1st GLOBAL PETER F. DRUCKER FORUM
Vienna, 19 November 2009

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Animal Spirits and Mass Movements -
New Dimensions of Management
Social Innovation

“No discovery of this century has had greater impact than the social innovation of mass movement. Yet none is less understood.”

Peter F. Drucker (1986)
Reading the Mind of the Crowd

With public opinion ruling the world, mass movements are undermining the political decision process.

As a result, political actions increasingly have to be postponed until there is a “crisis”, an “emergency”, a “catastrophe”. Only under such a threat does the single cause special-interest group lose its veto power.
Government seems to have lost to do effective social innovation. From being a political act it has become a managerial task, management’s new dimension.
Investor Sentiment

Financial news read like textbooks in crowd psychology including subjects such as speculative fever, market mania, temporal myopia, self-fulfilling speculative attacks, feedback loops, overoptimism, overconfidence, illusion of control, Investor's panic.

Self-reinforcing, but eventually self-defeating processes are endemic in financial markets.
Man is not just a Goal Driven Animal

Man is rule-driven and herd-following too. Man's actions are largely successful, because they are adapted both to the particular facts which he knows and to the great many other facts he does not know.

Friedrich von Hayek

Intelligent beings may have laws of their own making; But they also have some which they never made.

Montesquieu, De l'Esprit des lois.
Peter Drucker's Wisdom

leads in some respects to conclusions so unwelcome that few are willing to follow it through the end.
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