

# [Linear correlation](https://assignbuster.com/linear-correlation/)

This study tests the correlation between chief executive officers (CEO) salaries and the degree of success of a company. The data of CEO Salaries andtotal Revenue in 2006 was collected for different organization from various respective companies. The data comprised 25 different companies of different size and market capitalization. It was expected to find strong positive correlation between CEO salaries and organization total revenue. Statistical analysis was conducted to conclude evidence in this relationship.
Null Hypothesis: (Ho)
There is no correlation between chief executive officer salaries and their respective company net revenues.
Alternative Hypothesis: (HA)
Chief executive officer salaries are positively correlated with their respective company net revenues.
The above table demonstrates the average (. 38) positive correlation between CEO salaries and total revenues of their respective companies. An alpha level of (. 10) was chosen to test or reject the null hypothesis. The p-value (. 064) is less than the chosen alpha level which indicates the existence of statistical evidence to reject the null hypothesis and accept the alternative hypothesis.
Conclusion:
There exists average positive correlation between chief executive officer salaries with their respective company net revenues.
Appendix I: CEO Salary and Total Revenue in 2006
Organization
Total Revenue
Exec. Name
Exec. Rank
Exec. Compensation
Peter Popoff Ministries
$23, 556, 469
Peter Popoff
President
$628, 732
Trinity Broadcasting Network
$188, 152, 079
Paul F. Crouch Sr.
President, Director
$419, 000
Christian Broadcasting Network
$236, 340, 781
Michael D. Little
President
$275, 868
Educational Media Foundation
$49, 711, 753
Richard Jenkins
President
$230, 285
Ligonier Ministries
$10, 416, 948
Timothy Dick
President, CEO
$230, 098
Christian Research Institute
$8, 040, 025
Hank Hanegraaff
President
$210, 192
Luis Palau Association
$13, 376, 641
Luis Palau
President
$186, 125
Christ for all Nations
$11, 745, 481
Rev. Reinhard Bonnke
President
$164, 654
Grace to You
$10, 817, 904
John F. MacArthur Jr.
President
$160, 000
Jack Van Impe Ministries International
$9, 915, 244
Jack Van Impe
President
$150, 012
Insight for Living
$17, 967, 239
Cynthia Swindoll
President
$148, 785
Andrew Wommack Ministries
$8, 868, 786
Andrew Wommack
President
$142, 901
InTouch Ministries
$71, 528, 366
Charles F. Stanley
President, Chairman
$123, 222
Love Worth Finding
$10, 125, 022
Roland Maddox
President
$119, 675
Turning Point
$18, 483, 073
David P. Jeremiah
President, CEO
$104, 530
Coral Ridge Ministries
$38, 851, 138
Thomas E. Rogeberg
Executive Vice President
$103, 000
Back to the Bible
$10, 519, 497
Woodrow Kroll
President
$99, 661
Far East Broadcasting Company
$8, 964, 368
Gregg J. Harris
President
$96, 650
Billy Graham Evangelistic Association
$104, 239, 736
William Franklin Graham III
President, CEO
$94, 998
Dayspring International
$11, 961, 341
John E. Gilman
President
$92, 320
Oral Roberts Evangelistic Association
$14, 249, 549
Richard Roberts
President, CEO
$91, 493
Eternal Word Television Network
$31, 367, 822
Michael P. Warsaw
President
$84, 512
Cornerstone TeleVision
$7, 027, 552
Ron Hembree
Chief Executive Officer
$79, 140
Bible Broadcasting Network
$12, 842, 218
Lowell Davey
President
$74, 084
New Life Ministries
$7, 691, 866
Steve Arterburn
Chief Executive Officer
$13, 800