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Reseña de “Management Challenges for the 21st Century” de de Peter F. Drucker
Fundação Getulio Vargas
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In this hottest masterpiece, the Guru of management analyzes the forces that will shape the future of organizations, managers and ultimately society as a whole.

Throughout the book, which is divided in seven parts, the author shows that what is successful and accepted today is most likely to be entirely counterproductive in the years ahead.

Peter Drucker’s main idea

Managers need to adopt new paradigms and address new challenges arising from the
changing social, economic and demographic
realities of the evolving marketplace. Regarding
the most important challenges companies will
face, a survey conducted by the Financial Times
(Smy, 1999) corroborates the author’s main
argument (see Table 1).

Drucker demonstrates how only organizations
which move boldly forward, working their way
through the myriad of issues that arise, stand any
chance of prospering in the future. We share a
similar opinion considering that the future of
society as a whole rests squarely on the ability of
managers to react successfully to the challenges
they currently face.

The challenges of new
management paradigms

Peter Drucker discusses the old and the new
paradigms of management in today’s rapidly
changing world. He states that since the 1980s,
the old paradigms have actually become
obstacles and must be replaced.

Good management means to be responsible
for everything that affects the performance of
the organization – both factors under direct
control and those totally beyond it. Moreover,
in the next century, the focus should not be on
managing people but rather on getting people to
work together, and that requires leadership rather
than management. This insight is very useful
given that the management challenges of the
present should be embraced as opportunities to
move forward rather than ties to the past.

The challenges of economic
and political realities

In this section, the author argues that, to make
progress, business managers should avoid
initiatives that are politically driven or based on
national or regional economies. Instead, the
organization should keep its focus on the issue
of global competitiveness. In the near-term,
managers should be realistic about currency
fluctuations as the ability to manage currency
exposure will become very important. However,
this assumption seems less important since seven
months after the publication Drucker’s book, the
Financial Times revealed that senior executives
are more concerned about the recruitment
implications arising from increasing business
globalization (Table 1). Actually, more than
three-quarters of the respondents put recruitment
concerns as one of the top three challenges they
foresaw in the new millennium (Smy, 1999).

<table>
<thead>
<tr>
<th>Rank</th>
<th>Challenge</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Recruitment of skilled staff</td>
</tr>
<tr>
<td>2</td>
<td>Increased pressures from stakeholder groups</td>
</tr>
<tr>
<td>3</td>
<td>Increased environmental demands</td>
</tr>
<tr>
<td>4</td>
<td>Increased world trade friction</td>
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<td>5</td>
<td>Currency volatility</td>
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<tr>
<td>6</td>
<td>Access to finance</td>
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<td>7</td>
<td>Re-emergence of inflation</td>
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</tbody>
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Source: Smy (1999).

The challenge of change leaders

According to Drucker, change leaders should
focus on exploiting new opportunities
vigorously, but there is a natural bias in any
organization towards continuity. For instance,
when new and innovative services, products or
processes have been developed, the change
leader is totally committed to exploiting those
opportunities to the fullest – with the most able
and best performing people in the company
being responsible.

Here, the author accurately shows that the
organization must have a willingness to
create change, while the organization culture
must see change as a positive and desired
objective.

The challenge of information

The need for executives to routinely seek
new kinds of business and market information
that today’s technology provides was already
present in Drucker’s (1998) previous book,
Managing in a time of great change. Now he
argues that for the 50 years the information
revolution has already been under way, most
of the emphasis has been on collecting,
storing, retrieving, transmitting and
presenting data.
In the 21st century, there will be less emphasis on data and more on information — how to redefine tasks using greater amounts of information and how to redefine the organizations carrying out that task.

We go along with the idea that information systems for managers will be equally compatible with the needs of all knowledge workers within the organization. For Drucker, the real key is to develop a system to gather this type of information about the broader environment, markets, customers, non-customers, technology, finance and society in general.

The challenge of knowledge worker productivity

In the 20th century, manual workers have always been viewed (economically) as costs of production, to be controlled and ultimately reduced wherever and whenever possible. However for the new millennium, knowledge workers are not a cost that should be minimized. They are assets that need to be managed and preserved. “The most valuable assets of a 20th century company were its production equipment. The most valuable asset of a 21st century institution, whether business or non-business, will be its knowledge workers and their productivity” (Drucker, 1999).

Drucker (1994) already explored this issue in the famous Post-capitalist society where he explained that knowledge – not labor, land, or other forms of capital – is the planet’s primary resource. Pursuing this assumption in Management challenges for the 21st century, he remarkably demonstrates how all the economic and social gains of the 20th century, including the emergence of the “developed” countries, were made squarely on the back of increases in the productivity of manual workers as newer and better tools became available. Comparable work on increasing the productivity of knowledge workers is just getting underway.

The challenge of managing oneself

Peter Drucker argues that knowledge workers will have a longer working life than manual laborers. In fact, most knowledge workers will have productive careers of 50 years or longer. Since the average life expectancy of a successful business is only about 30 years, knowledge workers must be prepared to have two or three careers. It follows that people should manage themselves rather than follow a pattern set down by an organization.

To conclude, this book should be regarded as a valuable masterpiece both for executives and academics. The paperback helps to open a window on the future at the same time as it questions the biases of our centralized mindset (Malone and Laubacher, 1998).

However, we acknowledge that reviewing the work of the master of management was a delicate task. As a result, we choose to close this academic book review on the Guru’s latest message: “The changes discussed in this book go way beyond management. They go way beyond the individual and his or her career. They actually deal with the future of society.”

References


DRUCKER, Peter F. Managing in a time of great change. Plume, 1998.
