

BOOK REVIEW

Jeffrey A. Krames (2008). *Inside Drucker's Brain* (New York: Portfolio, The Penguin Group), pp. 278, h/b, USD 24.95, ISBN 978-1-59184-222-4.

Reviewed by Shiva Kumar Srinivasan, IIM Kozhikode

Jeffrey Krames is best known as an expert on the work of Jack Welch. Here he not only traces Welch's relationship with Peter Drucker, but provides a synoptic introduction to the latter's work. Krames makes an interesting case for Drucker as the guiding spirit behind the remarkable breakthroughs that GE made in the Welch era. Drucker however was not just an influential consultant; he was also a theorist of capitalism, and a 'social ecologist' at large. Drucker's wide-ranging influence is hard to delineate with precision, but he perceived himself to be a mere 'insultant,' i.e., as somebody who was given to telling CEOs what they should have known anyway. What sort of a brain does it take to be able to think-through problems in so many different areas of management and the social sciences? This is the question that animates the curiosity of Krames as he tries to summarize the intellectual adventures of Drucker. The terms that describe Drucker include 'polymath' and 'the Renaissance Man.' Drucker however thought of himself as a life-long student of management who was propelled by the possibilities of self-renewal under the aegis of 'intellectual omnivorousness.' Drucker's work then is not reducible to any particular area in management since he was trying to formalize its underlying principles like Mary Parker Follet, Henri Fayol, and Frederick Taylor. He however wanted to find out, in addition, if management could be converted into a discipline that can accommodate both the 'analytic' and 'synthetic' dimensions of the human mind. This book brings together not only the people who were influenced by Drucker, but also those who influenced him in his early years; it is an intellectual biography with a greater degree of focus on what was happening in Drucker's mind rather than in his life.

But what exactly was happening in Drucker's mind? What does it mean to 'invent management'? How did Drucker's pursuit of several disciplines make it possible for him to invent management? And, finally, what is the significance of Drucker's legacy following his death at the age of 94? These then are some of the questions that Krames is preoccupied with in this book, which began as an interview with Drucker at his home in California. Drucker was quite reluctant to give interviews for the better part of his career. He gave only a few interviews towards the end with potential intellectual biographers like Elizabeth Edersheim and Jeffrey Krames since he thought it was time to assess the significance of his work in management. Given his origins in distant Austria, Drucker probably felt that it was necessary to provide potential biographers with the background information necessary to situate his work more effectively. He was quite keen on working-through the influence of a few early teachers, and in spelling out the process of learning that he embarked upon to stay ahead of the 'change curve.' It is important to note that Drucker's father was a civil servant who entertained a number of distinguished visitors in their suburban home in Vienna, including luminaries such as the economist Joseph Schumpeter. Drucker was also introduced to Sigmund Freud at the age of eight and told that he had met someone even more important than the Emperor! This was an important childhood encounter that was to be formative of Drucker's world-view even though he did not, in fact, make any important connections between management and psychoanalysis in his theoretical work; since, by his own admission, he was not sufficiently 'introspective.' Though psychoanalysis may not have made much of an impact on Drucker's mind, and the relationship between management and psychoanalysis was to be thought-through only later in management theory, he seems to have understood early on that there is such a thing as the 'life of the mind.' The relationship however between the world of ideas and the material world at large was to become an important preoccupation in his conception of management theory and practice. The seeds of Drucker's education were laid in these formative encounters given that Vienna was the locus of important philosophical and scientific work in Europe until the events

leading up to the Anschluss made life impossible for those with a mind of their own. A number of Jewish intellectuals were forced to immigrate to countries beyond the jurisdiction of the Nazis and the Axis powers. This was to be the case for Drucker as well who had a number of dangerous forays with the Nazis, including an instance when he wrote in support of the political philosopher Friedrich Julius Stahl before deciding to leave Austria.

Drucker also cites his grandmother and two important teachers named Miss Elsa and Miss Sophy as important influences in his life. He went as far as identifying Miss Elsa with the 'Socratic method' and Miss Sophy with 'Zen.' What Drucker learnt from these teachers was that 'teaching and learning, of high quality and with a high level of intensity and enjoyment, are possible. These two women set standards and they gave examples.' Drucker has already written about the role of influential teachers in his life, even though not all of them might have necessarily been academics, during his stints in investment banking and journalism in Europe. Drucker's breakthrough however came when he began to teach courses on a number of areas in politics and philosophy at Bennington College in Vermont before taking full-time to management at NYU. Drucker subsequently helped to set up and also taught in a management program at Claremont Graduate School in California, where the focus was on integrating management with the liberal arts. These were also the years when Drucker embarked on a massive program of self-education which involved taking up a new area of study every two to three years as a form of intellectual self-renewal. The secret behind this strategy of learning, learning to learn, and self-renewal was the willingness to make himself vulnerable vis-à-vis emerging areas of knowledge, in which he lacked formal training, without falling prey to ego defenses that prevent learning. A surprising revelation in this book is that Drucker, despite being a frequent and prolific contributor to the Harvard Business Review, did not know much about the case method, and seems to have passed up opportunities to engage deeply with the Harvard Business School for this reason. This is rather strange given that Miss Elsa and Miss Sophy, who he cites as important influences in his teaching style, must have been teachers with a penchant for the case method given their fondness for asking questions in the manner of Socrates and the Zen masters.

Krames argues that the animating passion in Drucker's theory of management and organizations is the 'Jeffersonian ideal,' which is characterized by the notion of 'reason, individualism, liberty, and limited government.' These political ideals are specific forms of social cognition that is usually described as 'American,' but that does not limit the usefulness of Drucker's arguments. This is because of the influence of the American world-view in different parts of the world in recent times, especially in the context of liberalization and globalization, which echo some of these ideals though with important socio-cultural differences depending on the context in which they are invoked. Drucker's major pre-occupation initially was with the 'dehumanization' of the workplace that began with the work of Frederick Taylor. While Drucker no doubt understood the revolutionary impact of the assembly line in production processes, he was more worried about the fact that the assembly line had inadvertently become a prototype of organizational design per se rather than function as a mere piece of technology. It was this disappearance of the worker that was subsequently taken up by Elton Mayo and the human relations movement at Harvard in the context of the Hawthorne studies, which initially tried to relate the productivity of the worker to the average levels of luminosity in the workplace; but concluded, subsequently, that it was not luminosity as such, but the 'attention' that was lavished on the workers that affected their levels of productivity. But neither Taylor nor Mayo, argued Drucker, was able to ask 'what' should be done, since they were thinking about 'how' something should be done under the aegis of efficiency; a task-orientation was something that they took for granted in the assembly-line model of production. These theorists were trying to understand operations rather than strategy, which is not surprising since it is only in the recent aftermath of Michael Porter's work that we have stopped conflating strategy with mere 'operational efficiency.'

The underlying modalities of the task orientation however changed during World War II because interviews with the workers revealed that they had a fairly robust sense of 'what' must be done, and they were far from being 'maladjusted' subjects as originally suggested by Mayo's theory. Instead, the lacuna was found to be in the system since it did not recognize the need for a timely 'partnership imperative' in order to 'engage' effectively with the workers. This would become an increasingly important problem in knowledge-based industries, where the assembly-line model did not yield the type of results that contributed to its initial prestige in operations management. Drucker's interest in Welch's career at GE is also linked to the fact that Welch understood the need to partner the worker, which was the original impetus that led to the so-called 'Work-Out' initiatives. In these initiatives, it is the workers who teach the managers since they have a number of opportunities to think about the modalities that go into the production process. The difference between strategy and operations and the routine conflation of these categories then is based on an analytic distinction that we take for granted, but which was not routinely available in management studies. Hence, the significance of the fundamental question that Drucker was to repeat not only in his theory of management, but which also summarizes it: What business are we in? It is the refusal to ask and think through this question repeatedly that leads to not only loss of revenues in the present, but eventually to a firm's sense of identity.