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CEO Compensation

Chief executive officer (CEO) is the most senior position of the organization. So the remuneration of CEO is always the highest than other employees. The amount of compensation varies from organization to organization.

It depends on the company's financial position and strategy. It also depends on the industry and the nature of the organization. The government or public sector organizations are paying differently, according to the rules and laws that defined the maximum limit of salaries. Moreover, the private companies decide the remuneration according to the overall income and earnings of the company. The salary of a CEO is fixed according to his experiences, and profile of the aspirant, earnings from the previous organization. There are many organizations which are financially stable and consistently growing. However, their CEO's are paying relatively less than the CEOs of other organizations. For instance, the CEO of Amazon Jeff Bezos receives $ 81,480 per year, on the other hand, Mckesson pays $ 131 million to their CEO John Hammergren, which is several times greater than the Amazon’s CEO. In the above case, if we insight into the details of both the companies, We will come to know that profitability is not always the standard to decide the compensation of the CEO. Amazon is a financially stable company, which returns more than 30 percent to their stockholders, while the Mckesson is facing particular challenges from the political environment such as, the government has decided to reduce the funds of health care that ultimately raised the health care cost.

To conclude, the Chief executive officer of a company compensated quite differently as compared to the CEO of other organization in the same industry, and other sectors. It depends on many factors, such as the performance of the company, the overall economic conditions of a country, individual's competencies, and many other factors. Nevertheless, some companies could pay more in their recessions, while others pay less in their progression and prosperity.