



Reprinted from *Future of Work Agenda*
May, 2004

The Future of Work

by Thomas Malone (Harvard Business School Press, Boston, 2004)

Reviewed by Jim Ware

Before I describe this exciting new book, two qualifying comments are in order. First, we are well aware that this title sounds awfully familiar. It's an unfortunate coincidence; in fact, Tom has told us he was unaware of Charlie's 1999 book with the same title when his publisher proposed "The Future of Work" to him. Tom actually called Charlie and apologized shortly after this book was published in March.

However, we actually view "imitation" as a very sincere form of flattery (that said, Tom's book actually has a somewhat different focus from Charlie's, but it's highly complementary, as you will see in a moment). The future of work is a mighty big place, and there's plenty of room for all us.

My second qualifying comment is that you should be forewarned (if you haven't already figured it out) that we hardly ever review a book we don't like – we think of these reviews more as recommendations about what you need to read to stay well-informed.

And we do like this book; in fact, we believe it is an absolute must-read – and it has already had a powerful influence on our own thinking about our *Future of Work* community and how we can create compelling value for our members. More on that in a moment.

The subtitle for ***The Future of Work*** is "How the New Order of Business Will Shape Your Organization, Your Management Style, and Your Life." Like us, Tom thinks big.

And he has a Big Idea – that the continuing decline in communication costs (largely through innovations in information technology) is driving us towards very different organization structures.

Malone, a full professor at MIT's **Sloan School of Management**, has pursued this idea for many years. He founded the *Center for Coordination Science* at MIT some years ago, and co-directed the five-year MIT research project "Inventing Organizations of the 21st Century."

His core belief is that as the cost of communication drops the advantages of formal, hierarchical organizational structures also decline, meaning that market-based transactions become increasingly attractive as an efficient means of getting things done.

To put that in English, Malone is suggesting that as it gets cheaper and cheaper and easier and easier to communicate with more and more people, marketplaces become more and more efficient while formal, hierarchical structures become less and less necessary (and actually counterproductive – bureaucracies are not noted for either efficiency or agility, two qualities are essential for survival today).

As Malone tells the story, in the public sector the long-term declining costs of communication have been a significant factor in the evolution from kingdoms to hierarchical bureaucracies to democracies. Just consider the way the Roman Empire developed roads, mail deliveries, and “operating manuals” to control outposts or “subsidiaries” all over Europe.

With improved communication technologies like the telegraph, the telephone, and finally the Internet, both governments and private sector corporations have become more and more widely distributed, and – more importantly – more democratic. Complex organizations in a dynamic world simply cannot be effectively controlled from the top; there are too many local decisions that have to be made quickly.

The good news is the growing evidence that today’s better-educated and highly interconnected “local” workers can actually make and execute decisions much more effectively and – perhaps most importantly – much faster than bureaucratic hierarchies.

Malone postulates a revolution in the business world that is just as dramatic as, and likely even more significant than, the rise of democratic forms of government around the world. He draws on a number of case studies, both historic and contemporary, to demonstrate his thesis that technology moves organization structures through four distinct stages:

1. Hierarchies
2. Loose hierarchies
3. Democracies
4. Markets (both internal and external)

The implications for managers and management practice are profound. Malone believes that management style must evolve from “command and control” to “coordinate and cultivate.” In the latter mode the senior executive role is not to tell or to direct others, but to ensure that others are informed and in touch with each other so they can make intelligent decisions that benefit the entire organization.

Needless to say, this is a radical view that requires a major shift in the thinking of most business executives. Yet the case studies in this book make it eminently clear that democratically run businesses can be far more nimble – and much more profitable – than bureaucracies, and that market-based management systems (and networks of semi-independent firms) are even better.

This vision also requires new skills and mindsets for all workers, not just managers. Malone identifies a fascinating portfolio of skills that will be needed in these new organizations – and that must be cultivated by the new managers. Among the skills Malone believes are important are “squishy” things like visioning, sense-making, inventing, and relating, as well as the ability to manage one’s own time and priorities.

Market-based enterprises are essentially collections of entrepreneurs, each of whom is seeking to maximize his or her own success while contributing to the well-being entire organization.

In fact, Malone predicts (as we have elsewhere) the re-emergence of professional guilds – organizations whose sole purpose is to foster the well-being and success of their members. Guilds, in Malone’s view, could become the one source of permanence in our lives, providing us with professional development, marketing and financial support, health insurance and retirement benefits, and a genuine sense of community.

Part of what makes this book really special is the way Malone ends it with a discussion of values. In a world of market-based organizations where “employment” is temporary and project-based, each individual has a marvelous opportunity – indeed, almost a mandate – to take charge of his or her own life and career. That’s heady stuff, but it’s also a bit overwhelming, and that’s where becoming incredibly clear about your personal goals and values is absolutely essential. It’s one thing to be able to control your own life, but it’s another thing altogether to do it well.

On a more personal note, this book has broadened our own horizons tremendously. Charlie and I are working hard to develop our *Future of Work* programs and the community itself consistently with the ideas and principles that Malone articulates so well. In fact, we’re focusing our energy on creating exactly the kind of community-based “guild” that Tom believes *is* the future of work.

The Future of Work is available online from Amazon.com at:

http://www.amazon.com/exec/obidos/tg/detail/-/1591391253/qid=1082143637/sr=1-1/ref=sr_1_1/002-5097432-7398407?v=glance&s=books

About the Work Design Collaborative and *Future of Work Agenda*

The *Work Design Collaborative* is an applied research and development consortium focused on defining the future of work and helping its members achieve new levels of workforce and workplace productivity. The Collaborative is widely recognized as the leading source of knowledge and expertise related to the future of work. The Collaborative produces and distributes management tools, surveys, benchmark databases, white papers and technical reports, conferences and workshops, newsletters, books and articles, and public presentations on the changing nature of work. Our consortium is composed of senior business, IT, HR, and facilities executives, as well as smaller technology companies and service providers selling into these markets.

Future of Work Agenda is a free monthly electronic newsletter produced by the *Work Design Collaborative*.

Direct inquiries to either Charles Grantham at +1 928 771 9138, or charlie@thefutureofwork.net, or James Ware at +1 510 558 1434, or jim@thefutureofwork.net