

Executive Compensation

HR's Elite

What the 40 highest-paid HR executives listed in the Securities and Exchange Commission's filings earned in 2005.

Dennis Donovan, executive vice president of HR for Home Depot Inc., earned the top spot for the fourth year in a row on *Human Resource Executive* magazine's list of the highest-paid HR executives who are listed in Securities and Exchange Commission filings.

Donovan earned roughly \$178,000 more in 2005 than the year before, bringing his total compensation to roughly \$6,568,000. He was followed by James R. Ellinghausen, senior vice president of HR for Pulte Homes Inc., who didn't make the top 40 list last year; and Craig E. Schneier, executive vice president of HR for Biogen Idec Inc., who held the No. 2 spot

last year. The two earned roughly \$5,849,000 and \$5,694,000, respectively.

On their heels was Michael T. Theilmann, executive vice president and chief HR and administrative officer for JC Penney Co. (\$5,056,000), who was followed by John D. Butler, executive vice president of administration and chief HR officer for Textron Inc. (\$3,932,000).

Equilar Inc. of San Mateo, Calif., produces the ranking of the 40 highest-paid HR executives exclusively for *HRE*. In all, 173 HR executives were among the five most highly compensated officers in their companies and were, therefore, listed in the SEC filings of the Russell 3000 companies surveyed. Those included on this year's list earned a median value of \$156.91 per employee, approximately \$9 less than last year.

New to this year's ranking is a column showing the HR executive's total compensation as a percentage of the CEO's total package. Put side by side with their CEOs, HR executives earned a median of 27 percent, just slightly less than a year earlier. Of those in the top 40, Susan Bateson McKay, senior vice president of HR for Human Genome Sciences Inc., had the highest percentage, pulling in 66.5 percent more than her CEO. Mitchell A. Kosh, senior vice president of HR and legal for Polo Ralph Lauren Corp., had the lowest percent, with 7.4 percent of his CEO's package. The median HR salary was 41 percent of the CEOs'.

Total compensation for HR executives on the list for the past two years climbed 7.4 percent from 2004 to 2005. John M. Holtrust, vice president of HR for Microsemi Corp., received the biggest increase—245 percent. The biggest decrease was experienced by Rhonda J. Parish, executive vice president, chief administration officer, chief HR officer, general counsel and secretary of Denny's Corp. Parish, not in the top 40 this year, was hit with an 83.4 percent decrease from a year earlier.

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Rank 2005	Rank 2004	Executive Name	Title	Company Name	Total Direct Comp	HR Executive Comp as % of CEO Comp	Salary	Bonus	Total Value of Options Granted	Restricted Stock	LTIP Payout	Employees	Annual Revenues (\$000)
1	1	Dennis M. Donovan	exec. v.p., HR	Home Depot Inc.	\$6,567,728	17.8%	\$690,577	\$780,000	\$1,617,111	\$2,939,800	\$540,240	234,600	\$81,511,000
2		James R. Ellinghausen	sr. v.p., HR	Pulte Homes Inc.	\$5,848,783	26.7%	\$395,000	\$1,223,374	\$2,337,609	\$1,892,800	-	13,400	\$14,694,535
3	2	Craig E. Schneier	exec. v.p., HR	Biogen Idec Inc.	\$5,693,539	34.9%	\$397,229	\$212,000	\$3,254,160	\$1,830,150	N/A	3,340	\$2,422,500
4		Michael T. Theilmann	exec. v.p., chief HR & admin. officer	JC Penney Co. Inc.	\$5,055,847	121.5%	\$500,000	\$443,750	\$1,719,781	\$2,392,316	-	151,000	\$18,781,000
5	6	John D. Butler	exec. v.p., admin. & chief HR officer	Textron Inc.	\$3,931,666	25.0%	\$560,000	\$728,000	\$572,559	\$366,150	\$1,704,957	46,000	\$10,043,000
6	8	David L. Murphy	exec. v.p., HR	McGraw-Hill Cos. Inc.	\$3,397,713	16.9%	\$565,000	\$775,000	\$976,198	-	\$1,081,515	19,600	\$6,003,642
7	42	Jon D. Walton	exec. v.p., HR, chief legal & compliance officer	Allegheny Technologies Inc.	\$3,394,297	37.4%	\$393,333	\$600,000	-	\$203,625	\$2,197,339	9,300	\$3,539,900
8	19	Robert B. Foreman	exec. v.p., HR & Asia	SPX Corp.	\$3,223,077	58.9%	\$500,000	\$550,000	-	\$2,173,077	N/A	18,300	\$4,292,200
9	5	William L. Bucknall Jr.	sr. v.p., HR & organization	United Technologies Corp.	\$2,957,088	8.3%	\$511,667	\$575,000	\$1,870,421	-	N/A	222,200	\$42,725,000
10		John M. Holtrust	v.p., HR	Microsemi Corp.	\$2,746,656	27.3%	\$212,644	\$130,000	\$2,404,012	-	-	1,443	\$297,440
11	31	David P. Johst	corp. exec. v.p., HR & chief admin. officer	Charles River Laboratories International Inc.	\$2,702,048	27.9%	\$360,000	\$211,680	\$1,127,618	\$1,002,750	N/A	8,400	\$1,122,228
12	7	Lawrence B. Costello	sr. v.p., HR	American Standard Cos. Inc.	\$2,655,805	64.8%	\$400,000	\$192,000	\$1,489,005	N/A	\$574,800	61,200	\$10,264,400
13		John M. Murabito	exec. v.p., HR & services	Cigna Corp.	\$2,542,099	13.1%	\$510,000	\$503,000	\$704,199	-	\$824,900	28,000	\$16,684,000
14	9	Thomas G. Cody	v. chair, legal, HR, internal audit & external affairs	Federated Department Stores Inc.	\$2,320,030	20.2%	\$755,000	\$603,400	\$961,630	-	-	232,000	\$22,390,000
15	4	Paul D. Thomas	exec. v.p., people, Alcoa Business System & culture	Alcoa Inc.	\$2,228,841	28.6%	\$530,000	\$450,000	\$888,646	\$360,195	N/A	129,000	\$26,159,000
16	46	Richard F. Walsh	sr. v.p., HR	PerkinElmer Inc.	\$2,221,893	26.0%	\$375,000	\$393,751	\$479,832	-	\$973,310	8,000	\$1,473,831
17		Edward A. Evans	exec. v.p. & chief personnel officer	Allied Waste Industries Inc.	\$2,075,624	30.8%	\$420,000	\$55,000	\$1,288,044	\$312,580	N/A	25,000	\$5,734,800
18		Larry D. Hunter	exec. v.p., legal & HR	Directv Group Inc.	\$1,982,653	39.4%	\$674,225	\$420,000	-	\$735,500	\$152,928	9,200	\$13,164,500
19	40	Martha A. Burger	treasurer & sr. v.p., HR	Chesapeake Energy Corp.	\$1,939,060	11.7%	\$452,500	\$526,000	-	\$960,560	N/A	2,885	\$4,665,290
20		Charlene Petrelli	v.p., HR	Equitable Resources Inc.	\$1,919,956	9.4%	\$194,600	\$180,000	-	-	\$1,545,356	1,250	\$1,253,724
21	12	Crawford W. Beveridge	exec. v.p., people & places, & chief HR officer	Sun Microsystems Inc.	\$1,874,565	38.1%	\$532,915	\$160,650	\$1,181,000	N/A	N/A	31,000	\$11,070,000
22		Michael J. Rowe	exec. v.p., HR	Activision Inc.	\$1,874,067	44.8%	\$350,000	\$211,680	\$1,312,387	N/A	N/A	1,728	\$1,405,857
23	21	Arnold K. Greenberg	exec. v.p.	Astoria Financial Corp.	\$1,784,527	36.3%	\$463,000	\$248,862	\$722,249	\$350,416	-	1,545	\$1,082,987
24	38	John R. Arrington	sr. v.p., HR	Barnes Group Inc.	\$1,771,688	14.6%	\$308,250	\$386,993	\$773,685	\$302,760	N/A	6,205	\$1,102,174
25		Susan Bateson McKay	sr. v.p., HR	Human Genome Sciences Inc.	\$1,763,538	166.5%	\$262,000	\$150,000	\$1,351,538	-	N/A	880	\$19,113
26	18	Lynn B. McKee	exec. v.p., HR	Aramark Corp.	\$1,693,787	32.8%	\$462,500	\$355,000	\$467,730	\$408,557	N/A	150,000	\$10,963,360
27		Timothy Sompolski	exec. v.p., chief HR officer	Interpublic Group Of Cos. Inc.	\$1,620,981	10.2%	\$550,000	\$375,000	\$495,981	\$200,000	-	43,000	\$6,274,300
28		Roy J. Wilson	exec. v.p., HR & information technology	Allergan Inc.	\$1,576,989	15.0%	\$373,861	\$201,460	\$913,228	\$88,440	N/A	5,055	\$2,319,200
29		Thomas M. Costello Jr.	sr. v.p., HR, general counsel & secretary	Compuware Corp.	\$1,553,817	41.0%	\$395,833	\$720,000	\$437,984	N/A	N/A	N/A	\$1,205,361
30	25	Stuart M. Stolper	sr. v.p., HR	Talbots Inc.	\$1,535,595	26.0%	\$420,475	\$170,100	\$549,770	\$395,250	N/A	4,600	\$1,808,606
31		Mitchell A. Kosh	sr. v.p., HR & legal	Polo Ralph Lauren Corp.	\$1,507,301	7.4%	\$450,000	\$299,300	\$453,113	\$304,888	N/A	12,762	\$3,305,415
32	35	Nick E. Heldreth	v.p., HR & corp. relations	Harris Corp.	\$1,493,810	25.4%	\$313,231	\$267,194	\$685,073	-	\$228,312	12,600	\$3,000,600
33		H. Steven Gilbert	sr. v.p., HR & admin.	Fluor Corp.	\$1,459,052	19.7%	\$389,710	\$608,575	-	\$358,267	\$102,500	34,836	\$13,161,051
34	29	Lea N. Soupata	sr. v.p. & HR group manager	United Parcel Service Inc.	\$1,405,672	44.3%	\$514,750	\$120,350	\$265,347	\$505,225	N/A	407,000	\$42,581,000
35		Marcella K. Arline	sr. v.p., chief people officer	Hershey Co.	\$1,403,594	20.7%	\$365,000	\$360,693	\$369,251	\$308,650	-	11,610	\$4,835,974
36		Eugene H. Seashore Jr.	v.p., HR	Bemis Co. Inc.	\$1,385,732	18.7%	\$350,000	\$71,750	-	\$706,320	\$257,662	15,900	\$3,473,950
37		Lawrence D. McClure	sr. v.p., HR	Liz Claiborne Inc.	\$1,366,397	19.5%	\$419,792	\$204,188	\$171,917	\$570,500	-	15,400	\$4,847,753
38		Daniel R. Foley	v.p., HR	Masco Corp.	\$1,311,946	14.0%	\$407,000	\$207,000	\$498,946	\$199,000	N/A	62,000	\$12,642,000
39		Susan B. Ortenstone	sr. v.p., HR & admin.	El Paso Corp.	\$1,278,389	16.4%	\$326,574	\$258,545	\$377,195	\$251,425	\$64,650	5,700	\$4,017,000
40		Donald Kraft	sr. v.p., HR	Covance Inc.	\$1,221,783	34.1%	\$260,417	\$314,563	\$203,342	\$443,461	N/A	6,600	\$1,250,454

Footnotes:

(1) Total Direct Compensation is the sum of Salary, Bonus, Total Value of Options Granted, Restricted Stock and LTIP Payouts.
(2) Total Value of Options Granted is calculated by Equilar using Black-Scholes methodology.