

The Effective Executive – Peter Drucker

Preface

Management is largely by example.

All the effective ones that have had to learn to be effective and all of them then had to practice effectiveness until it became habit.

What made them all effective is that they followed the same practices:

- They asked “what needs to be done?”
- They asked “What is right for the enterprise?”
- They developed action plans
- they took responsibility for decisions
- they took responsibility for communicating
- they were focused on opportunities rather than problems
- they thought and said “we” rather than “I”

the answer to the question “what needs to be done?” Almost always contains more than one urgent task. But effective executives do not splinter themselves. They concentrate on one task if at all possible. If they are among those people— a sizable minority— who works best with a change of pace to have working day, they pick two tasks. I have never encountered an executive who remains effective all tackling where than two tasks at a time. Hence, after asking what needs to be done, the effective executive sets priorities and sticks to them.

In addition, the action plan needs to create a system for checking results against the expectations.

Take responsibility for decisions

- The decision has not been made until people know:
- The name of the person accountable for carrying it out;
- The deadline;
- The names of the people who will be affected by the decision and therefore have to know about it, understand, and improve it— or at least not strongly opposed to it— and
- the names of the people who have to be informed of the decision, even if they’re not directly affected by it

effective executives put their best people on opportunities rather than on problems.

Effective executives know that any given meeting is either productive or total waste of time.

This one so important that all elevated to the level of rule: *listen first, speak last.*

1: effectiveness can be learned

in the United States, the complaint is common that the company president— or any other senior officer— still continues to run marketing or the plant even though he is now in charge of the whole business and should be giving his time to its direction. This is sometimes blamed on the fact that Americans executives graduate, as a rule, functional working operations, and cannot slough off the habits of a lifetime when they get into general management.

The truly important events on the outside are not the trends. They are the changes in the trends.

There are essentially five such practices— five such habits of the mind that have to be acquired to be an effective executive:

- Effective executives know where their time goes. They can work systematically at managing the little of their time that can be bought brought under their control.
- Effective executives focus on our contribution. Figures or efforts to results rather than to work. They start out the question, “What results are expected of me?” Rather than with the work to be done, let alone techniques and tools.
- Effective executives build on strengths—their own strengths, the strengths of their superiors, colleagues, and subordinates; and on the strengths and the situation, that is what they can do. They do not build on weakness. They do not start out with the things they cannot do
- effective executives concentrate on a few major areas for superior performance will produce outstanding results. They force themselves to set priorities and stay with their priority decisions. They know that they have no choice but to do first things first— and second things not at all. The alternative is to get nothing done.
- Effective executives, finally, make effective decisions they know that this, above all, a matter of system— the right steps in the right sequence. They know that an effective decision is always a judgment based on “dissenting opinions” rather than” consensus on the facts”. And they know that to make many decisions fast means to make the wrong decisions. What is needed a few, the fundamental, decisions what is needed is the right strategies and razzle-dazzle tactics.

2: Know thy time

The effective executive therefore knows that to manage his time, he first has to know where it actually goes.

Alfred P. Sloan, Jr, former head of General Motors, the world’s largest manufacturing company was reported never to make a personnel decision the first time it came up. He made a tentative judgment, and even that took several hours. Then, a few days or weeks later, he tackled the question again, as if he had never worked on it before. Only when he came up with the same name two or three times in a row was he willing to go ahead. Sloan had a deserved reputation for the “Winners” he picked. But When asked about his secret, he is reported to have said: “No secret— I have simply accepted the fact that the first name I come up with is likely to be the wrong name – and I therefore retraced the whole process of thought and analysis a few times before I act.”

The first task here is to identify the time wasters which follows from lack of system or foresight. The symptoms to look for is the recurrent “crisis,” the crisis that comes back year after year. The crisis that recurs the second time is a crisis that must not occur again.

Every current crisis should always have been foreseen.

3: what can I contribute?

The effective executive focuses on contribution. He looks up from his work in outward towards goals. He asks: “What can I contribute that will significantly affect the performance and results of the institution I serve?” The stress is on responsibility.

The great majority of executives tend to focus downward. They are occupied with efforts rather than with results. They worry over what the organization and their superiors “owe” them and should do for them. And they are conscious above all of the authority they “should have.” As a result, they render themselves ineffectual.

4: Making Strength Productive

The effective executive makes strength productive. He knows that one cannot build on weakness. To achieve results, one has to use all the available strengths— The strengths of Associates, the strengths of the superior, in one's own strengths.

The effective executive therefore first makes sure that the job is well-designed. And if experience tells him otherwise, he does not hunt for genius to do the impossible. He redesigns the job. He knows that the test of organization is not genius. It is the capacity to make common people achieve uncommon performance.

Then it asks for questions:

- What have they done well?
- What therefore is he likely to be able to do well?
- What does he have to worry we're to acquire to be able to get the full benefit from the strength?
- If I had a child, would I be willing to have them working under this person?
 - If yes, why?
 - If no, why?

How do I manage my boss?

Above all the effective executive tries to make fully productive the strengths of his own superior.

I have yet to find a manager, whether in business, and government, or any other institution, who did not say: "I have no great trouble managing my subordinates. But how do I manage my boss?" it is actually remarkably easy" but only effective executives know that. The secret is that effective executives makes the strengths of the boss productive.

This should be elementary prudence. Contrary to popular legend, subordinates do not, as a rule, rise to position of prominence over the prostrate bodies of incompetent bosses. If their boss is not promoted, they will tend to be bottled up behind him. And if their boss is relieved for incompetence or failure, the successor is really the bright, young man next in line. He is usually brought in from the outside and brings with him his own bright, young man. Conversely, there is nothing quite as conducive to success, as a successful and rapidly promoted superior.

5: first things first

if there is any one "secret" of effectiveness, it is concentration. Effective executives do first things first and they do one thing at a time.

The more an executive focuses on upward contribution, the more he will require fairly big continuous chunks of time. The more she switches from being busy to achieve the results, the more she will shift to sustained efforts— efforts which require a fairly big quantity of time to bear fruit. Yet to get even the half day or those two weeks of really productive time requires self-discipline and iron determination to say "no."

Effective executives periodically review their work programs— and those of their associates— and asks: "if we did not already do this, would be doing it now?" and unless the answer isn't unconditional "yes," they drop the activity or curtail it sharply. At the least, they make sure that no more resources are being invested in the longer productive past. And those first-class resources, especially those scarce resources of human strength which are engaged in these tasks of yesterday, are immediately pulled out and put it to work on the opportunities of tomorrow.

6: the elements of decision-making

the first question of the affected decision maker asks is: quote Is this a generic situation or exception?" Quote Is this something that underlies a great many occurrences? Or is this occurrence a unique event that needs to be dealt with as such?" the generic always has to be answered through a rule, a principle.

this is the trouble with so many policy statements, especially of business: they can take no action commitment. To carry them out is no one's specific work and responsibility. No wonder that the people in the organization tend to view the statement cynically if not as declarations of what top management is really not going to do.

7: effective decisions

the first rule in decision-making is that one does not make a decision unless there is disagreement.

In a good law office, the beginner, fresh out of law school, his first society draft in the shortest possible case for the other lawyer's client. This is not only the intelligent thing to do before one sits down to work out the case for one's client. (one has to assume, after all, that the opposition's lawyer knows his business too.) it is also the right training for a young lawyer. He is trained not to start out with, "I know my case is right," But with thinking through what it is the other side must know, see, or take as probable believe that it has a case at all. It tells them to see the two cases as alternatives. And only then is he likely to understand what his cases all about. Only then can he make out with his case in court that his alternative is to be preferred over that the other side.

Conclusion: effectiveness must be Learned

As executives work toward becoming effective, they raise the performance level of the organization. They raise the sights of people— as well as others.