

Moon Shots for Management

by [Gary Hamel](#)

What great challenges must we tackle to reinvent management and make it more relevant to a volatile world?

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.”)

 [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 semiskilled 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.