



FUTURE OF WORK AGENDA

A Free Monthly Newsletter
July, 2004

www.thefutureofwork.net/

THIS MONTH'S HEADLINES

Click on any Headline to go to the full story.

1. **[FROM JIM AND CHARLIE](#)**

This is our personal note welcoming you to the July 2004 issue of *Future of Work Agenda* and setting our theme for the month. This time we're focused on design – of workplaces, educational systems, business processes, and even our own community.

2. **[ANNOUNCEMENTS](#)**

Charlie and Jim were interviewed recently by Toni Kistner of *Network World Fusion*. And we continue to seek new members for the *Future of Work* community.

3. **[FEATURE ARTICLE: WHEREVER YOU GO, THERE YOU ARE](#)**

We're often struck by how many things that should be obvious to most people, just plain aren't. This month we want to focus on one of those core ideas about workplace design that often goes unnoticed, or at least unstated...

4. **[THE COMMUNITY CORNER](#)**

We inaugurate a new section of the newsletter this month – a space we're offering to our *Future of Work* members where they can make personal announcements or ask for assistance, and where we will periodically print brief "Leadership Profiles" introducing you to our members. This month we're pleased to tell you about **Nancy Napier**, Professor of Strategy at Boise State University, and Lynne Waldera, founder and CEO of InMomentum, Inc. We also announce the opening of the **Gate3 WorkClub** in Emeryville, California, founded by *Future of Work* member **Neil Goldberg**.

5. **[BOOK REVIEW: THE CASE FOR VIRTUAL BUSINESS PROCESSES, BY MARTHA YOUNG AND MICHAEL JUDE](#)**

This month we bring you a book with a slightly different flavor than what we usually cover. The subject matter of *The Case for Virtual Business Processes* lies at the intersection of technology and business operations. Yet it is not a techie book.

6. **[THE FUTURE OF WORK IS ALREADY HERE; IT JUST ISN'T EVENLY DISTRIBUTED](#)**

In one form or another, the future of work is already here. This regular section provides you with notes from all over the world – stories about what's happening somewhere today that provides clues to what will be happening everywhere tomorrow.

7. [IN OUR HUMBLE OPINION: WHAT'S WRONG WITH OUR EDUCATIONAL SYSTEM?](#)

We end each issue of *Future of Work Agenda* with a personal perspective – our chance to comment on issues and developments in the world of work that we find important and interesting. This is our “editorial” page, where we are pleased to offer our opinions and predictions about what’s happening (or should be happening) in the world of work.

THE FULL STORIES

1) FROM JIM AND CHARLIE

It’s time for some hot dogs, apple pie, and fireworks. At least here in the United States, most of us will be enjoying a long holiday weekend and celebrating Independence Day. Here’s hoping we can continue to enjoy our freedoms and (relative) security, in spite of the troubles plaguing other parts of the world.

This issue is an amalgam of ideas and perspectives that has come together in some rather interesting ways. One of us (Jim) is just back from an incredibly restorative trip with a group of artists to the hills of northern Italy. The whole experience reminded us of how important our surroundings are to our moods, our ability to concentrate, and our creativity. That relearning of an ancient truth had a lot to do with our feature article this month, “[Wherever You Go, There You Are](#).” Our message is simple: where you are makes a huge difference in what you do.

The broader, underlying theme of the issue is *design* – the intentional creation of places, spaces, business processes, and educational systems to foster creativity, innovation, and productivity.

The [feature article](#), as noted, is about designing workspaces to meet individual needs. The [book review](#) is about designing business processes to take advantage of new IT capabilities. And the rant (better known as [In Our Humble Opinion](#)) is about designing educational systems that meet the needs of the new economy.

And we’re launching a new section this month: the [Community Corner](#). Here you’ll meet *Future of Work* members in a series of Leadership Profiles. You’ll also learn more about what they are up to, and, more importantly, what they are capable of contributing to your business and your own professional development. As our community grows, so too does our combined power and creativity.

One final note: as is our custom, we’ll take a publishing break in August and won’t be back with a new issue until September 1. While it may seem like we’re slowing down, the awful truth is that here in the “back office” we have a whole lot on our plate besides hot dogs and apple pie. Look for some new ideas, new research, new relationships, and new programs come fall.

And now, on with the newsletter. Enjoy!

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2) ANNOUNCEMENTS

Charlie and Jim Interviewed by Toni Kistner of Network World Fusion

Toni Kistner, a *Future of Work* member and the author of the weekly [TeleWork Beat](#) column in [Network World Fusion](#), has just published an interview about the future of work with Charlie and Jim. It's a wide-ranging conversation (and you know we range far wide!) about how business models have been so transformed that managers must rethink their most basic assumptions about how to attract, retain, and leverage talent.

Go read the whole thing online, at: "[Divining the Future of Work.](#)"

We have also posted a longer, more complete version of the interview (before the *Network World* editors cut it back) in the *Future of Work* members-only *Private Forum* section of our website. That longer version is available only to our Corporate and Individual members.

Future of Work Program Actively Seeks Individual and Small Business Members

Future of Work now offers several levels of membership that depend on your status and needs: *Individual and Small Business*, *Corporate*, and *Implementation Partners*. We also offer special discounts to nonprofit, educational, and public sector organizations.

These membership programs are described in more detail on the [Future of Work website](#), or feel free to [contact us](#) directly for more information about fees and benefits.

Our newest Individual/Small Business member is:

Guodong (Gordon) Gao, The Wharton School (student membership)

Welcome Gordon!

All individual members of our community are now listed on the *Future of Work* website, in the [About Us/Members](#) section.

We encourage all our readers to consider joining the community. Please [visit our website](#) and apply for membership today.

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3) FEATURE ARTICLE: *WHEREVER YOU GO, THERE YOU ARE*

By Charlie Grantham and Jim Ware

“Wherever you go, there you are.” (Buckaroo Banzai)

We’re often struck by how many things that should be obvious to most people, just plain aren’t. This month we want to focus on one of those core ideas about workplace design that often goes unnoticed, or at least unstated:

Where you are impacts what you do and – more importantly – how you do it.

That means essentially that the work you do and how you accomplish it is directly impacted by your physical location (and surroundings). A corollary to this simple idea is that individual places are more or less appropriate for accomplishing certain kinds of work tasks. There are bad places to work and good places to work.

And here’s another way to think about it: you’d probably be a lot more effective if you had three or four workplaces, instead of just one.

Why do we say that? Just think about all the different kinds of things you do in the course of a day, or a week.

We use our heads in a lot of different ways, and where we are physically has a lot to do with how well those heads produce what we want them to. Sometimes we need to explore, to think, to create new ideas. Other times we want to express an existing idea, produce an article, or complete a report. Still other times we may be searching for new information, often via the web, but sometimes in a book, a magazine, or a technical report.

Those kinds of knowledge work are a lot different from analytic or problem-solving work, where we are sorting out existing information, recasting it, or searching for an answer to a specific problem.

And everything we’ve mentioned so far is essentially *individual* work. When we are interacting directly with others in a phone call, a face-to-face meeting, or a working session, we’re using not just our heads but our eyes, ears, and mouths (and sometimes even our noses) as well. That’s how we translate what goes on in our heads into meaningful words (and body language too) that make sense (sometimes, anyway) to other folks.

There is a very clear social architecture of place. Think about some memorable places you have been and how their purpose and design affected you. For example, a cathedral is a very different place than a cocktail lounge in Las Vegas. The conversations are different. Your mood is different. The way you interact with others is different. Certainly one place is more conducive to contemplation while the other generates much more informal social interaction.

There is a considerable body of scientific knowledge in the fields of environmental psychology and cognitive sociology that supports this basic idea. Simply put, an environment (work location) has a number of attributes like color, smells, and visual cues. These factors directly affect our mood and state of mind.

Any setting also gives us clues about symbolic importance and socialized norms of behavior. Think back to that Las Vegas cocktail lounge for a moment; being there puts you in a frame of mind that directly affects the way you talk, the language you use, and your energy levels.

Different settings also affect our sense of privacy and our ability to control it. The best example here is a library that has both open rooms and study carrels. We behave – and think – differently in those two separate parts of the library.

Lastly, specific settings create different social milieus, which are sort of the “non-verbal” cues we receive from our surroundings. Given all these factors, it would probably be a good idea to have a social scientist on every workplace design team.

It follows from this analysis that most people really need more than one place to work, because they engage in a wide range of tasks and use a variety of tools. A park plaza would not be a great place to edit a written manuscript, but could work very well for a small team meeting. What kinds of things can you do in a Starbucks and what kinds of things don't work (pardon the pun) well there?

Or, consider the impact of a conference room design on the kind of meetings, and the quality of the conversations, that take place there. If the room is dominated by a large, rectangular table that separates people and creates a sense of formality, the conversation will be very different than if the group is gathered around a small circular table in a warmer, “softer” room.

And it truly makes a difference if the artwork on the wall is bright and abstract, versus heavy, dark, or industrial in nature. And as we all know intuitively, we think and act differently in a formal conference room with leather chairs and a walnut table than we do in a cafeteria with metal and plastic chairs and lots of other people moving around and talking about all kinds of things.

We also know that different people need different kinds of places to work. **Dr. Robin Pratt**, one of our *Future of Work* Senior Fellows, has helped develop a very sophisticated means of analyzing how people perceive their environments and their preferred style of interacting with the environment and with other people.

Some folks take in a wide amount of information and scan broadly, while others are more internally focused. Some people have amazing powers of concentration and some are easily distracted. Workplaces that are good for some people don't work well for others because of these differences in their individual psychologies. How often do we take individual differences into account when we tell people where they need to work?

One place simply doesn't fit all. There is a complex interaction between the person, the task, the tools, and the setting.

Most of us know this intuitively but don't often acknowledge it. One of our favorite insights into this topic came from a woman we interviewed about at-home work. She said, “I save all the hard work for home because it's the only *place* (our emphasis) where it's quiet and no one bothers me.” But have you ever heard a manager say, “Why don't you take that report home and work on it there so you can give it your best effort?”

We need more effective tools to help us understand these environmental interactions. Think about the potential payoffs from helping individuals pay more attention to what kind of work setting is best for them at any point in time.

As we say over and over, the very concept of “workplace” is changing. A new grammar of work is emerging that will eventually give us all the basic linguistic tools we need to even *think* about these complex design challenges. We believe that the workplaces of tomorrow will be numerous and varied – even for a single individual

For example, a key symbolic distinction emerged at our recent *World Congress on the Future of Work*: the difference between *workspace* and *workplace*. *Workspace* is defined in terms of spatial location, whereas *workplaces* are social constructions characterized by all those things we mentioned earlier: mood, setting, privacy, density, and so on.

Traditionally we have designed and built workspaces inside ever-larger office buildings with a primary goal of minimizing the cost per square foot. In our view, we need to learn how to design, build, and utilize workplaces in a variety of locations with a very different goal: increasing worker effectiveness. Notice, by the way, that we didn't say “efficiency.” A change in language results in a change in thinking, or so our linguistic colleagues tell us.

One element of this way of thinking that seems to us to be missing today is what Ray Oldenburg termed “Third Places” way back in 1989. He meant places that are not living areas and not “offices” *per se*. Third Places are typically smaller facilities (10,000 to 14,000 square feet) where people gather for a variety of reasons and to do a variety of different things. “A Starbucks on steroids” is a good image. But even within these new kinds of social environments there is plenty of variety.

We believe there will be urban third places that serve local communities of working residents. There will also be suburban locations situated at the intersections of major transportation routes. And there will be rural locations that will function as “outposts” for major metropolitan areas. And these Third Places will take on the characteristics of the communities in which they exist. In the Wild West of the United States they may look like “work forts,” while in Europe we have already seen “work castles.”

And there are already work “clubs” springing up in many places. See, for example, the [Gate3 Work Club](#) recently opened by *Future of Work* member **Neal Goldberg**.

Why do we foresee the emergence of these Third Places? There's no secret here, and it's not because a new school of black-cape architects will take control of office design.

There are two very strong demands operating, based primarily on economics. First, there is a clear demand on the part of workers for more agility and flexibility in their work settings. As the demand for knowledge workers outpaces the supply, the provision of effective work infrastructures (facilities, technology, and support services) will become as important as base compensation in labor negotiations. And individual organizations simply can't afford to provide the variety of places that workers want and need to do all that they have to do.

Second, there is already growing pressure within organizations to shed the excess real estate assets they currently own (we believe there is as much as 40% more commercial real estate on corporate books than is really needed). Management can't simply afford to continue to pay for space that is not being used effectively.

Voila – Third Places can meet the varied needs of multiple organizations at the same time through shared usage – a kind of time-share for office facilities. We're convinced there will be an explosion of these new designs that offer much-needed variety on an as-needed basis.

A continuing examination of these kinds of interactions among people, spaces, tools, and tasks – and their implications for individual and organizational effectiveness – will be a central theme of our work over the coming year.

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4) THE FUTURE OF WORK COMMUNITY CORNER

We inaugurate a new section of the newsletter this month – a space we're offering to our Future of Work members where they can make personal announcements or ask for assistance, and where we will periodically print brief "Leadership Profiles" introducing you to our members. This month we're pleased to tell you about **Nancy Napier**, Professor of International Business at Boise State University, and **Lynne Waldera**, founder and CEO of InMomentum, Inc. We also announce the opening of the **Gate3 WorkClub** in Emeryville, California, founded by Future of Work member **Neil Goldberg**.

Leadership Profile: Nancy Napier

Nancy K. Napier (Ph.D., The Ohio State University) is Professor of International Business and Executive Director of the Global Business Consortium at Boise State University. Nancy also managed Boise State's nine-year involvement in an \$8.5 million Swedish- and USAID-funded capacity building project at the National Economics University in Hanoi, Vietnam.

Nancy's most recent book is *Managing Relationships in Transition Economies* (with D. Thomas), published by Praeger. Her articles appear in such publications as *Journal of Management Inquiry*, *Human Resource Management Journal*, *Human Resource Planning*, *Academy of Management Review*, and many others. Her latest research interest is in creative communities and organizations. .

We asked Nancy to play a "complete the sentence" game with us.

In the next five years I think the most important challenge facing corporations is.... finding ways to tap into and nurture creativity – by individuals and groups – as a competitive resource. While I see this happening in organizations that, by necessity, MUST be creative or they'll die, I worry that larger corporations, governmental groups, and educational institutions in the US are complacent about our slacking creative leadership. Because we've always been strong in creativity, we may not see the need to focus on it as others do, which may hurt us in the long run.

When I look into the future I see.... some bad and some good....Conflicts among politicians, educators, business, and individuals protecting and vying for job niches at extreme ends of a continuum (manufacturing and "humdrum" jobs vs. creativity-based jobs).

BUT, I also see learning across creative people and organizations (from film and theater companies to software and R&D firms) on how to organize, manage and develop processes that make them more successful.

The future of work will be different from the present because.... it will become "normal" for many of us work anywhere, anytime, anyplace; and we'll be annoyed, surprised and angry when it doesn't work right (technology fails, people need to see

each other, earthquakes happen). At least today, we still accept things that go wrong. Will children in the future be able to think and work without technology?

The thing I am most proud of in my work is.... seeing, making and learning from connections - with people, organizations, and disciplines.

My real passion is... learning from and with good people, integrating ideas and outcomes from and across different realms, and giving something back to people and communities.

I most want to... do work where I can:

1. make a difference at the eye-to-eye level;
2. learn a lot;
3. have fun; and
4. work with people who are creative, talented, AND nice.

You can connect directly with Nancy via: nnapier@boisestate.edu

Leadership Profile: Lynne Waldera

Lynne Waldera is president and chief executive officer of InMomentum, Inc. Founded by Lynne in 1999, the company specializes in organization strategy and development consulting with a particular focus on leadership development, internal branding, and culture-building for companies in dynamic markets.

Prior to founding InMomentum, Lynne was Managing Director at Cunningham Communication, a leading technology public relations firm.

Lynne is a member of the *Society for Industrial and Organizational Psychologists* and the *American Psychological Association*. She serves as a moderator at the **Aspen Institute** and is on the board of **ALLIANCE for Community Care**, the largest community-based mental healthcare provider in Santa Clara County. She is also a member of the advisory board for **The Art and Technology Network**, a charitable organization that is dedicated to fostering collaboration between artists and technologists.

Lynne earned a Ph.D. in industrial and organizational psychology at **George Washington University** and a Bachelor of Arts in Psychology at **Duquesne University**. She and her husband Tom reside in Pleasanton, California.

Here are Lynne's responses to our provocative themes:

In the next five years I think the most important challenge facing corporations is...building the social capital necessary for innovation. The only source of sustainable competitive differentiation is innovation; and the only way to ferment innovation is to create a loosely connected ecosystem of employees and partners capable of exchanging ideas and collaborating to bring those ideas to market.

When I look into the future I see....the basic economic unit will shift from the enterprise to the enterprise network. Corporate associations will form based on common brand values. Brand identities will be shared by all members of the association; talent will not be owned by any individual company but be affiliated with the network. Value will reside in the network and its collective ability to deliver on its brand promise.

The future of work will be different from the present because....we will always be on. The concept of work-life balance will become extinct, because it conceives of two dichotomous lives. In the future, personal and professional become one; private and public merge; and as a result, work will increasingly become the way we live. (By the way, I am not depressed by this but rather think that it beckons us to create better work environments and institutions.)

The thing I am most proud of in my work is....being an agent of change or, if you will, a "carrier" of innovative ideas and practices. My most gratifying moments as a consultant happen when something I've said or done sparks a "systems" change and unlocks some potential in the organization or in an individual leader.

My real passion is...living more broadly and in turn, helping others do the same. As Aristotle reminded us, there is a big difference between "living only" and "living well."

I most want to...build work institutions that allow us to be more human.

Contact Lynne directly at lwaldera@inmomentum.com. InMomentum's website is www.inmomentum.com.

The Gate3 WorkClub

Future of Work member **Neil Goldberg** has invited Charlie and Jim to join the Board of Advisors of his newly-launched **Gate3 WorkClub** in Emeryville, California. Gate3 WorkClub is a marvelous example of what we've been calling "Third Places" - a membership organization and shared work facility that provides all the services and capabilities of a corporate office to remote and home-based workers on a very low-cost basis.

Gate3 will be opening officially in a few months, but it is currently accepting members and already has an active program of workshops, social events, and other community activities, as well as IT Services and support geared toward the home worker.

Even if you don't live in the Bay Area, take a good look at the Gate3 website - www.gate-3.com. And for a good description of the Gate3 operation, check out *Future of Work* member **Toni Kistner's** [story about Gate 3](#) in her *TeleWork Beat* column in **Network World Fusion**.

We are convinced this is the wave of the future. It's the kind of place where millions of "new workers" will be when they are "at work."

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5) BOOK REVIEW: *THE CASE FOR VIRTUAL BUSINESS PROCESSES*

by Martha Young and Michael Jude (Cisco Press, Indianapolis, 2004)

Reviewed by Charlie Grantham

This month we bring you a book with a slightly different flavor than what we usually cover. The subject matter of *The Case for Virtual Business Processes* lies at the intersection of technology and business operations. Yet it is not a techie book. It clearly and simply makes the case that technology can enable businesses to operate better – but if, and only if, it is applied in the proper way. The "proper way" according to Young

and Jude is look at a process first, and then figure out how to “virtualize” it. If you don’t you run the risk of doing something stupid even faster, albeit at lower cost.

But the real attraction for us is how the authors begin by making the case for “virtualizing” business operations. IBM coined the term “virtualization” some ago, and back then it referred to outsourcing, something we have heard plenty about. But here it means:

“the process by which physical infrastructure, representing sunk costs, can be replaced with electronic infrastructure...”

So why invest today’s dollars in something that takes fifty years to depreciate when technology is changing every three years? These are the kinds of questions the authors invite the readers to start asking within their own businesses.

The book is jam-packed with all kinds of great one-liners meant to stop a committee meeting dead in its tracks. For example: “Intellectual property is only valuable if it’s used.” And “Great ideas aren’t worth squat to your bottom line until they are brought into play.” And our favorite, “Human Resource (management) is basically an artifact of management’s desire to control employees.”

And leveraging off these two key ideas, Young and Jude muse that the new workforce will be “highly motivated, exceptionally creative, and self directed. They take responsibility for their work *and their support* [emphasis ours], but they might be part of a union.”

Heady stuff here, but very much in tune with where we believe the future of work is going. In other words, the authors are basing their case for virtualization of business processes on a vision of what work and the workplace will look like in the medium term. They are responding to a changing set of business conditions.

Another thing we really liked about this book was its extensive use of case studies. There are six marvelous examples of how companies in real life were able to apply the authors’ ideas about virtualization and show a positive business impact. And each is told in the words of the managers who lived through the change.

Young and Jude do an excellent job of describing how to implement technology platforms to solve a core business problem. How can you move as many of your fixed costs as possible to variable ones? When you do that you become more flexible and more agile in an increasingly turbulent world. A smart thing to do. It’s all about allocation of capital assets. And with technology coming close to becoming a commodity you need to look for every opportunity to “virtualize” your processes.

The authors suggest that every business operation that isn’t a core competency should be virtualized. OK, so what’s a core competency? They suggest a rather simple test: “If the function is one that generates (or has the potential to generate) revenue with a higher-than-industry margin it is a core competency.” Put another way, “If the value an activity returns to the business as a measurable cash flow is less than the cost to do it, it should be done by someone else for whom the costs are lower.”

So they suggest an analysis process in which you first determine what is a core competency for your business. If a process isn’t a core competency, then it’s a candidate for virtualization. But virtual means the business stays connected to the process and its results electronically. But before you turn this virtualized activity over to someone else, however, you should (dare we use the word?) re-engineer and optimize it.

Young and Jude go on for several chapters with examples and cogent explanations of today's technologies like VPN's; VoIP and LDAP's, most of which most of us don't need to understand completely. But here is a book to have on the shelf when these terms start swirling around the negotiation table.

In short, it's a great read. The concepts are based on sound business logic anchored in a clear vision of the future with very well-written case studies. At two hundred pages it's a quick read. Perfect for the beach.

The Case for Virtual Business Processes is available online from Amazon.com at [this link](#).

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6) THE FUTURE OF WORK IS ALREADY HERE

*In one form or another, the future of work is being written about, discussed and debated, and experienced all over the world. Below are just a few references to recent reports and commentary we've come across (each of these reports **has already been posted** on our [Future of Work weblog](#); the best way to stay really current is to [check the blog](#) regularly).*

The Ultimate Road Warriors?

Toni Kistner, a *Future of Work* member and the author of the weekly [TeleWork Beat](#) column in [Network World Fusion](#), called our attention to a fascinating story in the June 17 *New York Times*.

The story, "[Some Pro Golfers Now Bring Home on the Road](#)" (registration required for free access to the article), describes how a number of PGA professional golfers are now driving motor homes from one tournament to the next each week. They've gotten (understandably) tired of flying, checking into hotels, and having to unpack everything only to pack it up and move on to the next tournament just a few days later.

Instead, they are now taking their homes with them. At the US Open this week at Shinnecock Hills on Long Island, there are 10 mobile homes grouped in a parking lot at nearby Manhattanville College, forming a real neighborhood where the pro's kids are playing with friends and the adults are visiting each other's homes.

Of course, these are not your run of the mill double-wide mobile homes. As author **William Hamilton** tells it,

"You don't have maids knocking on your door at 10 o'clock in the morning, said Kim Johnson, the wife of Zach Johnson, a rookie playing his first Open. She was sitting in the living room of their new, half-million-dollar custom coach, a fireplace at one end, a dashboard at the other. She microwaved popcorn as the wind off the bay buffeted her home. The Johnsons chose a 45-foot Travel Supreme Select, long enough to accommodate a king-size bed.

And the best of these homes away from home come equipped with satellite dishes for television and Internet access. They are the ultimate mobile home and office for what may be the ultimate road warriors.

Wouldn't it be nice if all of us who have to travel for our work could take our homes (or at least a second home) with us on the road? Just a fantasy, I know, but it's certainly another important chapter in the unfolding story of the future of work - and life.

Hidden Tech – An Organization for Virtual Business Owners

If you're home-based or operate out of a small office setting with only one or two principals, you may be a "hidden tech" virtual company. Most likely you want to beat isolation, make business contacts, and enjoy the resources that other virtual company owners of all sorts can offer.

Hidden-Tech can help you. Based in western Massachusetts, but with a global online membership, this business networking organization is free to anyone who wants to join. Just go to www.hidden-tech.net and sign up for the announcement list (if you want to know about networking events) and the discussion list (if you want to chat with other members).

Hidden Tech also has a new Forums feature for people who want to take a discussion onto the Web and keep on "talking."

For more information about Hidden Tech contact **Amy Zuckerman**, founder and co-chair, at az@a-zinternational.com.

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7) IN OUR HUMBLE OPINION: WHAT'S WRONG WITH OUR EDUCATIONAL SYSTEM?

Commentary by Charlie Grantham and Jim Ware

This month's rant is about education, or the sorry state of affairs we are in today – and the big black hole it's leading us into. We've been inundated with all kinds of voodoo messages about "outsourcing," "off-shoring," "in-sourcing," and yadda, yadda for months now. But, hello out there, that ain't the real deal.

For whatever reasons (and we could name a few – does presidential politics ring a familiar note?) this is nothing more than GORP. For those few who don't speak acronymese that's "Grand Obfuscating Reporting Procedure."

Sure the United States is losing a ton of manufacturing jobs. But they aren't all going to "overseas" economies. Believe it or not, everybody else is losing manufacturing jobs too (see our December 2003 article, "[The Myth of Offshore Work](#)," for more on that "little" issue). And, yes, as many as three to five million more jobs, many of them more services than manufacturing, will probably migrate to places other the United States in the next five or so years.

But that's only 2.0-3.5% of the total US-based workforce (full disclosure: those numbers come from [Forrester Research](#) and we, dear people, are an *Oval Program Affiliate* of Forrester. That means we are dear friends). And the dirty little secret that we're all looking for is an answer to the basic question: Why is it happening?

There are a couple of reasons that occur to us but seem to escape the attention of the Fourth Estate. First, work always goes to where it gets done cheapest. Hello, that's like gravity. It's a "law" that can't be repealed, constitutionally overturned, or voted out of office, even though some would have us actually believe it could be changed.

Yeah, right, just like Enron had an ethical accounting department.

So, work goes where cost of labor is lowest. And why are labor costs lower in other places? Because the basic cost of living is low; and that means what? Quality of life is probably also in the pits. Let's see, as a laborer I can get plenty of work at \$5 bucks an hour, but I don't have indoor plumbing, my roads are only good for donkeys, and my life expectancy is, say, about 55 years. Not a pretty picture, but that's the reality of labor economics (we know we're simplifying a bit, but that's part of what we do for a living).

(To be complete, there's another factor operating here as well. Most other countries don't protect workers from economic, industrial, and environmental risks the way the United States does. In addition to a general lower cost of living, overseas economies have lower operating costs because they don't have to comply with OSHA, the EPA, minimum wages, and other regulatory requirements that add cost but also improve workers' safety and basic quality of life.)

But the unrecognized biggy is that we in the United States actually don't have enough talented workers to do the jobs that are worth doing! In Our Humble Opinion (there we go), the manufacturing job loss hooaha is a smoke screen. Why do you think all those higher-level jobs, most of which require a college education, are moving away? Because the people who could do them aren't here.

Wake up America (and other industrialized countries)! Our public (and may we humbly also suggest private) educational systems are *not* turning out enough talent to meet the needs of our changing economy. Even a Body as August (ever wonder why we don't say "February?") as the President's Council of Advisors on Science and Technology says so.

Let us help you out here with a little bit of old-model industrial thinking. You need a lot of steel to make a car, or a tractor. If you as a country make less steel even though the demand for cars and tractors is going up (don't ask *us* why that happens). Pretty soon someone who has a lot of steel catches on and starts making cars and tractors because they have the raw materials. Duh! Bingo, bango, you are history, puff, gone.

Well, we believe that well-educated people, and especially those who know how to innovate (hang on, we're getting to that), are the feedstock of the future world of work. And we aren't "making" 'em fast enough. So guess what's going to happen.

In the words of Jeffrey Garten, Dean of the Yale School of Management, "The transfer of service jobs abroad will gather steam for generations." (in "Off Shoring: You Ain't Seen Nothin' Yet," *Business Week*, June 21, 2004, p.28.)

You know, you'd think that our leading politicians who *went* to that school might have learned something.

OK, so our education system sucks because its still churning out good little doobies for the mass market of the rote-learning world of industry. So what's to do? In Our Humble Opinion, (there we go again) you trash it! Blow it up, turn it upside down, inside out. Our hero Joseph Schumpeter would say it's time for "creative destruction" of the old system. You betcha, Marge.

(The nicer way to say that is to point out that the dominant model of education operating in the United States was developed just before and during the Industrial Revolution, when what industry needed was millions of workers who were trained – you might even say brainwashed – to be at their assigned places in the factory when the bell rang, and not to question authority. That's precisely what rote learning approaches produce. And precisely what we have too much of today.)

Besides the obvious need for more emphasis on math, science, and the like, how about courses (and life experiences) on creativity, innovation, collaboration, small-group dynamics, and interpersonal communication? Kind of like a reality show for higher education, or training for real life in the 21st century.

Can't you just see it? "Fear Factor: Learning New Things." Bowls full of gooey, slimy new ideas. Jumping over chasms of uncertainty without the safety net of lifetime employment deals. Wow! Hollywood could go nuts with this.

But, folks, there is more. Yes, our education system needs a major overhaul, and – without too graphic a biological reference – a super spring cleaning. That's part of the rant. The other part is the house that's built on this foundation. We can't say it better than our old friend Dean Garten from the Skull and Bones graveyard:

Workers in the future will need: ".....affordable health insurance that they can take from job to job, pensions that are equally portable, extended unemployment benefits, insurance to guarantee minimum income for periods between jobs, and tax credits or loans for education and training."

Now, we can't help some shameless self-promotion here. We've been saying this for over *two* years even though people still throw vegetables at us. Our job is to stay three to five years ahead of conventional wisdom. Uh, looks like we nailed this one.

Now, back to thoughtful commentary.

Education and public policy reform make sort of a dangerous cocktail – like testosterone and alcohol. But that is it, people. Reform the educational system to meet the new needs of the future, or go the way of the British and Roman Empires.

It's very hard to resist suggesting a parallel to King George IV of England here. *And*, and at the same time, we need to encourage the development of a social capital infrastructure (all those things Dean Garten pointed out, above) to support the new world.

There are a number of local communities we have begun to work with that are actually taking this stuff seriously. We'll keep reporting from the hinterlands on their progress and keep waiting for everyone else to wake up.

As always we invite your comments; and if you are really agitated by our opinions, get off your duff and engage in the debate through our [blog](#) (we've already posted this rant there) and our [Private Forum](#) (the forum bulletin board is for *Future of Work* members only) on the website.

As noted earlier, we are taking August off from this grueling task of voicing our strongly held opinions. We'll recharge ourselves with vast quantities of libations, sunny weather, grilled food, and even a few rounds of hitting little white balls around pastures and into gopher holes. And for a Labor Day treat, our next rant (in the September issue) will take a not-so-tongue-in-cheek look at the myth of retirement in America – seems an appropriate topic for Labor Day reading.

All comments should be directed to comments@thefutureofwork.net. We'd love to publish your reactions.

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This issue of *Future of Work Agenda* was produced by Jim Ware and Charlie Grantham of the Work Design Collaborative, LLC.

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