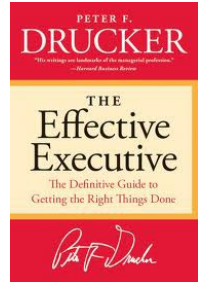


The Effective Executive
by Peter Drucker

The Effective Executive was first written in 1967 and most recently updated in 2006, just after Peter Drucker's passing. Peter Drucker was perhaps the greatest management thinker of his time. All of his many books are excellent and this one has withstood the test of time.

As the title suggests, the whole premise of this book is to be an effective executive. The table of contents summarizes the book:

1. Effectiveness Can Be Learned
2. Know Thy Time
3. What Can I Contribute?
4. Making Strength Productive
5. First Things First
6. The Elements of Decision-Making
7. Effective Decisions
8. Conclusion – Effectiveness Must Be Learned



What follows are some of the points made that I find most compelling. My thoughts are in brackets.

Introductory Materials

- Management is largely by example. Executives who do not know how to make themselves effective in their own jobs and work, set the wrong example.
- I have not come across a single “natural”: an executive who was born effective. All executives learn to be effective and all of them had to practice effectiveness until it became a habit.
- Effectiveness is what executives are being paid for.
- Effective executives follow the same eight practices:
 1. They ask “What needs to be done?”
 2. They ask “What is right for the enterprise?”
 3. They develop action plans.
 4. They take responsibility for decisions.
 5. They take responsibility for communicating.
 6. They focus on opportunities and not problems.
 7. They ran productive meetings.
 8. They said and thought “We” and not “I”.

The first two practices gave them the knowledge they needed. The next four helped them convert this knowledge into effective action. The last two ensured that the whole organization felt responsible and accountable.

- I've never encountered an executive who remains effective when tackling more than two tasks at a time. [I posted an article on my blogsite explaining the scientific reason for this—the fact that we only have two hemispheres to the brain.]

- Write an action plan. The action plan is a statement of intentions rather than a commitment... it should be revised often because every success creates new opportunities. So does every failure.
- An executive must take responsibility for decisions. A decision has not been made until people know:
 1. The name of the person accountable for carrying it out.
 2. The deadline.
 3. The names of the people who will be affected by the decision and therefore have to know about, understand, and approve of it—or at least not be strongly opposed to it—and
 4. The names of the people who have to be informed of the decision, even if they are not directly affected by it.
- Executives owe it to their organizations and fellow workers not to tolerate non-performing individuals and jobs. It may not be the employee's fault they are underperforming, but even so, they have to be removed.
- [Drucker suggests you offer people who do not succeed at a job an opportunity to get a job at their former level and salary. I couldn't agree more. In fact, you should have this conversation before you promote an employee so they understand the option remains available.]
- An executive should identify the information he needs, ask for it, and keep pushing until he gets it.
- Effective executives put their focus on opportunities and not on problems. Staffing is an example of being opportunity-focused.
- Executives must make meetings productive and make sure meetings are work sessions rather than bull sessions.
- Listen first, speak last.

1. Effectiveness Can Be Learned

- The executive is, first of all, expected to get the right things done.
- Working on the *right* things is what makes knowledge work effective.
- The greatest wisdom not applied to action and behavior is meaningless data.
- In a guerilla war, every man is an "executive."
- Knowledge work is defined by its results.

2. Know Thy Time

- It seems as if time is the issue in the current business environment. As Drucker stated, people are time-consumers, and most people are time-wasters.
- Since the knowledge worker directs himself, he must understand what achievement is expected of him and why.
- The knowledge worker must be focused on the results and performance goals of the entire organization to have any results and performance at all.
- Wherever knowledge workers perform well...executives take time out on a regular schedule to sit down with them...and ask: "What should we at the head of this organization know about your work? What do you want to tell me about this organization? Where do you see

opportunities we do not exploit? Where do you see dangers to where we are still blind? And, altogether, what do you want to know from me about the organization?” [Drucker agrees with Dr. Deming and I agree with both of them that traditional performance evaluations are a waste of time. It’s dialogue like this that actually produces results.]

- People are always “almost fits” at best. To get the work done with people (and no other resource is available) therefore requires lots of time, thought, and judgment.
- At a minimum, effective executives have a time log run on themselves for 3-4 weeks at a time once or twice a year on a regular schedule. [This was something I began doing after first reading this book roughly 15 years ago. As a trial lawyer I knew precisely where 2,000 hours a year in ten-minute increments for 17 years. Nobody knows where their time goes better than a lawyer. Then when I quit litigation I felt liberated from this time yoke... and lost track of my time. After reading this book, I started this process. I shoot for one week at least twice a year. I am also very efficient with my time in general. All of you should take a look at the Time Management Training Module on HR That Works.]
- The only way an effective executive can get to the important things is by pushing on others anything that can be done by them at all. [The point to understand here is that Drucker does not expect these people to do it as good as you. He used the words “at all.”] This means they’ll definitely not do it as good as you. And that has to be done.
- A common cause of time-waste is largely under the executive’s control and can be eliminated by him. That is the time of others he himself wastes.
- A well-managed factory is boring. Nothing exciting happens in it because the crises have been anticipated and have been converted into routine...the “dramatic” things in such an organization are basic decisions that make the future, rather than heroic and mopping up yesterday.

3. What Can I Contribute?

- [This is such a strong part of this book and makes me always reconsider my focus. I know how to manage time very well the question is whether I’m doing the right things with that time.] As Drucker says, “What can I contribute? Where can I be of service? What’s my calling? My highest and best use? How would I know?”
- The focus on contribution by itself supplies the four basic requirements of human relations:
 - Communications
 - Team work
 - Self-development
 - Development of others
- Communications are practically impossible if they are focused on the downward relationship.
- Knowledge workers must be professionals in their attitudes toward their own field of knowledge. They must consider themselves responsible for their own competence and the standards of their own work.
- People in general, and knowledge workers in particular, grow according to the demands they make on themselves. They grow according to what they consider to be achievement and attainment.
- The effective executive always states at the outset of a meeting the specific purpose and contribution it is to achieve...he always, at the end of his meetings, goes back to the opening statement and relates the final conclusions to the original intent. The cardinal rule in meetings is to focus from the start on contributions.

- To focus on contribution is to focus on effectiveness.

4. Making Strength Productive

- The bottom line of this conversation is to exploit your strengths and to build on your weaknesses.
- Effective executives know that their subordinates are paid to perform and not to please their superiors.
- Drucker encourages us to ask two questions: 1) What can you do to contribute? 2) What can you do uncommonly well?
- To tolerate diversity, relationships must be task-focused rather than personality-focused. Achievement must be measured against objective criteria of contribution and performance. This is possible, however, only if jobs are defined and structured impersonally. Otherwise, the accent will be on “who is right” rather than “what is right.”
- Drucker drives home an important distinction for effective executives—you’re meant to be their boss, not their friend. In the old days it seemed to me that bosses understood that better than they do today, and I’m as guilty as the next boss. I’m friends with everybody and sometimes it bites me in the rear-end. Of course, what’s most helpful is getting to the performance benchmarks so people are able to articulate what good performance is in a way that is easily self-measured. Drucker even suggests that effective executives keep a distance between themselves and their close colleagues.
- Drucker blasts traditional performance appraisals because they focus on employee weaknesses rather than their strengths, which is a management failure.
- For a superior to focus on weakness as appraisals require him to do, destroys the integrity of his relationship with his subordinates.
- It is the duty of the executive to remove ruthlessly anyone—and especially any manager who consistently fails to perform with high distinction. To let such a man stay on is to disrupt the others. It is grossly unfair to the whole organization.
- Effective executives know that the secret to managing your boss is to make the strengths of the boss productive. Ask to take their lowest denominator work away from them. Let them know that even if you won’t take care of it, you’ll manage it for them.
- Few things make executives as effective as building on the strengths of his superior.

5. First Things First

- Few people can perform with excellence three major tasks simultaneously.
- The secret of those people who do so many things and apparently so many difficult things is that they only do one at a time. As a result, they need much less time than the rest of us... therefore, they concentrate their own time and energy as well as their organization—on doing one thing at a time and doing first things first.
- Yesterday’s successes always linger on longer than their productive life.
- One must always ask, “Is this still worth doing?”
- Courage, rather than analysis, dictates the truly important rules for identifying priorities:
 - Pick the future as opposed to the past;
 - Focus on opportunity rather than problems;
 - Choose your own direction—rather than climbing on the bandwagon; and

- Aim high, aim for something that will make a difference, rather than something that is “safe” and easy to do.
- [Read that ten times over and tell me it doesn't truly begin to affect you. Here's a short-cut:
Pick the Future,
Focus on Opportunity,
Choose Your Own Direction, and
Aim High!]
- Achievement depends less on ability in doing research than on the courage to go after opportunity.

6. The Elements of Effective Decision-Making

- These are the elements of effective decision-making:
 - The clear realization that the problem is generic and can only be solved through a decision established by a rule, a principle;
 - The definition of specifications, which the answer to the problem had to satisfy, that is, of the “boundary conditions”;
 - The thinking through what is “right”, that is, the solution which will fully satisfy the specifications before attention is given to the compromises, adaptations, and concessions needed to make the decision acceptable;
 - The building into the decision the action to carry it out;
 - The feedback which tests the validity and effectiveness of the decision against the actual course of events.
- Drucker, Deming, and others always have us ask whether a question is generic or unique in nature. It is an important distinction in how we look at problems. Of course, if it is a generic problem, how we respond to it sets up a “rule.” That is a typical cause of discrimination claims—these rules are used differently in similar situations.
- The decision-maker always tests for signs that something atypical, something unusual is happening; he always asks: “Does the explanation explain the observed events, and does it explain all of them?” [Fortunately for me, much of what Drucker teaches here has been drilled into me by my legal training.]

7. Effective Decisions

- [Drucker agrees with David Bohm, who is quoted as saying, “The truth does not emerge from opinions.” Of course, when we first consider a decision, we do so from our personal biases. It is important to ask, “What are the facts?”]
- The effective decision-maker assumes that the traditional measurement is not the right measurement. Otherwise, there would generally be no need for a decision, a simple adjustment would do.
- [Much of what Drucker discusses in making decisions can be found in our Training Module on Making Mistakes. There is a decision-making checklist in that program that I wish I had a copy of some twenty years ago. It would have saved me hundreds of thousands of dollars.]
- Of course, when we make good decisions, we want to inspect, get feedback, consider alternatives, test first, and find people who disagree with us.
- “The effective executive uses conflict of opinion as his tool to make sure all major aspects of an important matter are looked at carefully.”

- Drucker cautions effective executives not to get caught up in being asked to decide on the trivial. These employees are not your kids and should be asked to work it out amongst themselves.
- Executives are not paid for doing things they like to do. They are paid for getting the right things done—most of all, in their specific tasks, the making of effective decisions.

Conclusion

- The executive's job is to be effective; and
- Effectiveness can be learned.
- Only executive effectiveness can enable this society to harmonize its two needs: the needs of organization to obtain from the individual the contribution it needs and the contribution of the individual to have the organization as his tool for the accomplishment of his purposes.
- Effectiveness *must* be learned.