

WCU BOOK REVIEW: by William Richmond,

Title: "The Future of Management"

Authors: Gary Hamel with Bill Breen

Publisher: Harvard Business School Press.

Length: 272 pages

Price: \$26.95

Reading time: 5 hours

Reading rating: 8 (1 = very difficult; 10 = very easy)

Overall rating: 4 (1 = average; 4 = outstanding)

In Gary Hamel's book "The Future of Management," he asserts that how we manage organizations is obsolete. Although the traditional approach worked during the 20<sup>th</sup> century when the focus was on operational efficiency, current management practices will not work in the 21<sup>st</sup> century. Product and process innovations are easily copied. Value and strategic advantage come instead from innovation and in particular innovation in the practice of management. Organizations need to foster and nurture innovation throughout the organization. They need to be places in which people can follow their passion and want to work and give their best efforts. How organizations set objectives, motivate, coordinate and control, allocate resources – in essence, how they manage – need to be open to the collective wisdom and control of the entire organization, not hoarded at the executive level.

To show the possibilities and kindle interest, three case studies highlight examples of management innovation and their impact. Whole Foods aims to reverse the industrialization of the world's food supply. To accomplish this, they are building a community of like minded employees, and they give employees freedom to act and the information on which to act. Whole Foods decentralizes all key decisions to small teams of employees, and then hold them accountable for the results. Gore Associates (no relation the former vice-president) gives everyone the freedom to choose the projects on which they want to work. None of the employees are assigned tasks, they have to choose them. They are also expected to work 10% of the time on projects not directly related to the business with the goal of identifying new opportunities. Google combines aspects from both Whole Foods and Gore Associates. Small teams make the key decisions and all employees are expected to work on new ventures.

The cases presented all implemented these alternative management approaches when the organization was founded. Existing organizations need to first identify sources for inspiration and then take a reasoned approach to implementing new management processes. Hamel recommends looking at life, markets and democracy for inspiration on ways to incorporate diverse viewpoints, the wisdom of the masses, dissenting viewpoints. Turn to faith to focus on the company's higher goals and examine cities to find ways to make the company a more vibrant place to work. To implement these new approaches in existing companies, leaders need to augment existing approaches instead of replacing them wholesale, and they need to make the changes iteratively. Be aware of the existing

politic and persevere.

The impact on management in traditional firms will be profound and painful. Management's current practices will not work. Their current knowledge and skill will not be valued as highly, and their power must be shared or destroyed. Identifying, creating and adapting to new management practices will be difficult and frustrating, because colleagues, bosses and possibly employees will resist. Why then take on this challenge? Because, as Gary Hamel points out, start up companies are redefining management. The process may be slow, but it is happening; and the brightest and most creative people – those who add most to the organization's success – will want to work within these new management structures.

Overall, this is an excellent book. It challenges managers to envision a better future – to identify and start to tackle big problems facing an organization. It is motivating and encouraging without being trite. It is not prescriptive in the sense of giving a detailed approach, but instead directs managers towards the types of questions to ask. It recognizes that the examples for today may not be successes tomorrow, and that there is not one correct approach that will work at all or many organizations. Instead, organizations and organizational leaders must define their own unique future.

William Richmond is an associate professor of computer information systems in the College of Business at Western Carolina University. For previously reviewed books, visit out Web site at [www.wcu.edu/cob/](http://www.wcu.edu/cob/).