November 1st, 1991

Speech at Drucker Education Seminar

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Two years ago I had the opportunity of participating in the 80th birthday party for Peter Drucker. I was asked at that time to speak on the effective executive of the 90's. I was reminded then, as I have been reminded now in preparation for our time together, that the challenge before us in the 90's--before you as leaders of educational institutions and before me, as an executive in business--involves the reality that we are living in a period of accelerated change and choice.

As I left that birthday party in November of 1989, I was headed to Eastern Europe and the Soviet Union, where I had been invited to give lectures on the free enterprise system. My trip included Warsaw, Moscow, Leningrad and also the countries of Estonia, Latvia and Lithuania. During that time the Wall was coming down in East Berlin. Explosions of freedom were occurring everywhere one looked.

Now think of what has happened in the past two years. There is one united Germany. Hungary, Czechoslovakia, and Poland have made great progress in moving to a free market economy. There is no longer a Union a Soviet Socialistic Republics. Separate republics have been formed on historic racial and ethnic lines. There has even been an attempted coup. We have been involved in a war in the Mideast, and all of us are wondering what is in the future for our own economy.

Our advanced technology and communications has brought us instant access to these world events. No longer will it be possible for a totalitarian government to shield its people from what is going on and take away their freedom through secrecy.

In fact, we have more information or data, if you will, at our disposal than any other generation. The advancement of technology continues to push and stretch our capability to make choices, even the right choices, as things around us change at an accelerated pace. The potential of life and death choices will not diminish as we look to the future. The choices affecting the elderly will grow in complexity as that segment of our population grows.

In addition to this change and choice, there is an increasing diversity among those we work with, those we teach and educate. In the labor force, for example, during the next ten years the entrance will be dominated by women and minorities. Just this last week I had a chance to visit with a superintendent in the school district in Atlanta. He told me that over 100 different nationalities and language groups were represented in his school district. That's in the middle of America, folks.

No longer can we look at our own economy as self-sustaining. In fact, we are interdependent. It is not possible for you or for me to buy an American car. 80 percent of the steel has been imported. Robots that put it together were made in Italy. So let's not kid ourselves about "buying American." The market forces have been at work, and the best, cheapest supplier will prevail, regardless of country of origin. We, then, have to increasingly learn to live with
more diversity.

But with all this change, choice, and diversity, there is, I believe, a constant element, an essential ingredient of the growth and development of any economy, of any business unit, of any educational institution. It is simply, people. People. Whether they be in second grade, ninth grade, twelfth grade, juniors in college, graduate students, young managers, executives, or retirees. People who want to learn, who are creative and can identify opportunities, who want to serve, who need to be nurtured, encouraged, trained, developed, and motivated. People who have individual dignity and worth regardless of rank, task, or assignment. People with the potential to be creative and adaptable. People who are more effective when they work for a cause, not just a living. People who, with more information and choice, will want greater participation and flexibility in their school or work place. People who have the potential to improve and who have varying gifts and talents. People who learn to accept and apply a value system as they relate to others in their work environment. People who exercise judgments within a framework of those values and who have the capacity to both love and hate, to care and to hurt, to detract and to contribute. People who respond to recognition for a job well done. People who grow in their self esteem and well being as they learn to serve and contribute to others. People who are looking for a mission and purpose in their school work, in their jobs, and their training and development.

We are in the people business. We are here to talk about the educational process in America. What should be our expectations? As Peter Drucker would say, what are the results we are looking for?

We have all read enough about what our system is not doing. Some even claim that our present system is so encumbered with the paradigms of the past that a revolution is needed. I quote from President Bush's America 2000 Education Strategy, "To those who want to see real improvement in American education, I say there will be no renaissance without revolution. For today's students we must make existing schools better and more accountable. But for tomorrow's students, the next generation, we must create a new generation of American schools."

One does not have to go far to read what is wrong with the American school system. One can also find without much effort, what is wrong with American business. There is much about what we have allowed to happen in the last 20 years which should be criticized and needs to be changed. In business, there has been a contract of complacency between workers and employers that has undermined our competitiveness. It takes us three times as long to achieve the productivity gains we achieved prior to 1973. Our economy has grown because more people are at work, not because workers are more productive. America's real average weekly earnings, that is inflation adjusted, has fallen more than 12 percent since 1969. With the bottom 70 percent of our population bearing all of this pain; that is, those who did not complete a high school education. In fact, those who completed a college education actually experienced positive increase inflation adjusted of ten percent in wages during this period. But one in five children is now born into poverty, and these children will constitute one-third of the country's future workers. While there have been some initiatives for a closer working relationship and alliance between American
business and our educational institutions, it is still small and fragmented in comparison to what has historically gone on in Japan and Germany, our two largest competitors. In both countries the student's efforts in learning are clearly tied to their future involving employment. The employer is directly involved in determining what should be taught in the schools.

We have all been reminded that learning is a lifelong experience. Therefore, as one of our goals we should have a much closer working relationship between the employer and the employee. (Here describe my discussion with a local educator in our district who had just been promoted to director of curriculum, i.e., input with employers.)

As we discuss where we are and where we should be, in true Peter Drucker fashion I would like to ask some basic questions and listen carefully to you.

The first is one of his classics. What is your business? (To train and develop people to be productive and effective contributing members of the community.)

"Maybe one of the problems in education is that is has no bottom line, no daily quote in the newspaper. How we define the business? How do we define the results?

Business could be to equip students with elementary skills of effectiveness so that they could be able members of an organization; contribute and be effective.

To be effective, everyone has to be employed--by business, by government, by educational institutions, or as a self-employed professional. What do we need to be effective? We need to be able to present ideas orally and in writing simply and clearly. We must be able to work with other people. We must be able to solve problems, not just analyze them. We must have be technologically literate in the broad sense of having some understanding of the way the world functions. We have must have the opportunity to practice what we learn, to discipline our time and ourselves. To manage oneself. We must understand the process of learning and keep at it, because learning is a lifelong experience. Peer tutoring works. Yet you go into most schools and it doesn't exist. One of the best ways to learn is to do or to teach. Yet there is very little doing or the opportunity for students to teach. How do we use video in communication? As good as the local movie house? Students don't learn because they are bored. We know motivation works. It happens out in the athletic fields but, frankly, in some schools it is boring. Basic skills--verbal, mathematic, scientific, must be more than teachers of facts. Students must also know the moral and philosophical ways of life. The notions of right and wrong, good and evil, liberty and slavery. Schools must have open access to all, otherwise it will become a vehicle for greater class division.

The ultimate standard is to equip students to become more effective members of an organized effort. To make a contribution as part of an organized effort advancing the goals of society.
Another question is, who is your customer? Is the student a customer? Is the student the worker? Is the student the product? Where does the parent fit in? How about the taxpayer? Why is the question important? Who should have a choice over the school they go to? What about this system of choice?

But that could all be resolved if we would just get an answer to the next question. Who owns this place? Who owns your educational institution? Do the taxpayers own it? Does the school board own it? The church? The board of trustees? Why is ownership important?

Because fundamentally for any organization to be effective it must be accountable. Accountability requires the definition of a business. A mission or purpose. And if you are to serve to educate, who is your customer?

All this leads to the next question. Who runs this place? The owners can't run it. The customers (students) certainly don't run it. Or do they? Who runs this place? The principal? The superintendent? The president? The teachers? The school board? The board of trustees?

If we agree that the student is the worker, what is the role of the teacher? Are they managers? Or experts in teaching students how to take test, memorize facts, many of which may be irrelevant in the living of life. Have we been so conscious about measurement that standardized tests govern the learning process or lack there? Do others have a role in the teaching process? What about parents or members of the community in the mentoring process? (Here cite our experience with Francis Scott Key School and read the letters from Louise Perez.)

Do we need more coercion in our schools? More homework? Longer school days? Harder courses? In Japan, for example, they have 243 school days in a year. Korea 220. In America on average what is it? 180 days?

Do we need more management? Motivation? Inspiration? Excitement? Purpose? Direction? We all agree we don't need more stuffing of students with fragments of measurable knowledge. Don't we need students who know how to work, how to think, how to judge between what is right and wrong, and to innovate and solve problems? The latter has been a great American trait. Let me share with you what our experience has been in training and developing workers from America, Europe, and Japan. (Here cite story.)

If teachers are to be managers and coaches, one of the essentials for success will be the same essential that is there in the work place. A worker, to be effective, must see a strong connection between what they are asked to do and what they believe is worth doing. No system, no standards of performance, no pay check is enough to get an effective job unless this occurs. The same is true in a classroom.

(Here insert the teacher's role. Not just educating children. Not just educating students.)
But raising children.

But what about the principal? The superintendent? The administrator? The president? The dean of faculty? You are all administrators. You help make the system work. You understand the politics and what it takes to get the job done, which means you have to please most of the people most of the time. But how much are you devoting to your leadership function? It is not only who runs this place. But who leads this place? Who has the vision? Who is willing to stick his neck out?

Leaders must be aware of the human spirit. There is not such a thing as remote control leadership. (The story of connecting the voice with the touch. Max DePree’s child.) Followers have a right to know what leaders believe, what there vision is, and that they can be trusted. Leaders must be in touch with reality and accept people as authentic. Don’t limit yourself to what was dropped on the kitchen floor. Leaders need to provide room for mistakes. Leaders must be trained and prepared to be surprised by potential. (Story of worker and the tie pin in the ear.) Leaders select the right people for the right job. Leaders are responsible for a fair distribution of results. Leadership is a position of indebtedness. A leader requires a commitment to celibacy. (Leaders need to make room for people they lead. Be stewards of limited resources. Leaders must be frantic learners.)

Leadership is so essential, especially at this point of time in education, because we are in a brave new world where education will be everything. Knowledge is becoming what some say is the true capital base, the premier wealth producing resource. Think of Adam Smith’s simple formula for creating wealth: land, labor and capital. In our economy is land really relevant as a resource? No longer. Are natural resources really relevant as a resource? If you read a 19th century history book about why America became rich, the answer is that America had more natural resources than anybody else. We didn’t necessarily work harder than the rest of the world. We didn’t save more money than the rest of the world. We were resource abundant. But this factor drops out of the wealth equation of today. So, in some respects, does capital. It used to be that if you were born in a rich country you could almost guarantee that you would die in a rich country. But now we have developed a world capital market. An entrepreneur in Hong Kong can have access the a capital market just as easily as you and I can. And even the ingredient of initial technology is no longer able to make a difference. It used to be that the name of the game was inventing new products. That’s how the British got rich with the steam engine. That’s how the American’s got rich with Henry Ford, the assembly line, and the Boeing jet plane. But think about the leading new products invented in the last 20 years: the video camera, the video recorder, both invented by Americans, the fax machine, invented by Americans, the compact disc player, invented by the Dutch. Who owns these products today, when it comes to employment, profits and wages today? The Japanese do. If I can make a product more cheaply than you can make a product, I can take your product away from you.

(Here read from Tribune article.)
The resource, then, that we are dealing with, that is most vital for the future, is the resource of labor. You see, we come back to people. Educators have more to do with whether America is going to be successful in the 21st century than anybody else. By this I mean educators in this room and educators in the employment sector. We cannot just be in the business of inventing new products. We must be investing in the process of producing and selling those products, and that process involve people. General Motors will continue to make cars in the United States only if the work force is more skilled or cheaper than in some other place in the world. (By the way, who pays for this place? Here get into discussion of paying for place.)

(By the way, what is the role of privatization in all of this discussion? How do you feel about choice? Do you really believe we are living in a world of accelerated change and choice? Won't choice put a greater competitive pressure and accountability on your institution? Why shouldn't there be more choice?)

The conclusions from all of this are simple. The business of every educational system is to train and develop people to be productive and effective contributing members of society. The owner, and the ultimate financier is one and the same, i.e. the employer. The question, then, is how are you establishing a relationship with the employer in helping to guide the educational process? And as you run the place, do you view yourself not simply as an administrator, but a leader. Listen and learn from all levels of the organization. Be prepared to walk the talk as a role model. Don't be caught up in the perks of office. Be available and vulnerable to the most important people in your firm: the student. Be thinkers. Be frantic learners yourselves. Don't be caught up in the success of what you have achieved or what I refer to as the arrogance of ignorance. Continue to learn yourself. Be sure of why your school exists. Focus on creating a learning environment. Innovate. (Here cite Drucker's definition of innovation). We need initiators. Be doers, workers; not administrators. We need graduates. We need students in the work force who can think, can judge, can serve, can solve problems, and can initiate and do.

Rev. 11/4/91