

Chief Executives

the job at
the top of the
organizational chart



ITo quote Harry Truman—when it comes to running an organization, the “buck stops” with the chief executive. Chief Executives provide the top-level, overall direction for a company or public sector organization, usually under the guidelines of a board of directors or similar governing body. They are the individuals responsible for planning, directing, or coordinating an organization’s activities at the highest management level.

Chief executives may operate under a wide variety of titles—chief executive officer, chief operating officer, general manager, president, vice president, school superintendent, county administrator, and mayor. Of course, the responsibilities (and pay) of high-level executives depend on their organization’s size. Top executives not only direct the overall organization, but also may be responsible for implementing strategies and setting the overall direction of a certain area of the company or organization and are under intense pressure to succeed. Depending on the organization, success may

mean earning higher profits, providing better service, or attaining fundraising and charitable goals.

Getting to the “Top”

While most chief executives have a bachelor’s or master’s degree in business or public administration, many others have education in less specialized disciplines. This position also typically includes substantial experience working in an organization at lower levels of management. In other words, don’t expect to be hired as a CEO right after graduation!

Controversy

In recent years, certain chief executive officers have come under fire for exorbitant salary and benefit packages, which were paid out even as their companies were losing money. Most surveys show the ratio of CEO-to-average-worker pay rising substantially over the last 50 years. For example, the Mercer Survey of 350 large industrial and service firms shows CEOs in 1965 making 24 times the

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Area	Star Ranking	Employment Estimates		Average Annual Growth Rate	Annual Openings			Median Annual Wage	Training Level
		Base Year*	Projection Year**		Growth	Replacements	Total		
Utah	5	4,390	4,710	0.7%	30	120	160	\$104,500	Work Experience, plus bachelor's degree or higher
United States	N/A	369,900	385,300	0.4%	1,540	9,610	11,150	\$160,700	Work Experience, plus bachelor's degree or higher

* 2008 for Utah; 2010 for U.S.

** 2018 for Utah; 2020 for U.S.

Source: U.S. Bureau of Labor Statistics and Utah Department of Workforce Services.

More info...

<http://www.bls.gov/oco/ocos012.htm>



average-worker wage compared to 262 times in 2005. Moreover, the United States shows by far the largest discrepancy in CEO-to-worker pay in the industrialized world. Soon, publicly-held companies will be federally required to disclose the ratio of CEO pay to the median salary of company workers as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

In addition, U.S. companies have also faced criticism because of a dearth of CEO women and minorities. For example, the counts of minorities/women heading Fortune 500 companies in 2011 follow: four black, nine Asians, five Latinos, and 18 women. Obviously, the corporate suite is not as diverse as the total labor force.

Some Numbers

In Utah, there are roughly 4,400 chief executives. The Department of Workforce Services projects this occupation will have an average of 160

openings each year through 2018 and expand at an annual rate of 0.7 percent—far lower than the state's average growth rate of more than 2 percent. Of those 160 yearly openings, three-fourths are expected to result from the need to replace workers who have left the occupation. Because of their relatively high pay and prestige, you can expect very keen competition by qualified applicants for these top-level positions—including workers from outside the state.

In Utah, the median annual wage for chief executives measures \$104,500; nationally, \$160,700. Of course, wages are closely related to the size of the directed organization. The CEO of a very large firm can expect to earn much, much more. For example, Forbes Magazine indicates that America's highest-paid chief executive in 2011 was CEO at UnitedHealthGroup, with a one year salary of \$102 million. ●