

# THE 2018 MARKET VALUE OF HR CERTIFICATIONS FOR HR PROS U.S EDITION

## Introduction

In the HR profession, getting an HR certification is generally seen as a good way for HR pros to learn new skills and competencies, earn more and move up in their careers. But just how much value do these certifications hold?

To find out, PayScale collected salary and demographic information from over 102,000 respondents who completed our online salary survey. These respondents have HR job titles and 34 percent reported that they have at least one HR certification. We analyzed the impact of various HR certifications on compensation and career trajectory for HR professionals in the U.S. For the study, we evaluated 10 distinct HR certifications from four HR membership organization.

For this study, we evaluated 10 distinct certifications from four HR membership organizations including SHRM, HRCI, World at Work and the Institute for Professional Excellence in Coaching.

To determine the impact HR certifications have on compensation and career advancement for HR pros in the U.S., we looked at the dataset through a number of lenses. First, we built a statistical model to estimate the pay boost one can expect from having a particular HR certification, while controlling for other factors that impact compensation such as job title, industry and location.



In addition, we evaluated the median pay for HR pros with and without certifications, the percent pay boost of having a certification by metropolitan areas and by industry. Also, we examined how much compensation grew for HR certification holders over the last decade. Last but not least, we looked at the promotion velocity for those with HR certifications vs. those without.

We found that for the most part, having an HR certification is beneficial from a pay perspective and a career advancement perspective.

Below, we present the key findings.

## **Type Of HR Certifications**



#### **HRCI**

HRCI - The HR Certification Institute - has been offering HR certifications for over 40 years. It's well recognized in the HR community: More than 500,000 HR professionals in more than 100 countries have earned certifications from HRCI. HRCI offers several types of certifications:

- The Professional in Human Resources (PHR)
- Senior Professional in Human Resources (SPHR)
- Associate Professional in Human Resources (aPHR)
- California Professional in Human Resources (PHR-CA), for those practicing HR in California
- California Senior Professional in Human Resources (SPHR-CA), for those practicing HR in California
- Global Professional in Human Resources (GPHR)



#### **SHRM**

<u>SHRM - The Society for Human Resource Management</u> - is the largest HR membership organization focused on professional development. It has supported more than 100,000 employers representing 140 million employees worldwide.

In 2014, SHRM launched <u>a new</u>, "competency-based" certification program for HR professionals to give them another option for learning and professional development. According to SHRM's website, the SHRM certification provides practitioners with "jobrelevant" knowledge, and skills that are transferable across industries, geographic borders, job responsibilities and career levels. Certifications are also "focused on advancement", "strategic", accredited by the Buros Center for Testing, and backed by SHRM, the world's largest HR membership organization.

SHRM offers just two types of certifications:

- SHRM Certified Professional (SHRM-CP)
- SHRM Senior Certified Professional (SHRM -SCP)

When SHRM rolled out their own certifications, they allowed existing HRCI certification holders to map their old certifications over to the new SHRM options.



#### **World at Work**

<u>World at Work</u> is the leading nonprofit professional association in compensation and total rewards. They provide professional development for those who design and deliver total rewards programs. World at Work's most popular certification is the Certified Compensation Professional (CCP).



# **Institute for Professional Excellence in Coaching (iPEC)**

The <u>iPEC</u> is one of the largest ICF-accredited coaching training schools in the world, it has helped over 15,000 graduates launch careers as Certified Professional Coaches. It offers the Certified Professional Coach (CPC) credential.

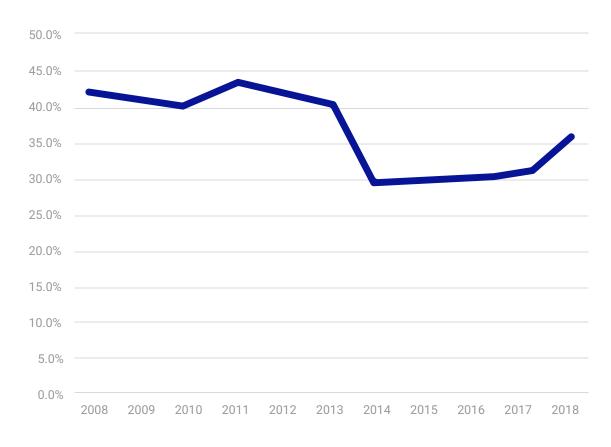


# Who's Getting HR Certifications?

In 2018, we found that 34.2 percent of all HR professionals have at least one HR certification.

The prevalence of HR certifications have steadily declined from 2008 to 2014, but it's then picked up in the last 4 years. A big part of this has to do with SHRM, which started to offer its own certifications (the SHRM-CP and SHRM-SCP) in 2015.

# % Of HR Professionals With At Least One Certification



# Which HR Certifications Are Most Prevalent in 2018?

HRCI certifications are most prevalent in 2018. In fact, 30.4 percent of HR professionals in our dataset have at least one certification from HRCI. This makes sense, as HRCI has been offering HR certifications for over 40 years.

Certifications	% of HR Pros
Has at least one certification	36.4%
Professional in Human Resources (PHR)	16.9%
SHRM Certified Professional (SHRM-CP)	15.4%
Senior Professional in Human Resources (SPHR)	7.9%
SHRM Senior Certified Professional (SHRM-SCP)	5.3%
Associate Professional in Human Resources (aPHR)	0.7%
Global Professional in Human Resources (GPHR)	0.3%
Certified Compensation Professional (CCP)	0.2%
California Senior Professional in Human Resources (SPHR-CA)	0.1%
California Professional in Human Resources (PHR-CA)	0.1%



The most popular HR certification to get from the HRCI is the Professional in Human Resources (PHR) certification; 16.9 percent of HR professionals who responded to our survey in 2018 said they have this certification.

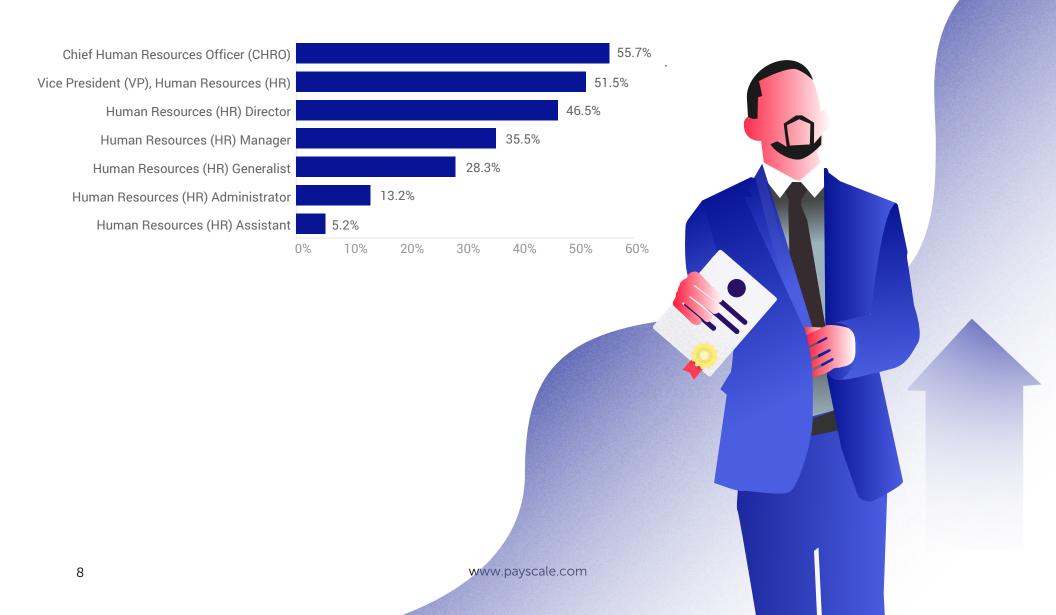
The second most popular HR certification is SHRM"s Certified Professional certificate (SHRM-CP); 15.4 percent of all HR professionals who responded in our survey in 2018 said they have this.

The Senior Professional in Human Resources (SPHR) is the third most popular certification (this requires someone to already have the PHR); 7.9 percent of all HR professionals who answered our survey in 2018 said they have this. The SHRM-SCP was just a little bit behind, with 5.3 percent of all HR professionals saying they have this in 2018.

In the last several years, we've seen that SHRM certifications have become increasingly popular. In 2018, we saw that nearly as many HR professionals reported having the SHRM-CP as the PHR from HRCI.

## **HR Certifications By Career Levels**

Higher level HR professionals are more likely to have an HR certification. While only 13.2 percent of HR administrators have at least one HR certification, 35.5 percent of HR managers are certified and 51.1 percent of Vice Presidents of HR are certified.



# **Does It Make Sense to Have Multiple HR Certifications?**

It is not uncommon for HR professionals to have multiple HR certifications. Some choose to get the more senior-level certification that follows the initial one. Others have gotten certifications from different certifying organizations. Certain pairs of HR certifications are fairly common:

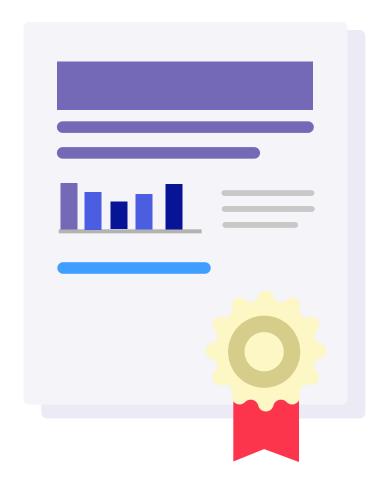
**50%** of SHRM Certified Professionals (SHRM-CP) also have a Professional in Human Resource (PHR) certification offered by HRCI.

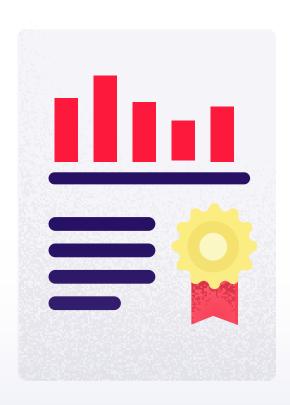
**62.5%** of SHRM Senior Certified Professionals (SHRM-SCP) also have a Senior Professional in Human Resources (SPHR) certification from HRCI.

**41.8%** of Global Professional in Human Resources (GPHR) certification holders also have a SPHR certification (both offered by HRCI).

**50%** of Certified Professional Coach (CPC) certification holders also have a SPHR (offered by HRCI).

14.1% of PHR (offered by HRCI) certification holders also have a SHRM-CP





## **How HR Certifications Impact Pay**

How does having an HR certification influence pay? How much does it vary by certification?

For the most part, HR certifications do give HR professionals a boost in pay. But the amount of the pay boost varies significantly depending on the particular certification, industry, work location, and job level.

To determine that a pay boost can be attributed to having a particular certification and not other compensable factors, we used a statistical model to isolate the effect of HR certifications on pay among several HR jobs. We controlled for location, job survey response year, company size, years of experience and whether or not two certifications might be more valuable together.

Using this approach, we determined statistically significant measures of "percent pay boost", which estimates the effect of having a particular certification on an individual's pay.

In other words, when we look at two people who have similar profiles, the person with a particular certification can expect to see an X percent pay boost compared to the person without this certification.

# Several Types of HR Certifications Gave Workers Significant Pay Boosts

The CPC, GPHR, and SPHR-CA gave certification holders a double digit boost in pay. Those who have the Certified Professional Coach (CPC) certificate saw the highest boost in pay (28.8 percent), followed by those who have the Global Professional in Human Resources (GPHR, 16 percent).

We also found that those with a SHRM-CP, SHRM-SCP, HRCI's PHR and SPHR can expect a pay boost, albeit a more incremental one.

Meanwhile, we did not have enough aPHR or PHR-CA certification holders in our dataset to be able to make confident estimates about pay boosts for these two types of certifications.

Certifications	Organizations	% of Pay Boost
Certified Professional Coach (CPC)	iPEC	28.0%
Global Professional in Human Resources (GPHR)	HRCI	16.0%
California Senior Professional in Human Resources (SPHR-CA)	HRCI	14.3%
Certified Compensation Professional (CCP)	WaW	9.7%
Senior Professional in Human Resources (SPHR)	HRCI	9.6%
SHRM Senior Certified Professional (SHRM-SCP)	SHRM	5.7%
SHRM Certified Professional (SHRM-CP)	SHRM	3.9%
Professional in Human Resources (PHR)	HRCI	2.9%

<sup>\*</sup>All results in this table are statistically significant.

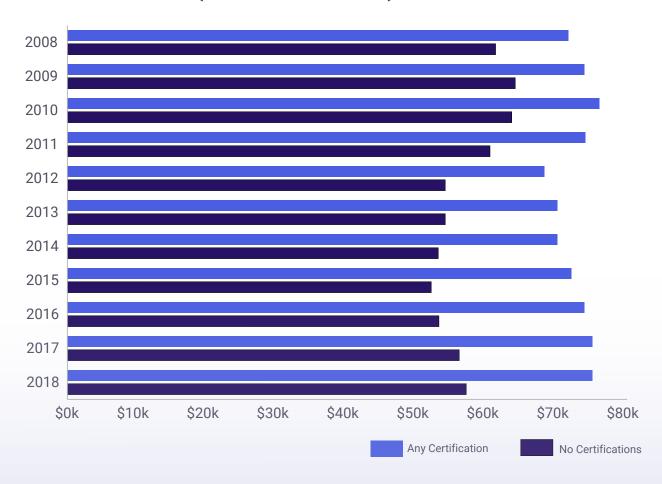
It's important to note that there are prerequisites to getting the more "senior" certifications, including prior certifications and prior work experience in HR. So, the employee profile of someone who has a Senior Professional in Human Resources (SPHR) is different from the profile of someone who has a Professional in Human Resources certification (PHR). However, we've included job title and years of experience in our regression model to make the estimates of pay boost as comparable as possible.

# Pay Boost Associated With Certification Holders (Based on Median TCC)

# **HR Certifications Are Gaining Value Over Time**

Over the last 10 years, HR certifications have become increasingly valuable to HR professionals from a pay perspective and a career acceleration perspective.

In 2008, the percent boost in pay associated with having any HR certification was 17 percent. The percent pay boost has climbed up and up, reaching close to 40 percent in 2016 before dropping slightly in the last two years. In 2018, the percent boost in pay associated with having an HR certification is 31.6 percent.



## A Closer Look at Pay Boosts

When we looked at each type of certification individually, we found that with the exception of the aPHR, all certification types led to a boost in pay for those who have it.

In addition, most certifications showed an upward trend where the percent pay boost increased year over year.

Because SHRM only started to offer certifications in 2015, we felt that there weren't enough years for clear trends on pay boost over time. We found that the median SHRM-CP certification holder reaped a 22.8 percent pay boost in 2018 compared to someone who has no certifications. The median-paid SHRM-SCP holder saw a 89.1 percent boost in pay in 2018.

# Pay Increases as Certification Level Increases

As for specific certifications, median pay increases by 54 percent from a SHRM-CP certification to SHRM - SCP certification. We looked at the median total cash compensation for people who responded to our survey in 2018.



SHRM-CP

Median pay - \$70,000

**SHRM-SCP** 

Median pay - \$107,800

Median pay increases by 50 percent from a PHR certification to a SPHR certification.

**PHR** 

Median pay - \$72,000

**SPHR** 

Median pay - \$108,000

Those with a GPHR make even more. These certification holders have a median pay of \$155,000.

Certifications	% Pay Boost	Any Certification	No Certification
Human Resources (HR) Manager	15.8%	\$69,500	\$60,000
Human Resources (HR) Administrator	15.5%	\$50,000	\$43,300
Human Resources (HR) Director	12.5%	\$90,000	\$80,000
Human Resources (HR) Assistant	11.6%	\$39,500	\$35,400
Human Resources (HR) Generalist	9.0%	\$54,500	\$50,000
Vice President (VP), Human Resources (HR)	-4.1%	\$140,000	\$146,000
Chief Human Resources Officer (CHRO)	-11.9%	\$163,000	\$185,000

# Certifications Help Boost Pay, but Only Up to a Point

Having a certification can help you increase your pay early and mid career, until you get to the director level. Once you're at the director level, certifications do not yield an incremental boost in pay. We believe it's likely that higher level HR professionals have gained enough practical experience that they no longer reap benefits from renewing their certifications. So, they've allowed their HR certifications to expire.

# **HR Certifications Help With Career Progression**

Having an HR certification positively influences an HR pro's chances of being promoted, and this holds true for every job level. However, certifications matter most in the earliest phase of an HR pro's career.

For each job title, we looked at the percentage of people receiving promotions in 5 years.

Getting a HR certification matters a lot at the HR assistant level: of certified professionals in this entry-level role, 82 percent report they have been promoted in the last five years, versus just 68 percent of those who aren't certified. It's interesting to note that certifications also increase the chances that an HR director would receive a promotion (we saw a 25 percent increase in odds of promotion at this job title level).

#### **% Receiving Promotions in 5 Years**

Jobs	Without Cerfifications	With at Least One	% Increase in Odds of Promotion
Human Resources (HR) Assistant	67.8%	82.4%	21.5%
Human Resources (HR) Administrator	62.7%	70.6%	12.6%
Human Resources (HR) Generalist	56.8%	65.9%	16.0%
Human Resources (HR) Manager	31.3%	34.5%	10.2%
Human Resources (HR) Director	16.1%	20.1%	24.8%
Vice President (VP), Human Resources (HR)	7.9%	9.1%	15.2%

<sup>\*</sup>The "Percent Increase in Odds of Promotion" metric is the percent effect of having any certification on promotions. The 24.8 percent value for HR directors means having any certifications increases the probability of having been promoted in the past five years by 24.8 percent.

# Which Industries Pay HR Certification Holders the Most?

Not all industries value HR certifications the same. Healthcare, Retail & Customer Service and Accommodation & Food Services value HR certification holders the most. These are the industries where HR certification holders saw the highest percentage boosts in pay. Meanwhile, Technology, Nonprofits, Engineering & Science value HR certifications the least.

Next, we looked at particular certifications to see which industries paid these certification holders the best.

# Percent Pay Boost For Certification Holders (Based on Median TCC)

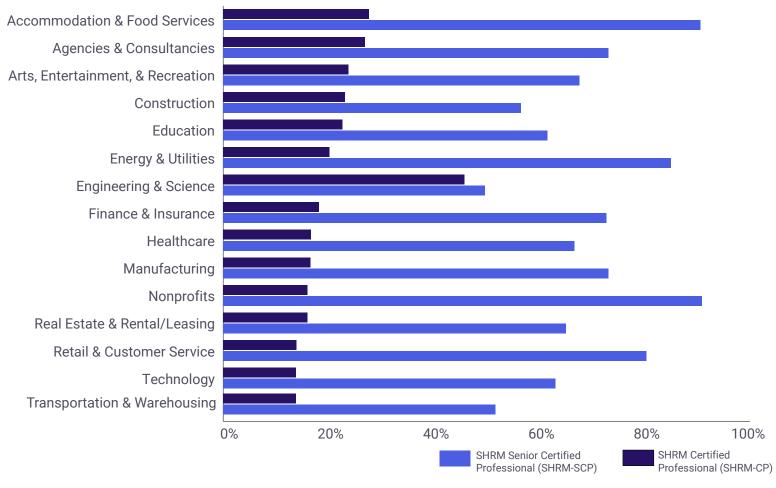
Healthcare	38.3%
Retail & Customer Service	34.6%
Accomdation & Food Services	33.3%
Transportation & Warehousing	32.1%
Education	30.9%
Arts, Entertainment, & Recreation	30.8%
Construction	30.4%
Finance & Insurance	29.8%
Manufacturing	29.7%
Average	29.5%
Energy & Utilities	27.7%
Real Estate & Rental/Leasing	26.8%
Angencies & Consultancies	25.4%
Engineering & Science	25.0%
Nonprofits	24.5%
Technology	23.1%

#### **SHRM Certifications**

All up, SHRM-CP certification holders see the largest boosts in pay in Healthcare (27.7 percent), Retail & Customer Service (26.9 percent) and Accommodation & Food Services (23.8 percent). These certification holders see smallest boosts in pay in Finance & Insurance (13.9 percent), Engineering & Science (13.8 percent), Agencies & Consultancies (13.8 percent) and Technology (10.8 percent).

Meanwhile, SHRM-SCP certification holders see the largest boosts in pay in Healthcare (90.6 percent), Real Estate & Rental and Arts (90.0 percent) and Entertainment & Recreation (85.0 percent). These certification holders see the smallest boosts in pay in Energy & Utilities (55.4 percent), Construction (56.4 percent) and Nonprofits (61.5 percent).

#### Percent Pay Boost For Certification Holders (Based on Median TCC)

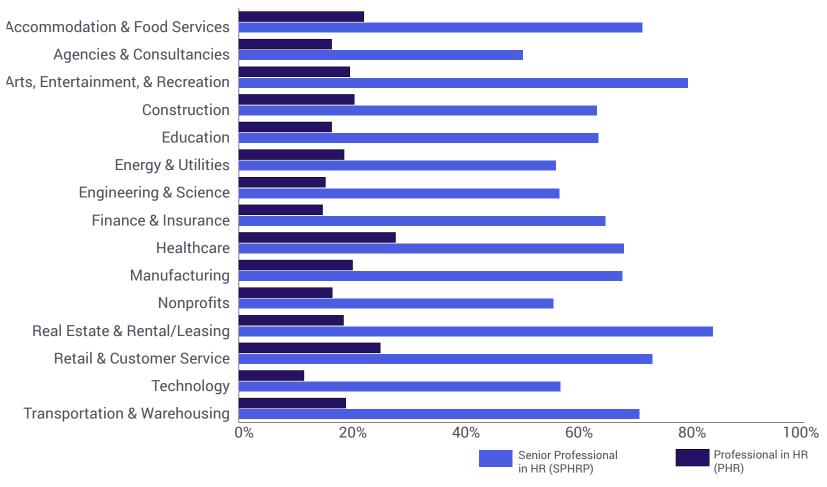


### **HRCI Certifications**

PHR certification holders see the largest boosts in pay in Healthcare (27.7 percent), Retail & Customer Service (25.0 percent) and Accommodation & Food Services (22.1 percent). These certification holders see the smallest boosts in pay in Technology (11.5 percent), Finance & Insurance (14.8 percent) and Engineering & Science (15.3 percent).

Meanwhile, SPHR certification holders see the largest boosts in pay in Real Estate & Rental (83.8%), Arts, Entertainment & Recreation (79.4 percent) and Retail and Customer Service (73.1 percent). These certification holders see the smallest boosts in pay in Nonprofits (55.6 percent), Agencies & Consultancies (50.2 percent) and Energy and Utilities (56.1 percent).



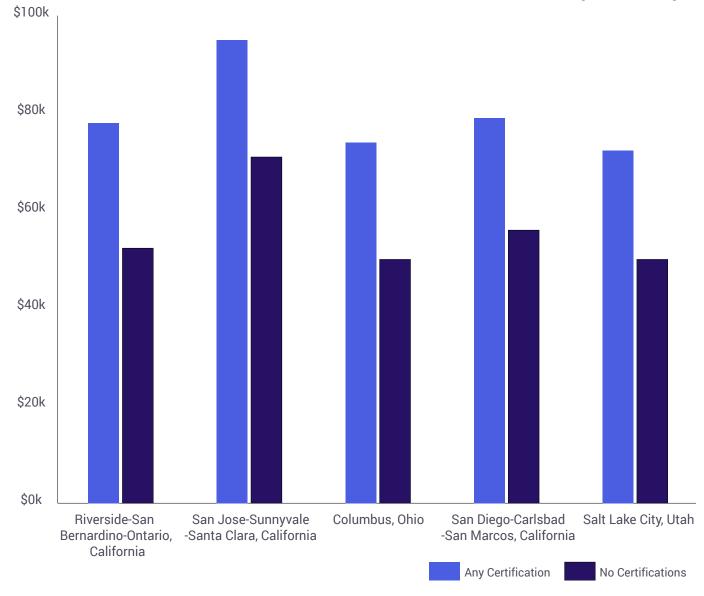


# Which Cities Pay HR Certification Holders the Most?

We looked at pay for 50 Metro Areas to see where HR certification holders can earn the most. HR certifications are particularly valuable in California; these certification holders earned more than \$20,000 more than those without certifications.

These are the five metro areas where having a certificate boosts pay the most:

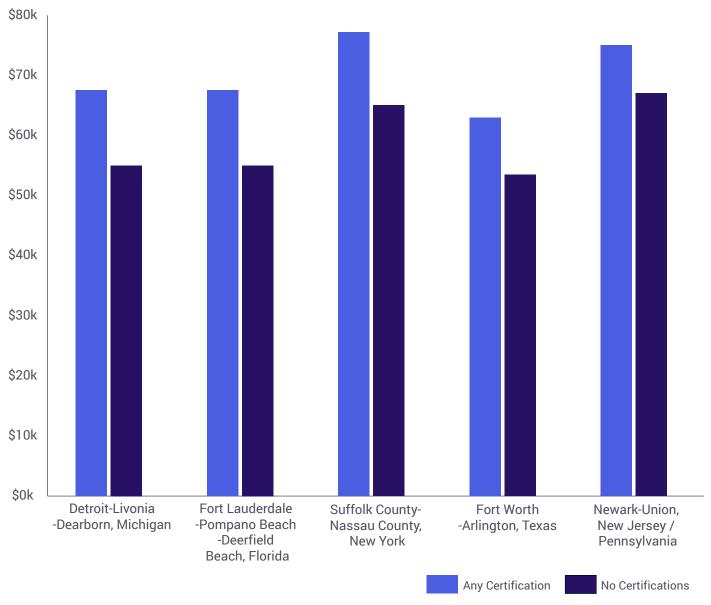
#### **5 Metro Areas Where HR Certifications Have The Most Impact On Pay**



#### **5 Metro Areas Where HR Certifications Have Least Impact On Pay**

HR certifications were not as valuable from a pay perspective in Detroit, Michigan, Fort Lauderdale, Florida, Suffolk County, New York, Fort Worth, Texas or Newark New Jersey.

These are the five metropolitan areas where having HR certifications have the least impact on pay.



## **Summary**

There are clear, quantifiable benefits to obtaining HR certifications. The degree to which becoming certified impacts pay and career progression for HR pros varies among job levels, geographies, industries and the specific certification. But overall, getting an HR certification seems to be a smart move for the majority of U.S. HR professionals.

## Methodology

To measure the value of HR certifications, we analyzed salary profiles from 102,006 HR professionals in the United States who responded to our salary survey as early as 2003 and as late as May 2018. We restricted the sample to respondents with one of six common HR job titles (HR Assistant, HR Administrator, HR Generalist, HR Manager, HR Director, and VP of HR). 34,897 people reported having at least one HR certification (34.2 percent).

We used a linear regression to account for the effects of other factors (such as years of experience, specific job title, location and so on) on pay and estimated the value of each certification by itself. Because some certifications co-occur frequently (for example, more than 60 percent of respondents with a SHRM-CP also had a PHR), the value of one single certification can be difficult to measure; if an individual has both a SHRM-CP and a PHR, how can we say which of the two is responsible for their pay? We solved this problem by including every possible pair of certifications in the regression. This ensured that our estimates were reliable estimates of *individual* certifications.

We restricted our sample to only HR professionals in California to estimate the effects of the two HRCI California-specific certifications.

## **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 Pay:** The median pay is the national median (50th percentile) annual total cash compensation. Half the people doing the job earn more than the median, while half earn less.

**Job Title Five Years Ago:** In PayScale's salary survey, users are asked what their job title was five years ago. We used these data to calculate the ratio of HR professionals who received a promotion in the past five years. We excluded previous or current job titles outside of the list of titles above to deal with the issue of people switching functions to and from HR, and to identify title changes that are clearly promotions.

## **About PayScale**

Creator of the world's largest database of rich salary profiles, PayScale offers modern compensation software and real-time, data-driven insights for employees and employers alike. Thousands of organizations, from small businesses to Fortune 500 companies, use PayScale products to power pay decisions for millions of employees. For more information, please visit: <a href="https://www.payscale.com">https://www.payscale.com</a> or follow PayScale on Twitter: <a href="https://twitter.com/payscale">https://twitter.com/payscale</a>.

