

## (12) What it means to be a manager & what is management?

- o What it means to be a manager
  - s When I (Peter Drucker) first began to study management, during and immediately after World War II,
    - ï A manager was defined as “someone who is responsible for the work of subordinates.”
    - ï A manager in other words was a “boss,” and management was rank and power.
    - ï This is probably still the definition a good many people have in mind when they speak of “managers” and “management.”
  - s But by the early 1950s
    - ï the definition of a manager had already changed to
    - ï one who “is responsible for the performance of people.”
  - s Today, we know that that is also too narrow a definition
    - ï The right definition of a manager is one who “is **responsible for the application and performance of knowledge.**”
- o All managers do the same things whatever the business of their organization.
  - s Bring people—each of them possessing a different knowledge—together for joint performance.
  - s Make human strengths productive in performance and human weaknesses irrelevant.
  - s Think through what are “results” in the organization—and have then to define objectives.
  - s Think through what I call the “theory of the business,” that is, the assumptions on which the organization bases its performance and actions, and equally, the assumptions which organizations make to decide what things not to do.
  - s Require an organ that thinks through strategies, that is, the means through which the goals of the organization become performance.
  - s Define the values of the organization, its system of rewards and punishments, and with its spirit and its culture.
    - s Managers need both
      - ï the knowledge of management as work and discipline, and
      - ï the knowledge and understanding of the organization itself, its purposes, its values, its environment and markets, its core competencies.
- o Its evolution & history teach that it is a few, essential principles
  - s Joint human performance
    - ï Management’s task
      - H Make people capable of joint performance
      - r Strengths effective
      - r Weaknesses irrelevant
    - ï This is what organization is all about
  - s Management is embedded in culture
    - ï In developing countries, the manager’s basic challenge
      - H Find and identify building blocks that can be used in how they manage
      - r Tradition
      - r History
      - r Culture
  - s Direction
    - ï Commitment to ...
      - H Common goals
      - r Clear
      - r Public
      - r Often reaffirmed
    - H Shared values
    - ï Without commitment there is no enterprise, there is only a mob
    - ï Objectives
      - H Simple
      - H Clear
      - H Unifying
    - ï Mission — big enough & clear enough to provide common vision
    - ï Management’s job ... those objectives, values, goals
      - H Think through
      - H Set
      - H Exemplify
  - s Growth and development
    - ï As needs and opportunities change
    - ï The enterprise ...
      - H Learning and teaching institution
      - H Training and development
      - r Built into all levels
      - r Each of its members
      - r Never stops

## PD's View of Developmental Directions

- s Communication and individual responsibility
  - ï Enterprise is composed of people of...
    - H Different skills
    - H Different knowledge
    - H Doing many different kinds of work
  - ï All members need to think through what they ...
    - H Aim to accomplish
      - r Make sure associates
        - 4 Know
        - 4 Understand
    - H Owe to others
      - r Make sure associates
        - 4 Understand
        - 4 Approve
    - H Need from others
      - r Make sure associates
        - 4 Know what is expected of them
- s Performance
  - ï Neither quantity of output nor "bottom line" is by itself an adequate measure of management and enterprise
  - ï Built into ...
    - H Enterprise
    - H Its management
  - ï Measured or at least judged
    - H Diversity of measures (just like human health or performance)
    - H Areas crucial to a company's performance and survival
      - r Market standing
      - r Innovation
      - r Productivity
      - r Development of people
      - r Quality
      - r Financial results
  - ï Continuously improved
- s Outside results
  - ï The single most important thing to remember
    - H Results exist only on the outside
    - H Inside an enterprise, there are only costs.
  - ï Business
    - H Satisfied customer
  - ï Hospital
    - H Healed patient
  - ï School
    - H Student learned something
    - H Puts it to work ten years later