

Peter Drucker's wisdom lives on

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With the Peter Drucker Centennial resurrecting renewed interest in the acclaimed management guru, IESE Prof. Guido Stein revisits his work.

"Well, gentlemen, what is your business" Peter Drucker once asked the steering committee of a company for which he was serving as a consultant.

"Our business," said the chairman, "is to manufacture bottled beverages."

"No, sir," said Drucker, "your business is packaging."

As this and many other such anecdotes reveal, Drucker had the uncanny ability to cut to the chase. And uniquely for a management thinker, he was the consummate all-rounder.

As IESE Prof. [Guido Stein](#) writes [in his book](#), who else but Drucker could have written about management by making constant allusions not only to obvious areas like technology and economics, but also to theology, literature, philosophy, art and politics?

Drucker was a true Renaissance man for whom nothing was new. He saw the connections with other times, other disciplines, other cultures and other values.

The timelessness of his wisdom is one of the reasons that Drucker remains such an enduring reference several years after his death. In the recently published English version of his book on Drucker, Stein strives to capture the life of "one of the last true humanists."

In so doing, he helps bring to light many of the Vienna-born author's German writings, as well as his work as a novelist, a much-neglected side of his work.

Stein also takes a closer look at some of Drucker's early, lesser known writings, such as *The End of Economic Man* (1939), *The Future of Industrial Man* (1942) and *Landmarks of Tomorrow* (1959).

Ahead of his time

Born on November 19, 1909, Drucker enjoyed a long, fruitful life as a thought leader. Starting as a social philosopher, he went on to study organizations of the industrial society and ended up in management.

Throughout his career, Drucker illuminated society's growing complexity in ways that helped people to reduce and manage that complexity.

Besides coining our modern understanding of management, Drucker shaped our thinking regarding human resources, decentralization, efficiency, the knowledge worker and management by objectives, among many other areas.

He also anticipated several trends: postmodernity, the influence of technological changes at work and in companies, the leading role of innovation and entrepreneurship, the crisis of reductionism and the fall of Marxist totalitarianism.

Arguably Drucker's most important success as a management prophet was to predict society's eventual progression to a post-industrial, knowledge-based society.

Unusually for an academic, Drucker was not convoluted, verbose or difficult to grasp. He got to the heart of arguments with speed and agility, while maintaining rigor and assisting with the reader's comprehension of the key issues at stake.

Stein believes that it is this distinctive approach, which seeks to discover the true nature of things and basic human realities, that managers must emulate to anticipate significant economic or business events before they happen.

Theory cannot be separated from practice

Stein shows there is no better time than the present to take those Drucker books off the shelves and learn once again to look at the reality of things without the distorting lenses of prior theories.

As Drucker once noted, the most important and difficult part of a task is never to find the

right answer, but to ask the right question.

If you live only for today, then history is nothing more than a hobby. Yet for Drucker, who lived with an eye to the future, the study of history and business cases was essential for reflecting on human nature, and serves as a solid foundation for any practice of business management.

As Drucker himself wrote in a letter to Stein regarding the earlier publication of his book in Spanish: "Management is not a science in the way that mathematics or physics are. It is a practice, a discipline, similar to medicine, to the priesthood, to law. And there, good practice is only what rests on good theory; and good theory is only what is validated in and through good practice."

A business school, he said, should resemble a university hospital more than a conventional university department, and a business professor should have one foot in the classroom and the other in the complex business environment he professes to teach about.

"Peter Drucker will always be relevant," IESE Prof. [Pedro Nueno](#) writes in the foreword to Stein's book. "At the current time, when the world's leading business schools are clearly committed to the relevance and applicability of business knowledge, Peter Drucker's way of thinking once again becomes the unquestionable point of reference."

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