

## Peter Drucker's Theories and Libraries

The smooth workings of society require all individuals to be likeminded in the sense that they agree to put in the work necessary to reap the benefits of a functional environment. To accomplish this, the businesses that have been created and cultivated over the years have changed in structure to allow for further growth, effectively giving more people more power of control within each company. Multiple managers now oversee workers across ever-growing business hours. However, regardless of how many people are available to work a specific shift, it may be a lost cause under the condition that the management system overseeing them is not a uniting force. As a public entity, libraries must work to create a streamlined process that ensures employees and patrons alike exist in a helpful atmosphere that perpetuates usage. Peter Drucker's theories have allowed the art of management to be honed in to achieve the greatest success, allowing workers, managers and customers to be rewarded with an efficient environment.

Peter Drucker was an Austrian-born immigrant to America. Born in 1909 and passing away in 2005 at the age of 95, it is clear that, during his lifetime, he was granted the spectacular perspective of seeing the way business operations changed from small, family-owned enterprises to corporations that operate big box stores located on almost every corner (Rosenfield and Addiss, 2007, 151). Through his role as a prolific author on the subject, a title gleaned from his work as a consultant and educator, the managerial roles that were expected in the 21<sup>st</sup> century were able to shift into a more humanistic realm ("Peter Drucker's Life and Legacy"). As a sign of the changing times, in which more individuals than ever moved to cities rather than rural areas, Drucker coined the term "knowledge worker" in order to represent the new population of modern workers

who no longer specialized in manual labor, but instead used their education and logic to forge a living (“Peter Drucker’s Life and Legacy”). As Stone (2006) eloquently summarizes: “to look at management through Peter’s eyes is, first and foremost, to see it as an activity: specifically, the application of thought to work.” (Stone, 2006, 127)

In an interview of Drucker, conducted by Shaker A. Zahra in 2003, the reason why he found it imperative to dedicate his career to studying and writing on management theory is explored. Drucker (2003) explains "there was practically no literature on anything regarding management - lots of literature about specific tasks, e.g., sales forecasting, but literally nothing (except Fayol and some parts of Mary Parker Follet) about the management of an organization. So I had to invent the answers myself... (10)." Finding this specific need to be important, the books written by Drucker have filled in a gap in managerial education that could allow a business to be taken to a higher level of efficiency.

As a service to the people, and communities as a whole, libraries must function smoothly. To do this, library managers must communicate effectively and work with a team that is properly educated and has undergone the proper amount of training to understand the scope of their position. With Drucker’s theories implemented, all members of the team would be knowledgeable and comfortable in their station and excel in the level of customer service that would ensure the companies’ survival and growth. Writing on the subject of Peter Drucker’s theory and its relation to libraries, Moran (2013) stated: “Peter Drucker turned his attention to the nonprofit world a few years before his 2005 death. He stressed the similarities between for-profit organizations and nonprofit organizations. He therefore urged not-for-profit organizations to focus on

mission, demonstrate accountability, and achieve results (16).” The importance of following this technique cannot be understated, as libraries depend on patron usage to continue providing information services to the community. The cycle of dependence cannot be undermined by a group of workers who are not united by a manager unaware of the basic mission of a non-profit.

Further elaborating on Drucker’s sentiments regarding the mission of non-profits, the type of entity that libraries are, Moran (2013) relays that “Drucker suggested that managers should ask themselves five essential questions: ‘What is our mission? Who is our customer? What does the customer value? What are our results? and What is our plan?’ This may be even more important for nonprofits, since they have to produce results in order to retain the confidence and trust of the entities that fund them (16).” As Drucker notes, the answers to these questions are essential not only to the success of the business but also to the management of the employees. In the case of libraries, the mission is to provide comprehensive information services to patrons from all backgrounds. As the “customers” that libraries serve are children, students ranging from elementary to the university level, elderly and minority populations, and working adults, librarians must understand the complexities of this generalized mission.

Another question that Drucker believes should be asked in terms of library management pertains to the values of customers. Overall, the values that the customers hold may change from community to community, but it is generally accepted that libraries are free spaces for reference, internet usage and access to books, dvds and other forms of educational and entertainment media. Additionally, patrons may value the seemingly limitless knowledge of the librarians that help with tasks like finding a book in

the stacks, answers general questions and even setting them on the right path to filing their taxes.

To further the manager's perception of the company or, in this case, a library, an examination of the results of these questions must also be completed. Is the mission of the library being accomplished? Are the needs of patrons being met? Are they leaving with a positive experience? If all of these results are adequate, there may yet be room to improve. If there is a gap between the mission and needs of the customer and the current reality of that library's environment, then the management must revise and work on refining the conditions through a new plan. As this course of examination is completed, the standing of the non-profit should be improved.

The art of structuring adequate management is not something that comes easily to all businesses. It takes the time for the management to understand the objectives that the company needs to pursue in order to succeed. The review of the five questions Drucker suggests that managers should ask themselves, as featured in Moran's 2013 textbook, *Library and Information Center Management*, is simply the first step in creating an environment that is almost self-sustaining and symbiotic in nature; in the end, all working parts of the system should know their place and roles in order to avoid the contamination of confusion and corruption. Drucker explains, "objectives are not given, are not obvious, are not something that everyone knows (Greenwood, 1981, 229)." To run a business of any sort, it is vital for managers to have an investment in their positions and in the company.

To elaborate further, Drucker's objectives are defined as "the process whereby the superior and subordinate managers of an organization jointly identify its common goals,

define each individual's major areas of responsibility in terms of the results expected of him, and use these measures as guides for operating the unit and assessing the contribution of its members (Greenwood, 1981, 225).” From this definition, it is clear that the absence of objectives at the managerial level would impede the productivity of the entire company. These objectives give each person a purpose that they must fulfill in order to allow the mission of the company to be achieved. For instance, a reference librarian who does not know that it is part of their job to answer the questions of patrons, and therefore refuses to respond to these queries, is failing in a major objective of their position. As a result, the values of the patron are met with dissonance against the reality they are experiencing. Since their expected values are not reflected, the results of this situation will not be good. The ignored patron does not come back, and, over time, the library may lose funding from lack of customers - effectively failing as a business.

The importance of meeting the expectations of the customer is not only a value of the business in terms of ensuring continual patronage and profit, but it is a way to uphold the social contract between individuals in a community. According to Drucker, *The Future of Industrial Man* was the first book “that saw..that the business corporation - indeed any organization- is as much a social organization, a community and a society, as it is an economic organ” and its conclusion was that “the business enterprise had become the constitutive institution of industrial society and the institution within which both principles of governance and the individual's status had to be realized (Romar, 2004, 201).” Creating a view of businesses that is not orbiting solely around the idea of profit gives managers a distance to evaluate whether their company is ethically treating their employees and patrons in a way that benefits the entire community of their business.

Drucker explains that this view is not a natural one when it involves a business entity rather than a single human individual. Romar (2004) describes this struggle by stating that “the proper and effective behavior of the hierarchical institutions is Drucker’s central concern.... the challenge for Drucker is making essentially undemocratic organizations responsive to the needs of society and its members” (Romar, 2004, 202) Management is not simply an act involving the creation of employee schedules and paychecks, quelling the complaints of an angry customer and ordering new items. Instead, it is a multifaceted position that requires the careful navigation of social aspects in addition to the duties linked to running a business.

Romar further interprets Drucker’s theory by elaborating on the need for managers to incorporate social awareness rather than solely seeking profit. He explains that, “while profit is essential to allow the corporation to make a contribution to the welfare of society through wealth creation and integration of the individual employee into the organizational community, reducing the organizational performance to economics through the slogan of “profit maximization” is wrong (Romar, 2004, 205).” Taking Drucker’s theory into account, this effectively means that “profit is not the explanation, cause, or rationale of business behavior and business decisions, but rather a test of their validity (Romar, 2004, 205).” If a manager is properly following this format and taking care of the social aspects of their business by catering to the needs of the employees, customers and community, a comfortable range of profit will validate that this process is working successfully.

Education is a major component of efficient management. Speaking on the value of a foundational education, Drucker presents a concept that can be translated into a basic

principle that a manager should follow to ensure the success of the business entity and their employees. “The habit of success is a very important habit. It is not the feeling, but the reality of success,” Drucker (1976) claims, “This means not handing out gold stars indiscriminately or promoting everybody indiscriminately. It strengthens the sense of defeat to know that you haven't done well and yet you are going to get promoted. It makes you a pre-mature cynic, and that is unnecessary (33).” In this 1976 interview, Drucker also explains that this type of education should begin during childhood. In turn, these experiences will culminate in a worker that understands that the pursuit of success is not a casual undertaking but rather “that success is accomplishment, and that it requires effort and concentration and the willingness to pay a price (Drucker, 1976, 33).”

In the case of management, the “price” that must be paid in order to achieve success is the input of effort into creating and maintaining a system that works. Whether or not the business is working for profit or if it is a non-profit entity is not relevant as Drucker established, since both types of businesses should be working towards the goal of continuing their on-goings. Stone (2006) explains Drucker’s theory on this subject by asserting that “‘performance’ and ‘results’ cannot be achieved, however, unless management executes its primary responsibility, which is to identify the results and set the performance standards that will constitute success (128).” Essentially, without the foundation of a strong and smooth system of management, businesses will be unable to perform successfully regardless of whether or not they are employing adequate workers.

In Stone’s 2006 article, “Management: Thinking about Work: Peter Drucker taught us why we need to know what the boss is up to,” the case for the necessity of Drucker’s theories is built. With most situations where employees talk about their

experience of being managed in a negative light, Stone agrees that the changes aligned with Drucker's theories must be mandated to improve conditions. Many negative situations occur when there is a lack of clear and polite communication between manager and employer, removing the possibility for fluid work to occur. Stone (2006) goes on to state: "In other words, management has to articulate the organizations goals. Goals are necessary, not so that people can be rewarded for achieving them, or penalized for falling short, but so that people will different responsibilities, skills, and sight lines have the information they need to manage their own performance successfully (128)." With communication that is clear, the responsibilities that come with each position can be fulfilled successfully.

In totality, Drucker's theory focuses on a form of ethics that is unique to businesses. As more businesses are employing "knowledge workers," individuals who are educated and do not perform hard manual labor, it is important to treat them according to their level and encourage growth to reach higher potentials. Klein (2000) explains that Drucker believes that "a moral principle grounded in the nature and purposes of an organization is necessary to give business management legitimate authority (125)." Klein (2000) later develops and concludes this point by quoting Drucker in saying: "There is only one such principle. It is the purpose of organization and, therefore, the grounds of management authority: to make human strength productive. Organization is the means through which man, as an individual and as a member of the community, finds both contribution and achievement." (125)

As a whole, Drucker's lifelong theories on management introduced a new wave of employment style that focuses on the individuals related to the business rather than the

profits that these people can bring in. Employees and customers are both deemed valuable to the business, and must be taken into consideration by the management if the business is to be validated by a profit. With libraries being non-profit businesses, this style of management is key to the continuation of funding and the expansion of customer servicing. As libraries specialize in information services, communication is key to set up the roles of each position and to communicate the expectations that all members of the team must meet. To achieve the mission of the library, management systems that support the employed community within the library are necessary as proven by the success of Drucker and his theories.

Nancy Roque

## References:

- Drucker, P. (1957). *Landmarks of Tomorrow*. New York: Harper & Row. 122.
- Drucker, P., & Ellner, C. L. (1976). A Conversation with Peter Drucker on Education: with Carolyn L. Ellner, editor. *California Journal of Teacher Education*, 3(1, Peter Drucker on Education), 18-49.
- Drucker, P., & Zahra, S. A. (2003). An Interview with Peter Drucker. *The Academy of Management Executive (1993-2005)*, 17(3), 9-12.
- Greenwood, R. G. (1981). Management by objectives: As developed by Peter Drucker, assisted by Harold Smiddy. *The Academy of Management Review*, 6(2), 225-230.
- Klein, S. (2000). Drucker as business moralist. *Journal of Business Ethics*, 28(2), 121-128.
- Moran, B., Stueart, R., & Morner, C. (2013) *Library and Information Center Management*. 8th ed. Santa Barbara, CA: Library Unlimited.
- Peter Drucker's Life and Legacy*. (n.d.) The Drucker Institute. Retrieved from <http://www.druckerinstitute.com/peter-druckers-life-and-legacy/>
- Romar, E. J. (2004). Managerial harmony: The Confucian ethics of Peter F. Drucker. *Journal of Business Ethics*, 51(2, Promoting Business Ethics), 199-210.
- Rosenfield, J., & Addiss, S. (2007). Peter Drucker (1909-2005). *Archives of Asian Art*, 57, 151-152.
- Stone, N. (2006). Management: Thinking about work: Peter Drucker taught us why we need to know what the boss is up to. *The American Scholar*, 75(2), 125-128.