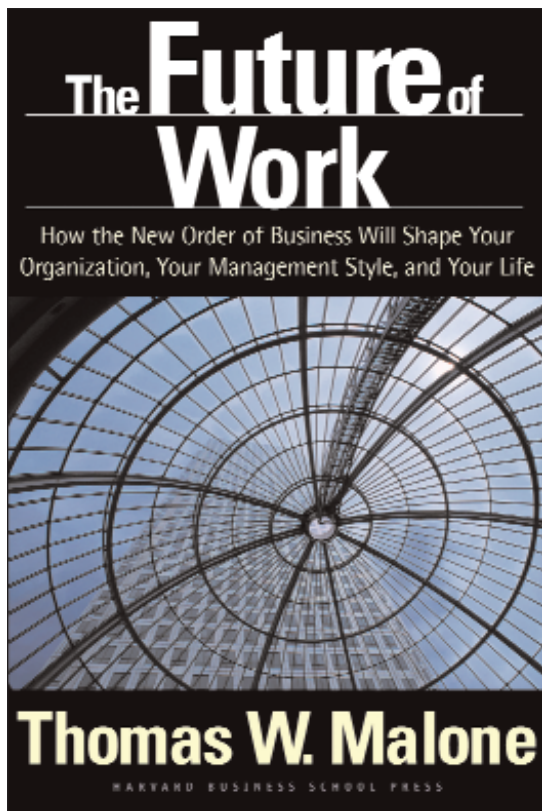


BOOKS



In the Hands of Many



**The Future of Work:
How the New Order of
Business Will Shape
Your Organization,
Your Management
Style, and Your Life**

By Thomas W. Malone
Reviewed by Deanne Bryce

Like many researchers, Thomas Malone believes that it's vital to know the past in order to predict the future. He demonstrates that philosophy in the introduction of his new book, *The Future of Work*.

Malone asks readers to imagine that they are loyal subjects of King Carlos IV of Spain in 1795. With that perspective in mind, he writes:

"You have heard of the strange rebellion in North America in which the British colonists claimed that they could govern themselves without any king at all. You've also heard about the recent bloodshed in France that ended with a group of so-called revolutionaries killing their king, replacing the government, and destroying, almost overnight, so

many good things. These events seem to you like profound mistakes, foolhardy experiments that are bound to fail."

Malone skillfully uses that introduction because it parallels what he believes to be a current workplace revolution. Like the Spaniards, we're witnessing a significant shift in people's attitudes about control and power. Decision making is being pushed away from centralized hierarchies into what Malone calls "loose hierarchies." He defines the term as a structure in which most decisions are delegated to lower levels of an organization. That's a gripping comparison because we know the outcome of the historical example: Democracy didn't fail.

An accomplished organizational theorist, author, and entrepreneur, Malone presents his theory within the broad context of anthropological study. He points out how work has progressed from the days of hunters and gatherers to centralized agricultural kingdoms and modern industrial corporations. He then goes on to remind us that the falling cost of communication will cause decision making to become decentralized once again. The availability of cheap technology will allow an increasing number of skilled workers to connect and collaborate from anywhere.

Malone says that we have an opportunity to participate in this new workplace, and he presents readers with a continuum of examples, stretching from the late 20th century to extreme possibilities for the future. He cites AES Corporation, one of the largest suppliers of electric power in the world, as one example of a loose hierarchy. Chairman Roger Sant and former CEO Dennis Bakke trusted their employees to make major decisions such as when to acquire a new power company and how much to pay for it.

I don't believe that there's a single technique or solution that can be applied in every business situation, and Malone appeals to my sense of practicality. While he describes the possibilities of collaborative and decentralized decision making, he also acknowledges the strengths of centralized management and admits that sometimes it's the better approach. So in chapter nine, he presents the concept of "coordinate and cultivate" as a way to organize work so that positive results occur regardless of who is in control.

Malone says that by thinking of management in those terms, we free ourselves from traditional thinking and become open to new possibilities. "And that's what it takes to be an effective manager today—the ability to move flexibly back and forth on the decentralization continuum as the situation demands," he writes.

Malone also acknowledges that leaders

probably won't give up control. Management at AES and other loose hierarchies are rare exceptions, and workers aren't likely to band together and revolt against the top. Instead, he says there are three factors that will help transition the workplace into a more decentralized environment.

The first factor calls for senior managers to recognize the business advantages, such as quick decision making, that decentralization has on long-term competitiveness. The second is an external factor—market pressure from already decentralized companies. Malone cites Microsoft's ability to take business from IBM as an example. The third way for this trend to expand is through outsourcing to decentralized firms. Think about the evolution of the film industry from the 1950s through the 1970s. Before that time, a few major film studios employed actors and crew members to produce their films. Now, studios still finance and distribute major films, but actors and production workers are either independent contractors or employees of small specialty firms.

Although *The Future of Work* is written primarily for leaders, this logical and practical book has the potential to inspire anyone willing to help create a flexible, employee-focused workplace. While its concepts aren't new to seasoned business readers (except for the intriguing explanation of internal markets), the book stands out from the pack because of its author's convincing arguments and inspirational view of tomorrow's workplace. I give it three cups of coffee.

The Future of Work: How the New Order of Business Will Shape Your Organization, Your Management Style, and Your Life, by Thomas W. Malone. Harvard Business School Press: Boston. 240pp. US\$29.95

Deanne Bryce is a writer and principal with *LeaderStrength Systems in King of Prussia, Pennsylvania*; www.leaderstrength.com; dbryce@leaderstrength.com.

If This, Then....

If you want to read more from forward-thinking authors, try these books.

The Future of Competition: Co-Creating Unique Value with Customers



By C.K. Prahalad and Venkat Ramaswamy (Harvard Business School Press, 2004, US\$24.95)

A transformation is taking place among consumers: Business-centric views of value will no longer be tolerated. As consumers change from "passive recipients of goods and services to connected, informed, and powerfully active collaborators in the creation of value," *The Future of Competition* poses that companies must adjust their assumptions and learn to engage customers in all stages of the creation process.

The Rise of the Creative Class: And How It's Transforming Work, Leisure, Community, and Everyday Life



By Richard Florida (Basic Books, 2002, \$19.95 paperback)

Creativity is king in this national bestseller, which received the *Washington Monthly* annual political book award in 2002.

In it, Florida discusses how creativity is "the ultimate economic resource." The ability to invent and improve how we do things is what raises productivity and standards of living. And as society evolves, more and more people will take up jobs that involve creative work.

Florida contrasts traditional economic thinking by arguing that cities such as New York and Seattle thrive because they "cluster talented people in environments that nurture and please them." Location, rather than job availability, is the social and economic unit of our time.