

## WHAT OUR BISHOPS MIGHT LEARN FROM PETER DRUCKER

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Peter Drucker has been called the most significant contributor to management theory of the modern era. Indeed many of us in the non-profit sector were helped in the development of our mission statements from the wisdom of one of his key theories: management by objectives. He died November 11, 2005 at 95, still sharing (with those who would listen) his thoughts on the functioning of corporations.

Two days after his death I went to Mass at St. John's Cathedral in Milwaukee. I was struck by the unusually sparse attendance. I realized the reason when it was announced that our two active bishops were in Washington at the annual meeting of the United States Conference of Catholic Bishops. The people had known this and decided not to come to the regularly celebrated Sunday Mass of our popular Archbishop. Their absence made me think of Drucker's warnings about the cult of the leader, which he believed, could sink an organization.

My rumination then led me to the bishops in Washington. I fantasized what might happen if they would set aside part of their agenda to study some of his key theories and their possible impact on their episcopal functioning. Just an examination of the theories of large organizations, with their authoritarian hierarchies in his *The Effective Executive*, might have inspired them to follow his advice to focus their work that week so they would avoid "wasting time" on nonessential matters. For instance, rather than debate about what words they and the Vatican consider most appropriate for the Eucharist they could have asked why so many Catholics are abandoning it in favor of the worship style found in community-oriented churches.

I met two such people on planes within the week Drucker died. One was a 34-year-old Italian winemaker. Born in Bologna but working in California wine country, his wife is a psychiatrist trying to find ways to help immigrants "make it in society." He summarized the inability of our church leaders to speak in meaningful ways to his reality when he asked: "What does the Pope say that makes sense to us?" He has found that meaning now at Glide Memorial Church in San Francisco.

The second was a systems analyst for a European-based international aerospace company. He lives in Manchester, New Hampshire. He left the Catholic Church after college when, during Mass, the presiding priest demanded people in the pews sign petitions related to their opposition to abortion. Opposed to abortion himself, he thought this was an abuse of the pulpit. He now has found a more respectful welcome in a "community church" outside the city.

Within the octave of Drucker's death when I met these "former Catholics," Pope Benedict XVI reiterated a theme which had gained much attention in his homily at the opening of the Conclave which elected him: too many Catholics are "remaining in the state of children tossed to and fro by every wind of doctrine" because of subjectivism, individualism and relativism. Reading his warning I thought of how Drucker would have stressed the need to focus on opportunities rather than problems. Indeed, such a direction came from his deep sensitivity and understanding not only of the imperfections but also the possibilities of human nature. "Management," he would repeatedly say: "is about human beings." "There's no business without a customer."

Indeed, Drucker reminded church leaders and he leaders of other non-profits who would listen: it's all about the people in the pews. People are the key. Management should not be about controlling employees but empowering them--for the mission of the organization. Change should be seen as an opportunity rather than a threat. Aware of the high levels of education many employees bring, good managers know how to tap the resources of these "knowledge workers."

In a church wherein some bishops have indicated their job is to teach, they might do well to remember Drucker insistence that, "every enterprise is a learning and teaching institution." For a

church whose leaders see their role as imparting answers, Drucker insisted it was very important to ask the questions, especially about the basics. Such questions are meant to uncover the larger concerns and issues that may stand in the way of better performance. As one CEO recalled of his first consultation with the management guru: “We started talking in great length and depth about who we were and what we wanted to do—and I can’t tell you how important he was to the development of the firm.”

As executives they might have found reason to learn from him, as have others like Michael Useem, a professor at the University of Pennsylvania’s Wharton School. He noted: “He had the anthropologist’s insight into this strange tribe [i.e. managers] that had these formal rituals and strange practices,” noted this author of several books on management and leadership: “Peter Drucker was able to see behind them, and also see what could be changed and made for the better.”

Steve Forbes, President and CEO of Forbes, Inc. and Editor-in-Chief of *Forbes* magazine wrote: “He never went stale intellectually, which is why business journalists, executives, entrepreneurs, leaders of non-profit institutions, students and the occasionally wise politician eagerly sought to pick his brains right up to the time he died.”

Forbes ended his *Wall Street Journal* “Tribute to Peter Drucker” with a comment that stimulated me to write this article on how Drucker might still be heard by our leaders. He noted Drucker (who wrote books on the effective management of non-profit corporations) “came up with admonition of pursuing your opportunities and cutting your losses.” As an example he referred to Pastor Rick Warren, founder of the 15,000 member Saddleback Community Church in Lake Forest, California, the author of the best selling book used in Protestant and Catholic churches around the United States, *The Purpose-Driven Life*: “Don’t tell me what you are doing, Rick, tell me what you stopped doing.”

I believe much behavior of the leaders of the Roman Catholic Church too-often reflects a mind-set exactly opposed to this philosophy. While they can never stop preaching the gospel and proclaiming sound doctrine, I find little evidence that they are reading their audience in ways that will make our gospel and doctrine relevant to those Catholics who have dropped out of the church and found home in the community churches and megachurches. These churches are driven by a mission-orientation rather than maintenance of the power of the leaders. Indeed, Drucker insisted, leaders have the duty to focus an organization on the outside in ways that continually refresh what those inside the corporation are to be about.

Two weeks before Drucker’s death bishops at the Vatican said the rule of male celibacy for priests would stand. Meanwhile more Catholics were worshipping at Protestant churches in South America than Catholic. And more and more Catholics in North America believing the bishops are too preoccupied with their own interests, not caring about the dreams and interests of the people in the pews. This led me to think of the saying of Drucker regarding the way CEOs and their hand-picked boards were paying them huge salaries, while firing thousands of their workers: This is morally and socially unforgivable, he noted: “and we will pay a heavy price for it.”

In its November 28 cover story and tribute to Drucker, *BusinessWeek* quoted Rick Warren: “Drucker told me: ‘The function of management in a church is to make the church more church-like, not more businesslike. It’s to allow you to do what your mission is.’ Either you’ll stress the prerogatives of the managers or the managers will empower the members for the mission of the organization.

In the same week Drucker died Wall Street went into a tailspin on the rumor that General Motors would be declaring bankruptcy. Drucker gained much of his fame from immersing himself in its workings and culture. In 1945 he published his landmark findings in the *Concept of the Corporation*. Herein he introduced an idea promoted long before by papal teaching: decentralization. *BusinessWeek* noted that it “became a bedrock principle for virtually every large

organization in the world.” Except, I would add, the organization that spawned the idea in the first place.

Somewhere along the line, GM lost sight of one of Drucker’s key principles: good marketing begins with the customers, their demographics, their realities, their needs and their values. “It does not ask, What do we want to sell? It asks, What does the customer want to buy?” This has led me to wonder if it might not be valuable for our bishops to convene a meeting of those who have left our church here and elsewhere, who are very happy in other denominations and/or non-denominational worship venues and ask them questions and learn what might be changed that is not essential to our faith, but merely cultural accretions that have been ossified. What can these teachers learn about presenting a more relevant religion that does not compromise on essentials?

Nearly a decade ago Drucker warned about excessive executive pay. In a 1984 essay he asked that CEO compensation should be limited to no more than 20 times that of paid the rank and file. He found such disparity undermining the role of the corporation as the locus of community. In fact, the *BusinessWeek* tribute to Drucker noted: “he saw nearly the opposite: a place where self-interest had triumphed over the egalitarian principles he long championed.” By 2004 executive pay in the large corporations was 431 times that of the average worker.

Such was part of the reason Drucker increasingly railed against the excesses of corporate capitalism, warning against of “an outbreak of bitterness and contempt for these super corporate chieftains who pay themselves millions.” This led me to think of the virtual silence of our bishops on the excesses of globalization and how the people only seem to see the way our ecclesiastical executives have paid out millions because of their abuse of power related to the pedophilia scandals here and elsewhere. In the process, they have eroded the people’s trust. Effective leaders, Drucker insisted, must have the trust of the organization.

Years ago he predicted the breakdown of the traditional, thoroughly integrated, hierarchical industrial corporation. He said: “All great change in business has come from outside the firm, not from inside.” In his *The Essential Drucker*, published when he was in his 90s, Drucker wrote something that every bishop might do well to read: “In every single business failure of a large company in the last few decades, the board was the last to realize that things were going wrong.”

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