

# What Will It Take to Close the Executive-Worker Voice Gap?



## Creating a Worker-Executive Forum to Help Close the Voice Gap

To harness the power of worker voice, executives and workers need to learn how to exchange ideas more frequently and more directly. But over the course of the last 40 years, many of the channels that used to connect executives to the frontlines of business have disappeared. The Aspen Institute Business & Society Program (Aspen BSP) convened a working group of scholars, worker advocates, investors, and corporate advisors to explore solutions to this challenge. One solution that emerged was to create a new forum, hosted by Aspen BSP, to cultivate the skills and comfort with direct exchange between frontline workers and senior executives.

Inspired by this idea, Aspen BSP will be designing a pilot experience for workers and executives to imagine more collaborative and reciprocal approaches to business problems. We want to hear from you. If you are interested in learning more or would like to provide input into the design of this pilot, please contact Miguel Padró at miguel.padro@aspeninstitute.org or Felicia Davis at felicia.davis@aspeninstitute.org

Below we present an overview of what will guide us as we create this experience, including:

- 1) A brief history of the worker voice gap
- 2) A vision for a forum
- 3) Principles for the pilot





### A Very Brief History of the Worker Voice Gap

If you worked at Coca-Cola in the 1940s and stopped by the cafeteria at corporate headquarters in Atlanta, you might well find that, in addition to a full meal, you'd be able to get a full hearing. The company's chairman, Harrison Jones, could often be found perched at a table.

"He'd sit there, and people would just be amazed that he would spend so much time with them," recalled his grandson, Harrison Jones II. "He'd spend forty-five minutes with an employee with a problem."

He wasn't the only denizen of the boardroom or C-suite to open his ears this way. Executives like Bill Hewlett of Hewlett-Packard prided themselves on MBWA: management by walking around. "It needs to be frequent, friendly, unfocused and unscheduled—but far from pointless," Hewlett once explained of the practice. "And since its principal aim is to seek out people's thoughts and opinions, it requires good listening."

"When disputes erupted [in the post-War era], a significant share of workers could still exercise their voice."

At General Electric, those running massive factories and those on the assembly line would routinely huddle together to tackle challenges, with solutions flowing naturally from the bottom up. "We'd be given a problem . . . and we'd say, 'Listen, here's what we've been asked to do. How 'bout it?" said Louis Male, who for many years oversaw GE's Schenectady Works. "The first thing you know, this man says, 'We can do this, we can do something else. . . . It was their job, and when it came together it was done and done right."

Not that labor and management always got along in the post-war era; intense conflict was not uncommon. Yet when disputes erupted, a significant share of American workers could still exercise their voice—through their union representatives. In turn, the relationships cultivated during collective bargaining and through the settling of grievances regularly led to other interactions, including forums (some public, some private) where union officials and CEOs would exchange ideas.

"The rule was we could talk in an honest way with no attribution and no going out and talking to the media to win your point—nonconfrontational," recounted Paul O'Neill, the former Treasury secretary, who participated in such a dialogue in the 1980s when he was CEO of Alcoa. "I found it to be . . . fantastic."



"Only 30% of US employees strongly agree that at work, their voices seem to count."

Over the past 40 to 50 years, however, these channels between corporate leaders and those on the front lines—whether formal or informal, direct or mediated by a union—have, by and large, disappeared. One sign of the times: "Undercover Boss," a show in which a senior executive assumes an alias and a fictional back-story so as to get a real glimpse into what's happening at their own company, is now in its 10th season.

A host of reasons are to blame for this deterioration in productive communication. Among them: a steady decline in the unionization rate of private-sector workers, from *more than 20*% in 1980 to *about 6*% today; the *fissuring of work* into layers of temps, contractors and subcontractors; the rise of an ethos by which many corporations have *elevated the interests of shareholders* above those of all other stakeholders, including workers. The costs on both sides have been steep.

Scholars at MIT have identified a substantial "voice gap" among workers—that is, the gap between how much say or influence they feel they ought to have and how much they actually have—on topics such as wages, working conditions and fair treatment. This lack of input has had serious consequences: It is one of the main reasons that, for the vast majority of American workers, pay has long stagnated while health and retirement security have steadily eroded.

Beyond compensation, contribution has also suffered. Only 30% of employees, according to *Gallup*, strongly agree that their manager involves

them in setting their goals at work—a reflection of the fact that their voices are being ignored not only by top executives but, just as critically, by those to whom they report every day. Likewise, only 30% of U.S. employees strongly agree that at work, their opinions seem to count.

When this happens, companies miss out, as well. Gallup has found that if six in 10 employees felt that their opinions matter, rather than just three in 10, organizations would realize a 27% reduction in turnover, a 40% drop in safety-related incidents and a 12% increase in productivity. (Research from around the world confirms that when workers have more of a voice, engagement, retention and innovation rise. Crises may also be averted.)

In the end, it is clear that enhancing worker voice should lead to gains for both labor and management. It can, *in the words* of the Federal Reserve Bank of Boston, "help companies to solve problems and build success" and "workers themselves to build their careers."





### **Our Vision**

To help close the voice gap, a cultural intervention is necessary—one that normalizes consistent engagement among workers and executives. We propose a Worker-Executive Forum for C-suite officers and board members to listen to and trade ideas with hourly workers about issues that directly impact workers and business.

The forum aims to be a safe space for participants to learn together, take risks and develop new skills. It is not intended to be a negotiation or a debate. Because the internal power dynamics at companies make open exchange between workers and executives especially fraught for many workers, the forum will bring workers and executives together from different companies, on equal footing.

While we are under no illusions about the inherent limitations of any such exchange, we believe that ongoing and honest dialogue that cuts across status and power is a skill to be cultivated. Building this skill—and comfort with it—can empower workers with greater voice and support more equitable, higher-quality jobs, while enhancing corporate decision-making and accountability.

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What's more, the Forum, over time, may offer a prototype for worker-executive dialogue that business schools and other institutions can study and replicate for the benefit of up-and-coming executives.





## **Guiding Principles**

We will address the power imbalance between workers and executives.

Executives wield more power than hourly workers, the Forum will explicitly recognize this dynamic and ensure that all participants are equally valued. Everyone should contribute, and everyone should learn.

In a larger context, giving workers more voice on the job invariably means giving them more power. By definition, this means that management has to give up a certain measure of control. We won't dance around this reality.

#### The Forum should be a complement to, not a replacement for, collective bargaining.

The best way to ensure that workers have a voice on the job is for them to act collectively. The Forum isn't in any way meant to serve as a replacement for union organizing or negotiating, or for any of the myriad *system reforms* that have been proposed to increase worker voice and power.

#### The Forum should be outcome focused.

Forum participants should learn something and, ultimately, take what they've learned and turn it into action in the workplace.

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#### We will be selective in choosing participants.

In order to create a safe space to exchange ideas, the front-line workers who are part of the Forum will come from different companies than those the executives and directors lead, yet with common characteristics—for example, the preponderance of low-wage jobs, level of union density and susceptibility to technological disruption. Unions and other worker advocacy organizations can help identify and nominate workers who could make a valuable contribution to the Forum.

As for executives and directors, our aim is to recruit those who are not only open-minded and willing to listen and learn but who also have a chance to take what they learn and share it with their peers throughout corporate America. To that end, we should reach out to leaders engaged with the Business Roundtable, the Chamber of Commerce and other such groups. We might also look for executives who advise or hold other positions at major business schools.



#### We will ask participants to prepare in advance.

In advance of the Forum, the hourly workers could be coached on how to be most effective when engaging with executives and directors like the training received by those on the "mirror board" at Toys "R" Us.

The executives and directors, for their part, will be fully briefed on the ethos of the Forum, including the expectation that they will listen as much as they speak.

#### We will aim to create a space where every participant feels respected.

If the Forum is going to have an impact, difficult conversations will likely emerge. But these will only be fruitful if we create a space where every participant feels respected.

To help, the Forum will adhere to the *Chatham House Rule* and consider professional facilitation from an entity like the *Federal Mediation and Conciliation Service* to guide the Forum.

#### The experience should occur over several engagements.

It will take time for Forum participants to build trust. To participate, executives and workers must agree to sign on for at least a year and commit to sticking with their cohort.

#### The experience should be rooted in real-world issues.

Our conversations should be relatable for our participants. One tool to help accomplish this could be a series of case studies that will serve as a springboard to conversation.

These cases will be used to illustrate moments—both historical and recent—when increasing worker voice and facilitating labor-management partnership has benefited business performance, worker well-being and social welfare.

#### Acknowledgements

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<sup>\*</sup>Participation in this working group does not reflect an endorsement of this pilot by the organizations listed.