



# THE EFFECTIVE EXECUTIVE

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# **THE EFFECTIVE EXECUTIVE**

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## Preface

I first became interested in the effective executive early in World War II. Some men recruited into the wartime government agencies in Washington from civilian jobs in business, the universities, or the professions made an apparently easy success as administrators. Others, presumably no less able or experienced, were frustrated failures. Why this should happen no one could explain. Nor did anyone know what to do about the problem. Since then, I have been aware of the effective executive and have watched those I chanced to meet, hoping to learn from them what determines executive effectiveness.

I first put my observations together a good many years later. In 1959 or 1960, an old friend, Thomas D. Morris (then Assistant Director of the Budget and, since 1961, a highly effective Assistant Secretary of Defense), invited me to talk on effectiveness to a group of senior administrators in the federal government. I accepted with considerable reluctance. What I had to say on the subject seemed to me obvious, if not trite. To my surprise, however, these apparently obvious comments were received by my audience of experienced senior executives

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# I: Effectiveness Can Be Learned

To be effective is the job of the executive. "To effect" and "to execute" are, after all, near-synonyms. Whether he works in a business or in a hospital, in a government agency or in a labor union, in a university or in the army, the executive is, first of all, expected to *get the right things done*. And this is simply that he is expected to be effective.

Yet men of high effectiveness are conspicuous by their absence in executive jobs. High intelligence is common enough among executives. Imagination is far from rare. The level of knowledge tends to be high. But there seems to be little correlation between a man's effectiveness and his intelligence, his imagination or his knowledge. Brilliant men are often strikingly ineffectual; they fail to realize that the brilliant insight is not by itself achievement. They never have learned that insights become effectiveness only through hard systematic work. Conversely, in every organization there are some highly effective plodders. While others rush around in the frenzy and busyness which very bright people so often confuse with "creativity," the plodder puts one foot in front of the other and gets there first, like the tortoise in the old fable.



Intelligence, imagination, and knowledge are essential resources, but only effectiveness converts them into results. By themselves, they only set limits to what can be attained.

### WHY WE NEED EFFECTIVE EXECUTIVES

All this should be obvious. But why then has so little attention been paid to effectiveness, in an age in which there are mountains of books and articles on every other aspect of the executive's tasks?

One reason for this neglect is that effectiveness is the specific technology of the knowledge worker within an organization. Until recently, there was no more than a handful of these around.

For manual work, we need only efficiency; that is, the ability to do things right rather than the ability to get the right things done. The manual worker can always be judged in terms of the quantity and quality of a definable and discrete output, such as a pair of shoes. We have learned how to measure efficiency and how to define quality in manual work during the last hundred years—to the point where we have been able to multiply the output of the individual worker tremendously.

Formerly, the manual worker—whether machine operator or front-line soldier—predominated in all organizations. Few people of effectiveness were needed: those at the top who gave the orders that others carried out. They were so small a fraction of the total work population that we could, rightly or wrongly, take their effectiveness for granted. We could depend on the supply of “naturals,” the few people in any area of human endeavor who somehow know what the rest of us have to learn the hard way.

- This was true not only of business and the army. It is hard to realize today that “government” during the American Civil War a hundred years ago meant the merest handful of people. Lincoln's Secretary of War had fewer than fifty

civilian subordinates, most of them not "executives" and policy-makers but telegraph clerks. The entire Washington establishment of the U.S. government in Theodore Roosevelt's time, around 1900, could be comfortably housed in any one of the government buildings along the Mall today.

The hospital of yesterday did not know any of the "health-service professionals," the X-ray and lab technicians, the dieticians and therapists, the social workers, and so on, of whom it now employs as many as two hundred and fifty for every one hundred patients. Apart from a few nurses, there were only cleaning women, cooks and maids. The physician was the knowledge worker, with the nurse as his aide.

In other words, up to recent times, the major problem of organization was efficiency in the performance of the manual worker who did what he had been told to do. Knowledge workers were not predominant in organization.

In fact, only a small fraction of the knowledge workers of earlier days were part of an organization. Most of them worked by themselves as professionals, at best with a clerk. Their effectiveness or lack of effectiveness concerned only themselves and affected only themselves.

Today, however, the large knowledge organization is the central reality. Modern society is a society of large organized institutions. In every one of them, including the armed services, the center of gravity has shifted to the knowledge worker, the man who puts to work what he has between his ears rather than the brawn of his muscles or the skill of his hands. Increasingly, the majority of people who have been schooled to use knowledge, theory, and concept rather than physical force or manual skill work in an organization and are effective insofar as they can make a contribution to the organization.

Now effectiveness can no longer be taken for granted. Now it can no longer be neglected.

The imposing system of measurements and tests which we have developed for manual work—from industrial engineering

to quality control—is not applicable to knowledge work. There are few things less pleasing to the Lord, and less productive, than an engineering department that rapidly turns out beautiful blueprints for the wrong product. Working on the *right* things is what makes knowledge work effective. This is not capable of being measured by any of the yardsticks for manual work.

The knowledge worker cannot be supervised closely or in detail. He can only be helped. But he must direct himself, and he must direct himself toward performance and contribution, that is, toward effectiveness.

- A cartoon in *The New Yorker* magazine some time ago showed an office on the door of which was the legend: CHAS. SMITH, GENERAL SALES MANAGER, AJAX SOAP COMPANY. The walls were bare except for a big sign saying THINK. The man in the office had his feet propped up on his desk and was blowing smoke rings at the ceiling. Outside two older men went by, the one saying to the other: “But how can we be sure that Smith thinks soap?”

One can indeed never be sure what the knowledge worker thinks—and yet thinking is his specific work; it is his “doing.”

The motivation of the knowledge worker depends on his being effective, on his being able to achieve.\* If effectiveness is lacking in his work, his commitment to work and to contribution will soon wither, and he will become a time-server going through the motions from 9 to 5.

The knowledge worker does not produce something that is effective by itself. He does not produce a physical product—a ditch, a pair of shoes, a machine part. He produces knowledge, ideas, information. By themselves these “products” are useless. Somebody else, another man of knowledge, has to take them as his input and convert them into his output before

\* This is brought out in all studies, especially in three empirical works: Frederick Herzberg (with B. Mauser and B. Snyderman), *The Motivation to Work* (New York, Wiley, 1959); David C. McClellan, *The Achieving Society* (Princeton, N.J., Van Nostrand, 1961); and Frederick Herzberg, *Work and the Nature of Man* (Cleveland, World, 1966).

they have any reality. The greatest wisdom not applied to action and behavior is meaningless data. The knowledge worker, therefore, must do something which a manual worker need not do. He must provide effectiveness. He cannot depend on the utility his output carries with it as does a well-made pair of shoes.

The knowledge worker is the one "factor of production" through which the highly developed societies and economies of today—the United States, Western Europe, Japan, and also increasingly, the Soviet Union—become and remain competitive.

- This is particularly true of the United States. The only resource in respect to which America can possibly have a competitive advantage is education. American education may leave a good deal to be desired, but it is massive beyond anything poorer societies can afford. For education is the most expensive capital investment we have ever known. A Ph.D. in the natural sciences represents \$100,000 to \$200,000 of social capital investment. Even the boy who graduates from college without any specific professional competence represents an investment of \$50,000 or more. This only a very rich society can afford.

Education is the one area, therefore, in which the richest of all societies, the United States, has a genuine advantage—provided it can make the knowledge worker productive. And productivity for the knowledge worker means the ability to get the right things done. It means effectiveness.

## WHO IS AN EXECUTIVE?

Every knowledge worker in modern organization is an "executive" if, by virtue of his position or knowledge, he is responsible for a contribution that materially affects the capacity of the organization to perform and to obtain results. This may be the capacity of a business to bring out a new product or to obtain a larger share of a given market. It may be the capacity of a hospital to provide bedside care to its

patients, and so on. Such a man (or woman) must make decisions; he cannot just carry out orders. He must take responsibility for his contribution. And he is supposed, by virtue of his knowledge, to be better equipped to make the right decision than anyone else. He may be overridden; he may be demoted or fired. But so long as he has the job the goals, the standards, and the contribution are in his keeping.

Most managers are executives—though not all. But many nonmanagers are also becoming executives in modern society. For the knowledge organization, as we have been learning these last few years, needs *both* “managers” and “individual professional contributors” in positions of responsibility, decision-making, and authority.

This fact is perhaps best illustrated by a recent newspaper interview with a young American infantry captain in the Vietnam jungle.

- Asked by the reporter, “How in this confused situation can you retain command?” the young captain said: “Around here, I am only the guy who is responsible. If these men don’t know what to do when they run into an enemy in the jungle, I’m too far away to tell them. My job is to make sure they know. What they do depends on the situation which only they can judge. The responsibility is always mine, but the decision lies with whoever is on the spot.”

In a guerrilla war, every man is an “executive.”

There are many managers who are not executives. Many people, in other words, are superiors of other people—and often of fairly large numbers of other people—and still do not seriously affect the ability of the organization to perform. Most foremen in a manufacturing plant belong here. They are “overseers” in the literal sense of the word. They are “managers” in that they manage the work of others. But they have neither the responsibility for, nor authority over, the direction, the content, and the quality of the work or the methods of its performance. They can still be measured and

appraised very largely in terms of efficiency and quality, and by the yardsticks we have developed to measure and appraise the work and performance of the manual worker.

Conversely, whether a knowledge worker is an executive does not depend on whether he manages people or not. In one business, the market research man may have a staff of two hundred people, whereas the market research man of the closest competitor is all by himself and has only a secretary for his staff. This should make little difference in the contribution expected of the two men. It is an administrative detail. Two hundred people, of course, can do a great deal more work than one man. But it does not follow that they produce and contribute more.

Knowledge work is not defined by quantity. Neither is knowledge work defined by its costs. Knowledge work is defined by its results. And for these, the size of the group and the magnitude of the managerial job are not even symptoms.

Having many people working in market research may endow the results with that increment of insight, imagination, and quality that gives a company the potential of rapid growth and success. If so, two hundred men are cheap. But it is just as likely that the manager will be overwhelmed by all the problems two hundred men bring to their work and cause through their interactions. He may be so busy "managing" as to have no time for market research and for fundamental decisions. He may be so busy checking figures that he never asks the question: "What do we really mean when we say 'our market'?" And as a result, he may fail to notice significant changes in the market which eventually may cause the downfall of his company.

But the individual market researcher without a staff may be equally productive or unproductive. He may be the source of the knowledge and vision that make his company prosper. Or he may spend so much of his time hunting down details—the footnotes academicians so often mistake for research—as to see and hear nothing and to think even less.

Throughout every one of our knowledge organizations, we have people who manage no one and yet are executives. Rarely indeed do we find a situation such as that in the Vietnam jungle, where at any moment, any member of the entire group may be called upon to make decisions with life-and-death impact for the whole. But the chemist in the research laboratory who decides to follow one line of inquiry rather than another one may make the entrepreneurial decision that determines the future of his company. He may be the research director. But he also may be—and often is—a chemist with no managerial responsibilities, if not even a fairly junior man. Similarly, the decision what to consider one “product” in the account books may be made by a senior vice-president in the company.\* It may also be made by a junior. And this holds true in all areas of today’s large organization.

I have called “executives” those knowledge workers, managers, or individual professionals who are expected by virtue of their position or their knowledge to make decisions in the normal course of their work that have significant impact on the performance and results of the whole. They are by no means a majority of the knowledge workers. For in knowledge work too, as in all other areas, there is unskilled work and routine. But they are a much larger proportion of the total knowledge work force than any organization chart ever reveals.

This is beginning to be realized—as witness the many attempts to provide parallel ladders of recognition and reward for managers and for individual professional contributors.† What few yet realize, however, is how many people there are even in the most humdrum organization of today, whether business or government agency, research lab or hospital, who

\* On this see my *Managing for Results* (New York, Harper & Row, 1964)—especially chap. 2.

† The best statement I know was made by Frederick R. Kappel, the head of the American Telephone & Telegraph Company (The Bell Telephone System) at the XIII<sup>th</sup> International Management Congress in New York, September 1963. Mr. Kappel’s main points are quoted in chap. 14 of *Managing for Results*.

have to make decisions of significant and irreversible impact. For the authority of knowledge is surely as legitimate as the authority of position. These decisions, moreover, are of the same *kind* as the decisions of top management. (This was the main point Mr. Kappel was making in the statement referred to above.)

The most subordinate manager, we now know, may do the same kind of work as the president of the company or the administrator of the government agency; that is, plan, organize, integrate, motivate, and measure. His compass may be quite limited, but within his sphere, he is an executive.

Similarly, every decision-maker does the same kind of work as the company president or the administrator. His scope may be quite limited. But he is an executive even if his function or his name appears neither on the organization chart nor in the internal telephone directory.

And whether chief executive or beginner, he needs to be effective.

Many of the examples used in this book are taken from the work and experience of chief executives—in government, army, hospitals, business, and so on. The main reason is that these are accessible, are indeed often on the public record. Also big things are more easily analyzed and seen than small ones.

But this book itself is not a book on what people at the top do or should do. It is addressed to everyone who, as a knowledge worker, is responsible for actions and decisions which are meant to contribute to the performance capacity of his organization. It is meant for every one of the men I call "executives."

## EXECUTIVE REALITIES

The realities of the executive's situation both demand effectiveness from him and make effectiveness exceedingly difficult



to achieve. Indeed, unless executives work at becoming effective, the realities of their situation will push them into futility.

Take a quick look at the realities of a knowledge worker *outside* an organization to see the problem. A physician has by and large no problem of effectiveness. The patient who walks into his office brings with him everything to make the physician's knowledge effective. During the time he is with the patient, the doctor can, as a rule, devote himself to the patient. He can keep interruptions to a minimum. The contribution the physician is expected to make is clear. What is important, and what is not, is determined by whatever ails the patient. The patient's complaints establish the doctor's priorities. And the goal, the objective, is given: It is to restore the patient to health or at least to make him more comfortable. Physicians are not noted for their capacity to organize themselves and their work. But few of them have much trouble being effective.

The executive in organization is in an entirely different position. In his situation there are four major realities over which he has essentially no control. Every one of them is built into organization and into the executive's day and work. He has no choice but to "cooperate with the inevitable." But every one of these realities exerts pressure toward nonresults and nonperformance.

1. The executive's time tends to belong to everybody else. If one attempted to define an "executive" operationally (that is, through his activities) one would have to define him as a captive of the organization. Everybody can move in on his time, and everybody does. There seems to be very little any one executive can do about it. He cannot, as a rule, like the physician, stick his head out the door and say to the nurse, "I won't see anybody for the next half hour." Just at this moment, the executive's telephone rings, and he has to speak to the com-