

*Manager must lead. But how? Here, Peter Drucker, a major management theorist and adviser to several top corporations, expounds on the subject. (From his book, Management: Tasks, Responsibilities, Practices.)*

TO BE A MANAGER requires more than a title, a big office, and other outward symbols of rank. It requires competence and performance of a high order. But does the job demand genius? Is it done by intuition or by method? How does the manager do his work?

A manager has two specific tasks. The first is creation of a true whole that is larger than the sum of its parts, a productive entity that turns out more than the sum of the resources put into it. One analogy is the conductor of a symphony orchestra, through whose effort, vision, and leadership individual instrumental parts become the living whole of a musical performance. But the conductor has the composer's score; he is only interpreter. The manager is both composer and conductor.

This task requires the manager to make effective whatever strength there is in his resources—above all, in the human resources—and neutralize whatever there is of weakness. This is the only way in which a genuine whole can be created.

It requires the manager to balance and harmonize major functions of the business enterprise: managing a business; managing worker and work; and managing the enterprise in community and society. A decision or action that satisfies a need in one of these functions by weakening performance in another weakens the whole enterprise. A decision must always be sound in all three areas.

The second specific task of the manager is to harmonize in every decision and action the requirements of immediate and long-range future. He cannot sacrifice either without endangering the enterprise. He must, so to speak, keep his nose to the grindstone while lifting his eyes to the hills—which is quite an acrobatic feat. Or, to vary the metaphor, he can afford to say neither

"We will cross this bridge when we come to it," nor "It's the next hundred years that count." He not only has to prepare for crossing distant bridges—he has to build them long before he gets there. And if he does not take care of the next hundred days, there will be no next hundred years—there may not even be a next five years. Whatever the manager does should be sound in expediency as well as in basic long-range objective and principle. And where he cannot harmonize the two time dimensions, he must at least balance them. He must calculate the sacrifice he imposes on the long-range future of the enterprise to protect its immediate interests, or the sacrifice he makes today for the sake of tomorrow. He must limit either sacrifice as much as possible. And he must repair as soon as possible the damage it inflicts. He lives and acts in two time dimensions, and he is responsible for the performance of the whole enterprise and of his own component in it.

**M**OST MANAGERS spend most of their time on things that are not "managing." A sales manager makes a statistical analysis or placates an important customer. A foreman repairs a tool or fills out a production report. A manufac-

# What does a manager do?

## Peter Drucker



Luao Martinez, *Lonely Duke*, 1969.

turing manager designs a new plant layout or tests new materials. A company president works through the details of a bank loan or negotiates a big contract—or spends hours presiding at a dinner in honor of long-service employees. All these things pertain to a particular function. All are necessary and have to be done well.

There are five basic operations in the work of the manager. Together they result in the integration of resources into a viable growing organism.

A manager, in the first place, sets objectives. He determines what the objectives should be. He determines what the goals in each area of objectives should be. He decides what has to be done to reach these objectives. He makes the objectives effective by communicating them to the people whose performance is needed to attain them.

Second, a manager organizes. He analyzes the activities, decisions, and relations needed. He classifies the work. He divides it into manageable activities and further divides the activities into manageable jobs. He groups these units and jobs into an organization structure. He selects people for the management of these units and for jobs to be done.

Next, a manager motivates and communicates. He makes a team out of the people that are responsible for various jobs. He does that through the practices with which he works. He does it in his own relations to the men with whom he works. He does it through his "people decisions" on pay, placement, and promotion. And he does it through constant communication, to and from his subordinates, and to and from his superior,

and to and from his colleagues.

The fourth basic element in the work of the manager is measurement. The manager establishes yardsticks—and few factors are as important to the performance of the organization and of every man in it. He sees to it that each man has measurements available to him which are focused on the performance of the whole organization and which, at the same time, focus on the work of the individual and help him do it. He analyzes, appraises, and interprets performance. As in all other areas of his work, he communicates the meaning of the measurements and his findings to his subordinates, to his superiors, and to colleagues.

Finally, a manager develops people, including himself.

Every one of these categories can be divided further into subcategories, and each of the subcategories could be discussed in a book of its own. Moreover, every category requires different qualities and qualifications.

Setting objectives, for instance, is a problem of balances: a balance between business results and the realization of the principles one believes in; a balance between the immediate needs of the business and those of the future; a balance between desirable ends and available means. Setting objectives clearly needs analytical and synthesizing ability.

Organizing, too, requires analytical ability. For it demands the most economical use of scarce resources. But it deals with human beings, and therefore stands under the principle of justice and requires integrity. Analytical ability and integrity are similarly required for the development of people.

The skill needed for motivating and communicating is primarily social. Instead of analysis, integration and synthesis are needed. Justice dominates as the principle, economy is secondary. And integrity is of much greater importance than analytical ability.

Measuring requires, first and foremost, analytical ability. But it also demands that measurement be used to make self-control possible rather than abused to control people from the outside and above—that is, to dominate them. It is the common violation of this principle that largely explains why measurement is the weakest area in the work of the manager today. As long as measurements are abused as a tool of control (for instance, as when measurements are used as a weapon of an internal secret police that supplies audits and critical appraisals of a manager's performance to the boss without even sending a carbon copy to the manager

himself) measuring will remain the weakest area in the manager's performance.

Setting objectives, organizing, motivating and communicating, measuring, and developing people are formal, classifying categories. Only a manager's experience can bring them to life, concrete and meaningful. But because they are formal, they apply to every manager and to everything he does as a manager. They can therefore be used by every manager to appraise his own skill and performance and to work systematically on improving himself and his performance as a manager.

**T**HE MANAGER works with a specific resource: man. And the human being is a unique resource requiring peculiar qualities in whoever attempts to work with it.

"Working" the human being always means developing him. The direction which this development takes decides whether the human being—both as a man and as a resource—will become more productive or cease, ultimately, to be productive at all. This applies, as cannot be emphasized too strongly, not alone to the man who is being managed but also to the manager. Whether he develops his subordinates in the right direction, helps them to grow and become bigger and richer persons, will directly determine whether he himself will develop, will grow or wither, become richer or become impoverished, improve or deteriorate.

One can learn certain skills in managing people—for instance, the skill to lead a conference or to conduct an interview. One can set down practices that are conducive to development—in the structure of the relationship between manager and subordinate, in a promotion system, in the rewards and incentives of an organization. But when all is said and done, developing men still requires a basic quality in the manager which cannot be created by supplying skills or by emphasizing the importance of the task. It requires integrity of character.

There is tremendous stress these days on liking people, helping people, getting along with people, as qualifications for a manager. These alone are never enough. In every successful organization there is one boss who does not like people, who does not help them, and who does not get along with them. Cold, unpleasant, demanding, he often teaches and develops more men than anyone else. He commands more respect than the most likable man ever could. He demands exacting workmanship of himself as well as of his men. He sets high standards and expects that they will be lived up to. He considers only what is right and never who is right. And though often himself a man of brilliance, he never rates intellectual brilliance above integrity in others. The manager who lacks these qualities of character—no matter how likable, helpful, or amiable, no matter even how competent or brilliant—is a menace and should be adjudged "unfit to be a manager and a gentleman."

What a manager does can be analyzed systematically. What a manager has to be able to do can be learned (though perhaps not always taught). But one quality cannot be learned, one qualification that the manager cannot acquire but must bring with him. It is not genius; it is character.