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Richard Florida: While some people think I've been looking at musicians or artists or multicultural or talent communities, or even the role of openness and diversity, the gay and bohemian factors, which I have looked at, my work all comes from my original work studying factories. And when I studied factories in the 1980s and was looking at the high-performance, high-quality lean and agile factories, what I found the best factories did, they saw the worker as a source of knowledge and innovation, what the Japanese called "continuous improvement" or *kaizen*.

And I remember being in a factory in Japan and talking to the plant manager and he said, "We're going to beat the Big Three," and I thought this was hysterical. But the reason we're going to beat the big three, he said, is because they see a worker as a back and a leg and a hand; we see our workers in our factory and in our suppliers as a source of knowledge and ideas, as a source of this kind of group creativity. So the knowledge economy simply does that for a group of professional workers. It has realized that to be successful in arts or culture or science and technology, we need to harness human knowledge to build software, to build new technology, to build Apple computers and iPads and iPhones and all the other things that we sell and do quite well at.

But the real key if we're going to build an economy that's really robust is, we know that what's happened in manufacturing is the companies that remain, that are effective, are the ones that are harnessing workers' knowledge. . . . Jeff Bezos at Amazon is a total believer in the Toyota Production System, Japanese kaizen quality, use the workers to figure out the problem and solve problems. When you look at great companies like

Whole Foods or Starbucks or great hotel chains like the Four Seasons, they all involve their workers in using their minds.

My friend Tony Hsieh at Zappos, you know, he wrote this book *Delivering Happiness*. Tony talks a lot about how empowering workers in a call center environment, some of the lowest skill work that people have been treated terribly, empowering them, let them having a stake in their work, creating an internal career ladder, letting them express themselves and build meaning. He's now moving that head quarters back to the center city of Las Vegas so people can have more affordable housing and walk to work instead of commute and have to own a car and a house. . . .

It seems to me that what we can begin to do in this country is make service work meaningful, creative, knowledge-based work, and my best exemplar is my father. My father said that when he started work at a factory in the 1930s it took nine family members to make a family wage. So it took him, my grandmother, my grandfather, and six siblings to make one family wage; he made eye glass, like these kind of eyeglasses, at a factory in Newark, New Jersey. When he came back from the war, all the sudden as if by magic . . . it wasn't by magic: America had formed a new social compact, unions had been involved; American business decided that workers had to make a higher wage to buy things; our government was very involved in giving workers rights; we forged a new social compact . . . That manufacturing job which was formally a horrible job became a great job. We made manufacturing work great work. . . .

We need to make these 60 million-plus service jobs in America that pay terrible wages, that are low skilled, that are very precarious, that are contingent, that are not very good jobs. We need to make them better jobs, and the only way to do that is to harness the knowledge and creativity of the workers to have them as part of the innovations to boost productivity.

And what will happen is it will not only raise wages, it'll make those businesses more productive and innovative, and it'll make our cities and country more productive. There's a great study from MIT, just reported in the *Harvard Business Review*, a group of scholars went out and looked at service work, and what they found is exactly that: when you add knowledge and skill to service work, when you pay workers better, when you engage them, the company does better, the workers do better, and I would argue, in addition to the workers doing better and the company doing better, the community, whether it's New York or San Francisco or Pittsburg or Columbus or Charleston, the community that engages the service businesses and make them more productive, its productivity and competitiveness will increase, too.

**Directed / Produced by
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