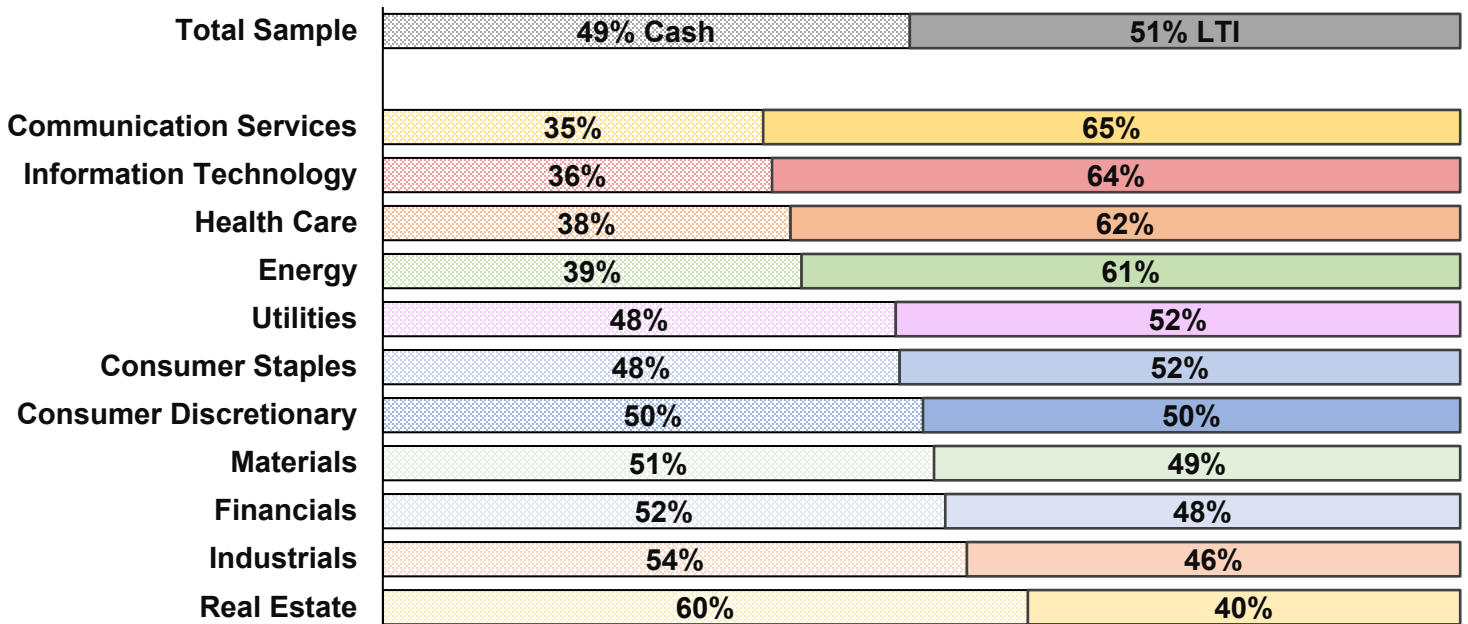
Larger companies allocate a greater share of compensation to LTI, with equity often exceeding 50% of total pay compared to a more cash-heavy mix at smaller companies. As companies grow, and pay increases, a larger portion of compensation comes from at risk-compensation through LTI.

Average Pay Mix by Size



The Communication Services, Information Technology, and Health Care industries place the greatest emphasis on LTI, reflecting their position as the highest-paying sectors. At median, over 60% of TDC is delivered through LTI, underscoring that as compensation levels rise, companies increasingly deliver value through equity.

Average Pay Mix by Industry



These patterns show that as company size and pay increases, compensation mix is delivered increasingly in equity rather than cash, additionally evidenced in the change in CHRO pay for 2024.

Change in CHRO Pay

CHRO pay in 2024 increased by ~10.0% from 2023 with the largest increases being to LTI. This acceleration reflects the growing strategic value placed on leadership in workforce transformation, talent management, and organizational culture, all areas that have become central to enterprise success.

Of the companies in the sample, 131 have proxy disclosure of their CHRO's compensation in both 2023 and 2024. Compensation increases are most pronounced among small and mid-sized companies, many of which are now formalizing and elevating the CHRO position to align with broader business strategy.

Size	n=	Median Growth by Element (2023-2024)			
		Salary	TCC	LTI	TDC
Total Sample	131	4.2%	5.5%	13.1%	10.0%
Revenue < \$1B	31	5.0%	5.0%	18.8%	10.0%
Revenue ≥ \$1B & < \$5B	53	4.1%	5.6%	11.8%	9.2%
Revenue ≥ \$5B & < \$10B	24	3.6%	4.2%	15.9%	11.7%
Revenue ≥ \$10B	23	4.8%	7.1%	9.1%	9.6%

CHRO Visibility in the C-Suite

Only 331 of the Russell 3000 companies disclosed CHRO compensation in their most recent proxies, about 11% of companies. While this represents a steady increase from prior years, the CHRO is still not consistently reported as an NEO.

Despite the growing strategic importance of the role and subsequent increases in compensation, many CHROs remain outside proxy disclosure and are compensated below other C-Suite peers. For example, in 2024, median CFO TDC was 47% higher than CHROs (up from 35% in 2023), driven primarily by LTI.*

*For a comprehensive analysis of mid-cap CFO compensation please see our recently published ["CLEARthinking: Industry Matters: Comparison of CFO Pay."](#)

Implications for Compensation Committees

The CHRO has evolved from HR administrator to strategic architect, shaping culture, leadership, and organizational performance. Today's CHRO drives workforce transformation, human capital reporting, and board-level transparency, linking people strategy directly to long-term value creation. As financial pressures and investor scrutiny intensify, the CHRO's ability to align culture, capability, and performance has become a differentiator in sustaining growth and organizational resilience.

As the CHRO's strategic impact expands, compensation committees must ensure pay and responsibilities reflect enterprise value creation.

Aligning Pay with Strategic Impact

- **Evaluate scope and impact:** Assess CHRO contribution alongside other enterprise leaders, not strictly by HR benchmarks
- **Strengthen long-term alignment:** Review LTI weighting to ensure the CHRO's rewards reflect enterprise-wide value creation and leadership continuity, consistent with other key executive roles
- **Broaden success metrics:** Incorporate enterprise-aligned measures such as succession readiness, engagement, and organizational adaptability to CHRO incentive programs

Strengthening Succession and Talent Oversight

- **Engage early:** Treat CHRO succession as a key enterprise risk with board-level visibility
- **Build bench strength:** Develop senior HR leaders through exposure to board interactions and enterprise initiatives
- **Enhance competitiveness:** Ensure compensation remains market-aligned, particularly when external demand or equity value is high

Looking Ahead

The next decade will further cement the CHRO as a central architect of enterprise strategy. As technology reshapes work and talent markets evolve, CHROs will lead in skills, culture, and leadership resilience, connecting human and financial performance. Boards must evolve compensation design and governance structures to reflect the CHRO's growing influence on long-term success. The CHRO is no longer managing people, they are defining the future of work.

Titles and Structures Tell a Story

The evolution from SVP of HR to Chief Human Resources Officer, and now Chief People Officer, reflects a growing enterprise mandate. This evolution has been matched by a structural shift. Where HR once reported through operations, today's CHRO reports directly to the CEO, underscoring the role's influence on strategy, governance, and performance. These shifts mark the profession's transformation from operational enabler to enterprise leader.



Appendix: Additional Detail

Methodology:

This CLEARthinking draws on publicly disclosed compensation data for CHROs from 331 Russell 3000 companies with available proxy filings for fiscal years 2023 and 2024.

The analysis includes CHROs or equivalent HR leaders among executive officers in proxy filings, representing compensation practices for the most senior and strategically influential HR leaders across public companies. Figures reflect target compensation data for base salary, annual incentive opportunity, and long-term incentive grant value, and exclude special or one-time awards. Data was analyzed by industry, company size, and year to assess trends in pay levels and mix.

CHRO Compensation Elements & Mix – Total Sample

Provided below for reference are the summary statistics for 2024 proxy disclosed CHRO compensation data by total sample, company size, and industry (see following page).

	%ile	2024 Size (\$B)		2024 Target Compensation (\$000s)					Avg. Pay Mix	
		Revenue	Market Cap	Salary	Bonus (% Sal.)	TCC	LTI	TDC	Cash	Equity
Total Sample (n=331)	75th	\$6.8	\$11.7	\$563	85%	\$1,010	\$1,546	\$2,476		
	50th	\$2.8	\$3.4	\$467	70%	\$774	\$875	\$1,676	49%	51%
	25th	\$1.0	\$1.2	\$394	58%	\$615	\$525	\$1,088		

CHRO Compensation Elements & Mix – Size

	%ile	2024 Size (\$B)		2024 Target Compensation (\$000s)					Avg. Pay Mix	
		Revenue	Market Cap	Salary	Bonus (% Sal.)	TCC	LTI	TDC	Cash	Equity
< \$1B (n=87)	75th	\$0.8	\$2.4	\$435	60%	\$674	\$922	\$1,511		
	50th	\$0.6	\$0.9	\$388	52%	\$600	\$455	\$1,001	55%	45%
	25th	\$0.3	\$0.4	\$350	48%	\$497	\$244	\$679		
≥ \$1B & < \$5B (n=133)	75th	\$3.7	\$7.4	\$508	75%	\$892	\$1,093	\$2,062		
	50th	\$2.5	\$2.8	\$450	67%	\$748	\$717	\$1,488	53%	47%
	25th	\$1.6	\$1.5	\$400	60%	\$621	\$493	\$1,126		
≥ \$5B & < \$10B (n=50)	75th	\$7.8	\$23.7	\$648	97%	\$1,186	\$2,088	\$3,300		
	50th	\$6.8	\$10.1	\$567	80%	\$985	\$1,184	\$2,214	44%	56%
	25th	\$6.1	\$4.1	\$500	75%	\$848	\$875	\$1,714		
≥ \$10B (n=61)	75th	\$36.6	\$103.4	\$770	120%	\$1,561	\$3,073	\$4,432		
	50th	\$21.0	\$23.2	\$650	99%	\$1,259	\$1,650	\$2,850	43%	57%
	25th	\$14.7	\$8.4	\$565	75%	\$1,062	\$1,110	\$2,107		

CHRO Compensation Elements & Mix – Industry

Industry	%ile	2024 Size (\$B)		2024 Target Compensation (\$000s)					Avg. Pay Mix	
		Revenue	Market Cap	Salary	Bonus (% Sal.)	TCC	LTI	TDC	Cash	Equity
Industrials (n=84)	75th	\$4.5	\$5.6	\$519	80%	\$919	\$595	\$1,971		
	50th	\$2.5	\$3.5	\$448	74%	\$760	\$364	\$1,493	54%	46%
	25th	\$1.2	\$1.0	\$400	60%	\$628	\$253	\$1,102		
Consumer Discretionary (n=66)	75th	\$8.6	\$7.4	\$625	85%	\$1,119	\$826	\$2,314		
	50th	\$3.7	\$2.8	\$496	71%	\$853	\$450	\$1,718	50%	50%
	25th	\$1.2	\$1.0	\$409	60%	\$634	\$305	\$1,024		
Health Care (n=42)	75th	\$7.7	\$20.9	\$578	75%	\$991	\$1,219	\$2,957		
	50th	\$1.4	\$2.7	\$475	68%	\$759	\$814	\$2,148	38%	62%
	25th	\$0.4	\$0.9	\$430	50%	\$637	\$413	\$1,445		
Financials (n=32)	75th	\$3.9	\$10.1	\$600	139%	\$1,268	\$846	\$2,798		
	50th	\$1.0	\$2.4	\$440	100%	\$747	\$564	\$1,725	52%	48%
	25th	\$0.6	\$0.6	\$375	60%	\$577	\$203	\$880		
Information Technology (n=29)	75th	\$6.1	\$15.9	\$560	95%	\$1,080	\$1,593	\$3,520		
	50th	\$2.0	\$3.3	\$464	70%	\$767	\$747	\$2,463	36%	64%
	25th	\$0.7	\$1.6	\$392	60%	\$618	\$556	\$1,413		
Consumer Staples (n=25)	75th	\$11.9	\$16.9	\$566	85%	\$1,046	\$1,023	\$2,470		
	50th	\$3.3	\$2.8	\$500	70%	\$850	\$692	\$1,840	48%	52%
	25th	\$1.6	\$2.1	\$375	55%	\$585	\$385	\$902		
Materials (n=20)	75th	\$5.9	\$3.9	\$547	75%	\$945	\$578	\$1,826		
	50th	\$2.6	\$1.2	\$477	70%	\$799	\$402	\$1,491	51%	49%
	25th	\$1.4	\$0.8	\$398	60%	\$637	\$312	\$1,195		
Communication Services (n=15)	75th	\$9.6	\$11.1	\$733	100%	\$1,446	\$2,182	\$4,241		
	50th	\$2.3	\$2.2	\$525	88%	\$842	\$963	\$2,401	35%	65%
	25th	\$1.4	\$1.8	\$384	66%	\$631	\$485	\$1,607		
Utilities (n=9)	75th	\$12.3	\$27.7	\$528	72%	\$891	\$951	\$1,841		
	50th	\$9.3	\$18.9	\$475	62%	\$780	\$712	\$1,472	48%	52%
	25th	\$3.8	\$7.8	\$421	52%	\$632	\$545	\$1,331		
Energy (n=5)	75th	\$1.6	\$2.1	\$372	90%	\$668	\$1,072	\$2,254		
	50th	\$0.8	\$1.6	\$370	75%	\$651	\$1,018	\$1,149	39%	61%
	25th	\$0.5	\$0.5	\$368	60%	\$588	\$723	\$816		
Real Estate (n=4)	50th	\$0.6	\$5.2	\$319	53%	\$487	\$143	\$820	60%	40%



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