"C	an I	get :	a nrice-	check	on this	American	Dream.	nlease?"
_			a brice-	CHCCK	on uns	1 XIII CI I CAII	Di Cam.	Dicase.

A compilation of research – and report on American views of the business environment.

Rachael K. Pierson

SMAD 441, S.1

Tuesday, February 11, 2003

The research for this project was absolutely amazing, and addictive — I was fascinated by the quality and depth of reporting done by institutions such as PBS and the Pew Trusts — and I wonder why it is not reported in the mainstream media more often — I have included the requirements for this project, and a couple more, to share with you some of the very interesting information I have discovered...

- Rachael

I have a perfect idea for the next Jerry Springer Show. Entitled, "Corporate Scandals," it would bring together several Enron, Arthur Andersen, or Adelphia employees and match them up with the CEOs that cheated on them. This would be the type of daytime television that you videotape, and rush home to watch after work. It's not a surprise that Americans use the media as a vehicle to display and discuss their feelings about the "system." In the homeland of the first amendment, we've been trained to do it.

When corporate scandals were the newest trend in 2001, the media made an urban legend out of it. Now, everyone has an opinion on American business, and unfortunately, it has shown to be a negative one. As shown through many surveys and focus studies, these issues lead Americans to doubt what little we have left of the since-present, American Dream. A secure job, office with a view, spouse, 2.5 kids, and a dog has long been unheard of. And what is the price of such a living? Weary Americans seem to be paying with their endless time, their respect, their self worth, and their lives.

There is something to be said for every citizen – the cynic, the All-American boy next door, the comic, and the oppressed. Though they all hold very different perspectives on the American business environment, they all agree on thing – something has to change. This project summarizes many of the ideas represented through various forms of media, from video to newspaper, and those that can be found within the internet community.

PBS poses an intriguing question; 'Does America Still Work?' This is the title to an investigative report produced by Frontline for PBS. In the report online, Frontline compiles information on the economy, expert opinions, and provides an online forum for viewers to express their feelings about the segment. (Please see the 'feedback forum' article attached – containing highlights from the viewers' response).

Those who responded to the report in the online forum gave insight from all sides. There were several viewers who thought that the system was nothing out of the ordinary, that it is not a new task to have to make yourself marketable to companies. There were also those who have faith in the American way of business. They believe that if Americans continue to make every product with pride, and to keep the prices up, that in the end, the country will be able to sustain on it's own wealth. Then there were the skeptics. These respondents stood firm to their fears – of a self-generated problem, and a vicious cycle of business and politics, where we are all entangled, and doomed to be a part. Reading through these responses it is overwhelming to see the variance in opinions, and to note the fact that everyone is scheming about the business world. They try to rationalize for the monster of a system we have present in the United States, and in that process, come to the same discovery as many others. They think they know – but in reality – they have no idea.

Fortunately, movies do have the right to theatrical license, enabling directors to create any realm of story upon whatever creative ideas they can generate. In *The Hudsucker Proxy* the scene for corporate business is created with towering buildings, old, business suit-clad executives, and mindless business brabble that is the only thing heard for miles. Hudsucker Industries may be the dirtiest and devious of all corporations, until it is probed by an undercover reporter, and all of the deceitful business schemes are brought to life. This scenario was not suprising however – possibly because even after the corporate scandal crisis that hit America in 2001, the public views companies as always hiding some big secret. It is only until a brave worker or reporter brings the secret to light, that the public comes to realize that things aren't what they seem.

Who would have ever thought that the world's two driving powers could be summed up with a Lexus and an olive tree? In his book, <u>The Lexus and the Olive Tree</u>, Thomas Friedman explains the heart of what gives every human a purpose – and why the American system of globalization, the Lexus, doesn't work for every human who is focused on protecting their tradition and homeland. Through his commentary and factual reports, he doesn't force-feed the reader any one perspective, but instead sets the scene for you to make one on your own. I came to the understanding that not everyone wants to be American, however, Americans typically think they do.

Friedman, a master of analogies, gives the story of a product tariff war between Coca-Cola and Roquefort cheese. As has been traditional in American business, it is a main goal to pepper the world with our "oh-so-wonderful" products. Coca-cola is the epitome of just such a product, as you can find it anywhere on the globe. Roquefort cheese is the exact opposite. The cheese is made in and sold from a small area in France only – making it a very exclusive item. When the two cannot agree on the way business is to be done, no business was done at all. Roquefort chose to focus on their commitment to a distinct tradition, to emphasize an added value in their product. Coke chose to 'uproot' and throw away any traditions, to make their product into one that would work for anybody. In a sense, it is similar to the American war between Wal-Mart-sized warehouse stores, and the 'Mom & Pop' shops that are being rapidly replaced. People are being replaced by more efficient computers. Wages are dropping to accommodate for lower prices on products. Middle to lower class Americans are left to suffer – to receive lower prices on products because in turn, they are also making less.

As the results have shown, no one knows quite what to think of American business, nor does anyone want to think of it too much.

Does America Still Work? Transcript. Frontline for PBS and WGBH Educational Foundation.

21 May 1996. http://www.pbs.org/wgbh/pages/frontline/america/americascript.html>.

Does America Still Work? Pubic Forum Transcript. Frontline for PBS and WGBH Educational Foundation.

http://www.pbs.org/wgbh/pages/frontline/flfeedback/readflfeedbackamerica.html>.

Friedman, Thomas L. The Lexus and the Olive Tree. New York: Anchor Books, 2000.

Kohut, Andrew. Increasingly, It's the Economy That Scares Us. New York Times. 14 Jul 2002.

http://www.nytimes.com/2002/07/14/opinion/14KOHU.html.

Lohr, Steve. Though Upbeat on the Economy, People Still Fear for Their Jobs. New York Times.

29 Dec. 1996. http://www.nytimes.com/specials/downsize/1229econ-jobs-uncertain.html>.

Office Space. Dir. Mike Judge. Fox DVD, 1999.

Reich, Robert B. How to Avoid These Layoffs? New York Times – The Downsizing of America.

4 Jan 1996. < http://www.nytimes.com/specials/downsize/resource-1496.html>.

Terkel, Studs. Working. New York: The New Press, 1974.

The Hudsucker Proxy. Dir. Joel & Ethan Cohen. Warner Studios, 1994.

Views of Business and Regulation Unchanged by Enron. Survey and Results. The Pew Research Center,

21 Feb. 2002. http://people-press.org/reports/display.php3?ReportID=149>.

Additional Research

MSNBC & Dateline - Corporate Scandal Guide -

http://www.msnbc.com/news/corpscandal front.asp?0dm=B2AJB

PBS Frontline - Business News Documentaries - < http://www.pbs.org/neighborhoods/news/#business>.

PBS CEO Exchange - http://www.pbs.org/wttw/ceoexchange/

Does America Still Work? - http://www.pbs.org/wgbh/pages/frontline/america/

Who do we trust these days? - http://www.pbs.org/wgbh/pages/frontline/america/trust.html

Recent Congressional Proposals to Encourage Worker-Friendly Practices by Business –

http://www.pbs.org/wgbh/pages/frontline/america/proposal.html

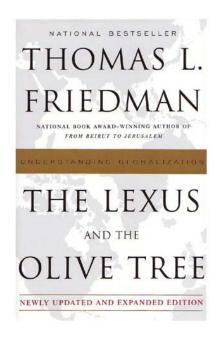
The New York Times Special Report - The Downsizing of America -

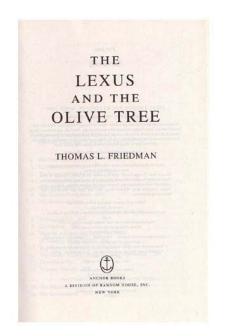
http://www.nytimes.com/specials/downsize/

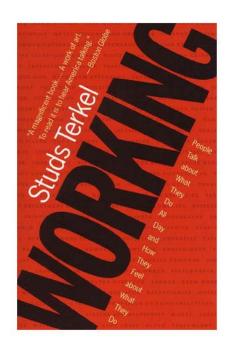
The Pew Research Center for the People and the Press - http://people-press.org/>

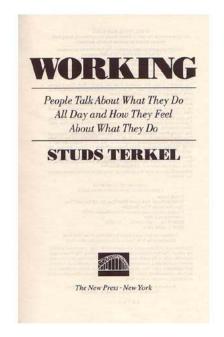
What the World Thinks in 2002 - http://people-press.org/reports/display.php3?ReportID=165

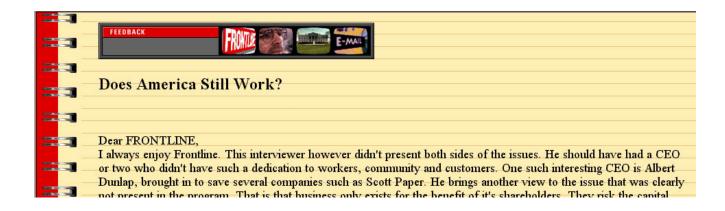
...please see the following articles for more insight into the research sources listed above >











...Listed below is a collection of the most relevant comments posted on Frontline's feedback forum concerning the episode "Does America Still Work?" In these quotes – viewers don't just comment on the show, but give detailed, personal stories, and their own strategies for America's business and economy. (The highlights of each comment are *italicized*).

He should have a CEO or two who didn't have such a dedication to workers, community and customers. One such interesting CEO is Albert Dunlap, brought in to save several companies such as Scott Paper. He brings another view to the issue that was clearly not present in the program. That is that *business only exists* for the benefit of it's shareholders. They risk the capital that makes all else possible. Although not a subscriber to his theories in total, it would have provided an interesting contrast to the CEO's who were portrayed as quite human. - from Jon Levinson 76077.1203@compuserve.com

Our parents were the only generation that had the type of jobs & job security that most of the people you interviewed want. You cannot have jobs with guarantees and high benefits/pay at the same time. You have to prove that you are worth what you get, not that you are entitled to it. - D.D Newburgh, IN

Fear mongering, fear mongering, fear mongering!!! What is guaranteed in this life? Certainly not a job in any one company, at any one place forever. Would any of those "loyal" employees hesitate to leave their company for a better job with better pay and benefits at another company. I think not. But, if a company wants to leave to benefit itself, it can't because of some social or individual loyalties??? This country was built by big businesses, not by big government. - Wil Calvey Marina, CA

The legacy of a corporate America that throws away its dedicated workers is a society that loses all respect for employers. The "Downsizing" mentality, while defended by those who would accept a multimillion dollar salary and stock options, is nothing more than the loss of allegiance to the workforce that made the corporation great and the nation that allowed it to set up shop and prosper. - Duane Lugdon – Concord, N.H

I do believe though that large corporations in general are beginning to reap the lack of commitment that is festering below the surface in many employees. A balance needs to be struck. It is fine to make the

appreciation of stockholder worth a paramount goal, but having a background on Wall Street, I believe that the street is notoriously short-sited, which short circuits long-term investment and growth plans for many corporations.

- Jim Luther - jluther@mediamation.com

I have worked at MASTER LOCK CO. for 30 years. I am proud to tell FRONTLINE that I am an employee of the MASTER LOCK CO. I can tell you in all that time the only time I was worried about my job was during the two strikes 1974 6 weeks 1980 13 weeks. During the small layoff in the early eighties that affected only the very latest hired employees. I was so confident of my job I started a big project in my yard. Never was I worried about not having a job. I know it sounds like a Fairy tale but it is true. Its like the American dream. Start with an employer and retire with the same one which I plan on doing. - Jack Skok - Muskego, Wisconsin

Your report on the effects of downsizing and the "new" economic reality painted a much maligned picture of doom and gloom. The overriding theme from the displaced workers was "what is the company going to do for me?". Since when is a corporation a democracy? Training and upgrading skills are the responsibility of the individual. As indicated in the report, the economy is in very good shape in both absolute and relative terms. Without the downsizing of corporate America, the U.S. would be in the same boat is many of the European economies struggling to get it's bloated costs and social benefits down in order to compete in the global economy. Millions of people from all levels of the socio-economic ladder are taking proactive measures to improve their standard of living without the assistance of others. Despite sounding cliché, hard work and sacrifice still matters. - Derek P. Pitt - Kansas City, MO

Unless we solve this problem soon, millions of ex-workers will see themselves as having little or no stake in society. - James Higgins

However, your softball approach to questioning these corporate moguls on issues such as downsizing (firing), employee involvement in decision-making and corporate restructuring was lacking. These individuals were not pressed on the very issues that are of great concern to the average (non-millionaire) American. In the interest of fairness to frontline, I will concede that the corporate and congressional (also corporate) censors are a powerful force and that there hand is pervasive. For there to be a future for frontline, one must understand journalism critical of corporate America is off limits. - Jeff Underwood - Athens, GA

Hell, when I used to live in Madison, WI as young man in my 20's 15 years ago, I was witnessing the end of what were the last days of the manufacturing heyday in Milwaukee. IT took these men and women displaced from their jobs 7 or more years to get back where they were before the massive plant closures. They and their communities lost a lot. *The American workingman and woman's soul was ripped out*. The bottom 40% of the American workforce is suffering while the American economic engine and Wall Street continue to soar to new heights. *No wonder the rest of the industrialized world pities the US blue collar worker as one who will work for a \$7 per hour sub wage rate and two jobs just to make ends meet.* These jobs need to continue to be created. With the advent of workfare in Wisconsin and elsewhere, job creation is most critical to the success of these people. Those who have lost skilled jobs have to find new niches where they could then leave the lower paying semiskilled jobs open for new entrants to the workforce, formerly on public assistance.

The evolution must continue. If the American economy does not create the market for skilled workers, our roles in the New World Economy will ultimately fail. Trade is good. Underdeveloped and developing markets must be created and those markets will produce the lower cost products. With better incomes, then these consumers will be able to buy better manufactured, higher quality goods from the Master Locks, Chryslers and Harley Davidsons made in the USA. - C.A. - Arlington, VA.

Americans in general need to start thinking "in the long run", rather than the current quarter bottom line. Get in make a buck and get out is not the way to sustain our economy. *Until we reward people for "long haul" thinking the economic climate is not likely to change much.* - George P. Jones, III

would like to comment on the issue of CEO compensation. CEOs may be somewhat overpaid. *Workers may be underpaid and the gap between senior most management and worker's may be too great.*Nevertheless, I am concerned with the trend towards vilification of CEOs. They do produce products, create jobs, attempt to and often succeed in maintaining or increasing productivity, and they create wealth. While they may deserve less than they make, they much more nearly deserve what they make than do entertainers of all categories (e.g., basketball players, football, actors, etc.).

My greatest concern is that we, as a society, will pay a person 100s of millions of dollars to entertain us (by stuffing a ball through a hoop, knocking someone senseless on artificial grass, or acting out violence on the screen) while we will pay an engineer or biotechnologist who creates health, wealth and well being a wage that will barely afford a home. - T.W. San Antonio, Texas

Take a good look at the car lots; new cars are sitting there with no buyers! This is the proof that the minimum wage needs to be addressed! *No one should have to work two jobs to make ends meet*! - W.T. Pelahatchie, MS.

Clearly, there is room and opportunity for change on the part of both management and labor, which can result in the meeting of both parties needs. Neither one is a bad guy who is solely responsible for the difficulties which we find ourselves in. Global competition, information technology, a significantly larger workforce (i.e. the baby boomers) and a number of other factors have seemingly assaulted the US within the past decade. We are all responsible for this and we can create better ways of working and living as we go into the next century. However, we can't do so by falling back on old ways of thinking and doing business. The principle problem is that our institutions are not equipped or prepared to address these issues. Business is running as fast as it can to keep up with technology, global competition, shareholder demands and general complexity compounded by the rapid speed of change. That leaves the citizenry as a mass of stranded individuals, which have no place to turn to. There is no longer a community meeting to attend where concerns and hopes can be shared. This brings me to the main point I wish to raise. As long as the American populace remains isolated and has no way of coming together to grapple with these issues we are at the mercy of our institutions to do the work for us, and, as I already mentioned, those institutions are overwhelmed with their own survival. - Brian J. Carroll

Chrysler Chairman Robert Eaton was truthful in admitting that his salary is tied to Chrysler's stock performance. However, a company's stock price tends to rise when layoffs are announced because investors perceive the layoffs as short-term cost cutting. Therefore, Mr. Eaton can make a quick bonus by laying off workers and forcing them to take unemployment benefits. *This really means that the taxpayers contribute to*

Mr. Eaton's paycheck by funding the unemployment and welfare programs that assist these workers. - Allen Jones.

People who were born in the United States between 1930 and 1960 were among the most fortunate people in the history of the world, from a material welfare point of view, but we're running out of refreshments and the band is packing up to leave. So let's stop the whining and come to grips with the fact that the party is over.

- B.G. - Greenburgh, N.Y.

America has not worked for me. The American Dream was dead before I reached the age of eighteen for my family. My parents are impoverished and skilless, my grandparents are hounded by the IRS and I have no knowledge, self-esteem or mental competence. As far as I am concerned, I am dead. The corporate world is not interested in me due to my inability to pass urine tests. I have nothing to offer your society. All through my life, your society certainly refrained from offering me any help. Now I am a borderline psychopath with a gun. The only future I see for me is prison or death, for there is no longer any help offered for my kind, the people that fall through the cracks. There may have been a time I could be helped, but that time seems past.

- E.M. - Franklin, NY

In order to understand the solution we must understand the history that delivered us here. At one time we lived in a vacuum. We produced goods and in turn consumed the goods we produced. One of the problems was, that after a time we produced garbage. If American companies & American workers want good jobs at decent wages, build high quality products, and then purchase the products you produce. The competition can only survive if you buy their product. The public needs to stop going for the lowest prices, and the companies need to stop looking for the cheapest labor. If this trend continues each group will produce its own extinction. It has nothing to do with this so called "Global Economy". Its time we stopped crying in our beer and started using our minds. - E.C. Bielfelt, Jr. - Redlands, CA.

America does work: The work ethic is very much alive, but it has been beaten nearly to death by the new managerial class that has taken control of America's seats of power. The managerial class believes greed is good and believes that the individual is the only meaningful unit of society and the quarterly report is the only meaningful time frame. Therefore selfish greed and immediate reward drive all decisions of this managerial class. They pay only lip service to labor and the greater needs of society and posterity. - T.S.

I fear that people have a slanted view from the outset, and that is the cause of much of the negativity that they feel in response to the CEO's profiled. Fortunately this is not the only view. It seems that many believe that these large businesses owe their employees something. Although we all would like to have security in our jobs, we must accept that this is not the case. We are marketing our skills in the exact same fashion that these producers are marketing their products. If we as workers do not hone and improve our skills we are destined and deserve to fall by the wayside. Survival is a part of life and we have to accept it.

My point of view is not an ignorant one. I work in a manufacturing plant, having survived, sweated and been frustrated by lay-offs. The two ingredients that made me survive are (admittedly) luck, and the extra effort. Of the hundred or so individuals I was hired with in 1992, *barely a handful survive*. These workers are the ones that would through breaks, and try a little bit harder - not a requirement of the job, but we still have a job.

To paraphrase he stated that business wanted government to stay away as they did when they deregulated the airlines, but ask for government to step in for a tax break. If the government is loosening on taxes isn't that really getting out too? Isn't this the mentality that built the huge bureaucracy in the first place?

- Matt Schumacher - <u>matty@communityonline.net</u>