

TOM KOCHAN: Well, good afternoon, everyone, or good morning or good evening. No matter where you are in the world, it's some time of the day or night. And I'm delighted that we can use this time now to provide a wrap-up to the journey that we've been on for the last seven weeks.

We've covered a lot of ground. We've looked at a lot of different issues that are so central to our future, to the future of work. And today, what we want to do is to try to take stock. What did we learn? Where are we going? How are we going to individually and then collectively make this a better workplace for the future for all concerned?

So I'm really pleased that we can have this session in a very interactive way. And as we indicated on the course materials, you can post questions or comments as we go along. Some of you, I know, are already on Twitter. There's the hashtag, and I believe that's going to continue to show for you, those of you who are comfortable using Twitter.

And one of our colleagues here in the classroom will convey your questions or comments. You can also post on the discussion board where we put a heading for the live discussion. So let's make this really an interactive session.

I'm joined here this afternoon by our MBA class that has been working with us throughout the semester. As you know, many of them served as expert facilitators for you. So now they all have a certificate in mediation and facilitation.

They're experienced, and they're going to go out and start doing this in the workplace of the future. But we'll take questions and comments from our colleagues here because they've been following and working on the same issues as we've been going through this course.

So why don't we get started? And let's see a little bit first, who are we? Well, I want to thank our partners. This enterprise is only possible because we have a lot of good organizations that are working together to make it possible, starting with edX and MITx, our platform and our delivery source, and the team of people working behind the scenes to do the videos with me and with our colleagues and to do the editing and to put the materials on the course site, all part of this process.

I'm very pleased that we have partners at both Cornell University and the School of Labor and Industrial Relations and at Rutgers University and the School of Management and Labor

Relations, where classes have taken the course on their own campus. And in fact, we're going to draw on some of the material that were provided by students from those classes as we move along here this afternoon.

And then, finally, our colleagues at the Hitachi Foundation. You saw one video that Barbara Dyer helped to produce on entrepreneurship. Well, the Hitachi Foundation is a partner with us throughout this course in providing materials and support as we go along. So with the MIT School of Management, with our Institute for Work and Employment Research, we have lots of organizations supporting this enterprise.

And then, who are we? Well, we are at 4,299 students and counting. That number went up this morning, so I suspect it may continue to grow as we go along and as we keep this material live on the course site. But it's a very, very diverse class, and that's what makes it really interesting-- 144 countries.

We have people-- a wide distribution of educational backgrounds, from high school, some students in high school, students graduated from high school in technical and vocational schools, many who have gotten four-year degrees, and a large number with advanced degrees. So it's a group that reflects the notion that education is important, a theme that we beat over the head very hard throughout the course and we'll continue to talk about here this afternoon.

Also, a very interesting age distribution. The median age is 31. But if you look at this distribution, you see that there are many younger people and then a spattering of people more senior to age 31, all the way up to someone in their 90s. So welcome to our senior citizens who are still interested in shaping the future of work. I think that's fantastic.

So gender-- we have majority of males but a good distribution. We have distribution also in terms of backgrounds in industries. I don't put it on the slides here, but we have people with experience in all different industries and occupations.

We have people who are union members or have been union members, about 18% or 19%. That's a larger number than you find in the United States in the distribution of the population. But then around the world it's more reflective of the workforce as we find it, and people of all different occupational levels, from entry level to PhDs and advanced professionals, people working in the gig economy, and people working in more standard settings.

So we learned a lot from each other. And let's take a look at what some of the overriding lessons are. I put three lessons here that reflect really the motivation for this course and that were emphasized throughout. And I'll only use these to introduce where we're going to go.

But basically you put a lot of emphasis on this "high road/low road" distinction, as we did in teaching this material, that we know that there are choices that companies can make to create good organizations that are financially successful, and that if they follow a set of well-defined practices, that can also be good for their employees.

But not all firms compete that way. Not all firms are organized that way. And so we emphasized and you emphasized the importance of trying to encourage more "High Road" firms as a key takeaway lesson from this course.

We also emphasize something that many found surprising, the notion that we need to rebuild worker bargaining power, particularly here in the United States, but increasingly across the world. And some of you reminded us in the discussion forum as late as this afternoon that, in some parts of the world, workers don't have a legal right to organize, or a legal right to voice their concerns, or that their efforts are suppressed in a variety of ways.

And so we have to respect workers for their rights, for the dignity of work, and the opportunity for expressing their concerns with power and with effectiveness so that they can contribute both to their own improvements but also to the viability of their enterprises. And then finally, this emphasis on trying to get business, and labor, education, and government working together.

We particularly feel it here in the United States at the moment, with the rhetoric, the unfortunate rhetoric, and my personal view that is so active and maybe even dominating our political campaign at the moment, with people not respecting each other's rights, each other's backgrounds, each other's traditions, and each other's preferences. And I think we've got to find ways to get across these interest group lines to solve some of these problems.

So that's a bit of an overview of what we've covered and some of the major themes. Now let's dig a little bit deeper. And let's start with, what do you want from work? Remember, we started with a question right at the beginning of the class. What's the most important priority for you when you think about what you're looking for in your work and in your careers?

And the results are quite interesting, and I think they're more nuanced than even this pie chart

shows. Yes, number one is getting a good balance between work and family life. 26% of you rated that your top priority, followed very closely by this interesting concern for having an impact, for dealing with real problems, significant problems, in your society and your location, your community.

You want to address the issues that are in front of us today. Maybe it's dealing with climate change and saving the planet for yourselves and the next generation, other generations to follow. Maybe it's dealing with the poverty that we find in too many parts of our world.

Maybe it's dealing with some of the social challenges and conflicts that we have in the war-torn areas of the world. But you want to make a difference, and I think that is fantastic. And yes, you want a good financial return for your investments and your contributions.

But notice, these are mixed together. And I think when we did the interviews, when we did the exercise around asking, how are your views similar or different than your parents, the dominant thing that came through in your qualitative comments, to me, was that you want many of the same things as your parents-- respect, security in some sense, financial security.

But you also want more. You recognize you are perhaps more privileged than your parents or grandparents and that you are in a position where you can have an opportunity to have a meaningful job, make a meaningful contribution, and really contribute to improving society. And so I think there's more that you expect out of work than perhaps prior generations.

Here is just a couple of examples. And I want to put a little bit more substance on that pie chart, because I think it tells us something about the complexities of work today and of the workforce today.

And this is one point that someone made, and I think it summarizes that chart pretty nicely. "I dream of a well-balanced work and family environment, where I can develop my skills and put them to service of my community, as well as to get a wage that allows me to live decently and provide for my future offspring."

So here we bring family and work together. We bring commitment to an important cause, but an expectation that I can do this in a way that will take care of my family needs.

Our MBA students here in the classroom had an assignment to go out and talk to other workers, to interview them and do an audio recording. And we received some fantastic recordings and stories from workers telling their own story about work. And I just want to

illustrate two of them that I think help bring home the complexity and the diversity that we find in work experiences and in our workforce today.

This one says-- it's an immigrant from Ghana working in a temporary job in transportation and construction and manufacturing services and has had a variety of these kinds of jobs. And what is his aspiration? It's very basic and very simple for an immigrant. He wants to finish school. He wants to get a better job. He wants to start a family. And he wants to live comfortably.

That's the immigrant story that builds so many countries around the world, where people take the risks of moving from their homeland to somewhere else in search of a better life. And it's our responsibility, therefore, to make sure that people who have that aspiration can actually realize it. And we appreciate the value that they bring to our countries when they come. And I thought that was a very interesting comment.

And this is one. This might be one of my most favorite ones. It's from a 26-year-old college graduate who is an Uber driver at the moment. And just I'll read this because it illustrates the complexity of what's going on in this individual's mind and in his life in trying to figure out where to go next. And he's saying, what am I looking for in the next job?

Well, I'm "looking for a well-paying job-- over \$15 an hour." Whether we consider that well paid or not is another question, but that's what his aspiration is at the moment. "Salary is definitely there, but number one is the environment-- as long as I enjoy what I'm doing-- be able to live your life and enjoy what you are doing.

But now I'm finding that it's really hard to live off one job; I see lots of people having to work two jobs. For me, it's just to be able to support yourself and your family with one job."

Seems to me that's a very, very basic simple aspiration, that if we can't deliver on that particular expectation, there's something wrong with our work systems. There's something wrong with our economy. And there's something wrong with the way in which we are structuring work today. If we can't really provide an opportunity to support yourself and your family with one job, we've got a lot more work to do.

These were just a couple of the interviews that came from our MBAs. But I want to turn to the people in the classroom and ask them. Just very quickly, just give a quick one minute or a one sentence or two summary. What surprised you when you talked to workers?

Because I encouraged the students to go out and not just talk to someone who was very much like them, but to talk to people [INAUDIBLE] from a little background [INAUDIBLE] occupation. So just very quickly, let's just get some statements about what surprised you. Leo's going to start us off.

AUDIENCE: Thank you. I think for me it's reading this and comparing to what I had in my interview. I actually interviewed someone who worked at management consulting, which is very high-prestige profession, very well-paid.

And the thing they complained was balance between work and personal life, working 100 hours a week and having to-- they wanted to quit just to have more time to spend doing the things they liked and being with their families. So both on the top and the bottom, people are feeling the same need of, like, maybe they're overworking and, like, too much pressure on them.

TOM KOCHAN: Yeah. So here's this concern of, I'm always on the road or [INAUDIBLE]. What else did you hear?

AUDIENCE: So with the first citation we had up there-- I was interviewing a French retail worker. And it was interesting to hear how that worker didn't want to use their nationality, which could easily be associated with luxury products, as their selling point.

So they were trying to kind of break out of it, and they recognized the value. But just interesting to hear how different backgrounds and nationalities can influence how you approach work, how you succeed at work, and how you want to be identified at work.

TOM KOCHAN: Yeah. So here is someone [INAUDIBLE]. And the fact that this person was a wine salesman, well, we tend to think, French wine, my goodness. But he wanted to demonstrate that he knew wine not because he was French and didn't want to use that as a marketing device.

He wanted to demonstrate he really loves this cuisine. He loves to do it. He loves to sell it. And he wants to have an impact. What else? Yeah, [? Cueto. ?] Go ahead. We lost the-- here we are. Go ahead.

AUDIENCE: I interviewed someone who works with the state of Massachusetts on the theme of work balance. He said something interesting, that even though a lot of times people think working in government doesn't pay well, the work balance actually comes into effect because you're not

allowed to check your emails when you go home. So in the private sector, you may get a cell phone and laptops and all that, but somehow you're expected to be on 24/7.

TOM KOCHAN: Yeah. So this technology can either be our ally or our worst enemy, and they have a solution or a strategy for dealing with it. So that was very interesting. Good. [? Ladia. ?]

AUDIENCE: Yeah. I interviewed a immigrant worker. She was a woman from Bangladesh working for last 10 years in the US. And that surprised me when I asked, what is your wish? She said that, I want that I could save that amount of money, that I can afford a two-bedroom house, and I can keep my child with myself.

And she was already doing two jobs. And that made me think that the price of the housing is so high, and a person who is working full time, and even for the extra time-- she was doing two jobs-- it's difficult for her to maintain family life and [INAUDIBLE] work.

TOM KOCHAN: Yeah. So here's someone who has a family, set of responsibilities, holding down two jobs, just trying to survive and get ahead, another immigrant story that is very common for people who are trying to make it here. Anyone else want to offer? Yes.

AUDIENCE: For me, my interviewee is a PhD student in the UAE. And he has [INAUDIBLE] for 12 years. And what surprised me is that, I'll also mention to you, is that the labor union in the UAE or the Arabic area, most of the countries, is illegal, which is my first time to know that.

And previously, I already heard the news that the immigrant laborers, like from Pakistan, from India, they got very low payment, like it's about \$200 US per month probably, or even less. But before that, I had no idea that there was no protection of these laborers. And generally, their visa is linked to the employer, which means the employer can easily misuse their right to force them to work hard.

TOM KOCHAN: Yes. This is a big, big issue for immigrants in many countries, particularly in the Middle East. I've spent some time in Saudi Arabia trying to work with the Minister of Labor in Saudi Arabia to change those, and it's very difficult.

But here is a country where worker rights are very much suppressed. And particularly the vast majority of the workforce in the private sector are immigrants from very low-income countries, and they're tied to their employer.

So when we think about the workplace today and we think about our aspirations, we generally

tend to think about the fact that we have a free labor market. We can move if things are not satisfactory, or we can raise our voice, individually or collectively, to try to change things.

But we have to understand that a very large number of people across the globe don't have those very, very basic rights or what the International Labor Organization-- remember Guy Ryder's introduction to this course way back in the first week, the director-general of the ILO in Geneva.

A core principle, a core human right, according to the International Labor Organization, a part of the UN, is freedom of association, along with freedom from discrimination and from forced labor and child labor. So those are some very, very basic things that we expect in the world of work.

But not all people and, in fact, a very significant portion of the workforce across the globe don't have these basic rights. So we have to remember this as we think about where we are and how we advance from the stage that we're at. [? Shahid, ?] do you have a--

AUDIENCE:

There was a question on Twitter where someone asked, do you have an example of [INAUDIBLE] country which is sort of facilitating some of that, making sure that some of these [INAUDIBLE] sort of things are not imposed on the people, on the workers? Do you have some good examples [INAUDIBLE]?

TOM KOCHAN:

Well, there are examples of countries that are struggling with this and working on it. One middle-income country that is actually quite advanced is Singapore. And Singapore has a lot of immigrant workers, particularly in the domestic service sector, and they've had some scandals, some terrible experiences.

But they have now imposed some very strong legal constraints and strong enforcement. Because it's one thing to have a law, but it's another thing to try to enforce it. And so Singapore is working to make progress in this direction.

But I have to say, in the Middle East some countries are doing a better job, but there is a long, long way to go. And that's where perhaps the issue is most serious and most profound because the benefits to migrant-- immigrant workers going from Pakistan or Bangladesh to the Middle East are quite substantial if they can stand the harsh conditions of the work. And the employers in the Middle East understand that there are real advantages for people coming to take that work, and so therefore that just feeds into some of the more harsh rules.

I think we will see change. Those of you who have been reading the world news have just heard that Saudi Arabia is trying to move away from some of its dependence on the oil industry. Saudi Arabia has also tried to introduce, slowly, with the leadership of their Minister of Labor a number of years ago, more rights for women, because women don't have many rights to drive a car or to work in settings where men are present. That is slowly changing. That's going to take a long time.

But here, again, is an example of a society that has a set of values, historical values, that are very important to their identity and their religion. But as outsiders, we may have some questions about them. We have to understand these countries in their own cultural context.

But I do believe there are some very basic core rights of work that have to be respected regardless of where people work, how they work, who they are, and who they work. So I think this is a campaign. It's something that we can continue to work for. So thank you for that question, whoever posted it on Twitter.

OK. Let's move on. This is a good start. We have an understanding, a deeper understanding, of what we are looking for work and now a really good discussion of what people around the world are experiencing as they try to improve their situation.

We paid special attention to history in this class. And I want to thank one of the participants in the class for posting this great quote from Thomas Jefferson, one of our most famous presidents, the third president of the United States and one of the authors of the Declaration of Independence for the United States.

So Jefferson said that, "History by appraising them of the past will enable them"-- that is all of us-- --"to be a judge of the future; it will avail us to learn from the experience of other times and other nations; it will qualify us as judges of the actions and designs of men"-- that's a very time-honored or an unhonorable use of the word "men" but that's the way he wrote-- and "it will enable us to know the ambitions of others even under every disguise it may not assume; and knowing it, to defeat its views."

Thomas Jefferson was a student of history. Thomas Jefferson respected history. We respect history in this class. Not to repeat it, not to try to go back to the way things were, but to learn from it so that we can lay a foundation for the future.

So we spent time here in the United States talking about this foundation that was laid in the

1930s called the New Deal. And we even celebrated some of the people who helped to bring about it-- a professor from the University of Wisconsin whose ideas led to unemployment insurance and led to Social Security and led to the passage of child labor and minimum wage legislation in that state and in other states before we got national legislation.

And to Frances Perkins, the first woman who was a member of a president's cabinet. President Roosevelt asked her to be the Secretary of State. And Frances Perkins said to the president when he asked her, are you sure you really want me? Because if you are going to put me in that office, I'm going to bring my experience to bring about Social Security, some minimum wage, some basic rights of unemployment insurance to bear at a national level.

Frances Perkins observed firsthand the terror of a factory fire called the Triangle Shirtwaist fire in New York City in the earlier part of the century, where over 100 women died because the fire escapes were locked as the fire burned in that particular factory. And that imprinted her commitment to make a better place for work, a more safe place to work.

And as a result of leadership and ideas and commitment and a change in politics in the 1930s, we got the foundation of the Social Security, the Retirement Security Act basically, the unemployment insurance for the first time, the ability to join a union and engage in collective bargaining protected for the first time, and a minimum wage and overtime rules for the first time.

That foundation in the United States and comparable legislation in other countries, many in Europe before us, some in Asia after us, some still struggling to put these kinds of basic foundations and floors on their conditions of work. But it was that foundation that allowed us to then build what we talked about in several sessions as the social contract here in the United States and in other places.

And so the question then is, can we build on this? Yes, this worked for many years, and we'll look at that in just a moment just to refresh our minds. But can we build a new foundation? If today's world has changed as dramatically as we have discussed it throughout this course, then it behooves us to ask, what's the new foundation?

What's the new body of legislation that would lay the framework for us to advance and to deal with some of the issues we're going to talk about here in just a few minutes? So let's-- [? Adelle, ?] did you have a question or comment?

AUDIENCE: Yes. Just a comment that, like, [INAUDIBLE] specifically said that, in this country, any business who is depending on its existence by paying less than the living wage should not have the right to be in the US.

And he said that, by the living wage, I don't mean just above existence, like just [INAUDIBLE]. But I mean that it should be a living [INAUDIBLE] the decent wage. So I mean, perhaps in this course, that's what we are trying to stress, that there should be a decent living for the workers also.

TOM KOCHAN: Yeah. No, absolutely. He was a strong advocate for worker rights, for urging business to provide a living wage to get us out of the Great Depression of the 1930s. And it was that kind of strong national leadership that helped to make this possible.

So let's look at what happened. We've talked about the social contract. And if you look at this chart, which we used at several points in the course, it shows, as you've seen before, that from the end of World War II up through the 1970s till about 1980, wages and productivity moved together in tandem.

That is, as the economy got stronger, the institutions of collective bargaining, the leadership of personnel management and human resource managers in our large corporations, made sure that wages were moving up in tandem with productivity. So workers shared, by and large, in the benefits of the economic growth.

But something happened, as we all know, in the late '70s and the early 1980s to break this relationship. And that's when you see wages flatlining and productivity continuing to grow. And that, my friends, I think explains a lot of the frustrations that we are seeing here in the United States play out in our political debates today.

That workers today are saying, we have not shared or we have been displaced, and our income, which came from good jobs, maybe manufacturing jobs which have gone offshore or been outsourced domestically, or whatever happened to them, changed by technology, have not benefited from a lot of these changes. And so we are now reaping the costs of not addressing these changes in the economy so that people could keep up with this process.

And so one of the things that we did in the course is we asked all of you, what do you think about this? Do you believe wages and productivity should go together? And the vast majority, over 80% of you, said yes.

But you're worried about it. You're also realistic. You know that the world has changed. You know that globalization is more dominant now. You know that technology has eliminated a lot of routine jobs, as we covered in later sections of the class, and you've seen it in your own communities. We know that we're creating new forms of work that don't always provide some of the same supports and benefits.

And so while you know that you would like to see this happen-- and these comments come, again, off the discussion board-- you're all worried about how can we make this happen. And I think the one on the left really captures the sentiment of the class as well as any that I saw on the discussion board.

And it says, "I think it's important to maintain the productivity increases aligned with raising wages. If we, as a society, continue to show only huge social and economic inequalities, and that the rich get richer and the poor get poorer, then we will not be able to have a successful and sustainable society."

That's a powerful statement. And if people really feel that way, then eventually they are going to act to change this. And it's our job to turn some of this anger and frustration into positive actions for dealing with this gap between economic progress for some but a lot of people left behind.

So how do we do it? We have to go beyond just hoping that it changes or wishing that it changes or worrying that we can't change it. And we have to start to address some of the core causes of the change.

And we spent some time talking about, is this inevitable? And we started with the corporation. What is the corporation for? Is the corporation simply an instrument to maximize shareholder value? Is the corporation expected to be held accountable for additional interests in society, for employees, for their communities?

Well, we heard from one of the most respected former CEOs and business leaders in the United States, in fact, globally, of the last generation-- John Reed, president and CEO of Citicorp, then went on to be president of the New York Stock Exchange.

And that interview that I did with John, which I did a year ago, I think that interview has been replayed by more business schools than anything else from this course. Because here's someone who is so highly respected and has lived through the transition. And John Reed's

view reflected the views of most people in the online course.

And he basically said, look, a corporation, yes, has to achieve profits and shareholder value. That's beyond question. But we also have to worry about the customers. We have to worry about the employees. And if we don't do that, then, in the long run, organizations are going to face such a backlash. And we're not going to prepare the labor force for the future, because corporations are also training engines.

And he's very worried about the workforce and the training. That's why he was so active in education, both here at MIT as an officer of our corporation but also I know in his private work around the country and indeed around the globe, and trying to advance particularly technical education, advance science, technology, engineering, and math education in our universities and in our high schools.

So here is the challenge. If we recognize-- and most of you said, we expect corporations to behave in ways that respond to shareholders and other stakeholders. What do we do? That's nice rhetoric. But if all we do is complain about it or go out on the streets and hold up a sign or a picket sign, I suppose that's a statement, but that's not going to get the job done.

So we spent a lot of time talking about what to do, and we used lots of examples. And here's just a few, and you all heard about these throughout the course, as Costco compared to Walmart.

Costco, a retailer that does invest in its employees, that does go the high road, as we call it, that says we're going to invest in our employees. We're going to make them more productive than our competitors. And by making them more productive, we can afford to pay them a higher wage.

This is not charity. This is the way we're going to do business. This is the way we're going to meet our customer needs. And it's been very successful in doing so financially. And it provides a high level of customer service, and it has a loyal customer base and also provides good jobs.

And we compared that with Walmart. Walmart is worldwide, one of the largest private employers in the world perhaps, certainly here in North America it is and in many of the countries represented in this course.

And Walmart does a lot of very good things for the environment. Walmart was one of the first corporations to respond when we had this terrible Hurricane Katrina in New Orleans in 2005. And it sent, before anybody asked it to do it, trucks of water and support and food to help the victims of that hurricane. So Walmart does a lot of good things.

But Walmart also competes on the basis of just low prices and low wages and keeping unions out and in controlling the workforce in ways that creates high levels of turnover, not such good customer satisfaction and service, but low prices. And so here we have the two comparisons that allow us to say, which one do we prefer?

Could Walmart improve its organization and its performance on the employment side the same way it has demonstrated it can do on the environmental side or on the operations side, where it is as good as any company in the world? If it did, perhaps we could have a high road retail industry. But it holds everybody else down in the retail industry.

We used another example in retail, a local one here in the Boston and New England region, one that our colleague Zeynep Ton did a very good video on, called Market Basket.

And this has now become kind of an icon for a high road retail firm, a firm where the employees, the high-level executives, the store managers, the clerks, the truck drivers, the warehouse workers did an unprecedented thing, something I've never seen in all the years I've been working in this field.

I never saw a coalition like that come together to say, we are going to stand up for a high road company and a high road CEO who was being fired by the board so that they can extract more money for the owners of the company.

And for six weeks, they rallied the employees. They basically stopped the business from functioning. They had the loyal support of their customers, because their customers knew what was at stake for them.

Because here's a company that has very low prices but great customer service, great community involvement in stores all over New England, family relationships, that people know each other when they shop and they know the employees. The employees wear their tenure in a little badge on their shirt.

And this was all going to go away. And you saw how the community, how the media, how the employees came together to fight for good jobs and a good company. And in the end, the

board of directors relented, and they reinstated the CEO. And that company now is not only successful financially, it's expanded. The prices have remained low relative to their competitors.

And in fact, if you want to go and see a movie this weekend, they're going to premier a documentary here in a local theater in Somerville, which is just near us here off the MIT campus. It's called *Food Fight*, but it basically tells the story of the people who were involved in that dispute.

It's a very powerful, powerful movie. I've seen it. I don't get any royalties on it, so this isn't a commercial for it. But it really is the best documentary of people who have put their lives and their jobs on the line for something they really believed in, and it worked out in a good way for them.

But there are other examples. Southwest Airlines we've used, Kaiser Permanente, highly unionized. Southwest is highly unionized. Labor management partnerships, where they are working together to improve health care.

We know that the bundle of practices that are necessary to make this work move from good operations strategy-- that is, you really need to manage your inventory. You need to manage your operations. You have to have good efficient practices if you're a manufacturer or if you're a service provider.

And that has to be matched with effective use of technologies, but also training of the workforce, of respecting the workforce, for asking the workforce for their engagement and their ideas on how to improve operations over time, for including the concerns for work and family and finding that balance that makes the most sense for the nature of the organization.

It means that you have to have a business strategy that supports innovation and good customer service and values those kinds of features as a way of doing business.

The way Southwest does it, they turn those planes around more quickly than anyone else when a plane lands, from the time it lands to the time it takes off, because people are working together in teams in very flexible ways and solving problems for each other and meeting customers' needs.

And so that's the way in which we know one can build a company that works financially for the

share owners and the investors and also works for customers and can work for employees.

But it takes a lot of hard work. And so one of the questions we always have is, well, why is it-- why is it that it's so hard to see that? And is the private-- or the public corporation the only way to do it?

Some companies, some organizations, are turning to different organizational forms to make this happen. And this is just a sampling, and we talked about these throughout the class at various points as well.

Many of you know about Patagonia, this clothing maker. And in fact, Patagonia-- I'll tell you a story that's going on right now here in one of our communities northwest of here called Lawrence, Massachusetts, an old textile industry town that is very highly populated by immigrants now, Latinos largely and people from various parts of Latin and South America.

And there was a plant there that was privately owned. It was called Malden Mills. And in the 1990s-- and it was owned by a fellow by the name of Aaron Feuerstein, who had a very good relationship with the workers, with the community, with the union in that plant, providing decent jobs.

And they had a terrible fire. And I think it was 1995 or 1997, the plant burned down. And Aaron Feuerstein said, we're going to rebuild it. And by God, while we're rebuilding it, I'm going to make sure that the employees still get paid. And this made national news.

And he did it not for the publicity. He did it because he wanted to hold onto that workforce. And he was committed to it, and he knew that that workforce had made his family very prosperous. And they rebuilt the plant, made it more modern, has succeeded over time.

When Feuerstein retired, it then got bought by a private equity firm. That private equity firm now wants to close it down and move it to another part of the country or move it offshore.

And so the employees and their union have turned to Patagonia, because they make Polartec, and Patagonia is a big purchaser of Polartec, and said to Patagonia, why don't you buy this plant? Why don't you buy this business and keep us going in a viable way?

So here's another case where some choices about how do we sustain decent quality employment with a very good business, with a very good product, that is serving lots of customers in very innovative ways and in various kinds of sport clothing.

Can we find a way to sustain that business? I don't know what the answer will be. But it's playing out quietly at the moment about 40 miles from here, from the MIT campus.

We have other examples-- Mondragon. It's a Spanish co-operative that built over time to become a major industrial enterprise in that part of the world and, in fact, has operations around the world, including here in the United States.

Employee-owned companies. We used a couple of different brewery examples. And this one happens to be a local one-- Harpoon. I put it up there because I tend to like their beer, and I like the fact that they are also employee-owned. But it's a fine organization. Again, this is not a commercial for their beer. But if you ever have the opportunity, I wouldn't discourage you from trying it. It's well-made.

And then my favorite example-- people here a little sick of hearing it-- about my Green Bay Packer football team. But here's a little town, Green Bay, Wisconsin, that supports a football team because the football team is owned by the community.

There's no way that that football team would have lasted from 1927, when they were first formed, and stayed in Green Bay up until today and will stay there forever, because the community owns it, and it can't be sold. It can't be sold to some investor who wants to have a hobby because he or she's made their fortunes, and therefore they just want a football team. This is something that builds community and the loyalty to that organization and to that football team, carries on even for those of us who have moved away for many years.

So we can build these organizations. We can use different kind of governance models, we can use different kinds of business strategies, but we have to respect the need to respect the rights of employees, respect the need to manage in a way that makes the organization successful, as well as responsive to employee concerns. And so you have strong views. Just as you had strong views about the corporation, there was a lively debate on the discussion board about these high road firms and low road firms.

And you recognize, this quote recognizes, that some firms have a natural affinity to being a high road firm, because it's consistent with their business strategy. That is, they say here that if you want to compete on the basis of innovation, and that's part of the core business strategy, then you're more likely to be a high road firm. But what about firms that don't have that business strategy? How are we going to get them to do it, and how are we going to get

more firms to compete on this basis? Well, that's the big question.

The answer that comes here is it's only going to come if there's pressure from employees. If employees themselves start to raise their voices, and how to do this. So I would ask you, I would ask the people in this room, if you were to move forward and try to move us to see high road firms spread more rapidly and more broadly across our industries, so that more people in our economy could benefit from these strategies, what needs to be done? And if you have ideas online, put them on the discussion board, send us your comments on Twitter, but this, to me, is the most challenging question.

As you think about your answer, some of you recall that two weeks ago, we were fortunate enough to have the Secretary of Labor, Tom Perez, come and speak to our MIT Sloan School MBAs, and he posed that question. And he challenged the future leaders in the MBA and in the Sloan community to manage in the ways that we're talking about here. But privately, as we talked about it, he too, asked me and others, what can we do? What can we do to spread these kinds of practices more widely? And so I'm asking you. Leo?

AUDIENCE: I think there's one thing that [INAUDIBLE] additional policies. Some policies are necessary, by just worker voice and stronger unions, but also, even higher minimum wage. If minimum wage is higher, and [INAUDIBLE] salaries would be higher, that put pressure on the companies to train their workers and have more productive workers. Because if you're going to have-- you're going to be forced to pay a better salary, you're going to try to extract that value that you obtaining, the only way you can do is by training them more.

TOM KOCHAN: OK.

AUDIENCE: And having them like-- being better. And you're also giving workers protection from being laid off so easily, so that also commits the company a little bit more to their workers. So in that sense, you can create maybe a more--

TOM KOCHAN: Yeah. So Leo is reflecting a view that many people hold, that we got to bring up the floor of the low road, and we've got a higher minimum wage, stronger enforcement of other Labor Standards perhaps, that's going to create some incentives. You know, Wal-Mart did raise its wages by \$1 an hour above the minimum wage in response to employee pressure.

Now what that requires McDonald's to get the return on that increased wage, is they've got to start to train people. They've got to hold on to their employees more, for a longer period of

time. Whether they will do that or not, I don't know. But absolutely it sets in motion some of the dynamics that create a stronger incentive. Greg?

AUDIENCE: This is going back to stuff we talked about in the beginning of the semester, but I think getting the right investors on board, if you--

TOM KOCHAN: Uh huh.

AUDIENCE: --need investors is critical.

TOM KOCHAN: Good.

AUDIENCE: And I think that a lot of the [INAUDIBLE] at MIT where people talk about making sure if you're an early stage [INAUDIBLE] get investors that are aligned what you want. I think too often, we see investors that push companies to try scale really quickly--

TOM KOCHAN: Yep.

AUDIENCE: --and a lot of that necessitates sacrifices that this quote kind of talks about, but I don't think you have that motivation, unless you have someone else who kind of can give you that pressure and try to force you to take it.

TOM KOCHAN: So picking your investors is really important. And in one of the videos that we did for the course, Scott Stern, one of our colleagues who teaches entrepreneurial strategy, is one of our best people in this field, makes that point. And in fact, there'll be a slide that will illustrate this just in a few minutes. But absolutely. Picking your investors is really critical. Ben?

AUDIENCE: I wonder how hard it is to change the momentum of something like Wal-Mart, who's publicly traded. But for example, with Harpoon it had the option of being bought out, and they consciously made a decision as privately held company to move towards employee owned. So is it too hard to manipulate Wal-Mart, and should we just focus on advancing the Costcos, and the Market Baskets, and the Harpoons, and the Allagashes of the world, and just kind of let Wal-Mart reap what it sows with its illegal labor practices.

TOM KOCHAN: Well, that's a good question. I'm not sure that I have the answer. Should we let Wal-Mart alone because it's the toughest nut to crack in some ways, or because it's the biggest-- it would have the biggest effect, should we put resources there. I do believe that it's a sign of some mental problems when you keep beating yourself against a wall, right? And I think if you can't really

change it, then you have to go where you can really bring about change.

Yes, we should perhaps continue to put pressure on companies like Wal-Mart, but perhaps we have to go where the opportunities are. And that's why courses like this, educating the next generation of leaders, is so, I think, important. Because we can make a difference. And if we can get people to think about the choices and know that they've got choices, and recognize that there are some directions that they can take their company, and as you go out into the companies that you will be employed in and the people in the online course go out and work in a variety of settings, you can be raising these questions.

And in fact, I'll tell you a secret. There are some Sloan School graduates in some companies not to be mentioned, but similar to what we're talking about here, who are raising those questions today, and bringing some of their executives back to campus to see if they can learn more about what would it take, is it possible to do it. So I'm maybe an internal optimist on this. I'm not naive, it's a big road to travel, but I think we can make a difference.

And so I want to go where the opportunities are, perhaps more than where the resistance is greatest. Well, this is just one way of proceeding with the high road strategies that are really important, there are opportunities for moving forward. And you had-- the folks in the online course-- have had the experience of testing this idea. Because one of the assignments was to go out and interview someone in an organization, in an industry of interest to you, and you asked them a series of questions that come from the research that's been done on what does it take to build a high road, high performance work organization, and what does it take to meet the aspirations of the workforce to have satisfying work experiences.

And that battery of questions then ended with a very simple question to the student who was collecting the data on the basis of an interview with an employee, and said to the student, if you were offered a job in this organization, would you take it or not. And the numbers, the raw numbers were 60% said yes, but 40% said no. I didn't hear that this was the kind of organizational environment that would allow me to use my skills, or to have a satisfying work experience. That's a pretty remarkable distribution, that 40% after hearing about an organization, say no thank you, I don't think I would take a job there. I think we've got a lot of work to do.

But the good news in this is that you do a little bit of statistical analysis, and you ask do these high performance, high road characteristics and good job characteristics predict whether

someone would take a job or not. The good news for employers is that if you provide these kinds of opportunities and features in your workplace, you have a 75% chance of attracting the talent that you need. That people will accept a job, it's not 60%, it's now 75%. That's a substantial change, and so the good news is that firms can attract the kind of talent and perhaps retain the kind of talent that they need to support a high performance organization, if they invest and engage in the right set of practices.

So that's another reason why I think we need to do more of this. We need to keep asking about what's going on in organizations. There is a growing number of online platforms and various kinds of use of information technology that we'll talk about in just a moment that is providing more information on firms. Glass Door is probably the best known, where it collects employee ratings of their employer. Well, we need to use that kind of data-- those data to understand what is the difference between an attractive place to work and a less attractive place to work, and then use our skills to move to where the good jobs are, so that we discipline, and again bring up the lower road firms.

So I'm encouraged by the good jobs survey exercise. I hope people do that, maybe informally. You don't have to go out and ask 25 questions every time, but you can ask the key questions, because you know what they are, and you know what you're looking for, and you know what's really important.

Then we came to this question about well, unions. Unions have this great phrase in the United States. In the 20th century, they say, we're the organization that brought you the weekend, and they're right. They're the organization that really negotiated more time off, holiday pay, vacation pay, sick leave, weekend over time rates for working the unattractive hours, or working more than 40 hours, and so on. And so unions have a very long history in the United States and around the world for improving wages, hours, and working conditions and helping to lift up the standards in our economies, but we all know that particularly here in the United States but in many countries around the world, unions are on the decline.

And in fact, many people, probably in the online course, never even thought much about unions. Many of the people here at the Sloan School. It's not on the front burner of their minds to think about unions as a force for economic advancement, in our economy or in their particular work lives.

So we felt it was important to engage this question. Is there a future? Do we still need them?

And the views were quite diverse and a good discussion. But I think there's a dominant view that, well, unions played an important role in the past in the way in which they function, and they had some negative features as well.

They brought maybe too much rigidity, and some work rules that impeded productivity, and that continue to impede productivity in some cases. They were resistant to change, because people got used to the way in which they were working and to the benefits and to their control over job opportunities and so on. They restricted access to union jobs in some cases, to their relatives or people who looked like them. And so there's a history of discrimination in some unions. That is not a very attractive part of the history of labor either.

So unions have a positive and a negative historical setting-- or historical record that we need to understand. But the question is what will replace this void, or fill this void, that's now left in the United States and in some other countries as unions decline? Is there a way to revise unions, rebuild them, to create organizations or entities that advocate for workers in a modern way? That was a source of discussion.

It's a source of debate in this country, and in many countries around the world. And basically, I think most people in the course have come to the conclusion that yes, there is a role, but it can't be just, as I put it in the textbook, your father or your grandfather's union. Because it was mostly a male dominated labor movement. It no longer, by the way, is. We're now in the United States at just about 50% of union members are women as well as men. And so it's changed over time, but that's kind of the history.

But there's a recognition that unions have to change. There seems to be, it says here "a conscious effort to revitalize the way that unions work in order to meet the needs of the most vulnerable workers in recent years," particularly, "in a globalized world." So we're seeing unions try to work to deal with the terrible problems that have occurred, for example, in Bangladesh, where the first terrible factory fire that took over 100 workers' lives, and then the terrible factory collapse that took over 1,000 workers' lives in Bangladesh, where standards were not being attended to.

And so out of that has come a global effort of unions from Europe and from around the world to say, we need to work together with companies in something that's called the Accord, that is, a negotiated agreement for arbitration, for safety provisions, for safety inspections, and for workers to have a voice in that society. Long way to go on that, and in fact, some American

corporations say we want to address these issues, but we don't want to include unions in that process. So there is a parallel effort called the Alliance, with firms like the Gap and Wal-Mart and others from the US that are going it alone.

I don't know which way is the best. I'm not an expert on Bangladesh, I've only been there on one very, very short visit, so I wouldn't make a judgment of what the right strategy is. But here we have efforts to try to do something about global labor standards by bringing about some coalition of the local organizations, the local unions to the extent that they exist, international unions working with companies and with brands to try to enforce standards in those factories.

We talked about Nike in the course, we talked about how they went through this process. We talked about Apple's struggles in China and the suicides and the terrible conditions in organizations like Fox Con. This is the front line of worker voice and representation, where we have to invent new ways to make things work.

We also talked about the role of labor management partnerships. We've been privileged to work with Kaiser-Permanente for several decades now, in helping to understand and study the labor management partnership they put in place, and to work with them to improve it. Because all of these institutions are sort of fragile, and there are always tensions that are involved. But here's an organization that has worked with its unions in health care.

And now on the front lines you now have 3,500 what they call unit based teams. Teams of employees, doctors, nurses, technicians, service employees, people who-- the janitors in the organization work to say how can we improve operations? How can we reduce injuries-- back injuries for the workforce? How can we reduce the infections that we sometimes find in hospitals? What are we doing to change the operation, to serve our customers, to use technology to make sure that we're checking on our clients or our patients out there, and saying gee, I looked on your record and I noticed that you haven't been in to fill your prescriptions, or you haven't come in for your scheduled appointments. What's going on, and how can we get those issues addressed more effectively?

Working in teams, together, labor and management saying this is part of how we're going to create world class health care delivery, and at the same time, then have industry leading wages. And so there are ways to do this. We've learned from organizations like Saturn that started that way, but didn't get the kind of support we've learned from Kaiser. We need more of those kinds of organizations according to many of you. But you're also thinking more

creatively.

And there was a lively discussion-- I couldn't pass putting this concept of a digital union, which came right off the discussion board. That created quite a set of comments over the course of the term. And basically by digital unions, we're really talking about ways to use information. To use online platforms the way businesses are using them, to share information.

What-- where are the good jobs, where are there not such good jobs. How can we mobilize in China? The way workers mobilize today is through their smartphones. They don't have independent unions, but they do have the technology, and they use that to build their own network when they feel most aggrieved and the need to do something about it. Now they have to often do something in a pretty spontaneous way, and sometimes in a very strong resistance, sometimes even in a violent way, and sometimes even holding the plant manager hostage in his or her own facility until something can be negotiated.

But they're using technology to try to find new ways of meeting worker needs. Then there are other organizations that we cited. Different kinds of organizations that aren't even called unions. Some of them use the term, but they're really outside of the traditional form of unions.

This one up in the upper left hand corner here, Restaurant Opportunities Center, was cited in the course a number of times, but it's worth focusing on, because it's a very interesting organization that came out of a tragedy. It was formed after our terrible experience in September 11th, when the Twin Towers in New York collapsed from a terrorist attack. And out of that, there was a restaurant called the Windows on the World at the top that obviously collapsed with it, and many employees died in that tragedy. And so this organization was formed to try to deal with the families and to help people cope with that terrible disaster.

And what it's evolved into is an organization that works to both improve job conditions for people in restaurants, but also to publicize good practices for sustainable food, and for food preparation, and for the way in which the workforce is treated, the way in which the customers are treated. They encourage customers to rate not only the quality of the food, but also the quality of the working conditions, and ask about it in the restaurants. And they're working to stay outside of the traditions of labor relations, to find new ways to train employees, to provide information on where good jobs are, to make sure that they are taking care of the safety and health and providing more information, and working with restaurant owners. They are working with some of the most innovative restaurant owners in New York and in San Francisco and in

other country-- other cities in the United States, to promote this as part of their good company, good job strategy.

And so this is just another way in which creative minds, young people, in this case, young people and immigrants working together, largely, to say we can find ways to do this in a modern fashion that is responsive to both consumers, to employees, and to the businesses that operate. So I think we're in an interesting time. Will these grow to be large enough to have an effect? I don't know, but I think it's really up to all of you, all of you, wherever you happen to be in the world, to invent the kinds of organizations that work effectively for you in the kind of work settings that you find yourself today. And out of that will come some models that will grow, perhaps over time, and have an effect.

Well, we didn't just talk about what others need to do. We spent a good deal of time talking about what individuals need to do. And we emphasize, obviously, education as a cornerstone, as a necessary condition, but we also emphasize the need to be proactive and engage in a career planning exercise.

And so one of the assignments was to fill out the online questionnaire provided by the Department of Labor and it's vocational and career planning tool, which is just a standard one. It's not any better, I don't think, or any worse than what you find elsewhere. The advantage is it's free, and that's why we used it, because we didn't want to have to have people pay for it. But it was the starting point.

And out of that completing that, it provides information on what one's aptitudes are, what they might be good at, what jobs and occupations match those aptitudes very well, what levels of education are needed to get to different levels of the occupational structure in that particular area, and that provides an opportunity to say I can now make a roadmap for how to go from where I am to realizing what I want to do. But we also asked people to go out and talk to people in those occupations to get a firsthand sense of it. So that they have a more personalized view of what is it that this job is really all about.

And I think when I read the responses, that's where the learning really started to take place. And so the ability to go out and engage with people and really learn from their experiences is so critical to making these career planning guides come to life. And look at the interesting mix of jobs and occupations here. I got a kick out of-- this is only a sample. I just took some of the kind of more interesting ones.

I guess they're all interesting, but we have everything from engineers and HR managers and labor leaders and artists and futurist. Someone's going to-- is very interested in being a futurist. Holacracy consultant.

Anyone know what whole holacracy is? Probably not. Well, holacracy is basically organizational consultant who works to share power and authority throughout the organization, and to try to reduce or even completely get rid of hierarchy. It's very controversial. It has some very strong advocates and it has some very strong critics, but here's someone who is really committed to it and is going to go out and wants to make a career of it, and I applaud that energy.

A sports agent. Psychometrician. Technical writers, artists, graphic artists. So these are jobs-- these are all jobs that people will feel that they will find what they really want to do.

And I want you to keep these in mind when we think about in two slides down the road here, about the role of technology. Because one of the big worries in this course that was voiced by so many people, is what's going to happen to our jobs as technology comes along. So I want to come to that in a moment. But look at, these are jobs that are not going to necessarily go away and not going to be taken over by robots or artificial intelligence in the near future. They will be influenced by them, for sure, but we'll come to that in a moment.

What are some of the themes that came up in the career development planning process, this is just a sampling from both this year and last year. The themes were almost identical across the two years. Very strong emphasis on getting the credentials, getting some stamp of approval that I've got the skills, that my customers can trust me to come in and do that work in someone's house, or in community, or in taking care of people in my family. And so that's a growing recognition that that's important.

The importance on having networks, and building these networks so that they know where the good opportunities are and have access to them. Emphasis on lifelong learning and emphasis on courses like this, that we can use this online technology perhaps to augment the basic education over the course of time to support the lifelong learning process. And then recognition that people will have to keep their skills current, because they will be changing careers and moving across occupations most likely over time.

And then finally, this really important point that sometimes the career planning process doesn't pay enough attention to, that we don't make these decisions in isolation. We live in a

community, we live in a family, we have partners, we have children, and many of us have children or other relatives who depend on us. Sometimes elderly parents who need to be cared for. And so as we make these plans, one of the requests in the planning exercise was don't just tell us what you want to do, but make sure that you tell us how it will affect everyone else in your immediate family or social setting.

And so that's an important part of this career planning. I think we can do this. I don't believe that we should overdo career planning. We can't predict the future completely, and we shouldn't be so determined that there's only one course for the future. But we should plan to be ready to take advantage of opportunities when they come along, and know which directions we want to go in and not be afraid to take those steps when an opportunity is open to us.

So the career planning and the personal development plan process in this course was a vital part of what we did. But then we come to this question, and this is a great frame. I wish I could take time take credit for this, will technology eat our jobs? But I didn't invent that term.

I did a little bit of a Facebook chat with a very talented leader from Sama group. Her name is Leila Janah, and she runs an organization that really works with low income people all over the globe to try to help them to use technology to improve their livelihood, and to gain access to better opportunities. And so she raised the question, and we had this discussion, will technology eat our jobs. We took a pretty strong position in this.

And here we are at MIT, and we have some of the people who are known for being some of the more pessimistic, and we have some people who are known for being more optimistic. We've got 'em all. At MIT, I always say, that if you-- we have 1,000 faculty members and on any given issue, those 1,000 faculty members will have at least 3,000 points of view. And on this, I think, we can see people all over the place, because we don't really know.

The serious answer is we don't know how rapid or how broad scale artificial intelligence, machine learning, and all of these other things are going to take over jobs. But we know that if we don't do anything, if we let it happen, then we're at the risk of the worst scenario. But if we use technology to augment work, to augment and strengthen the role of human judgment, then we might be able to have the best of both worlds. And that's what even the IBM Watson creators emphasized here at MIT in a technology day a couple of months ago. And so we can do this.

We will have displacement. There's no question that jobs are going to be displaced. The question is are we going to be ahead of the curve and really work to make sure that we take care of those people who are displaced, provide them opportunities to move to where the job-- the good jobs are, make sure that they've got the skills built up over time so that they can make those changes, and then get on with this process. So I think we can use it. I think we're going to see more of these workers centered apps that help us adapt to technology.

I used the example, we had an interview with Sherpa Share, the founders that use the Uber technology to share information with the drivers on what their real earnings are, and now we're seeing drivers use that app in new creative ways, and other competing apps are also out there, even since we did that interview a couple of months ago. So I'm excited about the use of technology to improve work, but we've got to harness it. We've got to be proactive if we're going to be successful. And what about entrepreneurship?

And again, there's a lot of hyperbolic entrepreneurship. That all new jobs are created by startups. Well, that's not quite true, but a large number of new jobs are created by startups. So the importance of startups, the importance of entrepreneurship, is beyond question.

We've got to make sure that we have a healthy growth of new enterprises, but we've got to do this in a more inclusive way. We've had terrible scandals, and again, I'm glad it's all over the news these days, about how male dominated Silicon Valley is with its startups, and how difficult it is for women to move to higher levels of leadership in that part of our growing sector of the economy. And how difficult it is for women to get money from venture capitalists.

Well, we've got to change that and build a more inclusive capitalism if we are going to be successful, and in fact we know some things. And so that's where the Hitachi foundation has been so successful, in building a program to help young entrepreneurs to find those investors, to pick those investors, as Greg said earlier in this session this afternoon, to make sure that they pick investors that are supportive of growth opportunities.

We didn't use this little example, but I like it, because maybe I like the name, called Beepi. But Beepi is an online used car business. Started in San Francisco, spreading to other parts of the country. We used it in our on campus course as a case, and so our students in the room here are familiar with it.

But basically Beepi faced this question, who would you buy a used car from? Do you want to buy it from someone who is a full time employee, who was signing off and certifying that this

car has been inspected, this car has been repaired, this car is safe, and this car is worth the price that is being asked, or do you want to buy it from someone who doesn't have that same kind of commitment, is just hired as a contractor to go through the motions to do it? And Beepi faced investors with debates about that, and they went in the direction of hiring and staying with a business strategy that says we think trust is so important, and quality is so important, that we're going to keep the full time jobs with decent wages and benefits.

Now that's a choice that young firms also can make, but I am under no illusion of the pressures that startups face to conserve costs, because they don't have much money, and they don't have a lot of resources. So it's very difficult. But if we don't imprint good jobs right at the beginning, it's going to be very hard to bring them in a little bit later. So making sure that we worry about inclusive entrepreneurship and inclusive capitalism right from the beginning is very important. [? Astrid? ?]

AUDIENCE:

I was just thinking, you talk about the US and the unions, where [INAUDIBLE] declined made the most. One place where I feel that the US can help us in other parts of the world is about taking risk. Because here, if you're an entrepreneur, you go for it but you fail, maybe because the technology wasn't such a good idea as you hoped for, you have a legal system, an environmental-- and like social ecosystem, but that you go from [INAUDIBLE].

I think in lots of other places in the world, you've got two red lines on you, and you're a loser. And the funny part is you are hidden away, because you're a loser. So think there, there is a lot to gain with technology, but also [INAUDIBLE] here in America, that you can help us in the rest of the world to be more entrepreneurial, and to try.

TOM KOCHAN:

I think that's a very important point, I'm glad you made it. In the online course, there's also an essay from one of our Sloan graduates from a number of years ago, John Jacques Degroof, who's written about European entrepreneurship, and he works on this in Europe. And he's lamenting the fact that Europe is so slow to have that kind of infrastructure, risk taking, and support for entrepreneurs, and says we've got to really change that. So he's reinforcing the important point that you made, and I think it's worth paying attention to some of the strengths that we have here, as we move forward.

Well, you went through this very difficult, challenging, and for many of you, rewarding experience of saying all right, enough of this talk about it. Enough of this reading about it, enough of the watching boring videos. Let's try to negotiate the next generation's social

contract. And so I applaud the energy that you put into it, those that participated, and our colleagues here on campus who helped to facilitate it.

And so I just want to share a little bit of the settlements and what you came away from that exercise with. It's a difficult exercise to do. It's challenging because of the differences in time zones and so on, but I think it's worth doing, perhaps maybe in some modified way, some of you some good suggestions.

And look, we again had a very broad distribution. We had 44 countries participating in this experience, a nice broad array. And here's some of the priorities that you chose to focus on. And there were a set of, as you recall, workforce development, compensation fairness, representation, organizational performance, family and community, and basically not one of those dominated. There was a good distribution of priorities.

Everyone recognized the importance of all of these. There was clearly a higher preference for workforce development, and a little bit more for fairness and nondiscrimination, but the varied interests said just what you said early on in the course about how important multiple things are to you in the workplace. And so lifelong learning dominated, voice and representation, the concern for productivity and flexibility in organizations dominated, and work and family came through as well.

And these are just some numbers. I'm not going to go through these, they just reflect basically what I said a minute ago, because we're running a little bit short on time. But let's look at what you agreed to.

Well, we had about 157 agreements. Some of them were two party, some were three party, some were four party. But across those clusters, what you did is you embodied the knowledge of the high performance work organizations.

You said we can't just focus on training, and many of your agreements had training combined with performance. Training combined with compensation. Training combined with making sure it was inclusive. Some of the European examples said we're even going to find ways to bring it to the platform economy, and see if we can't bring some of our training, experience, and our representative models into that sphere.

And so a very strong emphasis on lifelong learning, on career planning, the notion that people should have representation, emphasis on partnerships, strong commitment to flexibility in

organizations, strong commitment to profit sharing. That came through in many of these agreements as well. And so I think you found ways to reach across interest group lines to find ways to find common ground. Now if you can do it in this exercise, then perhaps why can't we do it in our broader societies?

I would urge everyone to take the same issues and move them to other settings. So where did we end up? Well the last thing we asked is what are the messages to the next generation leaders, HR professionals, labor educators, and government officials? And our friends at Cornell helped us out on the HR side. So my good friend Lee Dyer, who led that class, and his students provided these next three slides on what do they see, because they are moving into this profession.

So what is it that they see as important for the HR profession to attend to? And they emphasize three themes, globalization, technology, and demographics, and on the basis of that came up with a set of slides and points on what it means for recruitment. That they have to recognize that there has to be a good fit between the competencies, the organization needs, and what employees need to bring. They need to develop new sets of technical knowledge, emphasizing the technical and STEM skills, but also combining that with problem solving, and being able to work collaboratively in teams.

So they embody the integration of technology and organizational skills and understanding the need to be responsive to people's differences in culture and backgrounds. So I think on the recruitment side, that's a really powerful set of points. On the globalization side, they saw the positives and the negatives. That yes, globalization creates an opportunity to compete for talent all across the world, and at the same time, provides more diversity that we need to manage effectively, but it also provides some low wage havens, and that's going to put pressure on our compensation structure. So they were quite realistic in having to manage the tensions of globalization.

And on technology, it came back again to emphasize the complimentary nature that technology can play, if they are proactive. And if there's one message to the HR community, in fact, I delivered it this morning to a group of HR professionals in talking about these issues, is that they have to get out in front of technology. They have to be part of the technology designers and enablers to make work really complements to technology. And I think that's an opportunity for the HR profession.

And then they commented as well on demographics, along the lines that we've talked about for mentoring the next generation workforce and so on. So thank you, to our colleagues at Cornell for those inputs. But you also raised in your own conversations issues around implications for worker advocates, for needing to listen to the workforce, to learn from the workforce, to build the new organizations, not to be just captivated by the way in which we did things in the past.

To build on the strengths of the past, but to look to the future, and particularly to use information technologies as building new sources of power. And for those of us in the education community, emphasizing we've got to be more creative in using all this technology, online learning, and other mechanisms to provide good guidance for the next generation workforce, and to provide opportunities for continuing to learn as we go along.

And then the toughest nut, obviously, is breaking the gridlock that we find in the United States and in some other countries over national politics. And here we emphasize right from the beginning that the lessons always come from the local level first. And so if we can build on the innovations that are happening that we've talked about throughout this course at the local level, then maybe someday soon our national leaders will wake up and say maybe it's time for us to start working together.

So our bottom line message to the next generation workforce, to all of us, and to all of you, I guess I'm not the next generation workforce, but you are the next generation workforce, is education. Preschool, formal schooling, and lifelong learning. Education throughout one's life, making sure you explore, but don't become a victim of too tight a career plan, but take opportunities when they are available. Keep those skills current, work together, keep your resume up to date, and one foot in the external labor market to use that as a source of power, and get involved. And together, if there's a bottom line here, we can shape the future of work.

So where are we going? Once again, we emphasize the high road importance, rebuild bargaining power, get the parties working together, and then let me give you the real bottom line from two students from our discussion board. And I'll just read these and end on this note.

And one said, "Taking this course has given me hope that the future of work and the path I wish to take after college. The future of work depends on the mindset of individual workers." Of all of you. "If the workers are hardworking and have confidence, the future of work will toil in their favor." I think that's a beautiful phrase and I appreciate the author's offering it.

And then one that came just today. "I came away feeling a personal 'call to action' to help shape the Future of Work myself-- that indeed, the Future of Work is up to us. We have do-- we have-- we do have the power to shape the Future of Work by bringing together all the stakeholders."

These are the bottom line messages of this course. This is what we all put all this energy, all of you put all the energy you put into it, and the online version, and our friends here on campus. And I think together we can shape the future of work, so we just need to move forward.

We will put all of this material online, it will stay online. And you'll be encouraged to come back and use the material, maybe use it in teaching others in the future. So it'll stay on the platform for anyone who wants to use it, or anyone who wants to join and use it in the future. We think that together, if we use what we know about how work has been structured in the past, on what worked in the past, what stopped working in more recent years, why the world of work has to change to keep up with changes in technology and keep up with the people who are doing the work, we can make a difference.

So I want to thank you all for the many hours of effort that you put into this course. I want to thank you for taking an interest in improving the future of work, and I hope that together we'll all make a difference. Thank you very much.

AUDIENCE: [APPLAUSE]