Essay

Reflections on Job Quality

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When John F. Kennedy was elected president in 1960, one-quarter of American workers wore blue collars, and the occupation "computer programmer" was not recorded in published data. The Labor Department predicted that "requirements for clerical workers…will increase more than average."[1] Only 38 percent of women were in the workforce.[2] The War on Poverty had yet to be declared and the persistence of low-wage jobs was not on the public agenda. The civil rights movement was under way, but equal employment opportunity was not an issue in America's workplaces. The popular book *The Organization Man* captured the notion that jobs, at least for men, were for a lifetime.

Could anyone in 1960 have predicted how different the workplace would be today? Now, over 4 million people are directly employed in what the Department of Labor classifies as computer occupations (and many millions more work with them); manufacturing employment accounted for just over 27 percent of the workforce in 1960 and now is a bit over 8 percent of the workforce; and nearly two-thirds of women are in the labor force. And today, any sense of long-term job security has disappeared.

From today's vantage point, the issue is not simply that the job market has changed—it would be surprising if it had not—but rather that this is a very worrying time. We have emerged from a terrible recession, which generated the highest unemployment rate since 1982, and the recovery has been painfully slow. Earnings for most Americans have stagnated. Employee voice is diminished. The spread of new technologies seems to threaten jobs. The ties between organizations and their workforce become more frayed every day, and we have woken up to the fact that about a quarter of all adults hold poverty-level jobs.

But there is also good news: many jobs are more skilled and more engaging than in the past and new technologies have opened opportunities for more flexible work. In addition, the human resource practices of many employers have improved over recent years. Government has also played a role with protections ranging from pension support to equal employment opportunity for racial minorities, women, LGBT workers, older workers, and those with disabilities. Together, employers and government have improved workplaces for millions of people.

In order to make sense of these changes, we begin by looking at what has happened over the past two decades. A reasonable way to predict the future is to ask about recent trends and tendencies. That said, while the past trajectory is a useful guide to the near- and medium-term future, there are

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limitations. The factors that generated these trends may either diminish or accelerate and a deeper understanding requires that we directly ask about underlying drivers. In addition, human agency is important. We will have choices and just what these are needs to be understood. We therefore turn, after the discussion of the recent past, to a discussion of the deeper drivers of change and our options in dealing with them.

Where Are We Coming from: Recent Trends

In recent surveys, nearly 90 percent of respondents agree that a secure job is needed to be part of the middle class.[3] In addition to the obvious economic hardship, job loss is associated with poorer health, more stress, and less reported happiness.[4] For this reason, we begin by asking about the increasingly tenuous connection between employers and employees. We mentioned *The Organization Man* earlier. That book described a world in which a worker entered at the bottom of a job ladder and steadily climbed it over the course of his career. Workers were committed to their firms, and their employers reciprocated with a comparable commitment. How different that world feels from today when, as Jack Welch once famously put it, "On Friday we are both even." He meant that he felt no commitment to have his employees back on Monday and, not surprisingly, he expected that they felt the same.

If *The Organization Man* is a ghost of the past (with respect to both job security and gender), what has replaced it? A simple way to answer this question is to look at the data regarding job tenure. Tenure is a term for the number of years spent with the same employer. For men between the ages of 45 and 49, 48 percent had 10 or more years of tenure in 2004, and 43 percent in 2014. For women of the same age range, tenure grew from 36 percent to 39 percent. For all workers, the proportion with greater than 10 years of tenure remained steady between 41 and 42 percent.

These figures raise a puzzle: why do we feel that the world is changing under our feet if the data seem to belie this? Part of the answer lies in the experience of the Great Recession, but this is not the whole answer because we also feel that there are long-term shifts at play. Another factor is the disproportionate attention paid to the circumstances of men. But also consider the psychology of it. If we work with a group of people and have always expected to remain with the same employer, and then one day a few are fired, the statistical impact may be small but the psychological impact is huge. Insecurity is, and will continue to be, the new world of work.

The connection between employers and employees has changed in other ways. Today there are many opportunities for independent work, opportunities that were not even imaginable in 1960. Consider, for example, Mechanical Turk or oDesk, web-based services that enable people needing to have work done to connect with freelancers who make themselves available and sometimes bid for the work. This said, data tracking the spread of outsourced and contracted work does not match the more extreme commentaries that we have become a "freelance nation." Independent consultants make up about 10 percent of the workforce, and that proportion has not changed over time. Nor has the incidence of multiple job holding or self-employment shown any long-term increase, and temporary help and similar contracts have held steady at roughly 2 percent of the workforce for a decade.[5]

Voice

The connection between employers and employees can be characterized along another dimension: voice and participation. Employee voice—the opportunity to exercise power and persuasion to represent employee interests—has historically been expressed via unions. In the decades following World War II, unions were strong, and in 1980, just over 21 percent of America's private sector workforce was covered by union contracts. The impact of unions was considerably larger as many nonunion firms imitated union patterns. That has radically changed and today, in the private sector, only about 7 percent of the workforce is covered by a union, and this number seems to be falling.[6]

What has emerged in the place of unions is partly a web of government regulation—ranging from health and safety to pensions to equal employment opportunity—and partly a private sector regime of human resource management. The latter includes firms that have established sophisticated systems to hear employee opinions and to provide a channel for employee grievances. The adequacy of these protections is, not surprisingly, a hotly debated topic.

Compensation

The past several decades have witnessed dramatic changes in compensation and in the overall distribution of income in America. The two most striking developments have been the failure of average compensation to grow for most Americans, and the remarkable gains of people at the very top compared with everyone else. Between 1979 and 2013, real median hourly earnings rose just 0.2 percent annually despite the fact that productivity grew by 65 percent during this period. It was the top 1 percent of earners who benefited most from the increase in productivity: their annual wages grew by nearly 154 percent over this period.[7] In addition, a large number of adults—over a quarter of full-time employees—work in jobs whose wages hover around the poverty line.[8]

Skill and Empowerment

Some workplace trends do point in happier directions. Many employers have reorganized their work systems to devolve responsibility further down the line and hence to make work more interesting and rewarding. In these settings, employees often work in teams and are responsible for customer satisfaction and product quality. Leading-edge employers invest in training and establish human resource management systems that respect employee rights to fairness and equity. In some knowledge-based industries, skilled employees can leverage their human capital and enjoy a broad range of choices and opportunities. Web-based technologies offer some people new opportunities to shape their careers and obtain control and flexibility.

Pressure

Changes in the employment relationship are neither wholly good nor wholly bad news, but what does appear to be unambiguous is that pressures on employees have increased. One manager whom we interviewed for our book, *The Truth about Middle Managers,* spoke of a constant sensation of "the rain pouring in" and this seems like an apt description across the board.[9]

The pressures in the workplace are intensified by changes in family life. When President Kennedy was inaugurated, about a quarter of married women worked, whereas today the figure stands at more than 70 percent.[10] Nearly half of both men and women report that work interferes with their family life,[11] and this will become more problematic as work pressures increase. Adding to the demands on workers is the growing need to care for aging parents. Even today, before the wave of baby boomer retirements and aging, a third of Americans report that they engage in some form of elder care and two-thirds of these people are working.[12]

Drilling Down: Three Occupations

The American job market is huge—nearly 150 million people worked in 2014—and very diverse. The trends we have just described affect everyone, but it is also true that, to some extent, each occupation is its own story. Of course, it is not possible to review every job, but to get a flavor of this variation we have picked three that, taken together, capture the range of work in America: managers (a traditional white-collar job), home health aides (a longstanding low-wage job), and independent contractors and part-time employees (representative of the "new" economy).

Managers

Managers are everywhere—in corporations, small businesses, and governments. The Department of Labor's Occupational Outlook Handbook records just under 2 million "general and operations managers" in 2013 and projects that their numbers will increase at the same pace as the job market as a whole, growing by 12 percent between now and 2022. But the flattening of corporate hierarchies and sharp intensity of competitive pressure have changed the nature of managerial work and will continue to do so.

Whereas in the past managerial work was secure, that era is behind us. During the Great Recession, newspapers were filled with reports of massive white-collar layoffs (e.g., Caterpillar, General Electric, Boeing), and the data support the impression: for the first time, the job loss rates for the college educated rose at a faster rate than the rate for those with only a high school diploma.[13]

The nature of managerial work has also changed. Flattening of corporate hierarchies increases responsibilities but disrupts career ladders and renders future advancement more difficult. Adding to this uncertainty is the increased willingness of organizations to hire outsiders into all levels, as opposed to the older system of promoting from within. Leaner organizations mean the work is spread across fewer people and jobs are more intense, but also more challenging and engaging. The diffusion of cross-functional teams requires a broader range of skills.

Firms have moved away from across-the-board pay increases for managers and toward increasing use of variable compensation. This variability can take the form of company-wide or group profit-sharing, individual performance bonuses, or some combination of the two. Regardless of the specific form it takes, financial risk is shifted from the firm to the employee.

Home Health Aides

In thinking about the trajectory of jobs, it is easy to focus on the new and the hip, from the independent contractors on Mechanical Turk to the analysts on Wall Street. But this overlooks the large low-wage labor force (roughly a quarter of the adult workforce, as noted earlier) that has not shrunk for decades. Absent significant shifts in regulation or opportunities for employee voice, this segment seems unlikely to appreciably shrink in the decades ahead. Low-wage jobs are common in retail, health care, eating and drinking establishments, and hotels, but are also found in traditionally higher-wage sectors such as construction or manufacturing.

A prototypical example is home health aides and personal care assistants, occupations whose numbers will explode as the population ages and whose median pay is about $20,000 a year.[14] For this money, home health aides play a crucial role in caring for older adults and disabled people, and, in fact, it is likely that these workers are more central than anyone else in determining quality of life. The work is physically and psychologically demanding. In most states, these aides get between 40 and 75 hours of training—roughly one to two weeks.

We know that home health aide employment will grow dramatically as the population ages. In addition, efforts to reduce health care costs have led both the federal government and states to prioritize reducing hospital readmissions and to move older adults from nursing homes into home care when possible. Both trends highlight the important work and role of home health aides, yet there is little sign that the quality of their jobs is improving. In the concluding section, when we discuss choices, we will discuss what might alter this state of affairs.

Independent Contractors and Part-Time Employees

As already noted, we are not, popular opinion to the contrary, on a trajectory to become a "freelance nation." However, a substantial number of people do work as independent contractors and the nature of those jobs is changing in important ways. Consider the jobs made possible by the Internet and other technologies, opportunities that no one could have predicted 50 years ago. On Amazon's Mechanical Turk, "employers" post tasks ranging from writing computer code to completing surveys to solving math problems, and people submit bids to do the work. And oDesk and Elance are similar sites for getting structured tasks done. In more traditional settings, independent contractors engage in tasks ranging from report writing to legal services to accounting.

The experience of working in these jobs and the challenges they pose are unique. Two ethnographers carefully followed the experiences of independent contractors in Silicon Valley and found that they were generally satisfied with their situation because they felt free of what they thought of as stultifying corporate bureaucracies. But for some, "the sense of being a second-class citizen was a constant source of anxiety, dissatisfaction, and irritation."[15] In addition, contractors face two sets of pressures: keeping their skills up-to-date and finding work. Meeting both of these challenges means building and relying on a dense network of contacts, as well as relying on online courses and other techniques to stay up-to-date.

Independent contractors work on their own and, as noted, account for about 10 percent of the workforce. Another version of contingent work is found among those, about 2 percent of the workforce, who are employed by temporary agencies. Whereas contractors are overwhelmingly satisfied with their situation, this is clearly not true for agency temps, who consistently tell researchers that they would prefer standard employment.

Part-time work is another important source of "nonstandard" employment. In 2013, 18 percent of employees were part time; 65 percent of these were women.[16] Part-time work shares with contracting a sense that it is "nonstandard." One difference, however, is that many part-time employees work with only one organization, which is very much not the case with independent contractors.

Part-time workers vary in their preferences, with the majority choosing this arrangement (because of family considerations, school attendance, or other similar reasons), but 29 percent of part-time workers are forced into it by the absence of full-time work. It is important to understand that, just as is true for independent contractors, there has been virtually no long-term increase in the percentage of the workforce that is part time, although involuntary part-time employment rose during the recession and has been falling back to near-normal levels in the past few years. However, there is a hint in the data of a modest long-run tendency toward more involuntary part-time work. The evidence for this lies in the distinction within the "economic reasons" category between "part time for slack work" and "part time because no full-time jobs available." The former refers to regular full-time jobs that have been cut back; these numbers are falling with the recovery. The "no full-time work available" category refers to new jobs being created, and these numbers are falling slightly less rapidly than expected.[17] It remains to be seen if the trend continues.

Part-time employment is an excellent solution for many people who want to work but have other commitments that preclude full-time employment. By the same token, involuntary part-time employment is a signal of a labor market failure to provide job seekers with the kind of employment they desire. In both cases, however, part-time work can bring with it a unique set of challenges. High on this list are concerns about scheduling.

For many retail and service workers, firms are increasingly using software to adjust schedules in ways that, while they may make sense from a staffing view, make planning one's life much harder. A representative complaint came from one employee: "... they would call you literally one hour before the shift, and then what do you do? I have also had the experience where I got to work and then they would say, 'I don't need you.'"[18]

Some part-time workers find themselves stitching together two jobs in order to make ends meet. Perhaps contrary to popular impressions, multiple job holding as a percent of the workforce has held steady at just under or just over 5 percent and, in fact, is currently a bit lower than it was 10 years ago. However, among part-time workers, 25 percent hold multiple jobs.[19] This too, is an indication of stress among a subset of part-time workers. Reinforcing this message are IRS data that indicate earnings volatility has been increasing in the long term.[20]

Looking Ahead

Past is prologue but only as a rough guide. The trends we have described set the stage for the decades ahead but much can change. The forces underlying these trends might intensify or diminish. And, very importantly, we must leave room for human agency: for choice. No driver of change, be it technology or globalization, is implacable or leads to any inevitable outcome. We can shape the future by decisions we make now.

Where Will the Jobs Be?

What can we say about where jobs will come from in the years ahead? In asking this question, we also need to recognize our limitations and recall the difficulty of the forecaster from the Kennedy era. For that reason, we will look ahead only a decade or so.

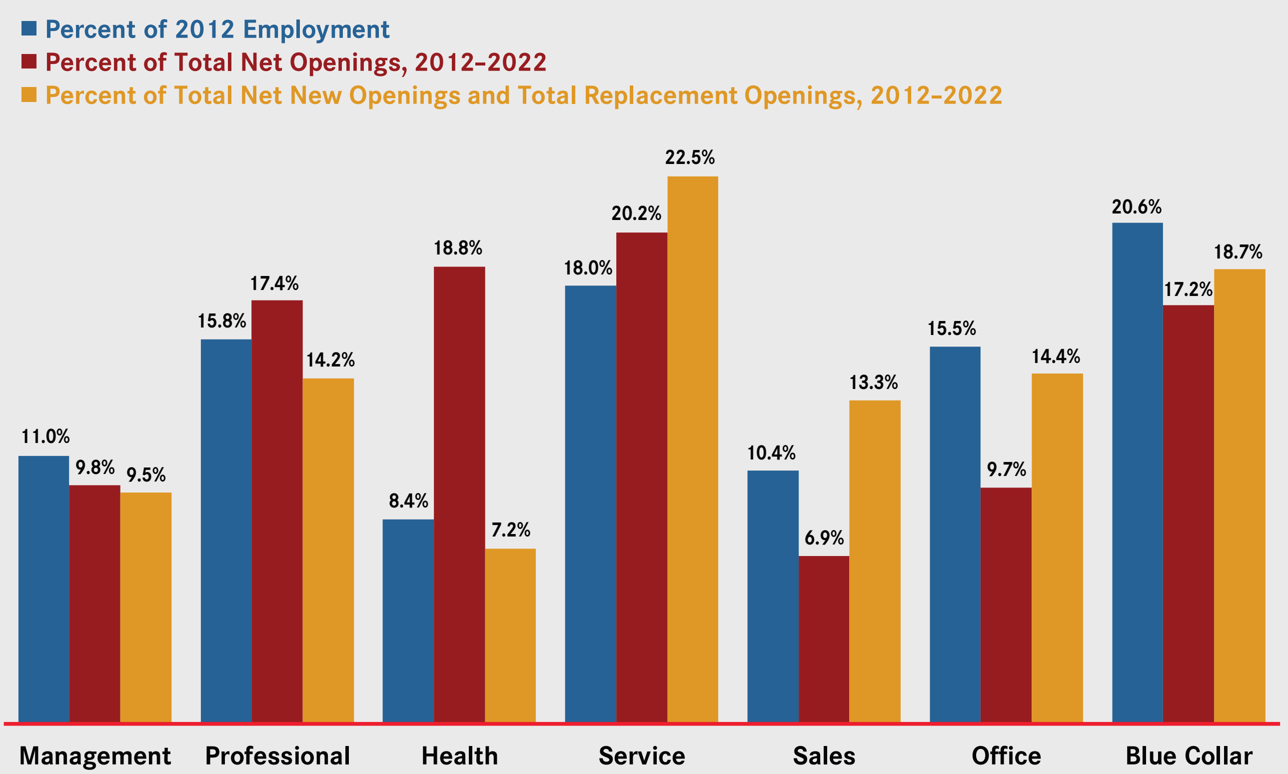
Between now and 2022, the American economy is projected to add just under 16 million new jobs.[21] Two questions can be asked of this projection. First, what will be the distribution of these net new jobs across occupations? Second, what will be the distribution of total job openings across occupations?

The distinction between these questions is often overlooked but is fundamentally important. As the baby boom generation moves out of the labor force, firms will need to replace those workers, resulting in three times more job openings than the number of net new jobs because of these replacement needs. For example, there will be only 75,000 net new production jobs, yet at the same time there will be 1.8 million job openings.

Figure 1 shows the distribution of net new jobs and total job openings and provides a comparison of these figures with the current distribution of jobs.[22] What seems clear is that while the distribution of net new jobs implies some important shifts from the current distribution, these shifts are substantially moderated when replacement hiring is taken into account. If we focus only on net, the conclusion would be that professional, health care, and service jobs will all increase substantially relative to the current base, while sales, office, and blue-collar jobs will fall. However, when replacement openings are taken into account, the final distribution of opportunities looks very much like the occupational distribution that characterizes the labor market today.

The conclusion to draw from this is nuanced. Over a relatively long-run future, we will move away from blue-collar, sales, and office jobs. These trends are easy to understand when we consider (as we will below) the impact of technology and globalization. However, there are two important qualifications to this conclusion. First, even in the long run, the declining occupations will still offer employment. And, more importantly, in the short- to medium-run, due to replacement hiring, these declining occupations will offer employment in roughly the same proportions as they do now. Put differently, change will come—but slowly, with plenty of advance notice and with ample time to adjust.

FIGURE 1
Employment Pattern, 2012–2022



Source: U.S. Bureau of Labor Statistics. (See endnote 21.)

It is important to remember that projections like these are useful, but they are also inherently limited. Consider, as just one of many possible examples, the job of an assembly line worker in an automobile factory. The projections can give us an educated guess about how many of these jobs there will be in the future (both net new jobs and replacement openings), but what will these jobs be like? What skills will be needed? Will the work be secure or precarious? After all, an auto worker job today—working in teams, having an input into production processes, and having a responsibility for quality—is a far different job from that of an auto worker 30 years ago. By the same token, today's auto worker is more likely to risk permanent layoffs and less likely to be protected by a union. So, how is work actually changing? In order to answer this question, we need to understand the deeper forces that are driving change in the job market.

Globalization

Globalization is abstract and harder to see, but it has been unrelenting in pressuring employment. The impact of jobs going abroad runs across the board, from relatively unskilled manufacturing jobs to legal document review. According to one study, data from the U.S. Department of Commerce show that "U.S. multinational corporations, the big brand-name companies that employ a fifth of all American workers…cut their work forces in the U.S. by 2.9 million during the 2000s while increasing employment overseas by 2.4 million."[23]

Whether on balance this is a net positive or negative for America is a different question since we also export products, and cheaper imported products lower our cost of living, hence increasing our purchasing power. This is a debate that we need not enter here, but what is relevant is that many American workers are implicitly competing in a global workforce. This cannot but help to impact the quantity and nature of jobs in this country. Direct evidence of this can be found in recent studies of the impact of Chinese competition on manufacturing employment and wages. Those studies have found that in regions whose industries were exposed to Chinese imports, manufacturing employment fell as did wages and labor force participation while unemployment rose.[24]

Technology

No one doubts that we are in the midst of a wave of technological change. Whereas a few decades ago the shorthand for this wave would have been computers, today it includes the Internet and artificial intelligence (AI). Old businesses have been disrupted and new ones created, and the same is true for jobs. The question is not *whether* this is happening, but rather, what are the implications? Not surprisingly, there is widespread agreement that the impact on work will be broadly felt. But, disconcertingly, the predictions often fall in two warring extremes: rhapsodic and dystopic.

The rhapsodic view is well represented by the comments of senior General Electric executives who, in describing the trajectory of technology, write that "it dramatically augments the power and economic value of the areas where humans excel: creativity, entrepreneurship, and interpersonal abilities…this will bring major improvements to the quality of our lives."[25] Set against this is what might be termed the "end of work" perspective that holds that as computers and AI capacities grow, they will displace an increasing proportion of the workforce to the point that there will simply not be enough jobs for those who seek them. And even if jobs are not eliminated, there remains the question of whether technology will ramp up the skill demands of work so that most of us are not qualified for decent employment.

Computers replace clerks in filing documents. Robots instead of workers pick up items in warehouses. Expert systems instead of doctors diagnose diseases. Do these examples generalize to disaster? The fear that technology will destroy jobs is longstanding. In 1964, President Johnson's ad hoc committee on the Triple Revolution issued a report with a dire warning: "A new era of production has begun… the cybernetic revolution…results in a system of almost unlimited productive capacity which requires progressively less human labor." This, of course, did not come to pass, as the economy continued to produce jobs. Is this time different?

When economists think about this question, they consider three factors: the ability of machines to substitute for labor, the ability of machines to complement labor by increasing the demand for jobs that benefit from new technologies, and the impact on productivity, which in turn reduces prices and generates greater demand for products and, hence, for labor. The question is whether the negatives are stronger or weaker than the positives.

To see that disaster is not inevitable, consider an architect, a doctor, or an electrician. Some elements of each job will be replaced by computers that can quickly produce blueprints, guide surgical tools and offer expert diagnoses, and print circuit boards. But no computer will replace the creativity and problem-solving skills inherent in each occupation, and each architect, doctor, and electrician will be more productive because of computers. We may need fewer of each occupation for any given level of output, but as they become more productive (and higher quality) and as the economy grows, overall demand for each will increase.

The same logic can apply to blue-collar work. To see concretely what this means, consider the example of construction that economist David Autor[26] uses to illustrate the point. Tremendous technical advances have been made in construction: just compare the equipment at a modern building site with what you would see in a poor country. At a modern site, vast amounts of machinery are used, while in the developing country, much is still done by hand. Certainly modern technology has made it possible to do more with fewer people and has also eliminated some jobs, such as jobs of people who only know how to use a shovel. But the demand for construction workers has grown, and this has been driven by two forces: machines need people who know how to run them (this is the complementary effect), and as the price of construction (per unit) goes down, demand increases. In addition, as the economy grows, demand also increases. The bottom line is that rapid technical progress has changed the nature of jobs but not eliminated them.

This story may not hold for every job—consider filing clerks or airline reservation agents—but it is also true that some entirely new, and unforeseen, jobs will emerge. Indeed, computers directly created many new jobs as noted by careful students of the question: "In 2012, 3.5 million people work directly in creating computer infrastructure—software developers, systems analysts, persons who optimize the placement of web-based ads. And many of the 2.4 million people working as financial analysts were in jobs that would not have existed if computers had not made it possible to deliver services at affordable prices."[27]

In short, a more measured and more accurate assessment starts with the observation that, historically, fears that technology will wipe out work have been unfounded and there is no reason to think that today is any different. Computers will certainly replace some jobs and transform others. But they will also create new work and render some occupations more productive and, hence, more in demand. The distribution and content of work will change and we need to understand those changes, but we need not fear them.

How will jobs be transformed by technology? What kinds of skills will be required going forward? A good summary of what is likely to happen is provided by the economists Frank Levy and Richard Murnane:

> *Computers are fast, accurate, and fairly rigid. Human brains are slower, subject to mistakes, and very flexible...human work will increasingly shift toward two kinds of tasks: solving problems for which standard operating procedures do not currently exist, and working with new information—acquiring it, making sense of it, communicating it to others.*[28]

Levy and Murnane provide a good example along these lines. When we call our cable TV company with a complaint, a computer will diagnose the problem and may even be able to fix it remotely, hence reducing the demand for repair workers. But the person at the other end of our phone will need to be able to talk us through the issue, infer where the problem lies, and help us understand what we need to do.

What this means is that our work will increasingly be the kind of nonroutine activities that computers cannot master. Some of these jobs may be low level: making beds in hotels. Others may be complex and high level: performing brain surgery or programming machine tools.

Skill demands will increase, but not explosively. Consider blue-collar manufacturing jobs. The era when a strong back was all that was needed is long past. Manufacturing workplaces are now modern and, it should be noted, frequently clean. Technology will ramp up as, for example, additive manufacturing (so called 3-D printing) diffuses and firms can program machines to produce shapes that would have been prohibitive in the past. But what skills will be needed? Will blue-collar workers need high-level math and computer skills that might put these jobs out of reach without higher levels of education?

Research that looks directly at skill requirements paints a picture of a gradual increase, but not an acceleration, that would put most jobs out of the reach of most people. For example, a recent nationally representative examination of skill requirements for manufacturing employment found that the vast majority of establishments seek community college–level training for their blue-collar workforce.[29] Certainly a strong back no longer suffices, but by the same token, most people should have the capacity to reach the required level. Other surveys of skill demands reach the same conclusion.[30] Importantly, the manufacturing study also found that among the so-called "hard" skills, firms reported that reading skills are as important as math and computer skills.[31] And employers overwhelmingly value the ability to work in teams and interact effectively with fellow employees and managers.

Choices

Before looking at choices more deeply, it is worth beginning with some good news: demography. Not only will millions of openings be created by the retirement of the Baby Boom Generation, but the labor force will also grow considerably more slowly than in the past. Projections call for an increase of just over 5 percent between 2012 and 2022, compared to increases of 7 percent and 13 percent in the two decades before. With a shrinking labor pool and many retirements, firms will face some pressure to improve jobs. Put most starkly, if globalization has enlarged the labor pool with which Americans will need to compete, demographic trends within the country will shrink it. Given that there are, and will continue to be, important reasons to keep work within our borders, this will help create more pathways to improve work.[32]

Older workers in particular should benefit from this demographic trend. However, they suffer from a (mis)perception that skill requirements have accelerated and rendered them obsolete. We saw this during the Great Recession when laid-off older workers had more difficulty finding new jobs than younger workers.[33] Set against this, however, is the massive power of changing demographics. The slowing of workforce growth combined with the threat of a massive retirement wave will lead employers to find ways to retain older workers and take advantage of their deep skill base.

There is other good news: in the long arc of history, America has improved job quality. One hundred years ago, foremen stood outside the factory gates and threw apples to a crowd clamoring for work. Those lucky enough to catch an apple were hired, provided of course that they came from the same ethnic group as the foreman.[34] Today the world of work is better managed and more equitable. Jobs are less back-breaking and more interesting. The quality of work has improved immensely, and perhaps the next 50 years will see comparable steps forward.

The good news notwithstanding, sometimes it seems as if technology and globalization are impersonal, implacable, and unchangeable forces that will shape our working future and about which we can do very little. But this impression is wrong. Certainly all these trends will affect work, but we have options and can still shape the future of work. Choices that employers, governments, and employees make can be consequential.

From the end of World War II through the mid-1980s, the nature of work and the distribution of rewards were shaped by a social contract that rested on three legs. Firms shared the benefits of productivity gains with their workforce. Employees expressed their preferences through unions. Government supported the system with a set of programs, such as unemployment insurance, that were consistent with the organization of work during that period. But this system fell apart for a variety of reasons and is unlikely to be resurrected. The question is whether a new modernized social contract can take its place.

Employers today are under far more intense pressures than in the halcyon days of *The Organization Man*. Back in the day, America was unchallenged in world markets, yet today globalization has opened markets to competitors both low wage (think China, not to mention numerous other nations) and high wage (think Germany). Within the United States, deregulation transformed numerous industries from airlines to the postal service. And, of course, all firms worry about being disrupted, much as Amazon and Netflix and Google have turned the world inside out.

The transformation of the employment relationship has also been driven by changes in the structure of power and accountability confronting firms. During the era of *The Organization Man*, managers pretty much could run the enterprise as they saw best. Financial markets were passive. Today the situation is quite different. The growth of trading in stocks and new financial instruments has provided activist investors with the ammunition to press companies to squeeze every last dollar out of costs and maximize the bottom line. Private equity firms add to this pressure with their threat of buying out firms and restructuring them. Chief executive officers lose their jobs today at a higher rate than in the past.[35] All these pressures flow down, resulting in pressure on employees that has and will continue to increase along multiple dimensions.

Paradoxically set against these considerations are other trends that portend a closer relationship between the organization and its workforce. Over the past few decades, firms have found that when employees are empowered to contribute their ideas and to take responsibility for quality, everyone benefits. These lessons, which began with learning from Japanese automobile production systems, have diffused from manufacturing into services. This has led some employers to invest more deeply in their workforces and to reorganize how they do business in order to give frontline workers a greater role.

Will employers address the core challenges of insecurity and stagnant wages? Will employees have increased opportunities to obtain challenging, interesting work and to learn and grow on their jobs? Put in more grand terms, can we arrive at a new social contract?

Certainly there are some positive signs. So-called "high-road employers" in a range of industries, including traditionally low-wage sectors, have shown that it is possible to improve job quality and grow profits.[36] But while these firms are certainly "proof of concept," they remain isolated examples. What will it take to diffuse these ideas?

From the private sector, we need leadership. Business associations must strengthen their role and take the lead in selling the idea to their members that high-quality jobs are a viable route to success. This means commitment to sharing profits more broadly with the workforce, investing in training, enacting progressive work-family policies, and seeking whenever possible to stabilize employment.

Government, too, has choices. Consider the home health aides whose circumstances we described above. Their training, scope of practice, and compensation is driven by reimbursement policies that are ultimately determined by Medicare and Medicaid. Whether improvements occur will be determined by the role aides play in the delivery system. If they continue to be seen by providers as invisible appendages, little change is likely. If they can be integrated into the care team, then improvement is possible. Throughout the country, many demonstration programs are aimed at showing that well-trained and well-compensated aides can make a real difference in outcomes.

Beyond this example, government can support policies that ease the path to the high road. These policies include deeper commitment to human capital investments that will enable firms to upgrade their work systems. Employment standards, such as wages and hours, and restrictions of practices, such as misclassification of employees as independent contractors, are important. Where possible, government should support and empower industry associations—groupings of firms that share common production and workforce challenges—because these have proven to be effective ways of diffusing new employment practices.

Government and employers are two of the three legs shaping the job market, and employees are the other. Historically, employees have helped shape the job market individually, via their decisions to accept or reject jobs based on their wages and opportunities, and collectively via unions. In the past few decades, with the exception of a few corners such as Silicon Valley or Wall Street, employee voice has been muted both by the weak economy, which serves to restrict choice, and by the erosion of union power.

If the economy picks up, workers again will be able to vote with their feet, and thus pressure firms to improve job quality. An unanswered question, but one with great consequence, is whether new forms of collective voice will also emerge. New forms of employee organization are emerging, particularly in the low-wage sector. In many states, minimum wage laws have been pushed through by new coalitions and in some industries, such as fast food or big-box retailers, innovative employee groups have emerged. Nonetheless, taken as a whole, it is much too soon to know if these organizations can have a national impact. And, it must be added, these emerging organizations are active in the low-wage labor market but do not offer any pressure to improve work quality further up the ladder.

In the end, further progress will occur only if we begin a national dialogue regarding the quality of work, combined with strong leadership from those firms and public officials who understand that choice is possible, and that some choices are better than others. Only time will tell whether this will come to pass but, as noted earlier, the trajectory of our history does suggest reasons to be optimistic.

The views expressed by the author are meant to encourage debate and discussion; they do not necessarily represent official policies of AARP.

1 These data and the quote are from United States Department of Labor, Manpower Administration, "Occupational Employment Patterns for 1960 and 1975," December 1968. Bulletin Number 1599, 12–13. I characterize the categories "operatives, craftsmen/foremen, and nonfarm labor" as blue collar.

2 U.S. Bureau of Labor Statistics, "Women in the Labor Force: A Data Book," Report 1049, May 2014, http://www.bls.gov/cps/wlf-databook-2013.pdf, table 2.

3 See Pew Social and Demographic Trends: http://www.pewsocialtrends.org/2012/08/31/public-says-a-secure-job-is-the-ticket-to-the-middle-class/.

4 See, for example, Cristobal Young, "Losing a Job: The Nonpecuniary Cost of Unemployment in the United States," *Social Forces* 91(2) 2012: 609–34.

5 Annette Bernhardt, "Labor Standards and the Reorganization of Work: Gaps in Data and Research," University of California Berkeley, Institute for Research on Labor and Employment, January 11, 2014.

6 Accessed at: http://www.unionstats.com/.

7 Accessed at: http://www.epi.org/publication/raising-americas-pay/. The top 1 percent figure refers to 1979–2012.

8 In 2013, among adults between the ages of 25 and 64, 21 percent earned an hourly wage that would place a family of three below 125 percent of the poverty line if they worked full time and full year, and 31 percent fell below 150 percent of the standard. A description of the methodology can be found in Paul Osterman and Beth Schulman, *Good Jobs America: Making Work Better for Everyone* (New York: Russell Sage, 2011).

9 Paul Osterman, *The Truth about Middle Managers* (Boston: Harvard Business School Press, 2009).

10 Suzanne Bianchi, "Changing Families, Changing Workplaces," *The Future of Children, Work and Family* 21(2) 2011: 15–36.

11 Scott Schieman, Melissa A. Milkie, and Paul Glavin, "When Work Interferes with Life: Work-Nonwork Interference and the Influence of Work-Related Demands and Resources," *American Sociological Review* 74(6) December 2009: 966–88; see also Ellen Galinsky, Kelly Sakai, and Tyler Wigton, "Workplace Flexibility: From Research to Action," *The Future of Children, Work and Family* 21(2) Fall 2011: 141–61.

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14 See the 2014 *Occupational Outlook Handbook* (http://www.bls.gov/ooh/a-z-index.htm): Health care support occupations are projected to be the fastest-growing major occupational category with 1.1 million new jobs added to the

current level of 5.2 million. More narrowly, there are currently 875,000 home health aides and 1,190,000 personal care assistants. The growth rate for each between 2014 and 2022 is projected to be 47.5 percent, well above the average. Median pay is close to $20,000 per year. In addition, there is a large gray market of aides who are hired directly by families and about which very little is known.

15 Stephen R. Barley and Gideon Kunda, "Contracting: A New Form of Professional Practice," *Academy of Management Perspectives*, February 2006: 49.

16 These data are seasonally adjusted and refer to the month of November 2013.

17 Rob Valletta and Leila Bengali, "What's Behind the Increase in Part-Time Work," Federal Reserve Board of San Francisco Economic Letter, 2013-24, August 26, 2013.

18 Accessed at: http://www.businessinsider.com/employees-cant-stand-this-growing-trend-in-retail-management-2012-1.

19 The figure is calculated by adding together three categories of multiple job holding and dividing by the total number of part-time workers. The three categories are multiple job holders who hold two part-time jobs, who hold one full-time and one part-time job, and those whose hours in one of their jobs are variable. These figures are annual 2013 averages, while the total number of part-time workers is as of November 2013. The source includes several reports from the Bureau of Labor Statistics.

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21 All of the projections in the paragraphs that follow are taken from http://www.bls.gov/emp/ep_table_102.htm (accessed February 9, 2015).

22 The occupational categories in this chart were created by collapsing the standard census classifications. Details are available from the author.

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28 Ibid, 5.

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34 Sanford Jacoby, *Employing Bureaucracy: Managers, Unions, and the Transformation of Work in the 20th Century* (revised edition) (New Jersey: Lawrence Erlbaum, 2014), 13.

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