

The Effective Executive by Peter F. Drucker

Executive book summary by Junyin Ding
for EADM 826

INTRODUCTION

Unlike other books that focus on how to manage others, this book focuses on how to manage yourself to be a productive manager. And the book's discussion is based on two premises: that managers must be effective and that being effectiveness can be learned.

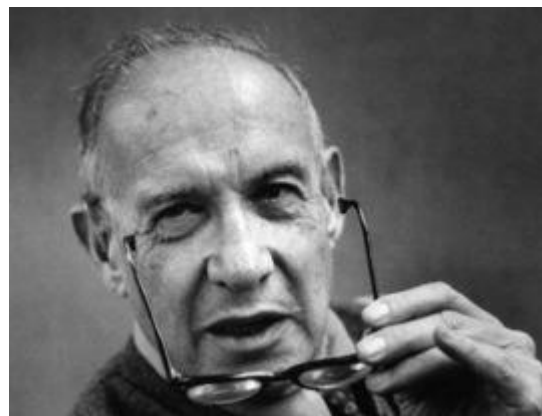
To be effective under this premise, the authors believe five steps are needed. The first step is to keep track of how time is spent. The second step is for managers to focus their attention on contributions. The third step is to make the most of people's strengths. The fourth step is to prioritize what is important and focus on time. The fifth step is to focus on reasonable actions.

ABOUT THE AUTHOR

Peter Drucker, the founder of the management discipline, is revered as a master among masters and the father of modern management. The spread of his ideas influenced more than 130 countries and he called himself a social ecologist. His influence on sociology and economics was profound. He has written extensively, including dozens of books such as *The Practice of Management*, *The Effective Executive*, and *Management: Mission, Responsibility, Practice*. *The Practice of Management* has established him as the founder of the management discipline, while *The Effective Executive* has become a must-read classic for managers worldwide.

CONTENTS

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 Discussion



Chapter 1

Effectiveness Can Be Learned

WHY WE NEED EFFECTIVE EXECUTIVES

This is because effectiveness is a special skill for knowledge workers, and knowledge workers have only recently increased. For manual work, it is efficiency, the ability to do things right rather than to get the right things done, that is valued.

Today, many organizations are shifting their focus to knowledge workers, so the effectiveness of their work becomes important.

Moreover, the motivation of the knowledge worker depends on his or her effectiveness and on whether or not he or she is making a difference at work.

WHO IS AN EXECUTIVE?

In a modern organization, a knowledge worker is an executive if he or she is able to combine his or her position and knowledge with the responsibility to contribute to the organization, thus substantially influencing the organization's ability to operate and the results it achieves.

Such an executive cannot be satisfied with merely carrying out orders; he must be able to make decisions and take responsibility for making contributions. He or she should have the ability to make sound decisions better than anyone else, given his or her knowledge.

Many people are simply superiors, or even superiors of many people, but their actions do not have a significant impact on the organization's ability to operate.

Therefore, we cannot judge whether a knowledge worker is a manager or not based on whether he or she has subordinates.

The term executive refers to knowledge workers, managers and professionals in general. By virtue of their knowledge and position, they have to make decisions in their work that affect overall performance and results. However, this does not mean that most knowledge workers are managers because knowledge work is like any other job, some of which is of a routine nature and does not require much skill.

EXECUTIVE REALITIES

The reality that executive face: they are required to be effective, but on the other hand, it is difficult for them to be effective.

The reality of the challenges faced by executive within an organization that are beyond their control:

1. Executives' time belongs to others, not to themselves. They are prisoners of the organization. Even the most impassioned and efficient executives find that the vast majority of their time is taken up, and that the time spent talking is often unproductive.
2. Executives are often forced to be busy with day-to-day operations unless they have the courage to act to change everything around them. It is not always clear what is important. The Executives needs a set of criteria to enable him to work on what is really important.

Chapter 1

Effectiveness Can Be Learned

3. The executives themselves are in an *organization*. The executive is only effective if others can take advantage of his or her contribution. The most important people for the executive's effectiveness are often not the people under the executive's direct control, but people in other departments, or the executive's own boss.
4. Executives are *within* an organization. Managers cannot experience the changes in the outside world, but only learn about the outside world through information reports, which are filtered in advance by the organization.

THE PROMISE OF EFFECTIVENESS

If someone has a skill in an important area, let him make full use of it. But it is not true that one does not even need to acquire some basic knowledge in various fields.

CAN EFFECTIVENESS BE LEARNT

Effectiveness is an acquired habit, a synthesis of practice. Therefore, it can be learned. And effectiveness is twofold:

1. To be a management consultant is to be a think tank, without any power, but the management consultant must be effective, otherwise nothing will be achieved.
2. The most effective management consultants also rely on the cooperation of people within the commissioning organization to get the job done

There are five habits of mind that must be developed in order to be an effective manager:

1. Effective executives know what they are spending their time on.
2. Effective executives value their contribution to the outside world, and they don't work for the sake of the job, they work for results.
3. Effective executives are good at leveraging strengths, including their own, their supervisor's, their colleagues' and their subordinates' strengths. They are good at seizing advantageous situations and doing what they want to do.
4. Effective executives concentrate on a small number of important areas in which excellent performance can produce excellent results. They set the order according to the priority of their work.
5. An effective executive must be good at making effective decisions. An effective decision is always a judgment based on a discussion of different opinions. It is never the product of unanimity. Quick decisions are mostly wrong decisions, and the number of truly inaccessible decisions is small, but they must be fundamental. What is needed, therefore, is the right decision, not a dizzying array of tactics.

Chapter 2

Know Thy Time

The rarest resource of all is time. Effective executives tend to start with their time schedule. First recognize where you spend your time, then manage your time to reduce the amount of time taken up by unproductive tasks. Finally, focus the broken usable time into chunks of continuity.

THE TIME DEMANDS ON THE EXECUTIVE

Executives are often under various pressures that force them to spend some time on unproductive and time-wasting tasks. But most of a manager's tasks require large blocks of time. In fact, to be effective, knowledge work, especially for managers, must be able to use blocks of time in a holistic manner.

The needs of the organization itself, the need to deal with personnel issues, and the need for innovation and change have made it imperative for executives to address the management of time. And in order to manage time, you first need to understand how you use it.

TIME-DIAGNOSIS

To understand how time is spent, you need to record it first. Dare to cut down on meaningless work.

The first step is to keep track of actual time use. The second step is to do systematic time management.

Systematic time management:

1. Find out what doesn't have to be done
2. What activities on the time record can be attended by someone else without compromising results?
3. Executives need to avoid wasting other people's time

PRUNING THE TIME-WASTERS

1. Identify factors that lead to wasted time due to lack of systems or vision.
2. Overstaffing also often results in wasted time.
3. Poor organization, manifested by too many meetings, also results in wasted time. Meetings are a remedy for organizational deficiencies, and you can't work when you have meetings.
4. A final factor that wastes time is poorly functioning information or the way in which it is presented.

CONSOLIDATING "DISCRETIONARY TIME"

After executives have done their own time logging and analysis, they need to understand how much time is freely available and how much of it can be spent on things that contribute.

The control and management of time cannot be done once and for all; time records and analysis must be done on an ongoing basis.

Chapter 3

What Can I Contribute

Managers must value contribution and know how to align their work with long-term goals.

Valuing contribution is the key to effectiveness. Effectiveness is manifested in three areas:

1. Own work, including content, level of work and its impact
2. Their relationships with others, including their superiors, colleagues and subordinates.
3. The use of various management tools, such as meetings or reports.

Most managers value hard work but neglect results. If all they do is work hard and emphasize their own authority, they will only be someone else's subordinate, no matter how high their position.

THE EXECUTIVE'S OWN COMMITMENT

A focus on contribution is what allows executives to see overall performance without being limited by their own expertise and skills, or by the department to which they belong, and to pay more attention to the outside world.

At the same time, asking questions about what I can contribute helps to tap into the untapped potential of the work.

The demand for effectiveness in general institutions is often expressed in three areas:

1. Direct results
2. The creation of new values and the reaffirmation of those values
3. The nurturing and development of the talent needed for tomorrow

Common reasons for managerial failure: the person's inability or unwillingness to change to accommodate the needs of a new position when taking on a new position.

HOW TO MAKE THE SPECIALIST EFFECTIVE

Knowledge workers are usually professionals. They often have expertise. But expertise itself is partial and isolated. The output of one professional must be integrated with the output of others in order to produce results. Thus, intellectuals have a responsibility to make themselves known to others.

The generalist, on the other hand, is also supposed to be an expert, but he or she is able to relate a small area of his or her expertise to other vast fields of knowledge.

Chapter 3

What Can I Contribute

THE RIGHT HUMAN RELATIONS

Executives who think they have managerial talent tend not to have good interpersonal relationships. Executives who value both their work and their interpersonal relationships tend to have good interpersonal relationships. And the work is productive as a result.

There are four requirements for effective human relations. These can be met by focusing on contributions.

1. Communicating with each other (top-down singular relationships are not enough)
2. Teamwork (emphasis on contribution facilitates horizontal communication and thus enables teamwork)
3. Self-development (personal development depends very much on how much you value your contribution)
4. Nurturing others (executives who value contribution will inevitably inspire others as well)

THE EFFECTIVE MEETING

Executives inevitably have to attend seminars and briefings and other meetings. Meetings are a management tool that managers use on a daily basis. These tasks take up the manager's time. Even the best analysts and time managers still spend a lot of time on meetings and reports.

Effective executives know what they can get out of the meeting and what the purpose of the meeting is or should be.

Executives may chair meetings, listen to important presentations, or engage in discussions with others. But they cannot preside over meetings and engage in discussions at the same time. The most important point is to focus on the contribution from the beginning.

REFLECTIVE QUESTIONS:

What are the ways in which teachers or others working in the field of education value their contributions?

How to improve communication between junior and senior workers in the field of education

Chapter 4

Making Strength Productive

STAFFING FROM STRENGTH

The first hurdle that executives face in using people's strengths is choosing people. Managers should look for people who can play to their strengths, not for people who are perfect.

To value a person's strengths is to make demands on their job performance. The organization should be set up in such a way that it is conducive to making the most of the employee's strengths.

The hiring principles of an effective manager:

1. Do not design the position as if only God can fill it.
2. The requirements of the post should be rigorous, yet broad in scope. At the same time, the position should be designed in such a way that people can find out early whether they are suitable for the position.
3. Consider first what someone can do, not what the requirements of the job are. The appraisal system should be designed to uncover people's potential, not to pick on them.
4. Use people's strengths and tolerate their weaknesses.

HOW DO I MANAGE MY BOSS?

Effective managers make the most of their supervisor's strengths. They know that supervisors are human and must have their own set of effective ways, and they will try to find out how they do this.

MAKING YOURSELF EFFECTIVE

Effective managers are equally important to their own work and to making the most of their strengths. An effective manager should be responsive to his or her own personality traits and not force himself or herself.

Effective executives see everyone, including themselves, as an opportunity to be exploited. In any group, the standard of conduct depends on the performance of the leader. So, an effective executive will base his or her example on making the most of what he or she has to offer.

REFLECTIVE QUESTIONS:

In the field of education, a teacher's strengths can be categorized based on what factors?

Aside from well-developed teaching skills and strong communication skills with students, what are some of the other strengths of the teacher that can be utilized?

Chapter 5

First Things First

Effective executives always put the important things first and do only one thing at a time. The more you want to make a huge contribution, the bigger continuous chunks of time required.

SHEDDING THE PAST

The first principle that managers concentrate on is getting rid of a past that is no longer valuable.

People have suffered a major failure and correction is not too difficult, they can examine themselves, but yesterday's results can leave an endless impact. Past successes and activities need to be ruthlessly reviewed most of all, or the organization will get caught up in this ego.

Effective managers who intend to do a new business must first delete an existing business. This is necessary to control the expansion of the organization.

At the same time, it is risky to hire a new person to take charge of a new job because doing a new job is already a gamble; it is even riskier to let the new person do it.

PRIORITIES AND POSTERIORITIES

Executives need to make decisions about what needs to be prioritized and what can be slowed down.

Key principles to help set priorities, each of which is closely related to courage:

1. Focus on the future, not the past.
2. Focus on opportunities, not just difficulties.
3. Choose your own direction instead of following blindly.
4. Aim high, be innovative, not just safe and convenient.

In order to concentrate and give full attention to a task, the manager must first be courageous enough to decide what really should be done first. Only then can a manager become the master of time and tasks without becoming a slave to them.

Chapter 6

The Elements of Decision-making

DEAR ROOM 108 FAMILIES

Decision-making is only one of the many tasks of managers, and it does not usually take long for managers to make decisions, but it is a task that only managers have to do.

Effective executives don't make too many decisions. What they do make are major decisions. They place more emphasis on distinguishing what problems are routine and what problems are strategic than they do on solving problems. They make decisions at the highest level. At the same time, it is important to note that while effective decision-making is based on a high level of rational understanding, it must be implemented as close to the working level as possible and must strive for simplicity.

THE ELEMENTS OF THE DECISION PROCESS

1. Be sure to understand the nature of the problem; if the problem is recurring, it can only be solved through a decision that establishes a principle.
2. Be sure to identify the boundaries that must be met in order to solve the problem. In other words, identify the boundary conditions of the problem.
3. Think carefully about what the right solutions to the problem are and what conditions they must meet, and then consider the compromises, adaptations and concessions necessary to make the decision acceptable.

4. The decision needs to be accompanied by implementation measures so that the decision is translated into action that can be implemented.
5. Feedback is valued in the implementation process to validate the correctness and effectiveness of decisions.

In the first element, the nature of the problem can be divided into four categories.

- The first category is the really recurring problem. Most problems encountered by managers fall into this category. These problems are often only superficial.
- The second category is a problem that is still essentially a recurring problem, although it occurs by chance in a particular situation.
- The third category of problems are truly incidental to a particular event.
- The fourth category of problems are recurring events that occur for the first time.

With the exception of the third category of truly episodic special events, all three require a recurrent solution. In other words, there needs to be a rule, a policy or a principle. Once the right principle is in place, all similar problems will be easy to solve. Therefore, effective decision makers need to spend a lot of time identifying the attributes of the problem.

Chapter 7

Effective Decisions

Effective decision makers know that the decision-making process often begins not with the gathering of facts, but with their own insights. Insights are hypotheses that have yet to be proven. Insights are worthless if they cannot be substantiated. But in order to determine what is factual, the relevant criteria must first be established. This is the key to effective decision-making.

Moreover, effective decision-making often emerges from multiple and even conflicting insights.

One always begins with one's own opinion, and all demands that others begin with the gathering of facts are unrealistic. The facts gathered by others must be based on the established conclusions of others. So, the facts that others gather are often not the facts that one thinks under his or her opinion. This is a contradiction.

So, the rigorous approach is to prioritize insights. An effective executive encourages people to offer insights. Along with the encouragement, he or she also asks people to ponder the insights and recognize the proven results of their insights.

The key question after that is: what are the relevant criteria? Effective decision makers usually start with the assumption that traditional measurement methods are not appropriate measures. The reason we need new decisions is that the measures of the past are no longer appropriate for today.

And finding appropriate measurements requires a system of feedback prior to decision making.

USE OF DISAGREEMENT

Why do we need disagreement?

- Disagreement protects decision makers from falling prey to organizations.
- Disagreement is an alternative to what is needed for decision-making.
- Disagreement can stimulate the imagination.

Effective executives do not assume that if one course of action is right, all other courses of action are wrong. The first step of an effective executive will be to find out why people have different opinions.

In addition, effective executives have to ask the question: do we really need a decision?

New decisions will be needed only if continued conservatism worsens the situation or if crucial new opportunities arise.

We usually make decisions that fall somewhere between having to make a decision and being able to not make a decision. Two principles can be followed at this point:

- If the benefits far outweigh the costs and risks, it's time to act.
- Whether action or inaction, do not do it by halves or by compromise.



Summary and Critique

This book, a classic book on management, presents many interesting theories. Among them I particularly agree with the idea that managers should make the most of people's strengths rather than making them perfect people. My feeling is that many organizations have performance appraisals that are aimed at identifying the problems of employees rather than their strengths, which can be really frustrating for employees. This is in line with the view that teachers in education focus on finding out what students are somewhat good at. But how this view applies to management in the education industry is still a problem, I think. In the average institution there are often multiple different positions. So, identifying the strengths of employees and putting them in the right positions wouldn't seem very difficult. But in education, for example in schools, most positions are teachers. So, it can be difficult to define how a certain strength of a teacher is appropriate for which specific teacher position.

Another inspiration for me from this book is that teachers, as knowledge workers, can also work as managers, even though they do not hold the title of director or some other kind of leader. On the one hand, teachers do take on the responsibility of managing students and classrooms in the teaching process. On the other hand, teachers can really think about how they can contribute more. This includes developing some thinking about responsibilities in terms of communication and hierarchy, so that the teachers themselves are really placed in the organization.