

THE WALL STREET JOURNAL ON MANAGEMENT

The Best of the
Manager's Journal

Edited by

David Asman and Adam Meyerson

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Introduction

The idea for this book comes from readers of *The Wall Street Journal*. Enthusiasm for the weekly Manager's Journal column has grown steadily since its inception in 1979. Copies of articles have often been posted on company bulletin boards, distributed at board meetings, and taught in business school curricula. As editors of the column (Meyerson was editor until 1983, Asman afterward), we received an increasing number of suggestions to put together a book of the best of the Manager's Journal.

Our goals in editing the Manager's Journal column were always simple. We sought practical advice about the real-life dilemmas that every manager must grapple with. We sought the same kind of lively, jargon-free writing that the rest of *The Wall Street Journal* is known for. And we focused on management problems that were narrow enough to be covered sufficiently in a short space, but broad enough to be of interest to general readers.

One of our great joys as editors was to discover how well managers and consultants can write when they tell stories and draw down-to-earth generalizations based on their own business experiences. Too often business writing is colorless and preachy. But managers can be just as entertaining and informative in their writing as they are in their conversations with friends and business associates. And when they focus on the subjects that they know best, managers have an incredible amount of wisdom to share. The Manager's Journal column, and this book, try to capture some of this wisdom, and to make it accessible to the broadest possible audience.

David Asman and Adam Meyerson

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1

Making the Most of Yourself

Your Most Precious Resource: Your Time

By Andrew S. Grove

A great deal of a manager's work has to do with allocating resources: manpower, money and capital. But the single most important resource that we allocate from one moment to the next is our own time. How you handle your own time is, in my view, the single most important aspect of being a role model and leader.

A manager must keep many balls in the air at the same time and shift his energy and attention to activities that will most increase the output of his organization. In other words, he should move to the point where his *leverage* will be the greatest.

Much of my day is spent acquiring information. I read standard reports and memos but also get information ad hoc. I talk to people inside and outside the company, managers at other firms, financial analysts and members of the press. Customer complaints are, for instance, a very important source of information. This includes internal customers as well. The Intel training organization, which I serve as an instructor, is an internal customer of mine. To cut myself off from the casual complaints of people in that group would be a mistake because I would miss getting an evaluation of my performance as an internal "supplier."

I have to confess that the type of information most useful

to me, and I suspect most useful to all managers, comes from quick, often casual conversational exchanges, many of them on the telephone. These usually reach a manager much faster than anything written down. And usually the more timely the information, the more valuable it is.

So why are written reports necessary at all? They obviously can't provide timely information. What they do is constitute an archive of data, help to validate ad hoc inputs and catch, in safety-net fashion, anything you may have missed. But reports also have another, totally different function. As they are formulated and written, the author is forced to be more precise than he might be orally. Hence their value stems from the discipline and the thinking the writer is forced to impose upon himself as he identifies and deals with trouble spots. Reports are more a *medium of self-discipline* than a way to convey information. *Writing* the report is important; reading it often is not.

There is an especially efficient way to get information, much neglected by most managers. That is to visit a particular place in the company and observe what's going on there. Think of what happens when somebody comes to see a manager in his office. A certain stop-and-start dynamic occurs when the visitor sits down, something socially dictated. While a two-minute kernel of information is exchanged, the meeting often takes a half-hour. But if a manager walks through an area and sees a person with whom he has a two-minute concern, he can simply stop, cover his subject and be on his way.

It's obvious that the quality of your decision-making depends on how well you comprehend the facts and issues in your business. This is why information-gathering is so important in a manager's life. Other activities—conveying information, making decisions and being a role model for your subordinates—are also governed by the *base of information* that you have. In short, information-gathering is the basis of all other managerial work, which is why I choose to spend so much of my day doing it.

You often do things at the office designed to influence events slightly, maybe making a phone call to an associate

suggesting that a decision be made in a certain way, or sending a note or a memo that shows how you see a particular situation, or making a comment during an oral presentation. In such instances you may be advocating a preferred course of action, but you are not issuing an instruction or a command. Yet you're doing something stronger than merely conveying information. Let's call it "nudging" because through it you nudge an individual or a meeting in the direction you would like. This is an immensely important managerial activity in which we engage all the time, and it should be carefully distinguished from decision-making that results in firm, clear directives. For every decision we make, we probably nudge things a dozen times.

Finally, there is a subtle aspect of our work that we all must consider. While we move about, doing what we regard as our jobs, we are role models for people in our organization—our subordinates, our peers and even our supervisors. Much has been said and written about a manager's need to be a leader. The fact is, no single managerial activity can be said to constitute leadership, and nothing leads as well as example. Values and behavioral norms are simply not transmitted easily by talk or memo, but are conveyed very effectively by doing and doing visibly.

Don't think for a moment that the way I've described leadership applies only to large operations. An insurance agent in a small office who continually talks with personal friends on the phone imparts a set of values about permissible conduct to everyone working for him. A lawyer who returns to his office after lunch a little drunk does the same. On the other hand, a supervisor in a company, large or small, who takes his work seriously exemplifies to his associates the most important managerial value of all.

On a typical working day, I participate in some 25 separate activities, mostly information-gathering and information-giving, but also decision-making and nudging. I spend two-thirds of my time in a meeting of one kind or another. Before you are horrified at how much time I spend in meetings answer one question: Which of the activities—information-gathering, information-giving, decision-making, nudg-

ing and being a role model—could I have performed outside a meeting? The answer is practically none.

When I look at my schedule, I don't see any obvious patterns. I deal with things in seemingly random fashion, and my day always ends when I'm tired, not when I am done. A manager's work is never done: There is always more to be done, more that should be done, always more that can be done. That is why choosing and performing activities with high leverage is the key to managerial effectiveness.

Mr. Grove is president of Intel Corp. His article is excerpted and adapted from his book, "High Output Management," published by Random House.

Building Endurance

By Mortimer R. Feinberg
and Aaron Levenstein

Helen Hayes once made a shrewd observation that is as pertinent to business leadership as it is to her own profession of acting. Talent and ability are not enough, she said. "Nothing is any good without endurance."

We've all known intelligent and capable executives who have failed because they didn't have enough emotional and physical stamina. Ecclesiastes noted that the race is not necessarily to the swift. The challenge is to keep running. So, too, in business, what often counts is the ability to work consistently long and hard, especially under pressure and after disappointing setbacks.

Fatigue leads to a loss of efficiency, impaired initiative, distorted judgment, skewed perception of time and heightened anxiety. Perhaps most important, fatigue erodes subjective standards of performance. As we grow more tired, we are ready to settle for less quality and accuracy. During World War II, Royal Air Force psychologists observed that pilots made the most errors as they drew their planes in for a landing on returning to their base from hazardous raids. The cause, said the analysts, was an "almost irresistible tendency to relax."

Scientists have long tried to isolate the physiological causes of fatigue. They are far from agreement. Some inves-