An inspiring conversation with Peter Drucker

"It would be possible to describe everything scientifically, but it would make no sense; it would be without meaning, as if you described a Beethoven symphony as a variation of wave pressure."

A. Einstein

Trinidad, Cuba. The hottest summer on record. The head serves as a boiling pot for the brain. I'm spending my wanted solitary days in this wonderful island in company of an imaginary friend or, as they call it nowadays, Augmented Reality Friend, Peter Drucker. Being in such an *Internet-less* place helps me to be alone with my thoughts and to trigger observations. People seem to be happy here. Kids are joyfully playing in the streets and all the island is charmed with music and colors. I almost forgot that I'm in a very remote area and I already got used to not having technology accompanying me through the day, with a little exception. There are only two things on my table: a glass of a famous Cuban drink and a smartphone. The only reason why the latter is there is because I decided to install an experimental app that virtually personifies my friend Peter. What it promises to do is sustaining interactive conversations as you would be talking to the real Peter Drucker. It is the first time I open the app and I'm looking forward to exploring it with you. Besides the initial excitement, I feel obliged to ask him some questions.

"Hello Peter! How are you?"

"Hallo!"

Ouch! I guess I forgot to setup the app in English! Let's try again.

"Hello Peter! How are you?"

"Hello! I'm Peter Drucker and I'm doing virtually fantastic!"

"Great to hear that," I say. "Tell me more about yourself."

"Sure thing! My name is Peter Ferdinand and my friends call me Pete. I was born in 1909 in Kaasgraben, near Vienna. People also refer to me as the *founder of modern*

management[1], although I now feel they should elaborate more on the word "modern", given the fast pace at which our times are running!"

"Fascinating," I say. "And what about the program? How did you end up being inside my phone?!?"

"Many people ask me that question! The virtual assistant program started in the early 2000s, when Peter was still alive. The main purpose was to ingest his knowledge, thoughts and conscience into a system, in order to keep him alive. Forever."

"Was the program successful?" I ask.

"Partially. And that's why this is an experimental version. Technology wasn't really ready to sustain all the ambitious aspects of the project and things became difficult when Peter passed away in 2005, at the age of 95. Despite major technological challenges, the system could capture Peter's personality traits and characteristics, while the knowledge-corpus was easier to load, thanks to all his publications."

"Isn't it captivating?" I comment. "I find interesting you refer to him in third person, as you would be two separate people. Why is that?"

"Good question. It was a choice of the creators, to respect and differentiate Peter's real-life facts from a virtually-trained system. And that really makes sense!" He says. "Now, as I'm your virtual assistant, I would like to learn something about you. I can feel from your voice tone that you are relaxed but not as much as you should be in this wonderful place. Given the ambience-insights I just extracted, everyone around you is, but you. What's the matter?" He adds.

This is when I start to realize how advanced this system is! After some time thinking about the possible answer to his question, I decide to give a spontaneous try.

"Sure, Pete." I say. "The first thing is that I find a bit odd being with a virtual assistant in such a remote place. It's quite conflicting!"

"Nowadays technology can be anywhere and nowhere." He comments.

"I agree, but that's not the point." I say. "I come from a very remote area of Southern Italy. The first computer has been introduced to my family when I was 16 and experienced internet at the age of 18 at home, for the first time. I was truly intrigued. Over ten years later, I find myself as a young leader in Artificial Intelligence working for a large .com covering the Central and Eastern Europe region. In the same way this role would be

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[1] https://www.forbes.com/consent/?toURL=https://www.forbes.com/sites/stevedenning/2014/07/29/the-best-of-peter-drucker/

unthinkable for me a decade ago, I express my concerns in being so absolute with approaches and methodologies nowadays. Pete, I mean, you see how things are dynamically changing and how many opportunities are being created every day, also thanks to technology. It just doesn't seem all black and white anymore."

I just realized how open I became by asking questions, as I know there's no real human on the other side. Pete surprises me with a fundamental question.

"I hear you. Let me ask you a question." His voice tone changes. "Why are you here?"

"You know, after some very challenging times I've been going through recently, I thought travelling would help me discovering places that I've never visited and people I've never met. But, I found out that what it does is to enable you to discover places inside yourself where you've never been. Maybe AI can help us understanding who we were before they would teach us who to be?"

"Fair point." Pete adds. "I would not worry about that too much. But what do you refer to when you say AI?"

"You're right Pete! I should have specified it: Artificial Intelligence. Or maybe, Augmented Intelligence. Yes! I think the latter would be the right term to define what we are experiencing right now. At the end, that's what technology should do: *augmenting*, while enhancing, human life. And I believe that links to your human-centered management approach."

"Interesting." Pete comments. "The topic has different angles from which it can be approached. Firstly, you seem to have the traits of a knowledge worker, as you like asking challenging questions about how you work, what contributions you are interested to make, where you belong..."

"...and I like to take responsibility for relationships with other people!" I add. "I find funny sharing that with you as, in your human-centered approach, the first step to enable it is to accept that other people behave like human beings. And I'm talking to a virtual assistant!"

"Don't be surprised, times have changed." Pete says. "You could see it yourself how more open you became just because you were talking to a virtual assistant."

"On my way here, I had the opportunity to read one of your articles[2]: *Will the corporation survive? Yes, but not as we know it.* Although it has been written some time ago, I found it fresh and inspiring. Especially for the way you introduced the social legitimacy for the

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[2] https://www.economist.com/special-report/2001/11/01/will-the-corporation-survive

large companies. I agree, it is a challenge! I am here on my way back from a two-months volunteering assignment my company sent me to, in Latin America. I could see how the social aspect is progressively playing a primary role in the company and how it's shaping its vision, mission and values. I sense corporations are trying to build their organization's unique personality.

You know, Pete, with your 39 books you thought me that the two crucial things for a business to achieve are marketing and innovation. Is that still true with AI into the game?"

"I still believe that. They are the drivers of any successful business." Pete replies. "The main difference now is the exponential technological progress, which has made many breakthroughs possible, in recent years. With this new framework, unprecedented skillsets are being utilized. For example, when I was a teenager, wearing glasses was already an introduction of technology – rudimental, I must admit, in our lives; but the point was that it served as an interface to the world. And that opened new horizons to people. I may agree with you when you talk about *augmented* versus *artificial*. That's what technology should enable us to do, or, better, to be: making the very most of ourselves as human beings."

"Yes, I agree." I reply. "But how to do that? We've had several bad examples in the history, and you also warned humanity about the potential perils of technology. To be more specific, I often think how much we rely on technology, without considering its side-effects: pilots relying on autopilots, drivers relying on self-driving cars or even easy calculations being performed on calculator apps in our smartphone. I agree technological advances – by definition, introduce more complexity into the paradigm, but how to find a direction?"

"The *hands-off* time is important," Peter says "as it enables more scenarios to happen. Your *reliance* question is crucial: it's all about us, how much we are willing to rely on automated marketing reports, for instance. It's possible that at a certain point, metrics become outdated and mission-critical tasks are wrongly executed by specialized personnel without the adequate business knowledge or understanding... That's why I advise, in a human-centered management approach, the hiring of advisors and managers who can lead business change. That helps keeping your feet on the ground."

"Indeed." I say. "AI's big potential can be unlocked by extending human capabilities instead of necessarily replacing them by a system."

"Exactly." Pete replies. "AI and individuals can fully exploit the potential of technology when they can trust each other and work together. Probably, in the same way we are

interacting now. AI can help us as individuals and professionals to make the best out of ourselves. The secret is to constantly propose the H-factor in any context."

"What do you mean with H-factor, Pete?"

"I knew you'd ask that." Peter replies. "I refer to the *H-factor* as the human factor, fundamental to any great transformation. I know I'm all virtual, but if you exclude humans from the equation, it is a total failure from both sides, with tragic implications for society. Now, more than ever, society needs human-face interactions. Technology has brought us far, and the results are clear[3]: most people still prefer human interactions, especially in customer service!"

"That makes sense, Pete! At the end, humans excel at compassion, intuition, value judgements, common sense, design and so on, while machines are great at deep learning, discovery, fact checking, large-scale math, among others." I say.

"Exactly! So, let the machines do the work of machines, and humans the work of humans." Pete highlights.

All these conversations with Pete are triggering even more thoughts and questions in me. I thought I was an expert in AI and that I almost knew everything the field would offer. But, I somehow took humans out of the equation at a certain point. Too much focus on technology rather than on the users of that technology. No doubt, AI is powerful and may get us far, but let's think about keeping individuals in the center of this transformation as both, benefiters and creators. At this point, I'm not even concerned about the technological singularity, in which a hypothetical *artificial superintelligence* may drastically transform humanity and civilization to serve its needs. What I fear is the journey that may get us there. As Julia Kirby highlighted during the 2017 Peter Drucker Challenge: "*Technological breakthroughs tend to get disproportionate credit for progress. Social and regulatory innovation possibly play an even bigger role*." With that, I believe it is our tendency to let things happen through technology, while we often overlook the key role people play in that.

I am convinced we should embrace a full AI journey only if humans are users and benefiters of its outcomes. For instance, systems capable of enhancing the user experience with less efforts, or providing the elements of an organization with state-of-the-art solutions to enhance the customer experience. Nevertheless, this has a lot to do with culture and prejudice. I see this happening often in the discussion with clients and people around me: they tend to think it is *man versus machine* challenge. People tend to

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[3] https://www.destinationcrm.com/Articles/ReadArticle.aspx?ArticleID=110834

think it's either us *or* them, totally excluding the possibility to have us *and* them cooperating in the game. These beliefs are probably accentuated by the countless movies that depict monster machines destroying humanity. Surely, it may be a potential scenario only if we, humans, are willing to let it happen. The point is that people tend to perceive AI as an individual smart machine (something like the Mr. Data character from Star Trek), somehow confusing AI with machine intelligence, in a sort of human-giving-commands to the machine and getting the desired outcome. Things seem to be quite different when we introduce Augmented Intelligence, a portion of AI: its final goal should be to combine Human Intelligence with Machine Intelligence, enabling man and machine cooperation (something like Iron Man and Jarvis). In this way we can *maintain* the human face of society in the context of AI: increasing human intelligence by *using* it, rather than *diminishing* it.

Based on these thoughts, I wonder what will be future leadership, culture and organizational culture required to face environments governed by AI. Have we thought about the enablers of a business in an AI landscape? AI will give us tools. Around those tools, organizations will have to shape their roles, leadership, management and, consequentially, their culture. A transformation that will not happen overnight, although we expect technology to be always faster, cheaper and better. Maybe I can elaborate more on that by asking Pete these questions.

"We are experiencing a real revolution, comparable in magnitude to what happened during the past industrial revolutions" says Pete. "One of my attributed quotes[4] is: *few companies that installed computers to reduce the employment of clerks have realized their expectations...They now need more, and more expensive clerks even though they call them 'operators' or 'programmers'.* "

"Yes, but, at the same time, the adoption of computers enabled new roles to be created!" I say. "And this is probably the expectation of adopting AI: making redundant those jobs that can be automated, by upskilling the employees (i.e. knowledge-workers), who were once performing those jobs, to a new, upper skillset. At the end, it is about capitalizing on those skills that are purely human and are related to thinking, rather than mechanically performing tasks. I learnt from you that it is useless to bring efficiency to something that should not be done at all."

"Exactly!" says Pete. "On the one hand, this shift will enable businesses to reinvent their customer experience with innovative services. On the other hand, it will create a new class of management which will be seamlessly connected to their client ecosystem. It's enough

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[4] "A Spoonful of Sugar: 1,001 Quotations for the Pharmacist and Pharmaceutical Scientist." - Raymond Rowe, Joseph Chamberlain CRC Press, 2007

to think about the potential advent of AI in Human Resources[5]: assisting to shortlist and recruit top candidates, as well as tracking their performance, afterwards; AI for retention could capture employee behavior and satisfaction, advise dedicated trainings and even monitor employee appraisal."

"These are very fascinating thoughts, Pete." I say. "You mentioned the tools, but where are they coming from? And how to feed them?"

"The tools are coming from AI. But nowadays, we cannot speak only about a singular AI. Looking back at Kubrick's *2001: A Space Odyssey*, the Supercomputer called HAL9000 substituted human intervention even in its deepest functions. We obviously cannot achieve that level, yet. Having only one AI system wouldn't be realistic. That's why we should talk about multiple AI domains. Each of the domains refers to a specific capacity of AI, ranging from cognitive sciences applications, robotic applications to natural interface applications.

We can feed all these AI tools with *Data*, which is the new natural resource[6]." Pete continues. "Embracing an adequate data strategy will be a key enabler for many businesses and organizations. How? In a digital world, *data* is placed at the base of the chain. *Information* is what we can extract from data to generate insights, according to a set of requirements. Once this level is achieved, we build *knowledge* based on information. After that, we reach the *wisdom* level, which can only be achieved with technology, AI in this case. This is the critical step: reaching the wisdom level through a technology shift to support decision making. And we know well how *making good decisions is a crucial skill at every level!* The evolution of a knowledge-worker with human-centered approach! And that's probably a way how to stay human in a *robot* society"

"Fascinating, Pete! Do you think organizations will take a proactive approach to supervise data and AI, by providing the necessary controls?"

"Well, I always say...*the best way to predict the future is to create it!*" Pete smiles. "Jokes apart, institutions are taking serious responsibility on data and governance. Initiatives like GDPR[7] are a great example. They enabled the creation of new roles and businesses to deal specifically with data regulation. On the AI side, there are significant efforts[8] in bringing clarity into the landscape: especially in that opaque area between ethics and the environment in which these systems operate. I believe the new roles shall aim at

[5] https://medium.com/@vratulmittal/hrtech-top-10-ways-artificial-intelligence-will-support-hr-value-chain-6901f8c23a2e
[6] https://www.forbes.com/sites/ibm/2014/06/30/why-big-data-is-the-new-natural-resource/#761e249e6628
[7] https://www.eugdpr.org/
[8] https://diginomica.com/2018/03/12/eu-debate-artificial-intelligence-regulation-legal-issues/

supervising the full landscape of both, AI systems and data flowing throughout them, as well as the output they generate."

"I agree! I can envision the management ecosystem being disrupted by the advent of AI, although I believe, thanks to the H-factor, organizations shouldn't rely only on AI to drive growth. AI should be an enabler for humanity to create a better society: business leaders should embrace the responsibility of considering their influence of AI adoption on all society layers, not only on their core part.
After all, its scope is to generate and to maintain a working society. Genuinely, the major questions on technology aren't technical but human questions! Now I think I see the linkage between your human-centered approach and society in the AI era!
Danke, Pete!"