



Models for Shared Prosperity in the Future of Work

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**Author: Nerjada Maksutaj, MBA 2020
Haas School of Business**

Faculty Sponsor: Faris Natour

Human Rights and Business Initiative (HRBI)
University of California, Berkeley

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Human Rights and Business Initiative, Human Rights Center, 2224 Piedmont Avenue, Berkeley, CA 94720
Telephone: 510.642.0965 | Email: hrc@berkeley.edu | www.humanrights.berkeley.edu
medium.com/humanrightscenter |  [@HRCBerkeley](https://twitter.com/HRCBerkeley)

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ABSTRACT

From U.S. presidential candidates to some of the world’s leading business institutions, the “Future of Work” has become a mainstream business topic centered on the premise that artificial intelligence (AI), automation, and other advanced technologies will replace human activities, eliminate jobs, reshape entire occupations and fields, and change the nature of work itself. Theories of skill-biased technological change highlight how even in a future where technology drives the creation of new tasks, demand will be disproportionately boosted for high-skilled labor. Our economy is facing both a skills gap and an opportunity gap where low-wage workers are not afforded opportunities for upward mobility due to barriers such as degree inflation or bias. This paper explores the responsibility of the private sector to proactively put workers at the center of their Future of Work strategies and use the best of technology innovation to shape a more positive future for workers and communities. Leaning on global frameworks like the UN Guiding Principles on Business and Human Rights and the UN's Sustainable Development Goals can serve useful while designing new future of work strategies and forging cross-sector partnerships. This study outlines examples of collaborative business models and new technology innovations which have centered on shared prosperity. In the midst of the COVID-19 pandemic, the challenges facing business and workers have been exacerbated and have revealed the systemic vulnerabilities which were in place. Recognizing our collective responsibility towards workers and communities is more important now than ever.

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METHODOLOGY

This research initiative was the result of extensive literature review related to the Future of Work, in addition to primary research through interviews ranging across

private sector collaborations, technology leaders, consulting, workforce advocacy groups, public policy, and gig workers.

LABOR MARKET FORCES COLLIDING WITH DIGITAL TRANSFORMATION

With the advent of digital transformation and what has been termed the Fourth Industrial Revolution, the topic of the “Future of Work” has dominated the business arena. While technological innovations have progressed on the premise of improved productivity and business efficiency, perspectives on the effect that technological advances have on labor markets and workers themselves have dramatically varied. Doomsday scenarios have been presented, forecasting widespread elimination of jobs as a result of artificial intelligence (AI) and other advanced technologies. More optimistic framings highlight how technological innovation will contribute to net positive job creation.

While it’s impossible to surely know what to expect, it’s certainly worthwhile to do some scenario planning and imagine what the world would look like in a range of possible futures. We are facing two driving uncertainties: the rate at which existing jobs are going away and the rate at which new jobs are created. However, even in the most positive of futures, we realize that technological progress will have

redistributive effects across the economy. It is highly unlikely that the same person losing his or her job will be the one to be hired for new roles created. This can be explained by the concept of skills-biased technological change, whereby technological advancement disproportionately benefits individuals with higher levels of traditional schooling. According to an Acemoglu and Restrepo study on automation and new skills, over the last 30 years there have been stronger displacement than reinstatement effects. “These patterns hint at an acceleration of automation and a deceleration in the creation of new tasks.”¹ As followed by their study on unpacking skill bias, a task-level perspective suggests that, “the primary reason for the increase in the skill premium (and the decline in the real wages of less skilled workers) has been rapid automation that has replaced tasks previously performed by less skilled workers.”²

The U.S. labor market for decades now has been experiencing wage stagnation, an outcome of the collision of globalization, high-tech automation, and labor-market concentration.³ According to the Brookings’s

¹ Acemoglu, et al. “Automation and New Tasks: How Technology Displaces and Reinstates Labor.” *NBER*, 21 Mar. 2019, www.nber.org/papers/w25684.

² Acemoglu, et al. “Unpacking Skill Bias: Automation and New Tasks.” *NBER*, 17 Jan. 2020, www.nber.org/papers/w26681.

³ Efraim Benmelech, Harold L. Stuart Professor of Finance, and Guthrie Center for Real Estate Research. “What’s Causing Wage Stagnation in America?” Kellogg Insight, insight.kellogg.northwestern.edu/article/wage-stagnation-in-america.

Institute, “an estimated 53 million people—44 percent of all U.S. workers ages 18–64—are low-wage workers. Their median hourly wage is \$10.22, and their median annual earnings are \$17,950.”⁴ Workers who earn low wages are also the most likely to frequently switch occupations, though they tend to cycle between low-wage jobs. What’s more is that we’ve seen a dwindling of middle skilled jobs, as technologies have increased demand for high-skilled labor, and degree inflation has created artificial barriers to higher wage work. If providing individuals with decent work and economic growth translates into wage gain and opportunities for upward mobility, then we have a number of issues. Firstly, there is a *skills gap*, where large portions of the population won’t have the skills to meet the demand of new roles. A broader issue is also the *opportunity gap*, representing the inability of individuals who do have valuable skills to access the job market due factors including degree inflation, structural barriers, and bias. Opportunity at Work has identified 71 million STARS in the U.S. talent pool. These individuals, which have been “Skilled Through Alternative Routes,” have the skills to engage in higher wage work but are limited to low-wage opportunities.⁵

Beyond the issue of job creation and more effective skills matching is also the quality of

jobs available. Are we seeing an erosion of “good jobs?” What even qualifies as a good job and how can technological progress actually reinforce quality job standards and meaningful work? “New technologies are likely to have significant effects on the quality of existing and new jobs (wages, benefits, hours, the employment relationship, worker voice) as well as the distribution of jobs (by race, gender, immigrations status, education level, geography).”⁶ So much of the Future of Work conversation is dominated by the needs of employers and the economy, with limited focus on workers themselves.

We have the ability to steer business model innovation and new technologies towards a future that can center on the outcomes to workers as much as it does on outcomes for business. We must consider what is the responsibility of the private-sector to empower workers, create access to new labor markets, advance labor and human rights protections, and promote human-centered economies in the digital age. How might private-sector collaboration play a critical role in not only mitigating the worst impacts of AI and automation on workers, but also generating new opportunities and more equitable outcomes for workers?

⁴ Escobari, Marcela, et al. “Realism about Reskilling.” Brookings, Brookings, 3 Dec. 2019, www.brookings.edu/research/realism-about-reskilling.

⁵ Accenture, “Reach for the STARS: The Potential of America’s Untapped Talent Pool.” Opportunity at Work, opportunityatwork.org/stars-report/.

⁶ Bernhardt, Annette. “Little Hoover Commission Testimony on New Technologies and the Future of Work in California .” Center for Labor Research and Education, 29 Aug. 2019, laborcenter.berkeley.edu/little-hoover-commission-testimony-new-technologies/.

GUIDING PRINCIPLES FOR THE FUTURE OF WORK

Under the UN Guiding Principles on Business and Human Rights, companies have the responsibility to avoid causing or contributing to adverse human rights impacts through their own activities and address such impacts when they occur.⁷ Applying a human rights lens can help companies in managing a future of work that is fair, accountable, and more human-centered. Yet moving from principles towards practice can be a challenge, especially when technological progress is outpacing changes in corporate governance and responsibility. Professor Anton Korinek argues that, “we as a society have the power to confront the challenges posed by our technological possibilities and, through individual and collective action, actively steer the path of technological progress in AI so as to shape the future that we want to live in.”⁸ The direction of this technological progress as such is not a given, and something that can be thoughtfully steered through responsible business, supported by innovative public policy. Already across the European Union the UN Guiding Principles have been moving from soft law into hard law, with

regulations reflecting broad principles related to human rights due diligence in supply chains.⁹ As we’ve seen regulations evolve around supply chain risks, we are likely to see similar hardening of regulation on topics related to the future of work.

The UN’s Sustainable Development Goals (SDGs) provide another unifying framework for a multitude of stakeholders to make progress towards global goals related to Quality Education and Decent Work and Economic Growth.¹⁰ In overlaying these frameworks, we see how companies must mitigate the risks that technologies like AI pose to worker livelihoods and dignity, while simultaneously leveraging innovations in business models and technology to promote advancements towards shared prosperity in the future of work. Doing so is not simply good for workers but should intrinsically be understood as essential for business.

Human rights responsibility has very much moved into the mainstream, it is no longer just impact investors and nonprofit advocates discussing the issue, but now also

⁷ “UN Guiding Principles.” *Business & Human Rights Resource Centre*, www.business-humanrights.org/en/un-guiding-principles.

⁸ Korinek, Anton. “Integrating Ethical Values and Economic Value to Steer Progress in Artificial Intelligence.” *NBER*, 1 Aug. 2019, www.nber.org/papers/w26130.

⁹ “EU Commission Releases Study on Options for Regulating Due Diligence.” *Business & Human Rights Resource Centre*, 25 Feb. 2020, www.business-humanrights.org/en/eu-commission-releases-study-on-options-for-regulating-due-diligence.

¹⁰ “Sustainable Development Goals.” *United Nations*, sustainabledevelopment.un.org/?menu=1300.

leading business institutions. In August of 2019, the US Business Roundtable released a new Statement on the Purpose of the Corporation signed by 181 CEOs, committing to lead their companies for the benefit of all stakeholders, customers, employees, suppliers, communities, and shareholders. Jamie Dimon, Chairman and CEO of JPMorgan Chase & Co. and Chairman of Business Roundtable shared that, “major employers are investing in their workers and communities because they

know it is the only way to be successful over the long term.”¹¹ This announcement came about as a renewed push towards “stakeholder capitalism” emerged, even featuring as a major theme at Davos 2020. While shifting away from the shareholder-primacy paradigm is certainly easier said than done, these public commitments might pave the way for corporations to shift their practices to be accountable towards all of their stakeholders.

¹¹ “Business Roundtable Redefines the Purpose of a Corporation to Promote ‘An Economy That Serves All Americans’”. *Business Roundtable*, 19 Aug. 2019, [businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans](https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans).

ADDRESSING MARKET FAILURES: COLLABORATIVE MODELS

While this shift in corporate governance only begins to take place, we must recognize the market failures that exist as a result of today's dominant shareholder model. The rapid digitalization of industries and disruption to the workforce is revealing a market failure, where individual companies lack the incentive to invest in areas such as workforce development or portable benefits where the private returns (i.e., returns to shareholders) may be lower than the social returns. Collaborative models have been a growing approach for addressing such market failure. The below include collaborative models which have centered on worker welfare and shared prosperity. These models reflect localized upskilling collaboratives such as Toyota's FAME advanced manufacturing program, efforts by platform businesses like Salesforce to catalyze workforce development across its

ecosystem, and worker inclusion at the board level by companies like Toys R' Us.

Localized Upskilling Collaboratives

Collaboration models have been critical across upskilling efforts, though deemed most effective when executed at the local level then thoughtfully scaled across regions. "The Obama administration and industry worked together to create a national network of Manufacturing Innovation Institutes that are strengthening America's leadership in technologies such as 3D printing, photonics, lightweight metals, and flexible electronics."¹² The Federation for Advanced Manufacturing Education program (FAME), a skills consortium created by Toyota is an example of such a collaboration.

FAME - An Advanced Manufacturing Skills Collaborative¹³

Toyota's principle of "respect for people" has shaped the organization's high orientation on people, emphasizing continual learning and training beyond the point of hiring. Since the 1980's Toyota realized that they lacked access to multi-skilled workers in the US and put into place a Pre-Hire program which would provide production applicants with training that could redirect them to higher skilled roles within the company. This program evolved by the early 2000's to extend outreach to student candidates, initially through community colleges. In the

¹² JFF Staff and Tom Kalil, "A Moonshot to Address Wage Stagnation." Getting Smart, 2 Oct. 2018, www.gettingsmart.com/2018/10/a-moonshot-to-address-wage-stagnation/.

¹³ Interview: Dennis Dio Parker, Developer of FAME, Toyota, 13 Mar. 2020.

following decade, what is now known as FAME emerged as Toyota experimented with a local collaborative model where a collection of employers in Kentucky acted as one organization, recruiting together for the coalition from local high schools. Students would partake in a Co-op (on the job training program for 3 days of the week), while earning their associate's degree (2 days of the week).

Student Value Proposition: FAME represents an earn-and-learn model that also included comprehensive development in soft skills and lean manufacturing principles. Upon graduation students would transition into internship and permanent roles with employers in the collaborative, with an average first year salary of \$50-75k. Students also graduated debt free, as the funding model ensured that students were sponsored by employers. The Co-op wage was calculated to include sufficient earnings to cover tuition and living expenses. With this debt burden eliminated, students also had the opportunity to pursue continued education pathways.

Employer Value Proposition: Employers were struggling to fill the local skills gap and were not satisfied with the technical readiness of previous applicants. With the FAME program, the employers "owned" the program rather than colleges, giving them more control on the process and outcomes. This served as a continual flow of "global best" talent, providing a talent advantage in a competitive marketplace. By participating in a collaborative model, employers essentially shared risk, contributions to students and colleges, and recruitment efforts—ultimately reducing overall costs while raising talent outcomes.

College Value Proposition: While full-time, on-time graduation rates for community colleges may have been 5-20% on average, the FAME AMT program was producing an average graduation rate of 85% across chapters, even with a more rigorous program. With actual student achievement being dramatically better through FAME, all types of colleges began competing for the program. Employers also collectively supported grant requests for the colleges to run the FAME program.

The multi-stakeholder outcomes demonstrated from the initial model served as a "pull mechanism" to other localities, gaining support also from economic development organizations and government at both state and local levels. What started off as one local initiative has now spread to 35 active chapters, with nearly 400 partner companies across 13 states. As Dennis Dio Parker, Developer of FAME shared, "FAME demonstrates that entities across the private and public sectors can work together very effectively, in highly coordinated ways to reach new levels of performance that impact individuals, communities, and entire economies." In late 2019, Toyota announced a transition of the operation and stewardship of

FAME to the Manufacturing Institute, the workforce and education partner of the National Association of Manufacturers.¹⁴

Platform Businesses Catalyzing Ecosystems

In the case of platform businesses, particularly where the business model is business-to-business (B2B), there is an elevated incentive to build up relevant skills across the workforce. These businesses have a competitive advantage in building up an entire ecosystem throughout their value

chain which can support the technology or service they are providing. Salesforce is a prime example of such a business model, with the Salesforce economy projected to create 4.2 million net-new jobs between 2019-2024, with jobs on average paying at least \$70k per year.¹⁵ Salesforce is training administrators, developers, business analysts, and many more with its free online training platform, Trailhead.

Salesforce - Trailhead¹⁶

Salesforce originally leveraged Trailhead as an internal training tool for their own employees to help navigate the ever growing number of Salesforce apps, preparing them for a range of tech, business, and soft skills. Trailhead essentially became an inside-out innovation, which was then extended to customers and ultimately opened to the public as a free resource for anyone interested in pursuing a career in the Salesforce ecosystem.

The gamified training platform allows learners to pursue Trails, guided learning paths through modules and projects, gather badges that reflect the skills they have gained, and even prepare learners for globally recognized Salesforce certifications. The platform also helps learners join the Trailblazer Community which provides mentorship and access to job opportunities across the ecosystem.

In 2019, Salesforce launched a corporate learning extension called myTrailhead, which made the fundamental architecture of pedagogy available for customers to customize content for their own employees to be reskilled.¹⁷ myTrailhead is described as a Learning Experience Platform (LXP). It differs from a Learning Management System (LMS) with its learner-centric model, oriented on customized content and individual career pathways compared to traditional mandated training or compliance. myTrailhead is working to create a culture of continuous learning across organizations.

¹⁴ "Toyota Transitions National Apprenticeship Program to The Manufacturing Institute." *Toyota USA Newsroom*, 10 Sept. 2019, pressroom.toyota.com/toyota-transitions-national-apprenticeship-program-to-the-manufacturing-institute/.

¹⁵ Lande, Kristine. "The Salesforce Economy Is Booming - Get the Skills That Thrill with Trailhead!" *Medium, The Trailblazer*, 22 Apr. 2020, medium.com/trailhead/skill-up-for-booming-salesforce-economy-with-trailhead-888d6f938a5d.

¹⁶ "The Fun Way to Learn." *Trailhead*, trailhead.salesforce.com/.

¹⁷ "myTrailhead: Frequently Asked Questions (FAQ)." *Salesforce*, www.salesforce.com/products/mytrailhead/faq/.

As new content for in-demand skills is created across sectors, myTrailhead has the potential to democratize training for skills beyond those which are relevant for the Salesforce ecosystem. Perhaps this is another opportunity for industry wide collaborations to co-invest in content development that would support much needed upskilling and reskilling.

The California Future of Work Commission in a recent brainstorm recommended that we, “harness California’s largest employers and technology companies as catalysts to create pathways to quality jobs.” They proposed that, “partners should collaborate on a ‘moonshot-for-the-middle-class,’ through actions such as training workers for quality jobs in their sector (e.g., as software administrators), supporting skills-based hiring, providing real-time labor market information, and experimenting with scalable mechanisms to finance workforce development.”¹⁸ Indeed, as we’ve seen with Salesforce, employers across the technology industry have the potential to catalyze their ecosystems, and to make such a moonshot-for-the-middle-class a reality.

Worker Inclusion at the Board Level (Co-determination)

Most often, decisions around business models and integration of technologies into the very nature of our work are not being shared by all stakeholders involved. Ritse Erumi, Technology Fellow at the Ford Foundation emphasized the need to center on workers. She shared that the tech industry has thought a lot about human

centered design on the customer side. She asks, “what if we were to center on workers as key stakeholders, users in a design process where we bring them into a space where we are collaborating? What would that look like? What are the power dynamics there? In what ways are we designing for a future we are all aspiring towards?”¹⁹

European models of co-determination, where worker representatives participate on corporate boards are increasingly being considered in the United States. “In large German companies of 2,000 or more employees, half of supervisory board members are elected by workers, with the other half and the chair elected by shareholders.”²⁰ This type of corporate governance model creates an opportunity for workers to collaborate in strategic decision making, and enacts a realized form of stakeholder capitalism. One-third of U.S. Senate Democrats have recently supported proposed legislation around corporations shifting to co-determination.²¹ Companies such as Toys ‘R’ Us have even created a Mirror Board of their own, in order to elevate worker voices as the company revives itself.

¹⁸ “California Future of Work Commission: Draft Recommendations.” *California Labor & Workforce Development Agency*, 12 Mar. 2020. <https://www.labor.ca.gov/wp-content/uploads/2020/03/CA-FOW-Working-Draft-frame-and-architecture-for-recommendations-Mar-12.pdf>

¹⁹ Interview: Ritse Erumi, Technology Fellow, Ford Foundation, 3 Apr. 2020.

²⁰ Matthews, Dylan. “Workers Don’t Have Much Say in Corporations. Why Not Give Them Seats on the Board?” *Vox*, 6 Apr. 2018, www.vox.com/2018/4/6/17086720/poll-corporate-board-democracy-worker-council-codetermination-union-labor.

²¹ Tyler, George. “The Codetermination Difference.” *The American Prospect*, 10 Jan. 2019, prospect.org/labor/codetermination-difference/.

Toys 'R' Us - Mirror Board

After the 2018 private equity liquidation of Toys 'R' Us, nearly 33,000 people were laid off without any severance pay. In partnership with United for Respect, former employees advocated for and won a historic \$20 million financial assistance fund. Under new ownership by parent company Tru Kids Inc., Toys 'R' Us recently opened two store locations as part of its brand renewal. Former workers were rehired, and United for Respect's Principles for Good Jobs were applied, including, "paying a living wage of at least \$15 an hour; maintaining predictable and stable schedules; offering severance protection, affordable health coverage, and paid family leave; and putting one or more employee on the board."²²

Initially proposed as a "shadow" board, employees advocated for a "mirror board" to be given the reporting and corporate transparency afforded to full board members. Since its inception in November 2019, the TRU mirror board has already provided counsel on new store layouts and successfully advocated for the \$15 minimum wage to also apply to part-time workers. The mirror board intends to continue growing their lines of communication with workers just joining to ensure they are able to best represent their needs at the board level.

²² Wartzman, Rick. "How a Few Former Toys 'R' Us Employees Are Helping Lead the Brand's Comeback and Putting Workers First.", *Fast Company*, 13 Nov. 2019, www.fastcompany.com/90429425/how-a-few-former-toys-r-us-employees-are-leading-the-brands-comeback-and-putting-workers-first?partner=rss&utm_source=rss&utm_medium=feed&utm_campaign=rss+fastcompany&utm_content=rss?cid.

TECHNOLOGIES DESIGNED WITH WORKERS IN MIND

Technology solutions, particularly among startups, have increasingly been designed with the needs of workers in mind. The following sections include examples of technologies and companies which are solving for the skills gap, opportunity gap, and overall job quality and worker well-being.

Solving for the Skills Gap

Over the last decade, upskilling platforms have proliferated in the form of MOOCs (massively open online courses). While the initial premise of platforms such as Coursera or Udacity was to offer accessible online education and micro-credentials as alternative paths to traditional education, the predominant user base has actually been higher earning professionals seeking a career shift. MOOCs have also struggled with learner engagement and course completion more broadly, particularly for those learners which do not hold a four year college degree. A 2015 study conducted by Coursera alongside the University of Pennsylvania and University of Washington revealed that nearly 78% of Coursera users held a four year college degree or higher.²³ Those learners that could most benefit from upskilling often have additional barriers

such as working multiple low-wage jobs or juggling child care. With little market recognition for MOOCs, the incentive structure simply may not be there. Platforms such as **Trailhead** might address some of the downsides of MOOCs, with companies in the Salesforce ecosystem placing higher value and trust in this company sponsored alternative credential. With increased potential to see their time commitment convert to realized wage gain, workers might also be more likely to pursue upskilling in tools such as Trailhead.

While the majority of upskilling efforts have been oriented on worker skills, **Hope Street Group's Skilling America** program takes a new approach of upskilling workforce development professionals. Their e-learning platform focuses on, "training professionals on tools, technology, data, and methods to help individuals with limited access to opportunity gain advancement and sustainable wages."²⁴ So much of upskilling is facilitated through community colleges, workforce development nonprofits, or public entities, but these professionals struggle to demonstrate outcomes to employers. Skilling America especially focuses on training these professionals on how to advance cross-sector partnerships

²³ Coursera. "Coursera Impact Revealed: Learner Outcomes in Open Online Courses." *LinkedIn SlideShare*, 21 Sept. 2015, www.slideshare.net/Coursera/coursera-impact-revealed-learner-outcomes-in-open-online-courses.

²⁴ *Skilling America*, www.skillingamerica.org/.

with workers at the center. Dedicating resources to such train-the-trainer programs and technologies is just as important as efforts in directly upskilling workers themselves.

Solving for the Opportunity Gap

While upskilling solutions address a portion of the problem, the opportunity gap remains. An increasing number of technology startups are now working on providing solutions that better facilitate competency based hiring and minimize bias while hiring.

Triplebyte is a company that enables competency based hiring in the technology sector.²⁵ Applicants complete a quiz relevant to their career track in addition to a Triplebyte interview. Once they've passed, they can skip straight to final interviews with top tech companies. Companies like Triplebyte are beginning to provide a shift in mindset where skills or competency-based hiring can become the established practice. Such platforms might provide STARs, who have the skills but no degree, the opportunity to be considered for the types of roles they already can be successful in.

Checkr is a background check company focused on improving fairness in hiring, connecting companies with more diverse pools of talent.²⁶ Leveraging AI technology, Checkr is able to support more efficient hiring, while reducing the barrier for applicants which have employment struggles due to a prior criminal record. Their language processing algorithm

(Charge Classifier) standardizes reporting on charge data, such as when charges have been classified as "dismissed," in order to make the adjudication process fairer and more efficient.

Solving for Job Quality and Worker Well-being

Tech solutions are also being leveraged to facilitate new models for portable benefits across the gig economy or even to give workers insights from their own data that could improve their job quality.

Alia, launched by the National Domestic Workers Alliance Labs, is a fintech platform that helps domestic workers access benefits.²⁷ Domestic workers are low-wage workers who typically work for multiple clients, which is a barrier to traditional benefits which are tied to a single full-time employer. Alia serves as an intermediary between domestic workers, their clients, and partner insurance providers. The platform facilitates multiple clients contributing proportionally to their engagements to a worker's account and allows workers to access their aggregated Paid Time Off. With the rise of the gig economy and project based work, Alia serves as a model for "portable benefits," where benefit contributions are attached to a worker and not a job. While Alia's contributions are voluntary, successful scaling of such solutions in the private sector might provide the evidence base for more formalized public policy related to portable benefits.

Driver's Seat, founded by former low-wage workers and worker organizers, is a startup

²⁵ Triplebyte. <https://triplebyte.com/>.

²⁶ Checkr. <https://checkr.com/>.

²⁷ "Alia." *NDWA Labs*, www.ndwalabs.org/alia.

which supports ride-hail drivers in aggregating and capturing value from their data.²⁸ The concept of data monetization has been central to new business models in the age of digitalization, but has rarely been extended to the benefit of workers or consumers themselves. In the case of ride-sharing platforms, a massive amount of data is collected in order for the platform itself to

extract maximum profits, though drivers themselves have no visibility into how these insights might help them. Driver's Seat is a driver-owned cooperative which pools and analyzes driving data to share insights with drivers on how to optimize their own earnings (e.g., matching the best times to drive with their personal schedules).²⁹

²⁸ Korberg, Rachel. "Reinventing the Relationship between Workers and Tech." *TechCrunch*, 2 Dec. 2019, techcrunch.com/2019/12/02/reinventing-the-relationship-between-workers-and-tech/.

²⁹ *Driver's Seat Cooperative*, www.driversseat.co/.

TRENDS INTERSECTING WITH THE FUTURE OF WORKERS

Any conversation around the Future of Work must also take into account the global trends which are intertwined with the livelihoods of workers and our economies at large. Pandemics such as the current COVID-19 crisis and climate change are both critical factors as we make progress towards a more prosperous and equitable future for workers.

Pandemics

The COVID-19 crisis has simply revealed the market failures that workers were systemically vulnerable to, whether a lack of a social safety net or loss of benefits along with work during a time of unprecedented rapid unemployment. According to a study by the Federal Reserve, the average American cannot afford more than a \$400 unexpected expense.³⁰ Government stimulus checks and the extension of Pandemic Assistance Unemployment, which now also allows gig workers and independent contractors to receive unemployment benefits, are examples of stop gaps that were necessary to keep workers afloat. In a recent op-ed, Maria

Flynn, Jobs for the Future President & CEO, discusses how it's time to fix the "first out, last in" problem.³¹ Across former recessions, it has been those who first lost their jobs that were last to be hired during the recovery.

The opportunity gap is again exacerbated, as those with relevant skills lacking degrees or formal credentials will have the toughest time re-entering the job market. Organizations like **Opportunity@Work** are bringing together employers, training providers, entrepreneurs, and other advocates to collaborate in bridging the opportunity gap for STARS.³² Their Opportunity Marketplace is an online marketplace connecting employers and training providers in order to speed up the hiring process for STARS. While efforts in skill-based hiring are critical after such a crisis, Maria also points out the importance of skills recognition during transitions. "We must embrace the credentialing of those skills on the way out to create a registry for talent, as a critical component of ethical off-

³⁰ Board of Governors of the Federal Reserve System, "2019 Economic Wellbeing of US Households," *Federal Reserve*, www.federalreserve.gov/publications/2019-economic-well-being-of-us-households-in-2018-dealing-with-unexpected-expenses.htm.

³¹ Flynn, Maria. "How Will We Respond to This Crisis? It's Time to Fix the First out, Last in Problem." WorkingNation, 4 Apr. 2020, workingnation.com/how-will-we-respond-to-this-crisis-its-time-to-fix-the-first-out-last-in-problem/.

³² *Opportunity at Work*, opportunityatwork.org/.

boarding in a moment of crisis.”³³ It has traditionally been the burden of the individual to signal their credentials, Becky Lee of IDEO’s Design for Learning Studio noted, while posing whether this should be the responsibility of employers. “It’s fascinating to think about shifting the burden of signaling and recognizing skills to a different party, like an employer, whose primary incentive is to retain employees, not necessarily to codify an employee’s skills for an external audience.”³⁴ How companies handle their relationships with and responsibilities towards workers during this unprecedented time is sure to impact their reputation and ability to attract quality talent in the future.

While the examples of bad behavior are unfortunately far too many, amongst these we have also seen new partnerships and initiatives showing responsibility towards workers emerge. **Hilton**, having been hard hit in the hospitality industry, resorted to furloughing tens of thousands of employees. The company realized, however, that the skills of its massive workforce were especially transferable to jobs in essential industries during the pandemic. In partnership with companies like CVS, TTEC, Manpower, Wegmans, and others, Hilton has created a Workforce Resource Center which today represents over 1 million temporary jobs across sectors including retail, senior living, food, delivery services, and distribution.³⁵ Hilton employees and others in the hospitality industry will be given direct and even expedited access to

these temporary jobs created by COVID-19. Perhaps such initiatives are a model for ensuring that those suffering the greatest economic consequences from this pandemic are offered opportunities to sustain their livelihoods and weather this crisis more effectively than in the past.

Climate Change

Climate change is another area where we must consider the impacts on the future of workers. The International Labor Organization claims that, “the future of work cannot be conceived as independent of its effects on the environment nor independent from trends in the natural environment.”³⁶ Environmental degradation has and will continue to destroy work opportunities, while advancements towards environmental sustainability will require a structural economic transformation that can evolve towards more and better jobs. The UN’s System for Environmental Economic Accounting is based on the idea that economic activity is a subsystem of the Earth’s ecological system.³⁷ Environmental risks locally (e.g., air, water, soil pollution) and globally (e.g., climate change) have the potential to destroy ecosystems and communities, negatively impacting the livelihood of workers. More so, environmental degradation is destined to enhance inequality, as the burden of environmental risks disproportionately falls on low-income countries and communities. Advancing towards environmental sustainability can go hand in hand with

³³ Flynn, Maria. “How Will We Respond to This Crisis? It’s Time to Fix the First out, Last in Problem.” WorkingNation, 4 Apr. 2020, [workingnation.com/how-will-we-respond-to-this-crisis-its-time-to-fix-the-first-out-last-in-problem/](https://www.workingnation.com/how-will-we-respond-to-this-crisis-its-time-to-fix-the-first-out-last-in-problem/).

³⁴ Interview: Becky Lee, Partnerships Lead, IDEO Design for Learning, 23 Apr. 2020.

³⁵ Hilton Workforce Resource Center, 14 May 2020, teammembers.hilton.com/global/en/covid19#expedited-hiring.

³⁶ Montt, et al. “The Future of Work in a Changing Natural Environment,” *ILO, 2018*. www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_644145.pdf.

³⁷ “System of Environmental Economic Accounting,” United Nations, seea.un.org/.

achieving the goal of decent work. Job creation is expected to be led by the construction and renewable energy sectors, though will extend to sectors affected by the circular economy, agriculture sector, and many more. Similar to jobs enabled by technology however, new jobs tied to sustainability will be redistributed unequally

across regions, which requires considerations for how to support workers during this transformation. Investing in sustainable infrastructure while extending skills training for green jobs, can help to simultaneously promote environmental and economic sustainability.

RECOMMENDATIONS

The Future of Work poses tremendous uncertainty for business and especially workers. Navigating this uncertainty will only be possible through collaborative models that are inclusive of the needs of all stakeholders. The following are some recommendations for business, public policy, and worker advocacy groups as they chart the path forward.

Business

Take an ecosystem view: Co-innovation is just as important in managing your future of work strategy as it is in other parts of your business model. Companies which have partnered with cross-sector organizations in their communities have distributed investments in workforce development in order to reduce local skill gaps and mutually build up competitive pools of talent. Particularly, platform businesses have the opportunity to catalyze training and skills development across their entire ecosystems of customers, suppliers, and partners.

Shift mindsets and hiring practices: Consider more deeply what skills companies are actually looking for. Practices like degree inflation are arbitrary barriers for workers which have been skilled through alternative routes. New technologies are enabling a shift towards competency-based hiring that can reduce the opportunity gap for workers,

while simultaneously reducing time to hire among a more diverse pool of candidates for employers.

Elevate worker voices: Decision making in silos, particularly in absence of worker voices can be detrimental to worker livelihoods as well as create business and reputational risks in the long-run. Implementations of new technologies should include considerations on workforce impacts, whether related to shifts in available jobs or related to the quality of jobs themselves. Companies which can elevate worker voices and center on their outcomes can achieve dramatic reductions in turnover costs and reap the long-term benefits of investing in their people.

Lean on human rights frameworks: Human rights frameworks like the UN Guiding Principles on Business and Human Rights as well as the Sustainable Development Goals can serve as valuable guidelines as companies design their future of work strategies. Aligning an organization with global human rights principles and goals can strengthen its ability to build coalitions of partners which share similar values. These frameworks can both serve to help mitigate human rights risks related to the future of work and highlight opportunities to leverage business model and technology

innovation for the benefit of all stakeholders.

Public Policy

Steer technological progress: Self-regulation may not be sustainable, so government must play a central role in steering technological progress to shape a pathway for companies and workers to be successful together. Brad Smith, President of Microsoft, in his recent book emphasizes, “while we can’t predict all the areas where new public innovations will be needed, we should assume that such needs will arise. Put in this context, our biggest concern perhaps should not be that technology innovation is so fast, but that government action is so slow.”³⁸

Identify “No Regrets” policies: In the most concerning scenario, jobs are disappearing at a much faster rate than new jobs are being created. Tom Kalil, Chief Innovation Officer at Schmidt Futures and member of California’s Future of Work Commission, supports identifying “no regrets” policies.³⁹ For instance, in climate change policy, under any scenario for the impact of climate change, it always makes sense to eliminate fossil fuel subsidies. Similarly, in any given Future of Work scenario, it would make sense for employers to be more specific about the worker skills and competencies they are looking for. They should also partner with community colleges to create training programs that are aligned with these competencies.

Engage in public policy entrepreneurship: For more controversial policy ideas which might have uncertain outcomes such as Universal Basic Income or portable benefits, it's worthwhile engaging in pilots and experimentation to try out if they work. For instance, voluntary contributions to portable benefit solutions like Alia might serve as a basis for formalizing policies related to portable benefits across the gig economy. Municipality or state-level policy experiments can then inform national policies.

Worker Advocacy

Invest in workforce development talent: Investing in professionals which advocate for workers is just as important as skill building for workers themselves. Ensure that professionals elevating worker voices are well equipped with the skills to foster new partnerships across companies, government, and workers.

Highlight shared value: Building the case for worker centric initiatives is only possible when highlighting shared value for all stakeholders. Initiatives like FSG’s Talent Rewire engage employers and workforce partners to improve worker livelihoods while building the business case for a positive return on investment to companies. Balancing positive outcomes for all parties can ensure that partnerships around the future of workers thrive.

³⁸ Smith, Brad. Tools and Weapons: the Promise and the Peril of the Digital Age. Penguin Books, 2019.

³⁹ Interview: Tom Kalil, Chief Innovation Officer, Schmidt Futures & member of California Future of Work Commission, 2 Mar. 2020.

CONCLUSIONS

Technological advancement creates existential human rights and sustainability risks, but also tremendous opportunity to achieve shared prosperity for workers, business, and the environment. As Katya Klinova, Program Lead for the Partnership on AI points out, “the Future of Work discourse admits that likely a lot of workers will be left behind, but the responsibility to deal with this is externalized to public and educational institutions, or placed upon workers to reinvent their skills.”⁴⁰ Reframing

the responsibility towards workers and communities as a central responsibility of business is essential. Learning from models in cross-sector collaboration will continue to be critical if shared prosperity is to become a reality. Designing Future of Work strategies in a more human-centered fashion, while also leveraging already existing human rights and sustainable development frameworks can be the first steps in responsibly navigating the uncertainties ahead.

⁴⁰ Interview: Katya Klinova, Program Lead - AI, Labor, & Economy, Partnership on AI, 16 Mar. 2020.

HUMAN RIGHTS AND BUSINESS INITIATIVE
C/O HUMAN RIGHTS CENTER
2224 PIEDMONT AVENUE
BERKELEY, CA 94720
510.642.0965

WWW.HUMANRIGHTS.BERKELEY.EDU
HRC@BERKELEY.EDU
MEDIUM.COM/HUMANRIGHTSCENTER
 [@HRCBERKELEY](https://twitter.com/HRCBERKELEY)