

The Campfire

Transcript of Episode 3: Drucker's Timeless Legacy, With Drucker School Dean Jenny Darroch

Nick Owchar: Besides making a good income, can people find purpose and meaning in the field of management, or do they have to look somewhere else to find a deeper sense of satisfaction?

Welcome to The Campfire, a series of conversations with the people of Claremont Graduate University. My name is Nick Owchar and I'm in the University's communications office.

So this question about looking outside of companies for purpose and meaning is something that Mark Zuckerberg, Facebook's founder, talked about last month at Harvard University.

Zuckerberg was there to give the commencement address and he told the graduates that "when our parents graduated, purpose reliably came from your job." And then he went on to say how it's not true anymore. How you have to look outside that system to find it, probably outside of the traditional corporate management structure. I'm sure if Peter Drucker were here today, he'd beg to differ with him on this. And even though he isn't here for this episode of The Campfire, we do have with us the dean of the Peter Drucker and Masatoshi Ito School of Management, Jenny Darroch. Jenny, welcome to The Campfire.

Jenny Darroch: Thanks, Nick, it's a pleasure to be here and to talk about Peter Drucker's principles and the Drucker School with you, and link it into what Mark Zuckerberg was talking about.

What's interesting to me is that Mark Zuckerberg rightly talked about meaning and purpose. And Peter Drucker actually wrote about the same things right back in World War II. He was quite intrigued by what he saw around him of course, but more importantly he focused on a functioning society. He realized, in effect, his interest in management was because of his fascination with a functioning society. He identified the role of work and the importance of work and how people find meaning and purpose through their jobs. And that's actually what got him involved in studying management.

So when Mark Zuckerberg rightly sees that jobs have traditionally been an important way for us to find meaning and purpose, he's also right in observing that we look outside our jobs, and we do this I think, for a number of reasons. No. 1, a lot of people have seen their parents become unemployed or leave jobs, not just through redundancy and layoff. And a lot of younger

audiences are questioning the role of work, the importance of staying in one job for life, loyalty to one organization, when they don't always feel that the loyalty is returned. And so we are, for that reason alone, looking outside the workplace for meaning and purpose. But I think also as Mark Zuckerberg identified, is that jobs themselves have become quite automated, so jobs that we might have done at one point in our life for a long time, those jobs have been taken away. So when we look for meaning and purpose, it's absolutely correct that we do look outside the workplace.

Owchar: I was noticing though, you know, before you became the dean, you were a professor of management for many years, and I'm just wondering if this question of meaning has only cropped up in students' language recently. I mean, did you notice when you first started that students in management were concerned about the meaning of the job, or is that something that's changed in recent years?

Darroch: That's a great question, Nick. And I think about this a lot. I think as human beings we all want meaning and purpose. And when I talk to my kids I often ask them, "Are you happy? Do you have purpose?" And then we worry about the other things, so let's imagine that that's a constant, that that hasn't changed. Our quest for meaning and purpose is constant. But the places that we look for it have changed. And I think that is right—that where we once might have focused more on the job as being the answer to everything, we look outside.

Coincidentally, what's interesting to me is that brands have become another way that people can find meaning. And a lot of the best examples of brands in the marketplace are ones that have attached themselves to causes that donate money to different funds, and we find in marketing that those are the brands that are actually doing quite well.

Owchar: You know the thing that I wonder about though—Zuckerberg is talking about the meaning, finding the meaning and purpose of your life outside of traditional management. But wasn't Peter Drucker ... for all of his career, he was talking about that already. It's nothing that's new, at least in terms of his own teaching, isn't that right?

Darroch: I think that's true. Peter Drucker did look outside the management solely for purpose and meaning, and he himself came from quite a broad background. And he wrote across many, many different areas, and management originally wasn't the main area that he focused on. So he was studying humanity and the human condition, and he would answer the question of purpose and meaning by looking outside—just work as being one vehicle for providing meaning and purpose.

Owchar: I was really amazed looking at his early life when he was in his, in the 1920s and 1930s, I think as a young man, he was working as a financial journalist. He worked as an asset manager and was making some pretty good money. And there's this great quote of his, where he decided to ditch it all, because he just decided that he saw... and here's his quote, he saw no point in becoming the "richest man in the cemetery." I mean he sounds like one of our millennials today. Isn't that extraordinary?

Darroch: That's a great quote. I love that quote. And I think that quote still binds our student body together today. What I mean by that is when you talk to our students, they're an incredibly eclectic bunch of students. They're not at the Drucker School because they want to find the Top 10 ways to make money, and I'm not saying making money isn't helpful, but they're really interesting. And what we find, because we do practice management as a liberal art ... We look at management as being a context within which the liberal arts are practiced, that our students... We could end up having a conversation with our students around politics, religion, philosophy, and to be truthful, we're never quite sure what the conversation will be or where it will end up. And that's because the Drucker principles still bind us, our school and our student body together today.

Owchar: Now I want to talk also about you specifically, Jenny, in addition to the Drucker School. So you arrived at Claremont Graduate University in '04, right? And Peter Drucker died in '05. So did you have much chance to interact with him? I mean was it a little later in the arc for that? But do you remember any interactions?

Darroch: It was one of the things I'm most grateful for, is that I did get to meet Peter Drucker. Only twice, but twice is better than not. I met him once in 2003, when I came for my job interview, and I believe he was giving his last public address. And I actually have no idea which room I was in, because I was turned upside down. But I was taken in to listen to him speak, and Drucker did what Drucker is well known for. He starts and he goes off into what appears to be all sorts of different tangents. But he does have an incredible ability to bring everything back to where he started. And there were a couple of things he spoke of there that I still recite and I still hold onto. That moment for me, was actually really impactful.

And then the second time I visited him was in 2005. It must have been the beginning of that year, because he passed in November 2005. And there was a birthday party and I think, I'm not sure whose, it might've been Doris', and she wanted him out of the house so she could clean the carpets. So she sent him down to the Drucker Institute, and my good friend Joe Maciariello organized for me to interview Peter. And because Peter was hard of hearing I had to fax my questions to him ahead of time—he still used a fax machine. There wasn't a lot of conversational interaction, there was a lot of great interaction and I tape-recorded the interview. Now of course he passed in 2005 and one of the things I did, I organized a journal, a special issue of the Journal of Academy of Marketing Science, actually, as a tribute to Peter Drucker, and we managed to publish the interview, so it was really cool.

More importantly after that, I used to hang out with Doris a little bit, I used to really enjoy Doris Drucker's company. And I used to take her for lunch and visit with her, and she was an incredibly brilliant woman, too. So I got to meet Peter twice. I'm grateful for that. But I actually had time with Doris more.

Owchar: I'm wondering though also, when you were yourself in graduate school and you were studying, did you encounter Drucker's work early? Do you consider yourself an early Drucker disciple or were you a convert later? What happened there for you?

Darroch: That's a really good question. I often, I think about my Drucker journey a lot. And without revealing my age, but you can kind of figure it out from my answer I'm about to give... My father, who's 80, when I told him I was joining the Drucker School, he gave me his entire Drucker book collection. And he and many of his peers have come forward since, would attribute their career success to Peter Drucker's work. And if you look at the time, if you roll back the clock, to when my father was starting out in management, there actually weren't many other books written about management, and Drucker's work really called to him about people-centered management. So he would probably have known more of Drucker's work than I did at the same time.

My entry to Drucker was more through quotes ... people of my generation would know quotes. So my best example of that is when I started as a professor, I guess, you couldn't ... I was a rookie or certainly a freshman professor, whatever we call ourselves ... I was starting out. And I remember setting an essay topic for students to write, and it was "the aim of selling is to make marketing superfluous, discuss." Well, that's actually a really difficult quote to interpret if you're young and you don't really know much about marketing. So my lesson there, was if you set students essays to write, always make sure you figured out what the model answer is. And I hadn't, because it was actually really hard to grade. But the point more was that my entry into Drucker's work was through singular quotes.

The next part of my journey with Drucker's work ... I coincidentally ended up working at the interface of marketing and innovation. And that, as you know, is very much at the heart and soul of what Peter Drucker wrote about. So I ended up working in his field, or part of his field, because his field was so vast. And then the other part of my story, the last part perhaps...As an academic, your job is to try and come up with something new and clever. And I would think I'd come up with something new and clever, and then I'd find out that Peter Drucker wrote about it back in 1963 or something like that. So a lot of the work that we still write about in the way we look at management problems—to be fair, he saw much of what we see today and just at a simply different period of time, and therefore a slightly different context.

Owchar: So the work is still relevant, still timely. When you talk about your father, I mean you... sometimes we talk about thinkers and educators in generational terms... But the interesting thing is that you said, and in a recent piece that came out from *Investor's Business Daily*, they did a really nice profile of Peter Drucker. And you were quoted high up telling the reporter that "even as we move further in time from the years when he published his most seminal works, his approach to management and problem solving endures." Why do you think his endures, and others' maybe fade away?

Darroch: I think my first answer would be that Drucker really spoke of common sense. You know he was a great observer of practice, and he was an incredibly good observer of practice, actually. But I think—we think about this a lot too, because we are named after the Drucker School—and one of our fears is that the Drucker principles may not endure. But more recently, the faculty got together and we identified what we now call the Drucker School of Thought. And these are five basic principles, and to rattle them off quite quickly: One is about a functioning society. One deals with leading through people. One deals with managing

ourselves. Another deals with accountability and performance and results and setting objectives and measurement. And the last one talks about multidisciplinary learning and taking diverse approaches to solving problems and looking across boundaries.

And all of those, even as I read what the faculty wrote—they are right. On the one hand, they're common sense. But to be an effective leader today, we need to manage ourselves, manage others well, think about our role as an organization and an individual within society itself. And we need to drive performance and measure outcomes. And I can't see any of that doesn't make sense today.

Owchar: So in terms of the Peter Drucker legacy enduring, I don't just see it as enduring, but it definitely seems to be evolving at our school.

Darroch: What I find really interesting is when I look at the Drucker principles, to me they are not bound by time, they apply in all sorts of different time periods. But what becomes fascinating is that the context itself changes. The context we find ourselves in today is even different from the context we might have found ourselves in last year. Things change, and I think the best example of that is that Peter Drucker wrote a book in 1942 called *The Future of Industrial Man*, and it was somewhat revised and republished in 2001, and the book called *Functioning Society*. But he was writing about the time of 1942, World War II. If you roll the clock forward to today, we see a similar parallel with work that the United Nations are doing around sustainable development goals. It's just a slightly more contemporary version of what Peter Drucker was writing about.

Owchar: So there's applicability of Drucker's principles in this new age of sustainability, and the sustainable development goals of the United Nations, and also more specifically on our campus. Students coming into the classroom now are finding really interesting things like the Game Lab and other programs that show, I guess, would you say Peter Drucker's evolution, or just finding a new dimension for his theories? What would you say is going on there at the campus?

Darroch: That's a great question. So if I roll back, I'm going to go backward to go forward. The mission of the Drucker School is to impact the practice of management around the world. Primarily we're very practice-based. We strongly train theoretically, but our mission is to impact practice. If you look at what employers want, employers want a number of different things. They want students who have got deep functional skills. They want students who can analyze quantitative data. They want students who can work with different software packages. They want students who've got micro-credentials, which is things like the CFA or the CPA, that kind of thing. They pay close attention to soft skills, communication, problem-solving, critical thinking skills, and they want work experience. Now when I went to university a wee while ago, we could just go to university and indulge in learning. That's all we had to do was to fill our minds with interesting concepts and thoughts. But if that's all we do in a university today, we're not actually doing a great job for our students. We're not helping students' success. So what we are paying really close attention to at the Drucker School are practice-based learning opportunities, which are not only on mission, on Drucker mission, but they're also very appropriate to what employers want.

So to come back to the question that you ask about the Game Lab. That's one of many examples where we are giving students deeply immersive experiences, developing, in this case, game or games actually that they put on online, and they're learning software, they're learning gaming software, they're learning commercializing games, and they're being mentored by industry professionals. So those are, that is a great example of what we're doing, and we have many more initiatives on the go like that.

Owchar: They're learning the whole range of the creation experience, right, of a product?

Darroch: And that's an important insight too. So it's not just coming up with an idea, but they're actually implementing the idea, they're running real-time experiments. They're looking at the commercialization of the idea, and there's some incentives in there for them to do well. But they end up with something that's a commercially viable game that they can take to employers. Whether they stay in gaming or not is not necessarily the point. But the point is that they've got something incredibly tangible that they've taken to market, they've run real-time experiments, they've learned about setting up a startup, about managing a team, about managing budgets along the way. And that's the way education has to go.

Owchar: Well you know as you're talking about that, Jenny, and you're talking about the skills that students would be learning in these different programs, I end up thinking of Mark Zuckerberg again, and I keep thinking of Harvard and the commencement address, because I imagine that there were two audiences sitting there listening to his remarks. There were the young millennial graduates who were being told to go out and find meaningful purpose in what they do. And then there were their parents who foot the bill for four years, and now are wondering how that translates into something that will give them employment. I know that this is something you've been very interested in, and you've been thinking a lot about the ways that the Drucker School addresses that next step. I wonder if you could share with us a little bit about that as well.

Darroch: I'm smiling as you answer the question because, I'm going to answer it both as a professor, as a dean, and a mother of a recent graduate of a liberal arts program—actually Pitzer College, which is one of our partners. And we have many discussions about what are the next steps for you. And the way I think about this is that, you know, if the glass is half full or the glass is half empty, so I'm going to give you two answers. If the glass is half full, it doesn't really matter because any of us could be working for 50 or more years. And those are listening to this podcast will know that what you thought you were going to do at 21 is probably not at all what you're doing now. So there's a journey that we're all on. If the glass is half empty it's, would you get off the family payroll and get a job, and what are you going to do, right?

So when we look at both of those things, but I think really, because if we go right back to where we started about finding meaning and purpose in jobs, I think that the other side of that is, do we expect jobs, our first job, to be the only place that we get full training? Or do we expect the university to be the only place that we're going to get fully trained to be job-ready? And I think we have responsibility as people, not just parents, not just students, to look at all of the things

that we know employers want and to ask ourselves what our competency level, if you will, across each of the different areas that I mentioned earlier is, and then figure out what we are going to do to spot learning opportunities that will allow us to enhance our own set of skills and also maintain job readiness, because the market is changing really, really fast. If you go right back to the question you asked about your purpose and meaning at work, and we see jobs being automated, I mean there's so much disruption and change going on. ..

Owchar: And that's something that Zuckerberg mentions as well. He says a lot of jobs have been eliminated by automation and that there's a lot of despair over that.

Darroch: And I think it's absolutely right. So when Drucker was writing about knowledge worker, knowledge workers, what we're finding is the most basic jobs get automated. So things like bank telling has become heavily automated—there's not much time or need to interact with a person. So as we're finding people's stock of knowledge increasing, we find the bottom level of jobs simply becoming automated. And so it will continue. And so when we are, coming back to your question about graduates themselves, I think that you come out of university, you may have strength in all six areas that an employer wants, you might, but the chances are you probably won't. So the question you have to ask yourself is, "Where are my gaps?" and "Where am I going to go to fill the gaps?" And it's not just once. Now as I graduate from college it's actually going to be through my lifetime. And in fact Drucker talked about lifetime learning and that to me is a big part of our journey as individuals. We should be constantly learning and updating our own portfolio of skills.

Owchar: I just—I remember when I graduated from college I didn't have a clue what that next step was going to be. And even after going into a graduate program I still didn't have a clue. And I don't take it personally because the people around me were kind of in the same boat. But when I do look at the programs that are being offered at Drucker now, it does, it seems to me that there are some steps, some very clear concrete steps that you're offering to help these new young professionals kind of get their footing. Isn't that fair to say?

Darroch: Absolutely true. And one of the things we are doing, we're driving very, very hard throughout business, a bunch of key performance indicators all focused around student success, and in fact we're doing what Drucker would teach us to do. Drucker said you shouldn't focus on "our product" and "our people." And many universities do, they talk about "our MBA," "our EMA," "our MS"—whatever degree they're talking about. But we should be focused on our customer and their needs. And that's something we are doing at the Drucker School—we've completely pivoted our business to focus with single laser vision around student outcomes and students' success.

Owchar: You're echoing one of Drucker's famous quotes, I was actually going to quiz you on it but you beat me to it. It was the Drucker quote, "There is only one valid definition of business purpose, to create a customer." And so, we see students the same way. I mean we're very much in that.

Darroch: What's really important to me as a marketer is that our students are our customers, and not all professors would want to hear me say that. But that is our reality. So if I expand that answer, as a marketer I tell people that our job is to solve problems—we're problem solvers and our question has to be, "What problems do you have, customer, for which we are providing a solution?" And education is being disrupted, as many other industries are. And I see the way forward is to take far more of a customer-facing, market-facing point of view and look at our market, look at our different customer groups, and ask what problems do they have for which we might be a solution.

Owchar: And not only our current students either, right, Jenny? One of the things that the Drucker School now is doing is offering free coursework over the next five years to all of the Drucker alumni. And when I first heard about that I thought, "Are you mad? Free coursework!" But I think, isn't that the whole idea that Peter Drucker had, that your training never really stops? You continue to learn.

Darroch: We're so excited, you know, about the idea of giving a free class, and I go about my day and I sometimes look back on the ideas that we come up with, and I think this is still in my Top 5 best ideas of the year. You know it's a goody.

But the reason we did it is twofold. No. 1, Drucker talked about lifelong learning. And so we wanted to practice that and reinforce our position around lifelong learning. But also we very much believed in paying it forward. And we know that students who come to us, that have chosen to come to the Drucker School, they have invested heavily—we're not cheap—you know, they invested a lot of money to come back to us, and we saw it as a small gift of gratitude to thank them for having chosen us previously and encourage them to reconnect to the school. Some are and some aren't. But I'll tell you the response we've had has been absolutely phenomenal and we've had such wonderful emails, really excited alumni who just can't believe that we would be that generous to offer a gift of a free course. And of course, why wouldn't we be?

Owchar: It's extremely generous. But it also reinforces that idea of the Drucker family, doesn't it?

Darroch: I'm glad you asked about the Drucker family. Whenever someone comes and decides to join the Drucker School, we, depending on our mood, we say welcome to the family or welcome to the dysfunctional family—it depends on how we feel—it is very much that you join the Drucker School. And when I go about the world, not just the country, and visiting alumni, there's something that holds us together. Of course we've all bought in and studied, and declared success because of what Drucker taught us, but there's something else, and it comes back to what you were talking about, you asked me about before, about the multi-dimensionality of our student body, there's something that brings us together, and we do feel, we call it Drucker School Love or Drucker School your-family-for-life, or whatever hashtag you want to use. But there is something there that binds us together.

Owchar: Well you mentioned when you're traveling outside of the United States as well. And if we're talking about the Drucker community, this fall you're going to be in Vienna, right, for the Global Peter Drucker Forum, and really, the teachings of Peter Drucker... they're alive and well on the international stage as well, aren't they?

Darroch: Absolutely, Drucker...it comes back to a question you asked me before, the Drucker brand and the Drucker principles are very timeless. And I have the privilege to go and speak at the Global Drucker Forum, which is happening in Vienna in November. And that's an incredibly successful and high-profile event. Some stunning people come from all around the world. We're actually having an alumni event, not just for European alums, but for any alum around the world who wants to participate. The other areas or markets that we're really strong in, is of course the Japanese market, and we are named after a Japanese person, Masatoshi Ito, who was a very good friend of Peter Drucker's and continues to be a great supporter of the school, as does his family. But we have an incredibly strong base in Japan and other markets that are important, you know Taiwan and China and India, Korea...I don't want to minimize any other markets we do have students from, but certainly there is a couple of key country markets, Japan being one of our main ones, where we do spend a lot of time. I'm actually going back to Japan for the second time this year, going back in October.

Owchar: I mean that's just amazing. And it really, you know, reminds me of the prevalence of his thought and his teachings in so many places around the world. And I think it's fitting before closing this session of The Campfire, just to ask you in terms of the season, we're talking about summer reading...Now, I know that a lot of people in the summer like to take a mental vacation, and they just pack their beach bag with a thriller, or a biography that they've been meaning to get into. As far as Peter Drucker's books go, and he has many of them, what do you consider his essential reading. I don't know... especially if someone decides, "You know what? I think I'm going to sit by the pool and reacquaint myself with Peter Drucker," where would you suggest that they start?

Darroch: And of course there were many volumes. That's a really hard question to answer. So now it's going to depend on your mood and how much you know about Peter Drucker. So I'll give you a couple of answers.

If you really would rather read other things because you're on vacation then I think the easiest book to read is Drucker's *Five Questions, The Five Most Important Questions*, because that's timeless and it reminds us. If you haven't read much Drucker before, and you wanted to get an entree to it, I think Joe Maciariello's books actually, *The Daily Drucker* is a great book, and then his more recent book is called *A Year With Peter Drucker*. That's a really good book and he's written it in such a way that you've got coaching and self-examination questions, so it's very nicely laid out. If you want to read Peter Drucker's books themselves, then I would recommend *The Effective Executive*. It's a classic, it's a stock-standard book about how to be a more effective executive. The other one I personally dip in and out of sometimes is his 1954 classic called *The Practice of Management*.

And then the last one that I've probably read two or three times, cause I'm the dean and trying to, you know, make sense of a few things, is Joe Maciariello's book again called *The Lost Art of Management*. Joe wrote that book in 2010, I saw a draft of it in 2009, and up until that point, I'd never fully answered what we mean when we say, "Management is a liberal art." And if you reach Joe's book, I think it's in the first chapter, he said that Peter never actually explained it either. So I felt some sense of comfort, that I hadn't figured it out before. But what Joe does, is he traces the history of management, he traces the history of the liberal arts, and he shows how they come together. And as a dean, that actually has been a really helpful book to me to make sure we design our curriculum in such a way that reflects management as a liberal art.

Owchar: That's a very full reading list. I think you can start it in the summer and just keep going all year round. Well, this has been great. Really appreciate having you here, Jenny. I think on that note let's go ahead and close this episode of The Campfire. I want to thank Jenny Darroch, dean of our Drucker School, for taking time out of her schedule to be here. Thank you again.

Darroch: Thank you, Nick, it's been a pleasure.

Owchar: And for our listeners you can find full show notes for this episode and others at www.cgu.edu/news under the podcast category. Thanks for joining us. We hope to see you around The Campfire again very soon.