

Reviews

with sound research, might well be the most important message of all.

Donald A. Burgess
McGill University

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Peter F. Drucker.
MANAGING IN TURBULENT TIMES.
New York, N.Y.: Harper & Row, 1980.
239 pp. \$9.95.

Peter Drucker, termed "the founding father of the discipline of management", is certainly no stranger to readers of organization and administration literature. In this, his 16th book in forty-one years of producing books, he seems to have something for everyone.

To conclude this new book, he rewrites a quotation from his much earlier book, Management: Tasks, Responsibilities, Practices, to suit the current management environment.

Rarely has a new social institution, a new social function, emerged as fast as management in this century. Rarely, if ever, has it become indispensable so fast. But rarely also has a new institution, a new leadership group, faced as demanding, as challenging, as exciting a test as the one that managing in turbulent times now poses to the managements of businesses and non-business public service institutions alike.

Drucker explains that management is now being stridently attacked by a variety of interest groups. At some time during the last ten years

we moved into a condition of turbulence, of rapid innovation, and of fast and radical structural shifts.

In essence, Managing in Turbulent Times attempts to take the thoughts of those in charge of organizations to heights formerly unattained. Dr. Drucker sees this as necessary; society is entering a new era, with new trends, new markets, new principles, new technologies and institutions. The fact that so many novel things are appearing concomitantly and in such rapid succession is what necessitates enlightened approaches.

The book contains a vast amount of information and analysis. Besides a discussion of the traditional concepts, such as liquidity, productivities, and the costs of the future (Drucker's "fundamentals" of survival and success), and of inflation, profit, growth, strategies, markets, and so on, there appear some bright new ideas about "the knowledge worker", "the sea-change" (from Shakespeare), the "double-headed monster", "the employee society", and "labour forces". Before the book concludes, Drucker has fully described these latter concepts and their implications for effective managing, often drawing from the theories of Marx, Keynes, Taylor, Friedman, and Adam Smith.

Drucker begins slowly and generally cautions against managing from the certainties of yesterday. He points out that we now have an "employee society" whereby in developed countries between 85 and 90 percent of the economy's product is paid out in the form of wages and salaries. Further, the "knowledge worker" - trained for a profession - is increasingly being under-utilized. This has produced a situation, in classical economic theory terms, of "property holders without power" and "knowledge experts without responsibility", "function without status." Besides, with shifting population distributions producing a majority of younger, educated people but few professional job vacancies and other opportunities, enterprises are becoming "double-headed monsters" which depend for their performance on professionals who are dedicated to their discipline rather than to the institution. Add to all this a growing heterogeneity with respect to expectations, needs, and characteristics within the labour force (actually we have labour forces), thrusts to end a mandatory retirement age, and an increasingly integrated world economy, and we indeed have turbulent times that managers have to learn to manage.

Improving the productivity of all resources is the single most important step toward calming the turbulence. Resources need to be committed to actual and to potential results. The author suggests an operational budget for the things that are already being done (which should be "satisfied"), and an opportunities budget for proposed new and different ventures (which should be "optimized").

Four key resources have to be managed consistently, systematically, and conscientiously: capital, crucial physical assets, time, and knowledge. Drucker suggests that managers must work "smarter" rather than just "harder", and that their compensation needs

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to be based on economic reality rather than on reported "profits". The several times returns to the notion that assignment control is the key to the productivity of the knowledge worker - those highly qualified people who are potentially most productive but also most expensive.

A valuable aspect of this book is the informed comparisons of countries around the world. Many times Japan's approach of "lifetime employment" is referred to, and this is contrasted with the Western approach of unemployment insurance and mandatory retirement. Hong Kong, Taiwan, Singapore, and culturally-Chinese South Korea - "almost developed countries" - are applauded for their insight in giving first priority to the creation of jobs in manufacturing for exports. "Hong Kong in particular has done an outstanding job" says Drucker as to creating fully productive jobs. Then the author is able to consider various ways of achieving desired psychological security in workers. He sees the fair approach to be redundancy planning, in the form of a cooperative venture between management and employees. In Chapter 4, the cross-cultural comparisons are broadened to a discussion of the realities and managerial implications of an integrated world economy and a splintered world polity.

Managing in Turbulent Times, however, does appear to have some weaknesses. At the beginning and the end of the book, especially, the discussion often seems so general and broad as to be of little specific use to a manager concerned with action. The following excerpt serves as an example: "Managers will find increasingly that in turbulent times they have to be leaders and integrators in a pluralist society, in addition to managing their institutions for performance." (p.221) Related to this is the author's tendency to take an overly-mechanistic, money view towards the ideas in the turbulent society which he addresses. Even though Drucker refers to people - those being managed - several times, the reader might feel that the author does not emphasize enough what a key factor people are in the solution of turbulence. He comments that many young, well-educated, ambitious persons will become frustrated by their inability to break into saturated career markets in the next ten years. His particular orientation seems to stifle creative thinking along such lines as that these young people might decide to start their own businesses - or retrain - or pursue athletic careers as alternatives. Nor does he mention the stress involved in contemporary career positions, which is causing early retirements and vacancies through resignation.

What is there in this book specifically for managers of education, or educational administrators? Several important notions. First, in many sections Drucker describes the need for commitment, vision, integrity, statesmanship and leadership from managers in these times. Second, the author discusses particular forward-looking business practices such as production sharing (p.99), increased public relations (p.228), carefully controlling the assignment of resources (p.42), and employing zero-based concepts (p.44). Again, his comments concerning many highly educated young people in developed countries not being able to find relevant jobs, the need for second careers, and a need for more young professionals and more jobs in less developed countries,

mply to educational administrators a need to monitor curriculum and student numbers, to intensify continuing education programs, and to encourage international exchanges of young people. University-level administrators will find the author's analysis of the "double-headed monster" of value: the employee/managerial ambivalence of the militant unions of university professors, and the failure of university faculty to perform community functions. Lastly, it is worthwhile for administrators at all levels of the educational system to reflect on the muscle, fat, and cancer in organizations of which Drucker speaks.

Overall, Managing in Turbulent Times is valuable reading. Dr. Drucker's discussion is interdisciplinary and cross-cultural. He consolidates complex thinking about the management world in short space and very readable form. In the final analysis, he is encouraging managers to have hope, to view turbulence as a situation of opportunity, to manage for change, to be self-confident, and definitely to be action-oriented.

Translating much of what is said, one could very well come up with the idea that effective leaders of the future must have a "low tolerance for nonsense" and apply a great deal of common sense in dealing with "their people." Some of the harder, specific decisions which Drucker really only alludes to pertain to the outright releasing of incompetent staff for the betterment of the organization, keeping the size of one's organization manageable, and recognizing dangerous "executive stress" levels. Perhaps these will be topics in one of his future works.

Whether managers can discard the dysfunctional shibboleths which have fed their egos for decades, and whether soon, structurally, "we will see organizations as concentric, overlapping, coordinated rings, rather than as pyramids," remain to be seen. What we do know is that creative, salient thinking about new directions for managing in new times is alive and well, and MTT may yet become as famous an acronym as MBO.

Douglas J. Thom
University of Hong Kong

Frances FitzGerald.
AMERICA REVISED.
Boston: Little Brown & Company, 1979.
240 pp. \$8.95.

The history of school history texts would seem to offer pretty humdrum prospects to both author and publisher. In such subject matter one might expect not only a high dullness quotient but also a low profit margin. But preapprehensions of this sort would be well off the mark, at least if we are to judge from the success of America Revised.