



## Reimagining the Business-Labor Playbook for the 21st Century — Transcript

Hosted by the Aspen Institute Economic Opportunities Program, December 8, 2023

### Description

Hear from a new wave of business leaders who understand they need to reimagine their relationship with organized workers and from the leader of the biggest federation of unions, who is ready to innovate and work together with business to achieve shared prosperity.

American workers are reevaluating their working conditions and rallying for change, driving a surge in worker organizing that affects businesses across sectors and regions. While many business leaders are unprepared for and resistant to unionization and other forms of worker empowerment, the case for fostering a positive relationship with organized workers is stronger than ever. At a time of historically high public approval of unions and newly emergent public expectations about the nature of work and the responsibilities of corporations, informed by the cataclysm of the pandemic and ongoing inflation, new voices in business are starting to call for an approach where businesses and workers collaborate to achieve shared prosperity.

For more information about this event — including video, audio, transcript, speaker bios, and additional resources — visit our website:

<https://www.aspeninstitute.org/events/reimagining-the-business-labor-playbook-for-the-21st-century/>

### Panelists

#### Elizabeth Shuler

Elizabeth is president of the AFL-CIO, a federation of 60 unions representing 12.5 million working people across all sectors of the US economy. She is the first woman to hold the office of president in the history

of the labor federation. A visionary leader and longtime trade unionist, Shuler believes the labor movement is a powerful vehicle for progress and that unions are a central force in leading lasting societal transformations. Her leadership has focused on the future of work, clean energy economy, workforce development, and empowering women and young workers. She is committed to leveraging the labor movement's diversity and power to advance social and economic justice and to making the benefits of a union voice on the job available to working people everywhere.

## **Roy Bahat**

Roy is the head of Bloomberg Beta, an early-stage venture capital firm that was the first to focus on the future of work and the first to focus on artificial intelligence. He also serves on the faculty at UC Berkeley's Haas School of Business, where he teaches "[Unions and Otherwise: Leading an Organized Workforce](#)."

Roy chairs the newly-formed [Aspen Business Roundtable on Organized Labor](#), convening "labor open" business leaders to explore [new ways of relating to organized labor](#). Roy was a commissioner on the California's Future of Work Commission, following work he did with New America to understand the long-term effect of technology on work in America. He was named one of Fast Company's Most Creative People in Business, has served in government, and led a nonprofit in addition to his work at established corporations and starting a company.

He serves on the board or as an advisor to several nonprofits, including the Stanford Center on Philanthropy and Civil Society, the Economic Security Project, and the Center for Investigative Reporting. Roy graduated from Harvard College, where he ran the student public service nonprofit. He was a Rhodes Scholar.

## **Jamie Barton**

Jamie was appointed senior vice president of global human resources and labor relations in November 2020. She leads the AT&T Global Human Resources team, providing client and operational support across all lines of business for over 140,000 employees in 59 countries. Jamie is also responsible for AT&T Labor Relations, including collective bargaining strategy and union relationships across 19 contracts to ensure competitive workforce rules, wages, and benefits for bargained employees.

Prior to joining Human Resources and Labor Relations in July 2020, Jamie served as senior vice president of customer care for AT&T and was responsible for consumer contact center strategy and operations. Jamie's career began at AT&T as a customer service agent with Southwestern Bell Telephone and has led in a variety of leadership positions across AT&T, including corporate sponsorships, employee communications, wholesale marketing, business sales, and consumer markets.

She has been recognized numerous times for her business leadership and transformative work in the technology, media, and telecommunications industry. In 2018, the Dallas Business Journal honored Jamie as one of their top 30 Women in Business. In 2016, she was recognized by CableFAX as one of the Most Powerful Women in Cable. As a strong advocate for careers in STEM and providing key professional skills to underprivileged youth, she is involved with the Aspire Mentoring Academy and the

Year Up Youth Mentorship Program. Jamie also serves on the AT&T University advisory board. Jamie holds an undergraduate degree and an MBA from the University of Missouri. She and her husband Tim live in Trophy Club, Texas. They have five daughters and two grandchildren (so far).

### **Tom Kochan**

Tom is also a faculty member in the MIT Institute for Work and Employment Research. Kochan focuses on the need to update America's work and employment policies, institutions, and practices to catch up with a changing workforce and economy. His recent work calls attention to the need for a new social contract at work, one that anticipates and engages current and future technological changes in ways that build a more inclusive economy and broadly shared prosperity. Through empirical research, he demonstrates that fundamental changes in the quality of employee and labor-management relations are needed to address America's critical problems in industries ranging from healthcare to airlines to manufacturing. His most recent book is "Shaping the Future of Work: A Handbook for Action and a New Social Contract" (Routledge, 2021).

He is a member of the National Academy of Human Resources and the National Academy of Arbitrators and is a past president of the International Industrial Relations Association and the Industrial Relations Research Association. Currently, he is a member of the MIT Task Force on Work of the Future. Kochan holds a Bachelor of Business Administration in personnel management, as well as a master's degree and a doctorate in industrial relations from the University of Wisconsin.

### **Rajesh Nayak**

Rajesh is the Assistant Secretary for Policy in the Office of the Assistant Secretary for Policy (OASP) at the United States Department of Labor. Raj previously served in a range of senior roles at the Department during the Obama-Biden Administration, including as the Secretary's Deputy Chief of Staff, Deputy Assistant Secretary for Policy, and Senior Counsel to the Solicitor.

Outside of government, Raj has worked in nonprofit organizations both as an attorney and a senior leader, as a Fellow at the Labor & Worklife Program at Harvard Law School, and a consultant. He earned an undergraduate degree in public policy from the University of Chicago and a law degree from Yale.

### **Matt Patsky**

Matt is CEO and lead portfolio manager of the Trillium ESG Global Equity strategy and portfolio manager of the Trillium Sustainable Opportunities strategy. Matt has over three decades of experience in investment research and investment management. He began his career at Lehman Brothers in 1984 as a technology analyst. In 1989, while covering emerging growth companies for Lehman, he began to incorporate environmental, social, and governance factors into his research.

In 1994, Matt became the first sell side analyst in the United States to publish on the topic of socially responsible investing. As director of equity research for Adams, Harkness & Hill, he built the firm's powerful research capabilities in socially and environmentally responsible areas such as renewable

energy, resource optimization, and organic and natural products. Before Trillium, Matt worked at Winslow Management Company in Boston, where he served as director of research, chair of the investment committee, and portfolio manager for the Green Growth and Green Solutions Strategies.

Matt currently serves on the board of TONIIC and has previously served on the boards of the Environmental League of Massachusetts, Shared Interest, Pro Mujer, US SIF, and Root Capital. He is also a member of the Social Venture Circle (SVC), is a member of the CFA Society Boston, and is a Chartered Financial Analyst charter holder. Matt is on the advisory panels for America's Promise, Generation Climate Change, SJF & Hall Ventures, and Tara Health Foundation.

### **Alyson van Hardenberg**

Alyson is a senior engineering manager at Honeycomb. She currently sits as the employee-elected board member on Honeycomb's board of directors. Her expertise lies in leading and coaching nimble engineering teams in fast-paced organizations. Most recently, Alyson has been managing teams whose work focuses on Honeycomb's data pipeline, with a focus on the open source OpenTelemetry project.

### **Joe Weisenthal (Moderator)**

Joe is the executive editor of news for Bloomberg Digital. He is also the co-host of Bloomberg's "Odd Lots" podcast. Joe leads the editorial development of markets and finance coverage across Bloomberg's digital brands, which sit at the core of the company's new media strategy.

In November 2014, Joe joined Bloomberg from Business Insider, where he was one of the digital startup's first employees. Most recently serving as Executive Editor, he helped build a large, international newsroom that now reaches 50 million unique visitors. He has been widely lauded for his around-the-clock commitment to covering Wall Street and the economy, serving as one of the leading journalistic authorities on the inner-workings of the financial industry. He graduated from the University of Texas at Austin.

## **Transcript**

### **Liba Wenig Rubenstein (00:07)**

Good morning everyone, and welcome. I'm Liba Wenig Rubenstein, Director of the Aspen Institute's Business Roundtable on Organized Labor. And today marks the public debut of our Roundtable, which is a private network of CEOs, founders, investors, and other senior business leaders at admired companies. And we're here because we think that the American economy is failing too many workers and that when it fails workers, it also threatens the businesses that employ them and the fabric of society that binds them. That's something that will be hard to fix without a community of business leaders ready to do things differently. Our Roundtable is building such a community.

Our members want to chart a new course in their relationship with organized and organizing workers, and they want to invest in other mechanisms that offer workers agency over the terms and conditions of their work. Our members are in a diverse range of industries, construction, hospitality, food, media, sports, finance, technology, whether they have a hundred employees or 150,000. Whether their revenues are a hundred million or 30 billion, these leaders share the belief that respect for and partnership with their workers can be a critical step, perhaps a necessary step toward business success and shared prosperity. You'll hear from three of these companies today.

Our members know that workers increasingly expect a voice in decision-making, that the public increasingly demands that businesses treat employees fairly and that worker discontent fuels increasing political polarization. In coffee shops, writers' rooms, warehouses, factories, gaming studios, retail stores, workers are organizing for change. They're driven by a confluence of factors including the pandemic and inflation, new technology, rising executive pay, and a tighter labor market. But after decades in which labor's influence waned in the United States, many of today's business leaders simply lack experience with any form of organized labor. They follow the conventional wisdom that worker voice is something to be minimized or controlled. They are unaware that collaborative approaches exist. Our Roundtable cultivates and organizes those business leaders ready for change and doing things differently. We provide a space for leaders to come together to learn, share, and make progress on strategies that offer workers a meaningful seat at the table.

Since February of last year, we've hosted 17 off the record sessions with our members, and today we're excited to welcome you all into a compressed version of that conversation. Re-Imagining the Business Labor Playbook for the 21st century. This Roundtable is a collaboration between Aspen's Economic Opportunities Program and the Institute for Work and Employment Research at MIT's Sloan School of Business. We started it at the encouragement of American labor leaders and we continue to benefit from their input, including AFL-CIO President Liz Shuler who is here with us today. We are also deeply grateful for the support of our early funders, the Omidyar Network, the WK Kellogg Foundation, and the Families and Workers Fund.

Now, a few quick technical notes. All attendees are muted, but we welcome your questions at any time using the dedicated Q&A function at the bottom of your screen. If you have other types of comments or links you want to share, please put those in the chat. If you're posting about this conversation publicly, please use Aspen's #TalkOpportunity. We are recording the

event and we'll share it out after. Closed captions can be activated by clicking the CC button at the bottom of your screen. And finally, whenever you leave the Zoom, we'd be very grateful if you take the quick survey that pops up.

Now I would like to introduce our closest thought partner, professor Thomas Kochan from MIT. Tom is a leading scholar on industrial relations and work, and along with former national Labor Relations Board Chair Wilma Liebman, Tom facilitates pretty much all of our Roundtable sessions. Tom, thank you so much for being here and for kicking off our first segment.

**Tom Kochan (04:17)**

Well thank you Liba, and especially a big thank you to you for all the good work you and your team are doing to make this Aspen and MIT Roundtable work so effectively and move forward. And I'm delighted to welcome everyone to this session on re-imagining how we can work together to shape the future of work. Our MIT Institute for Work and Employment Research is pleased to be a co-sponsor because we have a long history in working on these issues to bring labor and management together for constructive conversations and actions. And this is right squarely within this tradition and addresses many of the issues that we're working on today.

The Roundtable today comes at a pivotal point in labor management relations. As Liba has already said, workers are expressing an increased and a broader set of expectations for having a voice at work on issues that will help them close the voice gap that many of them experience, not only on wages and working conditions, but on the values of the firm, on new technologies, on diversity and inclusion and how we can all work more effectively together. And unions are organizing in new ways and in large numbers and representing workers in innovative ways, more powerful ways to be sure and a growing number of business leaders are searching, as Liba said, to find more responsible and effective ways of responding to all of the changes that are going on.

So the discussions that we'll have today will help advance these efforts and demonstrate their value. But my job here is simply to introduce our first two speakers. And I can't think of two people better equipped to kick this off. Let me first welcome my good friend Liz Shuler. Liz is the President of America's largest labor federation, the AFL-CIO. And she's not only the first female President of the Federation, she is really on the forefront of encouraging and leading all of the innovations that labor needs to introduce and to foster in order to be a visible, powerful and effective partner in public policy issues and in labor management relations, working with

business and working with the next generation workforce. I look forward to hearing more about some of the fruits of her leadership, particularly as we enter this changing world where technology is shaping so much but has so much to learn from the workforce itself and where unions are playing such a constructive role in many aspects of our society.

And Liz will be joined by my good friend and colleague, Roy Bahat. And I've said to many, and I'm going to say it again here, that Roy is the most innovative, the most energetic and the most knowledgeable business leader playing a leadership role in labor management relations in our country today. Over the past several years, I've watched as he's crisscrossed this country and has met and engaged union leaders and business leaders and academics in this field to learn more about what the possibilities might be for the future. And he's now putting all of that to work to help create that future for all of us. He's a very unique and valued partner and leader in moving this dialogue forward. So Roy and Liz, take it from here.

**Roy Bahat (07:53)**

Thank you, Tom, you knocked me off my game. I am going to blush and get distracted. Alright, but I want to jump right in because we have limited time with Liz and because I feel like we know each other, I'm going to start out really blunt, which is I know you've been fighting the boss on some level for a long time. You were a babysitter who discovered you and your friend were paid different amounts and got equal pay. And so the first question is, why would the leader of the biggest federation of unions in the US come and talk about building a healthy relationship between business and labor? Isn't it kind of the job to fight the employer tooth and nail to get the best deal for workers? We'd just love to hear how you think about it.

**Elizabeth Shuler (08:36)**

The answer is yes. And I first of all want to thank you Roy, echo Tom's comments. You've been a great partner and this is the place we explore how we can do things differently. So that's why I wanted to be here. We have so much instability in our country, whether it's economic, geopolitical, race and economic issues driving change. We have big threats like climate and technology and we have to have more dialogue with each other no matter if we disagree to provide space like this to forge solutions because this is our country. We are all in this together. So that's why I wanted to be here.

And yes, we can fight very effectively. We can stop traffic any day of the week, but we can also be solutions driven. When workers find their voice and are respected and included as

trusted partners with their management counterparts, we can actually make you more money. We are more productive and more loyal, frankly. So there is a business case for unionism. And so I think Liba said it in the beginning, more leaders in the business world to know, often there's this perception or stereotype that we need to dispel.

**Roy Bahat (10:08)**

So thank you for saying that and for honestly just the fresh approach. I feel like so many labor leaders are trying to take a fresh approach. And so let's reexamine some of the assumptions. And in talking to business leaders, I do hear some horror stories, which we could talk about in a minute. But I'd love to just start with what does the best version look like? If business and labor get it right working together, how good can that get?

**Elizabeth Shuler (10:37)**

Yeah, and I think we have some great examples and my friend Tom Kochan is an expert in this as well, having studied over the course of many years these labor management partnership constructs. The best version is when you have a true, trusted and respectful collective bargaining relationship, that's where we start in the labor movement. And if you have an employer that is willing to respect that and participate in good faith, that's really good.

But it's more than just collective bargaining. It's after the contract and how are you engaging your workforce? How are you using your labor management committees or processes to really bring in those worker voices and perspectives upstream? Because we know often management has a tendency to, oh, we're going to implement something. We've already put it all together, but now it's got to land and let's bring the workers in and see what they think.

We need to flip that on its head. And I'll throw out a couple of examples. Alabama Power, I was just with the CEO a couple of days ago, he came to the holiday party for the Building and Construction Trades because he knew that that relationship, if it's trusted, if it's less transactional, frankly, that you're actually getting to know each other as people and spending time together that benefits him and the way he runs his company. And so their partnership started with safety. Workers were dying on the job and they said, you know what? We got to do something different here. So they reset, they recalibrated, and now their labor management partnership goes beyond just safety. It's obviously training and some of the baseline, but it's really a deep respect and level of an engagement upfront, upstream on business decisions. So I think that's when it's working well.



**Roy Bahat (12:39)**

And so then the trouble... And by the way, I've seen a lot of that too today. My job is - I'm a venture capitalist. I run Bloomberg's VC firm. When I was a CEO, having a strong single counterparty in my workforce could have enabled us to roll out technological innovations, manage employee issues that come up. And for everybody who's here, if you have not been to the two, there are at least two labor run training centers in Las Vegas, and I know there are others around the country, the Carpenters Training Center, The Culinary Academy. These are better training facilities because they work across an industry than anything I've seen any single company do anywhere in the US at least.

And so I do want to give some credit though, not be a Pollyanna and give some credit to some of the difficult stories because there are companies that say they try to work with unions and they hit a brick wall, the relationship starts out adversarial on day one, their operations slow down even if there's not a work stoppage or a strike. And like with any big institutions, you hear these horror stories like, well, the union rep told my workers to work less hard. And so I guess I'm looking for some practical wisdom. When companies do hit those inevitable hiccups or horror stories, there's a whole range. What should they do?

**Elizabeth Shuler (14:03)**

Well, a lot of times the breakdown is over trust and often at the middle management level where you've had fights along the way and maybe even miscommunications that turned into a skepticism that broke that trust level down.

So the one thing that comes to mind for me is when things are not working, you just have to take it to the top. And I've seen it before where once you have a meeting with the union leader at the top, the company leader at the top, the CEO, sit down, have a dinner meeting and say, how do we recalibrate? What do we want to accomplish together? Because when we're working together effectively, it's a win-win for everybody. So what do we need to do to show that we're earnest about fixing things? And you'd be surprised how that can unlock progress.

And so that's the one thing that, concretely, I think can happen because these breakdowns often occur at a lower level in the chain and you'll have a manager that just has a terrible way of dealing with people or a union leader that might also have the same approach. And then

when you get those two top leaders to unlock things and set the standard and say, this is how we're going to do business with each other, that shows the leadership that filters through.

**Roy Bahat (15:37)**

It strikes me that actually that sounds really similar to any partnership between two organizations and the business leaders that are used to difficult relationships in a merger partnership, in a vendor relationship that actually applying some of the same skills can work here. And I'll also note, and I want you to reflect on this a little bit, that some corporate leaders have done some things that might previously have been thought to be unimaginable because of the challenge they'd invite on themselves. And let's pick the example of Microsoft. Microsoft pledged, and maybe you can speak to the specifics of their pledge, but pledged a form of non opposition to employee organizing efforts. And there were those in the business world who thought if you do something like that, you're just going to put a target on your back. All of a sudden everybody's going to be unionizing. And so I'm just curious how you see the example of the Microsoft case.

**Elizabeth Shuler (16:32)**

Yeah. And Microsoft took a risk and it was a bold move to negotiate what we call a neutrality agreement with the Communications Workers of America CWA when it applied to new workers that were coming into the company with Activision. So it was a leap of faith and what Microsoft, Brad Smith in particular said is if this is a trend in the country, if workers are rising up and they want to be heard, they want to have a path to bring their voice to the table and they want to do that through a union, then why should we be adversarial and stop them or intimidate them from doing so? And so that's what neutrality is, not saying, yes, you should join the union. It's just we simply as a company will not interfere, which is what we see as the norm across the country is.

**Roy Bahat (17:24)**

And what the law requires, presumably.

**Elizabeth Shuler (17:26)**

Yes, there is that. The law is definitely on the worker side in this one, right? But the companies know it's a cost of doing business now to bust unions. So Microsoft said, we're going to do

something different here and go with what the trend is where workers want to be a part of the decision-making table, they want their voices heard and we think it could be a positive thing for our company.

So contrast that with Starbucks who chose the opposite tap, which is we're going to fight you every step of the way. We're going to fire people, we're going to make it difficult, and oh, by the way, you unionized, but we're not going to sit at the table in earnest and negotiate a contract. We're going to just delay it, delay it, delay it as much as we can until we think it loses momentum. So those are the two paths.

We think Microsoft's path will ultimately be a competitive advantage, especially as tech is an emerging industry and we know all of the uncertainty. Look at OpenAI, what just happened there, that workers want to know that they're going to have a voice in the trajectory of how their industry evolves.

**Roy Bahat (18:36)**

And we've got only about five minutes left with you, so I want to... We have so many issues. AI, plenty of things, but you raised the issue of competitive threat. One thing I hear from business leaders is I don't want to be working with a union if my competitors are not because it'll put me at a disadvantage. And I know there are some approaches, industry-wide approaches. Hollywood has an industry-wide approach. California has a new experiment around fast food that we've talked about. What do you say to a corporate leader who says, how can I do this unless my competitors also do the same?

**Elizabeth Shuler (19:10)**

Well, there's two things I would say. One is let's flip that on its head and acknowledge the possibility that actually you could have more productive-

**Roy Bahat (19:19)**

Might be an advantage.

**Elizabeth Shuler (19:21)**

And it's an advantage and it's a reputational gain to be able to say you're a high road employer, that we as the labor movement can say, don't boycott this company, boycott because this is a company that is working well with their working people. So I think that that's a net positive.

But the other thing I would add is we should be looking more at sectoral approaches because yes, it is a risk for one company. As we know with the autos, right? We have three unionized auto firms in and amongst 13 non-union firms. And so how do we get a sectoral approach so that it lifts the tide of all the workers and of course makes it less of a competitive question for the companies. And so we think that those collaborations are natural, we've got some industries that are on the ground floor. If you think about chips and science, we can do this right. We can start now, come to an agreement as an industry and have all of the companies say, let's just do this together and make sure that we're all paying our workers well and ensuring a good future for them.

**Roy Bahat (20:30)**

I love that. As the industries get remade, we have a chance. All right. I'm going to ask you my hardest question now, which is that I've spent a lot of time as I know you have too, working on the issue of how businesses need to evolve their perspective, get more knowledgeable. We have this piece in the Harvard Business Review that we wrote. First one in their magazine on organized labor in 32 years, by the way, it's in the chat. But you lead a federation of unions. How do unions need to change?

**Elizabeth Shuler (20:57)**

Yeah. And we have to acknowledge that. We have to look in the mirror. We're not perfect, so we absolutely can. We're talking about that now. This emerging workforce, it's a diverse workforce and it's going to need different things than the workforce of yesterday. And so we need to be more dynamic. We need to be more flexible and respond to the changing nature of work and the changing nature of what workers need. And so taking maybe a more platform approach to how we represent workers, how we use technology, thinking of new models of representation that maybe we haven't thought about before, and acknowledging some of these breakdowns, like you said, where we come in like a bull in a China shop because we've seen it before. We've had bad experiences. So often we travel with that

baggage. And so acknowledging that as we move forward, as we're going to see new industries emerge, that we need to be also looking in the mirror and assessing the practices that maybe are outdated and outmoded.

**Roy Bahat (22:10)**

Well, I really appreciate that.

**Elizabeth Shuler (22:13)**

That we are open to that.

**Roy Bahat (22:14)**

I really appreciate that. I think it's not lost on me that we also have, including you, a much more diverse set of leaders of American unions than we have had at any point in history. Mary Kay Henry at SEIU, and many others. And so thank you for that.

Okay, last question, because we could go in deep on AI and you cited OpenAI. I think we'll leave some of the discussion of current issues and experiments for the panel that will follow, because I see by the way, the purpose of this business Roundtable in part as enabling experiments and enabling experiments is the way we figure out what works so we can grow. And so just to ask, when you think about a business group like this, and I know around World War II there were dozens of American business groups devoted to healthy relationships with organized labor. Now we got the only one. When you see a group like this, what do you hope to see from it in the future?

**Elizabeth Shuler (23:09)**

I think this is an opportunity to set a new expectation. I think this is an opportunity for leadership because we all know that hard change doesn't happen unless we have leaders who are willing to take it on. So that's why I'm grateful to the leaders who are here today and to Aspen and MIT and all the partners. I think we're in a moment now where income inequality is still so very stark. We're in a moment where we're recovering from the disinvestment that took place over decades in manufacturing and other industries. And workers right now, if you haven't noticed, are readying themselves and they're raising their expectations for themselves and

their communities. And so they're putting companies on notice and they're saying, look, we need value for our work. We're making you successful.

So I think it's important that, again, those two paths I outlined, you could be the Starbucks, you could be the Microsoft, and we need more Microsofts and we need more AT&Ts, and we need more these firms who have been there with us for so long and we need to support them and show them what true partnership looks like in this new era going forward into the future.

**Roy Bahat (24:24)**

I love that. Thank you for underlining the issues that workers still face. I see it as a risk in addition to harm to them, there's just a risk of hysteria and general instability in our economy and society, and we see it in reaction to what's happening in the Middle East. We see it in issues over race, over economic prosperity, all valid issues. And so thank you for being part of the innovative and stabilizing force. And thank you, by the way, before I turn back to Liba to the roughly three dozen companies that are part of this business Roundtable. Every single one of them is admired by other business leaders, and every single one of them has chosen to do something that is new and intrepid. And so I'm really grateful to my peers who are part of the business Roundtable and thank you President Shuler. And I'll turn it back over to Liba.

**Elizabeth Shuler (25:11)**

Thank you so much.

**Liba Wenig Rubenstein (25:16)**

Oh, thank you both. President Shuler and Roy. And now it's my absolute pleasure to introduce our panel. I'm just going to put names to faces really quickly because you can find their bios on our webpage. Jamie Barton leads the Global Human Resources and Labor Relations teams AT&T, which is the only major US telecoms company with a fully union represented workforce. Rajesh Nayak serves as Assistant Secretary for Policy at the United States Department of Labor. Matt Patsky is CEO of Trillium Asset Management, the oldest independent investment advisor devoted exclusively to sustainable and responsible investing. Alyson Von Hardenberg serves as the Employee Representative on the Board of Directors at Honeycomb, which is a software company where she works managing a team of engineers.

And finally, we're so grateful to have Joe Weisenthal moderating today's conversation. Joe was one of Business Insiders' first employees and rose to be its Executive Editor before coming to Bloomberg where he was Executive editor of Bloomberg Digital for the last eight years. He co-hosts Bloomberg's Odd Lots podcast, which happens to be one of my personal favorites. I don't know if there are other fans in the audience, but Joe, I will turn it over to you.

**Joe Weisenthal (26:36)**

Thank you so much, Liba, and I'm thrilled to be here and have this conversation and be aware we have a limited amount of time, so just jump right into it. I'm going to throw out a question that I think can sort of apply to anyone, so maybe someone just turn on their microphone, but we're in this moment, we're talking about labor. There were at least two very prominent strikes in the news over the last year between Hollywood and auto. Probably several others that didn't get as much attention. How much of this is a function of, in anyone's view, the macroeconomic cycle? Labor markets have been very tight, theoretically conferring upon workers a certain amount of bargaining power that they wouldn't get when the unemployment rate is higher. How much of what we're talking about right now, the fact that we're all here, the fact that we've seen all this activity is simply a function of a certain moment in the macro cycle that may not be here forever?

**Jamie Barton (27:34)**

I can jump in if that's okay.

**Joe Weisenthal (27:34)**

Great. Please.

**Jamie Barton (27:40)**

I do think Jamie, AT&T. I don't think it's a flash in the pan. I think this younger generation, and we see it at our company, they've grown up with technology. They don't remember our world before the smartphone. And their expectation is not only to be heard, but they demand a response. And I think the collective bargaining process, the unions organized labor in general, I believe puts a sense of urgency into that process that's not going to go away anytime soon or ever. And I think that's probably healthy because sometimes it's a long way from the corporate offices to the frontline deskless workers, certainly at our company and others. And I

think having the union representatives along with management that are closest to the customers having that voice and having that point of view is important. We think it's good for business as well, but that's why I think that some of what we're seeing right now is here to stay.

**Joe Weisenthal (28:52)**

Anyone else? Matt?

**Matt Patsky (28:54)**

I was going to say, well, I would agree with Jamie. There is a generational shift that is absolutely, I would say more pro-union and also has much higher expectations of what they expect from their employers. We did come out of a global pandemic, which greatly reduced immigration patterns. Also, the boom coming out of COVID left everyone, basically tight labor markets are happening across all industries across the board, and so it was a moment in time in which I think there was the ability to get a lot more traction on bringing labor as a key asset of companies operations needing to share in the prosperity of what was happening because obviously we know for decades, labor was being undervalued and wasn't sharing in that prosperity.

**Joe Weisenthal (30:07)**

Maybe just to move this forward, Raj, obviously this administration has been extraordinarily pro-union. I think some of the overtures made to organize labor have been almost unprecedented, unheard of. On this point though, how much is getting that econ component from your perspective, getting that correct so that we do just have a robust economy so that there is demand for workers? How important is that to the overall strategy of what it even means to be a pro-labor administration?

**Rajesh Nayak (30:38)**

Thanks, Joe, and just I want to say thank you all for having us here. This is a really exciting conversation. Like you said, it's no surprise this administration supports unions. President Biden's been really upfront about that, not only in words, but actually joining a picket line in Michigan, which I think is what you were talking about is one of the unprecedented steps taken.



**Joe Weisenthal (30:54)**

Yes.

**Rajesh Nayak (30:54)**

But as we all know, there are employers who are concerned about unions. We hear that, but we've heard from employers who are more concerned throughout this entire administration about hiring qualified workers and retaining them. That's the number one thing we hear. The job market isn't as hot now as it once was, but over the past few years, as we've been talking about, there've been major changes in the workplace and employers and workers alike are still trying to figure out how to navigate those.

So to your point, 67% in the recent Gallup poll of workers approved unions, there's another survey from a couple of years ago that surveyed 4,000 workers and found that 52% of non-union workers want to form a union. And that was before some of these high profile deals like the UAW, UPS, the SAG-AFTRA deals more recently, but according to BLS data, just take a step back, only 6% of private sector workers are actually in unions.

So one theme we're hearing today already, and I suspect we'll hear more of, is that employers who have union work sites can take advantage of that mismatch. If you're looking to recruit workers and more importantly, retain the workers you've got and grow your business, you have the opportunity to get out in front of everyone else and embrace worker voice. It can make working for you really attractive for the workers you're trying to recruit. And as we're seeing more and more that can be in computer programming, manufacturing, retail, and otherwise. So I saw, as President Shuler was suggesting earlier, that's a competitive advantage in this labor market and whether you're hiring across those industries, it's a great way to set yourself apart.

**Joe Weisenthal (32:20)**

I'm so glad you brought that angle up because that is anticipating where I was going to go next, which is that, yeah, one of the big problems over the last couple of years of course is employers frustrated with churn and hiring and so forth. Alyson, I want to bring you in. What in your view, should companies understand about when they're thinking about retaining workers, hiring workers, what having labor representation, having unions can mean in terms of employee retention, employee attraction?

**Alyson van Hardenberg (32:55)**

Yeah, so at Honeycomb, we're not unionized, but I am on the board of directors, I am an employee, and we elected someone to be our employee representative on that board of directors. And as such, I have a fiduciary responsibility to help Honeycomb be successful. It's not labor representation, but we have a voice at the table and we're in the room where it happens, and that is really attractive to people who come to look for work in progress. We see it at our director level, VP level, just having that transparency between the board of directors, which tends to be a more closed off conversation and the frontline people who work at Honeycomb, it's put in place some policy for that clear level of communication, and that has really added to employee retention and hiring.

**Joe Weisenthal (33:49)**

Jamie, do you want to come in on this question too about what it means to have the advantage of a unionized workforce in a time when many companies are sort of tearing their hair out about churn?

**Jamie Barton (34:00)**

Yeah, absolutely. It does help us recruit the best workers, more experienced workers, and our employees stay with us longer, which is just a virtuous cycle, absolutely, but when the labor market gets tight, just like any company, we also see an increase in churn or attrition. But the thing that helped us, because we have a close partnership with the unions that are part of our partners with AT&T, that gave us an easy way to tap into the frontline employees and figure out why. We could just reach out to our partners at IBW and say, hey, we're seeing attrition in Wisconsin. It's above the norm. Everybody's attrition rate is up and to the right but in this particular area we're really struggling, and we didn't have to bring in consultants and spend money on research. We just reached out to our union partners there and they could say, here's who's hiring in the market. Here's what's happening in the workplace. You changed out middle management.

And those are just examples, and we can get to the heart of it really, really quickly because of our partnership with the unions. And many of our managers also were previous members of the unions, and we're geographically dispersed. We're everywhere. We're a big company, and it really helps us to get to what's happening on the frontline much, much quicker than if

we didn't have that partnership and those lines of communication open. So that's a benefit we see.

**Joe Weisenthal (35:51)**

That's incredibly interesting. It's funny, literally an hour before this, we recorded an episode of the podcast that'll be out next week with the co-founder of a restaurant chain. He was talking about, oh, having to do a listening tour of sorts with employees, but that makes a ton of sense. That you have one or two phone calls to make and you can sort of get access to that information rapidly. Let's go back, Alyson and Matt, to this conversation about other models or employee representation on the board, because I do think intuitively that feels like an attractive idea to a lot of people in terms of getting alignment right so that everyone is on to something of the same sense of the team. Alyson, maybe just start, why don't you talk a little bit more about how it specifically works at your firm?

**Alyson van Hardenberg (36:37)**

Yeah, so at Honeycomb, we'll have an employee board member sit on the board of directors for two years, attend all the board meetings. I have a full vote in the boardroom. So when it comes to voting, I am fully counted in that, and it was really important for us to establish this norm in times that were good. So things were going well, our sales were going well, and we wanted to make sure that was in place so that when times are bad, it's already there. That trust is built. Those sorts of patterns of attending board meetings, sharing back to employees at our all hand meetings are already there, and there's that trust between our executive staff and our board members and our employees.

**Joe Weisenthal (37:22)**

Matt, from the investor perspective, from the outside perspective, what do you think, talk to us, your view on some of these arrangements or what more could be done with some of these arrangements?

**Matt Patsky (37:31)**

Well, employees participating on the board is absolutely a great thing we looked for and appreciate. At Trillium, we have five board members of Trillium and three of them are employees. So there's lots of participation for employees on the board, but employee

ownership is a critical factor and is something we've seen where it ties employees, both in terms of loyalty and lowering turnover has worked very effectively. So the original, we have to step back. While we are obviously very aggressively pressing Starbucks to change behavior around unions now that when they started, they had come out with a program of broad employee ownership healthcare benefits for part-time employees. They had come at it from the perspective of treating their employees much better than the traditional coffee shop had, and that's why they had great success. I think in the early days they had a model of including the employees in a lot of the thought processes of how to structure the business. And so that is always helpful.

Certainly trade unions have played an incredible role in the success of UPS as an example of a larger company where employee ownership has been tied also with the labor having been unionized. So seeing that in combination I think is probably the most powerful tool for attracting talent and retention.

**Joe Weisenthal (39:26)**

Okay, so it's all great and it's good for retention, it's good for knowing, reducing churn and getting alignment, but obviously there's a lot of skepticism, some spectrum of skepticism to hostility among a wide swath of companies. Raj, going back to you, what is, from the perspective of the administration, obviously I'm sure you hear companies express frustration. What are the biggest concerns that they have or what makes them upset? What are the downsides that they see most starkly from your perspective?

**Rajesh Nayak (40:03)**

Joe, I was thinking about what Alyson said a few minutes ago about the importance of starting at the good times and getting that relationship built, and also a little bit of what President Shuler was saying earlier, and Roy talking about some of the horror stories out there. One thing we think about is, and I'd say for the business leaders on this call, I don't have to tell you that running a business is complicated, right? Sometimes there are just questions where there's no right answer. It definitely feels like to me at least there's more uncertainty out there today than there was before. We've seen everything from hopefully a once in a generation pandemic to the need to plan around the climate crisis and everything else that's going on today.

So we think of the bargaining table as a great place to actually hash this out with workers, you get workers' voices in the conversation, you get their buy-in on solutions to the hardest problems. You have a forum for tackling the small problems before they become the big problems.

We had an event at the Labor Department last week with Acting Secretary Su in conversation with business and labor leaders, including some of the folks here and there. The AFL-CIO senior advisor, Cindy Estrada made this really good point. She said, "I've never seen a worker join a union because they hate their job. If you can put workers at the bargaining table, if you get their skin in the game, they don't want to bankrupt their employer. They want to be partners in seeking solutions." Roy was saying this a little bit too, having someone who was a partner in finding the next step, and sometimes there's an opportunity to work through those really intractable problems.

We've seen this in 2020 in Europe, we saw a place where there is more of a culture of worker representation over time, we saw examples of employers and workers really teaming up to say, what do we do about this COVID-19 thing? When no one had actual answers. We didn't quite know yet. I don't know if we'll ever know exactly what we should have done, but it's people getting around the table and saying, okay, how do we balance these risks? How do we get people to work in the safest way possible? And you know what? If we made the right choice or the wrong choice, we were all in this together anyway.

**Joe Weisenthal (41:57)**

Matt, just going back to you for a moment, again, it's all great when people can find some positive solutions, and so the workers feel better, maybe they get more paid, maybe they get more representation. The management sees lower churn, better insight, a more attractive place to work, et cetera. But there must be some situations in which it truly is, there's a pie, and there's the shareholders and there's labor, and if labor gets more then on some level, shareholders are going to get less. How should management think about those situations where seating to some of the goals of labor may just mean, yeah, less profit or less margin at the end of the day?

**Matt Patsky (42:42)**

Yeah, I would argue that that's just short-termism. What we really need to do is think about long-term sustainability of business models. And we did have, at Trillium, we put out a white

paper that I would point people toward called the Investor Case for Supporting Worker Organizing Rights. It basically goes through this, which is why it is that over time we think there's actually going to be better outcomes for shareholders if they're acknowledging the right to unionize, if they're acknowledging the truth, which is what is the most critical asset every company works with day in and day out? It's people. And if you haven't recognized that, you're starting off with a major problem. And when we obviously went through decades of, I think there being an effort to cut costs across the board, particularly labor costs, and we're now in an environment in which people need to be more focused on valuing and properly treating their most valuable asset.

**Joe Weisenthal (43:59)**

Jamie, maybe you can come in on this question. The fact that AT&T has such a unionized workforce. Can you talk a little bit further about how the nature of that relationship would be different if it weren't unionized and what some of the pluses and minuses of that are?

**Jamie Barton (44:21)**

Well, I like to think that we would treat everyone the same as we do today, but I will tell you that I know I sleep better at night knowing that we have the collective bargaining agreements at our foundation, given how geographically dispersed we are, given we are in stores, customer care, trucks and garages, in people's homes every day, hundreds and hundreds of times a day. I like knowing that we have that system of checks and balances, if you will, and it starts in fairness, right? So fairness when it comes to wages, fairness when it comes to scheduling fairness, when it comes to access to training and opportunity to maybe earn more and take on more responsibility within the union ranks, those collective bargaining agreements and the union members out in the field, as we like to say. Make sure that they make sure that that fairness standard is in place and recognized every day and without it, I think we'd have to put a lot more management overhead, honestly, in place to make sure that those standards were upheld.

I'm a former union member myself. That's where I started my career at Southwestern Bell back in the day, now AT&T, of course, but that's why I'm proud to work AT&T and why I relish our relationship with the unions is because it's a level playing field when you start at this company and you're represented by the union, you know that you have just as much access to the next job, the next opportunity, the next increase, the next best schedule as anyone else. Without it, I think we'd have to spend a lot more time making sure that that was in place. And with the

collective bargaining agreements, I think we almost take it for granted a little bit at AT&T, especially those of us that have been here for a little while.

**Joe Weisenthal (46:32)**

I want to talk more about organized labor unions, labor bargaining power in the context of new and changing business models. Going back to you, Alyson, obviously people saw, and it was in the conversation before, the incredible power of workers with the OpenAI drama and the threat of every worker threatening to quit if they didn't bring back the CEO. Obviously, in the software context, there are opportunities for workers who can make life-changing amounts of money if they strike gold at the right company with stock options and an IPO, et cetera. And of course, we know that even in downturns, there's just incredibly fierce competitions for talent and brutal competitions for talent that seem to always be the case, especially if it's cutting edge talent and so forth. Talk a little bit more about in the software context, what we should know about labor relations and retention in such a cutthroat industry for talent.

**Alyson van Hardenberg (47:38)**

Yeah, it's really interesting that you bring up the OpenAI piece because when that was going on in our internal chat conversation at work, someone was like, this is why we have an employee board representative. We have someone there who if this were to happen at Honeycomb, we would know about it, we would have a voice already there, and it probably wouldn't happen in the same way.

With regards to the employee investment in the company, in tech, especially in venture-backed startups, most employees get some sort of options or shares in the company as part of their compensation. So they come into the company from day one having investment in the company, and that changes the way I think that people think about staying at a company, how long they might stay. There's usually a vesting cliff for those options, and that's baked into a lot of the way that hiring happens in tech, venture-backed tech specifically.

When it comes to hiring, when I run a hiring panel for my team, we often talk about the employee board member role and how it's already in place. Employees have that path to the executives and people react really, really well to it. A lot of people, a lot of my peers have said they stay at Honeycomb because they can't find that kind of culture elsewhere in tech.

Leaders come to Honeycomb because of that same thing. The values are baked into the way we run our company.

**Joe Weisenthal (49:15)**

Rajesh, other aspect of business models, and maybe this was something that people were talking about a little bit more a few years ago, but I don't think it's really changing is just that gig work, et cetera, is going to be one of these areas where not only is there not unionization, there's still ongoing fights about the classification of workers, whether they're employees at all, et cetera. What are you working on or what is your administration or your bureau working on in terms of thinking about the pro-labor stance in the context of some of these different labor arrangements?

**Rajesh Nayak (49:56)**

Yeah, no, so I think one of the realities is, as you're saying, there are all kinds of new relationships between workers and business around the country in various ways. We're of course always interested in mainly the question of whether workers who are employees are being misclassified as independent contractors, but to your point, really, all of this, we take a step back and think about that broad new playbook and what are the benefits to employers of, for example, even pledging neutrality or voluntarily recognizing their workers in various ways. One thing we've been thinking about in terms of labor management relations is an employer who pledges neutrality can also help set negotiations at a more productive and collaborative path, so you can refocus your attention on those real issues. We're not always going to agree, but neutrality can really help set the tone for productive conversations.

**Joe Weisenthal (50:50)**

So we just have a few minutes left. We started this conversation talking about, okay, well, it's a tight labor market. Just this morning a couple hours ago, we found out that the unemployment rate fell back to 3.7%, which is awesome, but in theory, probably almost for certain there will be another, a downturn and layoffs will pick up. And maybe, Alyson, you talked about the importance of establishing these relationships in good times when it may be easier to build trust, when the money is more flowing, but how do people thinking, and maybe I'll go around about at some point companies, there may be another layoff cycle and some of that trust may have to be spent. You build up that trust because it's needed in difficult times. How are people thinking about these relationships when it gets leaner?



**Alyson van Hardenberg (51:45)**

For us, it's really important that it doesn't come as a surprise. It's true, layoffs happen. In tech, they're happening almost daily. But knowing, being able to see it coming and having that clear communication early on so people can be prepared, support people through layoffs, I think that's a really important piece of it. At Honeycomb, we often share, we know when our zero cash date is, we know how sales are. We see those numbers quarterly at our all hands meetings. I share them from the board meetings with our employees. They know how the company's doing, and because we all have this vested interest in the company, we all really want it to be successful, sometimes that means layoffs. And it is awful for the individuals going through those layoffs, but it does help if they know that it's coming. They can prepare themselves, they can start working on their resumes, getting those connections made.

**Joe Weisenthal (52:37)**

Jamie, maybe you can talk about it, because obviously AT&T has seen many cycles up and down, and so talk a little bit about what you see as the advantage of having a good labor relationship throughout the cycle.

**Jamie Barton (52:52)**

Sure. Definitely, it's a lot better when we're hiring and growing and spending money and expanding the fiber network, that's for sure. Things are a lot easier. We do have downturns, obviously. Not letting people be surprised, as Alyson said, is very, very important. And we do have job security provisions in all of our collective bargaining agreements. And when we see it coming, we spend a lot of time upfront because we've invested time and money in training people. So if we can place them somewhere else in a different job, different title, different geography, that's our first step. And we do a pretty good job really of placing people. If customer care work is going away, then we try to put people in the stores or vice versa. We have training programs where I, myself, was a customer service agent and I took a training program and became a technician. So those types of things are still in place at AT&T, so that's the first thing we do.

We also have project driven work, and we do have temporary employees specifically in the network side of the house, the people that are building our fiber network, and we know those jobs are cyclical, we're going to build it, we're in or out. And those temporary workers, they

know that they're temporary. They know that the project will come to an end, but they're also members of our unions, and so they pay dues and are represented just like everyone else. So that allows us to smooth it out a little bit, and those folks know that they're on an assignment with an end in sight. So that I think sets expectations and allows us to be transparent about the ebbs and flows in the market and the work that we do.

**Joe Weisenthal (54:52)**

Final couple of minutes, Matt, from the investor perspective, I'm sure there are a lot of investors who are interested in many of these topics, and especially as you say that there really are long-term benefits. What are the main maybe tools, wedges, mechanisms that investors can play? Are there other models? We talked about unionization, we've talked about board representation. Obviously, employee equity, ownership of the company. Are there other things that people should be thinking of in terms of just improving employee-employer relationships from the investor perspective?

**Matt Patsky (55:24)**

Yeah. The investors, particularly large institutional players need to always remember they are the owners of the company, and it is really critical that they make sure their voice is being heard and that they understand the complexity of the relationship of the labor relations and the importance of the labor force in operation and sustainability of any business. And so far too many investors, and far too a large percentage of the total ownership is completely silent on all issues, right? The passive running of portfolios is one thing, but to be a passive owner is to abdicate your fiduciary duty of engaging with the companies you own. And it is inexcusable, in my humble opinion, and a violation of fiduciary duty. And so this is an important issue. It's been demonstrated to be very critical for the sustainability of business models. And so investors broadly need to be engaged in trying to encourage certainly more models with an employee ownership component, but also just simply the recognition of, as I've said before, the most valuable asset almost every company happens to have is its people, right? So to ignore that is just irresponsible.

**Joe Weisenthal (57:04)**

Well, there's obviously tons more we could talk about, but I think given the time, that is a great note to go out on. So Jamie, Alyson, Matt and Raj, thank you so much. That was a great chat and I'll hand it back to Liba.

**Liba Wenig Rubenstein (57:18)**

Wow. Thank you so much, Joe. Thank you, Alyson, Jamie, Matt, and Raj, and thank you Tom and Roy and President Shuler for this really terrific discussion. We squeezed a lot into a short time.

You all shared what you're trying out in employee governance, in collaboration with unions. We know other Roundtable members are also innovating in employee ownership, shared HR management, AI, other deployment of technology and more. You all reminded us that a strong legacy of worker organizing in this country helped to create a social contract between employers and workers in that period after World War II. And as our society and economy have transformed, that contract has frayed. Today, a new generation of workers are organizing to repair it, and they need a partner in business. So we will keep growing the membership of the Aspen Business Roundtable on organized labor and deepening our offering to companies. In the new year, we will be sharing some specific actions companies can take in the form of a new actual playbook, which will include reviews of research and new case studies, including the voices and stories of some of the folks you heard here today.

We believe that through efforts like these, businesses can remove an obstacle to the thriving of American workers, and that in turn will strengthen our economy, society, and democracy.

I'm so grateful to my colleagues at the Aspen Institute and MIT for their support on this event and generally including Maureen Conway, Matt Helmer, Martha Mangelsdorf, Francis Almodovar, Nora Heffernan, and Tony Mastria. And thank you so much to you, our audience for joining and sharing your questions and comments. Please do take a moment to give us feedback in that quick survey that will pop up when you exit the Zoom. We hope you'll join the Economic Opportunities Program for its next event, "How Benefits Make Jobs Better," which is January 9th at 1:00 PM Eastern, and it will be a hybrid/in-person event in Washington, DC and on Zoom. So we hope to see you then.

Thank you so much.