

Ten Questions: Faculty report from the frontier of management

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1. As a world-renowned expert on workforce issues, can you tell us where we're going? What is the future of work?

There will be a new way of working in the 21st century made possible by advances in communications and information technology. Information is power — people don't have to work near the executive suite to get information. This means that decentralized employees have as much power as those close to the boss. The new democratization of the workforce has implications that will ripple throughout the corporate landscape. The main message of my work is that information technologies are making it possible on a scale never before thought possible to have your cake and eat it too — with both the economic benefits of large organizations and the human benefits of small organizations. Personalization, creativity — they're now possible in megacorporations. What does that mean for your management style, for your life, for our society? That's what I am interested in finding out and sharing with the world.

2. What got you started thinking about the future of work?

A lot of what I am working on comes out of the research we started several years ago in "Inventing the Organization of the 21st Century." My life mission is to help understand how we, as a society, can make wise use of information technology to make organizations — and society itself — work better.

3. Is democracy the key to the future of the work force?

Well, it's certainly not true that all successful societies are democracies, but everyone would have to agree that the rise in democracy was extremely important in setting the stage for a fundamentally different approach to leadership. Democracy gave us the benefits of large-scale societies with the benefits of personal creativity and autonomy that we'd given up when we left our band. The future is the democratic corporation.

4. What are implications for business?

There is more delegation. The hierarchies are looser. Decision-making is purely democratic. And in the markets, buying and selling is democratic. You don't have to abide by any decisions you haven't agreed to. This system encourages creativity so that markets can be used externally and internally. Employees of the same company are buying and selling things to each other internally within large corporations.

5. What does this mean for managers?

The slogan I use is this. "We need to move from thinking about management as a command and control scenario to a coordinate and cultivate scenario."

6. Do you think we'll become a more human-oriented society as a result?

Throughout history, human choices and human values have driven the way societies have been organized. Businesses are the same. They are now faced with similar choices — the choices presented by democracy. We can choose to achieve human values in ways that have never been possible before. One of the things we have to think about is the fact that our business organizations are human creations and their goals are to serve human beings. Non-economic values will become more important in business. It will be less about maximizing shareholder value.

7. Is this work interdisciplinary?

The work is very much interdisciplinary, involving areas from anthropology to psychology to economics to computer science. I try to bring in insight from these different disciplines. My personal collaboration with many people is reflected in my research and in my books.

8. What's the bottom line?

There is something important in this research for all of us. A lot of people are talking about decentralization, about freedom. But freedom is a word we have never used in the business world. One of the deepest messages is that new technology is now making notions of freedom relevant in the business world in ways that were never before possible. We can now get the economic benefits and have elements of freedom that we never had before.

9. How did work life arrive at this point?

Well, if you look at the transitions between human societies you will see that we started out as hunters and gatherers. Next, bands of small, decentralized groups began making decisions in groups. Then, about the time of agriculture and continuing for millennia afterward, we saw the biggest change: the rise of larger and larger

centralized societies in the form of monarchies. That trend continued unabated until only about 200 years ago when, after a few abortive attempts, democracy took hold on a large scale.

All three of those stages can be explained by a single factor. As communications got cheaper, with the invention of writing, larger and larger societies could exist in a centralized way. We were finally able to have sufficient communications to make it possible for larger and larger societies to work. Then, a few hundred years ago, the printing press improved communications to such an extent that all members of society could be knowledgeable enough to participate in decision making. Democracy could not have been possible before the printing press.

This same pattern is repeating itself in business on a much more rapid time scale. Early on, all businesses were small family-oriented affairs — in many ways, similar to the hunting and gathering phases of human civilization. Then, starting in the 1800s and exploding in the 1900s, we saw the biggest change in business history: the rise of the huge, multi-level corporation — analogous to the kingdoms that had arisen in society when writing first developed.

We're now in the early days of the third stage — transitioning from business kingdoms to business democracies. Much more decentralized decision-making is now possible because communication is so cheap. We can afford to have vastly greater numbers of people well-enough informed that they can make a lot more decisions for themselves, decisions that, in the past, were only possible in central offices.

10. How many books do you have in the pipeline?

Two edited volumes about this work are scheduled to be published soon. The first is a collection featuring the work of MIT Sloan faculty — articles from organization theory to strategy aimed at a broad audience. The other book is a process handbook. That's a project that's been going on for quite some time — a decade, actually — and has involved many students and researchers. The goal is to build an online knowledge base, a repository of knowledge about business and how things are done in business.

Think about the human genome project. We are trying to represent the business genome. We are trying to set down all the things that go on in business. So far we've represented more than 5,000 different businesses, activities, and processes. There's a great deal of software, all part of this project. Most will be available to the public from an MIT spin-off company. The book also talks about new business processes, how to manage and organize research, knowledge, how to create software, and so on.

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