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What Do CEOs Do?

by Oriana Bandiera, Luigi Guiso, Andrea Prat and [Raffaella Sadun](#)

Abstract

We develop a methodology to collect and analyze data on CEOs' time use. The idea—sketched out in a simple theoretical set-up—is that CEO time is a scarce resource and its allocation can help us identify the firm's priorities as well as the presence of governance issues. We follow 94 CEOs of 600 top Italian firms over a pre-specified week and record the time devoted each day to different work activities. We focus on the distinction between time spent with insiders (employees of the firm) and outsiders (people not employed by the firm). Individual CEOs differ systematically in how much time they spend at work and in how much time they devote to insiders vs. outsiders. We analyze the correlation between time use, managerial effort, quality of governance, and firm performance and interpret the empirical findings within two versions of our model, one with effective and one with imperfect corporate governance. The patterns we observe are consistent with the hypothesis that time spent with outsiders is on average less beneficial to the firm and more beneficial to the CEO and that the CEO spends more time with outsiders when governance is poor.

Keywords: [Corporate Governance](#); [Employee Relationship Management](#); [Managerial Roles](#); [Time Management](#); [Performance Productivity](#); [Italy](#);

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