

Book review

The Future of Management. By Gary Hamel and Bill Breen, Harvard Business School Press, 2007, ISBN 978-1-4221-0250-3

Gary Hamel asserts in this book that management as we know has finally reached maturity. By this he means that the productivity and effectiveness gains of modern management have slacked down at the marginal levels and the spark of innovation is losing its pace. For this he cites a metaphor of 'fitness landscape' where starting from bottom one sees huge peaks and mountains to climb and as one conquers one mountain to another, the challenge seems to diminish. At this point when no new tall mountains have to be climbed, one needs to change the landscape and find another fitness landscape of another order to find higher challenges. According to the author, management of today is out of focus to a sense of circling around traditional industrial management principles of efficiency and discipline that does little to invigorate human spirit. Thus Hamel maintains that we have reached the end of modern management where drastic level productivity is not being realized for a long time since the beginning of the last century. According to the author, it seems we have limited our capacity to rethink managerial principles, processes, policies, and realities to match the human potential for innovation. As a result we are stifled by bureaucratic and stability-oriented mindset.

Hamel defines management innovation as a substantially-altered manner of conducting the work of management in pursuit of organizational goals. Typical management processes includes setting objectives, motivating effort, coordinating and controlling, accumulating and applying talent, allocating resources, building relationships, balancing and meeting shareholder needs. This involves management activities such as strategic planning, capital budgeting project management, hiring and promotion, training and development, internal communications, knowledge development, business review and employee assessment and compensation. In Hamel's view, management innovation is different; it is undergoing above tasks but in a radically altered way to creatively build long-term organizational potential for a greater competitive scope and conducted for

competitive advantage. Hamel gives an example of the British management innovation in regiment system as a way of overcoming Indian army's allegiance to the Raja. By having close ties in a regional manner, regiments were more close-knit as compared to diverse groups of local armies diversely controlled by various Rajas.

Hamel identifies Hierarchy of innovation where management innovation stands at the top, strategic innovation follows with product/service innovation, and operational innovation at the bottom. For the new-age agenda of management innovation, Hamel gives highest priority to passion followed by creativity, initiative, intellect, diligence, and obedience in the last order. Citing examples in modern age management innovation, Hamel discusses Whole Food Inc. with its business model of bringing organic food to the grocery. The company is run by a management system that includes teams bound together with a community of purpose at every level and competing and cooperating throughout the firm. The firm is extremely profitable with its focus on farm-fresh organic foods. Behind everything is the firm's ideology of making life better. It is principles in Hamel's views that define processes which are transformed into practices. Similarly Hamel takes the example of W. L. Gore, another firm that brings innovation to the art of fabric-making for development of new product aimed at a wide variety of applications. The key at the company is unlocking creative thinking and application and democratizing creativity at all levels. Hamel calls it innovation democracy. In another case of Google Corporation, Hamel highlights core principles adopted by the company. The author cites Google's unique management model that determines growth path of its evolution and how it ultimately attains the adaptability advantage. Key components and the principles of management innovation adopted by Google includes the passion to change the way of doing things and thus to change the world with dramatically flattening and radically decentralized, small and self-managed teams with a freedom to follow a common-sense throughout the ranks. These combined with rapid and low-cost experimentation, differential rewards, and a continuous and companywide conversation provides the recipe for Google's intricate management innovation model. Overarching the company's pursuit for growth includes an expansive influence of its overall corporate purpose. Key lessons from the Google experience include the notion that Internet may be the best metaphor for the

21st-Century management. Second, experienced managers may not be expected to make the best management innovations; it is rather the collective wisdom that needs to be charged with responsibility to take the company from point A to B. Third, management innovations that humanizes work are irresistible by employees and contagious as well since the element of human spirit comes alive with it. Hamel, citing from the Google example, wants the reader to think on following lines: How do one regards the dangers of denials, create a company with a steady flow of new strategic options, and importantly, how does one accelerate reallocation of resources from traditional, legacy projects into new initiatives.

The author puts a challenge to management thinkers about reinventing organizations of today and tomorrow. The idea is to come up with new possibilities and initiatives of gigantic productivity leap, exponential ratios of progress-to-effort in contemporary and emerging contextual realities. The vision is to have productivity and effectiveness level come sharp the same way as it came with modern industrial setup when it was invented a century ago. Hamel envisions organizations of future where mutual exclusivity would not exist between discipline and attributes such as freedom, efficiency and adaptability. Thus, with evolving complexity and competitive nature of industries and ever-increasing challenges, the author feels a high imperative to reinvent the future of management.

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