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Drucker's ideas stand the test of time

By Stefan Stern

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In 1974, the New York Times reported that sales of Peter Drucker's latest book, *Management: Tasks, Responsibilities, Practices*, had overtaken those of Alex Comfort's illustrated primer *The Joy of Sex*. For one brief moment, management was the hottest topic of all.

Only Drucker could have achieved this. "No other person has had the impact on the practice of management that he did," according to one of today's leading authorities, [CK Prahalad](#). This November marks the centenary of Drucker's birth – he died in 2005 just short of his 96th birthday – and the anniversary has been celebrated in a series of events round the world.

EDITOR'S CHOICE

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Last week in Vienna, the city where Drucker was born and spent the first 18 years of his life, an international conference debated his significance and continued relevance. But the idea was to look forwards and not back, as Richard Straub, the conference organiser, explained. "We are not opening a museum here," he said. "We have plenty in this city already."

Debate centred on the views and legacy of the father of modern management. What would he be advising us to do now? And what would be his response to the great financial and economic crisis?

Unsurprisingly, perhaps, Drucker's disciples chose to give business school orthodoxy (particularly the "Anglo-Saxon" kind) a clobbering. Armed with MBAs, personal profit maximisers had selfishly pursued their own interests, ignoring their moral responsibility to concentrate on the sustainable success of the organisation (and society) as a whole. As Ira Jackson, dean of Peter F Drucker and Masatoshi Ito Graduate School of Management in California, put it: "If we were producing doctors, they would have some difficulty getting insurance cover against future malpractice."

Drucker's critique of greed and irresponsibility pre-dated today's crisis. He admired what managers and organisations could achieve when they put their minds to it. But having witnessed managerial incompetence as well as political extremism at first hand in Europe in the 1920s and 1930s, he understood what the worst consequences of bad practice could be.

Joseph Maciariello, a colleague of Drucker's, told the conference that he believed organisations needed to be structured "to counteract, minimise or redirect the darker forces of human nature". Harvard Business Review has this month reprinted Alan Kantrow's 1979 article on Drucker, in which he argued that "[he] is so deeply concerned about the profession of management because he is profoundly afraid of what might happen if the major institutions of western society fail in their essential responsibilities".

In this spirit, Professor Prahalad argued that the true Druckerian task for the 21st century would be "to reinvent the social compact of business". While that sentiment seemed, to a few delegates, to be straying too far from Drucker's Schumpeter-inspired emphasis on entrepreneurialism, innovation and even "creative destruction", the majority felt the profession of management would benefit from rededicating itself to an explicitly moral approach.

In fact, Drucker's greatest virtues were his plain-spoken insights and practicality. If one word was mentioned more than any other at the conference, it was "purpose". Drucker's "five most important questions you will ever ask" should help any manager ensure that he or she leads a purpose-driven enterprise. Those questions are: What is our business (or mission)? Who is our customer? What does the customer value? What are our results? What is our plan?

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Although hailed as a visionary by some – he first started talking about "knowledge workers" some 20 years before anyone else – Drucker rejected that label, and the "guru" one as well. "I never predict," he once said. "I simply look out the window and see what is visible but not yet seen."

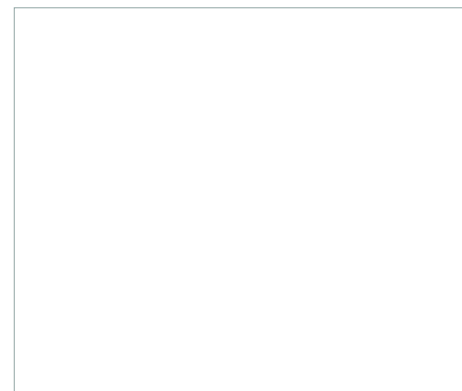
Drucker might also have been a little impatient with the reverence with which he is now discussed. "I do not intend to be an icon," he declared.

Too late. There are Drucker Societies all over the world, and he continues to be the one management writer almost everyone agrees is worth reading. Prof Prahalad summed him up in admirably Druckerian terms: "He tells us how to do stuff, not just how to think." I expect he will still be remembered 100 years from now.

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