How to Become an Executive

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In an era marked by rapid technological transformation and swift economic change, strong executive leadership is crucial to organizations in every sector. But, according to a 2023 McKinsey & Co. report on the state of organizations, only 25 percent of employees from the 2,500 businesses they surveyed feel engaged and inspired by their leaders.

For ambitious professionals considering pivoting into leadership, this may be the perfect time to do so. However, before beginning their journey, they should understand how to become an executive, what executives do, and how earning an advanced business degree can help them prepare.

What Do Executives Do?

Executives are the highest-level administrators within an organization. While they are not always involved in the organization’s day-to-day operations, they are responsible for providing the workforce with its overall direction.

- Common duties for executives include:
- Developing goals based on trends in sales, employment, and other important metrics
- Establishing organization-wide policies and making changes as needed
- Coordinating with high-level managers, board members, and other executives on large-scale plans
- Devising and approving budgets with input from financial and accounting staff
- Approving new projects and ideas
- Developing overarching growth and improvement strategies

At small companies, executives also may be involved in the company’s day-to-day affairs. At larger ones, they typically rely on a team of other executives and managers to keep them informed and to enact their policies on an operational level.

Types of Executives

A corporate executive team is typically made up of different types of executives, each with their own duties and areas of focus. These professionals usually report to the chief executive officer (CEO), the highest-level executive, administrator, and decision-maker in most organizations.

Second in command is the chief operating officer (COO), who communicates executive-level decisions to departmental leaders and helps the CEO turn plans into actionable policies. Following is a list of common types of corporate executives:

- Chief executive officer (CEO)
- Chief operating officer (COO)
- Chief marketing officer (CMO)
- Chief financial officer (CFO)
- Chief information officer (CIO)
- Chief technology officer (CTO)
- Chief security officer (CSO)

Small organizations often do not employ every type of executive. Conversely, large organizations might have additional executives in charge of things such as

sustainability, innovation, or talent acquisition and retention. An organization's president and vice presidents are also considered executives, but not every company uses those titles or structures.

Steps to Become an Executive

The process for becoming an executive can vary depending on whether a person wants to be a CEO, a CFO, or another type of executive. However, future executives can prepare to take on high-level duties by following a path that includes gaining industry experience, looking for management opportunities, and getting into a graduate school that offers an advanced business administration degree.

Step 1: Earn a Bachelor's Degree

Future executives can start their career by earning a bachelor's degree in any of a number of subjects. Some earn a degree in a business-related field, such as accounting, marketing, or business administration. Others study a topic more closely aligned with their intended field of work, such as logistics or engineering.

Step 2: Gain Entry-Level Experience

With a bachelor's degree, professionals can take an early-career, entry-level role in the industry they want to one day lead. At this level, positions are typically hands-on and limited to a specific aspect of business operations. No matter what position a future executive holds, this can be a great opportunity to explore employers, network, and gain invaluable industry insights.

Step 3: Gain Management Experience

After gaining a few years of experience, early-career professionals can take on a management role. As managers, future executives can learn how different aspects of an organization fit together, get comfortable managing people, and receive mentorship from established leaders.

Early in their management career, many professionals work as a first-line manager — a manager who directly supervises a small to midsize team and handles its daily operations. From there, future executives can pivot into a middle management position, such as a department manager or general manager role. These

professionals oversee a department and coordinate with executives to meet short- and long-term goals.

Step 4: Earn an Advanced Business Degree

To learn the leadership skills needed to become an executive, many professionals pursue a Master of Business Administration (MBA). MBA programs typically take two years to complete and offer classes on a broad range of business topics, such as financial accounting, personnel management, and strategic decision-making.

There are multiple types of MBA programs, but professionals pursuing executive positions may choose an Executive MBA program, which is designed for working professionals with experience. Executive MBA programs offer courses that help professionals develop advanced skills in areas crucial to success in executive leadership roles, such as:

- Entrepreneurship
- Negotiation
- Decision modeling
- Change management
- Performance management
- Corporate risk analysis and planning

To help professionals balance their career and their studies, many Executive MBA programs host classes in the evening and/or on weekends. Students also can customize their schedule with electives relevant to their own unique career goals.

Requirements for enrolling in a business school vary, but Executive MBA programs often require students to have around seven years of experience including five years of management experience. Applicants are also asked to submit professional recommendations and a resume, and to participate in an interview with program faculty.

Step 5: Pursue Executive Positions

With advanced knowledge of business leadership, an experienced professional is ready to become an executive and assume high-level responsibilities. Some take on positions at their current organization, while others pursue opportunities elsewhere.

Professionals eyeing executive positions at different companies can start by searching for openings, networking with corporate recruiters at conferences and other events, or working with a career advisor from their MBA or Executive MBA program. Networking with program alumni also can be helpful.

How Much Do Executives Make?

Top executives have a median annual salary of $105,350 as of May 2024, according to the U.S. Bureau of Labor Statistics, (BLS). An executive's specific salary is based on their industry, exact title, years of experience, and employer.

For example, the BLS reports that the median annual salary for chief executives such as CEOs and COOs is $206,420 as of May 2024. On top of their base salary, executives of all kinds are typically eligible for performance-based bonuses, stock options, and profit-sharing programs.

The BLS expects top executive jobs to increase by 6 percent from 2023 to 2033. An average of 343,800 openings for top executives are projected to be available each year through 2033, meaning experienced, educated leaders will likely continue to be in demand in the coming years.

Prepare Yourself for Executive Leadership

Over the course of just 17 months, students in the Executive MBA program at Tulane University's Freeman School of Business gain the skills they need to become the adaptable, data-driven executives every organization needs.

In their first term, students learn foundational skills in areas such as decision modeling and effective communication. Then they move on to more in-depth topics, including negotiation and financial analysis. With a diverse selection of electives to choose from and a six-day global business seminar to participate in, experienced professionals get the nuanced, hands-on education they need to achieve their own goals. As an exclusive EMBA alumni benefit, the **EMBA Lifelong Learning Initiative** invites you to return to the classroom, mastering emerging frameworks alongside world-class faculty, on your terms.

Designed for working professionals, classes are held just two weekends each month. To find out more, contact the admissions team today.

Sources:

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