

Annual HR Salary

In a shaky economy, many organizations may be tempted to save money by scaling back training and development budgets, including pay raises for staff. However, the current economic slowdown has been counterbalanced by an unprecedented labor shortage in the United States, resulting in a varied, compelling compensation scenario.

In fact, changes in median total cash salary this past year ranged from increases of less than 2 percent for some t&d positions to increases of more than 14 percent for others, according to the *2001 Human Resource Compensation Survey*.

The survey, conducted annually by consulting firm William M. Mercer in conjunction with the Society for Human Resource Management, examines compensation trends and issues for a wide range of HR positions. This year's edition includes data provided by more than 1,150 U.S. companies that collectively have more than 10 million employees, and covers more than 37,000 employees in 103 HR jobs, ranging from top management to clerical positions. Of those jobs, 14 are specifically related to training and development.

For each job, the survey report contains statistical summaries for base salary, short-term incentives, total cash compensation (base salary plus short-term

Training and development pay trends reflect the state of the economy and labor supply.

By Patricia Schaeffer

Survey

Median Total Cash Compensation for Training and Development Jobs

Job	2001 Median Total Cash Compensation	% Change from 2000
Top corporate organization development executive	\$155,100	9.6%
Top corporate training executive	\$137,600	10.5%
Management development manager	\$93,400	9.6%
Organization development training manager	\$92,000	6.9%
Training center manager	\$90,500	8.4%
Technical training manager	\$86,700	14.4%
Training manager	\$72,200	1.1%
Performance consultant	\$70,100	3.5%
Technical trainer	\$58,100	15.2%
Instructional designer	\$57,500	1.5%
Training analyst	\$49,000	5.8%
Trainer	\$44,500	5.4%
Training coordinator	\$35,200	2.9%

incentive), salary ranges, and short- and long-term incentive eligibility.

Note: The pay levels reported in this article and the accompanying tables are based on all incumbents in a given job. This data represents general trends, not definitive statements of competitive compensation. Actual pay for these positions typically would be correlated with such factors as industry and organization size.

Pay increases

Of the training and development jobs included in this year's survey, six had relatively large increases in median total cash compensation (8 percent or more), five had relatively small pay increases (less than 4 percent), and increases for the remaining two jobs fell between 4 percent and 8 percent. As a point of comparison, median base pay increases in the United States continue to hover around 4.2 percent and 4.4 percent.

Incentive Eligibility

Job	% Eligible for Short-Term Incentive		% Eligible for Long-Term Incentive	
	2000	2001	2000	2001
Top corporate organization development executive	89%	90%	55%	63%
Top corporate training executive	90%	84%	56%	51%
Organization development training manager	75%	75%	35%	37%
Management development manager	77%	79%	37%	34%
Training center manager	56%	74%	28%	30%
Training manager	71%	74%	33%	31%
Technical training manager	77%	78%	49%	27%
Performance consultant	77%	63%	32%	21%
Instructional designer	57%	63%	11%	18%
Trainer	68%	60%	16%	12%
Technical trainer	59%	59%	22%	19%
Training analyst	42%	53%	15%	19%
Training coordinator	45%	56%	17%	15%

Pay Variations Among HR Managers

Job	2001 Median Total Cash Compensation
Labor relations manager	\$105,200
Organization development training manager	\$92,000
Compensation manager	\$90,000
EEO-diversity manager	\$90,000
Human resource manager	\$88,800
Compensation and benefits manager	\$85,600
HRIS manager	\$85,000
Benefits manager	\$84,100
Employee communications manager	\$81,500
Employment and recruiting manager	\$80,800
Employee relations manager	\$80,000
Training manager	\$72,200
Payroll manager	\$68,000
Safety-security manager	\$67,700
Senior generalist	\$65,500

Those differences are driven in part by the available pool of talent and the required job skills. For jobs requiring talent that's readily available or more general skills, pay remained relatively flat. For jobs requiring specialized or in-demand skills, pay raises were higher—sometimes significantly. For example, the largest increases among the t&d jobs were for two technology-related positions—technical training manager and technical trainer—at 14.4 percent and 15.2 percent. That may signal an emphasis on developing technical people internally as a partial solution to the scarcity of talent in the external market.

Incentive eligibility

Incentive pay continues to grow in importance as a component of overall compensation for t&d professionals. Generally speaking, the more senior the position, the more likely the applicant will be eligible for both short- and long-term incentives, although short-term awards are much more prevalent for t&d

Pay increases for training executives, managers, and technical trainers are outpacing the U.S. average for all t&d positions.

Pay Variations Among HR Executives

Job	2001 Median Total Cash Compensation
Top international HR management executive	\$161,700
Top corporate total quality executive	\$155,900
Top corporate organization development executive	\$155,100
Top corporate compensation and benefits executive	\$153,800
Top corporate labor-industrial relations executive	\$153,000
Top corporate training executive	\$137,600
Top corporate compensation executive	\$133,000
Top corporate employee relations executive	\$132,500
Top corporate benefits executive	\$129,300

jobs. At least eight out of 10 top executives are eligible for short-term incentives, as are about three-quarters of t&d professionals in mid-level jobs. Even at more junior levels, more than 50 percent are eligible for short-term rewards.

Far fewer t&d professionals qualify for long-term awards, which include incentive stock options, nonqualified stock options, phantom stock, restricted stock, and performance units and shares. While more than half of the most senior t&d executives are eligible for long-term incentives, only 25 to 40 percent of employees in mid-level jobs are eligible. Fewer than one in five lower-paying positions qualify for long-term benefits.

Pay by functional area

This year's survey continues to show sharp differences in pay among HR's functional areas. Among HR managers, the survey shows that labor relations managers receive the highest pay (median total cash compensation

of US\$105,200), followed by organization development training managers (\$92,000), compensation managers (\$90,000), and EEO and diversity managers (\$90,000). At the other end of the manager pay spectrum are safety-security managers (\$67,700) and payroll managers (\$68,000). Training managers also fall toward the lower end of the pay scale at \$72,200.

Similar differences exist at the executive level. By functional area, the highest-paid HR professionals include top international HR management executives (median total cash compensation of \$161,700), corporate total-quality executives (\$155,900), corporate organization development executives (\$155,100), corporate compensation and benefits executives (\$153,800), and corporate labor and industrial relations executives (\$153,000). The top corporate training executives also rank lower on the HR executive pay range, with median total cash compensation of \$137,600.

Pay patterns for t&d professionals are most similar to pay patterns for employee relations professionals, a functional area that's also considered a "softer" component of HR, as compared to compensation, benefits, and labor relations. Median total cash compensation for the top executives in training and employee relations is close—\$137,600 and \$132,500—and both saw healthy pay increases this past year. Median total cash compensation for the top corporate training executive rose 10.5 percent, while pay for the top corporate employee relations executive rose 5.8 percent.

At the manager level, a training manager earns median total cash compensation of \$72,200, compared to \$80,000 for an employee relations manager. Training managers saw their median pay increase 1.1 percent last year, compared to a 3.9 percent increase for an employee relations manager.

At a more junior level, training analysts receive median total cash compensation of \$49,000, compared

Training and Development vs. Employee Relations Jobs

Job	2011 Median Total Cash Compensation	Change from 2010
Top corporate training executive	\$137,600	10.5%
Top corporate employee relations executive	\$132,500	5.8%
Training manager	\$72,200	1.1%
Employee relations manager	\$80,000	3.9%
Training analyst	\$49,000	5.8%
Employee relations specialist	\$52,200	5%

to \$52,200 for an employee relations specialist. Interestingly, both of those positions showed negative salary growth (-5.8 percent and -5 percent) over the past year. That pattern held true for many of the entry-level HR positions. Most analyst, administrator, clerical, coordinator, and general positions had increases in median total cash compensation of 2 percent or less over the past year, with some actually showing lower pay levels than the previous year. Labor supply and demand is most likely the cause. An overabundance of job candidates for entry-level positions may be responsible for holding down salary levels.

Pay variables

Industry and organization size also influence pay levels for t&d professionals, as illustrated by two of the most highly populated jobs in this year's survey. Median total cash compensation for an organization development training manager is \$92,000, but may range far below that level for some industries, such as health care at \$78,600, or far above that level for others, such as non-durable manufacturing at \$106,500. Similar pay variations exist for trainers, who receive median total cash compen-

sation of \$44,500. However, in the retail-wholesale industry, trainers receive almost 10 percent less (\$40,500), while trainers at nondurable manufacturing firms receive nearly 10 percent more (\$48,700).

Company size plays a role in determining pay levels; however, pay doesn't always rise in lock step with company size. For example, an OD training manager at a company with fewer than 1,000 employees receives \$84,700 in median total cash compensation, rising to \$88,100 for a company with 1,000 to 3,499 employees, \$92,000 for a company with 3,500 to 9,999 employees, and \$93,700 for companies with 10,000 or more employees. On the other hand, a trainer at a company with fewer than 1,000 employees is paid \$45,600, compared to \$48,500 for a company with 1,000 to 3,499 employees, \$41,400 for a company with 3,500 to 9,999 employees, and \$44,700 for companies with 10,000 or more employees. It's not unusual to see the correlation between pay and company size steadily weaken as you move down the organizational hierarchy.

Wrap up

Pay increases for training executives and managers, as well as for technical

trainers, are outpacing the U.S. average for all positions. In addition, short-term incentive eligibility for most t&d positions is increasing. Much of that may be driven by labor market shortages that have encouraged organizations to develop their own talent. That trend may continue even in times of higher unemployment as employers mount initiatives to reduce the cost of turnover. Research consistently shows that a leading cause of voluntary termination is the lack of training and development opportunities. TD

Patricia Schaeffer is a senior consultant in the reward and talent management practice of William M. Mercer, a worldwide consulting organization with offices in more than 40 U.S. cities that assists employers in the areas of human resource strategy and implementation. She has managed numerous projects focused on the design of base salary and incentive compensation programs to support and reinforce organizational objectives and performance expectations. She can be reached at pat.schaeffer@us.wmmercer.com. The survey is available for purchase from William M. Mercer: 800.333.3070; www.imercer.com. The cost is US\$495 for survey participants and US\$1,485 for nonparticipants.