

The genuine responsibilities of the CEO

CEOs need to be disciplined in their decision-making, innovative in their work and responsible for their people. This article identifies four main priorities for general management all underpinned by a holistic ethical understanding.

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By [Rafael Andreu i Civit & Joan Enric Ricart](#)

At its zenith, the video club Blockbuster had 10,000 stores worldwide and annual revenues of close to \$6 billion. Yet in the year 2000, when its CEO, John Antioco, had the opportunity to acquire Netflix, he turned down the offer. Antioco could not see how the acquisition would help Blockbuster renew its business model for a new age. Today, not a trace remains of Blockbuster, whereas Netflix's market valuation is more than \$20 billion.

Examples like this underscore the importance of senior managers' decisions. There can be no understating the potential impact of the decisions and actions of senior management on a company's performance. However, we still know comparatively little about how to strengthen their contributions.

Some empirical – or perhaps better put, descriptive – studies have identified senior managers' main responsibilities and how they execute them. These sources are a good starting point for understanding the role of CEOs in organizations, as well as building a conceptual framework that digs more deeply into the issue.

To single out the CEO's main priorities, we interviewed more than 200 senior executives (presidents, CEOs and general managers of parent companies and subsidiaries) at IESE. These interviews helped inspire books such as *Yo dirijo: la dirección del siglo XXI según sus protagonistas* (*I Manage: 21st Century Management According to Its Protagonists*) and *Qué*

hacen los buenos directivos: el reto del siglo XXI (What Good Managers Do: Management Priorities for the 21st Century).

We focused our research on the everyday activities of general managers and found that they divided their time between a series of activities of varying importance. By digging deeper into what they considered the most important aspects of their roles, we identified four overriding priorities: focusing on the future; developing the business model; supporting the personal growth of members of the organization; and guaranteeing the consistency and fulfillment of the institutional strategy, which encompasses the company's organizational principles, values and operational philosophy.

Our findings are echoed in other studies on senior executives, including the model of general management pioneered by IESE's founder, Antonio Valero, and the concepts developed by IESE professor Juan Antonio Pérez López. Throughout its history, IESE has supported the explicit notion that any management task involves and has a direct impact on people. As such, the ethical dimension of management has always had a central place in its education.

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Rafael Andreu i Civit

Professor Emeritus of Strategic Management as well as of Operations, Information & Technology at IESE Business School. His areas of interest include organizational design and learning, and the potential of new technologies for the development of competitive advantage and changes in industry structure.



Joan Enric Ricart

Professor of Strategic Management, and holder of the Carl Schroeder Chair in Strategic Management. He is a director of IESE Cities in Motion Strategies as well as of the Specialist Center on PPPs in Smart & Sustainable Cities (PPP for Cities), part of the United Nations' International PPP Center of Excellence.

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