

# What Effective General Managers Really Do

by John P. Kotter



Harvard Business Review

Reprint 99208

# Harvard Business Review

MARCH – APRIL 1999

Reprint Number

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They chat about hobbies, hold spur-of-the-moment meetings, and seek out people far from their chain of command – all to combat the uncertainty and resistance inherent in their work.

# WHAT EFFECTIVE GENERAL MANAGERS REALLY DO

BY JOHN P. KOTTER

**7:35** A.M. Michael Richardson arrives at work after a short commute, unpacks his briefcase, gets some coffee, and begins a to-do list for the day.

**7:40** Jerry Bradshaw arrives at his office, which is right next to Richardson's. One of Bradshaw's duties is to act as an assistant to Richardson.

**7:45** Bradshaw and Richardson converse about a number of topics. Richardson shows Bradshaw some pictures he recently took at his summer home.

**8:00** They talk about a schedule and priorities for the day. In the process, they touch on a dozen different subjects relating to customers and employees.

**8:20** Frank Wilson, another subordinate, drops in. He asks a few questions about a personnel problem and then joins in the ongoing discussion, which is straightforward, rapid, and occasionally punctuated with humor.

Here is a description of a typical day in the life of a successful executive, in this case the president of an investment management firm.

**8:30** Fred Holly, the chair of the firm and Richardson's boss, stops in and joins in the conversation. He asks about an appointment scheduled for 11 o'clock and brings up a few other topics as well.

**8:40** Richardson leaves to get more coffee. Bradshaw, Holly, and Wilson continue their conversation.

**8:42** Richardson comes back. A subordinate of a subordinate stops in and says hello. The others leave.

**8:43** Bradshaw drops off a report, hands Richardson instructions that go with it, and leaves.

**8:45** Joan Swanson, Richardson's secretary, arrives. They discuss her new apartment and arrangements for a meeting later in the morning.

**8:49** Richardson gets a phone call from a subordinate who is returning a call from the day before. They talk primarily about the subject of the report Richardson just received.

**8:55** He leaves his office and goes to a regular morning meeting that one of his subordinates runs. About 30 people attend. Richardson reads during the meeting.

**9:09** The meeting ends. Richardson stops one of the people there and talks to him briefly.

**9:15** He walks over to the office of one of his subordinates, who is corporate counsel. Richardson's boss, Holly, is there, too. They discuss a phone call the lawyer just received. The three talk about possible responses to the problem. As before, the exchange is quick and includes some humor.

**9:30** Richardson goes back to his office for a meeting with the vice chair of another company (a potential customer and supplier). One other person, a liaison to that company and a subordinate's subordinate, also attends. The discussion is cordial and covers many topics, from the company's products to U.S. foreign relations.

**9:50** The visitor and the subordinate's subordinate leave. He opens the adjoining door to Bradshaw's office and asks a question.

**9:52** Swanson comes in with five items of business.

**9:55** Bradshaw drops in, asks a question about a customer, and then leaves.

**9:58** Wilson and one of his people arrive. He gives Richardson a memo and then the three talk about an important legal problem. Wilson doesn't like a decision that Richardson has tentatively made and urges him to reconsider. The dis-

cussion goes back and forth for 20 minutes until they agree on the next action and schedule it for 9 o'clock the next day.

**10:35** They leave. Richardson looks over papers on his desk and then picks one up and calls Holly's secretary regarding the minutes of the last board meeting. He asks her to make a few corrections.

**10:41** Swanson comes in with a card for a friend who is sick. Richardson writes a note to go with the card.

**10:50** He gets a brief phone call, then goes back to the papers on his desk.

**11:03** His boss stops in. Before Richardson and Holly can begin to talk, Richardson gets another call. After the call, he tells Swanson that someone didn't get a letter he sent and asks her to send another.

**11:05** Holly brings up a couple of issues, and then Bradshaw comes in. The three start talking about Jerry Phillips, whose work has become a problem. Bradshaw leads the conversation, telling the others what he has done during the last few days regarding the problem. Richardson and Holly ask questions. After a while, Richardson begins to take notes. The exchange, as before, is rapid and straightforward. They try to define the problem, and they outline

## Basis of the Study

Between 1976 and 1981, I studied 15 successful general managers in nine corporations. I examined what their jobs entailed, who they were, where they had come from, how they behaved, and how these factors varied in different corporate and industry settings.

The participants all had some profit-center and multifunctional responsibility. They were located in cities across the United States. They were involved in a broad range of industries, including banking, consulting, tire and rubber manufacturing, television, mechanical equipment manufacturing, newspapers,

copiers, investment management, and consumer products. The businesses they were responsible for ranged from doing only \$1 million in sales to more than \$1 billion. On average, the executives were 47 years old. All were male. Most were paid well over \$200,000 in 1982 dollars.

Data collection involved three visits to each GM over 6 to 12 months. Each time, I interviewed them for at least 5 hours, and I observed their daily routines for about 35 hours. I also interviewed their key coworkers. The GMs filled out questionnaires and

possible next steps. Richardson lets the discussion roam away from and back to the topic again and again. Finally, they agree on the next step.

**NOON** Richardson orders lunch for himself and Bradshaw. Bradshaw comes in and goes over a dozen items. Wilson stops by to say that he has already followed up on their earlier conversation.

**12:10** A staff person stops by with some calculations Richardson had requested. He thanks her and they have a brief, amicable conversation.

**12:20** Lunch arrives. Richardson and Bradshaw eat in the conference room. Over lunch, they pursue business and nonbusiness subjects, laughing often at each other's humor. They end the lunch talking about a potential major customer.

**1:15** Back in Richardson's office, they continue the discussion about the customer. Bradshaw gets a pad, and they go over in detail a presentation to the customer. Bradshaw leaves.

**1:40** Working at his desk, Richardson looks over a new marketing brochure.

**1:50** Bradshaw comes in again; he and Richardson go over another

dozen details regarding the presentation to the potential customer. Bradshaw leaves.

**1:55** Jerry Thomas, another of Richardson's subordinates, comes in. He has scheduled for the afternoon some key performance appraisals, which he and Richardson will hold in Richardson's office. They talk briefly about how they will handle each appraisal.

**2:00** Fred Jacobs (a subordinate of Thomas) joins them. Thomas runs the meeting. He goes over Jacobs's bonus for the year and the reason for it. Then the three of them talk about Jacobs's role in the upcoming year. They generally agree, and Jacobs leaves.

**2:30** Jane Kimble comes in. The appraisal follows the same format. Richardson asks a lot of questions and praises Kimble at times. The meeting ends on a friendly note of agreement.

**3:00** George Houston comes in; the appraisal format is repeated.

**3:30** When Houston leaves, Richardson and Thomas talk briefly about how well they have accomplished their objectives in the meetings. Then they talk briefly about some of Thomas's other subordinates. Thomas leaves.

**3:45** Richardson gets a short phone

call. Swanson and Bradshaw come in with a list of requests.

**3:50** Richardson receives a call from Jerry Phillips. He gets his notes from the 11 o'clock meeting about Phillips. They go back and forth on the phone talking about lost business, unhappy subordinates, who did what to whom, and what should be done now. It is a long, circular, and sometimes emotional conversation. By the end, Phillips is agreeing with Richardson on the next step and thanking him.

**4:55** Bradshaw, Wilson, and Holly all step in. Each is following up on different issues that were discussed earlier in the day. Richardson briefly tells them of his conversation with Phillips. Bradshaw and Holly leave.

**5:10** Richardson and Wilson have a light conversation about three or four items.

**5:20** Jerry Thomas stops in. He describes a new personnel problem, and the three of them discuss it. More and more humor enters the conversation. They agree on an action to take.

**5:30** Richardson begins to pack his briefcase. Five people briefly stop by, one or two at a time.

**5:45** He leaves the office.

gave me documents such as business plans, appointment diaries, and annual reports.

I measured the performance of the GMs by combining hard and soft indices. The former included measures of revenue and profit growth, both in an absolute sense and compared with plans. The latter included opinions of people who worked with the GMs (including bosses, subordinates, and peers) as well as, when possible, industry analysts. Using this method, I judged most of the GMs to be doing a "very good" job. A few were rated "excellent" and a few "good/fair."

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In many ways, Richardson's day is typical for a general manager. The daily behavior of the successful GMs I have studied generally conforms to the following patterns:

1. **They spend most of their time with others.** The average general manager spends only 25% of his working time alone, and that time is spent largely at home, on airplanes, or while commuting. Few spend less than 70% of their time with others, and some spend up to 90% of their work time this way.
2. **They spend time with many people in addition to their direct subordinates and their bosses.** They regularly see people who may appear to be unimportant outsiders.
3. **The breadth of topics in their discussions is extremely wide.** GMs do not limit their focus to planning, business strategy, staffing, and other top-management concerns. They discuss virtually anything and everything even remotely associated with their businesses.
4. **GMs ask a lot of questions.** In a half-hour conversation, some will ask literally hundreds of them.
5. **During conversations, GMs rarely seem to make "big" decisions.**
6. **Their discussions usually contain a fair amount of joking and often concern topics that are not related to work.** The humor is often about others in the organization or industry. Nonwork discussions are usually about people's families and hobbies.
7. **In more than a few of these encounters, the issue discussed is relatively unimportant to the business or organization.** GMs regularly engage in activities that even they regard as a waste of time.
8. **In these encounters, the executives rarely give orders in a traditional sense.**
9. **Nevertheless, GMs often attempt to influence others.** Instead of telling people what to do, however, they ask, request, cajole, persuade, and even intimidate.
10. **GMs often react to others' initiatives; much of the typical GM's day is unplanned.** Even GMs who have a heavy schedule of planned meetings end up spending a lot of time on topics that are not on the official agenda.
11. **GMs spend most of their time with others in short, disjointed conversations.** Discussions of a single question or issue rarely last more than ten minutes. It is not at all unusual for a general manager to cover ten unrelated topics in a five-minute conversation.
12. **They work long hours.** The average GM I have studied works just under 60 hours per week. Although GMs can do some of their work at home, while commuting to work, or while traveling, they spend most of their time at their places of work.

The behavior Richardson demonstrates throughout his day is consistent with other studies of managerial behavior, especially those of high-level managers. Nevertheless, as Henry Mintzberg has pointed out, this behavior is hard to reconcile, on the surface at least, with traditional notions of what top managers do (or should do).<sup>1</sup> It is hard to fit the behavior into categories like planning, organizing, controlling, directing, or staffing. The implication is that such behavior is not appropriate for top managers. But effective executives carry out their planning and organizing in just such a hit-or-miss way.

### How Effective Executives Approach Their Jobs

To understand why effective GMs behave as they do, it is essential first to recognize two fundamental challenges and dilemmas found in most of their jobs:

- figuring out what to do despite uncertainty and an enormous amount of potentially relevant information;
- getting things done through a large and diverse group of people despite having little direct control over most of them.

These are severe challenges with powerful implications for the traditional management functions of planning, staffing, organizing, directing, and controlling. To tackle those challenges, effective general managers rely on agenda setting and network building. The best ones aggressively seek information (including bad news), skillfully ask questions, and seek out programs and projects that can help accomplish multiple objectives.

**Agenda Setting.** During their first six months to a year in a new job, GMs usually spend a considerable amount of time establishing their agendas; they devote less time to updating them later on. Effective executives develop agendas that are made up of loosely connected goals and plans that address their long-, medium-, and short-term responsibilities. The agendas usually address a broad range of financial, product, market, and organizational issues. They include both vague and specific

items. (See the exhibit "A Typical GM's Agenda.")

Although most corporations today have formal planning processes that produce written plans, GMs' agendas always include goals, priorities, strategies, and plans that are not in those documents. This is not to say that formal plans and GMs' agendas are incompatible, but they differ in at least three important ways.

First, the formal plans tend to be written mostly in terms of detailed financial numbers. GMs' agendas tend to be less detailed in financial objectives and more detailed in strategies and plans for the business or the organization. Second, formal plans usually focus entirely on the short and moderate run (3 months to 5 years), whereas GMs' agendas tend to focus on a broader time frame, which includes the immediate future (1 to 30 days) and the longer run (5 to 20 years). Finally, the formal plans tend to be explicit, rigorous, and logical, especially regarding how various financial items fit together. GMs' agendas often

contain lists of goals or plans that are not explicitly connected.

Executives begin the process of developing their agendas immediately after starting their jobs, if not before. They use their knowledge of the businesses and organizations involved along with new information that they receive each day to quickly develop a rough agenda—typically, a loosely connected and incomplete set of objectives, along with a few specific strategies and plans. Then over time, as they gather more information, they complete and connect the agendas.

In gathering information to set their agendas, effective GMs rely more on discussions with others than on books, magazines, or reports. These people tend to be individuals with whom they have relationships, not necessarily people in "appropriate" jobs or functions (such as people in the planning function). In this way, they obtain information continually, not just at planning meetings. And they do so by using their current knowledge of the business

and organization and of management in general to help them direct their questioning, not by asking broad or general questions.

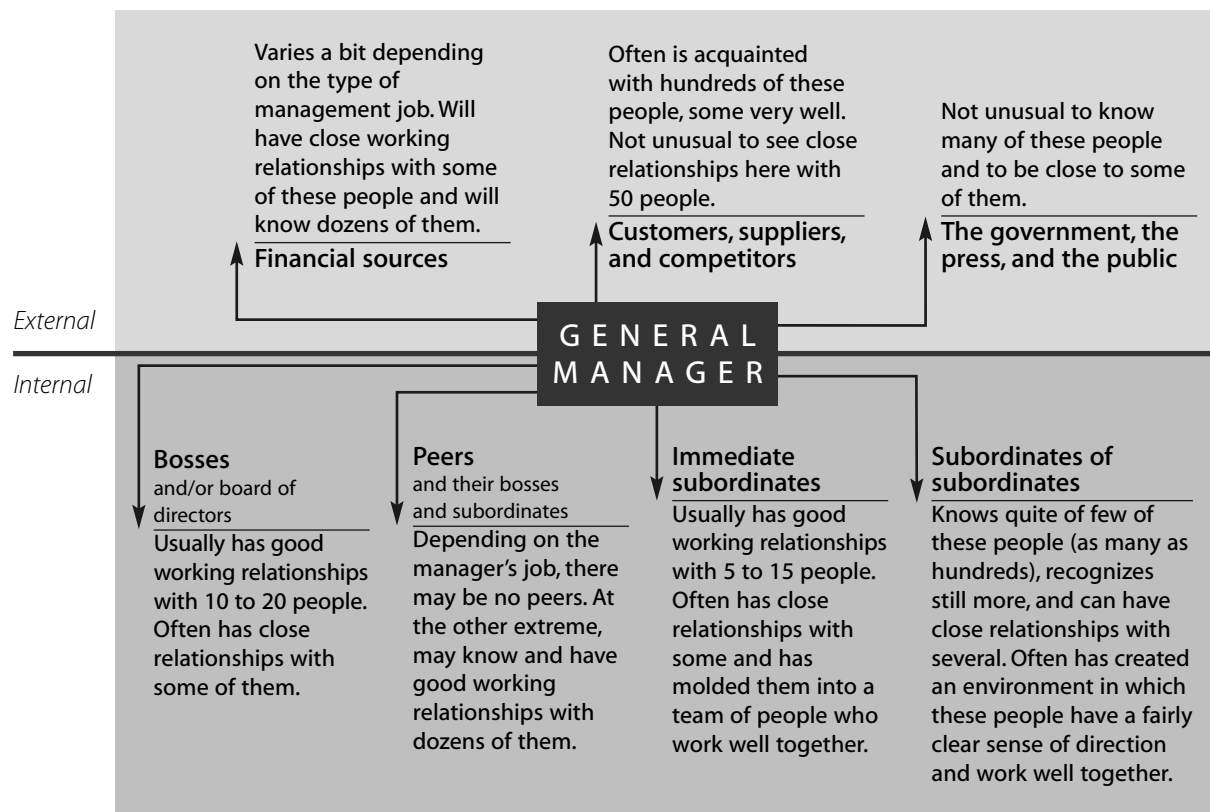
Having acquired the necessary information, GMs make agenda-setting decisions both consciously (or analytically) and unconsciously (or intuitively) in a process that is largely internal. Indeed, important agenda-setting decisions are often not observable. In selecting specific activities to include on their agendas, GMs look for those that accomplish multiple goals, are consistent with all other goals and plans, and are within their power to implement. Projects and programs that seem important and logical but do not meet those criteria tend to be discarded or at least resisted.

**Network Building.** In addition to setting agendas, effective GMs allocate significant time and effort to developing a network of cooperative relationships among the people they feel are needed to satisfy their emerging agendas. This activity is generally most intense during the

## A Typical GM's Agenda

	short term 0 to 1 year	medium term 1 to 5 years	long term 5 to 20 years
<i>Key Issues</i>			
Financial	A detailed list of objectives for the quarter and the year in all financial areas.	A fairly specific set of goals for sales, income, and ROI for the next five years.	A vague notion of revenues or ROI desired in 10 to 20 years.
Product and Market	A set of general objectives and plans aimed at such things as the market share for various products and the inventory levels of various lines.	Some goals and plans for growing the business, such as "introduce three new products before 1985," and "explore acquisition possibilities in the communications industry."	Only a vague notion of what kind of business (products and markets) the GM wants to develop.
Organizational	A list of items, such as "find a replacement for Smith soon," and "get Jones to commit himself to an aggressive set of five-year objectives."	A short list of items, such as "by 1983 we will need a major reorganization," and "find a replacement for Corey by 1984."	A vague notion about the type of company GM wants and the caliber of management that will be needed.

## A General Manager's Network



first months in a job. After that, GMs' attention shifts toward using their networks to implement and to help update the agendas.

Network-building activity is aimed at much more than just direct subordinates. GMs develop cooperative relationships with and among peers, outsiders, their bosses' boss, and their subordinates' subordinates. Indeed, they develop relationships with (and sometimes among) any and all of the hundreds or even thousands of people on whom they feel in some way dependent. Just as they create an agenda that is different from, although generally consistent with, formal plans, they also create a network that is different from, but generally consistent with, the formal organizational structure. (See the exhibit "A General Manager's Network.")

The nature of their relationships varies significantly, and GMs use numerous methods to develop them.

They try to make others feel legitimately obliged to them by doing favors or by stressing their formal relationships. They act in ways that encourage others to identify with them. They carefully nurture their professional reputations. They even maneuver to make others feel that they are particularly dependent on them for resources, career advancement, or other support.

In addition to developing relationships with existing personnel, effective GMs also often shape their networks by moving, hiring, and firing subordinates. In a similar way, they also change suppliers or bankers, lobby to get different people into peer positions, and even restructure their boards. And they try to create an environment—in terms of norms and values—in which people are willing to work hard on the GM's agenda and cooperate for the greater good. Although executives sometimes try to create such an environ-

ment among peers, bosses, or outsiders, they do so most often among their subordinates.

### Execution: Getting Networks to Implement Agendas

GMs often call on virtually their entire network of relationships to help implement their agendas. I have seen GMs call on peers, corporate staff, subordinates reporting three or four levels below them, bosses reporting two or three levels above them, suppliers and customers, and even competitors to help them get something done.

In each case, the basic pattern was the same. The GM was trying to get some action on items in his agenda that he felt would not be accomplished without his intervention. And he chose the people and his approach with an eye toward achieving multiple objectives without disturbing important relationships in the network.



GMs often influence people by simply asking or suggesting that they do something, knowing that because of their relationship, he or she will comply. In some cases, depending on the issue involved and the nature of the relationship, GMs also use their knowledge and information to help persuade people to act in a way that supports their agenda. Under other circumstances, they will use resources available to them to negotiate a trade. And occasionally, they resort to intimidation and coercion.

Effective GMs also often use their networks to exert indirect influence on people. In some cases, GMs will convince one person who is in the GM's network to get a second, who is not, to take some needed action. More indirectly still, GMs will sometimes approach a number of different people, requesting them to take actions that would then shape events that influence other individuals. Perhaps the most common example of exerting indirect influence involves staging a meeting or some other event.

GMs achieve much of their more indirect influence through symbolic methods. They use meetings, language, stories about the organization, even architecture, in order to get some message across indirectly.

All effective GMs seem to get things done with these methods, but the best performers tend to mobilize more people to get more things done, and do so using a wider range of tactics to influence people. "Excellent" performers ask, encourage, cajole, praise, reward, demand, manipulate, and generally motivate others with great skill in face-to-face situations. They also rely more on indirect influence than do the "good" managers, who tend to apply a narrower range of techniques with less finesse.

### How the Job Determines Behavior

Most of the visible patterns in daily behavior seem to be direct consequences of the way GMs approach their jobs, and thus consequences of the nature of the job itself and the type of people involved.

Spending most of their time with others (pattern 1) seems to be a nat-

ural consequence of the GM's overall approach to the job and the central role the network of relationships plays. Likewise, because the network tends to include all those the GM depends on, it is hardly surprising to find the GM spending time with many others besides a boss and direct subordinates (pattern 2). And because the agenda tends to include items related to all the long-, medium-, and short-run responsibilities associated with the job, it is to be expected that the breadth of topics covered in daily conversations will be very wide (pattern 3).

Other patterns are direct consequences of the agenda-setting approach employed by GMs. As we saw earlier, agenda setting involves gathering information on a continual basis from network members, usually by asking questions. That GMs ask a lot of questions (pattern 4) follows directly. With the information in hand, we saw that GMs create largely unwritten agendas. Hence, major agenda-setting decisions are often invisible: they are made in the GM's mind (pattern 5).

We also saw that network building involves the use of a wide range of interpersonal tactics. Since humor and nonwork discussions can be used as effective tools for building relationships and maintaining them under stressful conditions, we should not be surprised to find these tools used often (pattern 6). Because maintaining relationships requires GMs to deal with issues that other people feel are important (regardless of their centrality to the business), it is also not surprising to find that they spend time on issues that seem unimportant to them (pattern 7).

GMs implement their agendas by using a wide variety of direct and indirect influence methods. Giving orders is only one of many methods. Under these circumstances, one would expect to find them rarely ordering others (pattern 8) but spending a lot of time trying to influence people (pattern 9).

### The Efficiency of Seemingly Inefficient Behavior

Of all the patterns visible in daily be-

havior, perhaps the two most difficult to appreciate are that the executives do not plan their days in much detail but instead react (pattern 10), and that conversations are short and disjointed (pattern 11). On the surface at least, such behavior seems particularly unmanagerial. Yet these patterns are possibly the most important and efficient of all.

The following is an example of the effectiveness and efficiency of "reactive" behavior. On his way to a meeting, a GM bumped into a staff member who did not report to him. Using this two-minute opportunity, he asked two questions and received the information he needed, reinforced their good relationship by sincerely complimenting the staff member on something he had recently done, and got the staff member to agree to do something that the GM needed done.

The agenda in his mind guided the executive through this encounter, prompting him to ask important questions and to request a needed action. And his relationship with this member of his network allowed him to get the cooperation he needed very quickly. Had he tried to plan this encounter in advance, he would have had to set up and attend a meeting, which would have taken at least 15 to 30 minutes—much more time than the chance encounter. And if he had not already had a good relationship with the person, the meeting may have taken even longer or been ineffective.

Similarly, agendas and networks allow GMs to engage in short and disjointed—but extremely efficient—conversations. Consider the following dialogue, taken from a day in the life of John Thompson, a division manager in a financial services corporation. It includes three of Thompson's subordinates, Phil Dodge, Jud Smith, and Laura Turner, as well as his colleague Bob Lawrence.

THOMPSON: What about Potter?

DODGE: He's okay.

SMITH: Don't forget about Chicago.

DODGE: Oh yeah. [Makes a note to himself.]

THOMPSON: Okay. Then what about next week?

DODGE: We're set.

THOMPSON: Good. By the way, how is Ted doing?

SMITH: Better. He got back from the hospital on Tuesday. Phyllis says he looks good.

THOMPSON: That's good to hear. I hope he doesn't have a relapse.

DODGE: I'll see you this afternoon. [Leaves the room.]

THOMPSON: Okay. [To Smith.] Are we all set for now?

SMITH: Yeah. [He gets up and starts to leave.]

LAWRENCE: [Steps into the doorway from the hall and speaks to Thompson.] Have you seen the April numbers yet?

THOMPSON: No, have you?

LAWRENCE: Yes, five minutes ago. They're good except for CD, which is off by 5%.

THOMPSON: That's better than I expected.

SMITH: I bet George is happy.

THOMPSON: [Laughing.] If he is, he won't be after I talk to him.

[Turner sticks her head through the doorway and tells him Bill Larson is on the phone.]

THOMPSON: I'll take it. Will you ask George to stop by later? [The others leave and he picks up the phone.] "Bill, good morning, how are you?...Yeah....Is that right?...No, don't worry about it. I think about a million and a half. Yeah....Okay....Yeah, Sally enjoyed the other night, too. Thanks again. Okay. Bye.

LAWRENCE: [Steps back into the office.] What do you think about the Gerald proposal?

THOMPSON: I don't like it. It doesn't fit with what we've promised corporate or Hines."

LAWRENCE: Yeah, that's what I thought, too. What is Jerry going to do about it?

THOMPSON: I haven't talked to him yet. [He turns to the phone and dials.] Let's see if he's in.

This dialogue may seem chaotic to an outsider, but only because an outsider does not share the business or organizational knowledge these managers have and does not know Thompson's agenda. More important, beyond being not chaotic, these conversations are in fact amazingly efficient. In less than two minutes,

Thompson accomplished all of the following:

- He learned that Mike Potter agreed to help with a problem loan. That problem, if not resolved successfully, could have seriously hurt Thompson's plan to increase the division's business in a certain area.

- He found out that one of his managers would call someone in Chicago in reference to that loan.

- He found out that the plans for next week about that loan were all set. They included two internal meetings and a talk with the client.

- He learned that Ted Jenkins was feeling better after an operation. Jenkins works for Thompson and is an important part of his plans for the direction of the division over the next two years.

- He found out that division income for April was on budget except in one area, which reduced pressure on him to focus on monthly income and to divert attention from an effort to build revenues in that area.

- He initiated a meeting with George Masolia to talk about the April figures. Thompson had been considering various alternatives for the CD product line, which he felt must get on budget to support his overall thrust for the division.

- He provided some information (as a favor) to Bill Larson, a peer in another part of the bank. Larson had been helpful to Thompson in the past and was in a position to be helpful in the future.

- He initiated a call to Jerry Wilkins, one of his subordinates, to find out his reaction to a proposal from another division that would affect Thompson's division. He was concerned that the proposal could interfere with the division's five-year revenue goals.

In a general sense, John Thompson and most of the other effective GMs I have known are, as Tom Peters has put it, "adept at grasping and taking advantage of each item in the random succession of time and issue fragments that crowd his day."<sup>2</sup> That seems to be particularly true for the best performers. Their agendas allow them to react in an opportunistic (and highly efficient) way to the flow of events around

them, all the while knowing that they are doing so within some broader and more rational framework. The networks allow terse (and very efficient) conversations to happen. Together, the agenda and networks allow GMs to achieve the efficiency they need to cope with very demanding jobs in fewer than 60 hours per week through daily behavior patterns that on the surface can look unmanagerial.

## What Should Top Managers Do?

What are the implications? First and foremost, putting someone in a GM job who does not already know the business or the people involved, simply because he or she is a successful "professional manager," is risky. Unless the business is easy to learn, it will be very difficult for the new general manager to learn enough, fast enough, to develop a good agenda. And unless the situation involves only a few people, it will be difficult to build a strong network fast enough to implement the agenda.

Especially for large and complex businesses, this condition suggests that "growing" one's own executives should be a high priority. Many companies today say that developing their own executives is important, but in light of the booming executive search business, one has to conclude that either they are not trying hard or their efforts simply are not succeeding.

Second, management training courses, offered both in universities and in corporations, probably overemphasize formal tools, unambiguous problems, and situations that deal simplistically with human relationships.

Some of the time-management programs currently in vogue are a good example of the problem. Based on simplistic conceptions about the nature of managerial work, these programs instruct managers to stop letting people and problems "interrupt" their daily work. They often tell potential executives that short and disjointed conversations are ineffective. They advise managers to

*continued on page 12*

## Why “Wasting” Time Is More Important Than Ever

This article grew out of a perplexing inconsistency I observed between the textbook definition of management and how real managers acted on the job. Back in the 1970s, many business school textbooks claimed that managers operated within a highly structured environment, planning their days carefully, for instance, and sharing information in a linear fashion according to a command-and-control hierarchy. But my research strongly suggested that real managers—especially successful ones—actually operated quite differently. They rarely planned their days, often punctuating them with short, unorchestrated, and even personal chats with people outside of their formal chain of command. “What Effective General Managers Really Do” sought to describe that behavior and explain why it worked so well.

Rereading this article nearly 20 years later, I’m struck that it never mentions the word “leadership.” Nevertheless, a good deal of what the people described in the article were doing, especially the most effective ones, was exactly that. The language I used in this article reflects the era. We didn’t differentiate management from leadership, an important distinction now. Leaders look beyond the manager’s operating plans. Leaders look both outside and inside; managers do mostly the latter. Leaders communicate obsessively. All of this can be seen in the article, yet the word leadership is missing.

The article’s ideas about time management continue to make sense in 1999, perhaps even more so than they did in 1982. Back then, the typical general manager worked fewer than 60 hours a week. Today executives

often put in many more hours as they try to build their companies’ competitiveness. Time-management experts still tell managers to compose lists of priorities and to limit the number of people they see. However, the successful ones I watched rarely did so. They “wasted” time walking down corridors, engaging in seemingly random chats with seemingly random people, all the while promoting their agendas and building their networks with far less effort than if they’d scheduled meetings along a formal chain of command. These behaviors were once valuable simply for getting work done well. But in today’s intense business environment, they may be essential to prevent executive burnout and promote long-term competitive advantage.

discipline themselves not to let "irrelevant" people and topics into their schedules. Similarly, training programs that emphasize formal quantitative tools operate on the assumption that such tools are central to effective performance. All evidence suggests that while these tools are sometimes relevant, they are hardly central.

Third, people who are new in general management positions can probably be gotten up to speed more effectively than is the norm today. Initially, a new GM usually needs to spend a considerable amount of time collecting information, establishing relationships, selecting a basic direction for his or her area of responsibilities, and developing a supporting organization. During the first three to six months on the job, demands from superiors to accomplish specific tasks or to work on pet projects—anything that significantly diverts attention away from agenda setting and network building—can be counterproductive.

In a positive sense, those who oversee general managers can probably be most helpful initially if they are sensitive to where the new executive is likely to have problems and try to help him or her in those areas.

Such areas are often quite predictable. For example, if people have spent their careers going up the ladder in one function and have been promoted into the general manager's job in an autonomous division (a common occurrence, especially in manufacturing organizations), they will likely have difficulties with agenda setting because they lack detailed knowledge about the other functions in the division.

On the other hand, if people have spent most of their early careers in professional, staff, or assistant jobs and are promoted into a general manager's job where they suddenly have responsibility for hundreds or thousands of people, they will probably have great difficulty at first building a network. They don't have many relationships to begin with, and they are not used to spending time developing a large network.

Finally, the formal planning systems within which many GMs must operate probably hinder effective performance. A good planning system should help a general manager create an intelligent agenda and a strong network. It should encourage the GM to think strategically, to consider both the long and the short term and, regardless of the time

frame, to take into account financial, product, market, and organizational issues. Furthermore, it should be a flexible tool so that, depending on what kind of environment among subordinates is desired, he or she can use the planning system to help achieve the goals.

Unfortunately, many of the planning systems used by corporations do nothing of the sort. Instead, they impose a rigid "number crunching" requirement on GMs that often does not require much strategic or long-range thinking in agenda setting and that can make network building and maintenance needlessly difficult by creating unnecessary stress among people. Indeed, some systems seem to do nothing but generate paper, often a lot of it, and distract executives from doing those things that are really important.

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1. Henry Mintzberg, "The Manager's Job: Folklore and Fact," HBR July–August 1975, p. 49; reissued March–April 1990.

2. Thomas J. Peters, "Leadership: Sad Facts and Silver Linings," HBR November–December 1979, p. 164.

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