

13.2: Personal Efficiency and Effectiveness

Learning Objectives

1. Recognize the difference between effectiveness and efficiency.
2. Understand the differences among first-, second-, third-, and fourth-generation time-management systems.
3. Learn how using an activity log to see how time is spent.
4. Learn the dos and don'ts of time management.

Open any basic management textbook, and there will always be a discussion of the importance for an organization to be both **effective** and **efficient**. These are fundamental concepts. An organization demonstrates effectiveness when it achieves the outcomes that it wishes to produce. Amitai Etzioni, *Modern Organizations* (Englewood Cliffs, NJ: Prentice Hall, 1964), 17. Efficiency is “the capacity of an organization, institution or business to produce the desired results with the minimum expenditure of energy, time, money, personnel, material, etc.” “Efficiency, Organizational,” *Mondofacto*, December 12, 1998, accessed February 4, 2012, www.mondofacto.com/facts/dictionary?efficiency%2C+organizational. In discussing the distinction between the two concepts, Peter Drucker once said, “Efficiency is doing things right; effectiveness is doing the right things.” “Peter Drucker Quotes,” *Brainy Quote*, accessed February 4, 2012, www.brainyquote.com/quotes/authors/p/peter_drucker.html. Regardless of the exact definition of these concepts, it should be clear that any business should strive to be both effective and efficient.

It is important to recognize that for any given endeavor, one can be effective and but not efficient and vice versa. This can be illustrated with the following example. Two students are working in their college mail room. Each is given a stack of five hundred individual class schedules that are to be sorted and placed in the mailboxes of the undergraduate students. They are told that when they are done, they will be given another job. The first student is meticulous and carefully checks that each class schedule goes to the right recipient. She completes the job in 4.5 hours. The second student is less careful about accuracy and makes several errors by putting the wrong schedule in the wrong box. However, he completes his work in 3 hours. The first student was effective because the task was to get the right schedule to the right student. The second student was more efficient, if efficiency is measured in the number of schedules dispensed per hour.

In the late 1950s and early 1960s, two important works on the nature of a firm introduced an expanded concept known as “organizational slack.” James G. March and Herbert A. Simon, *Organizations* (New York: John Wiley & Sons, 1958), 46; Richard M. Cyert and James G. March, *A Behavioral Theory of the Firm* (Oxford, UK: Blackwell, 1963), 121. Slack was seen as the excess capacity maintained by an organization. By definition, slack implies that an organization is not perfectly efficient. Some argue that slack provides resources for innovation and change. Others see it as a buffer for a firm. Joseph L. C. Cheng and Idalene F. Kesner, “Organizational Slack and Response to Environmental Shifts: The Impact of Resource Allocation Patterns,” *Journal of Management* 23, no. 1 (1997): 1–18. Although these debates might make for interesting academic discussions, it must be recognized that most small businesses do not have the luxury of maintaining any appreciable slack. Their survival hinges on being *both* highly effective and highly efficient. Therefore, any technique, program, or methodology that improves those ends is vital to the well-being of a small business.

Time Management

Strategy is the art of making use of time and space. I am less concerned about the latter than the former. Space we can recover, lost time never. “Napoleon Speaks on Increasing Market Share,” *Stealing Share, Inc.*, accessed June 1, 2012, <http://www.stealingshare.com/pages/N...gy%20works.htm>.

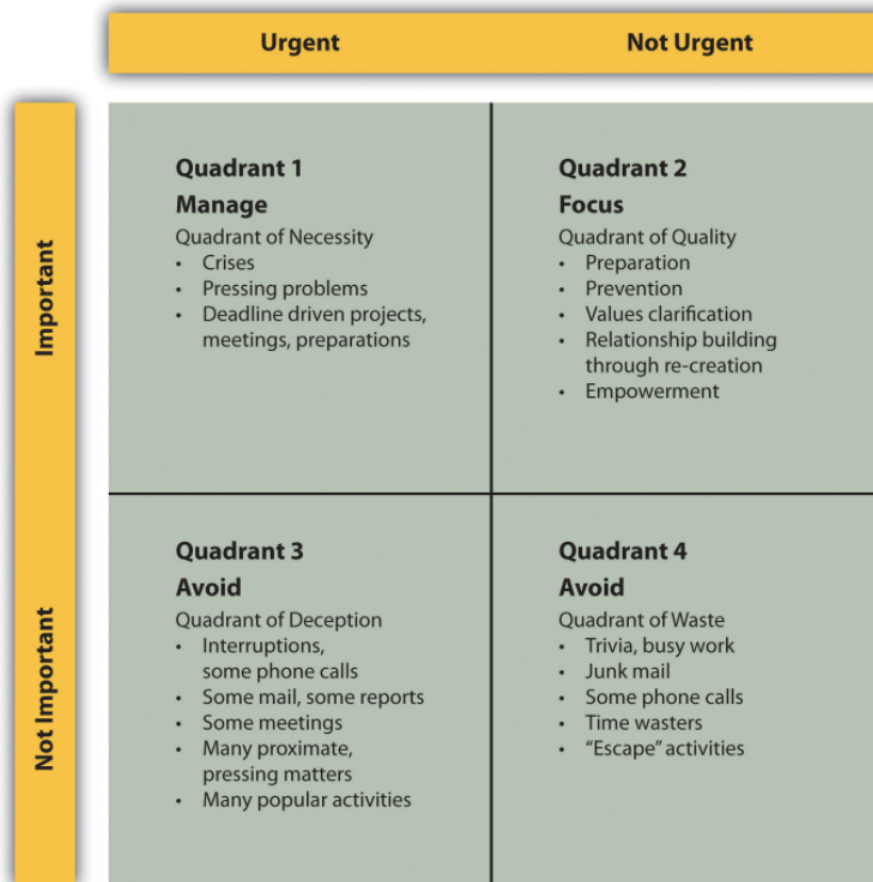
Napoleon

Throughout this chapter, the focus will be on the simple fact that one of the great enemies in life—particularly a businessperson’s life—is the existence and acceptance of waste. One of the resources that we can least afford to waste is time. In many ways, time is the most precious of all resources. Other resources can often be purchased or acquired, but time cannot be purchased. Once lost, time can never be recaptured. Time, as a resource, should be of particular importance for the small business owner.

If one is serious about maximizing the use of time, then one should consider two venues: use a time-management system and avoid what are referred to as “time wasters.” The term *time-management system* is a broad concept and covers many different approaches. Regardless of the approach used, its adoption provides multiple benefits. As one author puts it—“**Time management**’ involves working on the right things [effectiveness] and doing them the best way [efficiency].” Peggy Duncan, *The Time Management*

Memory Jogger (Salem, NH: Goal/QPC Publishers, 2008), xi. Steven Covey, author of *First Things First*, Steven Covey, A. Roger Merrill, and Rebecca R. Merrill, *First Things First* (New York: Simon and Shuster, 1994), 35. a “bible” for time management, identifies four generations of time-management systems. He defines a **first-generation time-management system** as being composed of essentially a list of tasks that must be done. A **second-generation time-management system** ties deadlines to those tasks. A **third-generation time-management system** incorporates task prioritization. Many business people are familiar with paper-and-pencil or computerized systems for listing tasks, noting their due dates, and prioritizing them in terms of relative importance. Covey argues for a **fourth-generation time-management system**. This system is designed to bring balance into the personal and the professional lives of individuals. It is best illustrated by Covey’s 2×2 matrix, where one axis is composed of tasks that can be categorized as *urgent* or *not urgent*. The other axis is composed of tasks that can be characterized as either *important* or *not important* (see Figure 13.1). He emphasizes that those tasks that might be found in the *important/not urgent* quadrant (quadrant 2) might be critical to an individual’s well-being. Unfortunately, because they are listed as *not urgent*, they might fall by the wayside. His goal is to produce a “balanced manager.” This balance refers to what he argues are the four fundamental human needs: physical needs, social needs, mental needs, and spiritual needs. His approach to time management is based on valuing relationships and recognizing that the proper management of relationships will reduce the amount of time wasted in activities.

Figure 13.1 Time-Management Matrix



Source: Steven Covey, A. Roger Merrill, and Rebecca R. Merrill, *First Things First* (New York: Simon and Shuster, 1994), 37; James Cooper, “3 Vital Time Management Principles for Small Business Owners & Entrepreneurs,” *mimosapLANET*, December 2, 2010, accessed February 4, 2012, mimosaplanet.com/Small-Busine...epreneurs.html.

Covey advocates that an individual should have a deep understanding of what is important in one’s life and recognize that, on any day, one will assume different roles. Both elements need to be incorporated into the time-management system. For Covey, we all have to assume different roles in our personal and professional lives. The objective is to identify what these roles require time-wise and how they can be successfully integrated. To achieve integration, we need to better understand ourselves. Covey suggests that

developing a personal mission statement is vital to achieving balance. Some characteristics of such a statement might include the following:

- What represents the deepest and best within a person?
- What is an expression of a person's unique capacity to contribute to one's family, the organization, and the world at large?
- What represents pursuits that are higher than self-interest?
- What integrates all four fundamental human needs?
- What principles produce quality-of-life results?
- What inspires a person?

The following is an example of a personal mission statement that uses the Covey approach:

I am at my best when I am challenged by a task that has some significance.

I will try to prevent times when I have to work with individuals who think only of their own advancement.

I will enjoy my work when my company provides customers with value and earns a profit.

I will find enjoyment in my personal life when I feel that I have done something that benefits all members of my immediate family.

I will find opportunities that will allow my firm to double its sales every three years.

I can do anything I set my mind to; I will grow my business to the point where I can retire when I am 55.

My life's journey is building my business and providing a comfortable life for my family.

I will be a person who has created a business that provides value to its customers, and I will be an individual who made his family understand how much he loved them.

My most important future contribution to others will be that I expanded my business's operations so that I might provide opportunities and gainful employment for additional workers.

I will stop procrastinating and start working on the following:

- Broadening the products offered by my business
- Being more tolerant of others who hold conflicting opinions
- Developing plans for my retirement

I will strive to incorporate the following attributes into my life:

- The ability to make all individuals who work for my business feel as though their views are valued and counted.
- Illustrate to others that one does not have to limit oneself to a narrow domain of interests.
- Never give up regardless of the difficulty of a situation.

I will constantly renew myself by focusing on the four dimensions of my life:

- Exercise
- Greater tolerance for others
- Find more time for reading
- Control my temper

Covey's complete system of time management is comprehensive and is supported by both paper-and-pencil and software support materials.

If Covey's comprehensive approach appears to be initially overwhelming, where else might a person begin to improve their time-management skills? An excellent—in fact a critical—takeoff point would be to ask the following question: "Where has the time gone?" How often have we asked ourselves or heard others pose this question, and how often are we unable to answer it? Until one has a solid idea of how time is spent, it is impossible to manage time effectively. It is comparable to beginning a journey to a location without knowing the exact starting point. An excellent way of knowing how time is spent is to use an activity log.

An **activity log** involves writing down every task and activity a person is involved with during a day. It also requires noting when these activities occurred during the day and how long they lasted. It would be very useful to also comment on one's emotional state and energy level while performing these tasks and activities. The log should be maintained for a period of time—generally one or two weeks. At the end of this period, analyze how time was spent. This analysis should look for some common threads:

- How much time per day or week is spent on particular activities?
- When during the day did you feel the most productive?
- When during the day did you feel the least productive or have the most disruptions to workflow?
- What activities were individuals who created these disruptions to workflow?
- What activities seem to provide little or no value?

The goal of this analysis is to identify what task or activity should be eliminated and when, if there is a pattern to productivity, a high-value challenging task should be scheduled. The activity log should provide useful insights into how a person should structure time flow. “Activity Logs: Finding Out How You Really Spend Your Time,” *Mind Tools*, accessed February 4, 2012, www.mindtools.com/pages/article/newHTE_03.htm. As one author put it, “Find your rhythm and schedule around.” “5 Time-Management Tricks,” *Shifting Careers*, December 12, 2007, accessed February 4, 2012, shiftingcareers.blogs.nytimes.com/2007/12/12/5-time-management-tricks.

After identifying workflow patterns, then seriously begin planning for time management. The first stage of this process involves identifying the required tasks to be performed across various time horizons, such as the upcoming year, month, week, or day. Draw on Covey and others to include a broad spectrum of life activities, not just work-oriented activities. Rachna D. Jain, “10 Ways for Entrepreneurs to Find More Time,” *PowerHomeBiz.com*, September 9, 2003, accessed February 4, 2012, www.powerhomebiz.com/vol124/findtime.htm.

In addition to identifying these tasks, it is vital that a person prioritize these tasks. Some tasks are clearly more important than others. As an example, securing a major sale would have a much higher priority than selecting the appropriate stationery for a business. The next step is determining—or more likely estimating—how much time and what resources will be required to complete the tasks. Use these estimates of time to generate a to-do list specifying the completion date for the tasks and the activities. Plan on working within realistic blocks of time. Susan Giurleo, “11 Time Management Tips for Small Business Success,” *DrSusanGiurleo.com*, April 11, 2011, accessed February 4, 2012, drsusangiurleo.com/11-time-management-tips-for-small-business-success. When dealing with a large complex project, learn to break it down into manageable segments and components.

It is one thing to create a prioritized time schedule; it is something entirely different to successfully follow such a schedule. Time management involves learning how to consistently carry out these tasks while avoiding the many time-robbing traps that exist in all our lives. Donald Wetmore, “Some Time Savers,” *PowerHomeBiz.com*, accessed February 4, 2012, www.powerhomebiz.com/vol70/timesavers.htm.

The following are some dos and don’ts of time management:

- **Learn to “chunk.”** Chunking is a process by which similar activities are grouped into common blocks of time. As an example, one might schedule several activities associated with the financial operations of the business—such as paying bills, tallying receipts, and so forth—together during a specific time period. Rachna D. Jain, “10 Ways for Entrepreneurs to Find More Time,” *PowerHomeBiz.com*, September 9, 2003, accessed February 4, 2012, www.powerhomebiz.com/vol124/findtime.htm.
- **Learn to delegate.** A common complaint leveled at entrepreneurs and small business owners is their propensity to be involved in every aspect of the business. The effective use of one’s time will involve recognizing that one person cannot do everything. It is important to learn how to delegate a particular task to subordinates. The challenge is to properly supervise the subordinates so that the task is carried out as desired. Susan Giurleo, “11 Time Management Tips for Small Business Success,” *DrSusanGiurleo.com*, April 11, 2011, accessed February 4, 2012, drsusangiurleo.com/11-time-management-tips-for-small-business-success.
- **Learn to say “no.”** It is often said that the most important word for a manager to learn is the word *no*. Time management involves discipline. It means that at times we must stop activities that would become time robbers. Carol Halsey, “The Greatest Technique of Time Management,” *PowerHomeBiz.com*, accessed February 4, 2012, www.powerhomebiz.com/vol94/time.htm. What about the colleague who drifts into your work space and asks, “Do you have a few minutes?” When we know that this colleague will be talking more about his or her own personal life rather than work-related activities, then we must have the courage to say, “Sorry, but I do not have the time.” In periods of time pressure, we must even find strength to forgo some activities, such as going out to lunch. “5 Time-Management Tricks,” *Shifting Careers*, December 12, 2007, accessed February 4, 2012, shiftingcareers.blogs.nytimes.com/2007/12/12/5-time-management-tricks.
- **Learn to not procrastinate.** For many of us, this is the great challenge. It is best dealt with by maintaining a clear focus on the required tasks. This is why a to-do list of tasks tied with prioritization is so important. One way to deal with procrastination is to concentrate on one task and staying with the task until it is complete. “5 Time-Management Tricks,” *Shifting Careers*, December 12, 2007, accessed February 4, 2012, shiftingcareers.blogs.nytimes.com/2007/12/12/5-time-management-tricks. Another form

of procrastination is the willing acceptance of wasting time. Waiting is a form of wasting time if one is not engaged in some useful activity while waiting for some other outcome—such as working while on hold during a phone call. Susan Giurleo, “11 Time Management Tips for Small Business Success,” *DrSusanGiurleo.com*, April 11, 2011, accessed February 4, 2012, drsusangiurleo.com/11-time-management-tips-for-small-business-success.

- **Learn to manage e-mail.** One of the greatest sources of time wasting is the improper management of e-mail. The ping announcing a new e-mail message often lures one away from productive work to read the message. One should plan set blocks of time during the day to handle e-mail. Outside these blocks, one should not open any e-mail. E-mail should be approached so that each item can be dealt with once and then eliminated. “5 Time-Management Tricks,” *Shifting Careers*, December 12, 2007, accessed February 4, 2012, shiftingcareers.blogs.nytimes.com/2007/12/12/5-time-management-tricks. One should also be prepared to “on deadline days...put up the equivalent of a ‘do not disturb sign.’” “5 Time-Management Tricks,” *Shifting Careers*, December 12, 2007, accessed February 4, 2012, shiftingcareers.blogs.nytimes.com/2007/12/12/5-time-management-tricks.
- **Learn to find private time.** It is vital that an individual find time where to be alone with one’s own thoughts and work in isolation without interruptions. Time to think allows the small business owner to think about the “big picture.” Rachna D. Jain, “10 Ways for Entrepreneurs to Find More Time,” *PowerHomeBiz.com*, September 9, 2003, accessed February 4, 2012, www.powerhomebiz.com/vol124/findtime.htm. This type of break can actually improve one’s efficiency and effectiveness. “10 Time Management Mistakes: Avoiding Common Pitfalls,” *Mind Tools*, accessed February 4, 2012, www.mindtools.com/pages/article/time-management-mistakes.htm. As with e-mail, one must be prepared to demand no interruptions.

In addition to these suggestions, one should learn to use some form of time-management system: a paper-and-pencil system, such as a day planner; a computer-based system; or a system that works on one’s smartphone or an iPad. Select one system and stay with it. Donald Wetmore, “Some Time Savers,” *PowerHomeBiz.com*, accessed February 4, 2012, www.powerhomebiz.com/vol70/timesavers.htm.

Do not become addicted to the rush of constantly being *busy*. For some individuals, there is confusion between being “on the go” and actually accomplishing what one needs to accomplish. Many of these people view themselves as successful multitaskers. This ability to **multitask** is often referred to as a modern-day requisite skill. However, the reality is that multitasking appears to reduce one’s productivity. Some studies indicate that multitasking prolongs the accomplishment of a list of tasks by as much as 20 percent to 40 percent. “10 Time Management Mistakes: Avoiding Common Pitfalls,” *Mind Tools*, accessed February 4, 2012, www.mindtools.com/pages/article/time-management-mistakes.htm. A better use of one’s time is to focus on one task at a time. “20 Quick Tips for Better Time Management,” *Stepcase Lifehack*, accessed March 12, 2012, www.lifehack.org/articles/lifehack/20-quick-tips-for-better-time-management.html#. In conclusion, it is important to recognize that one should not expect to achieve a perfect allocation of one’s time, especially as unexpected events arise. The best that can be hoped for is that “we can actually manage ourselves.” Susan Ward, “11 Time Management Tips: Part 1: Coming to Grips with the Time Management Myth,” *About.com*, accessed February 4, 2012, sbinfocanada.about.com/cs/timemanagement/a/timemgttips.htm.

Video Clip 13.1

Time-Management Tips Are Really Self-Management Tips!

([click to see video](#))

Harvard Business Publishing covers time management.

Video Clip 13.2

Secrets of Effective Time Management

([click to see video](#))

Several time-management techniques are discussed.

Web Resources

Eleven Time-Management Tips, Part 1: Coming to Grips with the Time Management Myth

This site provides useful tips on successful time management.

sbinfocanada.about.com/cs/timemanagement/a/timemgttips.htm

Three Vital Time-Management Principles for Small Business Owners and Entrepreneurs

What principles are key for small business owners and entrepreneurs?

mimosaplanet.com/Small-Business-Blog/bid/55824/3-Vital-Time-Management-Principles-for-Small-Business-Owners-Entrepreneurs.html

Time Management

Learn how to schedule and manage time wisely and effectively, avoid procrastination, and improve productivity.

www.powerhomebiz.com/leadership/time.htm

Time-Management Tips for Small Business Owners

Tips that focus on small businesses.

ezinearticles.com/?Time-Management-Tips-For-Small-Business-Owners&id=4849540

Time Management

A sampling of links on time management.

www.businesstown.com/time/time.asp

KEY TAKEAWAYS

- An effective organization achieves the outcomes it wishes to produce.
- Efficiency is the ability of any organization to produce the desired results with the minimum expenditure of resources. “Efficiency, Organizational,” *Mondofacto*, December 12, 1998, accessed February 4, 2012, www.mondofacto.com/facts/dictionary?efficiency%2C+organizational.
- Time-management systems have evolved through four generations of models.
- Using an activity log can assist anyone in learning how to better manage time.
- Learning the dos and don'ts of time management can significantly improve one's efficiency.

EXERCISES

1. Create a time log for a five-day period. Analyze this log and see how you spend time.
2. Identify what you believe to be your own biggest time wasters and how you intend to deal with them.
3. If you do not currently use a formal time-management system, look at several paper-and-pencil or digital versions, evaluate them, and describe which you would select and why.

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