Appreciated in Principle – Disregarded in Practice
Why Peter F. Drucker is relevant today!

Thomas Sattelberger
Member of the Board of Management, Deutsche Telekom AG
Agenda.

- Why I advocate Drucker's Way of Thinking!
  - Why I appreciate Drucker's Insights in principle!
  - Why I favor Drucker's Insights in practice!
  - What I see as Drucker’s guidelindes to shape today!
  - What I think an Action Plan post Drucker looks like!
Great Austrian Thinkers of the 20th century.

- Paul Watzlawick (1921 – 2007)
- Peter F. Drucker (1909 – 2005)
- Heinz von Förster (1911 – 2002)
Main features of Drucker‘s Way of Thinking.

- Analyzing things from a bird‘s eye view of society instead of the silo of business.
- Combining fundamental skills and deep practical, experiential knowledge instead of mathematical models.
- Using Clear Language for the man on the street instead of academic jargon and management gobbledygook.
Quo vadis Business Administration?

Scientific Rigor

- Macro Economics
- Micro Economics

MODERN ECONOMICS

CLASSICAL ECONOMICS & MORAL PHILOSOPHY

Integrated, multi-disciplinary MANAGEMENT TEACHINGS

GERMAN BWL

Fragmented fields of specialization
- Controlling
- Marketing
- Finance

Practical Relevance

LOW

- Marketing
- Finance

HIGH

- Controlling
Main Pillars of Drucker’s work.

- Society as a pluralist entity

„Society in all developed countries ... is becoming more pluralist day by day. It is splintering into a myriad of institutions each more or less autonomous, each requiring its own leadership and management, each having its own specific task.”

- The company as a social organization

- Management as a social function
Main Pillars of Drucker’s work.

- Society as a pluralist entity
- The company as a social organization
  
  “A corporation is a social and political system as well as an economic organization.”
- Management as a social function
Main Pillars of Drucker‘s work.

- Society as a pluralist entity
- The company as a social organization
- Management as a social function

„Management is about human beings. Its task is to make people capable of joint performance, to make their strengths effective and their weaknesses irrelevant.‟
Complexes of failure in global capitalism. Moral is crucial – not only post-crash.

Moral concepts in direct opposition.
Too many boards bowed to the shareholder value ideology.

**Integrated approach** by
Peter F. Drucker (1909 – 2005)

**Shareholder value approach** by
Milton Friedman (1912 – 2006)
Overcoming the limitations of pure capitalist world view. A Societal Model for the 21st century is not in sight.
Realigning Management Education in the European Tradition.
Rise & Decline of Anglo-Saxon MBA.
Born in the U.S.A.
Transition of Chinese MBA Business Cases into US-MBA Clones.

Assimilation of Business Cases

Cases preserving traditional Chinese values

Neglecting Chinese culture

Multi-Angle Perspective

Leader as Consensus Builder

CEO centered top-down

Open Debate

Remorseless Decisions

Leader as Master Strategist

Developing Management into a Profession.
Today, every Charlatan is allowed to call himself „manager“.

The Charlatan

The Professional
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- **What I think an Action Plan post Drucker looks like!**
3x3 Agenda for Reforming Management post Drucker.

Corporations
- Shape a culture of an institution inseparably linked to society
- Manage societal and customer impact first
- Run a strict consequence management at the moments of truth

Top-Managers
- Act as a transmitter between economy and society
- Give a personal declaration of independence in contrast to being a soulless agent
- Behave as a moral compass and sound skeptic inside and outside the boardroom

Universities and Business Schools
- Live role as standard setting bodies of management against black sheeps and for lighthouses
- Return to the Continental-European roots of self-learning, moral reasoning and societal thinking
- Transform into a moral institution in head and bones
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At all Times Education was based on Moral Frameworks.

Philosopher`s School: Aristotelian Virtues

Medieval Convent School: Cardinal Virtues

16th century University: Protestantism

Humboldtian University: Humanism

Business Schools

Corporate Universities