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Beware the Busy Manager

by Heike Bruch and Sumantra Ghoshal

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If you listen to executives, they'll tell you that the resource they lack most is time. Every minute is spent grappling with strategic issues, focusing on cost reduction, devising creative approaches to new markets, beating new competitors. But if you watch them, here's what you'll see: They rush from meeting to meeting, check their e-mail constantly, extinguish fire after fire, and make countless phone calls. In short, you'll see an astonishing amount of fast-moving activity that allows almost no time for reflection.

No doubt, executives are under incredible pressure to perform, and they have far too much to do, even when they work 12-hour days. But the fact is, very few managers use their time as effectively as they could. They think they're attending to pressing matters, but they're really just spinning their wheels.

The awareness that unproductive busyness—what we call “active nonaction”—is a hazard for managers is not new. Managers themselves bemoan the problem, and researchers such as Jeffrey Pfeffer and Robert

Sutton have examined it (see “The Smart-Talk Trap,” HBR May–June 1999). But the underlying dynamics of the behavior are less well understood.

For the past ten years, we have studied the behavior of busy managers in nearly a dozen large companies, including Sony, LG Electronics, and Lufthansa. The managers at Lufthansa were especially interesting to us because in the last decade, the company underwent a complete transformation—from teetering on the brink of bankruptcy in the early 1990s to earning a record profit of DM 2.5 billion in 2000, thanks in part to the leadership of its managers. We interviewed and observed some 200 managers at Lufthansa, each of whom was involved in at least one of the 130 projects launched to restore the company's exalted status as one of Europe's business icons.

Our findings on managerial behavior should frighten you: Fully 90% of managers squander their time in all sorts of ineffective activities. In other words, a mere 10% of managers spend their time in a committed, pur-

poseful, and reflective manner. This article will help you identify which managers in your organization are making a real difference and which just look or sound busy. Moreover, it will show you how to improve the effectiveness of all your managers—and maybe even your own.

Focus and Energy

Managers are not paid to make the inevitable happen. In most organizations, the ordinary routines of business chug along without much managerial oversight. The job of managers, therefore, is to make the business do more than chug—to move it forward in innovative, surprising ways. After observing scores of managers for many years, we came to the conclusion that managers who take effective action (those who make difficult—even seemingly impossible—things happen) rely on a combination of two traits: focus and energy.

Think of *focus* as concentrated attention—the ability to zero in on a goal and see the task through to completion. Focused managers aren't in reactive mode; they choose not to respond immediately to every issue that comes their way or get sidetracked from their goals by distractions like e-mail, meetings, setbacks, and unforeseen demands. Because they have a clear understanding of what they want to accomplish, they carefully weigh their options before selecting a course of action. Moreover, because they commit to only one or two key projects, they can devote their full attention to the projects they believe in.

Consider the steely focus of Thomas Sattelberger, currently Lufthansa's executive vice president, product and service. In the late 1980s, he was convinced that a corporate university would be an invaluable asset to a company. He believed managers would enroll to learn how to challenge old paradigms and to breathe new life into the company's operational practices, but his previous employer balked at the idea. After joining Lufthansa, Sattelberger again prepared a detailed business case that carefully aligned the goals of the university with the company's larger organizational agenda. When he made his proposal to the executive board, he was met with strong skepticism: Many believed Lufthansa would be better served by focusing on cutting costs and improving processes. But he kept at it for an-

other four years, chipping away at the objections. In 1998, Lufthansa School of Business became the first corporate university in Germany—and a change engine for Lufthansa.

Think of the second characteristic—*energy*—as the vigor that is fueled by intense personal commitment. Energy is what pushes managers to go the extra mile when tackling heavy workloads and meeting tight deadlines. The team that created the Sony Vaio computer—the first PC to let users combine other Sony technologies, such as digital cameras, portable music players, and camcorders—showed a lot of energy. Responding to CEO Nobuyuki Idei's challenge to create an integrated technological playground for a burgeoning generation of “digital dream kids,” Hiroshi Nakagawa and his team put in 100-hour weeks to create the kind of breakthrough product Idei hoped for. One manager, Kazumasa Sato, was so devoted to the project that he spent every weekend for three years conducting consumer reconnaissance in electronics shops. Sato's research into consumer buying patterns helped Sony develop a shop layout that enhanced traffic flow and, by extension, sales. In the end, the Vaio captured a significant share of the Japanese PC market.

While both focus and energy are positive traits, neither alone is sufficient to produce the kind of purposeful action organizations need most from their managers. Focus without energy devolves into listless execution or leads to burnout. Energy without focus dissipates into purposeless busyness or, in its most destructive form, a series of wasteful failures. We found that plotting the two characteristics in a matrix offered a useful framework for diagnosing the causes of nonproductive activity as well as the sources of purposeful action. The exhibit “The Focus–Energy Matrix” identifies four types of behavior: disengagement, procrastination, distraction, and purposefulness.

Before we look at each type more closely, we should note that these behaviors have both internal and external causes. Some people are born with high levels of energy, for example, and some, by nature, are more self-reflective. But it is important not to overlook the organizational context of these behaviors. Some companies foster fire-fighting cultures; others breed cynicism and, hence, low levels of commitment in their workers. To change the behaviors of your managers, it may be necessary

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to alter the organizational landscape.

The Procrastinators

Of the managers we studied, some 30% suffered from low levels of both energy and focus; we call these managers the procrastinators. Although they dutifully perform routine tasks—attending meetings, writing memos, making phone calls, and so on—they fail to take initiative, raise the level of performance, or engage with strategy.

Some procrastinators hesitate, Hamlet-like, until the window of opportunity for a project has closed. At Lufthansa, for instance, the manager who was charged with developing an internal survey delayed beginning the project until the deadline passed. “I could have done [the work],” he admits, “but for some reason, I could not get started.” The nearer the deadline loomed, the more he busied himself on other projects, rationalizing that he couldn’t turn to this task until he cleared his desk of less important jobs.

People often procrastinate when they feel insecure or fear failure. One young lawyer, assigned a key role in an important merger project, was initially excited about the prospect of making a presentation to the executive board. But as time passed, he found the chal-

lenge of the task overwhelming. He began imagining horrible scenarios: losing his train of thought, saying the wrong thing, seeing the stifled yawns and suppressed smirks of his audience. He became so obsessed with the notion of failure that he was almost paralyzed.

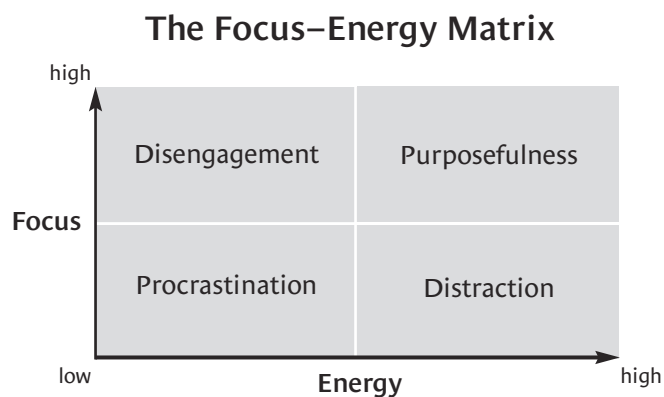
Other procrastinators coast along in the chronically passive state that psychologist Martin Seligman called “learned helplessness.” At some point in their lives, they were punished or suffered negative consequences when they took initiative. Now, as managers, they believe that any effort they make will be shot down. They think they have no control over events, so they do nothing, which can ultimately debilitate their companies.

Surprisingly, in the early phases of Lufthansa’s turnaround—when things were chaotic and managerial jobs were relatively unstructured—fewer managers than we expected were procrastinators. But when circumstances returned to normal and formal procedures were reestablished, many managers lost both focus and energy. They stopped setting goals for themselves and became passive. This reinforced our sense that procrastination doesn’t wholly depend on personality; it can be influenced by organizational factors.

The Disengaged

Roughly 20% of managers fall into the disengaged category; they exhibit high focus but have low levels of energy. Some of these managers are simply exhausted and lack the inner resources to reenergize themselves. Others feel unable to commit to tasks that hold little meaning for them. Disengaged managers have strong reservations about the jobs they are asked to do; as a result, they approach them halfheartedly.

Many managers in this group practice a form of denial we call “defensive avoidance”: Rather than acknowledging a problem and taking steps to correct it, they convince themselves that the problem doesn’t exist. Plenty of denial was at play when Lufthansa stood at the brink of bankruptcy in 1992. Even though the entire industry faced a severe downturn and Lufthansa was losing revenue, these managers ignored or reinterpreted market signals, convincing themselves that the company’s expansionist strategy was correct. Many of them continued to hire new employees in the face of massive operating losses.



A mere 10% of managers are purposeful—that is, both highly energetic and highly focused. They use their time effectively by carefully choosing goals and then taking deliberate actions to reach them. Managers that fall into the other groups, by contrast, are usually just spinning their wheels; some procrastinate, others feel no emotional connection to their work, and still others are easily distracted from the task at hand. Although they look busy, they lack either the focus or the energy required for making any sort of meaningful change.

Distracted managers feel a desperate need to do something—anything. That makes them as dangerous as the proverbial bull in a china shop.

By contrast, some disengaged managers refuse to take action—even when it's obviously needed. One manager responsible for ground services in a major airport, for example, fully understood the threat of bankruptcy and the need to make radical changes. He enthusiastically participated in all the change management meetings and offered ideas for improving operational productivity. Yet deep down, he believed his job was to protect his area and his people. He convinced himself that his department was a core group and should be spared from layoffs. Later, when it became clear that cuts in all areas were inevitable, he agreed to the layoffs in principle, but his personal discomfort kept him from truly committing to them. He delayed making the decision and invested little energy in making the right cuts. As a consequence, his results were less than stellar.

Disengaged managers tend to be extremely tense. That's hardly surprising, for they are often plagued by feelings of anxiety, uncertainty, anger, frustration, and alienation. They deal with those emotions by withdrawing and doing the bare minimum, which make the situations worse. Despite their low levels of energy, these managers suffer from burnout far more frequently than their colleagues do. And they are easily overwhelmed by unexpected events.

While some managers are inherently more likely than others to distance themselves from their work, disengagement is often a result of organizational processes. In a major U.S. oil company, for example, we witnessed a committed and enthusiastic manager gradually become apathetic. An IT specialist, he was assigned to an interdisciplinary strategy-development task force that was charged with creating a new business model for an upstream division. The team came up with several radical proposals, but they were met with lukewarm responses from senior managers. After several months, the team's ideas were diluted to the point that not even the IT manager found them interesting. What had once been an exciting task became a farce, from his point of view. Believing that no one was interested in new ideas, he concluded that he was foolish to have been as engaged as he was. "I distanced myself," he says. "I knew that none of our innovative ideas would ever make it to implementation. So I continued working out concepts and ideas—but with no skin in the

game."

To be fair, even the best organizations occasionally create cynics out of enthusiasts. But some organizations seem to make a practice of it by consistently sabotaging any flickers of creativity or initiative.

The Distracted

By far the largest group of managers we studied—more than 40%—fall into the distracted quadrant: those well-intentioned, highly energetic but unfocused people who confuse frenetic motion with constructive action. When they're under pressure, distracted managers feel a desperate need to do something—anything. That makes them as dangerous as the proverbial bull in a china shop.

In 1992, for example, when Lufthansa's senior management made it clear that the company was going to have to reduce expenses, managers in this category shot first and aimed later. "Everybody knew that we had to do everything to reduce costs, and I was frantic," admits one. "I let go of people who were vital to our future. We had to re-recruit them and hire them back later at higher salaries." He had acted too quickly because he felt that something had to happen fast. He didn't take the time to consider what, exactly, that "something" should be.

Because they don't stop to reflect, distracted managers tend to have trouble developing strategies and adjusting their behaviors to new requirements. One manager on the task force charged with driving Lufthansa's change strategy assigned responsibilities according to functional categories instead of deliberately choosing the best person for each job. "We made the technical guy responsible for technical issues and the marketing guy for marketing issues," he says. "You do so many things just because you are used to doing them." He later realized that if he had been less bound by traditional functional silos, the work would have progressed much faster.

Moreover, because distracted managers tend to be shortsighted, they often find themselves overcommitted. They get involved in multiple projects with the best of intentions, but eventually their interest pales, and they wind up either constantly fighting fires or abandoning the projects altogether. In the space of two months, one HR executive we observed enthusiastically took on three enor-

mous projects—redefining the role of the HR department, renewing the 360-degree feedback system, and creating a leadership development program—over and above his everyday job requirements. In the end, he abandoned one project, passed on responsibility for another, and did a poor job on the third.

Managers are more likely to feel distracted during a crisis, but the behavior is by no means limited to turbulent times. Even in stable business situations, many managers feel enormous pressure to be busy. Of course, some of this pressure is internal: Many insecure managers try to impress others with how much work they have. But the pressure to perform can be amplified by organizations themselves. Indeed, many companies encourage, and even reward, frantic activity. We have noticed, for example, that in organizations whose CEOs and senior executives exhibit aggressive, unreflective behavior, it's far more likely that other managers will be distracted.

A sense of personal responsibility for the company's fate also contributes to purposefulness. Convinced that the organization needs them, purposeful managers feel accountable for making a meaningful contribution. "When nobody is responsible, I am responsible," one Lufthansa manager says. "I own an issue and do what I think is necessary—unless and until [CEO] Jürgen Weber pulls me back." Interestingly, many Lufthansa managers refer to their contributions to the turnaround in the stark vocabulary of life and death. Like warriors, they were "fighting for survival," "stanching the loss of blood," or providing "first aid" to the corporate body.

While one could infer that managers become purposeful only when faced with a crisis, the managers we studied did not lose their energy or focus once the turbulence had passed. Rather, they continued to welcome opportunities and pursue new goals. Even after the success of the turnaround was reported in the press and people were ready to celebrate Lufthansa's victory, one purposeful manager, for example, led a wide-ranging cost-management program. By watching costs, he believed, Lufthansa would not merely survive, but thrive.

One reason that purposeful managers are so effective is that they are adept at husbanding energy. Aware of the value of time, they manage it carefully. Some refuse to respond to e-mails, phone calls, or visitors outside certain periods of the day. Others build "think time" into their schedules. One executive, for example, frequently arrived at the office at 6:00 AM to ponder issues before his colleagues showed up. "In the busiest times, I slow down and take time off to reflect on what I actually want to achieve and sort what's important from irrelevant noise," he says. "Then I focus on doing what is most important."

Purposeful managers are also skilled at finding ways to reduce stress and refuel. They commonly draw on what we call a "personal well"—a defined source for positive energy. Some work out at the gym or get involved in sports. Others share their fears, frustrations, and thoughts about work with a partner, friend, or colleague. Still others refuel their inner reserves through hobbies like gardening.

Perhaps the biggest difference between purposeful managers and the other types is the way they approach work. Other managers feel constrained by outside forces: their bosses,

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The Purposeful

The smallest proportion of managers we studied—around 10%—were both highly energetic and highly focused. Not only do such managers put in more effort than their counterparts, but they also achieve critical, long-term goals more often. Purposeful managers tend to be more self-aware than most people. Their clarity about their intentions, in combination with strong willpower, seems to help them make sound decisions about how to spend their time. They pick their goals—and their battles—with far more care than other managers do.

Making deliberate choices can be a hard and sometimes painful process. Consider the plight of one middle manager at Lufthansa. He had been offered the difficult job of assuring the implementation of 130 do-or-die operations projects that would be overseen by managers more senior than he was. If he failed, a board member told him, he'd probably have to leave the company because he would have upset so many people during the turnaround effort. "I really struggled for a couple of days," he says. Making this huge decision was this manager's personal Rubicon: "After I went through that process, I was sure I really wanted to do it." Lufthansa's successful turnaround was a testament to his conviction.

their peers, their salaries, their job descriptions. They take all those factors into account when they're deciding what's feasible and what isn't. In other words, they work from the outside in. Purposeful managers do the opposite. They decide first what they must achieve and then work to manage the external environment—tapping into resources, building networks, honing skills, broadening their influence—so that, in the end, they meet their goals. A sense of personal volition—the refusal to let other people or organizational constraints set the agenda—is perhaps the subtlest and most important distinction between this group of managers and all the rest.

Indeed, this sense of volition allows purposeful managers to control the external environment. A major drain on most managers' energy is the perception that they have limited influence. Purposeful managers, by contrast, are acutely aware of the choices they can make—and they systematically extend their freedom to act. They manage their bosses' expectations, find ways to independently access required resources, develop relationships with influential people, and build specific competencies that broaden their choices and ability to act.

That's why purposeful managers can place long-term bets and follow through on them. Consider the accomplishments of one of Lufthansa's purposeful managers. During the turnaround, he was responsible for negotiating the tricky relationship between the corporation and the German airline industry's demanding labor unions. To develop the trust required to make the tough change agenda work, he initiated a series of meetings between board members and union leaders. Every two weeks, representatives from each wary camp met for three hours and discussed the critical turnaround steps. The board members had reservations because the meetings ate up their time—the one thing they didn't have during this phase. They complained that the meetings weren't producing immediate results—neither cost reductions nor revenue increases. But the executive convinced the board members that a focus on short-term performance would not get them very far in building trusting relationships with union members, which would be essential if they were to turn Lufthansa around. "I told them that we could not hope to transform [Lufthansa] without the help of the

employees and that it made no sense to try to hurry trust building," he explains. Over time, the two sides came to trust each other and to reach an extraordinarily high level of consensus. Not only did the company avoid a strike, but the wage concessions achieved in agreement with the union were unique in German history.

Challenge and Choice

We can imagine readers wincing as they ask themselves, "Are only 10% of the managers in my company truly effective?" The number may be higher in your company, but probably not by much. Senior managers can raise the energy and focus levels of their teams—of that we have no doubt. However, trying to prevent managers from losing energy or focus (or both) is an ambitious proposition. It involves paying far more attention to how individual managers perceive the broad meaning of their work, what challenges they face, and the degree of autonomy they enjoy. It can't be done by pulling small-scale HR levers; it can only happen with vision, oversight, and commitment from the top.

In a striking metaphor, the French World War II pilot and writer Antoine de Saint-Exupéry pointed executives in the right direction: "If you want to build a ship, don't drum up the men to go to the forest to gather wood, saw it, and nail the planks together. Instead, teach them the desire for the sea." In managers, a desire for the sea springs from two sources: meaningful challenge and personal choice. If you combine challenge and choice with a sense of profound urgency, you've gone a long way toward creating a recipe for success. Consider the starting point for Lufthansa's turnaround. On a weekend in June 1992, CEO Weber invited about 20 senior managers, as well as the entire executive board, to the company's training center. He wanted to create a network of managers who would drive the change process throughout the company. At the meeting, he revealed the unvarnished facts: Lufthansa was facing a massive shortfall. It was obvious that if things didn't change, the company would be in financial ruin. Weber made it very clear that he didn't have the solution. He gave the managers three days to develop ways to save Lufthansa. If they determined that it could not be saved, he would accept their conclusion, and bankruptcy was assured. Then he and the executive board left.

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—Antoine de
Saint-Exupéry

According to personal accounts of what followed, the place was in chaos for a short time. The managers were shocked at how dire the situation was, and they quickly experienced waves of paralysis, denial, and finger-pointing. But soon they settled down to the problem at hand, and it quickly became clear that they all thought Lufthansa was worth fighting for. Once that fact was established, a kind of excitement emerged. They committed themselves to ambitious goals. They eventually embraced 130 radical changes and implemented 70% of them during the transformation. By 2000, Lufthansa had not only recouped its DM 750 million loss, but it had also achieved a record profit of DM 2.5 billion. Many factors went into that success, but the combination of challenge and choice that the CEO handed his colleagues was extraordinarily important.

To be sure, the prospect of one's own hanging focuses the mind. But a crisis need not be a precondition for challenge and choice. Sony's

Idei achieved precisely the same result with the image of a future community of Vaio users, the "digital dream kids." Convinced that they were building a creative tool for a whole generation, Sony's engineers charged ahead with amazing determination.

Note that neither Weber nor Idei used typical managerial tools to create energy and focus in their subordinates. "Motivating" people, or telling them what to do, has dismal results. In fact, such exhortations often lead to exactly the opposite of what's needed. When executives outline desired behaviors for middle managers and set goals for them, the managers aren't given the opportunity to decide for themselves. As a result, they don't fully commit to projects. They distance themselves from their work because they feel they have no control. To avoid that kind of reaction, top managers should present their people with meaningful challenges and real choices in how they might meet those challenges.

From Disengaged to Purposeful: A Convert's Story

In 1995, Siemens Nixdorf Informationssysteme was in the midst of a crisis. Facing cumulative five-year losses of DM 2.1 billion and a progressive erosion of market, the company's survival was uncertain. Internally, the vastly different corporate cultures of two merger partners (Nixdorf computers and the computer division of Siemens) had created a politically vicious, unstable environment—a perfect breeding ground for procrastination, disengagement, and distraction.

Klaus Karl, a young software engineer in the relational database part of the business, had reached the end of his rope. Exhausted by the political battles, Karl grew apathetic and began looking for a new job. He received an excellent offer from software manufacturer Sybase and was less than a month away from his planned departure when he attended a meeting organized by the newly hired CEO, Gerhard Schulmeyer.

That meeting was a call to arms: Schulmeyer reminded employees of the company's European roots, saying that it was destined to be a far better technology partner to companies on the Continent than any U.S. competitor could possibly be. Dubbing the com-

pany "the IT partner for change," Schulmeyer announced that he would give its technology-savvy young people an opportunity to take part in corporate strategic planning. Their common challenge was to help top management rethink SNI's approach to the market, to technology, and to change. Karl's name was on the list of bright young employees fingered to join the new team.

"I faced a real dilemma," says Karl. "I had an excellent offer, with higher pay and great prospects. My boss made it very clear that it was quite likely that the change effort would fail and that I might find myself looking for a job. On the other hand, if I was willing to join the change agent program, I would be sent for a special change management training program spanning three months at MIT—along with top managers, including Schulmeyer himself—and then could define my own change initiative." He weighed his options carefully, and the opportunity to make a difference proved too enticing. Karl committed to SNI.

During the training program in the United States, Karl learned to use strategy and change management tools. He formed

close bonds with colleagues in the program. By the end, Karl and the other trainees—including Schulmeyer—were "committed to transforming the company."

Over the next two years, we saw Karl completely shake up the middleware development department. "We had to focus on a smaller portfolio of projects, so as to allocate our resources better," he says. "Initially, we tried to persuade people to use a new set of analytical tools. They would laugh at us. Some walked away from the meetings. Many senior people even refused to attend." But Karl stuck to his guns and continued his campaign of persuasion. "Gradually, they began to listen. They began to alter their ways of thinking about projects." As a result, a new product-portfolio analysis system was completed in a mere three months.

Karl's contribution had a powerful impact on the company's bottom line. Within three years, it successfully launched a variety of new projects that boosted the bottom line by DM 400 million. Without the contributions of Karl and other reenergized, refocused managers, SNI would never have achieved such a dramatic turnaround.

We are not suggesting that meaningful challenge and personal choice are guaranteed to turn around a failing company. Nor do we want to imply that individual managers will be able to overcome lifelong behavioral patterns simply because they're presented with challenge and choice. Nevertheless, we strongly believe it would be a mistake for a top manager to conclude about a subordinate, "John is never going to be a purposeful manager because he is just not built that way." Focus and energy are indeed personal characteristics, but organizations can do much to enhance those traits in their managers.

In fact, leaders can directly affect the type of behavior exhibited in their organizations by

loosening formal procedures and purging deadening busywork. Presented with a challenge for which their contributions are essential, managers feel needed. Asked for their opinions and given choices, they feel emboldened. When corporate leaders make a sincere effort to give managers both challenge and choice, most managers can learn to direct their energy and improve their focus—and ultimately find their way to the sea. 

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