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What Effective General Managers Really Do

by **John P. Kotter**

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.

7:35a.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.

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.

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 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.” 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.

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 discussion 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 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.

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).[1] 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 our 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.")

A Typical GM's Agenda

	short term 0 to 1 year	medium term 1 to 5 years	long term 5 to 20 years
Key Issues 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.

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.

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