

What Are HR Certifications Worth?

If you've wondered whether the PHR or SPHR certifications are worth the paper they're printed on, read on. Kris Dunn breaks it all down for you, focusing on the exclusivity of the certification, the effort required to pass the exams and—of course—the critical question of ROI.

By Kris Dunn

As part of my drive to get more involved in the local HR community, I just completed teaching my part of the Professional in Human Resources/Senior Professional in Human Resources certification prep class put on by the Birmingham, Alabama, branch of SHRM (aptly named BSHRM by the locals).

I taught the employee and labor relations module. Do you know what TIPS/FOE is when it comes to dealing with union drives? If you were with us during the certification course, you would—unless you were on the back row sleeping. Have you no shame?

This, of course, begs the question of whether the Professional in Human Resources or the Senior Professional in Human Resources certifications are worth the paper they're printed on. I got the PHR certification back in the day (1998), picked up the SPHR four years after that and recertified for the SPHR designation in 2005 with four days worth of webcasts. Through it all, though, I have never had the feeling that the certification was responsible for upward mobility in my career.

Let's break this down, focusing on scarcity of the certification, the effort required to pass and the ever-popular ROI question.

First: the rarer the certification, the more it's potentially worth. [SHRM's HR Certification Institute Web site](#) shows that there are more than 89,000 certified professionals, including:

- 50,174 Professionals in Human Resources
- 38,531 Senior Professionals in Human Resources
- 826 Global Professionals in Human Resources

With that fact in hand, we next need a total number of HR professionals in the U.S. to determine how special the certifications make you. Here are the two numbers I considered:

According to its Web site, [SHRM has around 225,000 members](#). That number obviously doesn't capture all the HR professionals in the U.S., so I looked around for a better figure.

The Bureau of Labor Statistics estimated that in 2004, human resources, training and labor relations managers and specialists held 820,000 jobs. I liked that number better for

my rough math, since not all HR pros are SHRM members. The BLS number seems as reasonable as any I could find.

Using it, I estimate that about 11 percent of the HR professionals working across all positions and industries are PHR, SPHR or GPHR certified. That's a big enough percentage to make people take the certifications seriously, but is also an elite enough group to make you want to be part of it.

Next up is the effort required to pass, and the question of how much you have to study to pass the PHR and SPHR exams. It's not a cakewalk, as evidenced by the pass rates provided by the [HR Certification Institute](#): At 61 percent, the rate for the PHR is slightly higher than that of the SPHR, which is 58 percent. The rate is low because there is a lot of material to be covered, and if you don't commit to a pretty strenuous study plan, you're not going to make it. That's a good thing for the profession.

Case in point: To prep for teaching the employee and labor relations module of the certification course for the BSHRM class, I developed a study outline from the certification institute's material on definitions and concepts. This contained what I thought the class needed to know in order to be able to pass. Guess how many definitions and concepts I came up with for this one module? Roughly 350 items.

Bear in mind that the employee and labor relations module makes up just 20 percent of both the PHR and SPHR exams. Do the multiplication and you come up with about 1,750 definitions and concepts that require some form of mastery for me [or you] to have a high confidence you'll pass the exam.

With 1,750 items on the table, those who sign up for the course and then blow off studying until two weeks before the exam are destined to fail. The prep class alone takes 40 hours, but it requires additional study, not just simple exposure provided by a class, to ensure a passing grade.

That's the time investment. On the money front, it's about \$1,000 for the learning system, class and registration fees.

Now, as to whether all this is worth your investment: I'll answer as a manager who hires HR people.

First, it's a résumé sorter. All things being equal, I'll call someone with the credentials quicker than I will someone without. Additionally, seeking and gaining certification is still fairly rare. If you did it, you are sending a couple of messages. One: You care enough about the profession (and your career) to differentiate yourself. Two: You've been exposed to the body of knowledge and mastered it well enough to pass the exam. So you know more than you've been able to display at the sweatshop you call a company. That makes me want to hire you.

In terms of pure cash compensation, though, I don't think that being certified guarantees more compensation throughout your career. HR pros move up the ladder all the time without the letters behind their name. While certification serves as a sorter for me, what you are worth is still about what you do on the job.

The good news is that being exposed to the content for the exam makes you more credible in the long run, which makes it probable that you'll earn more through the years.

More knowledge should mean more compensation, or as wide receiver Randy Moss would say, "cash money." It would be nice if the HR Certification Institute had a study showing the cash value of the PHR/SPHR certifications to HR pros. I think the connection is there, but we need a little science to be sure.

Here's the bottom line: Certification is valuable to everyone, but common sense dictates that the economic value is greater for those who are early in their careers. If you are at the HR manager level or below, and can make the time to pursue certification, do it now. You'll differentiate yourself from the herd, whether you plan on staying forever in your *Fortune* 500 HR shop, or intend to switch jobs and companies in the next couple of years.

You'll also sleep better at night knowing your résumé has a much better chance of hitting the "yes" stack created by the Catberts of the world.

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