GOT A LITTLE *DRUCKER* IN YOU?
Leading to a Better World

Stormy Waters

"I don't know yet," my friends used to tell me in response to many different questions, like "What would you like to study?", "What do you want to do?", "Where do you want to live?" or just "What are you doing tonight?", "What would you like for dinner?". It is hard for young people to make decisions. But it is not surprising. The internet offers free access to limitless information and we face millions of options. Furthermore, it feels like everything is uncertain - and perhaps even insecure: the Britons voted for Brexit, the Americans elected a xenophobic despot as their president. In European cities civilians were shot dead or run down by trucks. The 2017 G20 summit did not generate results, but street battles and aggressive destruction. The consequences of colonial exploitation wait right on your doorstep. Plastic pollutes our oceans, exhaust gas pollutes our air. It feels like inflation is rising faster than wages and one percent of the world's population owns more than half the global wealth. The major topics confronting us, therefore, are environmental protection, climate change, security and social equity.

How do we react?

We cultivate vegetables on our balconies, we breed bees in allotment gardens, we stay at home Saturday nights, 'home' and 'family' become more important again. We are sitting in a rollercoaster of values. On the one hand, we re-define values and seek security, sustainability and slow change. On the other, we are faced by multi-optionality, multi-tasking: *efficiency* and *capacity* are the buzzwords of our time.

At the moment, our position is uncertain; goals and values need to be re-determined and obviously we need to break new ground. The upheaval we are experiencing now is as comprehensive and fundamental as the evolution from an agricultural to an industrial society. Fredmund Malik describes the actual change as the *Great Transformation 21*. In the 60s and 70s leading thinkers like Peter Drucker, Manuel Castells and Daniell Bells characterized the change already as the transformation from an industrial society into an information and knowledge-based society. Like structural changes before, this change also is driven by technology[1]. Compared with past structural changes, this development in technology is happening faster, placing much of society and politics under strain. It is therefore hard for many to feel optimistic about the future of work and prosperity. To decelerate the progress, until society and politics understand what is happening, is impossible. It is not how evolution works. In consequence, institutions which promote progress in these fields need to accept their responsibility. Intricacy and fast pace require leadership, which can navigate through heavy seas into a new age.

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[1] Cf. Drucker, Peter F. (1970) *Technology, Management and Society*, p. 99ff

Where are the leaders and thinkers?

They are among us, but they are busy (or becoming dead wood[2]).

Most of my friends are project managers, consultants, engineers or entrepreneurs. Some of them are outstanding in assessing situations or processes and have an eye for what is realistically possible. Others are great lateral thinkers and mavericks or even both creative and realistic, combining it all with personal courage and a sense of responsibility. At least that was how they behaved during our university years. Today our supervisors call us *High Potentials* and flood us with compliments about our contribution to the business. We put all our energy into work, because we define ourselves through our jobs and success is seen as the way to heaven. We often take work home - physical and mental, thus blurring the lines between work and play. Caught in our day-to-day business operations / life, we forget to "look out the window and see what's visible but not yet seen"[3]. To do so, we need not only to overcome our ingrained business methods, we also have to have the courage to use our wisdom and intellect, without the guidance of another, in accordance with Immanuel Kant´s slogan of the Enlightenment "Sapere aude" (Dare to think for yourself!). Only then will we be able to ask the right questions - the essential prerequisite to managing high-impact challenges. ("The most serious mistakes are not being made as result of wrong answers. The true dangerous thing is asking the wrong question."[4])

What are the right questions?

With regard to the change in values and the need for responsibility, we have to determine what Peter Drucker called "the heaviest burden laid on man: to decide his own individual conduct as well as the conduct of society and to be responsible for both decisions."[5]

Thus we have to ask ourselves the following questions:

1. What drives me? How do I want to live?

2. How do we want to live? How can we ensure shared and sustainable prosperity[6]?

Furthermore it is necessary to put our *conduct* into action. Just as Peter Drucker mentioned, in deciding how to best enhance our organization´s performance, we need to ask[7]:

3. What can I contribute (to society)?

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[2] As I recall from different articles, Peter Drucker used to open many of his lectures to executive audiences by asking "How many of you have some dead wood in your organizations?" Many raised their hands. Drucker reacted with the words "Were these people dead when you hired them or did they become dead wood working for you?"

[3] Drucker. Peter F. (n.d.) qtd. on https://www.druckerchallenge.org/2017/rules/ assessed: May 20, 2016

[4] Drucker, Peter F. (2010) *Men, Ideas and Politics,* p. ix

[5] Drucker, Peter F. (2009) *The Future of Industrial Man*, p. 110

[6] On the basis of a holistic prosperity including material, economic, social, emotional, intellectual and spiritual Aspects. This definition is valid for the entire essay.

[7] Cf. Drucker, Peter F. (2007) *Management Challenges for the 21st Century*, p. 155

Enlighten people

To be able to ask and answer those questions and thereby to work for a better future, we need management, which creates the necessary preconditions. We do not need a new concept of *Management*; we *just* need to implement what other thinkers have already suggested. Peter Drucker defined *Management* in seven essential principles, which are above all analytical tools. The first principle describes best the importance of management to free up human potential:

> "Management is about human beings. Its task is to make people capable of joint performance, to make their strengths effective and their weaknesses irrelevant. This is what organization is all about, and it is the reason that management is the critical, determining factor. These days, practically all of us are employed by managed institutions, large or small, business and non-business – and that is especially true for educated people. We depend on management for our livelihoods and our ability to contribute and achieve. Indeed, our ability to contribute to society at all usually depends as much on the management of the enterprise in which we work as it does on our own skills, dedication and effort."[8]

To empower people and to best channel their skills, we need to know how they think, what they strive for and what they see as prosperity. Depending on the environment, different value systems become important and alter what prosperity means for the individual. Rainer Krumm´s *9 Levels of Value systems* illustrates the Graves´ value theory in a precise model. It is used for developing individuals, groups and organizations. Compared to other models it is more profound, because it includes values instead of behavior or typologies. Furthermore, it describes how people think, not who they are. The illustration below shows the nine levels and their characteristic values. All levels are equal: there is no better or worse. Of prime importance is that a level fits the circumstances of an individual human being. Level 1 to 6 are characterized by reacting to needs that emerge in the individual environment. First rank levels are repeated in the second rank (from level 7). But by reaching the 7th level one is able to see things from every perspective and is focused on meaningfulness.

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[8] Drucker, Peter F. (2008) *Classic Drucker: Essentials Wisdom of Peter Drucker from the Pages of Harvard Business Review*, p. 194
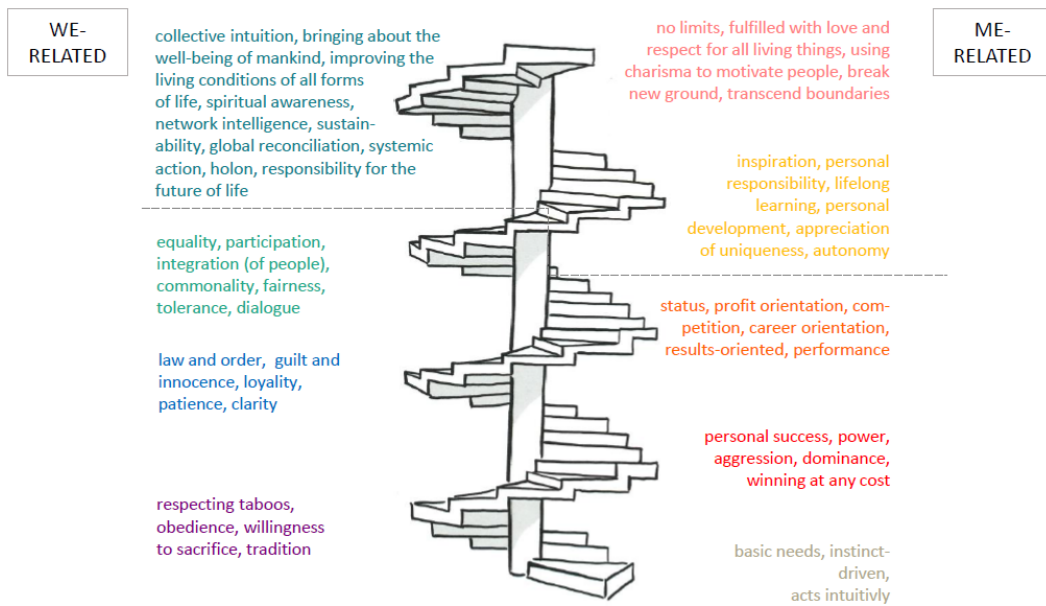
WE-RELATED		ME-RELATED
collective intuition, bringing about the well-being of mankind, improving the living conditions of all forms of life, spiritual awareness, network intelligence, sustainability, global reconciliation, systemic action, holon, responsibility for the future of life		no limits, fulfilled with love and respect for all living things, using charisma to motivate people, break new ground, transcend boundaries
		inspiration, personal responsibility, lifelong learning, personal development, appreciation of uniqueness, autonomy
equality, participation, integration (of people), commonality, fairness, tolerance, dialogue		status, profit orientation, competition, career orientation, results-oriented, performance
law and order, guilt and innocence, loyality, patience, clarity		personal success, power, aggression, dominance, winning at any cost
respecting taboos, obedience, willingness to sacrifice, tradition		basic needs, instinct-driven, acts intuitivly

Figure 1. 9 *Levels of Value Systems.* Adapted from: Rainer Krumm (2012) *9 Levels of Value Systems,* p. 24

As the model shows, prosperity has a different meaning for individuals and its definition depends on the individual`s environment. Management´s job is to ensure an appropriate environment to free up human potential by enabling people to *climb the stairs*.

Creating an appropriate environment requires an organization to assume responsibility. Peter Drucker defined different responsibilities for organizations. "Economic performance is the first responsibility of a business. […] But economic performance is not the sole responsibility of a business. An organization has full social responsibility for its impact on community and society for the effluents it discharges into a local river, for example, or the traffic jam its work schedules create on the city streets"[9]. But he pointed out that without economic performance, an organization cannot assume further responsibilities[10]. Modern approaches (as *Corporate Social Responsibility*) also consider economic, ecological and social responsibilities and focus on *how* an organization makes profit - ideally in a way which is socially responsible and good for the environment. This dictates that social and ecological as well as economic strategies are part of the organization´s DNA. Another aspect which must be taken into account while defining an organization´s mission is that our possibilities are restricted by natural resources. At the moment, mankind as a whole is consuming the world's resources, faster than the world can replace them. A sustainable use of resources is crucial and a limiting factor of prosperity. Particularly with regard to setting the course for the future, we need the turquoise (level 8) thinkers, who inter alia focus on sustainability and assume responsibility for future development.

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[9] Drucker, Peter F. (1993) *Post-Capitalist Society*, p. 92
[10] Cf. Ibid., p. 92

Channel Capacity

Once the freeing up of human potential has been achieved, it needs to be channeled. For this purpose management needs to observe their employees' efforts, skills and personal value systems to avoid disappointing this potential. In other words: "The task of management in the knowledge-based organization is not to make everybody a boss: it is to make everybody a contributor."[11] Empowering people to contribute in my opinion is not only influencing one´s willingness for contribution, but also making their capacity useful for society by pointing their strengths in the right context.

Just after I finished university, the CEO of the association I had worked for as a student asked me if I want to join him and some colleagues for dinner. In the course of the evening my ex-boss asked me about my short and long-term goals, what I want to do, how I want to live and so on. I was not short of thoughts on the matter. A few days later, my former colleagues told me that he planned to offer me a full-time job. But he did not. He realized instead that the job's requirements would not be enough to fully develop my potential. Knowing the colleagues and the fantastic team spirit, I would have said yes, had he asked at that time. But now I know, that he gave me the chance to be a better contributor and to do what I love.

Modern tools revolutionize our small and big world

My boyfriend also loves his job. In his everyday work he juggles with magic words like SEO, Big Data and Influencer Marketing. Carrying around the internet in our pockets is not a big thing for our generation, it is quite normal. For my father, by contrast, it is not. He grew up in a world without smartphones or laptops. Artificial intelligence (AI) he knew of only through science-fiction movies, where robots assume power. But due to the technological development, he believes that this apocalypse is coming true for him. He is a toolmaker in a company that manufactures dental chairs. So his job could be taken over by automation technology soon. As we know from our relatives and friends or from different TV reports, news articles and reportages, my father is not the only one who thinks that way. In my opinion it is absolutely legitimate. So what should one tell them?

Technological progress makes traditional institutions and professional skills obsolete, but they will be replaced by new ones. This assumes that there won´t be less jobs but different jobs. As history shows, it always works like that[12]. Nowadays it means for example, that programmers are the future craftsmen.

Furthermore, AI and automation are tools which we have to use as such. I know that the following statement of Peter Drucker is usually used in a different context, but for me it describes best the relationship between machines and humans. "Like so many brilliant people, he [a planner] believes, that ideas move mountains. But bulldozers move mountains; ideas show where the bulldozers

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[11] ibid., p. 99
[12] Cf. Drucker, Peter F. (1970) Technology, Management, and Society, p.107f

should go to work."[13] The quote implies, that it is us who have the ideas. Creativity is what distinguishes us from machines. It is our USP (unique selling point) and we have to take advantage of it. Furthermore it shows, that we use machines to action our ideas. It might be a long-long-term project and very exhausting to move a mountain by hands.

Many examples already show how advanced technology is used as a tool to support us and to make our life more comfortable and sustainable.

A friend of mine works for a leading car manufacturer and develops systems for autonomous driving. Every time he talks about his job, we are amazed at what is already possible. In about twelve years my little cousin Antonia will turn 13 years. In the same incredulous manner in which a 13-year-old girl looks at me now, when I tell her that we did not have smartphones when we were her age, Antonia will be astounded when I tell her that we wasted hours in traffic jams during rush hours week after week. Because for her, autonomous driving will be a matter of course. Autonomous driving is going to improve our lives, as it makes our working hours more productive, enhances everyone`s private lives (time saved by eliminating traffic jams) and helps the environment by reducing pollution. Take it one step further: it gives us the chance/time to focus on really important things, because "the bony structure, the hard stuff of a society, is prescribed by the tasks it has to accomplish. But the ethos of the society is in man's hands and is largely a matter of the *how* rather than of the *what*."[14]

Closure (cause for) thought

Because I could not have put it better than the Bangladeshi-born Nobel peace laureate Muhammad Yunus, my essay closes with some of his quotes: "Human beings have unlimited capacity for creativity. The real challenge is raising awareness of that capacity; then understanding how and where to channel it" and "we can change the world any way we want, because we are not just money-making robots, we are human beings with enormous capacity. All the problems in the world are nothing in front of human creativity." But at the moment the capacity is channeled wrong, because "we are keeping ourselves focused on tiny little things and forgetting everything else." And even more important because "Business is an excellent tool for solving problems, but at present the creativity and technology we have at our disposal is almost all devoted to making money."

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[13] Drucker, Peter F. (2008) *Classic Drucker: Essentials Wisdom of Peter Drucker from the Pages of Harvard Business Review*, p. 5

[14] Drucker, Peter F. (1970) Technology, Management, and Society, p.107f