

Appreciated in Principle – Disregarded in Practice

Why Peter F. Drucker is relevant today!

Thomas Sattelberger

Member of the Board of Management, Deutsche Telekom AG

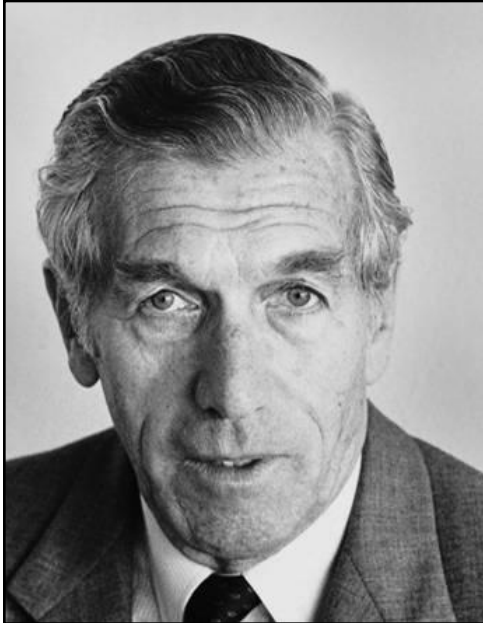


Agenda.

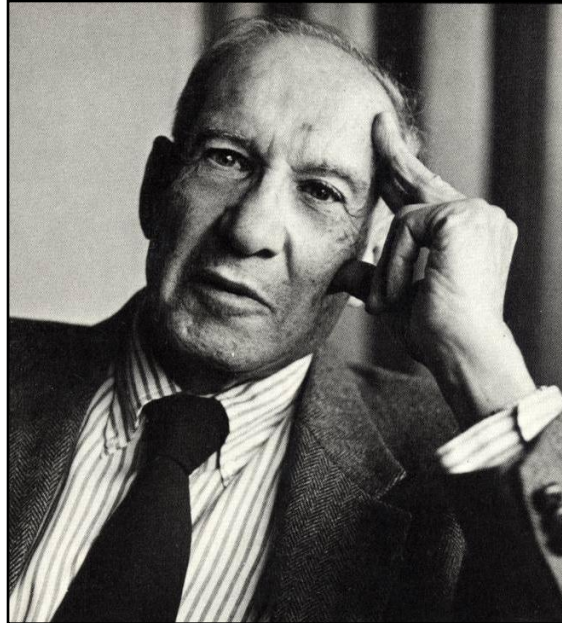
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- **Why I advocate Drucker`s Way of Thinking!**
 - Why I appreciate Drucker`s Insights in principle!
 - Why I favor Drucker`s Insights in practice!
 - What I see as Drucker`s guidelindes to shape today!
 - What I think an Action Plan post Drucker looks like!
-



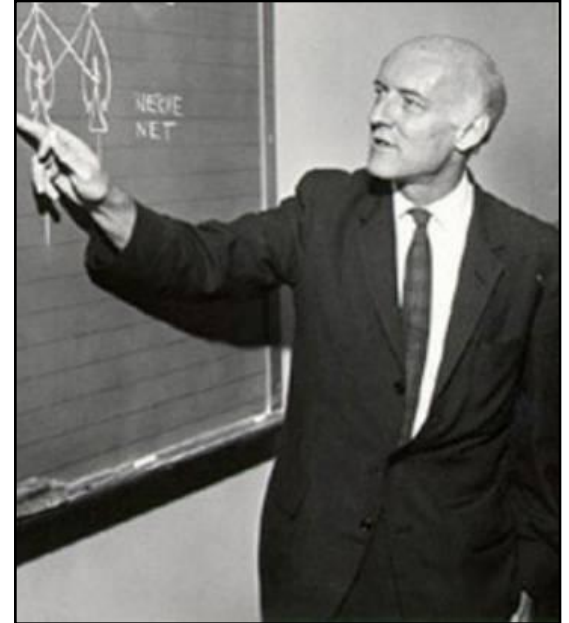
Great Austrian Thinkers of the 20th century.



Paul Watzlawick
(1921 – 2007)



Peter F. Drucker
(1909 – 2005)



Heinz von Förster
(1911 – 2002)

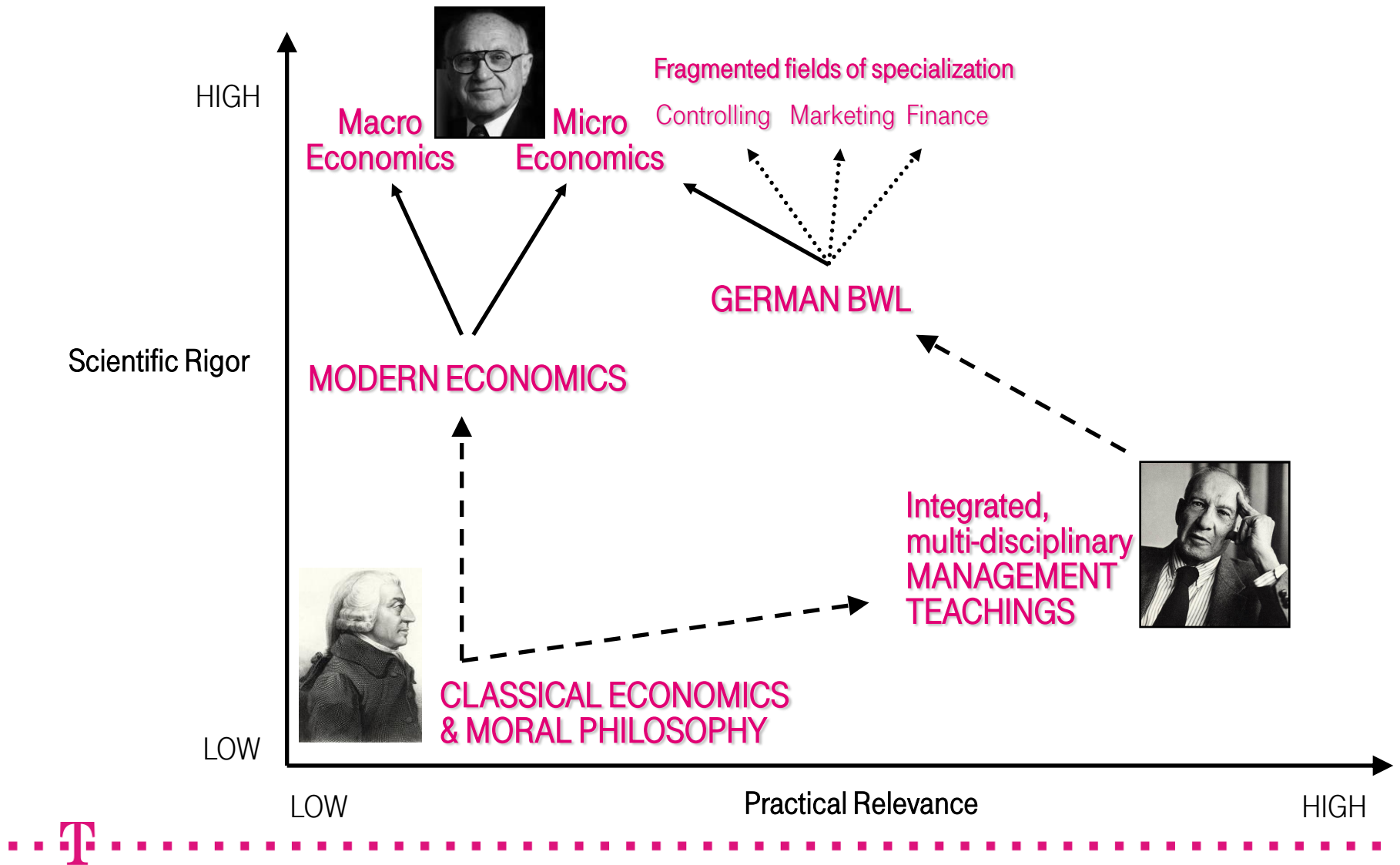


Main features of Drucker's Way of Thinking.

- 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 gobbledegook



Quo vadis Business Administration?



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.



Failure of markets

Malfuction
of „Invisible
Hand“

Failure of institutions

Collapse of
„Checks &
Balances“

Failure of individual moral

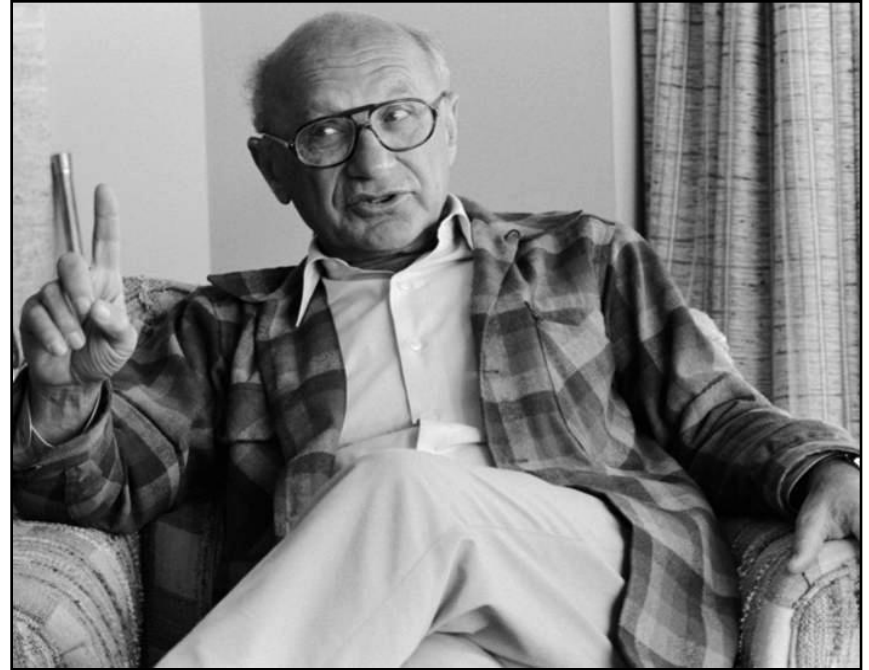
Fatal Weakness
of Individual
Characters

Moral concepts in direct opposition.

Too many boards bowed to the shareholder value ideology.



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

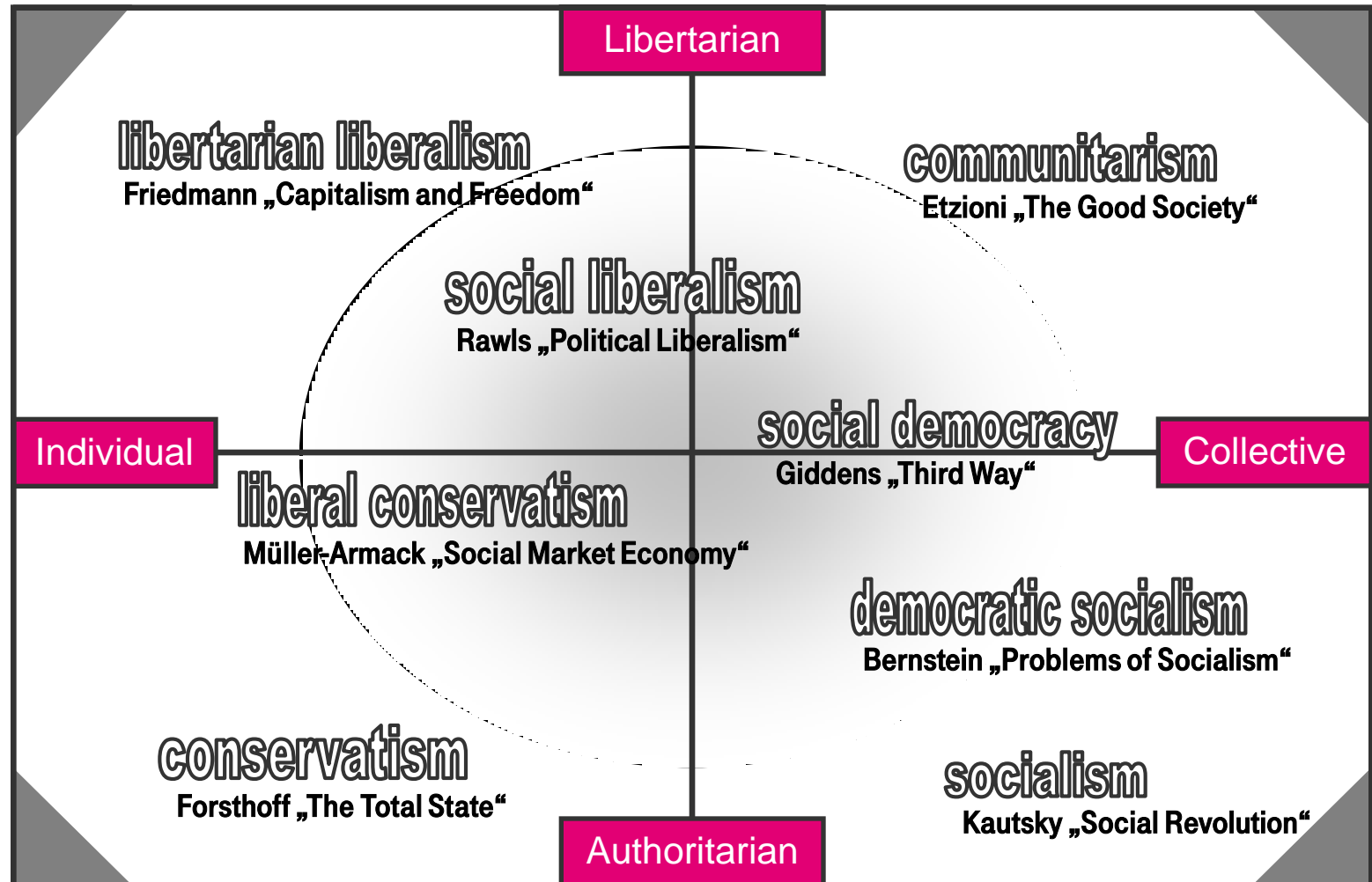


Shareholder value approach by
Milton Friedmann (1912 – 2006)



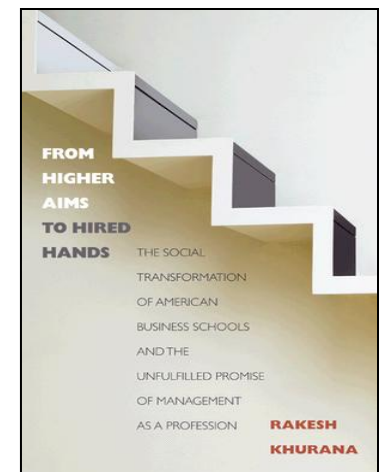
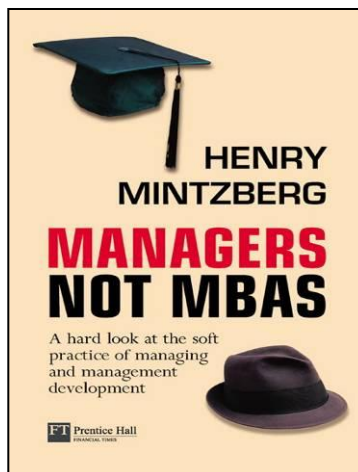
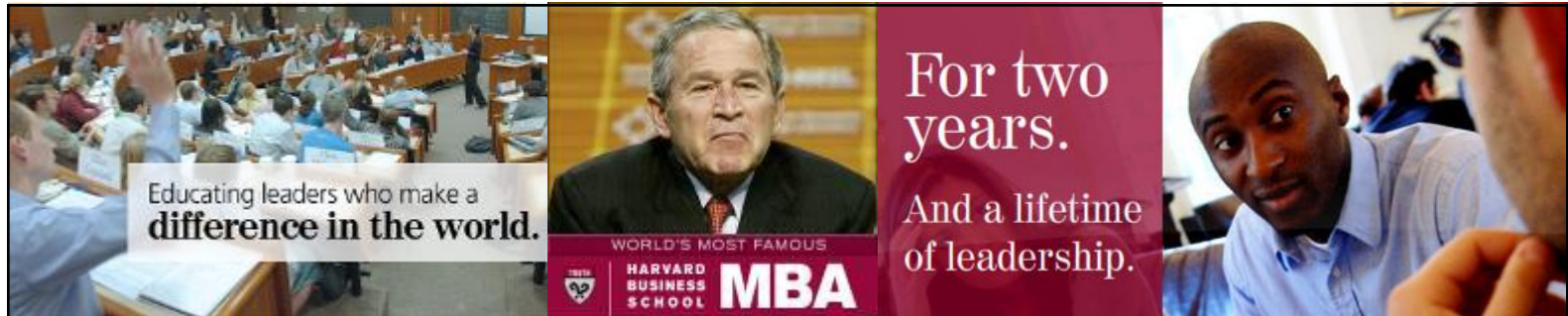
Overcoming the limitations of pure capitalist world view.

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.



Cases preserving
traditional Chinese values

Assimilation of Business Cases



Neglecting Chinese
culture



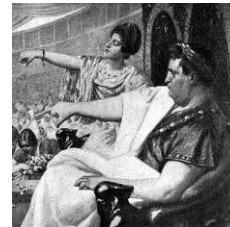
Multi- Angle
Perspective



Leader as
Consensus
Builder



Open
Debate



Remorseless
Decisions



Leader as
Master
Strategist



CEO centered
top-down



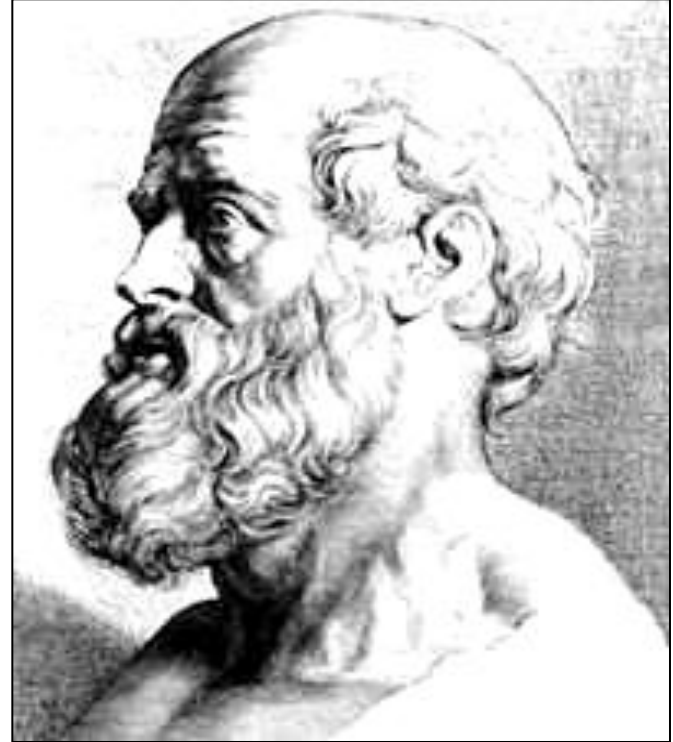
Source: „Erroneous Learning from the West? A narrative Analysis of Chinese MBA Cases Published in 1992, 1999 and 2003“, Prof. Neng Liang & Shu Lin, MIR, Gabler Verlag (2008)

Developing Management into a Profession.

Today, every Charlatan is allowed to call himself „manager“.



The Charlatan



The Professional



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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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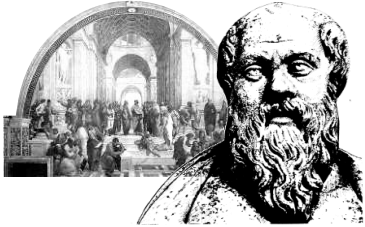
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At all Times Education was based on Moral Frameworks.



Philosopher`s School:
Aristotelian Virtues



16th century University:
Protestantism

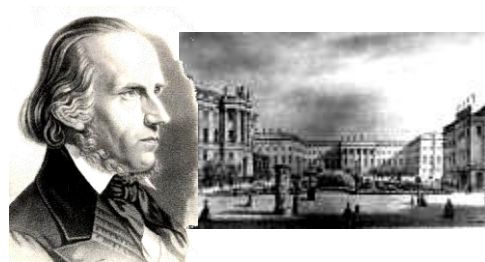
Business Schools



Medieval Convent School:
Cardinal Virtues



Humboldtian University:
Humanism



Corporate
Universities



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