

## Olympus' Troubles: What Would Peter Drucker Have Said?



Former Olympus chief executive Michael Woodford at a news conference

This is the VOA Special English Economics Report.

In business, leadership is never yesterday's issue. This week, the Japanese electronics company Olympus made a public apology. It said company officials hid over one billion dollars in losses going back to the nineteen nineties. The company's stock has lost half its value since October. Olympus says it is investigating and considering legal action against some of its current and former officials.

Reports say the problems at Olympus seem to come from thinking more about declaring profits in the short-term instead of building real value.

This was one of the issues considered by management expert Peter Drucker over his long career. Peter Drucker died in two thousand five. But many of his ideas remain very meaningful today.

Drucker liked to share his knowledge not by answering questions but by asking them. He once said business people must not ask "what do we want to sell?" but "what do people want to buy?"

He taught at the Claremont Graduate School of Management in California for over thirty years. He advised companies on business methods. And he wrote thirty-nine books on business and economic ideas.

Peter Drucker was born in Austria in nineteen-oh-nine. In the late nineteen twenties, he worked as a reporter in Frankfurt, Germany. He also studied international law.

He fled Germany as Adolf Hitler came to power in nineteen thirty-three. Drucker spent four years in Britain as an adviser to investment banks. He then came to the United States.

In the nineteen forties, Drucker argued the desire for profit was central to business efforts. He also warned that rising wages were harming American business.

He was later invited to study General Motors. He wrote about his experiences in the book "The Concept of the Corporation." In it, he said that workers at all levels should take part in decision-making, not just top managers.

Peter Drucker was a voice for change and new ways of thinking about social and business relations. He used terms like "knowledge workers" and "management goals." Many of his ideas have become highly valued in business training and politics.

Later in his career, however, he warned that businesses that seek only profit growth help their competitors.

Peter Drucker received the Presidential Medal of Freedom from President George W Bush in two thousand two. He died at his home in Claremont at the age of ninety-five.

And that's the VOA Special English Economics Report. I'm June Simms.