

# Executive Compensation

## HR's Elite

Who are the 40 highest-paid HR executives listed in SEC filings? And what did they earn?

For the third straight year, Dennis M. Donovan, executive vice president of HR at Home Depot, was the highest-paid HR executive listed in a database of Securities and Exchange Commission filings.

Donovan earned slightly less than \$6.4 million in 2004, compared to about \$5.3 million in 2003. The increase was roughly \$300,000 more than the increase reported a year before that.

Equilar Inc. of San Mateo, Calif., produces the ranking of the 40 highest-paid HR executives exclusively for *Human Resource Executive*. In all, 176 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.

Donovan was the only HR executive to earn more than \$5 million in 2003. For 2004, however, he was joined by two other executives: Craig E. Schneier, executive vice president of HR for Biogen IDEC (roughly \$5.8 million), and Michael D'Ambrose, executive vice president of HR for First Data Corp. (roughly \$5.3 million).

Those mentioned in the latest SEC filings earned a median of roughly \$166 per employee. On the high end, Sandra Matrick Forman, general counsel, chief compliance officer and chief HR officer for Harris and Harris Group—a business development firm that employed just eight workers—received more than \$22,000 per employee. On the low end, Lea Soupata, senior vice president and HR group manager at United Parcel Service Inc., earned \$3.54 per employee. UPS employed 384,000 workers in 2004.

As a percentage of CEOs' total compensation, the HR executives earned a median of 28.5 percent. Ann L. McDaniel, vice president of human resources for the Washington Post Co., had the highest percent at around 215 percent of CEO pay, while Robyn T. Mingle, senior vice president of human resources at Hovnanian Enterprises, had the lowest at 1.5 percent.

HR executives with two years of data clearly did better in 2004 than those the year before. Compared with a modest decrease in 2003, the HR executives from the most recent SEC filings experienced an increase of 11.4 percent. John R. Stark, vice president of human resources, secretary and corporate counsel of Stillwater Mining, had the biggest increase—349.2 percent. C. Gabriel Haagensen, executive vice president of human capital management for Provident Financial Services Inc., experienced the biggest percentage decrease—roughly 91 percent.

Equilar ([www.equilar.com](http://www.equilar.com)) is a leading provider of compensation-governance solutions for the analysis of trends in executive and board pay.

Rank 2004	Rank 2003	Executive Name	Title	Company Name	Total Comp <sup>(1)</sup>	Salary	Bonus	Total Value of Options Granted <sup>(2)</sup>	Restricted Stock	LTIP Payouts	Total Employees	Annual Revenues (\$000s)
1	1	Dennis M. Donovan	exec. v.p., HR	Home Depot Inc.	\$6,390,757	\$656,923	\$700,000	\$1,673,334	\$3,360,500	N/A	221,000	\$73,094,000
2		Craig E. Schneier	exec. v.p., HR	Biogen IDEC Inc.	\$5,818,432	\$388,141	\$258,750	\$4,519,041	\$652,500	N/A	4,266	\$2,211,562
3		Michael D'Ambrose	exec. v.p., HR	First Data Corp.	\$5,304,920	\$500,000	\$650,000	\$2,115,420	\$2,039,500	-	32,000	\$10,013,200
4		Paul D. Thomas	exec. v.p., people, Alcoa Business System & culture	Alcoa Inc.	\$3,400,379	\$461,667	\$459,600	\$1,757,297	\$721,815	N/A	119,000	\$23,478,000
5		William L. Bucknall Jr.	sr. v.p., HR & organization	United Technologies Corp.	\$3,124,671	\$495,000	\$600,000	\$2,029,671	-	N/A	210,000	\$37,445,000
6	16	John D. Butler	exec. v.p., admin. & chief HR officer	Textron Inc.	\$3,031,629	\$480,000	\$585,936	\$526,073	\$310,365	\$1,129,255	44,000	\$10,242,000
7		Lawrence B. Costello	sr. v.p., HR	American Standard Cos. Inc.	\$2,928,061	\$389,583	\$325,000	\$1,649,309	N/A	\$564,169	61,500	\$9,508,800
8	28	David L. Murphy	exec. v.p., HR	McGraw-Hill Cos. Inc.	\$2,866,896	\$543,000	\$762,000	\$886,486	-	\$675,410	17,253	\$5,250,538
9	12	Thomas G. Cody	vice chair, legal, HR, internal audit & external affairs	Federated Department Stores Inc.	\$2,534,339	\$752,917	\$995,500	\$785,922	-	-	112,000	\$15,630,000
10	24	Gary L. Davis	exec. v.p., chief HR & admin. officer	J. C. Penney Co. Inc.	\$2,210,401	\$554,850	\$443,933	\$1,211,618	-	-	151,000	\$18,424,000
11		Crawford W. Beveridge	exec. v.p. & chief HR officer	Sun Microsystems Inc.	\$2,195,525	\$481,765	\$98,810	\$1,614,950	-	N/A	32,600	\$11,185,000
12	19	Roger C. Gaston	corp. v.p., HR	Storage Technology Corp.	\$2,166,575	\$320,000	\$278,000	\$1,209,450	\$359,125	N/A	7,100	\$2,224,000
13		Luciano Respini	corp. v.p., geography, marketing & sales, HR & public affairs	Dow Chemical Co.	\$2,135,889	\$585,563	\$565,000	\$490,541	\$483,609	\$11,176	43,203	\$40,161,000
14		Thomas E. Reardon	exec. v.p., corp. resources	Tesoro Corp.	\$2,096,655	\$425,192	\$677,381	\$691,777	\$302,305	-	3,640	\$12,262,200
15	25	S. Lanette Zimmerman	exec. v.p., HR & comm.	Nisource Inc.	\$2,041,492	\$325,000	\$105,624	\$194,489	\$641,211	\$775,168	8,628	\$6,666,200
16	21	Chester V. A. Murray	exec. v.p., intl., Moody's Investors Service & chief HR officer	Moody's Corp.	\$2,027,432	\$430,501	\$390,000	\$984,542	\$222,389	-	2,500	\$1,438,300
17		Lynn B. McKee	exec. v.p., HR	Aramark Corp.	\$1,943,167	\$362,000	\$300,000	\$829,888	\$451,279	N/A	147,500	\$10,192,240
18	5	Mary Jean Connors	sr. v.p.	Knight Ridder Inc.	\$1,927,402	\$564,308	\$258,768	\$1,104,326	N/A	-	18,000	\$3,014,149
19	8	Robert B. Foreman	sr. v.p., HR	SPX Corp.	\$1,850,270	\$415,385	-	-	\$1,434,885	N/A	23,800	\$4,372,000
20		Terrence G. Linnert	exec. v.p., HR & admin. & general counsel	Goodrich Corp.	\$1,784,190	\$440,000	\$543,400	\$341,922	\$408,168	\$50,700	21,300	\$4,724,500
21		Arnold K. Greenberg	exec. v.p.	Astoria Financial Corp.	\$1,780,654	\$443,000	\$299,025	\$1,038,629	-	-	1,716	\$1,045,901
22		Randy L. Kummer	sr. v.p., HR	Cleveland Cliffs Inc.	\$1,662,729	\$217,500	\$200,000	-	\$520,808	\$724,421	3,777	\$1,206,700
23		Brad A. Waite	exec. v.p., HR, loss prevention, real estate & risk management	Big Lots Inc.	\$1,639,628	\$408,193	-	\$688,935	\$542,500	-	18,623	\$4,375,072
24		Mark Fanning	v.p., people development	Nextel Partners Inc.	\$1,633,077	\$239,230	\$180,387	\$1,213,460	-	N/A	2,900	\$1,368,427
25	34	Stuart M. Stolper	sr. v.p., HR	Talbots Inc.	\$1,608,962	\$404,303	\$125,700	\$654,959	\$424,000	N/A	4,500	\$1,697,843
26	29	Louis A. Kaucic	exec. v.p. & chief people officer	Applebee's Intl. Inc.	\$1,430,277	\$296,154	\$155,415	\$661,690	\$193,400	\$123,618	28,800	\$1,111,634
27		Mark W. Matta	sr. v.p., HR	Winn-Dixie Stores Inc.	\$1,407,392	\$310,000	\$77,224	\$458,116	\$562,052	N/A	36,000	\$10,632,850
28		Linda A. Fitzpatrick	sr. v.p., HR & corp. comm.	Nuvelo Inc.	\$1,366,238	\$240,000	-	\$1,126,238	N/A	N/A	80	\$195
29	33	Lea N. Soupata	sr. v.p. & HR group manager	United Parcel Service Inc.	\$1,360,218	\$490,750	\$229,100	\$274,071	\$366,297	N/A	384,000	\$36,582,000
30		Marina Armstrong	v.p., HR & secretary	Gymboree Corp.	\$1,353,624	\$300,000	\$48,750	\$1,004,874	N/A	N/A	3,878	\$594,478
31		David P. Johst	sr. v.p., HR & admin.	Charles River Laboratories Intl. Inc.	\$1,330,754	\$299,330	\$248,620	\$524,384	\$258,420	N/A	8,000	\$766,917
32		Nils Lommerin	exec. v.p., HR	Del Monte Foods Co.	\$1,319,256	\$300,000	\$190,700	\$699,638	\$128,918	N/A	8,400	\$3,129,900
33		Kate W. Duchene	chief legal officer, exec. v.p., human relations & assistant secretary	Resources Connection Inc.	\$1,257,194	\$233,923	\$278,618	\$744,653	N/A	N/A	2,550	\$328,333
34	17	Michael H. Campbell	sr. v.p., HR & labor relations	Continental Airlines Inc.	\$1,250,801	\$465,000	\$383,652	-	-	\$402,149	38,255	\$9,744,000
35		Nick E. Heldreth	v.p., HR & corp. relations	Harris Corp.	\$1,248,687	\$275,308	\$261,535	\$562,564	-	\$149,280	10,900	\$2,518,600
36		John R. Stark	v.p., HR, secretary & corp. counsel	Stillwater Mining Co.	\$1,245,297	\$240,000	\$64,800	-	\$940,497	N/A	1,575	\$447,527
37		Richard A. Andre	sr. v.p., HR	21st Century Insurance Group	\$1,242,052	\$275,274	\$241,839	\$724,939	-	N/A	2,800	\$1,383,332
38		John R. Arrington	sr. v.p., HR	Barnes Group Inc.	\$1,237,934	\$297,250	\$136,425	\$490,209	\$314,050	-	6,047	\$994,709
39		Dorian L. Rinella	v.p., HR & facilities	Kosan Biosciences Inc.	\$1,235,410	\$200,000	\$30,000	\$1,005,410	N/A	N/A	136	\$22,892
40		Martha A. Burger	treasurer & sr. v.p., HR	Chesapeake Energy Corp.	\$1,233,720	\$352,500	\$392,000	-	\$489,220	N/A	1,718	\$2,709,268

#### Footnotes:

(1) Total 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.