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Time Management

How CEOs Manage Time

by Michael E. Porter and Nitin Nohria

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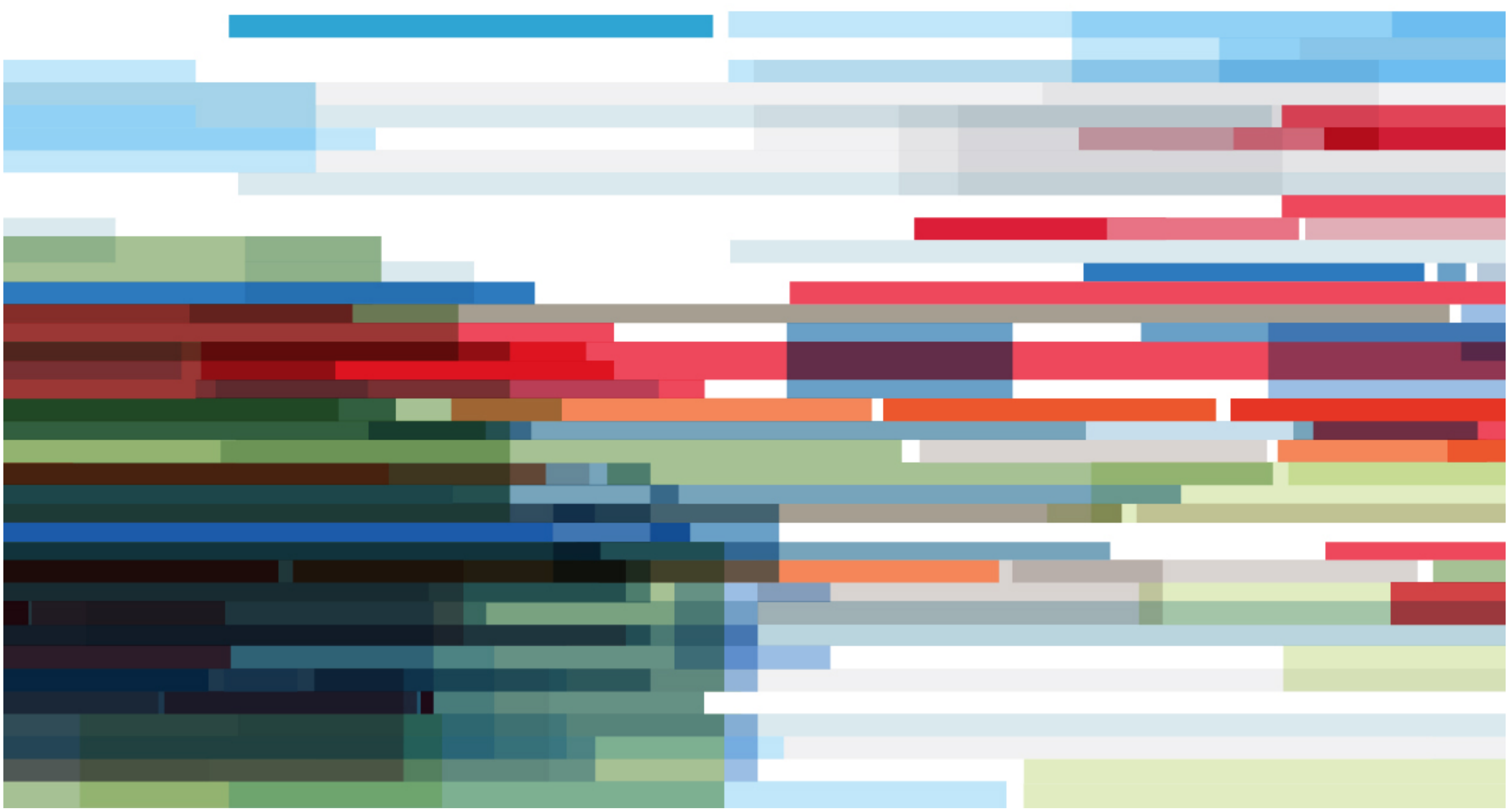

Summary. In 2006, Harvard Business School's Michael E. Porter and Nitin Nohria launched a study tracking how large companies' CEOs spent their time, 24/7, for 13 weeks: where they were, with whom, what they did, and what they were focusing on. To date Porter and Nohria have gathered 60,000 hours' worth of data on 27 executives, interviewing them—and hundreds of other CEOs—about their schedules. This article presents the findings, offering insights not only into best time-management practices but into the CEO's role itself. CEOs need to learn to simultaneously manage the seemingly contradictory dualities of the job: integrating direct decision making with indirect levers like strategy and culture, balancing internal and external constituencies, proactively pursuing an agenda while reacting to unfolding events, exercising leverage while being mindful of constraints, focusing on the tangible impact of actions while recognizing their symbolic significance, and combining formal power with legitimacy.

What Do CEOs Actually Do?

A look at the data on how CEOs allocated their time among various activities, places, priorities, and constituencies

One CEO's Approach to Managing His Calendar

In an interview, Tom Gentile, the CEO of the $7 billion aviation supplier Spirit AeroSystems, shares what he learned from tracking his time in Porter and Nohria's study—and what he's trying to change as a result.

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In the lexicon of management, the CEO is the epitome of leadership. Yet surprisingly little is known about this unique role. While CEOs are the ultimate power in their companies, they face challenges and constraints that few others recognize.

Running a large global company is an exceedingly complex job. The scope of the organization's managerial work is vast, encompassing functional agendas, business unit agendas, multiple organizational levels, and myriad external issues. It also involves a wide array of constituencies—shareholders, customers, employees, the board, the media, government, community organizations, and more. Unlike any other executive, the CEO has to engage with them all. On top of that, the CEO must be the internal and external face of the organization through good times and bad.

CEOs, of course, have a great deal of help and resources at their disposal. However, they, more than anyone else in the organization, confront an acute scarcity of one resource. That resource is *time*. There is never enough time to do everything that a CEO is responsible for. Despite this, CEOs remain accountable for *all* the work of their organizations.

The way CEOs allocate their time and their presence—where they choose to personally participate—is crucial, not only to their own effectiveness but also to the performance of their companies. Where and how CEOs are involved determines what gets done and signals priorities for others. It also affects their legitimacy. A CEO who doesn't spend enough time with colleagues will seem insular and out of touch, whereas one who spends too much time in direct decision making will risk being seen as a micromanager and erode employees' initiative. A CEO's schedule (indeed, any leader's schedule), then, is a manifestation of *how* the leader leads and sends powerful messages to the rest of the organization.
A crucial missing link in understanding the time allocation of CEOs—and making it more effective—has been systematic data on what they actually do. Research on that has tended either to cover a small handful of CEOs, like the 1973 study in which Henry Mintzberg closely observed five chief executives (some of whom led nonprofits) for five days each, or to rely on large surveys that cover short periods (such as our HBS colleague Raffaella Sadun's 2017 study based on daily phone surveys with 1,114 CEOs from a wide variety of companies in six countries over one week).

Our study, which we launched in 2006, offers the first comprehensive and detailed examination of CEO time use in large, complex companies over an extended period. To date, we have tracked the time allocation of 27 CEOs—two women and 25 men—for a full quarter (three months) each. Their companies, which are primarily public, had an average annual revenue of

$13.1 billion during the study period. These leaders were all participants in the New CEO Workshop, an intensive program that every year brings newly appointed CEOs of large companies to Harvard Business School in two cohorts of 10 to 12 each. In total just over 300 CEOs have attended it.

In the study each CEO's executive assistant (EA) was trained to code the CEO's time in 15-minute increments, 24 hours a day and seven days a week, and to regularly verify that coding with the CEO. The resulting data set reveals where, how, and with whom the CEO spent his or her time and on what activities, topics, and tasks. Because it also covers what CEOs do outside of work, we have visibility into how CEOs balance work and personal life. In all, we collected and coded data on nearly 60,000 CEO hours.

Where and how CEOs are involved determines what gets done. It signals priorities.

After CEOs completed the time-tracking phase, we shared their data with them, comparing it with anonymized data of the other CEOs we had studied up to that point. These intensive debriefings often included the CEOs' reflections on the pressures they faced in managing time, and on their mistakes and lessons learned. We also shared our accumulated data with the participants in each

New CEO Workshop. In our discussions, CEOs routinely described managing time as one of their greatest challenges. The observations, questions, and personal approaches to allocating time they shared further enriched our understanding.

In this article we will do three things:

First, we'll provide a descriptive analysis of the data. How much time do CEOs spend at work versus on personal activities? How much do they spend in meetings versus thinking and reflecting alone? How much do they rely on e-mail versus face-to-face conversation? Do they spend more time inside the company or outside, more with customers or investors? We'll answer those questions—and many more.

Second, we will offer prescriptions for how CEOs can manage their time more effectively across their many responsibilities. One of our most striking observations is that the way leaders allocate their time varies considerably. Some of this variation reflects differences in their businesses and management practices. However, many time allocation decisions, such as participation in company rituals that offer limited return, reflect legacy norms and cultures, as well as a CEO's own habits. In our debriefings the CEOs all acknowledged that there were important areas where they could be using their time better. On the basis of these discussions and those with the hundreds of other CEOs in our workshops, we are convinced that every leader can improve his or her time management.

Looking Beyond the Averages

How much do CEOs' practices differ? We've ranked the variation in their uses of time from the lowest to the highest. ...

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Finally, we will reflect on what our rich data reveals about the overall role of the CEO. A CEO has to simultaneously manage multiple dimensions of influence, which all contain dualities, or seeming contradictions, that effective CEOs must integrate. Understanding this broader view of the role is essential to success and also provides an important perspective for managing time well.

While our research focuses on the CEO role in large, complex companies, its findings have implications for all leaders (including executives of nonprofits) looking for ways to use their time and influence more effectively.

The Job Is All-Consuming

CEOs are always on, and there is always more to be done. The leaders in our study worked 9.7 hours per weekday, on average. They also conducted business on 79% of weekend days, putting in an average of 3.9 hours daily, and on 70% of vacation days, averaging 2.4 hours daily. As these figures show, the CEO's job is relentless.

About half (47%) of a CEO's work was done at company headquarters. The rest was conducted while visiting other company locations, meeting external constituencies, commuting, traveling, and at home. Altogether, the CEOs in our study worked an average of 62.5 hours a week.

Why such a grueling schedule? Because it is essential to the role. Every constituency associated with a company wants direct contact with the person at the top. As much as CEOs rely on delegation, they can't hand off everything. They have to spend at least some time with each constituency in order to provide direction, create alignment, win support, and gather the information needed to make good decisions. Travel is also an absolute must. You can't run a domestic company, let alone a global one, from headquarters alone. As a CEO, you have to be out and about.

Making time for personal well-being.

Given that work could consume every hour of their lives, CEOs have to set limits so that they can preserve their health and their relationships with family and friends. Most of the CEOs in our study recognized that. They slept, on average, 6.9 hours a night, and many had regular exercise regimens, which consumed about 9% of their nonwork hours (or about 45 minutes a day). To sustain the intensity of the job, CEOs need to train—just as elite athletes do. That means allocating time for health, fitness, and rest.

We paid special attention to the 25% of time—or roughly six hours a day—when CEOs were awake and not working. Typically, they spent about half those hours with their families, and most had learned to become very disciplined about this. Most also found at least some hours (2.1 a day, on average) for downtime, which included everything from watching television and reading for pleasure, to hobbies like photography.

The CEO's job is mentally and physically demanding. Activities that preserve elements of normal life keep CEOs grounded and better able to engage with colleagues and workers—as opposed to distant, detached, and disconnected. CEOs also have to make time for their own professional renewal and development (which our data showed was often the biggest casualty of a packed schedule). And they must be careful, as our colleague Tom DeLong puts it, not to become "like race car drivers and treat home like a pit stop."

They Work Face-to-Face

The top job in a company involves primarily face-to-face interactions, which took up 61% of the work time of the CEOs we studied. Another 15% was spent on the phone or reading and replying to written correspondence. The final 24% was spent on electronic communications.

Face-to-face interaction is the best way for CEOs to exercise influence, learn what's really going on, and delegate to move forward the multiple agendas that must be advanced. It also allows CEOs to best support and coach the people they work closely with. How a CEO spends face-to-face time is viewed as a signal of what or who is important; people watch this more carefully than most CEOs recognize.

Avoiding the lure of e-mail.

In theory, e-mail helps leaders cut down on face-to-face meetings and improve productivity. In reality, many find it ineffective and a dangerous time sink—but one they have trouble avoiding. E-mail interrupts work, extends the workday, intrudes on time for family and thinking, and is not conducive to thoughtful discussions. CEOs are endlessly copied on FYI e-mails. They feel pressure to respond because ignoring an e-mail seems rude.

CEOs should recognize that the majority of e-mails cover issues that needn't involve them and often draw them into the operational weeds. Conversely, e-mails from the CEO can create a downward spiral of unnecessary communication and set the wrong norms, especially if the CEO sends them late at night, on weekends, or on holidays. It then becomes easy for everyone in an organization to fall into the bad habit of overusing electronic communications.

That's why setting proper expectations and norms for what e-mails the CEO needs to receive—and when he or she will respond—is essential. Norms are necessary for the others in the organization as well, to prevent e-mail from having a cascading effect on everyone, wasting precious hours and intruding on personal time. One way for the CEO to stay ahead of the digital avalanche is to have an adept EA filter messages and delegate many of them to others before the CEO even sees them. In the end, though, there is no substitute for being disciplined about resisting the siren call of electronic communications. This is a topic our CEOs were often animated about, and best practices in this area are still emerging.

Some CEOs in our study have begun to use videoconferencing as an alternative to face-to-face meetings, especially to cut down on travel for themselves and for team members who might otherwise have to come to see them. Although such efficiencies should surely be sought, CEOs must never forget that at its core their job is a face-to-face one.

They Are Agenda Driven

CEOs oversee a large number of organizational units and work streams and countless types of decisions. Our research finds that they should have an explicit personal agenda and that most do. A clear and effective agenda optimizes the CEO's limited time; without one, demands from the loudest constituencies will take over, and the most important work won't get done.

A good agenda sets priorities for the CEO's personal involvement over the coming period. But it is not unidimensional; rather, it is a matrix including both broader areas for improvement and specific matters that need to be addressed, and it combines time-bound goals with more open-ended priorities.

In our study we asked each CEO to describe the agenda he or she was pursuing during the quarter being tracked and to highlight the hours devoted primarily to advancing it. Every executive provided an agenda. We found that the CEOs invested significant time—43%, on average—in activities that furthered their agendas. Some were far more disciplined about this than others: Time devoted to the core agenda varied widely, ranging from 14% to 80% of leaders' work hours. Most CEOs we talked with agreed that the more time they spent on their agendas, the better they felt about their use of time.

Overall, we found that an explicit agenda is one of the CEO's most important tools for making progress on multiple work streams simultaneously, addressing differences in the rate of progress across priorities, and using time effectively despite the need to respond personally to unforeseen events.

Advancing the agenda.

Keeping time allocation aligned with CEOs' top priorities is so crucial that we suggest that every quarter CEOs make a point of looking back at whether their schedule for the previous period adequately matched up with their personal agenda. They should also update the agenda to reflect current circumstances.

CEOs can benefit from making their personal agenda explicit to others. Their EAs and leadership teams both need to know and understand it so that they can stay aligned with it. This understanding will help team members assume ownership of the goals and priorities of the work the CEO needs them to drive.

Four Behaviors of Great Executive Assistants

EAs play a vital role in shielding CEOs from distractions and unnecessary activities and ensuring that …

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Dealing with unfolding developments.

A good portion of our CEOs' time (about 36%, on average) was spent in a reactive mode, handling unfolding issues, both internal and external. For many chief executives, it is not immediately clear when and how to address such issues or how much time to devote to them. Say that a member of the CEO's senior leadership team leaves a meeting looking upset. Should the CEO follow up with that person right away to make sure everything is OK? Should the CEO just wait and let the team member cool off? Sometimes emerging problems seem small at first but balloon into larger distractions if the CEO doesn't attend to them. In other instances a CEO's intervention makes an issue bigger than it might have been. It's essential for CEOs to figure out appropriate responses to these unfolding situations.

Every now and then, CEOs find themselves dealing with a sudden, full-blown crisis—a product or safety failure, a hostile activist's bid, a serious cyberattack, or even an external catastrophe such as a tsunami or a terrorist attack. Most of our CEOs (89%) spent some time on crises. Though on average it was small (1% of work time during the quarter we tracked), the total amount spent varied a great deal among the leaders in our study. Crises can create make-or-break moments in a CEO's leadership. In dealing with them, CEOs need to be highly visible and personally involved; the response to such events can't be delegated. Showing genuine concern for the people affected, avoiding defensiveness, holding everyone together, and creating confidence that the organization will not only survive but emerge stronger are some of the things CEOs need to do during these times.

Limiting routine responsibilities.

A surprisingly significant fraction (11%, on average) of our CEOs' work time was consumed by routine duties. Such activities varied considerably across CEOs, running the gamut from review meetings to board meetings, earnings calls, and investor days.

Operating reviews are a major component of a CEO's routine tasks. Their number, frequency, and length ranged widely across the leaders we studied, and our discussions suggested that some CEOs—especially those who had been COOs—overinvested in reviews that could be delegated to direct reports.

The ability of CEOs to control what we term "have-to-dos" was also quite variable. Have-to-dos include rituals such as giving welcome talks to new employees. These can play an important symbolic role and help reinforce the company's values and culture. By thoughtfully choosing which of these events to attend, CEOs can set the tone of their relationship with the organization. Yet a CEO must be disciplined about ensuring that feel-good activities don't collectively take up more time than he or she can afford.

Our discussions suggest that CEOs need to take a hard look at every activity that falls into the routine and have-to-do categories. They must ask whether it serves an important purpose or is simply a company habit, something instituted by the predecessor, or a carryover from the CEO's previous role.

They Rely Heavily on Their Direct Reports

A CEO's direct reports are the company's most senior executives and include some of its most skilled managers. They span all the key elements of the business and offer CEOs the greatest opportunity for leverage. The leadership team, working together, can be the glue that helps the CEO integrate the company and get the work done.

In our study about half (46%) of a CEO's time with internal constituencies was spent with one or more direct reports, and 21% of it was spent only with direct reports. The total time spent with direct reports ranged from a low of 32% of time with internal constituencies to a high of 67%. When we explored that variation, we found that CEOs were more likely to spend time with their reports present when they had greater confidence in them.

We found that it's critical for each member of the leadership team to have the capabilities to excel and earn the CEO's full trust and support. Any weaknesses in this group significantly reduce the CEO's effectiveness, because dealing with work that reports should have handled, and cleaning up after them, eats up valuable time. In fact, when our CEOs gathered as a group across cohorts to see how things were going after they had been in office awhile, their number one regret was not setting high-enough standards in selecting direct reports. Many CEOs told us this was because they focused too much on the present and not enough on the future when they first stepped into the role. Direct reports who could manage the status quo were often not the ones who could help the CEO take the company to a new level.

The more CEOs can delegate to their leadership team, the better they generally feel about their use of time. It eases the burden of needing to get personally engaged, following up, and asking others to report back. Since CEOs see their direct reports so frequently, it is also easy to stay in touch with how things are going with matters they are handling.

Staying connected to other managers.

The CEOs in our study also spent considerable time (32% of their time with internal constituencies, on average) with a broader group of senior leaders, often called the top 100 (plus or minus). Many in this group report to the CEO's direct reports. We found that time with this next level of leadership was well spent. The top 100 are often the driving force for execution in the organization, and direct contact with the CEO can help align and motivate them. These leaders are also key to succession planning: Some will be candidates to replace the company's most senior executives. Given that the people at this level are often a generation younger, a few may eventually even be candidates to succeed the CEO. So getting to know them personally can be very useful.

Not surprisingly, the CEOs in our study spent less time with lower-level managers (14%, on average) and even less time with rank-and-file employees (about 6%, on average). However, our research suggests that effective CEOs need to be careful to maintain a human face in the organization. They must stay approachable and find ways to meaningfully engage with employees at all levels. This not only keeps them in touch with what is really going on in the company but helps them model and communicate organizational values throughout the workforce.

Direct human contact with the rank and file also grounds CEOs and helps them understand employees' reality. CEOs face a real risk of operating in a bubble and never seeing the actual world their workers face. Relationships with employees at multiple levels also build a CEO's legitimacy and trustworthiness in the eyes of employees, which is essential to motivating them and winning their support.

Knowing what is going on.

Spending time with the rank and file, and with savvy external frontline constituencies, is also an indispensable way to gain reliable information on what is really going on in the company and in the industry. This is a major CEO challenge. Some CEOs get frontline contact by walking the hallways and factory floors, and using mechanisms like periodic lunches, unscheduled visits, and carefully designed field trips to customer and company sites. Others use group interactions, such as town halls, to foster genuine and open conversations with a large cross section of employees (rather than present slide decks). Our data indicates that CEOs have varying success in carving out time for such steps, however.

They Manage Using Broad Integrating Mechanisms

CEOs must avoid trying to do too much themselves. It just isn't possible for them to make or even ratify most decisions directly. Instead, effective CEOs put in place well-designed structures and processes that help everyone else in the organization make good choices. These inform, support, enable, and integrate the work of others while building the organization's capabilities.

The most powerful integrating mechanisms include strategy (on which CEOs in our study spent an average of 21% of their work time), functional and business unit reviews (25% of their time), developing people and relationships (25% of their time), matching organizational structure and culture with the needs of the business (16% of their time), and mergers and acquisitions (4% of their time).

Harnessing strategy.

The CEO's single most powerful lever is ensuring that every unit—and the company as a whole—has a clear, well-defined strategy. Strategy creates alignment among the many decisions within a business and across the organization. By spending time on strategy, a CEO provides direction for the company, helps make its value proposition explicit, and defines how it will compete in the marketplace and differentiate itself from rivals. Strategy also provides clarity on what the company will *not* do. A compelling strategy—if well understood throughout the organization—is motivating and energizing. And without clarity on strategy, the CEO will be drawn into too many tactical decisions.

In large, complex firms, CEOs can almost never spend enough time on strategy—they must constantly be working to shape it, refine it, communicate it, reinforce it, and help people recognize when they may be drifting from it. CEOs must also ensure that the strategy is renewed from time to time and based on changes in the environment. Portfolio choices such as divestitures, mergers, and acquisitions are critical to strategy, and a CEO must be personally involved with them.

Aligning organizational structure and culture.

To foster appropriate decisions across the company, the organization's structure needs to be aligned with its strategy. Otherwise, the CEO will be drawn into endless adjudication among units. It can also become a big drain on the CEO and others if the organization is constantly lurching from one structure to another.

Culture—which encompasses an organization's values, beliefs, and norms—is another key CEO lever for reinforcing strategy and influencing how the organization as a whole goes about doing its work. CEOs can shape a company's culture in many ways, from the time they spend talking about it at various forums, to personally living the valued behaviors, to recognizing, rewarding, and celebrating those who exemplify the desired culture while taking corrective action with those who don't. It is the CEO's job to champion the organization's culture and constantly look for opportunities to strengthen it.

Designing, monitoring, and improving processes.

CEOs must ensure that the company's strategy is being well executed. This will occur when the organization has rigorous processes through which work—such as marketing plans, pricing, product development, and strategy development itself—is done. Good processes bring together the best organizational knowledge and keep the CEO from continually having to override decisions.

Formal reviews are essential to monitoring whether the company is delivering the required process performance. Though these consume a quarter of a CEO's total work time, they allow CEOs to track progress, provide regular feedback, uphold high standards, and ensure timely course corrections. Reviews are also necessary to make sure that lessons learned are used to enhance the various processes through which work gets done.

However, excessive participation in reviews can get the CEO too involved in the company's operations and mired in unnecessary details. We talked a lot with the CEOs in our study about this problem. We have found, again and again, that many have a hard time shedding the COO or president roles they may have previously held. Some also forget that their senior team should bear the primary responsibility for many reviews and keep the CEO informed on a regular basis.

When CEOs fail to delegate reviews to direct reports who can handle them, they erode the autonomy and accountability of their management teams. That doesn't help CEOs get the best out of others.

Developing people and relationships.

Building the company's leadership pipeline is an important CEO function in its own right. We have found that CEOs must be personally committed to and be involved in improving the quality of the company's leaders. They cannot just leave this task to HR. Leadership choices are also pivotal in shaping the company's culture. Who gets hired, promoted, or fired signals what is truly valued by the CEO and the company.

CEOs need to get the most out of an organization's talent, and to do that, they must forge personal connections. Our CEOs spent another quarter of their total work time in meetings that focused on building relationships. When trust is mutual, delegation comes more naturally, agreement is easier to reach, and less monitoring and follow-up are necessary. Good relationships also make people more likely to give you the benefit of the doubt when you need it —and to tell you the truth, which is invaluable at the top.

The time CEOs spend building social capital through a network of personal relationships has many benefits and is time well spent.

They Are Always in Meetings

CEOs attend an endless stream of meetings, each of which can be totally different from the one before and the one that follows. Their sheer number and variety is a defining feature of the top job. On average, the leaders in our study had 37 meetings of assorted lengths in any given week and spent 72% of their total work time in meetings.

Making meetings shorter and more effective.

CEOs need to regularly review which meetings are truly needed and which can be delegated, and to let go of ones they were accustomed to in previous roles.

They should also take a hard look at meeting length. In our study, meetings that lasted an hour accounted for 32% of a CEO's meetings, on average. Meetings that were longer accounted for 38%, and shorter meetings, 30%. We found that the length of meetings was often a matter of organizational or personal habit or both—a default length (like one hour) was the norm.

"Standard" meeting times should be revisited with an eye toward shortening them. Doing this can significantly enhance a CEO's efficiency. In our debriefs, CEOs confessed that one-hour meetings could often be cut to 30 or even 15 minutes. Another good way to streamline things is to reset meeting norms: Every meeting should have a clear agenda, and to minimize repetition, attendees should come prepared. Effective CEOs spread these meeting norms throughout the organization.

Some CEOs were worried that they might appear standoffish if someone asked for an hour and the CEO (or the EA) offered 30 minutes. But we have found that meeting length is worth confronting. "Whatever they ask for, cut it in half," said one CEO.

Another important meeting attribute is the number and composition of attendees. One-on-one meetings were the most common (accounting for 42% of CEOs' meetings, on average), followed by meetings with two to five participants (21%).

Although every CEO had meetings involving large groups of 50 or more—like town halls, leadership off-sites, or all-company meetings—these were infrequent (5% of meetings).

The emphasis on one-on-one and small group meetings makes sense for enabling delegation and relationship building, and allows confidentiality. But leaders should also look for opportunities to bring the right people together. An essential part of the CEO's role is to align various internal and external constituencies around a common understanding of issues, decisions, and action agendas. Having the right people in the room is a powerful way to build that alignment and avoid the need for repetitive, time-consuming interactions to bring everyone along.

Allowing for accessibility and spontaneity.

The vast majority of our CEOs' time (75%, on average) was scheduled in advance. The CEOs initiated more than half (51%) of their meetings themselves.

While controlling the nature and number of meetings is essential, we also found that CEOs need to regularly set aside time for more spontaneous interaction (which represented 25% of their work time in our study). This frees up space for same-day appointments initiated by others, for opportune conversations or meetings, and for responding to unfolding events.

The amount of time our CEOs allowed for spontaneous meetings varied considerably, ranging from 3% to 61%. In our debriefings, CEOs who discovered that they had left little room for spur-of-the-moment meetings were often surprised and quick to recognize the need for change.

Spontaneity and accessibility enhance a CEO's legitimacy. Leaders whose schedules are always booked up or whose EAs see themselves as gatekeepers and say no to too many people risk being viewed as imperious, self-important, or out of touch. EAs play a key role in finding the right balance here.

Carving out alone time.

It's also vital for CEOs to schedule adequate uninterrupted time by themselves so that they can have space to reflect and prepare for meetings. In our study, CEOs spent 28% of their work time alone, on average—but again, that varied a great deal, from a low of 10% to a high of 48%. Unfortunately, too much of this alone time (59% of it) was fragmented into blocks of an hour or less; too little (18%) was in blocks of two hours or longer. CEOs need to cordon off meaningful amounts of alone time and avoid dissipating it by dealing with immediate matters, especially their in-boxes. This proved to be a common problem among the CEOs in our study, who readily acknowledged it.

Given that time in the office is easily eaten up, alone time outside the office is particularly beneficial. Long-distance travel out of contact with the office often provides critical thinking time, and many CEOs swear by it. To capitalize on it, CEOs should avoid traveling with an entourage.

They Juggle Many External Constituencies

While the CEOs we studied spent the majority of their time (70%, on average) dealing with internal constituencies, a good chunk (30%, on average) was spent with outsiders: 16% with business partners (such as customers, suppliers, bankers, investors, consultants, lawyers, PR firms, and other service providers), 5% with the company's board of directors, and 9% on other outside commitments (service on other boards, industry groups, dealing with the media and the government, and community and philanthropic activities).

External constituencies can be just as demanding as internal ones. Everyone wants to talk to the CEO, and dealing with external stakeholders is time-consuming. It often involves longer workdays and time away from headquarters and from home. There is a risk of drifting toward outside commitments less tied to company success.

Finding time for customers.

Most of our CEOs were dismayed to discover how little time they spent with their customers—just 3%, on average. It surprised some even more to learn that this was less than the amount they spent with consultants. The scant time devoted to customers is partly a function of the huge scope of internal responsibilities: As an executive ascends from managing a line of business (which involves more-frequent customer contact) to the job of leading the entire company, it is natural for customer-facing time to decline.

Nonetheless, the CEOs in our study clearly felt that 3% was too low. Customers are a key source of independent information about the company's progress, industry trends, and competitors. In the B2B space, meeting with customers' CEOs is highly valuable, since peer conversations can be very candid. In B2C companies, there are also rich opportunities for customer contact. For retail CEOs, for example, store visits—especially unannounced ones—are an indispensable way to talk to regular customers, not just the company staff.

Some CEOs systematically schedule time with customers. The CEO of a financial services firm in our study, for instance, aims to meet face-to-face with one customer a day. A manufacturing CEO allocates two days a month to customer visits. Other CEOs try to build customer visits into their travel. A habit of some type seems to be the most reliable way to ensure enough customer time.

Limiting time with investors.

On average, our CEOs spent only 3% of their total work time on investors. Most of them found this surprising; they tended to believe they spent more. But while more time is likely to be better when it comes to customers, the same is not true with investors. Too many meetings with investors can easily become a time sink and can draw the CEO into trying to manage the stock price rather than focusing on business fundamentals. Staying in touch with a few key buy-side investors, doing quarterly calls, and holding an annual investor day may be all a CEO needs to do—unless, of course, the company is dealing with serious investor unrest or activism. By and large, the CEOs in our study seem to have discovered such focus over time, after getting caught up early in their tenures in too much investor relations.

Limiting unrelated outside commitments.

There is a real risk that CEOs will get distracted by outside activities not directly connected to the business, where they are in high demand and which often involve worthy community and social issues. Such activities consumed an average of almost 2% of the work time of the CEOs in our study. While CEOs should give back to their communities and play the role of business statespeople, they should carefully restrict the hours they personally spend on such activities and on participating in business groups. Though the CEO's presence can be important, overseeing and managing such work does not require the CEO and can be delegated to direct reports, for whom it is motivational and provides professional development opportunities.

Finding time for directors.

All our CEOs understood the importance of spending time with their boards. In our study, interacting with directors accounted for 5% of CEOs' total work time, or 41 hours a quarter, on average. But again we saw significant variation: One CEO spent six hours with directors; another spent 165.

A CEO must never forget that the board is his or her boss and that "managing up" is vital to success. However, that involves more than board meetings, committee meetings, and board retreats; CEOs must find time to build meaningful one-on-one relationships with individual directors. This is essential to take advantage of each board member's particular expertise and perspective. At board meetings, it's often not clear where each director is coming from, but that knowledge is crucial in crises and when dealing with controversial topics. CEOs also need to keep the directors well informed and engage with them between meetings through newsletters and updates. A common understanding and alignment with the board is important in periods of stress or market challenge.

Dimensions of the CEO's Role and Influence

The data on CEOs' time use reveals that the sheer complexity of their role—the myriad types of work, activities, and constituencies—is much greater than has previously been documented or perhaps even understood.

In examining the CEO's role, we have come to see that their work entails six dimensions of influence. Each involves a duality—a seeming contradiction, akin to yin and yang—that CEOs must manage simultaneously in order to be effective.

Managing the Dimensions of CEO Influence

Chief executives exert influence along six dimensions, each of which involves a duality, or seeming contradiction akin to yin and yang. Managing these dualities simultaneously is a hallmark of effective CEOs.

DIRECT The CEO is directly involved in numerous agendas and makes many decisions.	**INDIRECT** The CEO also exerts much influence over the work of others, using integrative mechanisms, processes, structures, and norms.
INTERNAL The CEO works with the senior team and with employees at all other levels to get all the organization's work done.	**EXTERNAL** The CEO also engages myriad external constituencies, serving as the face of the company, and must bring these external perspectives to the organization.

PROACTIVE The CEO must articulate a sense of purpose, have a forward-looking vision, and lead the company to greater success.	**REACTIVE** The CEO must also respond to events as they unfold, from daily issues to full-blown crises that will prove to have a major impact on the company's success.
LEVERAGE CEOs' position and control of resources give them immense clout.	**CONSTRAINTS** CEOs are constrained by the need to build buy-in, bring others along, and send the right message.
TANGIBLE The CEO makes many decisions about concrete things like strategic direction, structure, resource allocation, and the selection of key people.	**SYMBOLIC** Much of CEOs' influence proves to be intangible and symbolic; their actions set the tone, communicate norms, shape values, and provide meaning.
POWER CEOs hold formal power and authority in the company that is reinforced by their competence and track record.	**LEGITIMACY** CEOs' influence also rests on legitimacy that comes from their character and the trust they earn from employees through their demonstrated values, fairness, and commitment to the organization.

First, CEOs clearly have *direct* influence over many issues and decisions, as their numerous reviews and one-on-one meetings reveal. However, the inherent limits on CEOs' time and knowledge mean that much of their influence must also be *indirect*. Good CEOs are very much in charge but work through others using strategy, culture, and effective organizational processes that drive sound analysis and alignment across the organization. CEOs need to learn how to marry direct and indirect influence.

Second, much of a CEO's work necessarily involves *internal* constituencies and managerial tasks, and our data verifies the overwhelming amount of such work to be done. However, CEOs are unique in the degree to which they must also engage and influence numerous *external* constituencies and represent the company to the world. Effective CEOs connect their internal and external roles by bringing outside perspectives into the work of the company. They also need to make sure outside constituencies understand the company's work and value.

Third, much of a CEO's work is inherently *proactive:* It involves anticipating problems, gathering the facts, conducting analyses, and making sound and timely choices. Here, the CEO sets and drives the agenda. However, *reacting* well to unplanned and unforeseen events and crises is some of the most important work CEOs do. Choices here, and the CEO's personal presence or lack of presence, can have major consequences both outside and within the organization. Such periods can make or break a company and the CEO's own capacity to lead.

It’s vital for CEOs to block off meaningful amounts of uninterrupted time alone.

Fourth, while CEOs have a great deal of *leverage* to exert because of their position in the hierarchy and access to resources, they also face numerous—and often unrecognized—*constraints* and complexities in exercising that leverage. They are constrained in how often they can overturn decisions that have been brought to them for approval or how quickly they can drive changes without securing the support and buy-in of their senior team and board of directors. They must identify the group or people who are needed to bring about a change and then figure out how to win over the leader that will mobilize them. CEOs must find the right balance between taking full advantage of the leverage they possess, while being equally sensitive to the constraints they must navigate and the constituencies they must bring along. Otherwise, resistance will emerge and come back to bite them.

Fifth, while much of the CEO’s influence is highly *tangible,* involving decisions about things like strategic priorities, budget targets, and people selection, some of the CEO’s greatest influence is *symbolic.* This comes from the meaning people attach to a CEO’s actions. What CEOs do (and don’t do), including everyday things like how they dress, what cars they drive, where they park, where they eat, and whom they talk to and how—always sends implicit messages to the company and its constituencies. Everything a CEO does affects what the organization focuses on, its norms of behavior, and its culture and values. The symbolic effects of CEOs' choices can reach even further than their specific actions.

Sixth, CEOs hold a great deal of formal *power* and authority, and exercise it in the many ways we have described. However, power, authority, competence, and even results are insufficient to truly ensure their success. Effective CEOs combine formal power and authority with *legitimacy.* CEOs achieve legitimacy when employees believe in them as people and as leaders. They earn legitimacy in multiple ways—by demonstrating values, ethics, fairness, and a selfless commitment to the company and its people, among other things. Legitimacy gives rise to motivation that goes far beyond carrying out orders and can lead to extraordinary organizational performance. CEO time allocation, then, is not simply a matter of what happens in meetings and decision-making processes. It reflects the far broader set of ways in which the CEO as an individual engages with the organization and its people.

In managing across these six dimensions of influence, it is easy for CEOs to overlook the less direct, less top-down, less tangible, and more human aspects of their work. Without this awareness, though, CEOs give up some of their most powerful levers for driving change.

Why Good Leaders Matter

Countless concepts, tools, and metrics have been developed to help leaders manage well. However, our study of what the CEOs of large, complex organizations actually do—as manifest in how they spend their time—opens a new window into what leadership is all about and into its many components and dimensions. Being the CEO is a highly challenging role, and it is difficult to do it well.

The success of CEOs has enormous consequences—good or bad—for employees, customers, communities, wealth creation, and the trajectory of economies and even societies. Being a CEO has gotten harder as the size and scope of the job continue to grow, organizational complexity rises, technology advances, competition increases, and CEO accountability intensifies. The ideas we have introduced here aim to provide current and future leaders, who must bear this enormous responsibility, with a broader understanding of their role and how to best use their most important resource: their time.

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Michael E. Porter is the Bishop William Lawrence University Professor at Harvard Business School. He has served as an adviser to governments and campaigns around the world on the advancement of social policy and economic policy, including Mitt Romney's presidential campaign. His latest paper is *The Role of Business in Society*. He is an academic adviser to the Leadership Now Project.

Nitin Nohria is the George F. Baker Professor of Business Administration, Distinguished University Service Professor, and former dean of Harvard Business School.

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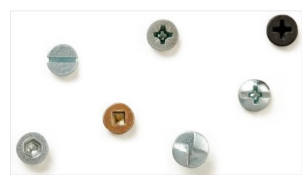

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