

# Frugal organizing: Lessons from the open source experience

*California Management Review*

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Open Source Software Development (OSSD) has been extensively studied over the last decade to understand how it is organized. We know enough about the OSSD organizing mode today to stop and ask a simple question: what can organizations at large- including for-profit companies- learn about *organizing* from the OSSD experience?

At a fundamental level, all forms of human organization must solve the twin problems of *coordination* and *cooperation* that arise when attempting to integrate the (often specialized) efforts and knowledge of numerous interdependent individuals. Formal organizations do this under the shadow of authority, within structures characterized to a significant extent by administrative hierarchy and procedures, pecuniary incentives, and the collocation of highly interdependent individuals. OSSD projects have demonstrated that these apparently defining features of formal organization are not strictly necessary to organize either efficiently or effectively. Without formal authority, collocation or the paraphernalia of administrative bureaucracy, some developers working within OSSD projects have created software solutions that rival those being produced by well funded corporate hierarchies.

*What can managers in traditional organizations learn from this frugal way of organizing?* Are the conditions that sustain OSSD models so idiosyncratic that any attempts to replicate their features within traditional organizations are doomed to failure? Or are there aspects of how they are organized that can travel to other organizational settings? For instance, can the mechanisms by which incentives are aligned and action is coordinated within OSSD projects also be useful in the management of strategic alliances, post-merger integration or new product development within corporations? Which modifications are required (if any) for these mechanisms to work effectively in those contexts? If the possibilities of exporting “frugal organizing” techniques from OSSD to other contexts exist, the implications for organization and management in general could be significant.

Our proposed special issue of *California Management Review* will explore these questions with a novel approach. We will focus on three basic organizing principles that appear to be important in OSSD organizations

- Reliance on informal authority to accept/reject contributions (rather than mandate, reward or sanction) plays a key role in the organization of OSSD
- Participation in the organization is voluntary and to a large extent motivated by use-needs; individual and organizational goals display correspondingly high levels of convergence

- Task architectures are transparent enough to enable self-selection of individuals into tasks, and modular enough to allow collaboration with limited collocated communication

We want to invite papers through a general call for papers and finally select papers that show how these insights could be applied to other organizational contexts, as well as carefully document the limits of their applicability. Specifically, we posit that many different kinds of organizations often face situations which may resemble, in some respects, the OSSD framework. In these circumstances, organizations can fruitfully learn from “frugal organization” principles such as those above.

To consider a few instances:

- NGO’s depend on voluntary membership but not necessarily based on use-needs. Can NGO’s with an operational (rather than an advocacy) agenda benefit from adopting membership principles from OSSD?
- Multilateral and bilateral alliances often (but not always) embody membership based on use-needs and parity between partners (rather than the existence of authority of one partner over another). Can the management of strategic alliances be improved by borrowing insights in frugal organizing from OSSD projects?
- Business Process Offshoring and Outsourcing, like OSSD often involves collaboration between non-collocated individuals, often from different organizations. Are frugal organizing practices from OSSD applicable in these contexts?
- Acquisitions of knowledge-based entrepreneurial companies by larger established companies generate stark tradeoffs between coordination and disruption when attempting to integrate such acquisitions. Can frugal organizing models help to overcome these trade-offs such that acquirer’s are able to leverage the knowledge of target companies while minimizing disruption to them by avoiding much change to their formal structure?
- Firms are increasingly seeking to benefit from collaborations with informal communities of individuals, who produce technical or artistic artifacts (e.g. users’ communities, communities of practices), or simply insights about customer behavior (eg. through Facebook). What lessons in frugal organizing may be useful here?

Each paper will be followed by a brief comment by one of the members of our panel of experts, comprising Linda Argote (Carnegie Mellon), Carliss Baldwin (Harvard); Shioban O’Mahony (Boston University) and Mike Tushman (Harvard).

### **Deadlines and submission instructions**

Deadline for submission of papers: **February 28<sup>th</sup> 2012.**

Reports from referees sent to authors: **June 30<sup>th</sup> 2012.**

Submission of revised papers: **September 30<sup>th</sup> 2012**

Expected delivered to California Management Review: **March 15<sup>th</sup> 2013**

Papers will have to be submitted electronically and will have to comply to the authors’ guidelines of California Management Review.