



THE MARKET VALUE OF PHR AND SPHR CERTIFICATIONS

# SUGARCOATING OR CAREER SWEETENER?

# WITH THE JOB UNCERTAINTY OF RECENT YEARS, PROFESSIONALS ARE EAGER TO PROVE THEMSELVES A MORE VALUABLE ASSET THAN OTHERS IN THEIR FIELD.

Finding ways to set themselves apart from their colleagues is a constant challenge for any professional. Human resource professionals have the option of attaining the Professional in Human Resources (PHR) and Senior Professional in Human Resources (SPHR) certifications as a way to do that. The professional distinction of a certification serves to set experts apart from other HR professionals. Those who get certified not only gain a valuable education, but also increase their job opportunities and pay. “For the second year we have produced an in-depth report analyzing the impact of PHR and SPHR certifications on pay and career growth for HR positions. Once again we found that holding one or both of these certifications is a surefire way to increase pay, as well as the propensity to be promoted to a higher position,” reports Katie Bardaro, Lead Economist at PayScale.

New research conducted by PayScale quantifies the impact of gaining the certification. The data shows Human Resources professionals with the PHR and SPHR designations through the career labyrinth faster and make more money than those who lack the certification. This pattern holds across all industries as well as the largest metropolitan areas. HR Certification is becoming an important means for employers to recognize HR expertise, and for HR professionals to sweeten their HR careers.

## Research Highlights:

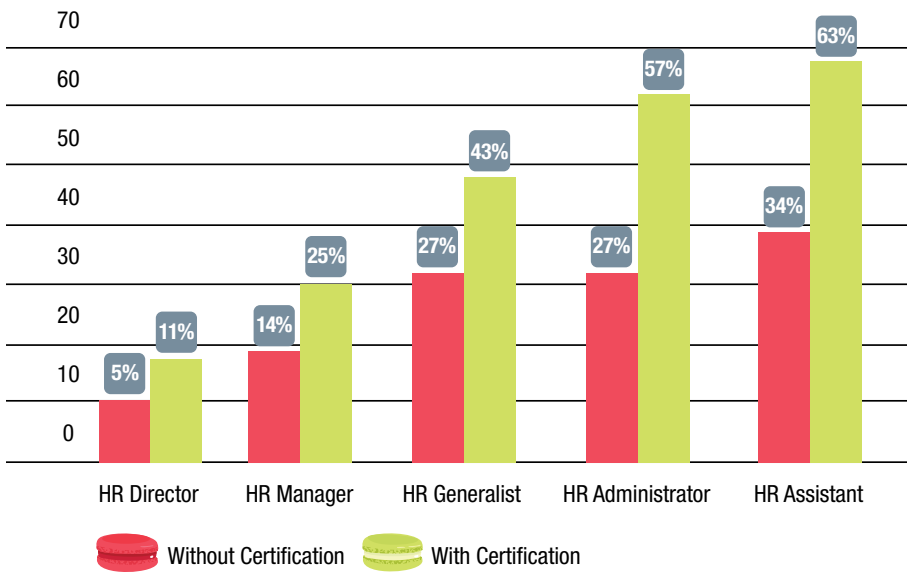
- **Fuel for Promotions.** Holding either certification is linked to increased frequency and level of promotion.
- **Top Heaviness.** Certification frequency increases along with job title, with almost 50% of VPs holding either a PHR or SPHR. As job responsibility increases, so does the likelihood of certification
- **SPHR is Trendier for Leaders in 2013.** The rates of SPHR certification at the highest career levels increased from 2012 to 2013.
- **SMBs are Getting the HR Talent in 2013.** In 2012 certified HR professionals were most likely to work at large companies. In 2013 that trend flipped, with companies with fewer than 500 employees eclipsing larger ones.
- **Executives Made Less in 2013.** HR professionals made more money overall in 2013, unless they happened to have a seat at the executive table. VPs of HR have lower salaries in 2013 than they did in 2012.
- **Certified HR Professionals are Satisfied.** Of those certified, 80% reported overall job satisfaction.



# JOB PROGRESSION

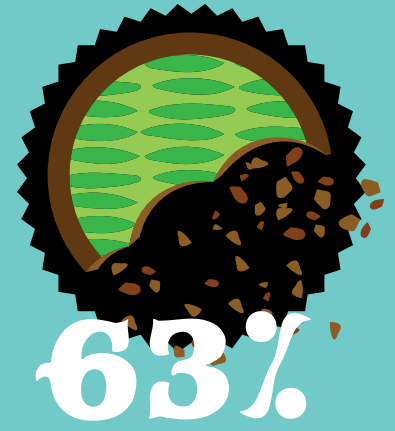
Holding a PHR or SPHR certification can be a powerful energy boost to career momentum. Comparing the rates of promotion for those with either certification against those who held neither certification proves professionals with either the PHR or SPHR attain promotion more frequently and move into higher positions more often than those without either certification. In fact, in almost every position the chances of advancement doubles.

## PERCENTAGE RECEIVING PROMOTION WITHIN 5 YEARS



## FREQUENCY OF CERTIFICATIONS AT HIGHER LEVELS OF MANAGEMENT

PayScale's analysts looked at the certification status for respondents compared to their current job title. With each turn through the career labyrinth, the frequency of certification increases. In addition, the research shows that nearly half of those HR professionals with the greatest levels of responsibility hold either the PHR or the SPHR.



# 63%

OF CERTIFIED HR ASSISTANTS GOT PROMOTED

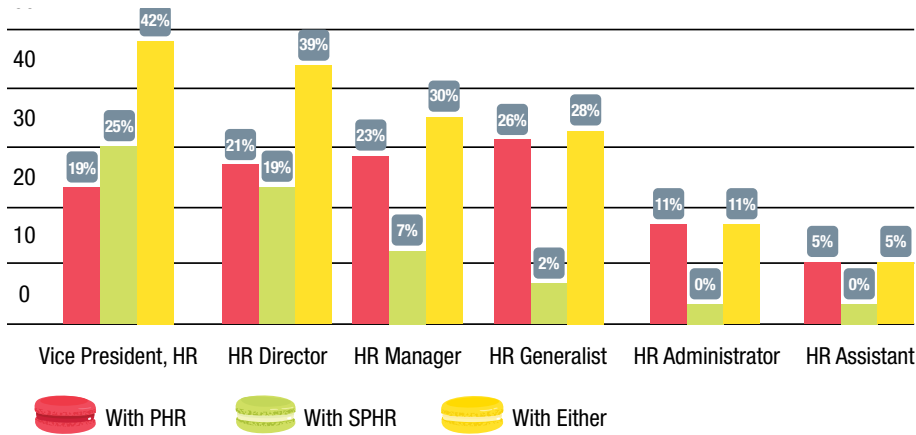


# 34%

OF THE UN-CERTIFIED DID.



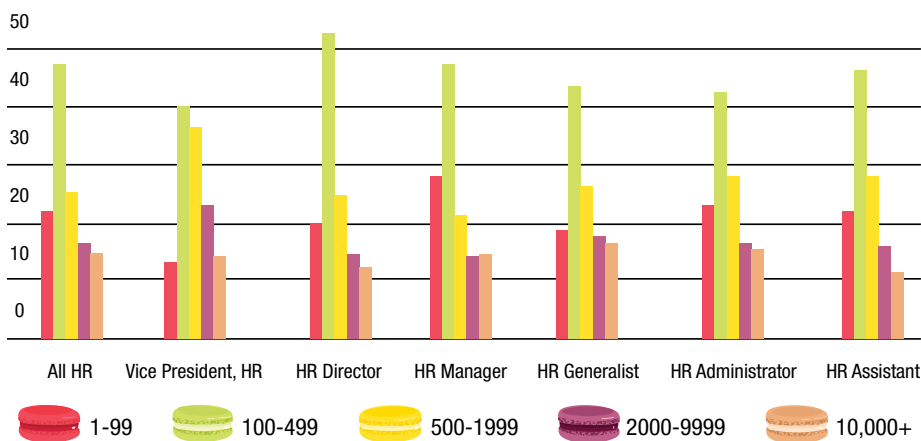
## PERCENTAGE OF THOSE BY TITLE HOLDING CERTIFICATIONS



## FREQUENCY BY COMPANY SIZE

While not a major factor, company size does play a role in whether or not HR professionals hold a PHR or SPHR certification. PayScale found that HR professionals with either certification are more likely to work at small or medium-sized companies than at larger companies. This is a flip from 2012, when the largest of companies also had the most likelihood to have certified HR professionals on staff. The decrease for the largest of companies may be tied to the fact that junior staff members, which as we saw are less likely to hold a certification, make up a larger percentage of total staff.

## PERCENTAGE WITH EITHER CERTIFICATION BY COMPANY SIZE



## SPHR IS TRENDIER FOR LEADERS IN 2013

The percentage overall of people holding either cert stayed the same from 2012 to 2013, but in 2013 there was an increase in the SPHR at manager level or above from 2012 numbers.

That same group's PHR certifications decreased from 2012 to 2013. The higher the career level, the more significant that swing toward the SPHR.



# PAY DIFFERENCES

HR professionals who hold the PHR or SPHR certifications tend to make more money than their peers who do not. While the difference is relatively small at more junior roles, the difference becomes more significant in more senior positions. The table shows those at the Vice President level actually make a little less. This is potentially explained by the declining importance of the certifications at the highest levels, compared to factors like budget, scale of the enterprise and scale of staff.

	PHR Median Pay	SPHR Median Pay	Either Cert Median Pay	Neither Cert Median Pay
All HR	\$59,100	\$87,900	\$64,700	\$45,600
Vice President, HR	\$125,000	\$138,000	\$131,000	\$140,000
HR Director	\$77,000	\$98,600	\$88,000	\$76,500
HR Manager	\$64,000	\$74,700	\$66,200	\$54,500
HR Generalist	\$50,900	\$56,200	\$51,200	\$44,800
HR Administrator	\$44,800	N/A	\$44,800	\$39,500
HR Assistant	\$35,500	N/A	\$35,500	\$32,500

## BY LOCATION

Wherever the zip code, the PHR and SPHR certifications go along with higher pay for those that hold them. PayScale looked at the ten largest metros in the country and found that HR folks with certifications have a higher median pay than those without. The median annual pay numbers listed here included HR professionals at all levels of experience, working in companies of all sizes.

## NO SUGAR AT THE EXEC. TABLE

With or without a certification, HR professionals overall made slightly more money in 2013 than they did in 2012, however those increases weren't seen at the executive table. HR Vice Presidents in every category made less money than they did in 2012.



MSA Size Rank	Metropolitan Statistical Area	All HR (either cert)	All HR (neither cert)	% Increase with Cert
1	New York	\$75,900	\$55,400	37%
2	Los Angeles	\$66,000	\$50,100	32%
3	Chicago	\$67,100	\$47,800	40%
4	Dallas	\$70,500	\$47,900	47%
5	Philadelphia	\$66,800	\$51,500	30%
6	Houston	\$66,400	\$46,100	45%
7	Washington DC	\$77,400	\$53,700	44%
8	Miami	\$65,400	\$45,900	42%
9	Atlanta	\$70,900	\$45,900	54%
10	Boston	\$76,300	\$54,300	41%

## BY INDUSTRY

Although pay varies across industries, PHR and SPHR holders nearly always make more money than those with neither certification.

Industry	All HR (either cert)	All HR (neither cert)
Accommodation and Food Services	\$64,200	\$43,900
Construction	\$61,500	\$46,400
Finance and Insurance	\$61,600	\$48,800
Healthcare and Social Assistance	\$52,700	\$40,700
Information Technology	\$64,300	\$51,000
Manufacturing	\$59,000	\$47,300
Non-Profit Organizations	\$58,800	\$43,400
Professional, Scientific and Technical Services	\$63,000	\$50,800
Retail	\$58,000	\$43,000
Wholesale Trade	\$63,600	\$48,100

VIEW THE  
INTERACTIVE MAP

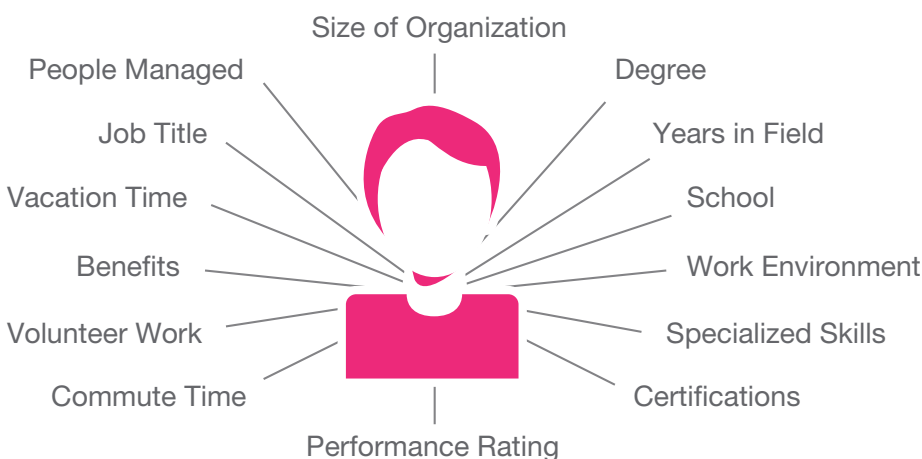


## BY GENDER

While pay is fairly even for Assistant, Administrator and Generalist titles, men tend to earn more when they are Managers, Directors or VPs.

	Men All HR (either cert)	Women All HR (either cert)	% Difference
Vice President, HR	\$153,000	\$119,000	-22%
HR Director	\$95,600	\$82,500	-14%
HR Manager	\$71,300	\$65,400	-8%
HR Generalist	\$52,200	\$51,900	-1%
HR Administrator	\$48,300	\$45,100	-7%
HR Assistant	\$36,200	\$37,100	+2%
All HR	\$76,700	\$63,100	-17%

When looking at Gender differences it's important to look at the fact that title and certification status are only a small subset of factors that affect the compensation of HR professionals. When controlled for some of the 250 other compensable factors PayScale tracks—such as location, company size, organization type, signing authority, years of experience, degree and industry—the gender pay differential is much less significant across all job titles. With all the details that matter taken into account, the gender difference is generally less than 5%.



## SOFT JOB FEATURES



OF CERTIFIED HR PROFESSIONALS REPORT JOB SATISFACTION.



HAVE FLEXIBLE SCHEDULES.



# THE BOTTOM LINE

PayScale reviewed the impact of the PHR and SPHR certifications on the careers of HR professionals and found that acquiring the certification sweetened the careers of most HR positions. Either certification led to faster career growth and higher median pay. The positive impact of the credentials could be seen across job titles, industries, genders and geographies.

## METHODOLOGY

Using its database of more than 40 million salary profiles and 250 compensable factors, PayScale analyzed various aspects of Human Resources (HR) positions, comparing results for professionals with and without a Professional Human Resources (PHR) or Senior Professional in Human Resources (SPHR) certification.

Limiting its research to data from March 2012 to March 2013, PayScale determined how HR positions for those holding a PHR or SPHR designation differ from those without either certification in terms of pay levels nationally, across 10 industries and the 10 largest metropolitan areas and by gender. Additionally, PayScale provided further analysis comparing company sizes and career progression.

## DEFINITIONS

**Total Cash Compensation (TCC):** TCC combines base annual salary or hourly wage, bonuses, profit sharing, tips, commissions, and other forms of cash earnings, as applicable. It does not include equity (stock) compensation, cash value of retirement benefits, or value of other non-cash benefits (e.g., healthcare).

**Median Annual Pay with PHR/SPHR:** This is the median, annual total cash compensation (TCC) for a person with the specified HR job title, holding the Professional in Human Resources or Senior Professional in Human Resources certification.

**% Pay Increase for PHR/SPHR Holders:** This is the percentage increase in median, annual pay for those with a PHR/SPHR over those without.

**Median Pay Calculations:** There were no restrictions on company size, experience level, or other job qualifications when calculating the median pay figures. All pay figures are in 2013 dollars.

**Job Title 5 Years Ago:** In PayScale's survey, users are asked what their job title was five years ago. This data was used to calculate the ratio of HR professionals whose job title five years ago was a lower level title than their current title for those with and without the PHR and SPHR.

**All HR Job Titles:** This group of jobs includes Human Resources (HR) Assistant, HR Administrator, HR Generalist, HR Manager, HR Director and Vice President, HR.





# ABOUT PAYSACLE

Creator of the largest database of individual compensation profiles in the world containing 40 million salary profiles, PayScale, Inc. provides an immediate and precise snapshot of current market salaries to employees and employers through its online tools and software. PayScale's products are powered by innovative search and query algorithms that dynamically acquire, analyze and aggregate compensation information for millions of individuals in real time. Publisher of the quarterly [PayScale Index™](#), PayScale's subscription software products for employers include [PayScale MarketRate™](#), [PayScale Insight™](#), and [PayScale Insight Expert™](#). Among PayScale's 2,500 corporate customers are organizations small and large across industries including Mozilla, Tully's Coffee, Clemson University and the United States Postal Service.

Learn more about PayScale's data methodology here: <http://www.payscale.com/hr/product-how-it-works>

See the infographic: <http://www.payscale.com/hr/2013-compensation-practices-infographic>

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