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Review of *The Wisdom of Crowds*

by James Surowiecki (Doubleday, 2004)

Reviewed by Charlie Grantham

Several *Future of Work* community members recommended this book to us. Well, nice try but we don't hit a home run every time.

Author James Surowiecki's main thesis is that groups of people (the larger the better) often make better decisions than individual "experts." Well, it's hard to argue with that idea, especially in many of the situations he mentions, such as judging the weight of livestock, coaching football, or seeking the right answer on TV quiz shows.

The book is well-researched, well-documented, and even craftily written. But I kept waiting for the other shoe to drop (metaphorically speaking). I was looking for some prescriptions of how to use all these great social psychology insights in everyday business and life. And that's where the book comes up short.

The book is an everyday language equivalent of a graduate course in social psychology. It's really nothing new to students in that field, but it probably does provide the general business reader with some benefit. The book is actually an interesting read for those who ponder over how crowds operate, often seemingly against common rationality. And for God's sake, how do stock markets really operate, especially since our recent experience with "irrational exuberance"?

I guess some of my bias in this review stems from a basic assumption I hold that Surowiecki doesn't even get close to. That is, that the basic social psychology of the Western world is changing. The norms of group behavior, which Surowiecki so eloquently documents, are changing in very fundamental ways. So I am concerned that studying historical examples of the "wisdom of crowds" may not be as useful in today's world, let alone the future, as Surowiecki would have us believe.

Technically, the main points of the book center around situations where individuals are acting as independent agents and making what appears to be group decisions in aggregate (for example, patrons at restaurants). One of the things are changing (and this should have been the last chapter of the book) is that the costs of coordination and collaboration are falling rapidly with the advent of the Internet and the spread of broadband access.

In the future, crowds, groups (or, dare we suggest, teams) of people will coordinate their actions more closely, based on actual interactions with others. Opinions will be sought out, facts checked, and numerous experts will be consulted before individuals make a decision. Think of group decision making as *Consumer Reports* on steroids.

Mass markets used to be driven by group behavior, a phenomenon that is well-illustrated in this book. But those mass markets are *gone!* It's hard to imagine anyone with access to a computer making a significant purchase of any durable good, or fashion item, without consulting hundreds of easily accessible resources before making that decision.

Well, before this review turns into a rant, let's just say *The Wisdom of Crowds* is in fact a good read. But don't expect it to help you understand the accelerating world of the future.

The Wisdom of Crowds is available online from Amazon.com at [this link](#).

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

Future of Work is a global network of resources – practitioners, thought leaders, researchers, and senior consultants – who are committed to building and implementing physical, social, and technology-based work environments that are cost-effective, socially and environmentally responsible, and personally satisfying.

We are focused on defining the future of work and helping our members and clients achieve new levels of workforce and workplace productivity. *Future of Work* 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.

The Work Design Collaborative, LLC, provides leadership and infrastructure services for the *Future of Work* community. *Future of Work Agenda* is a free monthly electronic newsletter produced by the *Work Design Collaborative*.

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