

The Rise, Fall and Rise of Detroit

By Dan Pontefract, author of *The Purpose Effect: Building Meaning in Yourself, Your Role and Your Organization* (2016) and *Flat Army: Creating a Connected and Engaged Organization* (2013)

How did society land on this position of seemingly perpetual workplace disengagement? Why are so few of us possessing a sense of purpose in life *and* at work? Why has the corporation focused on profit over people? The Medieval Latin term, *cancrizans*, is defined as “moving backwards.” Indeed, it has felt as though civilization has been moving backwards—a *cancrizans* state—for several decades.

Detroit. Home of Motown, the Tigers and cars. Let us use this illustrious city as a metaphor for the rise, fall and (hopeful) rise of three categories of purpose: personal, organizational and role.

I believe we can allegorically use Detroit to help explain why the three categories of purpose that I outline in my book, *The Purpose Effect: Building Meaning in Yourself, Your Role and Your Organization*, are fleeting for so many, and how this decline has affected humanity. But I also believe we can use Detroit as an example that demonstrates how purpose can also rebound and mend.

There are several theories to explore as we unpack the rise, fall and rise of Detroit. For example, what if the upsurge in consumerism over the years has intangibly acted as a deterrent to purpose? What if the current form of capitalism and our penchant for more “stuff” has affected the chances for purpose both in our personal lives and at our places of employment? Furthermore, what if the corporation is culpable by its singular and myopic quest for higher profits? And, in some cases, its sole fixation on increasing shareholder return?

I have come to believe that Detroit can teach all of us a lesson or two as it relates to our working life and organizations in general. This metropolis—whose largest union portrays the now ironic tagline, “We Built This City”—is an apt metaphor for an investigation into the concept of purpose. If many of the stories from my latest book depict the combination of personal, organization and role purpose, Detroit ought to be coined a *cancrizans*, too.

But, I will also prove that even when purpose seems fleeting—when the “sweet spot” or intersection of the three categories of purpose seems lost forever—hope can spring forward if we decide we ought to change the way we show up each and every day of our lives. Purpose can be re-established. When we enact good deeds in the organization—when we serve all stakeholders and not just shareholders, profit mongers or power seekers—we are far more likely to achieve organizational purpose. Finally, when an individual possesses a sense of purpose in their life and their organization does so as well, more often than not the individual will exhibit purpose in their workplace role. Indeed, hope can spring eternal.

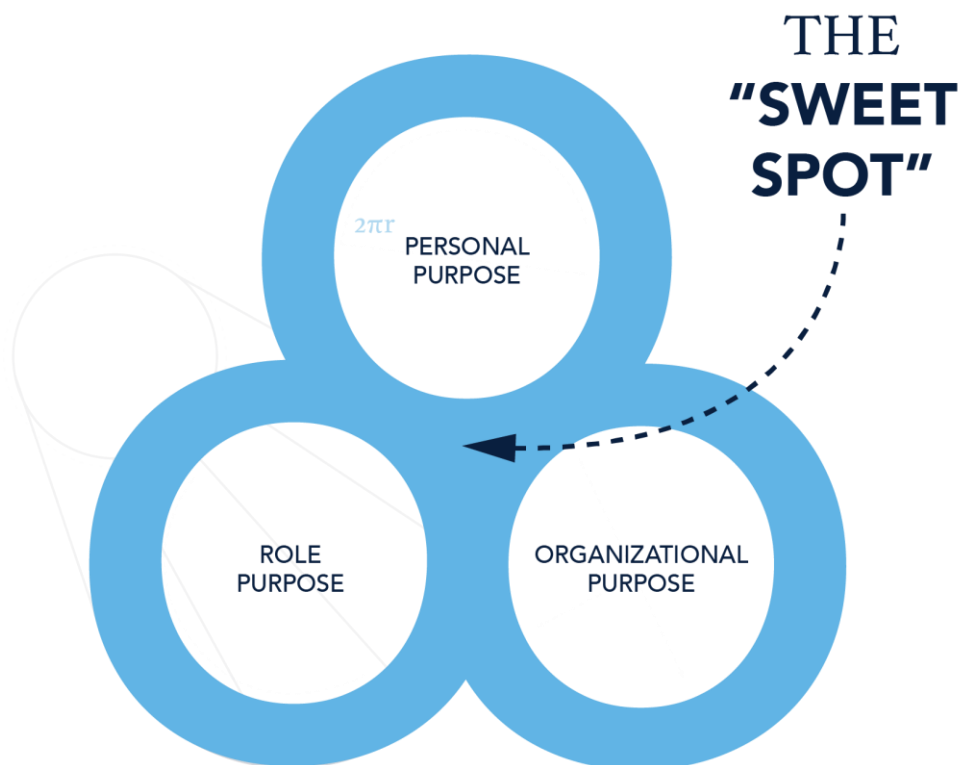
This is a long-form essay (a bonus piece of writing to my second book, *The Purpose Effect*) on the rise, fall and rise of purpose, based loosely on the story of Detroit. I include examples outside of Detroit within the following pages, but the overarching point revolves around “motorcity.” But first, let me briefly discuss *The Purpose Effect*.

The Purpose Effect in Brief

The Purpose Effect chronicles my thesis and findings on the link amongst purpose, engagement and satisfaction regarding life and work. The book draws on research, interviews and first-hand leadership experience, establishing a potentially positive and reciprocal connection between three distinct categories of purpose:

- Personal purpose
- Organizational purpose
- Role purpose

If all three categories of purpose can come to fruition—if there is a positive interconnection between the three distinct definitions of purpose—the benefits should be felt by employees, teams, the organization, customers, owners and, perhaps most importantly, society as a whole. We can refer to this balanced state as the “sweet spot.” The central thesis is surfaced by the following diagram:



I have written *The Purpose Effect* as a mission to put “Stakeholders First.” The stakeholders I am referring to consist of customers (the group an organization serves), employees (the team members that carry out an organization’s mission and objectives), society (our planet and the communities in which we live) and, if applicable, owners/shareholders (those due a fair and just return for their investment).

The book is aimed at both leaders *and* employees who wish to achieve a purpose mindset on a personal level, for the organization where they are employed and in their role at work, too. They do so, I hope, in order to create meaning. *The Purpose Effect* is targeted at those individuals who seek to achieve the aforementioned sweet spot regardless of their title or level in the organization where they work.

The Purpose Effect is for anyone interested in becoming more purpose-driven. It is important to note that it takes courage to create the “sweet spot”. Individuals *and* the organization must demonstrate a degree of fearlessness and prowess if purpose is ever to be simultaneously recognized in the three categories.

I have crystalized the book down to one simple sentence:

The Purpose Effect results in a higher calling, where individuals *and* organizations seek to improve society to benefit all stakeholders.

For *The Purpose Effect* to materialize, the three categories of purpose—personal, organizational and role—must be defined, aligned, and enacted. When this has been accomplished, a “sweet spot” will materialize for both individuals and the organization. Each category that makes up *The Purpose Effect* is defined as follows:

- *Personal Purpose:* What motivates someone in life; their why. An individual’s values, experience and beliefs inform personal decisions and actions.
- *Organizational Purpose:* Why the organization exists. An organization’s principles, ethics and culture inform its ways of operating.
- *Role Purpose:* Why a role exists in the organization. To achieve its goals and objectives, an organization establishes a variety of roles to support its mission.

It is this “sweet spot” that was once the centerpiece of Detroit and its citizens. Since 1957, it has become a rather “sour spot” for the city and far too many of its inhabitants. But like the sun does every day, it can rise again.

Introducing New Old Detroit

I took our children—aged 11, 9 and 7 years old at the time—through Detroit in the summer of 2014. It was eye-opening for them, to the say the least.

When you drive through the core of Detroit, parts of downtown and various avenues like 8-Mile Street, you might feel helpless, hopeless and even a bit frightened for humanity. How could it get to this? The abandoned buildings and houses number in the thousands. People take advantage of the disrepair by extracting anything they can and then liquidating their findings for cash. If you have seen *Star Wars: The Force Awakens*, it’s a bit like Rey at the beginning of the film as she scavenges for parts on the planet Jakku.

Back in Detroit, copper and other metals or materials found in the abandoned, echo- friendly confines glisten as potential opportunity to put food on the table in this city where unemployment hovers around 50 percent in many neighborhoods.

Paradoxically, there are now more murders in Detroit than when it was actually coined the “murder capital of America” in 1987. Poverty rates have increased since the mid-1950s where it now sits at 44 percent. The American average is 15 percent.

The situation is compounded by the fact that only 37.5 percent of Detroit residents actually graduate from high school. By virtue of a degrading experience, the literacy rate of its city’s inhabitants is only 47 percent.

The number of school closures recently set a new record. There were 28 school closings due to a drop in enrollment numbers, from a high in 2000 of 150,000 to a 2014 enrollment of 40,000 students between kindergarten and grade twelve. It will come as no surprise then that Detroit Public Schools (DPS) was well over \$500 million in debt at the beginning of 2016. An emergency meeting at the Michigan Legislature in March, 2016 saw the approval of \$50 million, an act that ensured administration and teachers would actually be paid their salaries through June, 2016.

Can you imagine a city that actually produces over thirty fires every day, the majority intentionally set by its citizens as they did in 2014? Those abandoned schools—amid the other cavernous buildings and homes—have become an arsonist’s new playground of combustion carnivals.

In the summer of 2013, Detroit became the largest city in America ever to declare bankruptcy. It owed over \$18 billion to various creditors and only came to terms with its path forward in

December of 2014 when the city was given the chance by a bankruptcy judge to restructure \$7 billion in debt. Headaches and lawsuits have been the order of the day ever since, while the individual who steered the city out of bankruptcy has now moved onto the DPS to sort out another financial mess.

In 1955, there were over 1.8 million inhabitants of “Motown.” More than 200,000 Detroit residents were working in manufacturing, making it the fastest growing city on the planet. By 1960, Detroit was the richest per capita city in all of the U.S.A. according to the U.S. Census Bureau. By 2016, remarkably, there were fewer than 700,000 residents living in Detroit. Interestingly, the suburban neighborhoods that surround the city have risen in population. In 1950 roughly 1.1 million people lived in the suburbs of Detroit whereas there are close to 3.5 million living in them now.

Imagine over a sixty-year period—roughly two generations in fact—the population of the town where you reside witnessed its inhabitants decrease by almost two-thirds. Where did the people go? Where did those jobs and careers migrate? It is a bit hard to hide over a million Detroit residents (and corresponding numbers of jobs) unless some underlying force is at play. What about those suburbs? What has all of this got to do with purpose?

The title track of Arcade Fire's 2012 Grammy Award winning album, *The Suburbs*, provides a clue:

And all of the walls that they built in the seventies finally fall,

And all of the houses they build in the seventies finally fall,

Meant nothin' at all,

Meant nothin' at all.

Detroit: A Conundrum, Part One

I visited Detroit many times while growing up in Southern Ontario, Canada. The stately Ambassador Bridge that connects Windsor, Ontario to Detroit was a structure I crossed rather frequently. Sadly, the bridge is going to disappear in a few years as a new one is being built.

My dad was an electrical engineer and, in 1976—while based near Hamilton, Ontario—he launched a business with the eponymous name, Pontefract Controls Limited. He and his team of twenty or so developed and sold electrical engineering applications and systems to big and small companies. He created several partnerships with Canadian and U.S. firms, notably a supplier based in Michigan called Gemco Electric.

Once a month he made the three-hour, 330-kilometer journey from Hamilton to Clawson (one of the many suburbs in Detroit) in either an oversized van or a whimsical looking station wagon—replete with fake wood exterior paneling—to pick up engineering parts and gadgets from the supplier.

If it were summer or any other sort of holiday, I would tag along with my father to keep him company during the round-trip 660 kilometers. It was always a lesson in doing whatever it takes to get the job done.

During those trips throughout the 1980s, I remember talking with my dad about Detroit and its golden era. Growing up in the north of England during the 1950s and 1960s, my dad was fascinated by stories about Detroit. I suspect he was not alone. It was the embodiment of the American dream; the global dream, perhaps. But then the sun went down and somebody stole all the sand at the beach. “Go ahead and laugh at Detroit,” author Charlie LeDuff says in his book, *Detroit: An American Autopsy*, “because you are laughing at yourself.”

Today, like many people yearning for purpose, the city is lost. It is desperately trying to redefine its purpose. But like an organization exhibiting an insatiable appetite for power, profit and increasing shareholder value, Detroit must decide if it actually wants to shift its purpose.

Metaphorically though, it has affected us all. I find there to be a direct correlation to Detroit and a lack of foresight when it comes to more meaning and purpose in the roles we hold, in the organizations where we work and in the lives we lead.

People are becoming increasingly more isolated. The concept of NIMBY (Not In My Backyard Syndrome) is growing. We crave stuff. We want to get there faster. We yearn for sleeker cars. We want larger houses. We have become impatient. We demand the latest device. We want more.

Paradoxically, at work—and in our best MBA-speak—we now aim to address only the low hanging fruit. Our approach to employment has turned into a hedonic assault on our actual work style, crimping our ability to find true purpose in our workplace and in life. Detroit *is* a historical workplace metaphor. We might also argue Detroit is the global catalytic birthplace and metaphorical owner of “the age and vortex of consumerism.” This has aided our lack of purpose. For Westerners, it has led us to the road of societal chagrin.

According to the U.S. Department of Labor, “Between 1901 and 2003, the average U.S. household’s income increased 67-fold, from \$750 to \$50,302. During the same period, household expenditures increased 53-fold, from \$769 to \$40,748.” That same \$40,748 of household expenditure would have bought more than \$2,000 worth of goods in 1901 prices, which suggests a tripling of purchasing power.

Yes, society has become fixated not only on income, but on the purchase of consumer goods. In a talk delivered at the Drucker Institute in 2010 at Claremont University, famed management thinker and author Charles Handy said, “Maybe consumerism is the cancer of today’s society.”

I believe it is.

Does the International Monetary Fund (IMF) agree? From its 2012 research, “Dealing with Household Debt,” the IMF found as households accumulate more debt, the deeper the subsequent slump in the economy.. Furthermore, as they studied the Great Recession (the economic meltdown that occurred between 2009 and 2012) they found “housing busts preceded by larger run-ups in gross household debt—mortgages, personal loans, and credit card debt—are associated with significantly larger contractions in economic activity.”

We became our own worst enemy believing “the good ol’ days” would remain in perpetuity. Clearly, such is not the case. Detroit, as a metaphor for all of us, was built on the seduction of money and paychecks, not purpose. Consumerism assisted the assault on workplace misery. But there is more to this story.

Detroit: A Conundrum, Part Two

Further exacerbating the problem of society’s materialistic habits and their relationship to a lack of purpose is what I’ll coin “the age of industrialization abandonment.” Detroit is not only a metaphor for the rise and demise of a city—due in part to consumerism and flawed capitalism—equally so, is its investment, contraction and eventual outsourcing of manufacturing-related roles and responsibilities. Society’s reliance on a company to provide a paycheck and employment—a job for life, some say—has appropriately duped its citizens into a false sense of career growth security. The wool is over the eyes of far too many employees and, as a consequence, jealousy, rage and inappropriate workplace expectations are oozing out from all working life orifices.

According to a Brookings paper entitled *Why Does Manufacturing Matter? Which Manufacturing Matters?*, the United States lost 41 percent of its manufacturing jobs between June 1979 (when manufacturing employment peaked) and December 2009. Manufacturing’s share of total employment fell from 13.2 percent in January 2000 to 8.9 percent in December 2009.

Whereas the once dependable and laudable manufacturing jobs (and careers) that blanketed the Western world to uphold a prosperous middle class lifestyle have shrunk right at our doorsteps, employees of all stripes have been left to decipher what they have to do to keep a job let alone defining and enacting a greater sense of purpose.

Across all of Michigan, for example, of which the greater Detroit metropolitan makes up roughly 35 percent of the State population, United States Census reports the state lost 48 percent of its manufacturing jobs between 2000 and 2010. These data points are what have aided society’s interest in political characters such as Donald Trump and Bernie Sanders who were quick to

point out the loss of such jobs during their respective U.S. presidential nomination periods. It was Intel founder, Andy Grove, who alarmed us of such a predicament in 2010, when he wrote, "What kind of a society are we going to have if it consists of highly paid people doing high-value-added work—and masses of unemployed?"

Manufacturing job losses are simply the main course. There are plenty of labor data desserts and appetizers to ponder munching on as well. For example, let us head down to the farm.

In 1935, the number of farms in the United States sat at 6.8 million, but has since dwindled to a paltry 2.2 million. It seems the younger generations have already taken a hint. According to the U.S. Census of Agriculture, "The percentage of principle farm operators 65 years or older has increased almost 10 percent since 1969."

What about the contingent work force? Have there been any changes for the group of employees who hop from job to job, often working as a contractor? Since the 1950s, the number of American citizens working part-time has increased from 12.7 percent of the population to more than 20 percent in 2013. Those are the ones publicly self-identifying. There are plenty more who work "off the grid."

How about youth unemployment rates; surely there are no issues there, right? Since 2007 the global youth unemployment rates for those aged 15 through 30 years has risen by 3.8 million to 74.2 million worldwide. Throughout the European Union, youth unemployment has risen from 18 percent in 2000 to 24 percent now. Over that time period, once proud European nations have seen rapid increases to their youth unemployment ranks including the United Kingdom (12.2 percent to 21.1 percent), Portugal (17.8 percent to 37.7 percent), France (19.1 percent to 24.9 percent) and the big prize winner, Spain (22.6 percent to 53.2 percent).

Let us investigate what transpired over the entire 20th century in America. The U.S. Bureau of Labor Statistics produced a report entitled *Occupational Changes During the 20th Century*. The authors surfaced employment trends that suggested of the 11 major occupation groups identified, six declined as a share of the total percentage of jobs. Those losses consisted of occupations that "produce, repair, or transport goods and are concentrated in the agriculture, mining, construction, manufacturing, and transportation industries."

The five occupation types that increased include occupations "having to do with information, ideas, or people [and] are more concentrated in services-producing industries." The authors concluded, "The five groups that increased went from 24 percent to 75 percent of total employment, while the six groups that declined went from 76 percent to 25 percent."

The same pattern is emerging in Canada. According to the Conference Board of Canada, the professional, scientific and technical services categories have witnessed employment growth that has outpaced all other sectors except construction and health care.

The Western world has become one giant services industry—sprinkled with the rise in Information Economy career opportunities—yet more jobs go unfilled, manufacturing departs for Asia, unemployment continues to be a problem and the income gap between top earners and the other classes widens. How is this not related to our state of workplace disengagement, you ask? It is a rhetorical if not facetious question. Indeed, it is all related.

In 1933, America instituted the “New Deal,” a series of economic programs to assist the working class get back on its feet after the Great Depression. Some argue it was not until World War II that the Great Depression began to truly shift, but a “New Deal” was indeed underway. It revolved around what was referred to as the 3 R’s: “Relief, Recovery, and Reform.” That is, Relief for the unemployed and poor; Recovery of the economy to normal levels; and Reform of the financial system to prevent a repeat depression.

We need a new New Deal in the 21st century or employees might begin thinking they are getting a “Raw Deal.”

Indeed, as authors Erik Brynjolfsson and Andrew McAfee point out in their book, *Race Against the Machine*, that the advances in technology, automation and robotics are partly the reasons for employment gaps. We are in for a wild ride:

Certainly, much of the recent unemployment is, as past business cycles, simply due to weak demand in the overall economy, reflecting an extremely severe downturn. However, this does not negate the important structural component to the falling levels of employment, and it is plausible that the Great Recession itself may, in part, reflect a delayed response to these deeper structural issues.

According to the International Federation of Robotics, the world's robot population stood at approximately 600,000 in 1991 but by 2013 it had grown to 1.6 million.

The threat should not be taken lightly.

Oxford Martin School at the University of Oxford, for example, predicts 47 percent of American jobs are at high risk of being overtaken by computers and other robotic machines within the next two decades. But it is not the bold predictions and observations of academics that concern me. Let's face it; technology is designed (in part) to speed up the nature of business. Conversely, humans are, at times, far too clumsy and slow compared to its technologically superior cousins made of chips and microprocessors.

What concerns me is that the psyche of the team member (and the organization) is stuck in the great run-up of our economies. It does not matter how old you are, history is our crutch and success is treated as an entitlement. This is to say nothing of greed and profit fixation and maximizing shareholder value theory.

Society not only contains economic and employment structural issues, as Brynjolfsson and McAfee portend. Society is awash with organizational blindness, misunderstanding and apathy.

This is clearly demonstrated by our continued use of the Detroit metaphor.

Detroit: A Conundrum, Part Three

Unless you are my father-in-law, who is a die-hard Detroit Red Wings hockey fan, it is impossible to say the word Detroit and not think first of the automobile. While Karl Benz may be credited with inventing the first gasoline-powered combustion engine automobile in 1885—despite Leonardo da Vinci's grand designs for transport vehicles in 1478—I posit we must lay some blame with Henry Ford. I believe he helped turn Detroit into the birthplace of the short-sighted, self-serving and vainglorious society that has caused many of the issues we find today in the millions of employees who seek out workplace success, yet portray misery and unhappiness.

Yes, Ford was the founder and creator of Fordism, and the benefits of mass industry production. This helped unleash the manufacturing era itself in the early 1900s. His innovation is irrefutable. But it was the invention of the car itself that may have assisted the age and vortex of consumerism, which led to a rise of the machines helping to create our current day workplace malcontent predicament.

But let us first tackle the age of the automobile, its relation to consumerism and capitalism, as well as its relevance to purpose. It is because of Ford's insistence on using unskilled laborers to operate the Ford automobile assembly lines at the precedent-setting five-dollar-per-day wage program he initiated back in 1914. Where was the purpose trajectory incentive, back in the day, when you were paid more than a gold digger? (And, gold diggers were all the rage back then.) Who cares what you had to do, it was five dollars a day! Your wage was doubled overnight by Ford, once you joined the plant from the gold digging world. Five dollars a day in 1914 was akin to having the best blue-collar job on the planet. Who needed a purpose? Who cared about what you were actually doing? Who really considered the needs of all stakeholders?

Ford's welfare capitalism belief was brilliant. On one hand he more than doubled the daily wage of his employees with his insistence of upping their daily wage to five dollars. This meant, in a somewhat Machiavellian manner, his employees just might have enough money to purchase the automobiles they were producing. Some call it altruistic, but I see it as an ingenious example of getting employees to return some of their earned salary back to the company.

On the other hand, he mitigated a very critical and real issue for his company, which was a 370 percent turnover rate. It became rather cumbersome for workers to leave their job at Ford when their pay was improved to five dollars a day and the workday was being reduced from nine to eight hours. It was figuratively raining perquisites. Employees were happy. The owner was

happy. Most of the customers were happy, too. (So long as they ordered a Model T in the color black.)

But, it was also the prescient innovation of the assembly line that really permitted all pistons to be firing, so to speak. Ford could reduce the workday through the invention of the assembly line—making the employees happier under the banner of Fordism—while increasing both the output of automobiles and his profits. This made Ford *and* his family happy.

Actually, it was a win-win for both parties—not to mention the consumer—and ergo, the age of happy workers, happy bosses, happy owners and happy consumers was born. The worker was given career security. They had a job for life. It was a time where union membership swelled and fortified. Manufacturing was booming. Everybody was thrilled.

Or, were they?

Let us fast forward to 1946. There have been thirty years of prosperity despite two world wars and the obvious economic malfunction that was the Depression. America has become the envy of the world. It is resilient and a perpetual land of hope and opportunity. Citizens from across the planet are trying to immigrate to the land of Stars and Stripes. It is both a military and economic super power. The Western world looks up to this obstreperous juggernaut.

Ford Motor Company continues to do very well in Detroit and competitors such as Chrysler and General Motors have solidified their operations and further sustain the American (and global) fascination of the car.

Detroit is thriving as a cosmopolitan city. Baseball player Jackie Robinson has just broken the color barrier in Major League Baseball for the Brooklyn Dodgers in neighboring New York State. It is a time of endless possibilities everywhere. The television show, *Leave it to Beaver*, is just around the corner and *Happy Days* is off in the distance. Rumbings of landing on the moon are murmured in Washington hallways. And then, the invention of all inventions delivers the final blow to the age and vortex of consumerism: the freeway.

Detroit: A Conundrum, Part Four

Although the first known automobile-only motorway opened in 1908 as a toll road between Queens and Suffolk County, New York—known as the Long Island Motor Parkway and the rather unfortunate acronym LIMP—freeways became more prevalent in and around World War II. Once various levels of government saw its potential, thousands upon thousands of kilometres of freeway roads were developed in all corners of the world.

The intention of the freeway was for cars (and people) to move easily from one location to another at increased speeds, thus reducing travel time and enhancing mobility. Of course,

unintended consequences ensued with pollution and noise being only two. But it is the economic impact that perhaps had the biggest detriment to purpose.

Now that automobile workers could easily afford the car they were building, they also could easily move to the swanky new suburbs—thanks to the newly installed freeway—and conveniently drive to their place of work, typically in the hollowing-out downtown or adjacent suburbs. Other companies followed suit, picking up shop and heading for the suburbs.

At this point in time, employees from any company could drive anywhere at any time and continue to buy more stuff. With the freeway, it easily provided access to different types of goods at the locales of different merchants. It was materialism on wheels. It was conspicuous capitalism at its gas-induced finest, and the effect on workplace happiness is only now becoming evident. Citizens drove to a place of work, made a paycheck, and then drove around on the freeways spending their paychecks however and whenever they could. Head over to YouTube and search for any Black Friday shopping video to get a taste of what it was like during these days.

By 1958 the Interstate Highway Act in the U.S.A. connected all major cities with freeways. Similar arterial structures popped up throughout the Western world including the Autobahn in Germany, the Autostrade in Italy and, eventually, the UK motorway grid.

These newfound suburban issues were best summarized by F. J. Osborn in 1946:

These new forms of transportation [automobiles] . . . were used . . . to facilitate the sprawling of suburbs, a type of urban growth wasteful from the economic standpoint and disadvantageous socially. Coupled with the rise of real incomes, rapid transport has enabled the people moving out from the centers to find the open residential surroundings they desired. But they and the numerous immigrants from rural areas have obtained these surroundings at the expense of long and costly daily journeys to and from work. Local community life has been weakened or destroyed, and access to the country made more difficult for the large numbers of residents still left in the city centres.

Perhaps we should have heeded the advice of Lewis Mumford who brilliantly ended his 1938 book, *The Culture of Cities*, with the following: "The culture of cities is ultimately the culture of life in its highest manifestations."

I do not believe Western society citizens are living a "culture of life in its highest manifestations." Judging from all sorts of employee data points, workers are unhappy, disengaged, disenfranchised and hopelessly frustrated. Organizations have remained steadfast and myopic on profit, pushing the company for greater returns, no matter the cost. Far too many leaders fixate on power and increased pay. Unfortunately, we do not know how to break free from this predicament. We therefore might lay further blame on both the automobile and the freeway-suburbia combination as additional stagnation culprits.

To add insult to injury, there are now well over one billion automobiles in circulation on the planet and the OECD's International Transport Forum forecast that the number of cars worldwide will climb to 2.5 billion by 2050. In 1950 America possessed a ratio of one automobile for every two drivers but by 2013 automobiles outstripped licensed drivers by approximately 40 million.

Yes, 40 million.

Detroit: A Conundrum, Part Five

What Henry Ford instituted in Detroit through the birth of the modern-day car, the assembly line and welfare capitalism, cannot be classified as a fundamental attribution error. In other words, we cannot simply point the finger at others. We are all responsible.

The invention and introduction of the freeway helped seal the deal of an entire generation's own sense of purpose malfeasance. Many city residents were swept up in a sociologist's dream case study and fled the city for the suburbs. The "age of industrialization abandonment" gripped Detroit and other industrial towns. Production plants and office buildings were downsized or outsourced to Asia or other foreign lands. Many businesses eventually closed, creating current-day arsonist playgrounds and the elimination of the "jobs for life" mantra. Philadelphia, Cleveland and other large American cities share similar plights.

This created the gaping hole—physical and psychological—one sees in Detroit today between the actual city and the suburbs. The city today is literally on fire, yet the workers who fled to the suburbs in their automobiles have continued to dial up their consumerism habits and levels of debt. Meanwhile, employee engagement levels remain anemic. Some people relied too heavily on the company for lifetime employment and now rely on food stamps or multiple part-time jobs just to get by in life. Indeed, the so-called "gig economy" has swept over Detroit but not in the manor mainstream media positively depicts the term. The "gig economy" in Detroit has been one of pure survival. The gig is to survive.

While Ford might have instituted part of 20th century industrialism (alongside other historical figures such as Frederick Taylor, Henri Fayol and Frank Bunker Gilbreth) this advanced management practice helped fuel consumerism and an employee's requirement for more money.

Coupled by the "age of industrialization abandonment" and new-found automation practices, we are in the midst of the perfect *working* storm. Today's organizational and corporate recalcitrance to establish new ways in which to operate through maximizing its profits and increasing shareholder value is one thing, but the culpability of workers is an equal aspersion.

We can blame both the big bosses *and* the workers for today's desperate workplace situation.

This shift became prevalent throughout the Western world. It was not only the inception of consumerism for global citizens; it was the point at which we began working not for pleasure, passion or purpose, but to gain access to money to gain access to more goods to gain access to a comparison of how well we were doing against our friends, strangers and even celebrities. Society is truly trying to “keep up with the Joneses.” The outsourcing and reduction in manufacturing related roles—and let’s not forget the rise of automation, computers and robotics in society itself—is a confluence of workplace nightmares.

It begs the question for you the reader:

How has today’s capitalism and consumerism mindsets affected people in terms of their working life success and fulfillment?

Economist John Maynard Keynes wrote in 1930, “Now it is true that the needs of human beings may seem to be insatiable. But they fall into two classes—those needs which are absolute in the sense that we feel them whatever the situation of our fellow human beings may be, and those which are relative in the sense that we feel them only if their satisfaction lifts us above, makes us feel superior to, our fellows.”

Truer words could not have been written today. Employees suffer from career (and life, for some) unhappiness, in part, because they have no idea what happiness ought to look like. They struggle to determine how their own personal purpose or engagement might be achieved.

Conversely, far too many for-profit organizations continue the singular quest of short-term profits for stock price volatility while public sector firms add additional layers of bureaucracy to try fixing existing issues. Sadly, employees and leaders alike act as if they do not even know what changes need to be made in order to reset various categories of purpose.

Conspicuous Consumption

What if Ford, and thus the example of the automotive assembly plant as a model of role-based hierarchy, was merely something he did not have control over?

Thorsten Veblen seems to think we are the way we are today based on traits passed down by our feudal ancestors. In his 1899 book, *The Theory of the Leisure Class: An Economic Study of Institutions*, Veblen proposes our economic way of life is broken down by social stratification; the division of labor by status. A hunter may be thought of as a high-profile job within what was coined a “leisure class” as it provides food for the clan and it is of utmost importance.

What we might call the working class in the feudal society, a cook, for example, would be thought of with less prestige as he or she is merely cooking the food that has been caught by the superior roles, the hunters.

We might argue, therefore, that the “leisure class” vs “working class” dichotomy spilled over into modern day society. Henry Ford was the high-ranking officer in Detroit sitting mighty at the top of the automobile empire chain while his workers did the work. Both are important, but it sets up an interesting dilemma.

Did his workers inadvertently try to emulate his wealth and stature? Was it an example of what is going wrong in society today, and thus an employee’s current level of disengagement?

What of the reliance on the company to provide the paycheck in perpetuity, otherwise known as the “job for life”?

Finally, when did we start outsourcing the hunting to other hunters outside the Western world? For example, the U.S. Bureau of Labor Statistics reported that manufacturing-related jobs in the U.S.A. are estimated to account for only 7.1 percent of all employment in the year 2022, down from 30 percent in 1979. What happens to one’s personal sense of purpose when they cannot even put food on the table? Remember what Andy Grove predicted?

Even in spite of this employment class divide, many of today's employees continue to fuel consumerism habits. These are not good habits either. Many are hoping the company they work for can bankroll the next heyday, let alone payday.

Workers are praying no further jobs are exported to “destination elsewhere.” The working class—the proletariat—wants to have what the leisure class—the bourgeoisie—possesses. Of course the leisure class just wants more. The hunters want to hunt more often and the cooks want to become the hunters.

As a modern day comparison, let us examine consumer debt. In the United States, each adult now owns approximately 3.7 credit cards. They are also the owners of \$15,799 in consumer-based debt. The total credit card debt in America alone is \$2.43 trillion. In 1989 combined credit card debt sat at roughly \$211 billion. Do you recognize a rather large discrepancy?

Things are worse in Canada where each adult now holds \$27,131 in consumer debt. What about the UK? Total credit card debt in the UK has increased by £25 billion since 2001. Do you think it is the leisure class or the working class who holds the debt? Precisely, it is the working class who continues to rack up increased levels of consumer debt. Thorsten Velblis coined the act “conspicuous consumption,” the prevalence of spending money on goods or services to display one's income or wealth level.

Not surprisingly, personal savings rates have decreased in the United States from 12 percent in 1982 to just under one percent in 2015.

Meanwhile, household debt as a percentage of GDP has risen from just over 45 percent to a remarkable 80 percent over the past fifty years. In the United Kingdom, household debt as a percentage of GDP currently sits at 98 percent. Singapore is 77 percent and South Korea is 88 percent. The problem, therefore, is not an isolated one to America, or Detroit for that matter.

To put the data points about our levels of consumer and credit card debt into perspective, and directly in light of the state of work uneasiness, let me recall a coaching exchange I once conducted with a colleague.

We had conducted several sessions up until this one particular day when I asked a rather blunt question, "Are you interested in a progressive career, one with purpose, or are you simply looking to make more money?" The reply was sober if not enlightening.

"Dan," he said, "I've got to pay off my credit card debt before I can ever come close to owning a house like you do. Can you help me? I need to make more money, and I need to do it fast." It was a classic example of being upward counterfactual which, in its simplest form, is a psychology term comparing the current state to some better future state. This particular individual was not so much interested in a role with purpose (and living in the moment) as they were desperately seeking an increased amount of money from a paycheck to pay off existing debts. It's the metaphor of Detroit in a nutshell.

We wonder why worker satisfaction and employee disengagement and a lack of purpose remain issues in the organization. What a shame. Employees have always been the working class, but when they exasperate themselves by trying to make ends meet while remaining blindly fixated on money (and spending it) instead of finding a valid purpose in the work, trouble brews. The age and vortex of consumerism is devastatingly problematic for a just and purpose-driven society.

Conspicuous Capitalism

For all that I have railed on Detroit and Henry Ford throughout this essay (as a metaphor), we can thank the latter for inventing the concept of vertical integration. Many firms took his idea of the assembly plant and utilized it in their manufacturing houses. Whether it was IBM, General Electric, Dupont or other automobile manufacturers in Detroit, Ford's idea to create a single-stop shop of production was revolutionary. Many emulated his vision.

But when society is saddled by a falsehood that a corporation's growth, higher profits and maximizing shareholder return are the reasons it is in business in the first place, trouble will undoubtedly brew. Detroit is no different.

The vertical integration system that Ford pioneered has become dented. Many organizations have chosen to outsource the production of their goods for better margins on profitability. The real question is “at what cost?” This is no fender bender.

As an example, let’s scrutinize one of the world’s most successful companies. Apple products, like the iPhone or iPad, possess the tagline, “Designed by Apple in California. Assembled in China.” In 2012, *The New York Times* discovered that there were over 700,000 employees in Asia and Europe who were responsible for building and assembling Apple’s various products. Undoubtedly, there are more employees doing so in 2016.

Apple currently employs over 110,000 people worldwide. Roughly 40,000 are based in Silicon Valley. How is it that the United States—birthplace of Ford’s assembly line—with its most successful company, Apple, could not both design *and* assemble its products in America?

When President Obama asked Steve Jobs that very question, his response was chilling.

“Those jobs aren’t coming back,” was the response from the famous co-founder of Apple.

Today, every full-time employee at Apple (not those who build or assemble their products in sub-contracted plants elsewhere) can be thought of as a cash cow for the company. In 2015, Apple’s revenue-per-employee metric was well over \$2 million. That is, for every full-time employee on Apple’s books, each one represented \$2 million in revenue. Profit-per-employee is an equally staggering half million dollars.

If you thought Apple was sitting on a pile of cash that might be used to reverse its trend of building and assembling its products offshore, by virtue of reinstating Ford’s vertical integration on American soil, unfortunately that is not in the plans.

While it is true Apple sits on \$215 billion of cash reserves, its CFO, Luca Maestri informed investors in 2016 that 93 percent of it is nested in offshore accounts, the majority of which are long-term marketable securities. The company is reluctant to bring those funds back to America. As Tim Cook, Apple’s current CEO suggested, it is unwilling to sacrifice the 40 percent taxation hit it would take if the cash were brought back to the U.S.

What else can the company do with that cash? If it had been thinking about a higher organizational purpose, it might have developed a plan to develop, train and hire workers in America no different than what Ford did in the early 1900s. Instead, Apple focused on a model whereby higher margins and profits trumped a higher purpose. It could have easily reinvested those profits to build a manufacturing plant in Detroit. It could have decided to employ a form of conscious capitalism, versus conspicuous capitalism.

But Apple chose the path of putting profit and power ahead of a higher purpose. Apple is an easy target to highlight, but rest assured thousands of companies have made this decision as well.

Inconspicuous Higher Purpose

Creating a sense of higher purpose in our lives, our work, our society has been debated and discussed for decades. In 1996, a position paper from People-Centered Economic Development cut to the heart of the matter:

We are at the very beginning of a new type of society and civilization, the Information Age. Historically, this is only the third distinct age of civilization. We lived in an agricultural age for thousands of years, which gave way to the Industrial Revolution and Industrial Age during the last three hundred years. The Industrial Age is now giving way to the Information Revolution, which is giving rise to the Information Age. Understanding this, it is appropriate to be concerned with the impact this transition is having and will continue to have on the lives of all of us. In that it is a fundamental predicate of "people-centered" economic development that no person is disposable, it follows that close attention be paid to those in the waning Industrial Age who are not equipped and prepared to take active and productive roles in an Information Age. Many, in fact, are scared, angry, and deeply resentful that they are being left out, ignored, effectively disenfranchised, discarded, thrown away as human flotsam in the name of human and social progress. We have only to ask ourselves individually whether or not this is the sort of progress we want, where we accept consciously and intentionally that human progress allows for disposing of other human beings.

When we put purpose and people on par with profit, all stakeholders win. Human beings ultimately feel human. When leaders and owners think about society and not simply themselves, all stakeholders win. When individuals continue to develop, define and decide what their personal purpose is—culminating in a purpose mindset in their roles at work—the organization and society wins.

Detroit is learning this.

Zak Pashak moved from Calgary to downtown Detroit in 2011 to start a bicycle manufacturing business, honoring the tradition of Detroit and its spirited and entrepreneurial people. He wanted to partake in the redevelopment of Detroit. The company's mission is to "encourage cycling by making an accessible, enjoyable bicycle while continuing Detroit's legacy of quality manufacturing and design." Zak wanted to help the city rediscover its true purpose. He said to *Canadian Business*, "Detroit feels like the apocalyptic future. There's something to learn here."

Indeed there is something to learn.

Amazon and Nike have learned, and recently announced their intention to open large offices in the city of Detroit. According to labor data research firm, Economic Modeling Specialists

International, the Detroit region has added 55,000 new manufacturing jobs since 2009, of which 28,000 are related to the automobile industry. Maybe Apple will get in on the act.

The city of Detroit has a long way to go. The outlying suburbs are further ahead than what the downtown core has to go through to re-establish itself as a truly thriving, purpose-driven place to live. But if there are more Zak Pashaks, Nikes and Amazons willing to take a chance on the city and to help it become the mecca that is Motown, it might regain and redefine its sense of purpose.

For Detroit's citizens and those that partake, it is an equal opportunity to redevelop, redefine and perhaps decide again what their own personal purpose is, and how will they partake in the city's redevelopment.

Don't give up on Detroit, for it could be the best example ever of the rise, fall and rise of purpose.

During one of those ridiculously long trips to Detroit and the return trip to Hamilton, my Dad gave me some sage advice, "Put your heart into what you love, son, and the money you need to feel fulfilled will inevitably follow."

There is love in Detroit. There is love, Detroit.

Purpose *will* rise again in Detroit.



Book Dan to speak. Details [over here](#).

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