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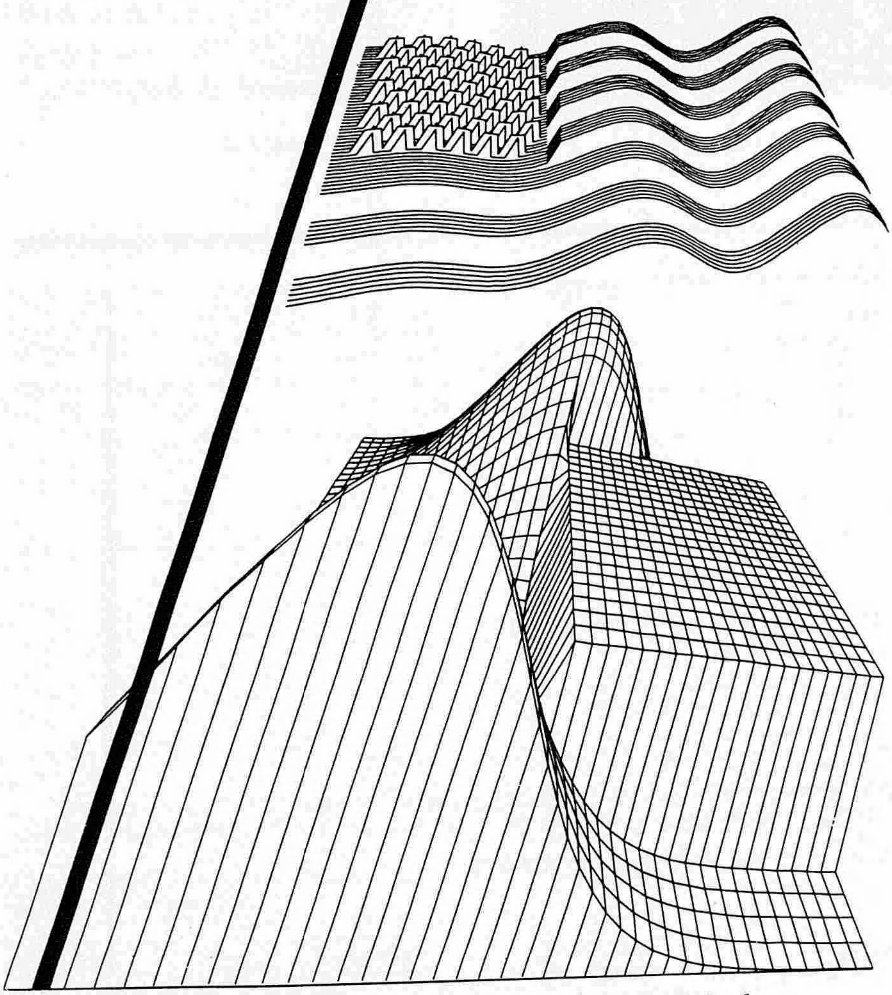

Reinventing a Future in Which America Can Live

The High-Flex Society—
Pat Choate and J.K. Linger

The center doesn't hold. American business, like American society itself, continues to unravel, not only because of economic upheaval but because, in the words of film critic Vincent Canby, "communication has been reduced to cliches that deny the possibility of thought and action." The empty rhetoric of a Werner Erhard sounds positively inspired next to the nonsense buzzing around today's corporations. Take John Naisbitt, a gypsy fortune teller in a Hathaway shirt who, in order to enrich his bank account, spins the tales so in demand in a nation that has exchanged vision for comfortable cant.

This country's remaining healthy businesses would do well to flee from this man and his unsupportable musings; there is every reason to believe that, in following his lead, as many companies have failed to reach the Naisbitt future as have succeeded. The cotton candy he passes off as truth simply won't sustain those who need solid information to face the real world of international competition. Unfortunately, Naisbitt sells because he gives people what they want to hear: Not only can the future of a free market be predicted (a contradiction here?) but it can be predicted to your benefit.

One writer who deals with the future and doesn't necessarily give people what they want, trying instead to give them what they need, is Pat Choate, author with J.K. Linger of the newly released *High-Flex Society* (New York: Alfred A. Knopf, 1986). Author of, among other titles, *America in Ruins*, which helped launch the debate over the erosion of this country's infrastructure, Choate believes in ideas that stimulate concerted action (versus entrepreneurial myths that glorify individual greed). That such action is needed should be evident to anyone who follows long-term U.S. economic trends. As Choate writes, "societal inertia has set in with America's advancing years.

"Lost U.S. economic leadership in one key industry after another, the mounting trade deficit, the extraordinary rise in the federal debt, and the decade-long decline of real wages and income are only the most visible examples."

But aren't some American companies bucking this trend? What about star performers like IBM? The sad fact is that, as reported in *Business Week*, most of the parts that go into an IBM computer are produced overseas. In the aggregate, *In These Times* reports, "goods and components sold by Japanese firms to American firms and then marketed by Americans accounted for $13 billion of the trade deficit with Japan. American manufacturing firms. . . are becoming 'hollow' vessels."

Fortunately for the reader, Choate and Linger approach such gloomy, seemingly insoluble problems with a can-do attitude: "The nation faces the challenges of inexorable change with, by any measure, substantial assets. Its political system is sound. It has an enormous stock of capital, a treasure house of technology, tens of millions of skilled workers, and a spirit of initiative, entrepreneurship, and competitiveness.

"But these are strengths only if they can be deployed with speed, agility, and competence. Indeed, adaptability is the unrecognized, unaddressed, intangible key to renewed American productivity and competitiveness."

In *The High-Flex Society*, Choate and Linger suggest a number of ways America can renew the flexibility necessary to play from strength on the world stage.

Getting business on the right track

Uncompetitiveness, inferior goods, unreliable services, extravagant union demands, and counterproductive arrogance about our economic strength have, Choate and Linger say, "fostered complacency and fragmented rather than focused the combined potential of business, workers, and government." Although "some American firms, workers, and unions are taking the risks attendant with change," Choate and Linger see six major obstacles preventing the majority from coping with the situation: "false economic alternatives that dominate economic policy debates on competitiveness; the heavy pressures on business to sacrifice long-term vitality for short-term earnings; impediments that prevent the commercialization of technology; inattention to motivating and managing workers; a stalled union movement; and, finally, the widespread reliance on nineteenth-century adversarial industrial practices that poison relations between employers and workers." The last three, of course, relate directly to human resource development.

Somehow—and the authors supply enough historical information to satisfy the layman—American business has lost the ability to manage and motivate workers, a major flaw that leaves the marketplace ripe for the plucking by more competitive nations. One cause of this loss, Choate and Linger observe, is that managers increasingly lack business experience and training. Well versed in finance, these managers are strangers to production, a deficiency that finds them without "a comprehensive, long-term view of a firm's business, customers, and suppliers." Couple this with their ignorance of trade and foreign investment, and you have a management woefully unprepared for global competition. "Consequently," the authors note, "most U.S. corporations that operate overseas are really American companies with foreign holdings rather than integrated transnational corporations; few are genuinely international in outlook."

Choate and Linger point to another problem that blinds U.S. executives: "superficial understanding of government operations or business-government relationships." They cite a *Business Roundtable* survey which found that public officials regard most

business leaders as inflexible, uninformed about government, and unable to offer practical recommendations that politicians can defend with their constituents." This inflexibility prevents business leaders from anticipating the effects of government on their companies' policies and operations.

What's more, they write, "By ignoring government, business executives are denying government their wisdom, experience, and insight, while denying themselves credible participation in public policy decisions." It becomes clear that management development must include education in the crucial business concerns that lie outside of the narrow confines of finance.

Unions don't fare any better than management, in the authors' estimation: "union advocacy of laws and regulations that slow the introduction of labor-saving technology reduces the long-term competitiveness of firms and ultimately that of the nation. The unwillingness of unions to accept government wage guidelines makes it almost impossible to stabilize prices and hold down inflation without high unemployment."

The key, as Choate and Linger see it, is for unions to take "the lead in helping employees and business to adapt to change more easily and quickly, in modernizing worker skills, in ensuring a fiscally sound pension and health care system, and in improving workplace democracy." Monopolistic union practices (costing the economy, the book cites, a whopping $5 billion to $10 billion annually) such as blind resistance to change and the creation of destructive work rules will have to take a back seat to "democratic actions, which seek to increase worker involvement and influence at work, improve job security and worker dignity, and create a more egalitarian wage structure.

"To the extent that they succeed in their democratic role, unions will be better able to boost pay, benefits, and job security of American workers."

Choate and Linger emphatically recommend that, in order to position themselves to effect positive change in the workplace, unions will have to reduce competing with each other (like the two rival teachers unions do), cool down infighting between union officials and members (by pooling their organizing skills), and educate workers to what the broader issues of doing business—and working—in the global economy means. The above only scratches the surface of a book that clearly takes on an enormous range of issues that need to be faced—and soon, if further erosion in the quality of American life is to be stemmed.

Because the book is so broad-based, the authors "leave themselves open to criticism from hard-core technicians who can always give a thousand reasons why something can't be done," says Anthony Carnevale, ASTD vice president for government affairs and long-time colleague of Choate.

The most important thing Choate accomplishes in work of this kind, Carnevale says, "is to move us beyond the current analysis paralysis and open up the debate. He's not afraid of the future, of change—he embraces it. Choate offers the intellectual flexibility necessary if we're ever going to overcome the intransigence to change that lies at the root of our economy's deteriorating performance."

For HRD people, Carnevale sees the book's strength in its central role for HRD. "Choate has a talent," he says, "for unearthing ideas that expedite change—they clear roadblocks to growth. And human resource management and training are at the core of his strategy for embracing change." He emphasizes the common interest over separate interests—and he does so without indulging in jargon or wishful thinking. "Unlike most futurists," says Carnevale, "Choate doesn't pretend to predict. Choate's only concession to change is that he assumes it will occur. His response to change is to accept and encourage it by eliminating barriers that he calls 'choke points' and by encouraging adaptation in institutions and people."

It may still be some time before America wakes up and realizes that there is, indeed, a common interest; things might have to get a lot worse before the entire community involves itself in making things better. Which is something of a shame: In *The High-Flex Society* we hold one of the tools in our hands right now that we surely will need later.

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