

Drucker and Community Leaders

Nuno ID represented Canada at the Global Drucker Symposium in June 2008 in Claremont CA.

I was one of the privileged few from Canada to be invited to the Global Drucker Symposium in Claremont, California in June. I hear some ask: What does Drucker have to do with economic development? Well a lot in fact. In this profession we tend to think in terms of incentives, capital, real estate, marketing and attracting and it's all good but first, someone (an organization) needs to manage these activities to yield results. That's called effective management. EDOs are only as effective as the individuals who serve in their leadership and management roles. Peter F. Drucker, the father of management, wrote a lot about the knowledge worker (he coined the term as early as the 1960s) and its necessity to be not only efficient (doing things well) but effective (doing the right things). He also worked with the major corporations in the world and the growing non profit sector. The EDOs are both knowledge and non profit organizations. So all that to say, in this fast pace changing world, his work for better economic and community development is more relevant than ever.

The conference was held in Claremont CA, at the Drucker Institute (part of the Claremont Graduate Studies University) and attracted people from around the world (Japan, China, Korea, Dubai, USA, Canada, Germany, Switzerland). I gladly found an eclectic group of accomplished people from many cultural and professional backgrounds (profit and non profit), promoting a common spirit of contributing to making the world a better place than we found it. It created a unique uplifting global village experience.

Here are some highlights and the connections with your work as community leaders.

1. Go out and learn

I urge people in EDOs to go out and meet people. It is so important to have outside interest, meeting people who are different, not just totally absorbed in your small world. And all worlds are small worlds. It is paramount for non profit leaders as it is more absorbing than business (you are working for a cause!). We discussed how Drucker's principles are still relevant in our professional lives and the impact it has on producing results. Working with economic development organizations, I was greatly inspired by the work of other types of non profit in their quest for effectiveness.

2. Responsibility Gap

One of the themes was the responsibility gap. You know, the growing distance between our obligations as effective managers and ethical leaders and our

actions. Yes that kind of responsibility gap. In Europe right now the EC is looking at regulating executives pay and bonuses because of their irresponsible behavior in dilapidating wealth. Personally, I think the last thing we need is government in boardrooms but if we go with the saying that nature abhors a void, if you don't clean up your act somebody may be tempted to do it for you at some point. Consider this also: one in 10 people across the globe had to pay a bribe last year; 2 million homes are or will be in foreclosures in the US this year; in the non profit sector across the world we found fraud amounting to \$40B, in most developed countries the fiscal imbalances (read debt) will be unsustainable given the aging population. This is all a result of management (or mismanagement we should say) not a lack of resources.

The group offered some key questions/statements we should all reflect on in our own organization to close the Responsibility Gap:

1. **Mistakes matter:** First do no harm! You can not promise to do good for your client but you can try. Above all you can promise that you will not knowingly do harm.
2. **People matter:** Are you building on your strengths or your weaknesses?
3. **Values matter:** Management is deeply involved with the nature of man – good and evil - what are your values?
4. **Learning matters:** Are you learning new knowledge and skills to build on your strengths?
5. **Innovation matters:** Are you continually looking at moving existing resources so they can create new value?
6. **Effectiveness matters:** The key to effectiveness is to focus on your contribution not your own specialty or narrow skills. How are you going to organize your time around your next big decision?
7. **We all matter:** You and your organization, no matter its size or the sector it's in, inevitably have an impact on the health of your community and society at large. What are you doing to determine what impact you're having? How are you taking responsibility to ensure that it is positive?

All questions are taken from the Responsibility Gap presentation by the Drucker Institute. If your organization wishes to see (or present to your constituencies) this presentation (it will be adapted to local realities), please contact me.

3. The effectiveness of knowledge worker

Recently, Intel, Google, Microsoft and IBM were looking at reducing the time we spent at managing the overload of information that overwhelms us via phones and computers. The same companies who contributed to the ease in the flow of information are now looking at ways to limit it. This problem is now also an opportunity for a number of firms to help us manage this information overload. All is not lost. Moreover, all these people enslaved to their Blackberry are not necessary an example to follow in wealth creation – I can't imagine Warren Buffet, George Soros or Aristotle Onassis (he only carried a small notebook and

did his major meetings in bars/clubs in Paris) getting a kick out of using those tools. But my point here is more to say that the next big thing is to make knowledge worker productive. We got very good at being efficient in manufacturing and agriculture for example but knowledge worker also need to be effective (not only efficient) to produce wealth. He needs to work on the right things and that is the result of effective management. Of his time and of what is asked of him. On a macro scale, flipping hamburgers at \$7/hre in lieu of working in manufacturing at \$20/hre can not sustain an economy. Even if the conventional wisdom says that we are moving toward an economy of services, ok but these services will have to yield wealth to compensate for the difference between \$20/hre and \$7/hre and that gap is the knowledge worker becoming effective. One way to start looking into this is focusing on contribution, knowledge worker tend to be infatuated with their own specialty or skills, his department; he needs to think about the performance of the whole where there are results.

4. Economic development organizations and management practices

At the Symposium, I was glad to introduce the fact that EDOs are in a great position to foster ethical and effective leadership within their community as they play an educating and connecting role to create a whole greater than the sum of its parts. EDOs themselves need to also address their own effectiveness and innovation practices if they want to be relevant to the ever changing economy and business community. Ethical and effective management benefits everybody in a community as this is the major engine of growth well before capital and resources. You have to work on the right things before doing them well.

5. What would Drucker say...

While I was attending the Symposium, I was thinking what Drucker would have thought about the whole thing, given a certain number of principles he put forward:

Dissent is good: Drucker said that when you have consensus on something it is not the sign that all is well. When something is thought through, you will have healthy dissent. So for some participants (especially from Europe and Canada...), there was too much praising of Drucker and that is always dangerous for your critical thinking abilities. So we mentioned it. No Trekkies meetings.

Start small: The Drucker Institute is fairly young and starting many Drucker Societies around the world at the same time offers many challenges: cultural aspects, control of the brand, choosing the appropriate people to lead those societies, defining results, etc.

All that to say: it is easier to talk about principles but much harder to make them reality. It is the same challenge for every one of us. We have to work at it. Like

Druker said: “Don’t tell me you had a wonderful meeting with me. Tell me what you’re going to do on Monday that’s different.”