

## COMMEMORATING THE WORK OF PETER DRUCKER: A Pioneer of Modern Management

At the end of 2005, Mr. Drucker died at the age of 95 having written 38 books translated into 37 languages. He is often described as one of the greatest management thinkers of the last century and creator and inventor of modern management. In the early 1950s, he was the first person to provide us with a handbook to deal with the incredibly complex organisations that we were encountering. Without his analysis, it is almost impossible to imagine that we would see the rise of dispersed, globe-spinning corporations and organisations. Part of his genius lay in his ability to find patterns among seemingly unconnected disciplines such as the arts, history, science, politics and philosophy. He lived in Europe at the time of Adolph Hitler's rise and recognized the menace of centralized power and personally has his writing banned and burned. He went to London and then to the United States in 1937.

At the heart of his thinking is his view that for a free society to function we must have high-performing, autonomous institutions spread throughout. Without that, the only alternative is totalitarianism. He saw the possibilities of the modern corporation to build communities and provide meaning for the people who worked for them. He saw trends long before others were aware of them. He had an understanding of leadership as a complex function of leading people and organisations. He taught managers the importance of picking the "best people", on focusing on opportunities and not problems, understanding your customers, of the need to understand your competitive advantages, and to continue to refine them. He believed that talented people were the essential ingredient of every successful enterprise—they are assets not liabilities to be eliminated. His most famous book is *The Practice of Management*, published in 1954. His interests led him not only to write and teach but to get practical experience working with enterprises. His teaching and consulting style was not to bring concise answers to his clients but rather to frame and ask the questions that could uncover the larger issues standing in the way of performance. He expected his clients to answer the questions.

Among Drucker's key ideas are:

- Identifying decentralization as a bedrock principle for large organizations;
- Originating the view of the corporation as a human community and not just a profit-making machine.
- Urging leaders to think and say "we." He pointed out that effective leaders know they have authority only because they have the trust of organizational members. They know that the organisation's needs must come before their own.
- Writing about the contribution of knowledge workers—in the 1970s—long before anyone knew or understood how knowledge would trump raw material as the essential capital of the New Economy. Knowledge workers have many options and want respect and authority. They're interested in personal achievement and personal responsibility and expect continuous learning and training.
- Making decisions—every decision is risky, but risks can be minimized if you know when a decision is necessary, how to clearly define a problem and tackle it directly, and that compromises are necessary. Planning for implementation is essential.

However later in life, Mr. Drucker became critical of the modern corporation. He saw the corporation becoming a place where self-interest had triumphed over the egalitarian principles he long championed. He was disillusioned with the excessive rewards being given to mediocre executives as they slashed the ranks of ordinary workers. He preached against reckless mergers and acquisitions. He rallied against "empire building" where he argued against excess executive staff. He turned his attention to providing advice to the nonprofit sector.

