Competence: “knowing your stuff” as, 162, 164; as leadership strategy, 230–231; and Peter Principle, 141, 172

Competition: observing, 39; social responsibility as advantage over, 102–105

Concept of the Corporation (Drucker), 182

Conformity, 262–264

Confucian ethics, 73

Consequences. See Unintended consequences

Controls: characteristics of, 56–58; metrics for, 58–59; specifications for, 59–61; ultimate, 62

Cossman, Joe, 17, 35–36

Crawford, Bill, 218

The Crowd (Le Bon), 257–258

“Crown prince syndrome,” 137–138, 140, 143

Cultural differences: ethical behavior and, 63, 67–69; and importing management practices, 14–15; observing, 37

Cultural environment, observing, 40–41

Cunningham, Randy “Duke,” 89

Custer, George Armstrong, 138

Customers: defining business with point of view of, 16–19; doing unexpected for, 51; needs of, as basis of marketing, 7, 224

Cyrus the Great, 125–126, 127

Cyrus the Younger, 122

Defining your business, 11–20; with customer’s point of view, 16–19; Drucker’s advice on, 19–20; importance of, 12–13; and introducing new product, 11–12; obtaining commitment to mission after, 13–15; participation in, 13–16; timing of, 19

Delphi Method, 29

Demographics, observing, 38

Determining the business of your organization. See Defining your business

Dillon, Arthur, 208

Diversity: as competitive advantage, 104–105; impact of not understanding, 170–171; prevalence of working with, 172. See also Cultural differences

Do no harm, 107–116; Drucker’s view of, 108, 116; good intentions and, 109–115; origin of idea of, 107–108. See also Social responsibility

Doolittle, Jimmy, 169–170

Dow Chemical Company, 103

Drucker, Peter: evolution of attitudes toward leadership, 1–3; as “grandfather of marketing,” 228; legacy of, 265–266; personal development efforts of, 175–176; relationship with students, 239, 240–241

Drucker, Peter, works of: Concept of the Corporation, 182; The Daily Drucker, 2–3; The Effective Executive, 154; The Leader of the Future, 2, 133; “Leadership: More Doing Than Dash,” 5; Management Challenges for the Twenty-First Century, 6, 174, 211, 224; Management: Tasks, Responsibilities, Practices, 1, 12; Managing the Nonprofit Organization, 228; The New Society, 182; People and Performance, 154; The Practice of Management, 121, 182

DuPont, 103

Duty before self, 163, 165–166
Economy: observing, 39–40; 2008 meltdown of, 90, 114–115
The Effective Executive (Drucker), 154
Eisenhower, Dwight D., 5, 23, 118, 129, 145–146, 150
Emotions: and charisma, 203, 206; and mass mind, 258
Employees. See Workers
“Entrepreneurial view,” 30–31
Environment, observing, 34–35, 39–41
Envy, 93
Ethics: Confucian, 73; defined, 65; law vs., 66; of social responsibility, 102.
See also Business ethics
Expectations, declaring, 162, 164
Experience: as aspect of promotion in military, 193–194; as element of training, 139–140; military, as preparation for leadership, 118–119; reputation earned with, 90–91, 126–127; as universal law of leadership, 163, 166

F
Failure: case study of positioning to overcome, 247–252; due to not defining business, 11–12; and executive selection process, 173, 194; rates of CEO, 168–169; self-development to reduce, 173–176; of top military leaders, 167–168
“Fallacy of dominant dimension,” 187–188
Falstaff beer, 18
Fire walking, 261–262
Florida Power and Light Company, 58
Foch, Ferdinand, 134–135
Fogleman, Ronald R., 130, 175
Forecasting, 26–30
Four-cell matrix, 46
Fredendall, Lloyd, 141
Frunze, Mikhail V., 129
Fuller, J.F.C., 52
Future: creating, 9; Drucker’s predictions of, 27; “entrepreneurial view” of, 30–31; forecasting, 26–30. See also Strategic planning

G
Galvin, Robert W., 241
Garfield, Charles, 196
Gates, Bill, 205
Gathering information, 33–43; areas of interest when, 34–35, 36–41; by conducting market research, 41–42; Drucker’s advice on, 43; keeping focus while, 35–36; “looking out the window” technique for, 33–34
Gerstner, Lou, 105
Glassdoor.com, 15
Gluttony, 93–95
Government, and social problems, 98–99
Grant, Ulysses S., 154
Gray, Alfred, 135
Greed, 89–90
Grove, Andy, 205

H
Habiger, Eugene, 135
Hawthorne Effect, 57
Health of workers, 127–128
Hertz, 253
Hesselbein, Frances, 5, 28, 118
Hesselbein on Leadership (Hesselbein), 5, 118
High, Jacob, 3
Hill, Napoleon, 88
Hippocrates, 107–108
Hitler, Adolph, 1–2, 27, 66–67, 205
Honor, defined, 66
Hopf, Fridolin, 256

I
IBM, 105, 253
Implementing plan. See Taking action
Influence and persuasion, 255–264; as component of strategy, 256–257; example of power of, 255–256; ignored by Drucker, 256; and mass mind, 257–258; strategies of, 258–264

Information: given to workers, 197; workers’ desire for, 221–222. See also Gathering information

Integrity, 75–83; author’s experience in Air Force, 77–83; as component of effective leadership, 4–5; defined, 65; importance of, for leadership, 83; risk accompanying, 76–77; as universal law of leadership, 162, 164

Jackson, Ira, 163
Jacobs, Owen, 168
Japanese management: group exercise as component of, 127; ringi decision-making procedure of, 14
Joan of Arc, 129
Jobs, Steve, 18–19, 205
Johnson, Spencer, 92
Johnson, Thomas, 76

K
Kelleher, Herb, 205, 243–244
Kennedy, John F., 201, 204, 219
Knowledge workers: encouraging managerial vision in, 198; increasing number of, 171; motivating, 208; origin of term, 27; Theory X and Theory Y and, 183–185
Kotler, Philip, 228
Kyropaidaia (Xenophon), 2, 117–118, 121–122, 123

L
Law, ethics vs., 66
Lay, Kenneth, 92
Le Bon, Gustave, 257–258
The Leader of the Future (Drucker), 2, 133
Leaders: role in strategic planning, 4, 12–13; weaknesses of, and staffing decisions, 153–154, 155
Leadership: Drucker’s definition of, 7, 224; Drucker’s model of effective, 3–7; evolution of Drucker’s attitudes toward, 1–3; management vs., 10, 57; permissive, 181, 184–185; strategic, 169–171, 276n6; unethical, 66–67; universal laws of, 162–166. See also Military leadership
Leadership development, 133–143; advantages of military model of, 141–142; Drucker’s view of, 133–134, 142–143; in military vs. business, 134–141. See also Personal development
“Leadership: More Doing Than Dash” (Drucker), 5
Leadership sins, 85–95; and Drucker’s ethical standards, 85–86; envy as, 93; gluttony as, 93–95; greed as, 89–90; lust as, 88–89; pride as, 86–87; sloth as, 90–92; wrath as, 92–93
Leadership styles, 181–189; Drucker’s thinking on, and motivation, 189; permissive leadership as, 181–182; Theory X and Theory Y as, 182–188
Legal environment, observing, 40
LeMay, Curtis, 136–137
Levinson, Arthur D., 15
Liddell Hart, B. H., 52
Lincoln, Abraham, 154
Lockheed Aircraft, bribery scandal, 69–70, 71
Lust, 88–89
Luth, Wolfgang, 231
Lutsky, Zach, 203–204

M
Maciariello, Joseph A., 2, 266
Management, leadership vs., 10, 57
Management by wandering around (MBWA), 241
Management Challenges for the Twenty-First Century (Drucker), 6, 174, 211, 224

Management: Tasks, Responsibilities, Practices (Drucker), 1, 12

Management theories: caution on adopting, 14; “fallacy of dominant dimension” in, 187–188

Managing the Nonprofit Organization (Drucker), 228

Market research, 36–37, 41–42

Marketing: defined, 233; development and spread of, 231–233; how to integrate, into leadership, 234; mass, 235–236; selling vs., 227–230.

See also Positioning; Influence and persuasion; Segmentation

Marketing concept, 7, 224

Marketing job, leadership as, 6–7, 223, 224, 227, 233–234

Marshall, George C., 5, 118, 145–146, 201

Mary Kay Cosmetics, 146, 275n1

Maslow, Abraham, 184, 215

Mass marketing, 235–236

Mass mind, 257–258

Mayo, Elton, 139

McCain, John, 34, 201

McGregor, Douglas, 182, 184

McMahon, Vince, 229–230

Metrics: choice of, 58–59; and specifications for controls, 59–61

Military: actions demonstrating leadership in, 91, 126–127; advantages of leadership development model of, 141–142; author’s experience of integrity in, 77–83; leadership training in, vs. in business, 134–141; metrics for evaluating social clubs of, 59, 62; motivating volunteers in, 212; promotion system of, 147–154; quotations from leaders in, 128–130; strategy associated with, 45–46

Military leadership: in battle, 158–160; common misperception about, 157–158; failure of top, 167–168; as model for effective leadership, 5–6, 117–119; reasons to emulate, 160–163; training, for strategic leadership, 171, 276n6; universal laws of leadership based on, 162–166; World War II training of, 181–182. See also Xenophon

Misleaders, 2, 204–205

Mission: business’s responsibility to, 99–100; importance of leader believing in, 260; knowledge workers’ belief in, 208; obtaining commitment to, 13–15; of Sears, Roebuck, 13. See also Defining your business

Mistakes: handling of, in military vs. business, 140–141; recovering from, 150; responsibility for, in selection process, 194

Mitscher, Marc, 169

Money, as motivator, 208, 211. See also Compensation

Montgomery, Bernard, 5, 118

Montgomery Ward, 17–18

Morality, defined, 65

Motivation, 191–199; charisma as, 201–209; as component of effective leadership, 6; Drucker’s approach to, 6, 179–180, 199; and employee satisfaction, 192–193; and information given employees, 197; leadership styles as, 181–189; and managerial vision, 197–198; money as, 208, 211; and performance standards, 194–197; and staffing, 193–194; of volunteers, 211–222; Xenophon on, 125–126

N

Naisbitt, John, 214

Napoleon, 91, 161

New products: defining business before introducing, 11–12; and dropping failing and marginal products, 26–27; looking for, 35–36; market research on, 41–42

The New Society (Drucker), 182
O
Obama, Barack, 34, 201, 233, 238, 246
Oberg, Don, 196
Observation: areas for, 34–35, 36–41; focus during, 35–36; as technique for gathering information, 33–34
The One Minute Manager (Blanchard and Johnson), 92
The One to One Future (Peppers and Rogers), 239, 284n2

P
Participation: in decision making, 14–15; when defining business, 13–16
Pascal, Blaise, 63
Patton, George S., 124–125, 141, 182
People. See Workers
People and Performance (Drucker), 154
Peppers, Don, 239
Performance: high standards for, 194–197; peak, motivation to achieve, 191–199
Permissive leadership, 181, 184–185
Pershing, John J., 129
The Persian Expedition (Xenophon), 121, 122–123
Personal development, 173–176
Persuasion. See Influence and persuasion
Peter, Laurence, 172
Peter Principle, 141, 172
Peter the Great, 126–127
Peters, Tom, 241
Planning. See Strategic planning
Political environment, observing, 40
Pollution, air: auto industry’s efforts to reduce, 109–110; from plant in depressed area, 112–113
Portfolio management, 45, 46
Positioning, 245–254; and being first, 252–253; case study of, as leadership strategy, 247–252; defined, 234, 246; procedure for, 254; role in communication, 245–247
Positioning: The Battle for Your Mind (Ries and Trout), 234, 246
Powell, Colin, 150
Powers, Hilary, 221
The Practice of Management (Drucker), 121, 182
Pride, 86–87
Primum non nocere. See Do no harm
Principles, as element of strategies, 53
Profit: and business ethics, 72–73; metric focused on, 59, 62; responsibility of business to make, 99–100
Promotion, 145–155; characteristics of rational system for, 146–147; Drucker’s thinking on, 155; experience as aspect of, 193–194; importance of system for, 145; military’s system for, 147–154; staffing vs., 146

R
Reading, 175
Reagan, Ronald, 201–202
Referral, and conformity, 262–264
Regulatory environment, observing, 40
Resources: available, as element of strategies, 53; workers as, 97
Responsibilities: importance of CEOs not avoiding, 91–92; of Theory Y leaders, 185–186. See also Social responsibility
Results: expecting positive, 163, 165; as focus of controls, 57–58; unintended, business’s liability for, 100–102; workers’ desire to see, 219–220
Rickover, Hyman G., 130
Ries, Al, 234, 245, 246, 252
Riggio, Ronald, 204, 206–207
Ringi, 14
Risk: with acting with integrity, 76–77; as element of strategic planning, 22, 31, 48; and knowledge workers, 198; and military personnel, 212
Robbins, Tony, 261–262
Rogers, Martha, 239, 281n2
Rosenwald, Julius, 103–104
Salaries. See Compensation
Satisfaction, employee, 192–193
Sears Roebuck, 13, 17, 103–104
Segmentation, 235–244; advantages of, 237–238; defined, 234, 236; example of, in politics, 238–239; function of, in leadership, 244; and leaders’ interacting with staff, 240–244; mass marketing vs., 235–236; one-on-one, 239–240
Selection. See Staffing
Selling, marketing vs., 227–230
Seven deadly sins of leadership, 85–95
S-7-Up, 253
Shakespeare, William, 83
Shinseki, Eric K., 5, 119
Sincerity, 259–260
Sloan, Alfred P., 103
Sloth, 90–92
Smith, George, 247–248, 251, 252
Smith, Perry M., 76–77
Social classes, observing, 37–38
Social environment, observing, 40–41
Social proof, and conformity, 262–264
Social responsibility, 97–106; as competitive advantage, 102–105; Drucker's beliefs about, 64, 106; ethics of, 71, 102; and good intentions, 109–110; and government solutions to social problems, 98–99; leadership and, 105–106; and liability for unintended consequences, 100–102; and responsibility to corporate mission, 99–100. See also Do no harm
Spaulding, Charles, 204
Specialization, 171–172
Spielberg, Steven, 205
Staffing, 145–155; as component of creating responsible workers, 193–194; Drucker’s thinking on, 154–155; example of outstanding, 145–146; importance of system for, 145; promotion vs., 146; as reason for executive failure, 173, 194. See also Workers
Stalin, Joseph, 205
Standards, performance, 194–197
Strategic leadership: shifting from tactical to, 169–171; training military personnel for, 171, 276n6
Strategic plan: forecasting when creating, 26–30; function of, 23–24; implementing, 56; periodic reviews of, 61–62
Strategic planning, 21–31; defined, 22; Drucker's advice on, 31; "entrepreneurial view" employed in, 30–31; leader's role in, 4, 12–13; questions to guide, 25
Strategies, 45–54; Drucker's view of, 47–48; elements of, 52–53; formulas for developing, 45, 46; hypothetical Drucker methodology for developing, 49–52, 54; military associated with, 45–46; questions answered by, 48–49; tactics vs., 229–230
Strategy (Liddell Hart), 52
The Stuff of Heroes (Cohen), 163
Tactics: shifting away from leadership based on, 169–171; strategies vs., 229–230
T’ai Kung Chiang Shang, 128
Taking action, 55–62; consequences of not, 123–124; controls needed when, 56–58; Drucker on, 55, 62; to implement plan, 55–56; metrics when, 58–61; periodic reviews when, 61–62; ultimate control when, 62
Target markets, observing, 36–37
Taylor, Frederick, 139
Taylor, Maxwell, 126
Technology: impact on strategic leadership, 170; market research on introducing new, 41; observing, 39; participation in decision making facilitated by, 15; specialization required due to, 171–172
Theory X: Drucker’s view of, 183–184, 186; overview of, 182
Theory Y: Drucker’s view of, 184–186, 187–188; overview of, 183
Total Quality Management (TQM), 58, 110–111, 187
Townsend, Robert, 94
Toyota, 105
Training, 133–143; advantages of military model of, 141–142; Drucker’s thinking on, 133–134, 142–143; of military leadership in World War II, 181–182; military personnel for strategic leadership, 171, 276n6; in military vs. business, 134–141; need for continuous, 138–139
Trout, Jack, 234, 245, 246, 252
Truman, Harry S., 72, 201

U
Unintended consequences: of applying new ideas from consultants, 110–111; of change for the good, 112–115; of efforts to reduce air pollution, 109–110; unlimited liability for, 100–102; of U.S. welfare system, 99
Union Carbide, 112–113

V
Value, customer’s definition of, 18–19
Vandenberg, Hoyt, 91
Vision, managerial, 197–198
Volunteers, 211–222; in military, 212; research on what motivates, 212–214; treating employees as, 216–222
Von Schell, Adolph, 207–208

W
Wallace Company, 58
Wal-Mart, 101–102
Ward, Aaron, 17
Washington, George, 129
Waterman, Robert, 241
Watson, Thomas, 141
Weaknesses of leaders, and staffing decisions, 153–154, 155
Welch, Jack, 27, 118
Welfare system, U.S., 98–99
West Point, 253, 254
“What if” questions, 30
Whistler, Thomas, 195
Wilson, Johnnie, 135
Winters, Dick, 153
Wiseman, Richard, 203, 205
Wood, Robert E., 229
Work, dimensions of, 187
Workers: health of, 127–128; leaders’ interacting with, 240–244; research on what motivates, 214–215; as resource, 97; satisfaction of, 192–193; taking care of, 163, 165; treated as volunteers, 216–222; Xenophon as valuing, 124–125. See also Knowledge workers; Staffing
Wrath, 92–93
Writing, 176

X
Xenophon, 121–131; Anabasis (The Persian Expedition), 121, 122–123; biography of, 122–123; on caring for followers, 124–125; on consequences of inaction, 123–124; Drucker’s respect for, 2, 5, 128, 131; on earning reputation, 126–127; on health of subordinates, 127–128; Kyropaidia, 2, 117–118, 121–122, 123; on motivation, 125–126

Y
York, Alvin, 134–135

Z
Zaharias, Babe, 76