

Employing and Adapting Drucker's Key Lessons for the Digital Wonderland of Tomorrow.

Lost in a Digital Wonderland- Finding a Path in the Global Knowledge Society.

The Drucker Challenge 2014

OLIVIA OSMOND

BA (Hons) Business Studies Student.
The Business School, Bournemouth University, England.
oliviaosmond@hotmail.co.uk

'Alice's Adventures in Wonderland' is a tale that, at its core, is about growing up, evolving and most importantly adventure; it is, in a nutshell, what life is about. In Lewis Carroll's novel Alice enquires, "How long is forever?" to which the White Rabbit replies "Sometimes, just one second". Just as the transient nature of time is identified in the novel, Drucker too identified change from one century to another:

"Every few years throughout Western History, a sharp transformation has occurred".

One cannot argue with this fact. Looking back through time we often define eras by the socio economic developments of the time, such as the age of enlightenment or the industrial revolution: milestones in western history that shaped and altered nations. Drucker understood and appreciated that managerial strategy and techniques must adapt to suit the time, and moving forward we must too adapt our managerial stance in order to remain successful. However, before we work out how to be effective managers, we must consider how our time will be defined?

Considering the here and now, one may safely conclude that the 21st Century will be remembered as the Digital Age, a Digital Wonderland if you like, where society altered as a result of technological advancements. Alternatively, you could call it the Information Age, the New Media age, or any other appropriate synonym; essentially it is the age where we, as humans, have shifted from traditional industries to those utilizing and revolving around instant, free, online information. This is epitomized in a number of sectors that as a consumer we experience everyday. The New Media movement has revolutionized the way in which we spend our time and connect with one another, for instance via Facebook, in turn transforming the advertising and marketing industries. Years ago jobs such as Social Media Managers didn't exist, nor did the term social media. The television and entertainment industries have also had to adapt as Netflix and YouTube allow us to view content anywhere at anytime. Has this resulted in the death of television? No, we haven't substituted a computer for a tablet, we are now using multi screens; we watch television whilst expressing our opinion on the show to a global audience via twitter. As Drucker appreciated, to our grandparents this seems mad.

Perhaps the result of these digital advancements is, the ambiguous term, globalization. With many disregarding the term The Digital Age, favoring The Era of Globalization; debatably these two descriptions are interdependent, if anything one could summarize that technological advancements are a pre requisite of globalization. These terms share many similarities, but most notably they produce both positive and negative outcomes.

In regards to Globalization there is an ongoing debate as to whether it has caused convergence or divergence in world cultures, which both have negative and positive consequences.

Convergence, materialized through globalization, has disputably resulted in a mass global culture and shared norms: "the Californiaization of taste" has occurred, (Ohmae, 1995 in Ladegaard, 2007). For instance, technological developments have allowed "cross border music channels" such as MTV to become part of a global culture, with travel and communication amelioration reinforcing this; encouraging the notion of the "global teenager" (Hofstede, Mooij, 2002). Denoting that teenagers globally share the same tastes, despite locations or cultural backgrounds, evident in the music industry where artists enjoy global success. This internationalism has its benefits, potentially eradicating issues such as xenophobia and discrimination? And in this digital age it is vital to promote these positive results.

However, convergence and the 'global village' theory, has gained negative corollaries concerning culture: "growing global interconnectedness will lead to the death of cultural diversity", (Hannerz, 2001 in Ladegaard, 2007). Although this homogenisation of tastes is not yet evident in consumer demands, convergence may result in a loss of cultural identity, which instead should be valued and protected.

Alternatively, Hofstede's IBM study indicated divergence is more prevalent than convergence, (Herbig, 1998). Epitomized by 'The Great Divergence' in income per capita, (Pritchett, 1997), as inequalities of wealth, power and income continually widen. Questionably the sentiment 'the rich are getting richer and the poor are getting poorer' embodies globalization, with the phenomenon's benefits unevenly distributed. The digital age must therefore work to reduce inequality and not enhance it. Arguably, much of this divergence and inequality has resulted from exploitation by businesses, thus as we will later discover business' must adopt the teachings of Drucker to reverse this. Some may conclude that globalization is merely a façade for exploitation, and in order for this Digital Age to be a successful time for all, we must ensure this is not the case.

These inherent problems of the Digital Age pose a threat to not only the success of business' but wider society. The Internet is intrinsically dangerous as it is reliant on trust and promotes freedom. Freedom is viewed as a utopian concept but in reality it is arguably only that, an unachievable ideal, as where one's freedom ends where another's begins. The Internet's biggest advantage is also its downfall, the ease of sharing and information and knowledge, with explicit, illegal and inappropriate information getting into the wrong hands. The phrase 'one person's terrorist is another's freedom fighter' summarizes this view; what will we tolerate in the name of freedom? What will we tolerate to sustain the freedom of the Internet? This view may appear pessimistic and confining, however it is arguably realistic, and this must be collectively discussed. One of the greatest flaws of current technology is that it is not capable of managing the human condition, how do we stop people from acting irresponsibly online?

Confidentiality is too an area which needs improvement. The majority of financial organizations and corporations require employees to partake in mandatory training on confidentiality and privacy agreements: potentially, these types of tests are something wider society should participate in. At the same time, monitoring and supervision of activity online is necessary, yet people are uncomfortable with the concept of being watched and argue that this is an invasion of their privacy. Ultimately one could argue that this mindset must be overcome. Debatably the definition of privacy in reality is different to that of privacy online. In reality, if someone was to sell or exploit your opinions and thoughts it would be considered a breach of your privacy, yet online twitter accounts along with access to their unbeknown followers and their private, personal updates are being sold for monetary gains. Privacy online and offline are two different things, and this variance must be identified, defined and understood by all.

Just as Henry Ford's development of the production line brought about Fordism and standardization in the 1920's, these technological developments of our time will change both the face and pace of business today, as well as our lives. Similarly, as Fordism had its misgivings and issues, The Digital Age evidently does too. With this in mind, success in regards to business as well as in wider society will revolve around manager's ability to promote the positive aspects of this movement, through their

managerial stance and strategy. Thus, fundamentally the negative aspects must be neutralized; achievable, in part, by employing and adapting a number of vital lessons expressed by Drucker.

Lesson One:

“Predicting the future can only get you into trouble. The task is to manage what there is and to work at creating what could and should be”, (Drucker, 1993).

Addressing the question “How do we envisage our lives as knowledge workers ten years from now?” is near impossible. In ten years time The Digital Age will of, most probably, redefined the jobs market. The stereotypical Sci-Fi vision of robots and machines ruling the world will not flourish quite in that fashion, but droids may well replace many jobs, as we currently know them. Despite this people will remain at the core of industries. These two statements may appear paradoxical; but we will not suffer from technological unemployment as, as, we go through The Digital Age unimaginable jobs that before never existed will be realized, and require humans to fill these. We will have a greater purpose than to carry out mundane manual jobs, instead humans will be innovators, makers and creators in a new exciting world.

With this being said, managers must firstly value the human capital they have now and encourage training, development and education in order to create the workforce they will need in the future. Managers must attempt to look forward and consider which key competencies they and their employee’s will always need and act to improve and refine these. This is not a simple task, forecasting what the future holds is as hard as it has ever been, however if this can be achieved vital skills such as communication and personal resilience, for example, will equip workers to adapt to inevitable change. In a way one must change peoples mindsets to accept and prepare them for change, allowing for effortless adaption.

Lesson Two:

“For managers the dynamics of knowledge impose one clear imperative: every organization has to build the management of change into its very structure” (Drucker, 2013)

Internal flexibility and adaption will be, and is, vital for business survival in the global marketplace endowing us with the ability to react to a constantly changing external environment. This flexibility must be prominent in every aspect of the business process. Standardization and Adaptation are no longer mutually exclusive options. Instead, ApStand should be used, combining the positives of both standardization, cost maximizing, and adaptation, maintaining cultural diversity: “companies standardize tactics where possible and adapt them only where necessary”(Lamprianou et al, 2009). Moreover, developing an organizational culture capable of supporting radical change and facilitating planned change is vital for the success of these strategies: “the firm must ensure that its structure fits in with its international environment, while at the same time, have the internal flexibility required to implement its strategic goal”, (Taylor, 1991). An organic and not a traditional mechanistic approach will allow for this flexibility and should be implemented. Ultimately, businesses wishing to remain competitive globally must uphold the mantra ‘think global act local’, employing ‘glocalization’.

Lesson Three:

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“History’s great achievers- a Napoleon, a da vinci, a Mozart- have always managed themselves. That, in large measure, is what makes them great achievers. (Drucker, 2008)

As Ducker went to companies and exposed faults in executives who thought they knew it all, we should extend this view; fault should not only be found within others, but within ourselves. Managers, as well as wider society, should promote self-regulation and reflection and as a means for individuals to develop, but to also build trust and loyalty, those intangible and immeasurable metrics which the Digital World is so reliant on. This may be unconvincingly optimistic, however education should support this notion as well as structured and regular appraisals to measure the effectiveness of this cogitation. Importantly managers must aim to treat knowledge workers as individuals providing them with guidelines but also allowing them to have autonomy in the workplace. In the global job market, where competition may increase it is still vital for managers to provide feedback and positive reinforcement to motivate the workforce.

Lesson Four:

“If we want to know what a business is we have to start with its purpose. And its purpose must lie outside of the business itself. In fact, it must be in society since a business enterprise is an organ of society”, (Drucker, 2007).

Drucker appreciated that a business has a wider purpose than to merely serve the interests of itself. This is true in today's Digital Age, in guaranteeing the benefits of this time are fairly distributed and do not further inequality. Corporations and managers must invest in corporate social responsibility, which sequentially, in the long term, will help in shaping the emerging world through this managerial practice. This may result in managers adopting a multi disciplinary approach to solve new complex problems. For instance, one may recommend stricter Kantian style maxims used in conjunction with situation ethics, reflecting the flexible business environment of the Digital Age. Similarly, broad social concepts such as agape should merge into the professional business environment, guiding and contributing to the ethos of companies. This in turn will allow business' to successfully apply more generic recommendations, obtaining Kohlberg's post conventional development stage, working with NGO's or applying Carroll's CSR Model, resulting in minimalizing the negative effects of globalization. If every company, and every manager, takes responsibility for their corporate actions social amelioration is possible; management must help facilitate social change, leveraging the capabilities of The Digital Wonderland to benefit all global stakeholders.

Lesson Five:

Information based organizations, in other words, require clear, simple, common objectives”, (Drucker, 1998).

Drucker understood the need for simple clear objectives, and this concept of simplification should be amplified to encompass all aspects of a business as we move through the Digital Age. This may seem like a strange, contradictory statement, as undeniably cross-cultural business and development appears to be increasingly complex. Managers must move with the times and in doing so will open themselves up to unavoidable complexity, yet they must consciously consider 'will this develop aid my

business and its needs?' Development is important and vital to business' however development for developments sake should be avoided. This notion of simplification should be applied to all aspects of business.

In addition to these managerial recommendations new industries will play a vital role in our personal and collective development in this Digital Age. It is without doubt that new industries will be created as a result of digital advancements and technological developments. This is already evident as consumer space travel is stepping out of the realms of fiction and being realized, whilst stem cell research is contributing to medical advancements. Whilst the Internet has given us the ability to constantly learn and deepen our knowledge at our own will, wearables such as the Google Glass are allowing us to access information even more instantly with rumors of its capability to act as a back up brain. This variety of new industry is revolutionizing our lifelong learning journey and will continue to do so.

However, one may state that it is probable that new industries may specifically be set up to tame, manage and control the previously discussed negative impacts of this Digital Wonderland. Objective non-government organizations may be enlisted to monitor online activity in the short term, yet assuming only this are we thinking inside the box? In a time where Sci-Fi fiction is become a reality, where autonomous cars and smart sewage systems are becoming fact; self regulating smart cities may well be accepted as the norm, in which 'big brother' is watching us and crime can be proven by empirical and impartial digital facts. Of course this is mere speculation, yet Drucker taught us that we create the future we want, so the pressing questions moving forward through this digital age is, is, there a demand for this innovation?

I previously encapsulated this time and generation as the Digital Age, however is this a conservative and limiting conclusion? Realizing the gravitas of the advancements being made on a day-to-day basis we should aspire to achieve more by putting human and social development at the forefront of our minds; employing technological developments as a vehicle to ameliorate social issues such as poverty and discrimination. Freedom, not just in terms of technological advancements such as open use and access to the internet for the majority, but also the end of trade embargos, the opening of economies and acceptance of cultural issues such as same sex marriage, for some at least, is being realized; is this a revolutionary and groundbreaking time to be alive? As a result, we have the potential to be known as the Age of Freedom, although consequentially this comes with its own challenges.

To conclude I refer back to the teachings of 'Alice's Adventures in Wonderland', teaching us that we must develop to remain current and successful in this Wonderland we find ourselves in. Lewis Carroll's protuberant line encapsulates this perfectly:

"I can't go back to yesterday because I was a different person then"

Despite this ever-changing world, Drucker's teachings are still relevant and can be adapted to the needs of business' and managers today, and one must work to employ these positively and effectively.

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