

Let's talk about some of the great innovations that are happening at local levels in our workplaces across the country. If you're like me, I'm sure you're frustrated with the gridlock that is blocking any progress in public policy in Washington.

I've seen this go on for 30 years in our field where Congress and the President can't pass anything because there's an impasse between business and labor on employment and labor policy. So we need to look to other places for innovations today.

The good news is that there's a lot going on at the local level in established companies, in startups, in state and local governments, in non-profits. And so that's where historically, most of our major innovations at work have occurred. So let's look at a few of these.

You've heard of companies such as Southwest Airlines started, in 1970. It's the most profitable airline in the United States. It has consistently been rated as one of the best places to work. It has great customer satisfaction, and it has low prices. And it's worked effectively for shareholders and for employees and for customers for many years. So that's one example, but there are others.

Across almost every industry we can find good companies that are able to provide good jobs at high profits and good service to their customers. In the health care area you often hear about Kaiser Permanente, a major nonprofit health care provider that both is an insurer and clinics and doctors offices and has hospitals.

Google, as you all know, is one of the greatest employers today. It's got the resources to have parties on Fridays and treat employees well and encourage them to work creatively on their own work.

Here in New England, we celebrate the work of Market Basket, one of our grocery chains where employees went on strike to support their CEO to save the business culture and the business that was good for employees and good for customers and good for shareholders. We'll talk more about Market Basket in future sessions of this class.

On the West Coast, there's a similar organization called In-N-Out Burgers, again a retail restaurant which is doing very very well.

So there are companies that do this but then there are new forms of work emerging out of the so-called on demand economy with names like Uber, TaskRabbit. Companies that disrupt traditional ways of organizing work and that bring customers more directly into the work process. We will discuss the pros and the cons of these new ways of working throughout this course.

And we see equally exciting innovations all across the world. The Swedish furniture maker Ikea, for example, is a global leader in environmental sustainability, in serving low income customers with good quality furniture at reasonable prices, and providing good working conditions, including ensuring that its lowest paid employees earn a living wage.

Or consider Semco, an innovative company in Brazil that has gained a reputation for empowering employees to control their own jobs and their work schedules and yet has grown to become Brazil's most successful company. The CEO who grew and shaped the company, Ricardo Semler, was recognized by the World Economic Forum as one of the global leaders of tomorrow.

But what about innovations on the labor market side? Well, in the 20th century, unions were the source of tremendous innovation. They're happy to tell you that they are the group that brought you the weekend. And, in fact, that's true. They negotiated for time off for holidays, for weekends, for various kinds of vacation pay and sick leave pay.

But unions, as you can see here, have fallen on hard times. They have lost membership going from about a third of the workforce down to less than 15% percent today, and in the private sector, they're even lower at about 7%. But in the wake of this decline, we're seeing new forms of worker organization emerge. Sometimes they're called cooperatives, sometimes they're called worker centers. Sometimes they're called fast food strikes, as we've seen against McDonald's and other industries. Sometimes it's protests against Walmart on Black Friday where workers are protesting low wages in that industry. But we're seeing these organizations come along and develop their own form of innovation that helps to represent workers and provide workers a voice that allows them to improve their own conditions on the job.

And some are using social media to provide new opportunities. You've heard about Mechanical Turk, which provides jobs for people who can sign up on the internet to do coding jobs and other very basic kinds of things that they can do from home.

Well, this thing called Turkopticon has come along and it said, we will rate employers. Are they good employers? Can we trust them? Do they pay their employees wages on time? Do they live up to their promise? This is all done spontaneously to organize. So we're seeing new forms of organization like this come along.

So we can do this. We need to continue to put our good faith efforts into creating innovations at the workplace. We need to ask then, how can we take those innovations and spread them across the economy so that more and more people can benefit from these good ideas? That's our job.

I look forward to seeing more innovations and I look forward to seeing what you and your generation creates as

the next form of work, the next kind of organizations that will meet the needs of our economy and our society going forward.