

DRUCKER'S THINKING ON ECONOMY, MANAGEMENT AND PEOPLE

The topic of my dissertation is «The Innovative management in the education system». It was very difficult to find the literature in English on the topic of my dissertation. I chose the book by a well-known economist Peter Drucker «The frontiers of management. Where tomorrow's decisions are being shaped today». This book shows practical and sharp Drucker's thinking on economy, management and people. The knowledge of economy and management is necessary in any field of activity.

When translating this book I have learned a lot about changes in the world economy. It was interesting to learn that changes occur in the primary-products economy and what "de-industrialization" means. Also I have learned about America's entrepreneurial job machine. This machine consists mainly of creation "low-tech" and "no-tech" businesses. Also I learnt the "no-growth" theory based on the "Kondratieff long wave". According to the long-wave theory, developed economies enter a long period of inexorable stagnation every fifty years. In this book I read Peter Drucker's ideas why OPEC failed.

Peter Drucker considered the question of creating multinational companies. In a typical multinational company there is a parent company with subsidiary in foreign countries. He writes that economic realities are forcing multinational companies to become a transnational system. It was very interesting to read about managing currency risks. I found out that there is such a notion as hedging.

There are three ways of building a concern for foreign trade. The first one might be called the internationalist position. The second way might be called the nationalist position. The third, there is mercantilist position. Peter Drucker writes that high-tech entrepreneurship is all the rage in Europe. The Europeans have even coined a new word – Entrepreneurial culture.

When reading chapter “What we can learn from the Germans” I discovered for myself what secret of success of Germany in the world market was. The main secret was probably in the unique German system of apprentice training 150 years ago. Young people entering the labor force simultaneously receive both practical experience and theoretical learning, becoming at the same time skilled workers and trained technicians. Peter Drucker writes that doing business in Japan is very difficult.

Every part shows changes in this book. Some of them are profound and major ones, such as impact of information on organization, meaning of the entrepreneurial surge in the last decades, or the problems created by the success of management. Other changes are perhaps ephemeral and transitory – though for that matter no less important – for example, the inequality between traditional job and the expectations and qualifications of a new, young and educated work force. Any of these changes might be seen as threat.

Thus this book aims not only at providing knowledge but also at creating vision.