



Guido Stein

MANAGING
PEOPLE *and*
ORGANIZATIONS
Peter Drucker's Legacy



From Peter Drucker to Guido Stein – regarding the original Spanish text

May 1, 1999

Ill. Dr. Guido Stein, Secretario General
Universidad de Navarra
Pamplona, Spain

Dear Dr. Stein;

you ask me about my reaction to your book about my work and me. I am greatly honored and flattered to be the subject of so profound and scholarly a book. And I am greatly impressed by two of your main themes— they run like threads through the entire book. One is that you see clearly that for me THEORY and PRACTICE are inseparable. Management is not a "SCIENCE" in the way Mathematics or Physics are. It is a PRACTICE— a DISCIPLINE— similar to Medicine, to the Priesthood, to the Law. And there, good practice is only what rests on good theory; and good theory is only what is validated in and through good practice. And so— as you rightly discern— I have always been BOTH, a Theoretician and a Practitioner— in fact, my extensive Consulting Practice has, all along been my Laboratory; and all my theories have been, in turn, been tested in practice. The other of your main themes is one I have been preaching for more than forty years: Management is NOT "Business Management"; it is the ruling organ and decisive function of EVERY modern social institution. This is particularly important, I maintain, as we have learned, in every developed country, that the STATE can do only so much and that the Free Market, i.e. Business, can do only so much— the COMMUNITY ORGANISATIONS (of which the University is one of the most important ones) must and will do more and more of the community jobs— and they all require MANAGEMENT (and management of a high order).

But I am also surprised— agreeably so— by a third theme of your book. You show— such to my surprise, I must admit— that there is a straight basic progression and logical development in my seventy years of writing. Indeed you also make me out a "systematic philosopher"— perhaps the way to describe it is to say that from my earliest beginnings in the nineteen-thirties, I have seen management- and business- as parts of SOCIETY and as embodying major values of society— call it a "systems approach" if you will. In retrospect, that is from your perspective, that comes through loud and clear. But to me it was a surprise— and a most agreeable one.

I do have, however, one real criticism: YOU ARE FAR TOO LAUDATORY about my work— I have been wrong as often as I have been right. Perhaps that is not relevant to the purpose of your book which, after all, is to acquaint a larger public— and especially Spanish executives and academicians— with what they might learn from my work. But I am very conscious of all the mistakes I have made— I only hope that I have learned from them.

And what should the book be used? you asked— I hope that it will first and above all, help Spanish executives in their important work. And then I hope it will advance the DISCIPLINE of Management in Spain— as you point out creating it has both been a major goal of mine and perhaps my main and most important achievement.

With best wishes for the success of your book


Peter F. Drucker

From Peter Drucker to Guido Stein – Regarding the Original Spanish Text

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With best wishes for the success of your book

Peter F. Drucker

Praise for Previous Spanish Language Editions

How should this book be used? I hope that, first and foremost, to assist directors in their important work. And then to encourage the DISCIPLINE of Management: As Stein points out, developing this discipline has been not only one of my key objectives, but also probably my greatest and most important achievement.

Peter F. Drucker

I have enjoyed reading — from cover to cover — Guido Stein's book on the management of organizations in general and especially on the management of companies. Neither Stein nor Drucker want to be management technicians. They have both observed human behaviour in business organisations and sometimes suggest and sometimes recommend on structures ("meetings are by definition a concession to deficient organization"), on people ("there are no capable people in general but in specific tasks"), etc. I cannot imagine any business executive or manager who takes pride in his work not adding this to his list of essential bedside reading. Reading Guido Stein's work has been a joyful adventure, entertaining and informative. Soon it will become a classic of business literature and a reference work.

Luis Valls Taberner,
Former Chairman, Banco Popular

Peter Drucker will always be relevant; we should thank Guido Stein for reminding us of this and for bringing us Drucker's ideas undistorted. In these times when the leading business schools of the world focus on the relevance and applicability of corporate knowledge, the thinking of Peter Drucker once again becomes the undisputed reference for those working in this field.

Pedro Nueno,
IESE professor

According to Guido Stein, what makes Drucker so relevant today is that he is a man of the future because he is so familiar with the past.

Expansión

Stein presents through his work an overview of the different contributions that Drucker has made to the general management, policy and understanding of the changes in the workings of society.

La Gaceta de los Negocios

Besides offering an overview of some of the aspects that Drucker has dealt with, the book gives us direct access to Drucker's German writings, and also shows us the Drucker as a novelist.

El País

The author is sure to become a classic of business literature and this book, his reference work.

Actualidad Económica

Praise for this edition

In a crisis-ridden world we need to rediscover management as a purposeful function beyond short term objectives and profits. Guido Stein's book contributes to establish orientation and meaning. He achieves this by masterfully re-tracing the fundamental ideas and concepts of Peter F. Drucker, thus making them accessible to the reader in a compact but never superficial way. Guido Stein elucidates Peter Drucker's thinking in a way that its relevance for today and tomorrow can be fully comprehended. He challenges the reader to engage personally in deep reflection as opposed to finding a new management "solution" or quick fixes for problems of the day. I would hope that this book will help experienced managers and executives to rediscover Peter Drucker and above all that it will find its way to the young generation, who are keen to develop a new understanding of management's role in 21st century society.

Richard Straub

Founder and President of the Peter Drucker Society Europe

GUIDO STEIN

**MANAGING PEOPLE AND
ORGANIZATIONS: PETER
DRUCKER'S LEGACY**

Foreword by

PEDRO NUENO



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India • Malaysia • China

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Awarded in recognition of
Emerald's production
department's adherence to
quality systems and processes
when preparing scholarly
journals for print



INVESTOR IN PEOPLE

In memory of Otto Stein

Zum Sehen geboren
Zum schauen bestellt

Born to see,
called to discover

(J.W. v. Goethe, Faust II,
Act V, scene IV)

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Foreword

Thirty years ago, as a doctoral student at Harvard Business School, Professor Bruce Scott of the Business Policy Department added to our reading list a book Peter Drucker had recently published: *The Age of Discontinuity: Guidelines to Our Changing Society*. I remember that the impact of the book was so significant that I even went out and bought it, despite my limited student resources. Shortly afterwards, Professor Jordan Baruch, who has contributed so much to the teaching of technology management, asked us to read another book by Drucker: *Technology, Management and Society*.

On my course, we were lucky that our reading seminar was directed by Alfred Chandler, who had just left MIT for Harvard. Chandler, already famous in those days, made us look in detail at the fundamental issues of management through Drucker's books such as *Managing for Results*, *The Effective Executive*, or even *The Concept of the Corporation*, written in 1946.

For Harvard's leading intellectuals at that time, Peter Drucker was already number one. The academic world is often cruel to its own kind, preferring to criticize an academician rather than hold them as an exemplar. Therefore, doctoral students were — and are — valued for their critical capacity. But with Drucker, even then, there was a kind of closed season. More than criticize his ideas, you had to extract them. You could criticize Forrester, Friedman, or Simon, but you had to extract from Drucker.

During my 30-year career, Peter Drucker remained active. Unlike other artists, Drucker did not go through gray or abstract periods; he remained steady and constant, with his feet firmly on the ground, explaining yesterday's events in line with today's realities and predicting a tomorrow that turns out to be very close to what actually happens. He always presents us with the most important aspects first.

A long productive life in terms of ideas, a capacity to keep up-to-date and a readiness to speak using the appropriate language have positioned Drucker as the top management thinker of the past century (the only century in which our discipline of management has been around) and he managed all this without getting carried away by fashionable trends and the mainstream. Peter Drucker has earned everyone's respect. Some praise his deep understanding of reality, people, sectors, and different geographical environments. Others value his ability to synthesize, his capacity to address business issues along with the relevant relationships between