

Preface

I grew up on a small family farm in Wisconsin where work and family were inseparable. I have on a wall at home a picture of my four siblings and me with our grandfather standing together in a field on our farm at harvest time. This picture is a reminder of how farm life taught us the values of cooperation, community, responsibility, initiative, leadership, and, of course, hard work. With these values came an equally deep conviction that hard work should generate its just rewards—a psychological feeling of accomplishment and pride, recognition from others of a job well done, and fair compensation. I was lucky to have parents who recognized that the world was changing in ways that required their children to move off the farm to go where job opportunities might take them. My parents encouraged us to get as much education as we could so that these opportunities would be open to us and to our children.

Because of its progressive traditions, Wisconsin gave us this chance. We received a solid foundation of basic education from our local parish school, an excellent public high school, and a world-class public university system that has now served two generations of our family very well.

The education I received enabled me to devote the last thirty years to studying, teaching, and advocating innovations in work and employment relations in search of ways to improve both our nation's economic performance and the quality of work and family

live. Over these years I've been fortunate to work on these issues with many talented academic, business, labor, government, and community leaders. What I value most from these experiences is the mutual respect and satisfaction that develops when diverse parties work together to solve a difficult problem or resolve a conflict.

But in recent years, I have grown more and more concerned that these work and family values were eroding in a world in which people had turned inward and selfish in the booming 1990s and then were shattered by the layoffs, restructurings, wage and benefit cuts, and corporate scandals of recent years. The social contract at work that allowed so many of us in the postwar, baby boom generation to realize the American dream had broken down. I've made this point before in academic papers and at professional conferences but I've come to the conclusion that real progress in reversing these trends requires engaging the American public. This book is an effort to do just that.

Government leaders have done little or nothing to address these problems in recent years, in part because they are paralyzed by the ideological impasse between business and labor, the two interest groups that have traditionally dominated policy making on these issues, and in part because American politics in general has become more polarized and divisive. Somehow, American business, labor, and government have lost sight of their responsibilities to workers and their families.

It is as if America has lost both its moral and economic footing, unsure of how to take on the major problems of our day. This, indeed, is very un-American. Since the French philosopher Alexis de Tocqueville visited the United States in the 1830s, we have been told that Americans are a highly pragmatic people, capable of rolling up their sleeves and working together without much concern for divisions of class, ideology, religion, or even race and gender to find workable solutions to whatever problems we face. It is this pragmatic determination, respect for each other, and will-

ingness to work together for the common good that must be restored.

So what can be done? The central message here is that the solutions must start with ourselves—with working families taking the steps needed to raise our voices so we can restore faith in the American dream, if not for ourselves, then for our children. Why? Because these problems are too important to leave, as we have in recent decades, to the “market.” That solution, standing alone, will deepen the divide between a privileged few and the rest of society that has widened over the past two decades. Our democracy and social fabric are already wearing thin by the income and wealth inequalities found in America today. Making them worse will indeed risk the type of “class warfare” politicians fear. We also cannot expect a return to the days in which government takes care of our problems. The deficits government leaders face will limit their ability to spend their way out of the mess policymakers have created. Indeed, in the short run, government leaders could make things worse, especially if they stand idly by and watch families experience the stress, frustration, and hardships of being caught in a world where the old jobs that supported them in the industrial economy are disappearing without providing them the tools and opportunities to prosper in the economy of the future.

To be sure, we need a change in the direction of government policies. But as I will argue throughout this book, we also need new ideas and a new approach. I will argue for one that encourages community groups, labor organizations, businesses, and state government officials to work together to address these problems. We need to return to a strategy that has served America well in the past—empowering those closest to the problems to invent solutions that work for them. Then, when we discover new workable solutions, we can translate them into national policies and institutions.

Nor can we trust top business leaders and executives acting on their own to lead us to the promised land of the knowledge

economy. This is not just because a few of them have engaged in scandalous behavior that has broken the workforce's trust in them. A deeper problem is that they are making decisions in an environment where their main and most powerful pressures are coming from Wall Street's demand for short-term returns to shareholders while there is no voice from Main Street holding executives accountable to workers and their communities.

Some business leaders and their firms are trying to restore trust and build the knowledge-based corporations that see employees more as assets than as costs to be controlled. Many of these same firms are leading the way in introducing flexible policies the modern workforce needs to meet their dual work and family responsibilities. But these leaders need the pressure of working families to sustain support for these policies within their organizations and in the broader business community. Indeed there is a debate raging in corporate America today over which model of management will dominate in the future. Will we stay fixated on Wall Street's view that stock prices are all that matter and employees are costs to be controlled and traded like any other commodity? Or will we see knowledge as an asset, organize work so employees can fully make use of their skills, and recognize that when employees invest and put at risk their human capital they should have the same rights to information and voice in governance as those who invest their financial capital? Working families have an enormous stake in the outcome of this debate and need to add their voices to it.

In the past, these realities would lead many to turn to the labor movement. After all, throughout much of the industrial era, unions and collective bargaining helped millions of working families move from destitute wages and working conditions into the middle class. But union membership today has declined to a point that unions no longer serve as a powerful or effective voice for the full range of working families in the country. Nor would resurgence of a labor

movement in the mirror image of the one now in decline serve the needs of people or an economy entering an era in which putting one's knowledge to work is a more important source of power than withholding one's labor by going on strike. American workers, for their own benefit and for the welfare of families, the economy, and our democracy, need a renewed labor movement to help restore their voice at work and in society. But the next generation of unions and professional associations needs to be better matched to the diverse aspirations and needs of today's workforce and help speed the transition to a knowledge economy that benefits all working families.

This leaves it to working families to be the catalysts for action, to raise their voices to reassert the values on which the American dream is based. But they cannot and do not have to do this alone. I believe many progressive leaders in business, labor, government, and civil society share their concerns. By taking actions outlined in the chapters that follow I believe working families can build alliances with these progressive leaders to get access to the tools they need to contribute to and prosper in the knowledge economy. As the examples sprinkled throughout this book will illustrate, a good deal of this is already happening in different communities and workplaces. More than anything, this book is a call to move these local innovations to a scale large enough to benefit the overall economy and society.

Any campaign to regain control of our future must rest on a strong and broadly shared moral foundation, one that our parents taught us, is consistent with our various religious traditions, shows a concern for the common good, and is inclusive of the diversity we find and value in the American community. So in what follows, I will draw liberally on the values I, and I believe many others of my generation, had passed on to us. Our job is to embed them in our actions, institutions, and policies and by doing so pass them on to generations to come.

Why bring *families* so directly into this discussion about workplace issues and policies? Why not follow the more conventional approach of treating work and family as separate areas of inquiry, teaching, and policy making? After all aren't family matters really just our personal, private concerns and responsibilities? And shouldn't business stay out of our personal lives and focus on the business of business? And don't we have separate government policies governing the world of work and the social welfare of families?

The basic reason for using "working families" is that today, as in my days on the farm, work and family life are once again nearly inseparable. Because most mothers and fathers are now working more hours than in the past, we cannot understand the full consequences of the changing nature of work without considering how families are affected and without considering how family structures and needs influence decisions about when, where, and how much to work. Moreover, modern technology has blurred the lines between work and personal/family life. I first typed these words on a holiday using a laptop in my living room!

But you might ask a final question: If Wall Street and its favorite CEOs are where the power now lies, why not take the standard business school approach and call on these business leaders simply to be more responsible? As a professor at MIT's Sloan School of Management, I've always been uneasy with the top-down perspective of business books and teaching. Even my own field—what used to be called industrial relations, then became human resource management, and now is work and employment relations—gradually shifted from being taught from a neutral perspective in recognition of the need to balance the interests of employees and employers to more and more of a management perspective. Then, in the 1990s, we witnessed an explosion of business books extolling the wisdom and leadership of what my friend and colleague Rakesh Khurana called the "charismatic CEO." The media looked to these highly visible and powerful people to lead the transformation to the fast-

paced, knowledge-based economy of the future. For a long time I've wondered what it would look like if we analyzed this transformation from the perspectives of workers and their families. Their voice seemed to be sorely absent in these discussions, and the view from the top of organizations downward being presented seemed far removed from the realities of the American workplace. This book is an effort to help working families find their voice and to bring a more balanced and fair perspective back into discussions about how to shape the future of work and the future of our economy.