**THE CONCEPT**

**OF**

**LEADERSHIP**

**Through the published works of Peter F. Drucker**

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**References to Leadership in the books of Peter Drucker**

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‘The Worlds Management Forum’

Where

**‘LEADERSHIP EVERYWHERE**

**A**

**FRESH PERSPECTIVE ON MANAGEMENT’**

Will be examined

* The following extracts from the works of Peter F. Drucker refer to the concept of Leadership and its relation to the practice of management.
* Extracts are taken from published works and are boxed to identify their origin.
* The Drucker books are numbered according to their order of publishing

The proposition that Drucker saw Leadership everywhere seemed very simple to identify. This was not the case, as at the Forum’s request I was asked to identify Drucker’s position, which was an interesting test.

By examining his, circa forty-two books and selected papers, his answers fell into place for both of the questions in what became an interesting travelogue.

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**Book No 1. The End of Economic Man – A *Study of the New Totalitarianism* (1939)** William Heinemann Ltd. London & Toronto.

It is an analytical study of the failure of fascism in Germany and Italy to fulfil its promise of equality to the workers, similarly communism in Russia.

Although capitalism is the free world choice he concluded it was not working as planned as:

“*This failure to establish equality by economic freedom has destroy the belief in capitalism as a social system in spite of material blessings, not only for the proletariat but among the very middle classes who have benefitted most economically and socially.*”

p.38

‘Economic Man’ is a pessimistic political study and identifies that Drucker’s agenda is first to identify and endorse a workable society. It establishes that not all of his books include management/ leadership. Logically only those that cover these aspects will be included except for a specific reason.

**Introduction:**

To understand questions about what Drucker thought, we need to examine as many of his works as possible. This will enable us to follow his intellectual journey and learn how his mind works to determine how he arrived at his discussion.

This was the conclusion that I reached early on after I began to study his works. Not being a German literalist, this is the reason I commissioned Emily Anne Smith LLB (Hons.) to translate this thesis into English.

“***Die Rechfertingung Des Volkerrects Aus Dem Stattswillen*** *(The Justification of international Law and the Will of the State)*

*A critique of the doctrines concerning the theories of the self-imposed obligations and agreement by Dr Peter F Drucker. Publishers Franz Vahlen, W.9, Linkstrasse 16, Berlin, 1932.*”

The English translation is in my **Drucker Cameos** – republishing 2020

The thesis had no traditional management/leadership content as it examined how international agreement between nations should be reached either by establishing a protocol or negotiation.

He concluded that leaders of Nations should settle by negotiation relevant to the circumstances of the time.

**Book No 2. The Future of Industrial Man – a *conservative Approach* (1942)**

The John Day Company, New York.

Drucker moves from his pessimism in ‘Economic Man’ to optimism as his knowledge develops. As his ideas develop on his first practical pillar of his workable or functioning society he reflects on his first requirement, freedom. The reason he emigrated to America as it had the most promising foundation:

“*Freedom is not so much a right as a duty. Real freedom is not freedom from something that would be licenced. It is freedom to choose between doing and not doing something, to act one way or another, to hold one belief or the opposite. It is never a release and always a responsibility. It is not “fun” but 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.*”

p.149

His reflections on industry are developing as:

“*The central fact in the social crisis of our time is that the industrial plant has become the basic social unit, but that is not yet a social institution. Power in and over the plant is the basis of social rule and power in an industrial world.*”

p.297

Linking back to “Economic Man on Capitalism” he reflects that:

“*The only consistent and effective contemporary theory of capitalism – that of Professor Joseph Schumpeter neither attempts to justify property nor tries to see property as constitutive in the social structure or as the motive power of economic development. Schumpeter centres on private initiative; the enterprising manager is both the justification and the motive power of this capitalist system. Capital plays a most subordinate part. Without the enterprising manager, Schumpeter regards it as wholly unproductive; it is nothing but an auxiliary to management. Professor Schumpeter is hard pressed to find a convincing justification for capital’s claim to share in the profits. One gathers that he would consider compensation beyond a service fee as an unjustified increment, and as a ‘surplus value’ which properly should have gone to management.*”

p. 95

Schumpeter is projected in relation to Drucker in my book **A Drucker Miscellany** (revision 2020).

**Book No 3. Concept of the Corporation (1946)** The John Day Company, New York. Published in the UK as **BIG BUSINESS – Concept of the Corporation (1947).**

The contents are identical but the title was changed as the publishers did not believe that the British would understand the meaning of ‘The Corporation’.

As a consequence of Drucker’s “Future of Economic Man” he was invited to study General Motors the world premiere business as a social organisation. They paid his salary on the same scale as his academic appointment. He had total freedom to explore at will. What he found was that:

“*In over twenty years of work, first from 1923 to 1937 as President, since then as Chairman of the Corporation, Mr Alfred P Sloan, Junior has developed the concept of decentralism into a philosophy of industrial management and into a system of local self-government. It is not a mere technique of management but an outline of a social order. Decentralisation in General Motors is not confined to the relations between divisional managers and central management but is to extend in theory to all managerial positions including that of foreman; it is not confined in its operation within the company but extends to the relations to its partners in business, particularly the automobile dealers; and for Mr Sloan and his associates the application and further extension of decentralisation are the answer to most of the problems of modern industrial society.*”

p.46

General Motors itself was organised into a collection of different businesses to make them more accountable and manageable than the amorphous whole:

“*Above all the General Motors policies successful establish a functioning corporate government. As the top management of the corporation consists of five men of almost equal authority, there should be continuity; succession should be a process of gradual co-option of the ranking executives rather than an abrupt change of command and of policy.*”

p.85

As Drucker relates to the dangers of one man dictatorships in political totalitarianism states.

“*In Preparation for Leadership*

*As for the problem of leadership-education, there are apparently a good many different ways in which it might be attacked. In the first place – and that is the approach of some of the senior men – it might be argued that some people should never be allowed to become specialist confined to the knowledge of one field. At least, the man with leadership ability should be separated at a very early stage from the man with special skill and talent. While the latter should be allowed and even encouraged and specialise in his skill or in one type of research, the former should be systematically trained to understand and comprehend the whole rather than one particular part.*

*They should not be given any executive position not even a junior one, until they have worked in a good many departments of the business – plan actually followed in one of the major accessory divisions of General Motors*.*”*

p.86

As a consequence of the primacy for Drucker on leadership he writes a wide ranging section from P26-36 under the heading of **“Leadership”:**

“*Next, any institution has to be organised so as to bring out talents and capacities within with organisation; to encourage men to take the initiative, give them a chance to show them what they can do, and a scope within which to grow; and finally, to offer them rewards in the form of advancement and of social and economic standing which put a definite premium on the willingness and ability to assume responsibility.*

*Finally the problem of leadership also demands an organisation in which power and responsibility are divided in balance between final authority and lieutenants, and between central management and executives in the field. Without strong central leadership no institution can itself be unified; but without a strong and autonomous local leadership, willing to assume responsibility on its own, no institution could properly function. A division of power is thus a problem which every institution has to solve.*

*In the modern corporation, the problem of leadership is not only more important than in other institutions, it is far more difficult. For the modern industrial enterprise needs many more leaders than institutions normally do, and of high quality. At the same time, it does not automatically produce leaders, either in sufficient numbers or sufficient quality and experience.*

*In every large – scale organisation there is a natural tendency to discourage initiative and to put a premium on conformity. Moreover, there is the danger in any large-scale organisation for the older men at the top to be afraid and suspicious of talented or ambitious subordinates. Sometimes there is a fear that the young man is out for his superiors job; more often the subordinates legitimate desire to do things his own way, to introduce new methods, etc, appears as an attack on the older man’s authority or piece of mind. The corporation therefore has to combat the danger of bureaucratic ossification and bureaucratic timidity. It must make it attractive and rewarding for the organisation as s whole and for every one of its subdivisions to develop men of ability and initiative. It must encourage and reward leadership, offer chances for experience and training. Above all, it must make it clear to each supervisor and manager that the training and development of subordinates is a part of his duties. It must be made to be the self-interest of its executives to look upon their subordinates and potential successors as human assets.*”

Of Sloan Drucker records that he organised effective meetings to communicate and explain the corporation’s policy:

*“About two to three hundred people attend these meetings regularly; an equal number is invited in rotation. Thus practically every senior employee – beginning perhaps at the level of plant superintendent – has an opportunity to see the business as a whole, to see his place in it and to familiarise himself with the basic policies and the programme of the company.*

*However, the group was felt to be too large to establish the personal contact between central office and divisional personnel that is necessary for the general understanding of policies and problems on which General Motors depends. Therefore the “Sloan meetings” in Detroit are now being supplemented by smaller meetings in the various centres of production in which members of the central management meet for several days with local executives of the divisions.*

*By these means managerial employees of the corporation are kept informed on policies and problems: they are also constantly brought into the determination of policies. No important policy decision is made without consulting the divisional executives affected by it. It is the right as well as the duty of every managerial employee to criticise a central management decision which he considers mistaken or ill advised. In fact, the one definition I could obtain who is considered an executive in General Motors was: “a man who would be expected to protest officially against a policy decision to which he objects”. Such criticism is not penalised: it is encouraged as a sign of initiative and of an active interest in the business. It is always taken seriously and given real consideration.*

p.61

If the meeting were too passive without objective debate Sloan was known to cancel the meeting and reconvene it.

The significance of this book is that it is the first study of an organisation as a social institution. Also it was the book that U.S. military veterans returning from service in WWII could use to refocus their civilian career in what was the G.I. Bill of Rights which applied from 1944 until 1956.

Sloan is projected in relation to Drucker in my book “A Drucker Miscellany” (revision 2020)

**Book No 5. The Practice of Management (1954)** Heron Books Ltd.

The contents of this one of Drucker’s classics is set out in the table. It is still a must read for managers.

He recognised that leadership was a different aptitude that some managers have as he concluded the following under the chapter ‘Managing Managers:

**“*What about Leadership?***

*We have defined the purpose of an organisation as “making common men do uncommon things”. We have not talked, however about making common men into uncommon men. We have not, in other words, talked about leadership.*

*This was intentional. Leadership is of the utmost importance. Indeed there is no substitute. But leadership cannot be created or promoted. It cannot be taught or learned.*

*The earliest writers on the subject, in ancient Greece or ancient Israel, new all that has ever been known about leadership. The scores of books, papers and speeches on leadership in the business enterprise that come out every year have little to say on the subject that was not already old when the Prophets spoke and Aeschylus wrote the first systematic book on leadership: the Kyropaeidia by this person Xenophon – himself no mean leader of men – is still the best book on the subject. Yet three thousand years of study, exhortation, injunction and advice do not seem to have increased the supply of leaders to any appreciable extent nor enable people on how to become leaders.*

*There is no substitute for leaders. But management cannot create leaders. It can only create the conditions under which potential leadership qualities become effective; or it can stifle potential leadership. The supply of leadership is much too limited and unpredictable to be depended upon for the creation of the spirit the business enterprise needs to be productive and to hold together. Management must work on creating the spirit by other means. These means may be less effective and more pedestrian. But at least they are available and within managements control. In fact, to concentrate on leadership may only too easily lead management to do nothing at all about the spirit of its organisation.*”

p.156

“*Leadership requires aptitude – and men who are good chief engineers or general managers are rare enough even without aptitude for leadership. Leadership also requires basic attitudes. And nothing is as difficult to define, nothing as difficult to change, as basic attitudes (quite apart from the question whether the employment contract confers on management the right to attempt to manipulate what is in effect an employee’s basic personality). To talk of leadership as the unit key to spirit therefore only too often means neither action nor result.*

*But practices, though humdrum, can always be practiced whatever a man’s aptitudes, personality or attitudes. They require no genius – only application. There are things to do rather than to talk about.*

*And the right practices should go a long way towards bringing out, recognising and using whatever potential for leadership there is in the management group. They should also lay the foundation for the right kind of leadership. For leadership is not magnetic personality – but can just as well be demagoguery. It is not “making friends and influencing people” – that is salesmanship. Leadership is the lifting of a man's vision to higher sights, the raising of a man’s performance to a higher standard, the building of a man’s personality beyond its normal limitation. Nothing better prepares the ground for such leadership than a spirit of management that confirms in the day to day practices of the organisation strict principles of conduct and responsibility, high standard of performance, and respect for the individual of his work. For to leadership, too, the words of the savings bank advertisement apply: “wishing won’t make it so; doing will*.”

p.156-157

Xenophon is profiled in relation to Drucker in my book ‘**A Drucker Miscellany**’ (revised 2020).

In what is in effect a warning:

“*Drucker questions whether power is legitimate or illegitimate, as a good man on a usurper’s throne will probably rule for a shorter time than the bandit who does not care about the title as long as he has the power; or at least the bandit will act and will fight for his power.*

 *It was this insight which earned Machiavelli most of the opprobrium which has been heaped upon him. At a time when there was no legitimate rule and no legitimate basis for power - at least not in his narrative Italy - he saw that the bandit was more likely to succeed and to prevail than the honest, scrupulous, conscientious prince. And although his conclusion is most unpalatable to all honest men, it is a correct one. The answer to Machiavelli is not honest and enlightened despots, but legitimate rulers. The answer to the illegitimacy of the present-day managerial rule is not to “turn the rascals out” – there are not many anyhow – but to make the ruling power in the industrial system a legitimate power. Unless and until this is done, the industrial system will have no legitimate power.*

p.100-101

Machiavelli is profiled in relation to Drucker in my book ‘**A Drucker Miscellany**’ (Revised 2020)

**CYROPAEDIA (The Education of Cyrus) by Xenophon (370BC)**

With An English Translation by WALTER MILLER (1914), William Heinemann, London

“***Xenophon*** *was born circa 430BC in Athens and died circa 355 BC. He was from an affluent family of noted horsemen. He was also a follower of Socrates, but his early inclination was for a more active life. As a result, he joined the Greek Army of 10,000, which was in the service of Cyrus the Younger of Persia. After their defeat at the battle of Cunaxa for 401 BC, where Cyrus was killed, they were forced to retreat through hostile country including what is now known as Afghanistan. Consequently their own generals were killed and Xenophon was voted one of the leaders who, despite continual attacks, led the army to safety. On his return home, he found that Socrates had been murdered. Deciding that he no longer had ties at home, he joined the Spartan army, being attracted by the discipline and aristocratic life style. Eventually he fought with the Spartans against his native city of Coronea in 394 BC, and was exiled by Athens. However, as a result of his military achievements he was granted an estate at Scillus, where he spent many years writing. His most prominent book “****Cyropaedia (The Education of Cyrus)*** *was described as a summary of his literary activities and of his life as a great conqueror. It was an autobiography, and described in detail the organisation of an army, including training, horsemanship, the care and management of the troops and leadership. The fair proportional distribution of spoils was a core requirement. It was a message of everyone involved shared fairly in the gains, as the aim was that leadership is complete when dividing the spoils have been dispersed. For Drucker, he described that our knowledge of leadership had advanced little since Xenophon’s wrote* ***Cyropaedia.***”

Reflecting on Druckers reference to Xenophon his book Kynopaedia was actually titled Xenophon Cyropaedia (1914).

Drucker’s conclusion was that Xenophon is still relevant for a military organisation but not a liberal organisation in a democracy.

The foundation of Xenophon’s principle is that as juniors made recruits attend regimental training schools and are monitored and selected for promotion as junior soldiers today. In contrast leaders in democratic countries are not trained institutionally.

**Book No 7. Landmarks of Tomorrow (1957)** Harper& Brothers, New York.

In **Landmarks** Drucker is in a reflective – advisory mood as under the lead:

“*The Discipline of Managing*

*We have been organising for thousands of years. Yet little, if any, attention has been given to the systematic study of organisation. Even in the military field the emphasis has usually been on leadership – that is, on personal individual impact – rather than on managing – that is, on systematic, purposeful, organise, sustained effort. Within the last fifty years, however, with the emergence of the new organisation, managing has become a major field. The works on the subject run into the thousands. Schools have promised to teach business administration or public administration are the most rapidly growing of all our education institutions, and attract more students than any of the schools in the older professional fields. Perhaps even more important, we are going in for advanced manager education in which mature and successful managers go back to school, in some places for a whole year. The demand for advanced management education greatly exceeds the available supply.*

*Twenty or even ten years ago this might have been shrugged off as an American fad more expensive but not much more significant than flag pole sitting.*”

p.89-90

Reflecting that leaders are often the entrepreneurs and the creators his sage advice is that often an exciting environment is what leadership and management must form.

“*Beyond Collectivism and Individualism*

*Moreover the entrepreneurs are successful only if they active as managers; the largest single reason for the failure of new-business, study after study has shown is managerial incompetence.*”

p. 103

Another reflection and more sage advice are not to get carried away by your success into thinking you are invincible and invulnerable*.*

*“****From Progress to Innovation***

*For every theory of the business eventually becomes obsolete. If a company waits until it stands to go downhill, it has usually waited too long. This process requires an attitude that has been far from common. It requires that rarest of human incites: the willingness to questions ones own success.”*

P.53

It is termed “*coming to grips with reality*”.

**Book No 8. Managing for Results – *Economic Tasks and Risk-Taking Decisions* (1964)** Heinemann, London

Although not within the concept of this research of primarily human leadership the topic of **Managing for Results** is developing and most essentially leadership of your product or service.

This book is a must read for leaders and managers. A book that has stood the test of time could have been written today.

**Book No 9. The Effective Executive (1966)** Harper & Row, New York, Evanston, and London

Of the book examined so far this is the one that is the most explicate on leadership. As Drucker begins by identifying performance as the critical criterion in leaders rather than perfection in personality.

“***4. Making Strength Productive***

*“The effective executive makes strength productive. He knows that one cannot build on weakness. To achieve results, one has to use all the available strengths – the strengths of associates, the strengths of the superior, and ones own strength. These strengths are the true opportunities. To make strength productive is the unique purpose of the organisation. It cannot, of course, over come the weaknesses with which each of us is abundantly endowed. But it can make them irrelevant. Its task is to use the strength of each man as a building block for joint performance.*

***Staffing from Strength*** *The area in which the executive first encounters the challenge of strength is in staffing. The effective executive fills positions and promotes on the basis of what a man can do. He does not make staffing decisions to minimise weaknesses but to maximise strength.*

* *President Lincoln when told that General Grant, his new commanding chief, was fond of the bottle said, “If I knew his brand I would send a barrel or so to some other Generals”. Grant alone had proven consistently capable of planning and leading winning campaigns. Grant appointment was the turning point of the Civil War. In sharp contrast Lee, in command of the Confederate forces, had staffed from strength. Every one of these generals, from Stonewall Jackson on, was a man of obvious and monumental weaknesses. But these failings Lee considered – rightly – being irrelevant. Each of them had, however, one area of real strength – and it was this strength and only this strength, that Lee utilised and made effective. As a result, the “well-rounded” men Lincoln had appointed were beaten time and again by Lee’s “single – purpose tools,” the men of narrow but very great strength.*
* *Strong people always have strong weaknesses too. Where there are peaks there are valleys. And no one is strong in many areas.*
* *Another story about General Robert E Lee illustrates the meaning of making strengths productive. One of his generals, the story goes, had disregarded orders and had thereby completely upset Lee’s plans – and not for the first time either. Lee, who normally controlled his temper, blew up in a towering rage. When he had simmered down, one of his aids asked respectfully, “why don’t you relief him of his command?” Lee it is said turned around in complete amazement, looked at the aid, and said, “What an absurd question – he performs.*”

p.71-73

As Drucker continues on what is his tutorial on leadership he reflects on a range of American business leaders mentioning J P Morgan and John D Rockefeller. Of Andrew Carnegie he wrote:

“*The executive who is concerned with what a man cannot do rather than with what he can do, and who therefore ties to avoid weakness rather than make strength effective is a weak man himself. But no executive has ever suffered because his subordinates were strong and effective. There is no prouder boast but also no better prescription, for executive effectiveness than the words Andrew Carnegie, the father of the U.S. Steel Industry, and chose for his own tombstone: “Here lies a man who knew how to bring into his service men better than he was himself”. But of course every one of these men was “better” because Carnegie looked for his strength and put it to work. Each of these steel executives was a “better man” in one specific area and for one specific job. Carnegie, however, was the effective executive among them.*”

p 73

Under the heading of ‘Two Cases in Decision Making**,** he selects Theodore Vale for his longest profile and his previous model Alfred Sloan as Drucker continues whereas in other developed countries as in Europe telephone systems are a publically owned utility, Vail prevented this needing to happen by developing transparency.

“***Two case studies in decision making.***

*The least known of the great American business builders, Theodore Vail, was perhaps the most effective decision maker in US business history. As President of the Bell Telephone System from just before 1910 until the mid twenties, Vail built the organisation into the largest private business in the world and into one of the most prosperous growth companies.*

*That the Telephone System is privately owned is taken for granted in the United States. But the part of the North American Continent that the Bell system services (the United States and the two most populous Canadian provinces, Quebec and Ontario) is the only developed area in the world in which telecommunications are not owned by government. The Bell system is also the only public utility that has shown itself capable of risk taking leadership and rapid growth, even though it has a monopoly in a vital area and that has achieved saturation of its original market.”*

p.114

Against all the patterns of the time of the 1910 era, Vail’s objective was ‘Our business is service’ To achieve his objective and prevent government takeover he established a more comprehensive and transparent reporting system for the public utilities. This enabled him to develop his service through ‘the establishment of one of the most successful scientific laboratories in history, the Bell Laboratories.’

p.116

Of his continuing connection with Sloan, Drucker’s record and lesson is:

“*3. One has to start out with what is right rather than what is acceptable (let alone who is right) precisely because one always has to compromise in the end. But if one does not know what is right to satisfy the specifications and boundary conditions, one cannot distinguish between the right compromise and the wrong compromise-and will end up by making the wrong compromise.*

*I was taught this when I started in 1944 on my first big consulting assignment, a study of the management structure and management policies of the General Motors Corporation. Alfred P. Sloan, Jr., who was then chairman and chief executive officer of the company, called me to his office at the start of my study and said “I shall not tell you what to study, what to write, or what conclusions to come to. This is your task. My only instruction to you is to put down what you think is right as you see it. Don’t you worry about our reaction. Don’t you worry about whether we will like this or dislike that. And don’t you, above all concern yourself with the compromises that might be needed to make your recommendations acceptable. There is not one executive in this company who does not know how to make every single conceivable compromise without any help from you. But he can’t make the right compromise unless you first tell him what ‘right is”. The executive thinking through a decision might put this in front of himself in neon lights.*”

p. 134

Vail is projected in relation to Drucker in my book ‘**A Drucker Miscellany**’ (Revised 2020).

Drucker returns to how managers (effective executives) support and communicate to get their essential information to their leaders and use political leaders.

“*The effective executive also knows that the boss, being human, has his own way of being effective. He looks for these ways. They may be only manners and habits, but they are facts.*

*It is, I submit, fairly obvious to anyone who has ever looked that people are either “readers” of “listeners” (excepting only the very small group who get their information through talking, and by watching with a form of psychic radar the reactions of the people they talk to; both President Franklin D. Roosevelt and President Lyndon Johnson belong in this category, as apparently did Winston Churchill). People who are both readers and listeners – trial lawyers have to be both, as a rule –are exceptions. It is generally a waste of time to talk to a reader. He only listens after he has read. It is equally a waste of time to submit a voluminous report to a listener. He can only grasp what it is all about through the spoken word. Some people need to have things summed up for them in one page. (President Eisenhower needed this to be able to act).*”

p. 94

Separately he illustrates how receptive people can learn by making mistakes as:

 “*President Kennedy learned this lesson from the Bay of Pigs fiasco. It largely explains his triumph in the Cuban missile crisis two years later. His ruthless insistence then on thinking through what boundary conditions the decision had to satisfy gave him the knowledge of what compromise to accept (namely, tacitly to abandon the U.S. demand for on-the ground inspection after air reconnaissance had shown such inspection to be no longer necessary) and to insist on (namely, the physical dismantling and return to Russia of the soviet missiles themselves).*”

p.135

The detail of the Cuban missile crisis is fully explained in **Cuban Missile Crisis** Wikipedia. The background was that Russia under President Khrushchev was trying to equal their military position with the United States in the early 1960’s.

In October 1962 they deposited nuclear missiles at Cuba’s request in Cuba.

President Kennedy demanded their removal which the Russians rejected as an initial reaction. Tension developed as World War III became a real prospect as it is described as the nearest the cold war came to escalating into a full scale nuclear war.

Kennedy secured advice from his team including critical advice from Robert McNamara who Drucker recorded:

*…asked himself, “what can I contribute?” also seems to explain in large part the extraordinary effectiveness of Robert McNamara as U.S .Secretary of Defence-a position for which he was completely unprepared when President Kennedy, in the fall of 1960, plucked him out of the Ford Motor Company and put him into the toughest Cabinet job.*

*McNamara, who at Ford had been the perfect “inside” man, was for instance totally innocent of politics and tried to leave congressional liaison to subordinates. But after a few weeks, he realised that the Secretary of Defence depends upon congressional understanding and support. As a result he forced himself to do what for so publicity-shy and non-political a man must have been both difficult and distasteful: to cultivate Congress, to get to know the influential men on the congressional committees, and to acquire a mastery of the strange art of congressional infighting. He has surely not been completely successful in his dealings with Congress, but he has done better than any earlier Secretary.*

*The McNamara story shows that the higher the position an executive holds, the larger will the outside loom in his contribution. No one else in the organisation can as a rule move as freely on the outside.*”

p.60

What Drucker did not record is that Kennedy who had an executive advisor in the form of David Ormsby Gore – 5th Baron Harlech (1918-1985) who was the British Ambassador to the United States from 1961 to 1965.

Well recorded is that he and his wife and family were close personal friends of the Kennedy’s. Ormsby Gore’s advice was give Khrushchev time to reflect on his actions and back off. Kennedy accepted the idea and fortunately 13 days later (October 16 – 28, 1962) negotiations had begun to reach an acceptable compromise and prevent World War III a nuclear war.

**Note:**

Sir David Ormsby Gore’s home ‘Woodhill’, Oswestry is three miles across the hills from our house Plas Waen. It is one of the many privileges to have history a walk away.

On a lighter note Drucker extends his range of examples:

*Unlike everything else discussed in this book so far, making strength productive is as much an attitude as it is a practice. But it can be improved with practice. If one disciplines oneself to ask about one’s associates –subordinates as well as superiors-“what can this man do?” rather than “What can he not do?” one soon will acquire the attitude of looking for strength and of using strength. And eventually one will learn to ask the question oneself.*

*In every area of effectiveness within an organisation, one feeds the opportunities and starves the problems, nowhere is this more important than in respect to people. The effective executive looks upon people including himself as an opportunity. He knows that only strength produces results. Weakness only produces headaches-and the absence of weakness produces nothing. He knows, moreover , that the standard of any human group is set by the performance of the leaders. And he, therefore never allows leadership performance to be based on anything but true strength. In sports we have long learned that the moment a new record is set every athlete all over the world acquires a new dimension of accomplishment. For years no one could run the mile in less than four minutes. Suddenly Roger Bannister broke through the old record. And soon the average sprinters in every athletic club in the world were approaching yesterday’s record, while new leaders began to break the four minute barrier.*”

P.98

**Book No 13A. Men Ideas & Politics – Essays by Peter F. Drucker (1971)** Harper & Row, New York, Evanston, and London.

First published in Harpers magazine, August 1960. This book is a collection of thirteen essays previously published in a range of American magazines.

Relevant to this project is:

“***The Secret Art of Being an Effective President***

*According to the campaign orators, our next President will be a wondrous man. Above all, he will be a statesman. He will also be a first class administrator, dedicated to efficient government. His political philosophy will be sound. (Either soundly liberal or soundly conservative, but in any case sound). To hear them tell it, he may even be suffused with that illusive quality, ‘greatness’. These are the terms in which we always discuss our candidates – and, indeed, it will be nice for all of us if November’s winner actually proves to be endowed with these blessings.*”

p. 142

“*Our history indicates that an effective President always does three things. First, he organises his work so that he can concentrate on his decisive job – which is not administration, but political leadership. Second, he focuses American politics on the issues that are relevant to the situation – not on those which fit his programme for his political convictions. Finally, he takes such a big view of his own office and of the American people that he never tries to “sell anything”; he demands*.”

p .148

“*Aside from making decisions, an effective President, however, does not do anything. He delegates all work and he delegates only to individuals. He is not one bit interested in having a “harmonious team”; he wants strong, independent, ambitious men who can get their jobs done.*”

p.144

“*He entrusts decision or action to a committee only if he wants neither.*

*The next President will badly need to restore individual responsibility throughout the government. It is paralysed today by the fatty degeneration of committees, co-coordinators, special assistants, and advisors, all busily “making one more study”, yet powerless to act. We have split responsibility for an area – for example, Brazil – so many ways that no one can do anything. In the end the President has to go in person to settle matters but a State Department section head used to dispose of adequately in earlier, less “efficient”, but more effective days.*’’

p. 144

“*Even the strongest and most influential Cabinet Member or Advisor is neither the presidency “colleague” nor his” friend”. A President only has subordinates. They are his tools. They are also expandable. The only “indispensible man” is the President himself.*”

p. 144

“*An effective President is always an active politician. “The President is the head of his party” says every text book. But is forgets to add that an effective President must create the political alignments that make a “party” out of the mad swirl of groups, interests, national antecedents and religious ties, traditions, personal loyalties and convictions, which – to the despair of the orderly political scientist – is the stuff of American politics’*.”

p.145

Under the heading of “A List of Priorities” Drucker directs that:

“*I would rather be relevant that right” should be the motto of the effective President. The right answer to the irrelevant question misdirects. But the wrong answer to a relevant issue still puts the spotlight where it belongs. And only by raising the relevant issues can a President hope to accomplish anything.*”

p 150

Drucker continues under the heading:

“***The Unhidden Persuader***

*There is one more ingredient in Presidential effectiveness: an effective President always demands more from the American people than they think themselves capable of.*

*Roosevelt acted on this precept when, in early 1942, he asked for the production of forty thousand planes. His closest advisors thought him both mad and irresponsible. They knew that even half that figure was “absolutely impossible”. But FDR was right, and he got a great many more planes than he asked for. Lincoln, Wilson, Theodore Roosevelt all in their different ways, where equally demanding; and the country always responded. All our effective Presidents were expert at public relations, untiring propagandas for themselves and their ideas. The slickest Madison Avenue outfit is ‘bush – league’ compared to Thomas Jefferson.*

*But they also knew that leadership is not just getting ones measures through congress or ones proposals accepted by foreign governments. It means making the American people see that new tasks have to be tackled, that old issues had better be forgotten.”*

p 153-154.

Drucker concludes in what has been an outstanding essay on what leadership is as distinct from management with:

“***The Secret Art of Being an Effective President***

*We are, I suspect, ready for effective leadership from the next President. We know by now that we have to be both a “superpower,” to survive, and “the last best hope on earth”, to prevail. The whole moral and intellectual climate of the country may change overnight, if only we get soon a President who takes a big view of his function, who takes pride rather than fright from the challenges that lie ahead – a President who demands much of us.*”

p.155

**Book No 14. Management – Tasks Responsibilities Practices (1973/74)** Heinemann, London.

“**Management**” is Drucker’s Pre-eminent Book.

Regarding leadership and management he reflects:

“***What Have We Learned?***

*What have we learned in these twenty five years? Especially, what we have learned that should enable us to tackle the demands of the new era. ‘The era of management performance.’”*

p 16

“*The first thing is that management, that is, the organ of leadership, direction, and decision in our social institutions, and especially in business enterprise, is a generic function which faces the same basic tasks in every country and, essentially, in every society. Management has to give direction to the institution is manages. It has to think through the institutions mission, has to set its objectives and has to organise resources for the results the institution has to contribute. Management is, indeed, J B Says – “entrepreneur”, and responsible for directing vision and resources toward greatest results and contributions. In performing these essential functions, management everywhere faces the same problem. It has to organise work for productivity, it has to lead the worker to ward productivity and achievement. It is responsible for the social impact of its enterprise. Above all, it is responsible for producing the results – whether economic performance, student learning, or patient care – for the sake of which each institution exists*.”

‘Management is a practice not a science.’

p. 17

Under the heading **Management and the Quality Of Life,** Drucker describes:

“*The New Leadership Groups*

*Altogether it is the succession of management to the leadership position in society that underlies the demands for social responsibility.*

*In this century the managers of our major institutions have become the leaders in every developed country and in most developing countries as well. The old leadership groups whether the Aristocracy today or the priesthood, have either disappeared entirely or have become insignificant. Even the scientists, the priesthood of the post – world war two period, have lost much of their prestige. The only new leadership groups to emerge are managers, managers of business enterprise of universities, of government agencies and hospitals. They command the resources of society. But they also command the competence. It is, therefore, only logical that they are expected to take the leadership role and take the responsibility for the major social problems and major social issues.*

*As a result of these shifts – the emergence of managers as the major leadership group; the growing disenchantment with government, and the shift in focus from the quantities of life to the quality of life – the demand has arisen but managers, and especially business managers, make concern for society central to the conduct of business itself. It is a demand that the quality of life becomes the business of business. The traditional approach asks “how we can arrange the making of cars (or of shoes) so as not to impinge of social values and beliefs, on individuals and their freedom, and on the good society altogether?” The new demand is for business to make social values and beliefs, create freedom for the individual, and produce the good society.*

*This demand requires new thinking and new action on the part of the managers. It cannot be handled in the traditional manner. It cannot be handled by public relations.*

*Public relations asks whether a business or an industry is “liked” or “understood”. Public relations would therefore be worried that Black Power advocates blame the profit motive for the ghetto and that they presumably like business just as little as they like any other part of the white establishment. But what really matters is that Black Power leaders expect business to perform miracles with respect to ghetto employment, ghetto education, ghetto housing; and they expect these miracles virtually overnight. The relevant questions are: “Can business tackle these huge problems? How? Should business tackle them?” These are not questions which public relations is equipped to handle.”*

p 319

In “**Leadership Groups but Not Leaders”** Drucker gets to the core of the question and defines “*It is therefore inappropriate to speak of managers as leaders*”. They are “*members of the leadership group*.”

*A problem of ethics is peculiar to the manager arises from the fact that the managers of institutions are collectively the leadership groups of the society of organisations. But individually a manager is just another fellow employee.*

*This is clearly recognised by the public. Even the most powerful of the largest cooperation is unknown to the public. Indeed most of the company’s employees barely know his name and would not recognise his face.*

*It is therefore inappropriate to speak of managers as leaders. They are “members of the leadership groups”. The group, however, does occupy a position of visibility, of prominence and of authority. It therefore has responsibility – and it is with this responsibility that the preceding chapters of his section are concerned.*

*There are, in a developed society, thousands, if not millions, of managers – and leadership is always the rare exception and confined to a very few individuals. But as a member of a leadership group a manager stands under the demands of professional ethics – the demands of an ethic of responsibility.*

***‘Primum non Nocere’*** *the first responsibility of a professional was spelled out clearly, two thousands five hundred years ago in the Hippocratic Oath of the Greek Physician: Primum non nocere – ‘above all, not knowingly do harm.”*

p.36

**Book No 25. The Frontiers of Management (1986)** Heinemann, London.

Are a collection of 35 chapters written over a period of time with the intention of producing collectively? Chapter 27 ‘Management as a Liberal Art’, Drucker reflected that:

“***Management as a Liberal Art***

*From the beginning I wrote, taught and advised that management has to be both outside-focussed on its mission and on the results of the organisation, and inside-focussed on the structure, values and relationships that enable the individual to achieve.*

*For this reason, I have held from the beginning that management has to be a discipline, an organised body. Of knowledge that can be learned and perhaps, even taught. All of my major books, beginning with* ***Concept of the Corporation*** *(1946) and* ***Practice of Management*** *(1954) and progressing through my most recent one,* ***Innovation and Entrepreneurship*** *(1985), I have tried to establish such a discipline. Management is not, and never will be, a science as that word is understood in the United States today. Management is no more a science than is medicine: both are practices. A practice feeds from a large body of true sciences. Just as medicine feeds off biology, chemistry, physics, and a host of other natural sciences. So management feeds of economics, psychology, mathematics, political theory, history, and philosophy. But, like medicine management is also a discipline in its own right, with its own assumptions, its own aims, its own tools, and its own performance goals and measurements. And as a separate discipline in its own right management is what the Germans used to call a ‘****Geisteswissen-schaft’*** *– though ‘moral science’ is probably a better translation of that illusive term than the modern ‘social science’. Indeed, the old fashion term liberal art may be the best term of all.”*

p. 227

This essay is the clearest statement that management and leadership are separate disciplines as under no stretch of the imagination can leadership be termed a ‘liberal art’.

**Book No 27. Managing the Non- Profit Organisation (1990)** Butterworth Heinemann.

Drucker begins: “*forty years ago – I first began to work with non-profit organisations*” (What is consequential to this research is that he identified that no-profit organisations need leaders rather than chairman or CEO’s as their principles as sage advice which is his outstanding stock in trade as trade:

“***How to Pick a Leader***

*If I were on a selection committee to choose a leader for a non-profit organisation and there were a roster of men and women as candidates, what would I look for? First, I would look at what the individuals had done, what their strengths are. Most selection committees I know are overly concerned with how poor the candidate is. Most of the questions I get are not: what is she or he is good at, but we think this person is not too good at dealing with students, or what have you. The first thing to look for is strength – you can only perform with strength – and what have they done with it.*

*Second, I would look at the institution and ask: what is the one immediate key challenge? It may be raising money. It may be rebuilding the morale of the organisation. It may be redefining its mission. It may be bringing in new technology. If I looked today for an administrator of a large hospital I might look for someone to convert the hospital from a provider of sickness care to a manager of sick care providers, because more and more will be done outside the hospital. I would try to match the strengths with the needs.*

*Then I would look for – call it character or integrity. I leader sets an example, especially a strong leader. He or she is somebody on whom people, especially younger people, in the organisation model themselves. Many years ago I learned from a very wise old man, who was head of a large, worldwide organisation. I was about twenty, not even that – and he was in his late seventies, famous for putting the right people into the right enterprises all over the globe. I asked him: “what do you look for?” and he said: “I always ask myself, would I want one of my sons to work under that person? If he is successful, then young people will imitate him.”*

p.12-13

“*You can’t be satisfied in non-profit organisations with doing adequately as a leader. You have to do exceptionally well, because your agency is committed to a cause. You want people as leaders to take a great view of the agencies functions, people who take their roles seriously - not themselves seriously. Anybody in that leadership position who thinks he is a great man or woman will kill himself – and the agency*.”

p.13

“*Finally, there are a few major don’ts for leaders. Far too many leaders believe that what they do and why they do it must be obvious to everyone in the organisation. It never is. Far too many believe that when announce things, everyone understands. No one does, as a rule. Yet very often one cant bring in people before the decision; there just isn’t enough time for discussion or participation. Effective leaders have to spend a little time on making themselves understood. They sit down with their people and say: this is what we were faced with. These are the alternatives we saw, the alternatives we considered. They ask: what is your opinion? Otherwise the organisation will say: “don’t these dummies at the top know anything? what is going on here?, why haven’t they considered this or that?, but if you can say, yes, we considered it, but still reached this decision, people will understand and will go along. They may say we wouldn’t have decided that way, but at least upstairs, they just didn’t shoot from the hip.*

*And the second don’t. Don’t be afraid of strengths in your organisation. This is the besetting sin of people who run organisations. Of course, able people are ambitious. But you run far less risks of having able people around who want to push you out than you risk by being served mediocrity. And finally, don’t pick your successor alone. We tend to pick people who remind us of ourselves when we were twenty years young. First, this is pure delusion. Second, you end up with carbon copies, and carbon copies are weak. The old rule both in military organisations and in the Catholic Church is that leaders don’t pick their own successors. They are consulted, but they don’t make the decision. I have seen many cases in business – but even more in non-profit institutions – where able people picked a good number two to succeed them. Somebody who is very able – provided you tell him or her to do. It doesn’t work. Partly out of emotional commitment, partly out of habit, the perfect number two is put into the top spot, and the whole organisation suffers. The last time I saw this was in one of the world’s largest community chests. Fortunately the number two who was picked by his predecessor because he was so much like her realised after a year that he didn’t belong in the top job and was utterly miserable in it – and he left before either he or the organisation had been badly damaged. But that is a rare exception. The last don’ts are: don’t hog the credit, and don’t knock your subordinates. One of the very ablest men I have seen do this headed one of the most challenging new tasks in a non-profit organisation I know. His alumni now work for everybody else but his organisation because they moment they went to work for him, he saw nothing but their weaknesses. He didn’t promote any of his people and he never sang their praises. A leader has responsibility to his subordinates, to his associates.*

*Those are the don’ts.*

*The most important do’s I have said again and again already: keep your eye on the task not on yourself. The task matters and you are a servant.”*

p19-20

“*In organisations that depend heavily on volunteers, and heavily on donors leadership is accountable for results. And leadership always asks are we really faithful stewards of the talents entrusted to you? The talents, the gifts of people – the talents, the gifts of money. Leadership is doing. It isn’t just thinking great thoughts; it isn’t just charisma; it isn’t play acting. It is doing. And the first imperative of doing is to revise the mission, to refocus it, and to build and organise, and then to abandon. It is asking ourselves whether, knowing what we now know, we would go into this again. Would be stress it? Would we poor resources in, or would we tapper off? That is the first action command for any mission.*

*It is also the one way of keeping an organisation lean and hungry and capable of doing new things. An old medical proverb says that the body can only take in the new if it eliminates the waste products. This is therefore the first action requirement: the constant reshaping, a constant refocusing, never really being satisfied. And the time to do this is when you are successful. If you wait until things have already started to go down, then it is very difficult. It is not impossible to turn around a declining institution, but an ounce of prevention is very much better than a ton of cure in the turnaround situation.*

*The next thing to do is to think through priorities. That is easy to say. But to act on it is hard because it always involves abandoned things that look very attractive, that peoples both inside and outside the organisation are pushing for. But if you don’t concentrate your institution resources, you are not going to get results. This may be the alternate test of leadership: the ability to think through the priority, decision and to make it stick.*

*Leadership is also example. The leader is visible; he stands for the organisation. He may be totally anonymous the moment he leaves that office and steps into his care to drive home. But inside the organisation, he or she is very visible, and this isn’t just true of the small and local one. It is just as true as the bit, national or worldwide one. Leaders set examples. The leaders have to live up to the expectations regarding their behaviour. No matter that these rest of the organisation doesn’t do it; the leader represents not only what we are, but, above all, what we know we should do.*

*So it is a very good rule when you do anything as a leader, to ask yourself, is that what I want to see tomorrow morning when I look in the mirror? Is that the kind of person I want to see as my leader? And if you follow that rule you will avoid the mistakes that again and again destroy leaders: sexual looseness in an organisation that preaches sexual rectitude, petty cheating, all the stupid things we do. Maybe the individual does them; well, that’s his or her business. But a leader is not a private person, a leader represents.*”

p. 35

Of the included interviews, the most conspicuous to attend the annual Global Drucker Forum is Philip Kotler who is a consistent attendee and presenter, his interview is entitled:

“***Defining the Market – Interview with Philip Kotler***

***Peter Drucker:*** *Philip, when you published your book ‘Non-profit Marketing’ in 1971- it’s now called ‘Strategic Marketing for Non-Profit Institutions’ and is in its fourth edition – there was no awareness at all, am I right, on the part of non-profit institutions that they have to market and little receptivity for the idea?”*

p. 55

The book is now in its sixth edition – ‘Defining the Market’ is a must read from the man who sits with Drucker the Father of Modern Management as the Father of Marketing.

**About Philip Kotler**

Philip Kotler is currently the S.C. Johnson distinguished Professor of international marketing at the Kellogg’s school of Management at North Western University. He is the author of over sixty marketing books, including Marketing Management, Principals of Marketing, Kotler on Marketing: How to create, win, and dominate markets, and marketing from products to customers to the human spirit.

Professor Kotler is the recipient of numerous awards including twenty three honorary degrees and other honours. He was the first person to receive the “Leader in Marketing Thought” award from the American Marketing Association. In a survey of one thousand executives conducted in twenty five countries about the most influential business writers/management gurus by the Financial Times, Kotler ranked forth after Peter Drucker, Bill Gates, and Jack Welsh.

**Book No 38. The Essential Drucker – *Selections from the Management Works of Peter F. Drucker* (2001)** Butterworth Heinemann.

**“I*ntroduction: The Origin and Purpose of the Essential Drucker***

*The Essential Drucker is a selection from my sixty years of work and writing on management. It begins with my book* ***The Future of Industrial Man*** *(1942) and ends (so far at least) with my 1999 book* ***Managements Challenges for the Twenty First Century****.*

*The Essential Drucker has two purposes. First, it offers, high hopes, a coherent and fairly comprehensive Introduction to Management. But second, it gives an over view of my works on management and thus answers a question that my editors and I have been asked again and again, where do I start to read Drucker? Which of his writings are essential?*”

p.vii

For this reader this is as good a place to start as any. It is a monument to the range of his unique intellect. Also it displays his critical clear mind that results in his ability to make complex and compound issues comprehensible and memorable.

The following are some messages from what is a travel-log of his lessons that are essential to a leader to monitor if his policies are being implemented.

“***The Ethics of Responsibility***

*Countless sermons have been preached and printed on the ethics of business or the ethics of the business man. Most have nothing to do with business and little to do with ethics.*

*One main topic is plain, every day honesty. Business men, we are told solemnly, should not cheat, steal, lie, bribe, or take bribes. But nor should anyone else. Men and women do not acquire exemption from ordinary rules of personal behaviour because of their work or job. Nor, however, do they cease to be human beings when appointed Vice President, City Manager, or college Dean. And there has always been a number of people who cheat, steal, lie, bribe, or taken bribes. The problem is one of moral values and moral education, of the individual, of the family, of the school. But neither is there is separate ethics of business, or is one needed.*”

p.63

“**Not Knowingly to do Harm**

The first responsibility of a professional was spelled out clearly twenty five hundred years ago, in the Hippocratic Oath of the Greek Physician: Primum Non Nocere – “Above all, not knowingly to do harm”.

No professional, be he Doctor, Lawyer, or Manager can promise that he will indeed do good for his client. All he can do is try. But he can promise that he will not knowingly do harm.”

p 65

“***The One Right Way to Manage People***

*In no other area are the basic traditional assumptions held as firmly- though most subconsciously – as in respect to people and their management. And in no other area are they so totally at odds with reality and so totally counterproductive.*

*There is one right way to manage people – or at least there should be. This assumption underlies practically every book or paper on the management of people. Its most quoted exposition is Douglas McGregor’s book, The Human Side of Enterprise (1960), which asserted that managements have to choose between two and only two on different ways of managing people, “Theory X” and “Theory Y” and which then asserted the Theory Y is the only sound one.*

*(A little earlier I had said pretty much the same thing in my 1954 book* ***The Practice of Management****). A few years earlier Abraham H. Maslow (1908-1970) showed in his* ***Eupsychian Management*** *(1962; new addition 1995 entitled Maslow on Management) that both McGregor and I were dead wrong. He showed conclusively that different people have to managed differently.*

*I became an immediate convert – Maslow’s evidence is overwhelming. But to date very few people have paid much attention.*

*On this fundamental assumption that there is – or at least should be – one and only one right way to manage people, rest all other assumptions about people in organisations and their management* “

p 77

**One does not “Manage” people.**

**The task is to lead people.**

**And the goal is to make productive the specific strengths and knowledge of each individual**

p. 81

I concur with Drucker’s acclaim of Maslow’s essentiality as I have included him in my 2020 book **How Nature Managed First**.

Also as my conviction concurred with Drucker I included the following illustration (fig 3.) to achieve absolute clarity for the reader.

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From these basic foundations, motivation could be increased if people were given responsibility, succeeded and were held in esteem by their peers. As they gained more control over their lives the greater became their motivation as people wanted to be ‘something’ rather than ‘nothing’. Conversely people were “demotivated” if they were unappreciated, not respected, not taken seriously, were misunderstood and laughed at ’At the top of the pyramid of needs were the few, maybe only 2%, of all workers who achieved total “*self-actualisation*”, in that way they reach their full potential. Maslow’s work was another landmark in the development of ideas on people and in recognition of his seminal work he is called “*The Father of Humanist Psychology*”.

‘**How Nature Managed First**’ is an introduction to management telling everyone that we are all managers and that it’s a natural process as we can see that many of our management ideas are already practiced in the natural world.

In what is a tutorial for leaders to use as a monitor to ensure that their directives is being practiced correctly Drucker concludes with:

*“***Leadership as Work**

*Leadership is all the rage just now, “We’d want you to run a seminar for us on how one acquires charisma,” the humans resources VP of a big bank said to me on the telephone – in dead earnest.*

*Books, articles and conferences on leadership and on the “qualities” of the leader abound. Every CEO, it seems, has to be made to look like a dashing Confederate cavalry general or a board room Elvis Presley.*

*Leadership does matter, of course. But, alas, it is something different from what is now touted under this label. It has little to do with “leadership qualities” and even less to do with “charisma”. It is mundane, unromantic, and boring. Its essence is performance.*

*In the first place, leadership is not by itself good or desirable. Leadership is a means. Leadership to what end is thus the crucial question.*

*History knows no more charismatic leaders than this century’s triad of Stalin, Hitler, and Mao – the mis-leaders who inflicted as much evil and suffering on humanity as have ever been recorded.*

*But effective leadership doesn’t depend on charisma. Dwight Eisenhower, George Marshall, and Harry Truman were singularly effective leaders, yet none possessed any more charisma than a dead mackerel. Nor did Konrad Adenauer, the chancellor who rebuilt West Germany after World War II. No less charismatic personality could be imagined than Abe Lincoln of Illinois, the raw-boned, uncouth backwoodsman of 1860. And there was amazingly little charisma to the bitter, defeated, almost broken Churchill of the interwar years: what mattered was that he turned out in the end to have been right.*

*Indeed, charisma becomes the undoing of leaders. It makes them inflexible, convinced of their infallibility, unable to change. This is what happened to Stalin, Hitler, and Mao, and it is a commonplace in the study of ancient history that only Alexander the Great’s early death saved him from becoming an ineffectual failure. Indeed, charisma does not by itself guarantee effectiveness as a leader. John F. Kennedy may have been the most charismatic person ever to occupy the White House. Yet few presidents got as little done.*

*Nor are there any such things as “leadership qualities” or a “leadership personality”. Franklin D. Roosevelt, Winston Churchill, George Marshall, Dwight Eisenhower, Bernard Montgomery, and Douglas McArthur were all highly effective – and –highly visible leaders during World War II. No two of them shared any “personality traits” or any “qualities”.*

***Work, Responsibility, and Trust Earned***

*What then is leadership if it is not charisma and not a set of personality traits? The first thing to say about it is that it is work – some- thing stressed again and again by the most charismatic leaders: Julius Caesar, for instance, or General Mc Arthur and Field Marshall Montgomery, or, to use an example from business, Alfred Sloan, the man who built and led General Motors from 1920 to 1955.*

*The foundation of effective leadership is thinking through the organisation’s mission, defining it, and establishing it, clearly and visibly. The leader sets the goals, sets the priorities, and sets and maintains standards. He makes compromises, of course; indeed, effective leaders are painfully aware that they are not in control of the universe. (Only mis-leaders-the Stalin’s, Hitlers, Maos-suffer from that delusion). But before accepting a compromise, the effective leader has thought through what is right and desirable. The leader’s first task is to be the trumpet that sounds a clear sound.*

*What distinguishes the leader from the mis-leaders are his goals. Whether the compromise he makes with the constraints of reality-which may involve political, economic, financial, or interpersonal problems-are compatible with his mission and goals or lead away from them determines whether he is an effective leader. And whether he holds fast to new to a few basic standards (exemplifying them in his own conduct), or whether “standards” for him are what he can get away with, determines whether the leader has followers or only hypocritical time-servers.*

*The second requirement is that the leader see leadership as responsibility rather than as rank and privilege. Effective leaders are rarely “permissive”. But when things go wrong –and they always do- they do not blame others. If Winston Churchill is an example of leadership through clearly defining mission and goals. General George Marshall, America’s chief of staff in World War II, is an example of leadership through responsibility. Harry Truman’s folksy “The buck stops here” is still as good a definition as any.*

*But precisely because an effective leader knows that he, and no one else, is ultimately responsible, he is not afraid of strength in associates and subordinates. Mis-leaders are; they always go in for purges. But an effective leader wants strong associates; he encourages them, pushes them, indeed glories in them. Because he holds himself ultimately responsible for the mistakes of his associates and subordinates as his triumphs, rather than as threats. A leader may be personally vain-as General Mc Arthur was to an almost pathological degree. Or he may be personally humble- both Lincoln and Truman were so almost to the point of having inferiority complexes. But all three wanted able, independent, self-assured people around them: they encouraged their associates and subordinates, praising and promoting them. So did a very different person Dwight “Ike” Eisenhower, when supreme commander in Europe.*

*An effective leader knows, of course, that there is a risk: able people tend to be ambitious. But he realises that it is a much smaller risk than to be served by mediocrity. He also knows that the gravest indictment of a leader is for the organisation to collapse as soon as he leaves office or dies, as happened in Russia the moment Stalin died and as happens all too often in companies. An effective leader knows that the ultimate task of leadership is to create human energies and human vision,*

*The final requirement of effective leadership is to earn trust. Otherwise, there won’t be any followers-and the only definition of a leader is someone who has followers. To trust a leader, it is not necessary to like him. Nor is it necessary to agree with him. Trust is the conviction that the leader means what he says. It is a belief in something very old fashioned, called “integrity”. A leader’s actions and a leader’s professed beliefs must be congruent, or at least compatible. Effective leadership – and again this is very old wisdom – is not based on being clever: it is based primarily on being consistent.*

*After I had said these things on the telephone to the Bank’s human-resources VP, there was a long silence. Finally she said, “But that’s no different at all from what we have known for years are the requirements for being an effective manager.*”

*Precisely.*

p. 265-271

It is appropriate that this script concludes with his final conspicuous project. Although it had been an area of support and commitment for along time he only went public as an eighty year old when he wrote in the Harvard Business Review July-Aug 1989:

“***What Business Can Learn from Non-profits***

*The Girl Scouts, the Red Cross, the pastoral churches – our non-profits organisations- are becoming America’s management leaders. In the two areas, strategy and the effectiveness of the board, they are practicing what most American businesses only preach. And in the most crucial area the motivation and productivity of knowledge workers-they are truly pioneers, working out the policies and practices that business will have to learn tomorrow. Few people are aware that the non-profits sector is by far America’s largest employer. Every other adult- a total of 80 million plus people-works as a volunteer, giving on average nearly five hours each week to one or several non-profit organisations. This is equal to 10 million full-time jobs. Were volunteers paid, their wages, even at minimum rate, would amount to some $150 billion, or 5% of GNP. And volunteer work is changing fast. To be sure, what many do requires little skill or judgement: collecting in the neighbourhood for the Community chest one Saturday afternoon a year, chaperoning youngsters selling Girl Scouts cookies door to door, driving old people to the doctor. But more and more volunteers are becoming “unpaid staff”. Taking over the professional and managerial tasks in their organisations.*”

**The Salvation Army rehabilitates some 20.000 young criminals each year for a fraction of what it would cost to keep them in jail.**

“*Not all non-profits have been doing well, of course. A good many community hospitals are in dire straits. Traditions churches and synagogues of all persuasions-liberal, conservative, evangelical, fundamentalist-are still steadily losing members. Indeed, the sector overall has not expanded in the last 10 or 15 years, either in terms of the money it raises (when adjusted for inflation ) or in the number of volunteers. Yet in its productivity, in the scope of its work and in its contribution to American society, the non-profits sector has grown tremendously in the last two decades*.”

What has been recorded elsewhere is that America’s charitable non-profits provide more overseas aid than its government.

This title was the fore runner of the public launch of the Drucker forums as they published their five most important questions in 1993 in what is a unique format as the reader works through structure of the public parts work book to self-assess their aptitude determining their strengths and weaknesses.

The book was recently republished aimed at leadership requirements so recorded by the change of name from the Drucker forum to LEADER TO LEADER INSTITUTE.

**Preparing tomorrows leaders.**

What is leadership is that the original five most important questions are retained as the management team has been extended to include world distinguished experts as their later first additional of 2008 by Jossey-Bass.

**AN INSPIRING TOOL FOR ORGANISATIONS AND THE PEOPLE WHO LEAD THEM.**

**PETER F. DRUCKER - THE FIVE MOST IMPORTANT QUESTIONS YOU WILL EVER ASK ABOUT YOUR NONPROFIT ORGANISATION – Participants Workbook** Jossey-Bass Publishers , San Francisco

*“Help the social sector achieve excellence in performance and build responsible citizenship. The immediate and compelling question we heard from our customers when we began our work was, “you say we should achieve excellence, but how do we know when we get there?” That began our journey. Together with our customer – our partners, to develop a strategic organisational self-assessment tool.*

*Much excellent work was done by exuberant volunteers, staff, facilitators, and organisations – collaborating, developing, testing, publishing, and distributing the first addition of The Five Most Important Questions. Yet at its core was the management philosophy of Peter F. Drucker. If Peter Drucker were with you and your organisation today, we believe he would ask the same questions of you that he asked more than fifteen years ago:*

1. *What is our mission?*
2. *Who is our customer?*
3. *What does the customer value.*
4. *What are our results?*
5. *What is our plan?*

*These five simple – yet complex and compelling – questions as are essential and relevant today as they were then. These questions used as a self-assessment tool are unique, and though first developed in this framework for social sector organisations, they can be applied to almost any organisation today. This book is designed to be used for organisational development*.”

p.xii

**Preparing Tomorrow’s Leaders Today (1969)** Prentice-Hall, New Jersey

The book is a collection of chapters by twenty three distinguished management authorities. Drucker wrote the introduction with Herman E. Krooss a fellow professor

Drucker’s conclusion is summing up an advice to young emerging managers.

*“****Summing Up Preparing Tomorrows Business Leaders Today***

*We hear and read a good many speculations today about “the year 2000”. Judging by past experience, few of these speculations will come to pass.*

*But one thing is already certain today about “the year 2000” .The men who will make the decisions in the year 2000, the men ,above all, who will be in charge of our businesses and our economies , are among the young men who will graduate in the next few years from the business schools of the free world. They are among the young men business now hires as young professionals and management trainees. The decision makers for the year 2000 are now learning what they will put to work in “the year 2000.”*

*Opinions differ widely, of course, as to what they will need the most to do their job, but a few threads run through all the discussions in this book in respect to the needs of the business leader of tomorrow. A few major areas of decision, of knowledge, of competence, can already be seen as needed. Even a cursory glance at the chapters of this volume on tomorrow’s business and tomorrow’s business leader brings out again and again the same areas of emphasis.*

1. *Tomorrow’s business leader, it is clear, will need to be able to organise for entrepreneurship. He will have to build and lead organisations, including very large ones that will be capable of effective economic decisions regarding the future. He will have to make whole organisations capable of doing in what in the past only the individual by himself could do, that is, systematically make a new and different future.*
2. *Closely connected to this is the capacity for systematic innovation. The business leader of tomorrow will have to know how to anticipate innovation and how to make innovation economically effective-rapidly and profitably. He will have to see innovations part of the economic system rather than as a force working on the economic system from the outside. And he will have to know the dynamics of technology and its relationship to economic resources and economic results.*
3. *The organisation he will build and lead will primarily be an organisation of knowledge workers that is, of highly educated people who put to work knowledge and concepts, and who work with their minds rather than with their hands. The business leader of tomorrow will have to know how to organise knowledge workers for performance, how to motivate them, how to reward them, and, above all, how to make them productive. They will be the main resource of tomorrow’s business-but also its main cost.*
4. *The business leader of tomorrow will have to be able to run businesses that operate across national boundaries and are truly “multi-national”. He himself will have to be able to operate in diverse cultures and under diverse a diversity of laws and sovereignties. He will have to be at home in a number of languages and in the cultural traditions they symbolise. And he will have to be able to work together for joint performance with men from a diversity of cultural, linguistic, and ethnic backgrounds.*
5. *Finally, the business leader of tomorrow will have to know as much about other institutions of our society, and especially about government, as he knows about business. He will live in a society in which every major task of society is being performed in and through a large institution organised for perpetuity. He will so to speak, live in symbiosis with government and government agencies, but also with educational institutions, with the large hospital, with the armed services, and so on and he will need to understand how each of these – and especially, of course, the government agency-works, what its rationale and its procedures are, and what it can do as well as what it cannot do*.”

p.280-281

**Profile:** **Professor Peter Starbuck**

FRICS, FCIOB, FCMI, Ph.D

Alumni, The Open University

Founding Professor, University Centre Shrewsbury

Visiting Professor, University of Chester as a member of their Business Research Institute, China Centre



Peter Starbuck was born in Birmingham on 5th February 1936 and lived in the industrial West Midlands, where he qualified as a construction professional. His career was interrupted as he was conscripted into the Corps of the Royal Engineers as an English National Service Soldier. After training he was posted to the British Zone of West German between 1959 and 1961 on the border with the Russian Zone during the Cold War.

Returning to civilian life, after a year refocusing his career, he moved to Oswestry on the Welsh Border to manage a building and house construction business, which was part of his ongoing entrepreneurial ventures and continued involvement with charities. For relaxation he enjoyed diving and continues the country pursuit of fishing, which has spread to international locations.

At the end of 1974 he was introduced to Peter Drucker’s work and became an immediate convert to his management ideas based on his ethical principles. The rest is history as he obtained a PhD from The Open University, which is the only one on Drucker deposited with the British Library from the British Isles. His supervisor was the late Emeritus Professor Derek S. Pugh the acclaimed writer on management and organisations.

Peter has written six books on Drucker, with his output continuing. Each year he attends the annual Drucker Forum in Vienna - the world management forum - as an Honorary Member of the Drucker Society Europe.

His other major interest, with his wife, is world travel to observe the natural world in its environment, which is recorded in his book “How Nature Managed First – Your First Book on Management”, which is also programmed for a TV/Film series. It is a participant’s work book introducing newcomers to management by relating patterns in the natural world to the way we manage. It links to Biomimicry the practice of using nature’s designs to refine our products to improve performance. Genealogy research has confirmed that his ancestors were Vikings and that he also had whaling connections in Nantucket, USA.

He is married to his Welsh wife, Heather, who have two sons, two daughters, grand and great grandchildren.