Preparing for and Shaping the Future of Work and Organizations???

The question marks in the title of this short note are for real. We have some hints at what the future of work will look like and we see some patterns in the organizations that are emerging today and we see some of the potential power of emerging technologies that will help shape how, when, where, and maybe even if we work in the future. But most prognosticators of the future end up being wrong, largely because they tend to focus on only a part of the forces at work or can't envision new, unforeseen developments that will disrupt current trends.

But it is always fun to speculate and indeed important to do what we can to prepare for the future. So let's give it a try. Since we have covered some of these points already, I'll just outline six features that I believe will interact to shape the future of work and the organizations and institutions that structure and govern it. Our challenge, and our opportunity, is to figure out what we can do to shape or adapt to each of them.

Globalization

The most obvious starting point in thinking about the future is to recognize that today much economic activity is global, not just local or national in scope. The strategies put in place to secure the future have to be robust if the next generation workforce and businesses are to compete globally. Business leaders need to promote sustainable growth and job opportunities on a global scale and workers, regardless of where they are located, cannot and do not stand alone or apart from the rest of the world. And given the global reach of modern media, as illustrated in the Nike story recounted in an earlier essay, injustices to workers in Bangladesh or China quickly becomes visible to all around the world. This creates an opportunity to link workers on a global scale through a media-driven recognition that gives new meaning and life to an old motto of the Industrial Workers of the World (aka the Wobblies): "An injury to one is an injury to all."

To prepare for work in a global world will require attention to education on a life-long basis to keep one's skills up-to-date and to remain marketable and productive in a world with widely varying wages and labor costs. It also will require attending to spreading and enforcing global labor standards so that all workers are treated with dignity and respect, while having opportunities to realize their own dreams for themselves and their families. Lots of people and organizations are working on this, from NGOs in developing countries, to transnational firms that accept responsibilities for monitoring and enforcing minimum standards throughout their supply chain, to the International Labor Organization that continues to promote "decent work" for all and provides technical assistance to governments and private sector organizations in setting and enforcing minimum standards, to consumers who pay attention and ask hard questions about the conditions under which the products they buy are produced.

But for all of these forces, international competition can still lead to a "race to the bottom" where the counter-forces mentioned above are weak or non-existent. So the task is clear: Stay vigilant,

hold ourselves and each other, and the organizations we work with or buy goods from, accountable for making globalization work for everyone!

Technology

Just as it was futile in the eighteenth century for British Luddites to take their clubs to the automated looms that were replacing them, we need to embrace and harness the power of emerging technologies to work for all. So we need to try to understand how advances in information technology and machine intelligence, along with advances in the life sciences, will change the demand for labor in the years ahead and then take actions to shape and adapt to technological changes as best we can.

Past technological inventions have created entirely new occupations (think computer programmers and associated software and hardware developers and maintenance technicians) and will undoubtedly do so again in the future. But good job opportunities or occupations don't emerge automatically out of technological changes. The design and quality of new jobs can be influenced if we explicitly challenge inventors and designers to develop technologies that complement workers' skills and capabilities. Not only do workers need to continue to "give wisdom to these machines;" machines need to empower workers to do new things of value to customers and society.

Let me make this concrete with an example. We discuss Uber in one of the videos this week. Uber is enabled by creative use of information technologies—global positioning systems, smart phone apps, etc. But there is no predetermined technological driver (forgive the pun) that shapes the quality of the jobs of Uber drivers; the experiences, and safety of Uber customers; or the disruptive effects Uber's growth has on existing taxi drivers. The effects on all these stakeholders are more likely to be negative if they are not addressed up front as complements to how these technologies are put into organizational forms and practices. And if they are not attended to as part of the technological and organizational designs, they will, as is the case with Uber, meet with resistance and backlash from some Uber employees, customers, city officials, and workers who will be displaced as Uber and its clones grow. If the design and deployment of Uber's use of current and future technologies are complemented with fair compensation systems for drivers, safety standards that protect customers, and regulations by city officials to create fair competition with existing taxi systems, market forces will sort out the optimal mix of on-call car-for-hire systems. And, perhaps down the road, other modes of transportation will disrupt the car-for-hire mode and we will face these challenges once again.

Our task is to see new technologies through this systems-like lens. We might remember to do so with just a simply mantra: Don't forget the work or the worker when inventing new technologies because, as before, "it is the workers who give wisdom to the machines."

Organizational Forms

Long-term employment with a single large employer that provides a host of benefits including pensions, health insurance, training, and upward career and income mobility seems to be a relic of the past century. Today tenure with any given employer is likely to be shorter and more precarious. Employer-provided health insurance, pensions, and other benefits are likely to be much more limited if they exist at all. The employer may be a private corporation that is focused on profit maximization, a benefit corporation, or some other profit or not-for-profit organization that has multiple objectives. Or there may be no employer at all for those who are either classified as or choose to be independent contractors or temporary employees. This diversity in organizational forms and the declining role of the firm as the conduit for delivering benefits and labor market services that ensure long-term employment and financial security are two key realities around which future strategies must be built.

These are harsh realities but not trends that are fixed in concrete or predetermined by some invisible hand of market forces. Remember one of the lessons from Saturn? We suggested that Saturn came out of an early form of "crowdsourcing." It was a Committee of 99 engineers, managers, workers and union officials who came up with the organizational and employment system design for Saturn. So, let's use the modern crowdsourcing mode for idea generation in an informed way—to put the design of future organizations to the test of whether it will work for all the key stakeholders—investors, customers, employees, and communities!

This will require a sea change in the education of next generation entrepreneurs and the "ecosystems" that support them. In particular, it will require venture capitalists and other financiers to be asking the questions of how the business plans of would be entrepreneurs will produce sustainable, great companies that support great jobs. It will also require a shift in mindset of would be entrepreneurs from one that is looking to quickly capitalize on some great idea by selling it to the first attractive bidder to a mindset that they want to be the next Bill Gates, Mark Zuckerberg, or to go back to ancient times, Thomas Edison (GE) or Thomas Watson Sr. (IBM).

And we need to continue to develop our own "apps" to measure and publicize "great companies with great jobs" compared to those companies that may be successful on financial grounds but lousy places to work. Some versions of those apps are available today such as Glassdoor and the little "Good Jobs Survey" we piloted in this class. But I'm confident new and better apps will be invented—that's a challenge to creative next generation minds! Information can be a key source of power now and in the future.

The labor movement is dead. Long live the labor movement. This seems to capture the schizophrenic mood of many people in the U.S., and indeed around the world. The unions that brought us the weekend and a host of other benefits that helped build and sustain the post-World War II Social Contract have been and continue to be in steady decline. But the same was true in the decade prior to the New Deal when many pundits and academics predicted that unions were

a thing of the past, only to be surprised by the emergence of new forms of unions that fit the workforce and economy of the day.

Today we see enormous range of experimentation with new forms of worker voice and advocacy and we have learned about how to "transform" outmoded arms-length and overly rigid 20th century union-management relationships into partnerships that support "great companies and great jobs." My sense is that both these developments will continue and indeed new forms of worker voice and advocacy will be invented in the years ahead. Our democracies thrive when workers have forward looking, innovative, and powerful voices and institutions helping them to realize their dreams and aspirations, and the expectations we all have for work and employment relations. That, as you will recall, is the definition of a "Social Contract at Work." We need to keep searching for models of worker voice and representation capable to putting a new social contract in place and spreading it widely across the workforce and economy. That is why the final exercise in this class will be a Next Generation Social Contract Negotiations. You will have the opportunity to define the features you think should govern employment relationships in the future.

Work Force and Family Diversity

Gone also is the dominant image of employment in which a male breadwinner worked for an extended period of time for a large employer and his wife did not work for pay but instead attended to family and community responsibilities. Today, diversity and variety are signal features of the work force and of the family. Diversity takes on multiple dimensions—gender, age, race, national origin, citizenship, and competencies. It will be the normal mosaic in workplaces—both co-located and , increasingly, virtual. Gaining value from this diversity will be the management challenge of the day.

Similarly, long gone is the day when the sole income of the male breadwinner could provide well for a wife and children. We have to continue to assume that it will take two parents working as much and as hard as they can to make ends meet and get ahead, regardless of whether they are married or long-term partners. Single parents face even greater challenges. This means that the time and cost of child care will be outsourced. Often extended family members—grandparents or other relatives—contribute to child care either through time or money, and sometimes both. If it takes two parent incomes to raise a family, then society will need to provide the flexibility and resources that will enable parents to meet their dual work and family responsibilities.

Recently a new term has been coined to describe the 24-7 world of some service workers: "clopening." http://www.nytimes.com/2015/02/22/business/late-to-bed-early-to-rise-and-working-tired.html?hpw&rref=business&action=click&pgtype=Homepage&module=well-region&region=bottom-well&WT.nav=bottom-well&_r=0 . The term refers to workers who close restaurants or other service businesses late at night and then have to be back to open them early the next day, often with little opportunity to sleep or see their families in between. Visible

firms like Starbucks have pledged to end this practice when it was brought to light and some firms that sell scheduling software now embed rules in their codes that flag or help avoid such practices. Here is a nice blend of technology, public scrutiny/protest, and managerial values at work that demonstrate how organizational designs and practices can work for or against building great companies that provide great jobs. Let's continue to expose unacceptable practices and reward those firms that lead the way in correcting them when identified or even better avoiding them altogether.

Polarized Politics

If politics in Washington (or the capital or your country wherever you live) remain as polarized as they are at present, there is little hope for solutions to come from there. Instead, consistent with history, innovations will need to spring up at local, regional, and state levels in both the private and public sectors or in public-private partnerships. Throughout this course we have highlighted the good news—innovation is flourishing at local levels in both the private and public sectors.

This creates enormous opportunities for each of us to have an impact in our own backyard. Just as "Rome wasn't built in a day" so too will national political gridlock not be easily broken. But if history is any guide, and if we can learn the right lessons from it (as we have done in this course), leadership from local levels someday will have the opportunity to change things at national levels. When that next window of opportunity is opened, fast and confident actions need to be taken that are well grounded in the evidence and experiences of what has worked at local levels. That is why it is important to get involved in local innovative efforts, learn what works for all the key stakeholders involved, and then campaign to take these innovations to scale for stakeholders across our respective countries and perhaps across the planet.

Market and Institutional Failures: Collective Actions Needed

Perhaps the most important lesson from this course lies in recognizing that no "lone ranger" CEO or any other single savior is capable of coming to the rescue. It is not in the interest of any individual business leader to take responsibility for creating more good quality jobs, but is in the interest of the overall business community to do so. How else will we have a robust economy with a strong middle class with the purchasing power for businesses to thrive? Nor can business do this successfully on its own any more than can government, labor, or education. But these are the key groups that collectively could do it if they tore down the walls built up between them in recent years and started working together. Almost certainly, though, it will take some honest brokers to bring these groups together to focus on their shared interests.

We can be these honest brokers. Teachers can teach what we know about how to "build great companies that sustain great jobs." Next generation business leaders, those now coming out of our b-schools and other programs, can learn these principles and tools and make them part of their toolkit and hold each other accountable as part of a new generation's shared leadership

norms. Union leaders and other worker advocates can mobilize their members and peers to both keep the pressure on firms to adopt these practices and also be the champions for and expert providers of services that support great jobs and great companies. Government leaders can update and modernize employment and labor policies and strategies that encourage these different stakeholders to act together and serve as catalysts for innovation rather than simply being arms-length regulators and enforcers of rules. And most important, leaders in the next generation workforce can insist that their voices be heard now and in the future and not accept the 20th century fault-lines that separated the groups into labor versus management, conservative versus liberal, or elderly versus youth!

So, let's get on with the task of inventing the future of work and organizations, individually and together!

Supplemental Materials:

Jacoby, T. (2014). This Way Up: Mobility in America. The Wall Street Journal (Review Section), July 22: C1–C2. http://www.wsj.com/articles/this-way-up-mobility-in-america-1405710779

Bing. D. (2014). What the Dickens? Fortune.com, December 1: p. 168. http://fortune.com/2014/11/13/capitalism-labor-conditions/

Plutocracy: Bureaucrats Beware, Korn Ferry Briefings, Vol 6, Issue 21: 34-6. http://www.kornferryinstitute.com/briefings-magazine/winter-2015/plutocrats-beware

Heimans, J. & Timms, H. (2014). Understanding 'New Power'. Harvard Business Review, December: 48-56.

The Worker Institute at Cornell – selected website news - http://www.ilr.cornell.edu/worker-institute/news and this brief video: http://www.ilr.cornell.edu/worker-institute/intiatives/precarious-workforce)

Colvin, G. (2014). In the Future, Will There Be Any Work Left for People to Do? http://fortune.com/2014/06/02/fortune-500-future/

Anonymous (2014). What We'll be Doing in 2020. Harvard Business Review, October: 32-33 (Posted on Blackboard)

Smith, E, (2012). American Dream Fades for Generation Y Professionals. BloombergBusiness Online, Dec 12: 5 pp. http://www.bloomberg.com/news/articles/2012-12-21/american-dream-fades-for-generation-y-professionals

Hoffman, R. Casnocha, B., & Yeh, C. (2013). Tours of Duty: The New Employer-Employee Compact. Harvard Business Review, June: 49-57 (Posted on Blackboard)

Davies, A, Devin, F, and Gorbis, M. (2011).Future Work Skills 2020. Institute for the Future: 14 pp. http://www.iftf.org/uploads/media/SR-1382A_UPRI_future_work_skills_sm.pdf

MIT OpenCourseWare
https://ocw.mit.edu

Resource: Shaping the Future of Work (15.662x)
Thomas A. Kochan

The following may not correspond to a particular course on MIT OpenCourseWare, but has been provided by the author as an individual learning resource.