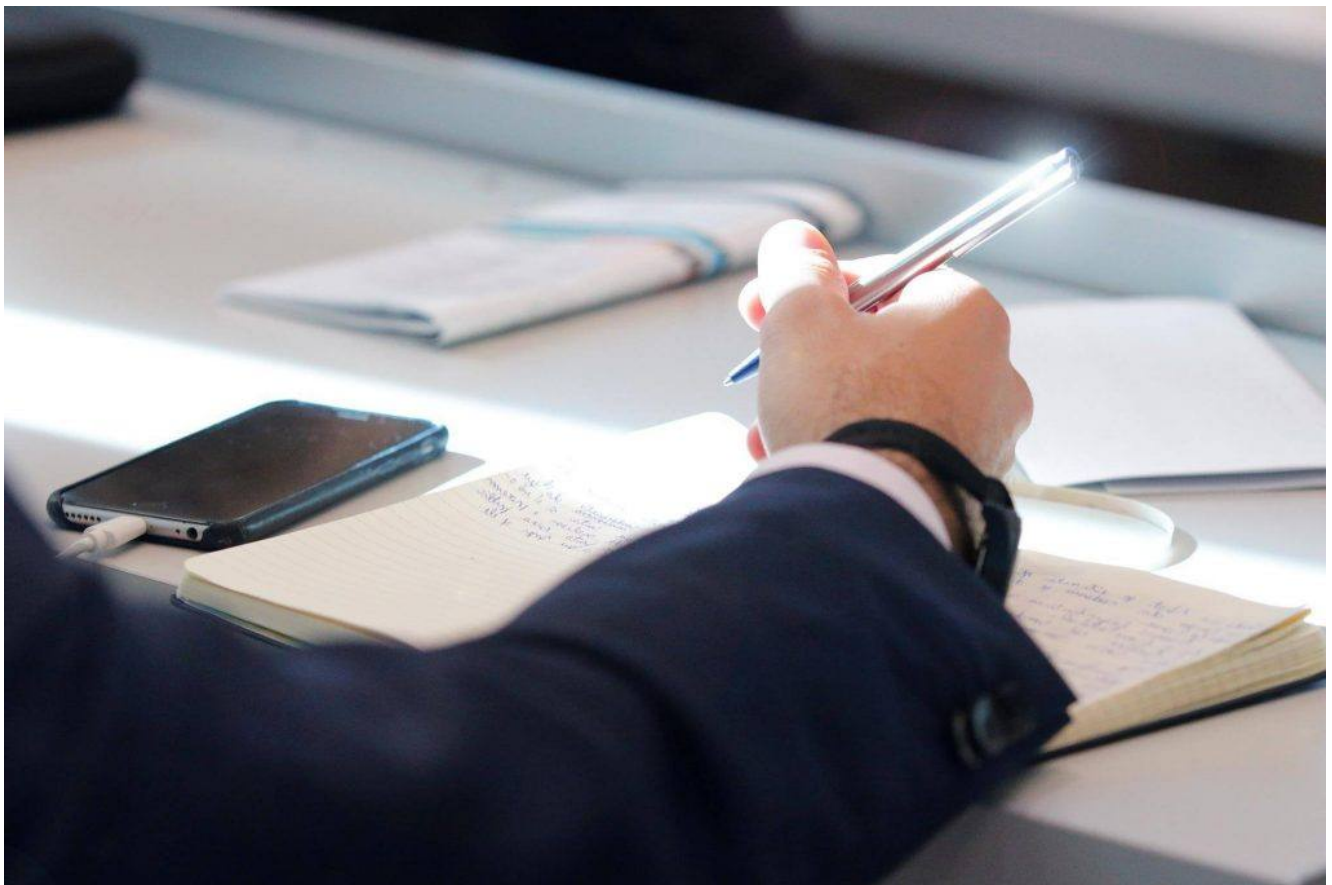


The keys to being an effective executive

What do CEOs do? What should they be doing instead? Based on interviews with 180 CEOs operating in Latin America, the authors highlight where CEOs may need to devote more time, effort and attention. This article includes a test for readers to check how well they are living up to their own executive roles.



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The CEO agenda is worth studying for what it says about, not only how executives spend their time, but also what they aren't spending time on and maybe should. The authors interviewed 180 CEOs operating in Latin America, and discovered telling gaps between what these executives believed they did and what they actually did. The authors then classify 15 key tasks according to their level of priority, highlighting where CEOs may need to devote more time, effort and attention. This article includes a self-check for readers to test themselves on how well they are performing their tasks and living up to their executive roles. It may be time for busy CEOs to revisit their agendas. The future of their companies depends on it.

The business scandals of the past decade — from Europe and Asia, to those in the United States that precipitated the global financial crisis — have various things in common: gross errors of judgment, negligence and, in some cases, ethical misconduct or outright criminal behavior on the part of CEOs. The consequences of these scandals, which continue to be felt to this day, should serve as a reminder of the damage that defective leadership can do to a company, its stakeholders and the economy at large. Corporate scandals also harm the reputation of CEOs in general, causing the public to question why CEOs should be rewarded with such high pay when they don't appear to be doing anything to deserve it.

So, what is it that CEOs do exactly? This question has been the subject of much research over the years, but it is worth asking again as circumstances and expectations change. The answers are not always clear-cut: CEOs will tell you they spend their days doing one thing, but an analysis of how they actually spend their time reveals another.

This is what we discovered when we studied CEOs with the aim of understanding the growing list of tasks that constitute today's executive agenda. This article shares our findings, identifying what distinguishes an effective CEO from one that is not. We also provide a self-check for readers to test themselves on how well they are performing their tasks and living up to their executive roles.

The Crucial Role of the CEO

In spite of the recent discrediting of some CEOs, their role remains indispensable. They perform essential tasks that nobody else can or will do, enabling the continuity and vitality of a business.

Perhaps their greatest impact is on the people who work for the company, both in terms of enabling them to carry out their functions and in creating high-performance work

environments. The quality of senior management has also been shown to have a wider impact on a country's overall level of economic prosperity.

Despite the importance of the CEO role, research on the CEO agenda is surprisingly lacking in certain areas.

The main theoretical contributions to the subject date back to the early 20th century, with some developments made during the 1960s and 1970s. But the business realities faced by CEOs today are radically different from those of 50 years ago. In some ways, we are still operating on assumptions made when information was not so readily available, technology was not so sophisticated, the competitive environment was far less complex, business was much less globalized, environmental concerns were not front of mind, and expectations of corporate social responsibility were not so pervasive.

While some work has been done more recently on the role of the CEO, the scope is often limited — either being overly broad or being so detailed about the CEO's day-to-day that we miss the big picture.

A Little Background

A hundred years ago, when talking about the roles and responsibilities of the CEO, business theorists identified planning (long-range action plans), organization (processes and assignment of roles and personnel), leadership (motivation and supervision), coordination (working in harmony with the organizational culture) and control (gathering feedback, making adjustments, keeping things on track).

This list was extended when the business and academic communities acknowledged another key function of the CEO: formulating and defining the purpose of the organization and protecting its values. A picture began to emerge of the CEO as the company's institutional guardian.

In the late '60s and early '70s, Henry Mintzberg broke new ground by shadowing CEOs and recording what they actually did, as opposed to what theorists speculated they did. His classic work, *The Nature of Managerial Work*, painted a picture of the CEO as a slave to the moment: half the activities Mintzberg's subjects engaged in lasted less than nine minutes, and only 10 percent exceeded an hour. Far from the idea of the rational planner or methodical manager, the picture Mintzberg painted was of a harried executive firing off in all directions. "They work at an unrelenting pace," he wrote. "Their activities are characterized

by brevity, variety and discontinuity."

In the '80s, successful CEOs began to be seen as social beings dedicating much of their time to interactions with other people, both from within and beyond their organizations. This interpersonal, stakeholder-centric approach has gained traction in research over the years.

In their 2012 book on 21st century management, IESE professors Jaume Llopis and Joan E. Ricart outlined the modern CEO's most important responsibilities. These include:

- preparing the company for the future;
- refining the business model in response to, or anticipation of, the rapidly changing business environment;
- creating and developing an effective management team;
- laying a solid foundation that supports, integrates and coordinates organizational efforts in line with corporate goals, values and principles.

Reinventing the company was never even entertained in early research. Now, it is considered a critical part of the CEO's job description. This is hardly surprising, given the number of sectors experiencing tectonic shifts as technological advances enable business models to be developed that are so disruptive, they end up completely reconfiguring former business realities. Ford diversifying into transport services, and General Motors investing in the ride-share provider Lyft, are two examples of CEOs moving their companies in entirely new directions.

Our research over the past 15 years shows that, while many of the traditional tasks remain the same, CEOs do perceive their jobs differently, as evidenced by the new priorities they are setting and the new ways they are carrying out their work.

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