



Farewell, Peter Drucker: A Tribute to an Intellectual Giant

Published : November 30, 2005 in [Knowledge@Wharton](#)

Back in 1942, when Peter F. Drucker was a professor of politics and philosophy at Bennington College in Vermont, a book he had written, *The Future of Industrial Man*, caught the attention of some people at General Motors. They invited Drucker to study GM and Drucker agreed -- ignoring the warnings of those who said the project might derail his academic career. As Drucker said later, it was as though he had single-handedly begun an expedition to map "the dark continent of management." That exploration, which gave birth to the field of management, came to an end on November 11 when Drucker passed away at age 95.

"With the passing of Peter Drucker, the world has lost one of its intellectual giants," says [Yoram \(Jerry\) Wind](#), director of the SEI Center for Advanced Studies in Management at Wharton. "Wharton and I have lost a friend, as has the field of enlightened and responsible management of both for-profit and non-profit organizations. Yet Peter's legacy and impact as a role model will last."

To honor Drucker's legacy and celebrate the ongoing relevance of his ideas and insights, Knowledge@Wharton asked several Wharton professors to sum up Drucker's most important contributions to management knowledge. Their answers are grounded in Drucker's writings on management and marketing. In [Lasting Leadership: What You Can Learn from the 25 Most Influential Business People of Our Times](#), a book published last year, Knowledge@Wharton and Nightly Business Report named Drucker one of the 25 most influential business leaders of the past 25 years, though had the time span been 50 years he would still easily have made the list.

"There is no single contribution that I associate with Drucker that clearly stands above the corpus of his work," says [John Kimberly](#), a professor of management. "To me, what is remarkable about his contributions is that they are numerous, always articulated in a simple and accessible way, and always insightful. Drucker's writing spanned well over half a century, a period during which technologies, markets and organizations changed dramatically, yet his insights were always fresh and pertinent, the product of keen observation and a fine mind. Drucker had the ability to cut through what seemed to many to be highly complex organizational and managerial issues and identify the basics. His insights were frequently simple, but never simplistic. He will be remembered as a true giant in the field of management."

Renaissance Person

According to Wind, many of the recent tributes to Drucker have focused on his 30 books, which have been translated into 50 languages and sold millions of copies. "Let me focus on some of the less known facts about Peter Drucker and why I consider him to be the best role model for all of us." For one thing, says Wind, Drucker was "a true renaissance person. In addition to his well-known books and writings on management (15 books, eight series of educational movies, 10 online courses and numerous articles) and society, economy and politics (13 books and numerous articles), Peter wrote in 1979 a book on Japanese painting, and two novels (*The Last of All Possible Worlds*, 1982, and *The Temptation to Do Good*, 1984). He had enormous intellectual curiosity and social consciousness that guided much of his interests and activities."



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In addition, Wind adds, Drucker was a "truly interdisciplinary scholar. In his writing he bridged management as well as social and behavioral science, clearly demonstrating that no management problem can be addressed effectively from the narrow confines of a single discipline." Moreover, Drucker was a "true integrator of theory and practice. Throughout his life, he engaged in consulting to top managements of numerous companies, large and small, as well as pro-bono consulting to numerous non-profit organizations such as the Red Cross, universities, hospitals, community service organizations and government agencies."

Drucker combined his broad sweep of intellectual interests with a genius for communication. "His sense of humor, humility and respect for his audiences helped endear him to people all over the world, whether it was speaking to someone one-on-one or to a crowd of thousands," notes Wind. Moreover, Drucker was indefatigable. "He was highly productive and active. Even after retiring from active teaching in the last few years, and in spite of his hearing problems, he continued to write and interact with others." Wind adds that despite all the acclaim that came his way over the years, Drucker retained his humility, living in "a modest home and always being humble, kind and friendly. He was a real 'mensch.'"

Innovation, Organization and Knowledge Workers

[Ian C. Macmillan](#), a management professor and director of the Sol C. Snider Entrepreneurial Research Center, says that for him, Drucker's most significant contribution is to the literature on innovation and entrepreneurship. He "wrote the most concise yet comprehensive piece of work on innovation and entrepreneurship ever written," Macmillan says. "Captured in less than 10 pages in a *Harvard Business Review* article, his insights guide my thinking in all the work that I do. The article was 'The Discipline of Innovation,' published at the end of 1998."

Drucker's work on the organization of business corporations was equally path-breaking, points out [Mauro F. Guillen](#), a management professor. "Drucker was the first to show, back in the 1940s, how incredibly complex modern corporations had become and what would be the best ways to organize them so that they could function successfully. He became the most incisive and illuminating writer on the large industrial corporation. From my perspective, his most memorable line is in his 1954 book, *The Practice of Management*: "A poor organization structure makes good performance impossible, no matter how good the individual managers may be."

Management professor [Marshall W. Meyer](#) agrees that Drucker's work on the organization of the firm is critical: "Drucker will be most remembered for coining the term 'knowledge worker,'" he says. "However, his most important contribution was his organic view of the firm, which is sharply at odds with today's view of the firm as a nexus of impersonal contracts. In his first book, *The Concept of the Corporation*, Drucker pressed, unsuccessfully, for self-governing plant communities. He railed against excessive professionalization and isolation of managers from society and often compared managers to conductors and firms to orchestras."

[John Paul MacDuffie](#), a management professor, shares Meyer's view that Drucker's "early identification of the trend towards 'knowledge workers' was incredibly prescient." He adds: "Drucker's subsequent exploration of what that means for organizations provided a continuing stream of insights. Even in his earliest writing, in the book about General Motors, he was an advocate for managers relying on the expertise of their employees and granting them more autonomy at work."

Drucker was the first management thinker to give knowledge workers "ownership of their output," says [Ravi Aron](#), a professor of operations and information management. Paradoxically, that also aroused in him "deep misgivings over the phenomenon of outsourcing of knowledge-based work. Drucker felt that companies did not know who their experts were, and that made him skeptical of so-called knowledge management initiatives. He was concerned about what insights companies might lose when knowledge-based work is outsourced. When you take such work out of your company and outsource it

elsewhere, it's not like sourcing the production of ball-bearings from China," Aron says. "It made him very skeptical about outsourcing. I disagree with Drucker's slant -- but it is the only rigorous objection to outsourcing that I have heard."

Master of Marketing

Wide-ranging as Drucker's contributions were to the field of management, his writings about marketing are as important, say Wharton professors. [Stephen J. Hoch](#), chairperson of the marketing department, describes Drucker as "the Warren Buffett of management gurus. His analysis of management and marketing issues always was pithy and to the point. No pandering to buzzwords and fads, but a constancy of message, with straightforward reasoning and clearly articulated ideas. The following statement attributed to Drucker is today still the essence of marketing: 'The aim of marketing is to make selling superfluous. (It) ... is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy.'"

Marketing professor [David J. Reibstein](#) says one of the most memorable days of his life was "the day I spent with Drucker in his home nearly seven years ago. A man of such enormous impact on business and society was a very modest man, surrounded in a humble yet very comfortable home in Claremont, Calif. He had such tremendous insight into every facet of business and its role in society. Drucker considered a business's most valuable asset to be its people. Generally, he is considered the father of management, but I also consider him the father of marketing. He said the role of business is to create a customer. He always emphasized focusing on customers and understanding what they valued. I assume many fields want to claim him as their 'father.' While he contributed to the literature for more than 65 years, his thoughts are way ahead of *our* time."

Drucker and Wharton

During the past few days, some writers have used the fact that Drucker did not hold a tenured faculty position at a leading business school to slam business schools and minimize the relevance of business education. The reality, however, is that Drucker had a close relationship with academia and with Wharton, and in fact helped guide some of the school's initiatives. "We at Wharton were fortunate to have in Peter a close and caring friend," says Wind. "In the late 1980s, he encouraged us to launch the SEI Center for Advanced Studies in Management and was our first speaker. At about the same time, he kicked off the discussion of Wharton's Management 2000 project, which led to the creation of the new MBA curriculum in the early 1990s. Peter endorsed our new MBA curriculum and helped publicize it. In 1993 he gave the SEI Distinguished lecture on '[The New Organization](#).' Recently, when we launched [Wharton School Publishing](#), he gave us the first endorsement and encouraged us to undertake this venture. We will miss him at Wharton and I will miss him as a friend."

On the last day of his core MBA course on "Managing People at Work," MacDuffie uses a quote from Drucker about the importance of the manager's role. It says, "I would hope that American managers -- indeed managers worldwide -- continue to appreciate what I have been saying since day one: Management is so much more than exercising rank and privilege, it's so much more than 'making deals.' Management affects people and their lives, both in business and many other aspects as well. The practice of management deserves our utmost attention; it deserves to be studied."

Drucker studied management -- in fact, he discovered it and taught how it can make a difference to society. In doing so, he has left our world the richer for the knowledge he created and shared. Thank you, Peter Drucker.

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