

Celebrated management visionary Peter Drucker dies at 95

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Peter Drucker, who was regarded as the greatest management visionary of the modern age and coined such terms as "management by objective" and "knowledge workers," died on Friday at the age of 95.

The Austrian-born journalist and intellectual taught, wrote and advised companies on management techniques for seven decades, completing his 35th book at age 94. Drucker was renowned for his clear thinking and analysis, rather than any single theory or research.



Dr. Peter Drucker - "His writings are landmarks for the managerial profession." Harvard Business Review

Drucker pioneered the idea of privatization and the company as a social institution. In his seminal study of General Motors in 1945, he introduced the concept of decentralization as a principle of organization, in contrast to the practice of command and control in business.

"There is only one valid definition of business purpose: to create a customer," he said 45 years ago. Central to his philosophy was the belief that highly skilled people are an organization's most valuable resource and that a manager's job is to prepare and free people to perform. Good management can bring economic progress and social harmony, he said, adding that "although I believe in the free market, I have serious reservations about capitalism."

"He makes you think," Jack Welch, then-chairman of General Electric Co., told Forbes magazine in 1997, while Intel co-founder Andrew Grove said in the same issue, "Drucker is a hero of mine. He writes and thinks with exquisite clarity -- a standout among a bunch of muddled fad mongers."



President George W. Bush presents the Medal of Freedom to Dr. Peter Drucker in the East Room at the White House, July 9, 2002. (White House photo by Paul Morse.)

The most effective US president, Drucker told Forbes magazine last year, was Harry Truman, because "everybody who worked for him worshiped him because he was absolutely trustworthy." Ronald Reagan took second place: "His great strength was not charisma, as is commonly thought, but his awareness and acceptance of exactly what he could do and what he could not do."

In the 1950's Drucker forecast the importance of computers, and in the 1960s, he foresaw Japan's rise as an industrial power. In 1997, he remarked about an expected backlash to executive pay, saying, "In the next economic downturn there will be an outbreak of bitterness and contempt for the super-corporate chieftains who pay themselves millions."

Peter Ferdinand Drucker was born Nov. 19, 1909 in Vienna. He worked as a financial reporter in Frankfurt, Germany, while he worked for a doctoral degree in public and international law. In 1932, Drucker published an essay on a leading conservative philosopher that offended the Nazis; his pamphlet was banned and burned. Drucker moved to London, where he worked for

a merchant bank and in 1937, he emigrated to the United States and began working as a correspondent for several British newspapers.

In 1939, his first published book, "The End of Economic Man: The Origins of Totalitarianism" was favourably reviewed by Winston Churchill, and it was made required reading for every new British officer.

Claremont Graduate University, California where Dr. Drucker taught until 2003, wrote the following:

Peter F. Drucker, the world's foremost pioneer of management theory, died this morning. He was 95.

Drucker was the Marie Rankin Clarke Professor of Social Sciences and Management at Claremont Graduate University (CGU) from 1971 to 2003 where he continued to write and consult up to the time of his death.

Drucker's career as a writer, consultant and teacher spanned nearly 75 years. His groundbreaking work turned modern management theory into a serious discipline. He influenced or created nearly every facet of its application, including decentralization, privatization, empowerment, and understanding of "the knowledge worker."

"What distinguishes Peter Drucker from many other thought leaders in my mind is that he cared not just about how business manages its resources, but also how public and private organizations operate morally and ethically within society," said Cornelis de Kluyver, dean of the Peter F. Drucker and Masatoshi Ito Graduate School of Management at Claremont Graduate University. "He respected the values of education, personal responsibility, and business' accountability to society. His true legacy is his insistence on this value system, and its effect on business, society, and individual lives."

Born November 19, 1909, in Vienna, Drucker was educated in Austria and England and earned a doctorate from Frankfurt University in 1931. He became a financial reporter for Frankfurter

General Anzeiger in Frankfurt, Germany, in 1929, which allowed him to immerse himself in the study of international law, history and finance.

Drucker moved to London in 1933 to escape Hitler's Germany and took a job as a securities analyst for an insurance firm. Four years later he married Doris Schmitz and the couple departed for the United States.

In 1939, Drucker landed a part-time teaching position at Sarah Lawrence College in New York. He joined the faculty of Bennington College in Vermont in 1942 and the next year put his academic career on hold to spend two years studying the management structure of General Motors. This experience led to his book "Concept of the Corporation," an immediate bestseller in the United States and Japan, which validated the notion that great companies could stand among humankind's noblest inventions.

From 1950 to 1971, Drucker was a professor of management at the Graduate Business School of New York University. He was awarded the Presidential Citation, the university's highest honor.

Drucker came to California in 1971, where he was instrumental in the development of the country's first executive MBA program for working professionals at Claremont Graduate University (then known as Claremont Graduate School). The university's management school was named the Peter F. Drucker Graduate School of Management in his honor in 1987. He taught his last class at the school in the spring of 2002. His courses consistently attracted the largest number of students of any class offered by the university.

Drucker had long wished to have the name of a benefactor attached to the school that bore his name. His wish was fulfilled in January of 2004, when the name of his friend, Japanese businessman Masatoshi Ito, was added to the school. It is now known as the Peter F. Drucker and Masatoshi Ito Graduate School of Management.

The school adheres to Drucker's philosophy that management is a liberal art—one that takes into account not only economics, but also history, social theory, law, and the sciences. As Drucker said, "it deals with people, their values, their growth and development, social structure, the community and even with spiritual concerns . . . the nature of humankind, good and evil."

Drucker's work had a major influence on modern organizations and their management over the past 60 years. Valued for keen insight and the ability to convey his ideas in popular language, Drucker often set the agenda in management thinking. Central to his philosophy is the view that people are an organization's most valuable resource, and that a manager's job is to prepare and free people to perform.

Drucker's ideas have been disseminated in his 39 books, which have been translated into more than 30 languages. His works range from 1939's "The End of the Economic Man" to "Managing in the Next Society" and "A Functioning Society," both published in 2002, and "The Daily Drucker," released in 2004. His last book coauthored with Joseph A. Maciariello, "The Effective Executive In Action" will be published by Harper Collins in January of 2006.

Drucker created eight series of educational movies based on his management books and 10 online courses on management and business strategy. He was a frequent contributor to magazines and a columnist for the Wall Street Journal from 1975 to 1995.

A highly sought-after consultant, Drucker specialized in strategy and policy for both businesses and not-for-profit organizations. He worked with many of the world's largest corporations, with small and entrepreneurial companies, with nonprofits and with agencies of the United States government, as well as the governments of Canada and Japan.

In recent years, Drucker focused much of his time on working with nonprofit organizations, often pro bono. The Salvation Army, C.A.R.E., the American Red Cross, the Navajo Indian Tribal Council, the American Heart Association,

and his local Episcopal church in La Verne, California, all benefited from his counsel.

Drucker was awarded the Presidential Medal of Freedom in July 2002 by President George W. Bush in recognition for his work in the field of management. He received honorary doctorates from universities in the United States, Belgium, Czechoslovakia, Great Britain, Japan, Spain and Switzerland.

Drucker and his wife, Doris, have four children, and six grandchildren.