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Management is undoubtedly one of humankind's most important inventions. For more than a hundred years, advances in management—the structures, processes, and techniques used to compound human effort—have helped to power economic progress. Problem is, most of the fundamental breakthroughs in management occurred decades ago. Work flow design, annual budgeting, return-on-investment analysis, project management, divisionalization, brand management—these and a host of other indispensable tools have been around since the early 1900s. In fact, the foundations of “modern” management were laid by people like Daniel McCallum, Frederick Taylor, and Henry Ford, all of whom were born before the end of the American Civil War in 1865.

The evolution of management has traced a classic S-curve. After a fast start in the early twentieth century, the pace of innovation gradually decelerated and in recent years has slowed to a crawl. Management, like the combustion engine, is a mature technology that must now be reinvented for a new age. With

this in mind, a group of scholars and business leaders assembled in May 2008 to lay out a road map for reinventing management. (For a list of attendees, see the sidebar “Building an Agenda for Management Innovation.”)

The group's immediate goal was to create a roster of make-or-break challenges—management moon shots—that would focus the energies of management innovators everywhere. The participants were inspired in part by the U.S. National Academy of Engineering, which recently proposed 14 grand engineering challenges—such as reverse engineering the human brain, advancing health informatics, and developing methods for carbon sequestration—for the twenty-first century (to see the full list, go to engineeringchallenges.org). Why, we wondered, shouldn't managers and management scholars commit to equally ambitious goals?

New Realities, New Imperatives

Although each of us had our own particular frustrations with management-as-usual, one belief united us: Equipping organizations to

tackle the future would require a management revolution no less momentous than the one that spawned modern industry.

Management was originally invented to solve two problems: the first—getting semi-skilled employees to perform repetitive activities competently, diligently, and efficiently; the second—coordinating those efforts in ways that enabled complex goods and services to be produced in large quantities. In a nutshell, the problems were efficiency and scale, and the solution was bureaucracy, with its hierarchical structure, cascading goals, precise role definitions, and elaborate rules and procedures.

Managers today face a new set of problems, products of a volatile and unforgiving environment. Some of the most critical: How in an age of rapid change do you create organizations that are as adaptable and resilient as they are focused and efficient? How in a world where the winds of creative destruction blow at gale force can a company innovate quickly and boldly enough to stay relevant and profitable? How in a creative economy where entrepreneurial genius is the secret to success do you inspire employees to bring the gifts of initiative, imagination, and passion to work every day? How at a time when the once hidden costs of industrialization have become distressingly apparent do you encourage executives to fulfill their responsibilities to all stakeholders?

To successfully address these problems, executives and experts must first admit that they've reached the limits of Management 1.0—the industrial age paradigm built atop the principles of standardization, specialization, hierarchy, control, and primacy of shareholder interests. They must face the fact that tomorrow's business imperatives lie outside the performance envelope of today's bureaucracy-infused management practices.

Second, they must cultivate, rather than repress, their dissatisfaction with the status quo. What's needed is a little righteous indignation. Why, for example, should it take the blunt instrument of a performance crisis to bring about change? Why should organizations be so much better at operating than they are at innovating? Why should so many people work in uninspiring companies? Why should the first impulse of managers be to avoid the responsibilities of citizenship rather than to embrace them? Surely we can do better.

Finally, anyone who cares about manage-

ment needs the courage to aim high. Whether it's putting a man on the moon, unraveling the human genome, or building a SuperCollider that can reveal the secrets of the universe, great accomplishments start with great aspirations. The same is true for management. All too often, scholars have been content to codify best practice instead of looking beyond it. Practitioners have been more inclined to ask "Has anybody else done this?" than "Isn't this worth trying?" What's needed are daring goals that will motivate a search for radical new ways of mobilizing and organizing human capabilities.

The Moon Shots

Emboldened by these thoughts, our renegade brigade of academics, CEOs, consultants, entrepreneurs, and venture capitalists asked themselves: What needs to be done to create organizations that are truly fit for the future? What should be the critical priorities for tomorrow's management pioneers? The 25 moon shots that emerged are neither mutually exclusive nor exhaustive. The current management model is an integrated whole that can't be easily broken into pieces. That's why many of the challenges overlap. However, each moon shot illuminates a critical path in the journey to Management 2.0. There was general agreement that the first 10 are the most critical.

Ensure that the work of management serves a higher purpose. Most companies strive to maximize shareholder wealth—a goal that is inadequate in many respects. As an emotional catalyst, wealth maximization lacks the power to fully mobilize human energies. It's an insufficient defense when people question the legitimacy of corporate power. And it's not specific or compelling enough to spur renewal. For these reasons, tomorrow's management practices must focus on the achievement of socially significant and noble goals.

Fully embed the ideas of community and citizenship in management systems. In tomorrow's interdependent world, highly collaborative systems will outperform organizations characterized by adversarial win-lose relationships. Yet today, corporate governance structures often exacerbate conflict by promoting the interests of some groups—like senior executives and the providers of capital—at the expense of others—usually employees and local communities. In the future, manage-

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ment systems must reflect the ethos of community and citizenship, thereby recognizing the interdependence of all stakeholder groups.

Reconstruct management's philosophical foundations. Tomorrow's organizations must be adaptable, innovative, inspiring, and socially responsible, as well as operationally excellent. To imbue organizations with these attributes, scholars and practitioners must rebuild management's underpinnings. That will require hunting for new principles in fields as diverse as anthropology, biology, design, political science, urban planning, and theology.

Eliminate the pathologies of formal hierarchy. While hierarchy will always be a feature of human organization, there's a pressing need to limit the fallout from top-down authority structures. Typical problems include overweighting experience at the expense of new thinking, giving followers little or no influence in choosing their leaders, perpetuating disparities in power that can't be justified by differences in competence, creating incentives for managers to hoard authority when it should be distributed, and undermining the self-worth of individuals who have little formal power. To overcome these failings, the traditional organizational pyramid must be replaced by a "natural" hierarchy, where status and influence correspond to contribution rather than position. Hierarchies need to be dynamic, so that power flows rapidly toward those who are adding value and away from those who aren't. Finally, instead of a single hierarchy, there must be many hierarchies, each a barometer of expertise in some critical arena.

Reduce fear and increase trust. Command-and-control systems reflect a deep mistrust of employees' commitment and competence. They also tend to overemphasize sanctions as a way of forcing compliance. That's why so many organizations are filled with anxious employees who are hesitant to take the initiative or trust their own judgment. Organizational adaptability, innovation, and employee engagement can only thrive in a high-trust, low-fear culture. In such an environment, information is widely shared, contentious opinions are freely expressed, and risk taking is encouraged. Mistrust demoralizes and fear paralyzes, so they must be wrung out of tomorrow's management systems.

Reinvent the means of control. Traditional control systems ensure high levels of compliance but do so at the expense of employee creativity, entrepreneurship, and engagement. To overcome the discipline-versus-innovation trade-off, tomorrow's control systems will need to rely more on peer review and less on top-down supervision. They must leverage the power of shared values and aspirations while loosening the straitjacket of rules and strictures. The goal: organizations filled with employees who are capable of self-discipline.

Redefine the work of leadership. Natural hierarchies require natural leaders—that is, individuals who can mobilize others despite a lack of formal authority. In Management 2.0, leaders will no longer be seen as grand visionaries, all-wise decision makers, and ironfisted disciplinarians. Instead, they will need to become social architects, constitution writers, and entrepreneurs of meaning. In this new model, the leader's job is to create an environment where every employee has the chance to collaborate, innovate, and excel.

Expand and exploit diversity. Diversity is not only essential for the survival of a species, it is also a prerequisite for long-term corporate viability. Organizations that don't embrace, encourage, and exploit a diversity of experiences, values, and capabilities will be unable to generate a rich variety of ideas, options, and experiments—the essential ingredients of strategic renewal. Future management systems must value diversity, disagreement, and divergence at least as highly as they do conformance, consensus, and cohesion.

Reinvent strategy making as an emergent process. In a turbulent world, prediction is difficult and long-range planning of limited value. Management processes that seek to arrive at the "one best strategy" through top-down, analytical methods must give way to models based on the biological principles of variety (generate lots of options), selection (use low-cost experiments to rapidly test critical assumptions), and retention (pour resources into the strategies that are gaining the most traction in the marketplace). In the future, top management won't make strategy but will work to create the conditions in which new strategies can emerge and evolve.

De-structure and disaggregate the organization. To intercept opportunities that come and go at lightning speed, organizations must

Idea in Brief

- "Modern" management, much of which dates back to the late nineteenth century, has reached the limits of improvement.
- To lay out a road map for reinvention, a group of scholars and CEOs has created 25 ambitious challenges.
- Unless management innovators tackle those issues, companies will be unable to cope with tomorrow's volatile world.

be able to quickly reconfigure capabilities, infrastructure, and resources. Unfortunately, in many organizations, rigid unit boundaries, functional silos, and political fiefdoms hamper the rapid realignment of skills and assets. Large organizational units that encompass hundreds or thousands of employees pose another danger, as they often lead to groupthink on a grand scale. To become more adaptable, companies must reorganize themselves into smaller units and create fluid, project-based

structures.

Dramatically reduce the pull of the past. Management processes often contain subtle biases that favor continuity over change. Planning processes reinforce out-of-date views of customers and competitors, for instance; budgeting processes make it difficult for speculative ideas to get seed funding; incentive systems provide larger rewards for caretaker managers than for internal entrepreneurs; measurement systems understate the value of

Building an Agenda for Management Innovation

What is it about the way large organizations are managed, structured, and led that will most imperil their ability to thrive in the decades ahead? What sorts of changes will be needed in management principles and practices to build companies that are truly fit for the future? These were the questions put to 35 management scholars and practitioners who met for two days in California to debate the future of management. The conference, organized by The Management Lab with the support of McKinsey & Company, included a diverse mix of veteran academics, new-age management thinkers, progressive CEOs, and venture capitalists.

The conversations were spirited and occasionally combative. Yet through it all, no one lost sight of the ultimate goal: to develop a bold agenda that would spur the reinvention of management in the twenty-first century. As we struggled with this task, we were cognizant that management experts have often suffered from ambition-deficit disorder. What, we asked ourselves, was management's equivalent to unpacking the human genome, inventing a cure for AIDS, or reversing global warming?

After the event, a subgroup synthesized a master list of challenges from the materials generated during the conference. Our goal wasn't to condense the list into a handful of meta-challenges but to present a relatively comprehensive catalog that honored the varied and often subtle viewpoints of those who had participated. In the end, the conference itself wasn't as important as the mission that brought us together: to provide encouragement, direction—and a little air cover for management renegades everywhere.

The Renegade Brigade

Eric Abrahamson, Columbia Business School

Chris Argyris, Harvard University

Joanna Barsh, McKinsey & Company

Julian Birkinshaw, London Business School

Tim Brown, IDEO

Lowell Bryan, McKinsey & Company

Bhaskar Chakravorti, Harvard Business School

Yves Doz, Insead

Alex Ehrlich, UBS

Gary Hamel, The Management Lab

Linda Hill, Harvard Business School

Jeffrey Hollender, Seventh Generation

Steve Jurvetson, Draper Fisher Jurvetson

Kevin Kelly, *Wired*

Terri Kelly, W.L. Gore & Associates

Ed Lawler, USC's Marshall School of Business

John Mackey, Whole Foods Market

Tom Malone, MIT's Sloan School of Management

Marissa Mayer, Google

Andrew McAfee, Harvard Business School

Lenny Mendonca, McKinsey & Company

Henry Mintzberg, McGill University

Vineet Nayar, HCL Technologies

Jeffrey Pfeffer, Stanford University

C.K. Prahalad, University of Michigan's Ross School of Business

J. Leighton Read, Alloy Ventures and Seriosity, Incorporated

Keith Sawyer, Washington University in St. Louis

Peter Senge, Society for Organizational Learning and MIT

Rajendra Sisodia, Bentley University

Tom Stewart, Booz & Company

James Surowiecki, author of *The Wisdom of Crowds*

Hal Varian, University of California, Berkeley

Steven Weber, University of California, Berkeley

David Wolfe, Wolfe Resources Group

Shoshana Zuboff, Harvard Business School (retired)

Management's Grand Challenges

1: Ensure that the work of management serves a higher purpose. Management, both in theory and practice, must orient itself to the achievement of noble, socially significant goals.

2: Fully embed the ideas of community and citizenship in management systems. There's a need for processes and practices that reflect the interdependence of all stakeholder groups.

3: Reconstruct management's philosophical foundations. To build organizations that are more than merely efficient, we will need to draw lessons from such fields as biology, political science, and theology.

4: Eliminate the pathologies of formal hierarchy. There are advantages to natural hierarchies, where power flows up from the bottom and leaders emerge instead of being appointed.

5: Reduce fear and increase trust. Mistrust and fear are toxic to innovation and engagement and must be wrung out of tomorrow's management systems.

6: Reinvent the means of control. To transcend the discipline-versus-freedom trade-off, control systems will have to encourage control from within rather than constraints from without.

7: Redefine the work of leadership. The notion of the leader as a heroic decision maker is untenable. Leaders must be recast as social-systems architects who enable innovation and collaboration.

8: Expand and exploit diversity. We must create a management system that values diversity, disagreement, and divergence as much as conformance, consensus, and cohesion.

9: Reinvent strategy making as an emergent process. In a turbulent world, strategy making must reflect the biological principles of variety, selection, and retention.

10: De-structure and disaggregate the organization. To become more adaptable and innovative, large entities must be disaggregated into smaller, more malleable units.

11: Dramatically reduce the pull of the past. Existing management systems often mindlessly reinforce the status quo. In the future, they must facilitate innovation and change.

12: Share the work of setting direction. To engender commitment, the responsibility for goal setting must be distributed through a process in which share of voice is a function of insight, not power.

13: Develop holistic performance measures. Existing performance metrics must be recast, since they give inadequate attention to the critical human capabilities that drive success in the creative economy.

14: Stretch executive time frames and perspectives. We need to discover alternatives to compensation and reward systems that encourage managers to sacrifice long-term goals for short-term gains.

15: Create a democracy of information. Companies need information systems that equip every employee to act in the interests of the entire enterprise.

16: Empower the renegades and disarm the reactionaries. Management systems must give more power to employees whose emotional equity is invested in the future rather than the past.

17: Expand the scope of employee autonomy. Management systems must be redesigned to facilitate grassroots initiatives and local experimentation.

18: Create internal markets for ideas, talent, and resources. Markets are better than hierarchies at allocating resources, and companies' resource allocation processes need to reflect this fact.

19: Depoliticize decision making. Decision processes must be free of positional biases and should exploit the collective wisdom of the entire organization and beyond.

20: Better optimize trade-offs. Management systems tend to force either-or choices. What's needed are hybrid systems that subtly optimize key trade-offs.

21: Further unleash human imagination. Much is known about what engenders human creativity. This knowledge must be better applied in the design of management systems.

22: Enable communities of passion. To maximize employee engagement, management systems must facilitate the formation of self-defining communities of passion.

23: Retool management for an open world. Value-creating networks often transcend the firm's boundaries and can render traditional power-based management tools ineffective. New management tools are needed for building and shaping complex ecosystems.

24: Humanize the language and practice of business. Tomorrow's management systems must give as much credence to such timeless human ideals as beauty, justice, and community as they do to the traditional goals of efficiency, advantage, and profit.

25: Retrain managerial minds. Managers' deductive and analytical skills must be complemented by conceptual and systems-thinking skills.

creating new strategic options; and recruitment processes overvalue analytical skills and undervalue conceptual skills. While continuity is important, these subtle, baked-in preferences for the status quo must be exposed, examined, and, if necessary, excised.

Share the work of setting direction. As the pace of change accelerates and the business environment becomes more complex, it will be increasingly difficult for any small group of senior executives to chart the path of corporate renewal. That's why the responsibility for defining direction must be broadly shared. In addition, only a participatory process can engender wholehearted commitment to proactive change. Foresight and insight, rather than power and position, must determine share of voice in setting corporate direction.

Develop holistic performance measures. Existing measurement systems have many flaws. They tend to overemphasize the achievement of some goals, like hitting short-term profit targets, while undervaluing other important objectives, like building new growth platforms. They often take no account of the subtle, yet critical factors that drive competitive success, like the value of customer-driven innovation. To overcome these limitations, companies will need to create more holistic measurement systems.

Stretch executive time frames and perspectives. Compensation and incentive systems often truncate executive time horizons and skew perspectives. For instance, research suggests that most executives wouldn't fund a viable new initiative if doing so reduced current earnings. Building new incentive systems that focus executive attention on creating long-term stakeholder value must be a critical priority for management innovation.

Create a democracy of information. Managerial power has traditionally depended on controlling information. Yet increasingly, value creation takes place at the interface between first-level employees and customers. Those on the front lines must be informed and empowered so they can do the right thing for customers without having to ask permission.

Resilience also depends on information transparency. In volatile environments, employees need the freedom to act quickly and the data to act intelligently. If they have to refer decisions upward, adaptability suffers. That's why the costs of information hoarding

are becoming untenable. To make timely decisions that reflect the best interests of the entire company, grassroots employees need to be some of the best-informed individuals within the organization. Companies, therefore, must build information systems that give every employee a 3-D view of critical performance metrics and key priorities.

Empower the renegades and disarm the reactionaries. Sitting monarchs don't usually lead revolutions. Yet most management systems give a disproportionate share of influence over strategy and policy to a small number of senior executives. Ironically, these are the people most vested in the status quo and most likely to defend it. That's why incumbents often surrender the future to upstarts. The only solution is to develop management systems that redistribute power to those who have most of their emotional equity invested in the future and have the least to lose from change.

Expand the scope of employee autonomy. People at the bottom and middle of organization pyramids often feel powerless to initiate change. Rigid policy guidelines, tight spending limits, and a lack of self-directed time limit their autonomy. Companies must redesign management systems so they facilitate local experimentation and bottom-up initiatives.

Create internal markets for ideas, talent, and resources. Funding decisions in corporations are usually made at the top and are heavily influenced by political factors. That's why companies overinvest in the past and underfund the future. By contrast, resource allocation in a market-based system like the New York Stock Exchange is decentralized and apolitical. While markets are obviously vulnerable to short-term distortions, they're better in the long run than big organizations at getting the right resources behind the right opportunities. To make resource allocation more flexible and dynamic, companies must create internal markets where legacy programs and new projects compete on an equal footing for talent and cash.

Depoliticize decision making. The quality of top-level decision making is often compromised by executive hubris, unstated biases, and incomplete data. Moreover, the number of variables that must be factored into key decisions keeps growing. In deciding to spend millions of dollars to enter a new market or

back a new technology, senior leaders seldom seek the advice of rank-and-file employees. However, those on the ground are often best placed to evaluate the issues that will make or break a new strategy. Companies need new decision-making processes that capture a variety of views, exploit the organization's collective wisdom, and are free of position-influenced biases.

Better optimize trade-offs. Organizational success in the years ahead will hinge on the ability of employees at all levels to manage seemingly irreconcilable trade-offs—between short-term earnings and long-term growth, competition and collaboration, structure and emergence, discipline and freedom, and individual and team success. Traditional systems rely on crude, universal policies that favor certain goals at the expense of others. Tomorrow's systems must encourage healthy competition between opposing objectives and enable frontline employees to dynamically optimize key trade-offs. The aim is to create organizations that combine the exploration and learning capabilities of decentralized networks with the decision-making efficiency and focus of hierarchies.

Further unleash human imagination. We know a lot about how to engender human creativity: Equip people with innovation tools, allow them to set aside time for thinking, destigmatize failure, create opportunities for serendipitous learning, and so on. However, little of this knowledge has infiltrated management systems. Worse, many companies institutionalize a sort of creative apartheid. They give a few individuals creative roles and the time to pursue their interests while assuming that most other employees are unimaginative. Tomorrow's management processes must nurture innovation in every corner of the organization.

Enable communities of passion. Passion is a significant multiplier of human accomplishment, particularly when like-minded individuals converge around a worthy cause. Yet a wealth of data indicates that most employees are emotionally disengaged at work. They are unfulfilled, and consequently their organizations underperform. Companies must encourage communities of passion by allowing individuals to find a higher calling within their work lives, by helping to connect employees who share similar passions, and by better aligning the organization's objectives with the

natural interests of its people.

Retool management for an open world. Emerging business models increasingly rely on value-creating networks and forms of social production that transcend organizational boundaries. In these environments, management tools that rely on the use of positional power are likely to be ineffective or counterproductive. In a network of volunteers or legally independent agents, the "leader" has to energize and enlarge the community rather than manage it from above. Success therefore requires developing new approaches to mobilizing and coordinating human efforts.

Humanize the language and practice of business. The goals of management are usually described in words like "efficiency," "advantage," "value," "superiority," "focus," and "differentiation." Important as these objectives are, they lack the power to rouse human hearts. To create organizations that are almost human in their capacity to adapt, innovate, and engage, management pioneers must find ways to infuse mundane business activities with deeper, soul-stirring ideals, such as honor, truth, love, justice, and beauty. These timeless virtues have long inspired human beings to extraordinary accomplishment and can no longer be relegated to the fringes of management.

Retrain managerial minds. Management training has traditionally focused on helping leaders develop a particular portfolio of cognitive skills: left-brain thinking, deductive reasoning, analytical problem solving, and solutions engineering. Tomorrow's managers will require new skills, among them reflective or double-loop learning, systems-based thinking, creative problem solving, and values-driven thinking. Business schools and companies must redesign training programs to help executives develop such skills and reorient management systems to encourage their application.

Transcending Trade-Offs

Making progress on these moon shots will help de-bureaucratize organizations and unshackle human capabilities. The goal, though, is to overcome the limits of today's management practices without losing the benefits they confer. It would make no sense to find a cure for insularity and inertia, for example, if the side effects were imprudence and inefficiency. Organizations must become a lot more adaptable, innovative, and inspiring without

getting any less focused, disciplined, or performance oriented.

Resolving this paradox will require making a clear distinction between ends and means. Executives often defend timeworn practices because they can't imagine less bureaucratic ways of accomplishing goals. For example, many companies have detailed policies governing business travel. Employees must get permission before embarking on a trip, abide by strict spending limits, and submit travel expenses for approval. Few would argue with the goal of keeping travel costs in check, but there may be less bureaucratic ways of doing that. One approach might be to publish every employee's expense report on the company's intranet and rely on peer pressure to rein in profligate spenders. Transparency is often just as effective as a rigidly applied rule book and is usually more flexible and less expensive to administer. Remember the public furor in September 2008 when AIG executives blew \$440,000 at a posh resort days after the insurance company received an \$85 billion bailout from the U.S. government? AIG's executives are unlikely to be so lavish again.

Nevertheless, anyone who stood slack-jawed as the flames of greed consumed the investment-banking industry last year can be forgiven for wondering if the problem wasn't too little bureaucracy. After all, the machinery of bureaucracy—detailed operating procedures, narrowly defined roles, close supervision, and clear approval criteria—keeps employees in check. Undoubtedly, everyone would be better off today if bonus-chasing bankers had been kept on a shorter leash.

Control is critical, but all too often it comes at the cost of initiative, creativity, and passion—the essential building blocks of organizational success. In dynamic environments, like the hair-trigger world of modern finance, decision-making authority has to be distributed, so control has to come mostly from organizational norms, not sclerotic review procedures.

Centralization and draconian controls are probably not the best ways of tackling injudicious risk taking in the long run. Those on the front lines—the “rocket scientists” who create and sell exotic financial instruments—must be accountable for the impact of their actions on balance sheet risk and banks' medium-term profitability. In recent years, though, they have

been responsible for little more than shoveling products out the door. Bankers need incentives that require them to take a longer-term view of success. They must see themselves as stewards, responsible for safeguarding the interests of all those who put trust in them, rather than as mercenaries, motivated only by million-dollar payouts. Control from within rather than from without, time frames that extend beyond the next 12 months, serving a higher purpose, the ethos of community—these moon shots will be the key components of any long-term alternative to the binge-and-purge cycle that has characterized the U.S. financial services industry for most of the last century.

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Not all the moon shots are new; many address problems that are endemic in large organizations. The purpose of highlighting them is to inspire new solutions to long-simmering problems. The Gates Foundation has devoted itself to eradicating malaria, which is hardly a new goal. Yet the people leading the charge believe that new ideas, new therapies, and new delivery systems will eventually yield historic gains. In like vein, new minds unencumbered by old beliefs and new tools of the sort that have powered a social revolution on the web may help us escape the limitations of tradition-encrusted management practices.

The aim of Management 2.0 is to make every organization as genuinely human as the people who work there. People are adaptable: Every day, thousands of individuals cross continents to take on new jobs, go back to school to acquire new skills, start fresh careers in midlife, or navigate their way through family crises. People are innovative: Every day, there are millions who post new blog entries, invent new recipes, write poems, or redecorate their homes. People are community minded: Think of all the folks you know who volunteer at their kids' schools, help at local hospitals, coach junior-league sports teams, or do the shopping for housebound neighbors. Tragically, the technology of management frequently drains organizations of the very qualities that make us human: our vitality, ingenuity, and sense of kinship. What companies once regarded as merely a moral imperative—creating organizations that are genuinely human—has become an inescapable business imperative.

This is a daunting challenge, but take heart. The first management pioneers had to turn freethinking, bloody-minded human beings into obedient, forelock-tugging employees. They were working against the grain of human nature. We, on the other hand, are working with the grain. Our goal is to make organizations more human—not less. McCallum, Taylor, and Ford would envy us this opportunity.

Note: Visit vovici.com/wsb.dll/s/1549g38fd2 on the HBR website or managementlab.org/future at The Management Lab website, and you will find a list of the 25 challenges. Click on them, and you can help decide how important it is that organizations make progress on each challenge. You can also rate the progress that your organization has already made and identify the most significant barriers to making further progress. Join us in inventing the future of management.

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