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Peter Drucker, Considered Greatest Management Guru, Dies at 95

Nov. 11 (Bloomberg) -- Peter Drucker, who was considered the greatest management guru and coined such terms as "management by objective" and "knowledge workers," has died. He was 95.

Drucker died this morning, Claremont Graduate University said in a statement.

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

His wide-ranging lectures captivated audiences from Japanese executives to U.S. college students, and he was respected if not revered by top executives who sought his counsel. Accolades poured in when Forbes featured Drucker in a 1997 cover story.

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

Drucker had a good eye for things to come. In the early 1950s, he predicted the importance of computers, and in the 1960s, he foresaw Japan's rise as an industrial power. In 1997, he was prescient about a 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."

Informed by History

His analysis was always informed by history, as befit a man who was born when the Hapsburgs still had an empire and Vienna was brimming with some of the most gifted thinkers and achievers in Europe.

Drucker's curiosity, charm, voracious reading and seeming command of subjects as diverse as psychology, Asian art, musicology and British novels made him "one of the last of the encyclopaedists, contemptuous of the hyperspecialization of modern academia," as John Micklethwait and Adrian Wooldridge wrote in "The Witch Doctors," their 1996 book about management gurus.

Drucker, they said, was "determined to know everything about everything."

Early Success

Drucker came to the U.S. in 1937 as a freelance journalist. He had worked briefly in banking and held a Ph.D in international and public law from Frankfurt University. Just two years later, he won acclaim for his first book, "The End of Economic Man," which skewered fascism and was reviewed by Winston Churchill in the Times Literary Supplement in London.

A second book, "The Future of Industrial Man," explored his thesis that large corporations would provide the framework for social change. The book struck a chord at General Motors Corp., where senior executives invited Drucker to study the company's inner workings.

"Concept of the Corporation," published in 1946, became one of his most celebrated works and cast the die for his career as a management consultant and lecturer.

Drucker, who became a naturalized U.S. citizen in 1943, taught at Sarah Lawrence College, Bennington College and New York University before joining the faculty of the Claremont Graduate School in California in 1972. The School of Management there took his name in 1987.

Long Career

In 2004, Drucker was slowed by a broken hip and acute loss of hearing. Still, he continued to write in his unpretentious suburban house in Claremont, which he shared with Doris Schmitz Drucker, his wife of almost 70 years.

He wrote articles for the Harvard Business Review and the Wall Street Journal, and he saw his 35th book published. ``The Daily Drucker: 366 Days of Insight and Motivation for Getting the Right Things Done," was co-written with Joseph A. Maciariello, a faculty colleague.

Drucker wasn't always right. In 1949, he wrote that postwar mass production had ``dethroned the ruling groups of bourgeois society itself: the merchants, bankers, capitalists." He also predicted, incorrectly, that the nation's financial center would move to Washington from New York.

The Wall Street Journal researched several of his lectures in 1987 and reported that some of his anecdotes were factually flawed. As an example, Drucker was incorrect when he told an audience that English is the official language for all employees at Japan's Mitsui trading company.

When the Journal asked Drucker about its findings, he replied, ``I use anecdotes to make a point, not to write history."

Son of Intellectuals

Peter Ferdinand Drucker was born in Vienna on Nov. 19, 1909, to Caroline and Adolph Bertram Drucker, a well-educated couple whose circle included the city's leading intellectuals, artists, musicians and professionals.

Drucker's mother held a medical degree and his father was an economist and lawyer who, for many years, was a senior civil servant at the Austrian Ministry of Economics. They lived in a stylish duplex home in a Vienna suburb, where Peter Drucker and his younger brother Gerhart could see the Vienna Woods from their bedroom windows.

Adolph Drucker routinely invited economists and civil servants to a dinner party on Mondays, while his wife hosted a medical dinner later in the week. Other dinners focused on physics, mathematics and music.

Peter Drucker's paternal grandmother was an accomplished pianist who had played for Johannes Brahms as a girl, and much later, for Mahler at a charity concert.

In his 1978 memoir, ``Adventures of a Bystander," Drucker wrote about the teachers and intellectuals who influenced him in his younger years. He devoted one chapter to Sigmund Freud, who was an older acquaintance of his parents.

Bored in School

Classroom instruction paled in comparison to Drucker's interesting home life. Drucker claimed he encountered only two first-rate teachers, and those were sisters who taught fourth grade. One taught him to set goals and organize, while the other inspired children with warmth and laughter and taught her privileged pupils -- boys and girls alike -- to sew, pound nails and saw wood, which was unorthodox instruction at the time.

Drucker skipped fifth grade to become the youngest student in the entering class of the local Gymnasium, but he found Latin recitations and the teachers deadly dull.

Later, he said he learned to teach himself, relying on the methods and joy he experienced in fourth grade. By the time he was 14, he was determined to skip college and leave Austria, which he found depressingly mired in the past.

``I would be an adult among adults-I had never liked being young, and detested the company of delayed adolescents as I thought most college students to be," Drucker wrote in his memoir. ``I would earn a living and be financially independent."

Off to Germany

Drucker found a job as a trainee in an export firm in Hamburg in 1927. He appeased his father by enrolling at Hamburg University, but discovered that there were no evening classes he could attend. Instead, he spent many hours reading in the city library, and also managed to publish two papers, including one that predicted in September 1929 that the New York stock market would continue to soar.

When the crash occurred weeks later, Drucker said he learned his lesson and never again predicted the stock markets' movement.

The Great Crash also eliminated the job he had just secured in Frankfurt to train to become a security analyst. But he was soon hired as a financial reporter at the Frankfurter General-Anzeiger, a lively afternoon paper that his wife later described as ``middlebrow."

Promotions came quickly, in part because World War I had decimated the ranks of able-bodied men who would have preceded him. Drucker became the senior editor in charge of foreign and economic

news in 1931, the same year he completed a doctorate in international and public law at Frankfurt University.

Drucker also did some substitute teaching for a law professor, and met his future wife, Doris Schmidt, in one of those classes.

Fled Hitler

Drucker had vowed in 1932 to leave Germany if Hitler came to power. He acted on that promise in early 1933 after he watched a Nazi official take over a university faculty meeting to fire Jewish professors and bar them from the campus. Drucker was sickened by most colleagues' timidity, and he resigned from his newspaper, even though a Nazi party representative offered to promote him.

Drucker moved to London, where he eventually was hired as an executive secretary to the partners of a merchant bank. Shortly after his arrival, he recognized Doris Schmidt in the Piccadilly Underground station and called to her as the two rode escalators moving in opposite directions.

She had moved to London because of the futility of pursuing a law degree in Frankfurt, due to her Jewish ancestry. The two resumed their friendship.

His Marriage

"Both of us were lonely in an essentially xenophobic environment," Doris Drucker wrote in her 2004 memoir entitled "Invent Radium or I'll Pull Your Hair." "We were in despair over the worsening situation in Germany -- and frightened by the apathy and the unwillingness of the British to see through Hitler's dangerous game plan."

The friendship turned into romance even amid the initial opposition of their mothers. Doris Schmidt's mother was fiercely ambitious for her daughter, and wanted her to match the accomplishments of a Madame Curie, ideally marrying a Rothschild along the way. Drucker's mother preferred a wealthy Englishwoman as a prospective daughter-in-law over a penniless German.

According to her memoir, the courtship stretched over four years because marriage would have cost Doris her job. During the Depression, working women in Great Britain were routinely fired if they married, with the idea that the jobs might go to unemployed men.

On to America

Discouraged by the British appeasement of Hitler, and eager to wed, the two finally married on Jan. 16, 1937, and set sail for New York.

Their first-class passage was a wedding gift from Drucker's merchant bank employers. Before his departure, Drucker arranged to work as a freelance writer for a group of British newspapers, and he also agreed to serve as a U.S. adviser to some British investors.

The newlyweds settled in the New York suburb of Bronxville, where Drucker wrote his first two books. His wife gave birth to a daughter, Kathleen Romola, and son, Vincent. Two other daughters, Cecily Anne and Joan Agatha, would follow.

Drucker taught economics and statistics one day a week at Sarah Lawrence College in Bronxville. In 1942, he accepted a fulltime appointment at Bennington College in Vermont because he was offered the freedom "to teach whatever subjects I thought I needed learning in: political theory and American government, American history and economic history, philosophy and religion," as Drucker wrote in "Adventures of a Bystander."

Bennington also gave him the freedom to work as a consultant and to spend two years on his research at General Motors. In their memoirs, both Drucker and his wife spoke fondly of Vermont, where they lived for seven years.

Charitable Work

The family moved to Montclair, New Jersey, when Drucker was offered a teaching job at Columbia University in 1949. That job fell through, but a chance encounter with an old friend led to an offer to become a professor of management at New York University's fledgling Graduate School of Management.

Drucker taught there for more than 20 years until he relocated to California in 1972.

Throughout his career, Drucker made a point of working with charities and non-profit institutions, such as the Girl Scouts of America, hospitals, churches and universities, because he believed that good management is vital to all aspects of life. The Wall Street Journal reported that by 1987, Drucker was devoting half of his consulting hours without charge.

Survivors include his wife, Doris, four children and six grandchildren.

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