

Realizing the American Dream: Next Gen Jobs, Careers, Challenges & Opportunities

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The “American Dream”

Every parent’s promise:

If you work hard, get a good education, and play by the rules...

You should be able to achieve a higher standard living than your parents



Baby Boomers: Can we make this promise to our kids?

- Today, less than 50% believe this will happen
- Is this the legacy we want to leave our children and grandchildren????



What about the Next Gen?

- What can you do to realize your goals, aspirations....dreams for your jobs, careers, and families?
- Time for a cross-generational conversation and combined effort to restore the opportunities for members of the next generation to realize their dreams.

How to do this?

1. Understand the challenges—today's crisis in jobs, wages/incomes, and employment conditions
2. Learn why the baby boomers did well—what worked for them, what changed, what are the lessons for us going forward
3. Hear from next gen workers: What do they want out of their jobs, careers, and family lives?
4. Figure out what can be done—what the next generation workforce can do and what it needs from others—business, government, labor, and education leaders.
5. Work together to change the direction of the country and give all the chance to realize their dreams

How to Engage Next Gen Workforce?

- Written text—on-line history and reference
- On-line courses with local discussion groups
- Exercises
 - Negotiating the Next Gen “*Social Contract*”
- Social Media
- Open Source Options
- Other?

Possible on-line course modules

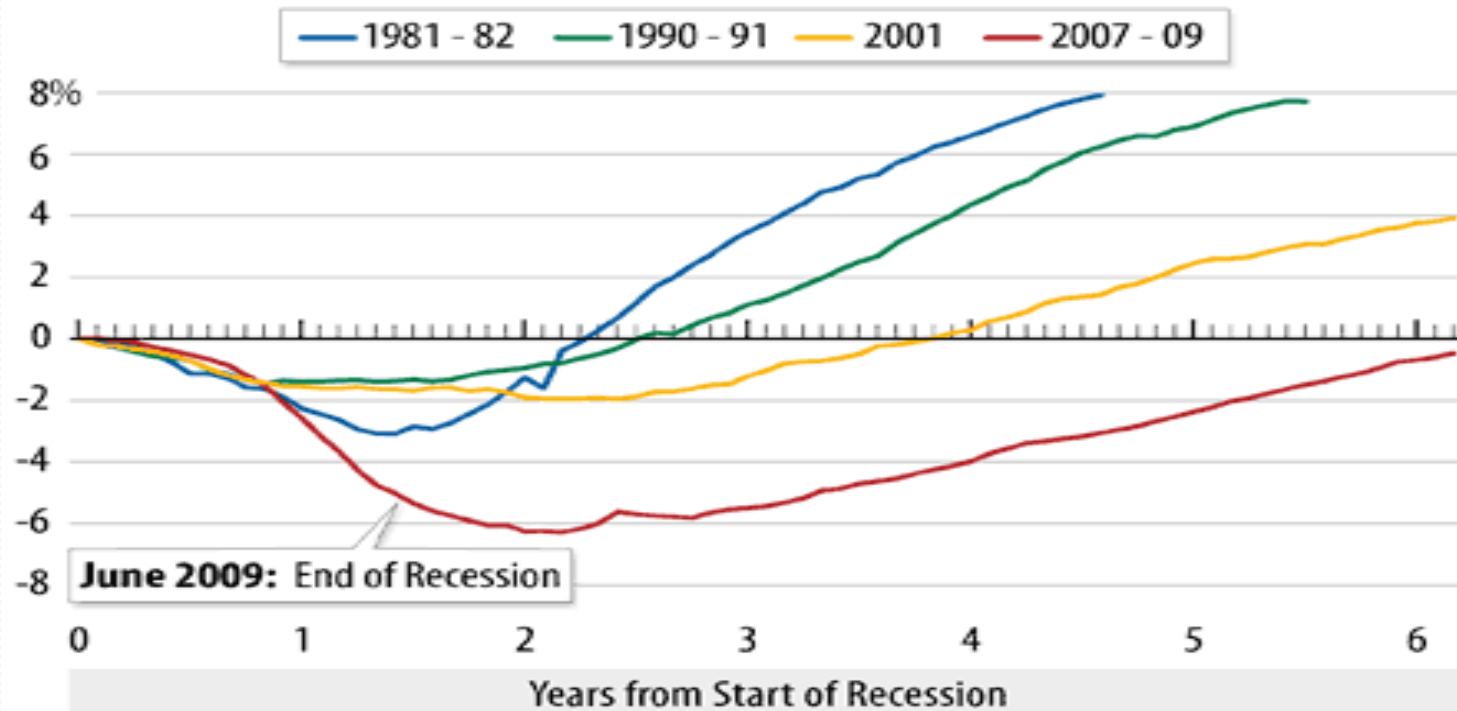
- Session 1: Current Situation and Challenges
- Session 2: What made the Old Social Contract Work
- Session 3: Why did the old Social Contract Breakdown?
- Session 4: Seeds of a New Approach: Local Innovations & Starting Assumptions for Today's Economy & Environment
- Session 5: What can be Done? Phase 1 of New Social Contract Negotiations
- Session 6: Complete New Social Contract Negotiations
- Session 7: Students report on their Plan for Action

Baby Boomers' Legacy

- Today's Jobs Crisis
 - Jobs Deficit
 - Stagnant Wages
 - Huge Inequalities
- Broken Government—30 year impasse
- Outdated employment policies and practices from an industrial, male breadwinner economy

Job Losses in Past Recessions Compared to the “Great Recession” of 2007-09

Percent Change in Nonfarm Payroll Employment Since Start of Recession



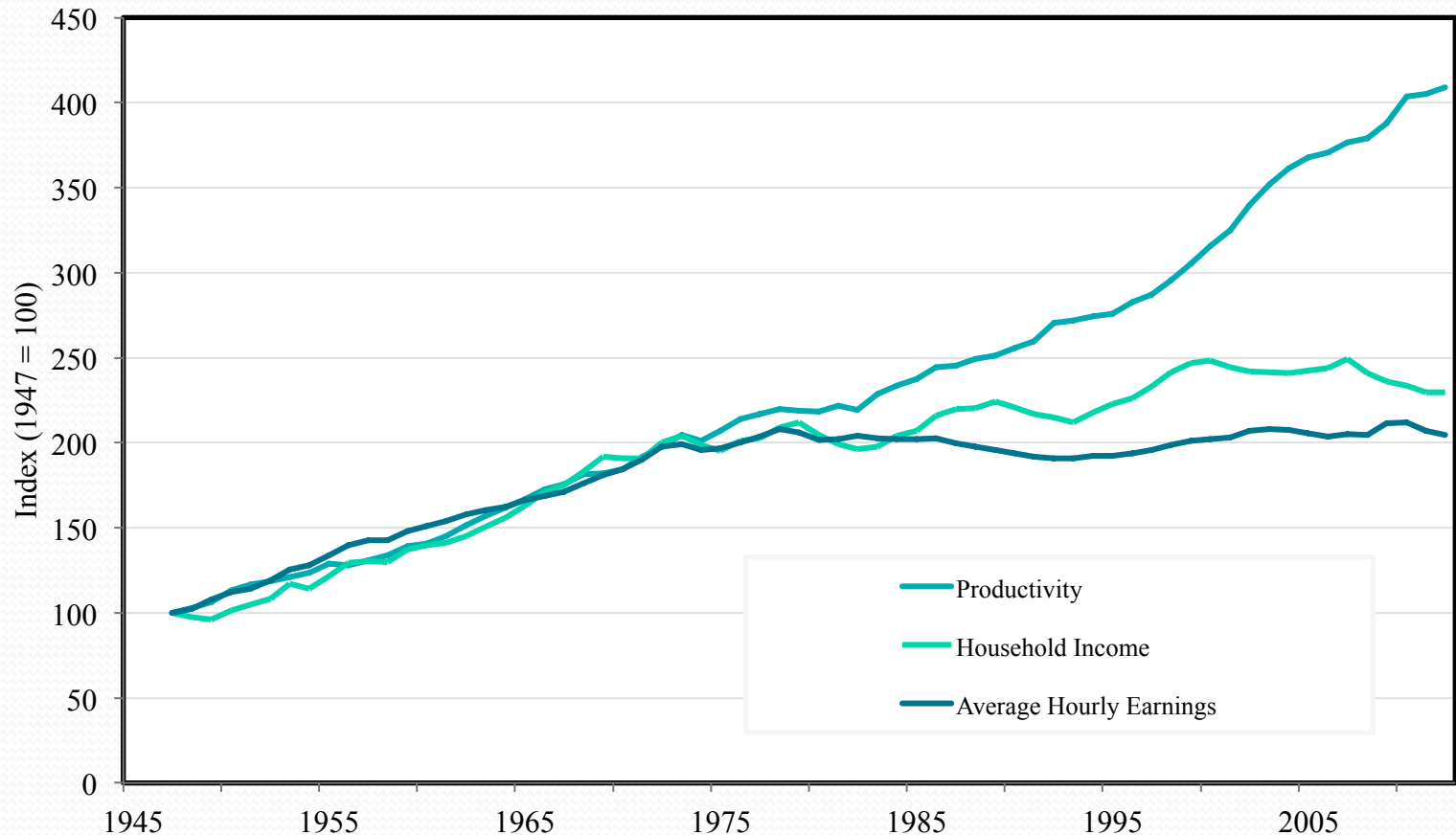
Source: CBPP calculations from Bureau of Labor Statistics data.

Needed: Accelerated Pace of Job Growth

- To close the Jobs' Deficit* by end of this decade
 - Need 13.5-15 million new jobs by 2020
 - That's 190,000 to 200,000 jobs each month
- (The economy has only averaged less than 150,000 new jobs per month since the end of the Great Recession)

*Jobs' Deficit = Number of jobs lost + number needed to absorb growth in the labor force

Needed: Closing the 30 year Gap in Wages-Productivity Growth



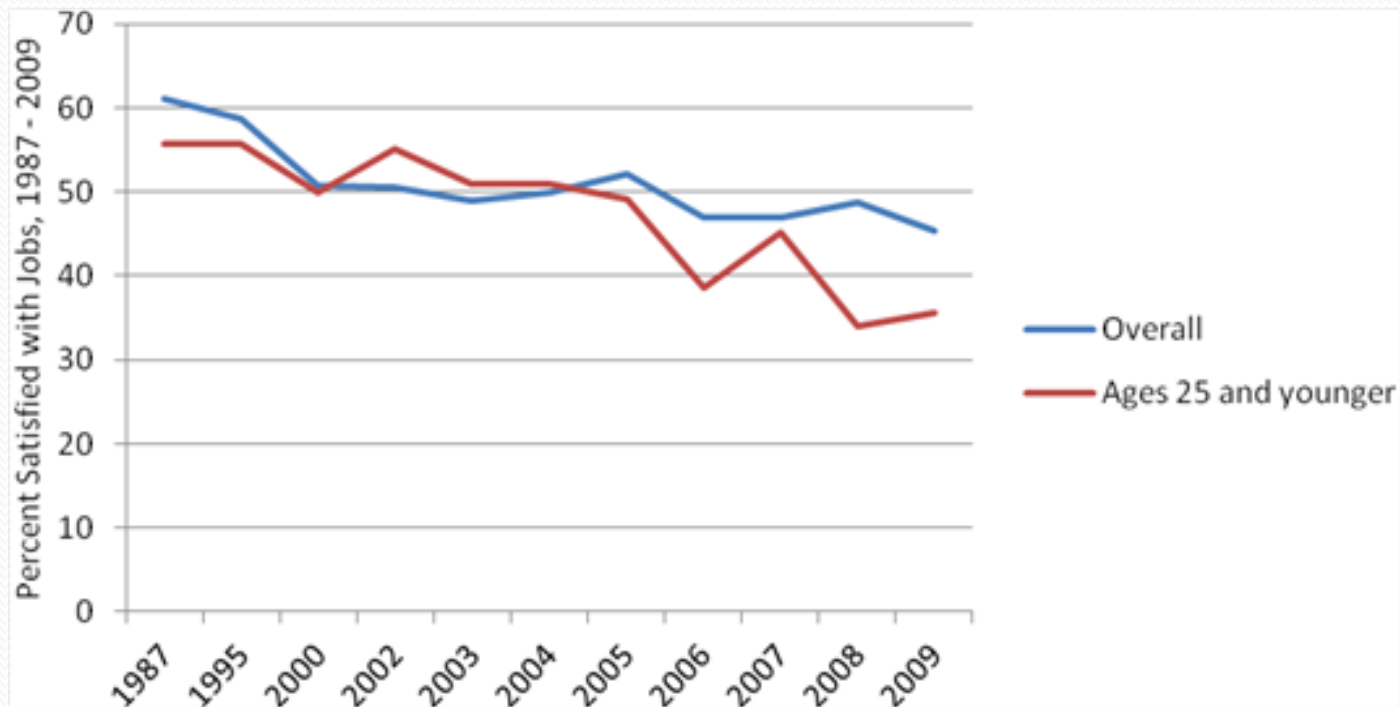
Needed: Closing the Gap in Income Inequality



Source: Emanuel Saez, "Striking it Richer: The Evolution of Top Incomes in the United States (Updated with 2009 and 2010 Estimates). March 2, 2012. <http://elsa.berkeley.edu/~saez/saez-UStopincomes-2010.pdf>.

Needed: Reversing the Trends in Job Satisfaction

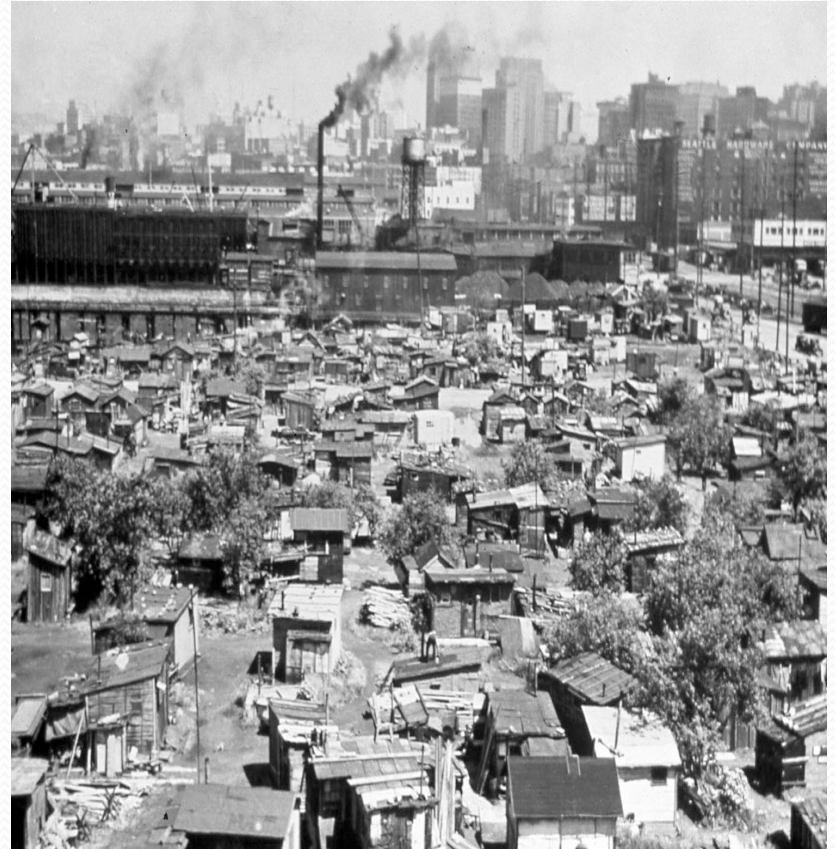
National Trends in Job Satisfaction, 1987–2009



Source: The Conference Board. Data used with Conference Board Permission.

Learning the Right Things: What made the Baby Boomers so Lucky?

- Deja vu all over again: 1930
 - Roaring 20s for business but not for workforce
 - Then the Great Depression—25% out of work; Hooverville; and fear of revolution!



Bring on the New Deal:

Four Pillars of The New Deal Labor Policy

New Deal Foundations

- Unemployment Insurance
- Social Security and Disability Insurance
- National Labor Relations Act
- Wage and Hour Act

What they did

- Provided income to unemployed workers for a temporary period of time with the expectation they would either be rehired or find a new job as economic conditions improved
- Provided retirement benefits to employees who meet a minimum number of years worked and benefits to workers who become disabled and unable to work
- Protected workers' right to form independent unions and engage in collective bargaining
- Established a national minimum wage and overtime pay requirements for more than 40 hours work per week

Lesson 1: Where did these ideas come from? “All Policy Innovations are Local”

Frances Perkins,
“Madame Secretary,”
goes to Washington



But it took a War

- Two big effects of WWII:
 - Big government spending generated jobs to end the Great Depression



- And the War Labor Board brought us paid health insurance, pensions, grievance arbitration, and rational wage structures

Two Lessons

- Need strong investments—public and private to end a Depression for the workforce
- In crisis, government, labor, and business can work together and ***CREATE INNOVATIVE SOLUTIONS TO EMPLOYMENT CHALLENGES!***

The Golden Baby Boomer Years:

A Post War Social Contract: Wages and Productivity moved together for three decades

Who was Walter Reuther
and why did he matter?

“The Most Dangerous Man in Detroit”

or,

“Father of the Social Contract?”



Supporting Institutions

- GI Bill and Educational Opportunities
- Corporations: a multi-stakeholder view
- Universities—cheap, high quality education
- Professional dialogue—engagement of business, labor, government, and education
- “Pattern bargaining as the diffusion mechanism
- Growing national markets for U.S. goods

Warning Signs: First Dissent

- 1960s: Era of Youth Protest and Disillusion



Then 1970s Atrophy

The Frog that never Jumped!

- Union decline
- Growing new industries and the IT age
- New approaches to job design and work processes
- Failure of labor & management to adapt
- Deadlock over labor law reform
- Stagflation—wages growing but economy failing



Lessons

- No “invisible hand” of market forces got wages and productivity moving together for 30 years! Lesson: *Negotiations Matter*
- Inertia is a powerful constraint—the economy, workforce, and technologies changed but institutions did not adapt

1980s: Breakdown of Social Contract: Crisis and Invention

- A powerful constellation of changes—transformation of employment practices
 - Ronald Reagan
 - Deep Recession
 - Shift to management as driving force for change



Innovation but no spread

Saturn: New Kind of Company; New Kind of Car



Southwest the LUV Airline

- Most profitable...
- Most Productive
- Most unionized...
- One of best places to work
- Best customer service
- Not loved by Wall Street
- Not copied by competitors



Generic Features: High Performance organizations with Good Jobs

- High Trust Workplace Culture
- Employee Engagement
- Flexible-Team Based Work Design
- Training & Development
- Fair & Contingent Compensation
- Interest-Based Negotiations
- Labor-Mgmt. Partnerships



But the dominant model: Financialization of U.S. Business

- Hostile Takeovers of 1980s : Private Equity Buyouts Today
- Revised view of the Corporation: From multiple stakeholders to maximizing short term shareholder value
- Executive Compensation now tied to share price
- Outsource all but “core competencies”

Greed is Good: 1980s Wall St.

Full speech:

http://www.dailymotion.com/video/xex9rz_gordon-gekko-greed-is-good-full-spe_shortfilms

Punch line:

<http://www.youtube.com/watch?v=R8y6DJAeolo>

From a Leading U.S. CEO: 2012

“Every time I stand up and say we need to take actions to strengthen the U.S. economy my shareholders cut my neck off reminding me we are a global company”

Two Failed Efforts at Updating Employment Policies

- Clinton Administration
 - National Commission on the Future of Worker-Management Relations: “Dead on Arrival” in Newt Gingrich’s Congress
- Obama Administration
 - Labor Policy as a Political Backwater:

“The Secretary of Labor will not be handling labor law reform!”

2000s: The Lost Decade!

- No job growth
- Wage stagnation continues—worsens for many
- Income inequality worsens
- Great Recession ends, except for workers

Key Lessons

- Status quo destined continue trend in declining living standards
- Changing course requires mobilization across generations—next generation and baby boomers wanting to leave a better legacy
- Learn lessons from history—Adapt them to contemporary workforce, economy, and environment

Today's World: Starting Assumptions

Today's World

Assumptions

- Economy
- Technology
- Workforce
- Employers
- Environment
- Politics
- Markets & Institutions
- Global
- Digital Revolution accelerating
- Diverse on many dimensions
- Diverse organizational forms and uncertainty who's the boss
- Sustainability a top priority
- Polarized, divided, gridlocked
- Overcome market and institutional failures through coordinated, collective actions!

What do we Want?

(Edit this statement to capture what you want from your job & career)

Most of all, we want to have good jobs and career opportunities, ones that allow us to continue to learn, develop, and use our knowledge and skills to their fullest extent, to have a voice in shaping how we work and the terms of employment, and to provide financial security throughout our work lives and retirement years.

We would like to work in or help create organizations that share our concern for environmental and social sustainability—ones that pursue people, profit, and planet objectives with equal vigor.

Since we expect both parents of young families will be working full or part-time, we will need policies and practices that allow us to carry out our dual work and family responsibilities.

We do not expect to work for a single employer for extended periods of time so we have a special interest in being able to find and move to good jobs when necessary without risking loss of health insurance or savings for retirement.

We will be competing in a global economy and need to bring globally competitive knowledge, skills, and abilities into the labor force and keep them up to date throughout our careers.

We stand in solidarity with our peers at home and in the global workforce in pursuing ways to meet and continuously upgrade employment conditions for all workers.

Negotiating the Next Gen Social Contract at Work

The Parties

- Next Gen Workforce
- Business Leaders
- Education Leaders
- Labor Leaders
- Government

Actions and Options?

- Life-long education; mobilize networks to use knowledge as a source of power
- High Road/High Performance Strategies; Coordinate training
- Pre-k to life long learning; link to industry; put on-line learning to work
- Invent, incubate, scale new models; worker centric apps; knowledge as power
- Catalyst for innovation; learn from local examples

An Invitation and Call to Action

- Join the conversation
- Engage each other and across generations and across stakeholder groups
- Put modern negotiations, dialogue, social media, and networks to work
- Begin the process:
 - Next Gen workforce: Regaining control of your destiny
 - Baby Boomers: Rewriting your legacy