



The Effective Executive

The Definitive Guide to Getting the Right Things Done

by Peter Drucker • Book Summary by [Dean Bokhari](#)

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ABOUT

Written by one of the most prolific and influential writers of Leadership & Management history, Peter R. Drucker. His writing style is clean, crisp, and straight to the point — providing you with sergeant-like action items on what to do, and what not to do, in order to be the most effective executive you can be.

Crucial quote

“Every decision is like surgery. It is an intervention into a system and therefore carries with it the risk of shock.”

BIG IDEAS

1. WHAT MAKES AN EFFECTIVE EXECUTIVE?
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 DECISIONS
8. DECISION MAKING AND THE COMPUTER
9. EFFECTIVENESS MUST BE LEARNED

1. WHAT MAKES AN EFFECTIVE EXECUTIVE?

Gleaned from his 25+ year experience as a consultant to the leaders of the world's top business enterprises and non-profit organizations—Peter Drucker says that the most effective executives all followed the same 8 practices:

1. They asked, "What needs to be done?"
2. They asked, "What's right for the enterprise?"
3. Developed action plans.
4. Took responsibility for decisions.
5. Took responsibility for communicating.
6. Focused on opportunities rather than problems.
7. Ran productive meetings.
8. They thought and said "we" rather than "I."

2. KNOW THY TIME

"Most discussions of the executive's task start with the advice to plan one's work. This sounds eminently plausible. The only thing wrong with it is that it rarely works. The plans always remain on paper, always remain good intentions. They seldom turn into achievement. Effective executives, in my observation, do not start with their tasks. They start with their TIME. And they do not start out with planning. They start by finding out where their time actually goes. Then they attempt to manage their time and to cut back unproductive demands on their time. Finally they consolidate their "discretionary" time into the largest possible continuing units."

... In case you were wondering whether what you just read above could be broken down into a step-by-step process—it can. And according to Peter Drucker, it's the foundation of executive effectiveness.

Here's your three-step process to being as effective as possible with your time:

1. Recording time.
2. Managing time.
3. Consolidating time.

Recording Time

The first step toward executive effectiveness is to record the actual amount of time that you're using on a day-to-day basis. Now, with regard to recording your time: it doesn't really matter *how* you do it; what matters is that you *actually do it*.

These days there are even apps that allow you to log in the amount of time that you're spending on things, which can help you stay on task and avoid doing things like checking Facebook, or constantly checking email. One of those apps many people find useful is an app called Rescue Time.

ACTIONABLE INSIGHT(S):

- **Log your time:** The best way to figure out where your time is actually going is to log your day to day activities in *real* time, over a period of 4 to 6 weeks. Doing this will give you a good idea of whether you're focusing on things that are getting you results, or if you're focusing your time on things that are not getting you results.

Managing Time

“‘Delegation’ as the term is customarily used, is a misunderstanding – is indeed a misdirection. But getting rid of anything that can be done by somebody else so that one does not have to delegate but can really get to one's own work—that is a major improvement in effectiveness.”

Once you've gotten a good idea of where the majority of your time actually goes, then it's time to identify the time wasters.

ACTIONABLE INSIGHT(S):

- **Identify your time wasters** by taking a look at all of the activities you regularly perform, and then asking the following question: "What would happen if this were not done at all?" Once you've identified your time wasters,
- **ask the next question**, which is: "Which of the activities on my time log could be done by somebody else just as well, if not better?"

Consolidating Time

“Whenever I see a senior executive asserting that more than half his time is under his control and is really discretionary time which he invests and spends according to his own judgment, I am reasonably certain that he has no idea where his time goes. This is true in any organization.”

Now, the final—and probably most important—step is to consolidate the time that you have available under your control. Time really is your scarcest resource, and unless you manage it appropriately, nothing else can be managed appropriately.

Drucker says that the reason why working late at night at home is so popular is actually its worst feature: it enables an executive to avoid tackling his time and its management during the day.

ACTIONABLE INSIGHT(S):

- **Do your work early in the morning.** Instead of coming home and catching up on unfinished work, Drucker recommends that you figure out a more effective way to get those things handled. One of which is to get work done early in the morning before people begin to call you or before other people wake up or in a closed office or bedroom where nobody can access you or bother you, Thus allowing you to focus intently on the work that needs to get done.

According to Drucker, one of the most effective time managers he’s ever met was the president of a big bank who he spent two years consulting for. Drucker says that he used to meet with him once a month, every month, and that the bank president was always prepared for every meeting, and there was never ever more than ONE item on their agenda. And an hour and 20 minutes into their meeting, Drucker says that the president would turn to him and say “Mr. Drucker, I believe you’d better sum up now and outline what we should do next.”

Exactly 10 minutes later, he was out of there. Every meeting, for two straight years went on like this. And all of them were exactly an hour and a half from the moment he’d walk through the door.

Finally, Drucker asked the bank president, “Why always an hour and a half?” He answered,

“That’s easy. I have found out that my attention span is about an hour and a half. If I work on any one topic longer than this, I begin to repeat myself. At the same time, I have learned that nothing of importance can really be tackled in much less time...”

Furthermore, during the hour and a half that Drucker was in his office every month he says that there was never a phone call, and his secretary never stuck her head in the door to announce that there was some urgent or important thing or person that needed

to see him either. So, one day Drucker asks him about this too. The bank president said to him,

“My secretary has strict instructions not to put anyone through except the president of the United States and my wife. The president rarely calls— and my wife knows better. Everything else the secretary holds till I have finished. Then I have half an hour in which I return every call and make sure I get every message. I have yet to come across a crisis which could not wait 90 minutes.”

3. WHAT CAN I CONTRIBUTE?

“The man who focuses on efforts and who stresses his downward authority is a subordinate no matter how exalted his title and rank. But the man who focuses on contribution and who takes responsibility for results, no matter how Junior, is in the most literal sense of the phrase, “top management.” He holds himself accountable for the performance of the whole.”

Bottom line? Always be focused on what you can contribute. Always ask yourself “what can I do?” And if you’re hiring an employee ask that employee “what can you do for our organization?” According to Peter Drucker, to focus on contribution is to focus on effectiveness.

“People grow according to the demands they make on themselves. They grow according to what they consider to achievement and attainment. If they demand little of themselves, they will remain stunted. If they demand a good deal of themselves, they will grow to giant stature—without any more effort than is expended by the non achievers.”

That said, here are four basic requirements of human relations when it comes to being as effective as possible with the people you work with and the people you decide to hire on as members of your team:

1. **Communications.** If you’re the type of professional that takes responsibility for your own work then it’s likely that your peers and your employees take responsibility as well. And in order to communicate this effectively to your employees, you want to ask questions like:
 - “What should we expect of you?”
 - “What are the contributions that we/I should hold you accountable for?”
 - “What’s the best way we can use your knowledge, skills, and talents?”

Once you get answers — you want to let them set their own standards/goals.

2. **Teamwork.** Once you have communicated to your peers and/or your employees the importance of contribution, this then naturally leads to even more communication that makes teamwork a possibility. And there is no organization that is as effective as possible unless it leverages the power of teamwork.
3. **Individual Self-development.** This is all about asking how much you can contribute to your business, to your team, to the company that you work for, to ensure that you are making the most important contribution you can make to the performance of your role. When you focus on asking yourself questions like “how can I best contribute?”, you’re in essence, simultaneously asking “what additional self-development do I need?” In other words: what skills, knowledge, or strengths do you need to acquire in order to make the contribution you should be making?
4. **Development of others.** When other people see that you’re [constantly raising your own standards](#), and constantly demanding more from yourself in order to contribute to the best of your ability, then this challenges them to do the same. By raising your own standards within your own role, you’re simultaneously setting a standard of excellence. And that’s what it *really* means to be a role model.

4. MAKING STRENGTH PRODUCTIVE

“Making strengths productive is fundamentally an attitude expressed in behaviour. It is fundamentally respect for the person — one’s own as well as others. It is a value system in action. But it is again “learning through doing” and self-development through practice. In making strengths productive, the executive integrates individual purpose and organization needs, individual capacity and organization results, individual achievement and organization opportunity.”

Let’s say you’re on top of your own constant-and-never-ending-self-development journey. You play to your strengths. And you allow others to help you where you’re weak. But what if you’re having a tough time finding someone reliable and effective to help you (and/or your organization) where it’s bleeding?

Well, for starters, you should know that effective executives never ever hire people based on personality, potential, or promise—none of these are measurable. Instead, they hire based on strengths. And they develop their employees based on strengths as well.

So, how can you staff for strength? By keeping the following 4 rules in mind:

1. Effective executives never assume that jobs are “created by nature or by God.” They understand that they’ve been designed by highly fallible men.
2. Effective executives make big and demanding jobs that are designed to be challenging enough to let someone’s strengths shine.

3. Effective executives understand that they have to start with what a new hire CAN DO rather than what a job requires. They do not focus on weaknesses in their performance appraisals.
4. Effective executives know that to get strength one has to put up with weaknesses.

5. FIRST THINGS FIRST

“If there is any one “secret” of effectiveness, it is concentration. Effective executives do first things first and they do one thing at a time.”

This might be one of the most profound realizations a busy professional on the grind can make—to focus on ONE thing at a time. That means:

- shutting down facebook,
- turning off your phone (whenever necessary)
- having only one browser open at a time (and closing out the 32 other tabs you’ve got open in your browser)

The list goes on and on. We have no limitation of distractions in the modern world. The greatest gift we can give ourselves is the gift of giving something that’s important to us our undivided attention.

6. THE ELEMENTS OF DECISION-MAKING

1. The first question the effective decision-maker asks is: “Is this a generic situation or an exception?” It is this common human tendency to confuse plausibility with morality which makes the incomplete hypothesis so dangerous a mistake and so hard to correct. The effective decision-maker, therefore, always assumes initially that the problem is generic. One of the most obvious facts of social and political life is the longevity of the temporary.
2. The second major element in the decision-process is clear specifications as to what the decision has to accomplish.
3. One has to start out with what is right rather than what is acceptable (let alone who is right) precisely because one always has to compromise in the end. For there are two different kinds of compromise. One kind is expressed in the old proverb: “Half a loaf is better than no bread.” The other kind is expressed in the story of the Judgment of Solomon, which was clearly based on the realization that “half a baby is worse than no baby at all.”
4. Converting the decision into action is the fourth major element in the decision-process. In fact, no decision has been made unless carrying it out in specific

steps has become someone's work assignment and responsibility. Until then, there are only good intentions.

5. Finally, a feedback has to be built into the decision to provide a continuous testing, against actual events, of the expectations that underlie the decisions.

7. EFFECTIVE DECISIONS

"A decision is a judgment. It is a choice between alternatives. It is rarely a choice between right and wrong. It is at best a choice between "almost right" and "probably wrong" — but much more often a choice between two courses of action neither of which is probably more nearly right, than the other."

Drucker says that every decision we make is like surgery — every decision is an intervention into a system, and therefore carries with it the risk of shock.

So, how do we make the right decisions?

- We shouldn't rush the decision making process,
- And we shouldn't make decisions without hearing from an opposing party first — that is, we shouldn't decide without a disagreement. Why? Because disagreements force us to look at things differently, thus stimulating the imagination, and eventually leading us towards the most effective decisions in the long run.

8. DECISION MAKING AND THE COMPUTER

"The strength of the computer lies in its being a logic machine. It does precisely what it is programmed to do. This makes it fast and precise. It also makes it a total moron.; for logic is essentially stupid. It is doing the simple and obvious. The human being, by contrast, is not logical; he is perceptual. This means that he is slow and sloppy. But he is also bright and has insight. The human being can adapt; that is, he can infer from scanty information or from no information at all what the total picture might be like. He can remember a great many things nobody has programmed."

[\(This is very similar to what billionaire investor & founder of PayPal, Peter Thiel, says in his book Zero To One\)](#)

For example:

When you click the icon that allows you to download and access this book summary that I'll written for you, my software automatically understands—through a pre-programmed series of numbers known as "code"—that you're a member, thus giving

you access to the file, which is stored on our servers, making it available for you to download and read or listen to instantaneously ...

Now, imagine if I had to do all of that manually! There'd be no way!

This is where the decision making power of the computer comes in handy. It knows when someone is a paid member, so it gives them access. It also knows when someone is not a paid member, so it denies them access. Pretty cut and dry.

But there's not a set of code on the planet that could write this book summary in a conversational manner, specifically for busy people like you who need to get the essence of a book quickly.

This is because computers are methodical, instructional, and exist thanks to long formulas of numbers that have been sequentially strung together to create what we see on any digital screen. Computers don't have emotions. They can't tell the difference between a customer that's happy vs a customer that's totally pissed off. In this context, the only thing a computer can do is tell you that a customer is a customer.

... Of course, there are some exceptions, none of which happen to be extraordinarily groundbreaking; take the Amazon-approach to customer service: their systems are designed to make "recommendations" based on past purchasing patterns. This is about as advanced as computers can get (within this context).

Even when you look at some of the most advanced computer technology we have available today, the argument that "technology will replace the human hand" still doesn't hold up. Even drones require the decision of some individual—sitting comfortably in a government facility some 6,000 miles away from the "enemy"—to push a button that demolishes villages full of human beings. Unfortunate, but true.

The bottom line is this: computers are designed to obey the command of a wo/man. The wo/man is designed to make a values-based decision about how best to utilize this powerful piece of technology.

Update: As insightful as this Big Idea is, the advent of A.I. has really shaken things up. As far as what's ahead—only the future can tell.

9. EFFECTIVENESS MUST BE LEARNED

"Only executive effectiveness can enable this society to harmonize its two needs: the needs of organization to obtain from the individual the contribution it needs, and the need of the individual to have organization serve as his tool for the accomplishment of his purposes. Effectiveness *must* be learned."

Let's challenge one another to be more effective — at work, at home, with our friends, with our families, with ourselves, and with one another on a global level.

ABOUT THE AUTHOR OF THE EFFECTIVE EXECUTIVE

PETER DRUCKER



Peter Drucker was an Austrian-born American management consultant, educator, and author, whose writings contributed to the philosophical and practical foundations of the modern business corporation. He has been described as "the founder of modern management".

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