

10th Anniversary Essays
Jobs and Social Innovation
By Rosabeth Moss Kanter

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a body of knowledge and mastery of the associated rules so that they can go forth and be a potter or a banker for life.

Of course, the world has always seen some change, at least evolutionary change. But the practical day-to-day work of an organization was marked by increasingly specialized repetition: A few people told everyone else how to repeat actions together, efficiently, in structures with vertical nervous systems and walls.

In a world of escalating change, the rules cover less and less. Anyone who tries to be a good person by diligently following the rules will, inevitably if unintentionally, hurt people and disrupt groups.

—BILL DRAYTON, Ashoka



Although this organizational model still dominates, it is failing. The half-life of a Fortune 500 company gets shorter and shorter—that is, the death rate of these slow-to-change giants is accelerating.

We are moving rapidly into a world defined by change, which is the opposite of repetition. Whereas repeating parts fit together with repetition reinforcing repetition, we are now tipping into an equally coherent world where change begets and accelerates change. When one system changes, it bumps all those around it, and then they bump all those around them.

Value in this world comes not from providing the same thing over and over to a client, but from managing kaleidoscopic change processes that are busily bumping one another. Because one now needs to see and seize ever-changing opportunities, the new organizational model must be a fluid, open team of teams. That is precisely what one sees in the islands where the new world of change is already flourishing—for example, Silicon Valley and Bangalore. Here (and increasingly everywhere) the critical factor for success is determining what percentage of your people are changemakers, at what level—and how good a job you are doing in enabling them to work together in fluid, open teams of teams.

A team is not a team unless everyone is an initiatory player, and in this world you cannot afford to have anyone on your team who is not a changemaker. Yes, there is still repetition (although automation, artificial intelligence, and the World Wide Web are fast shrinking its scope); but you cannot afford to have anyone without the skills to spot and help develop change opportunities. That is where the value lies.

This world requires a new paradigm for growing up and therefore also for education. Just as 50 to 100 years ago society took the radical step of saying that every person must master written language, now we must insist that every person have the social skills necessary to be an effective, confident changemaker before age 21. These core skills are empathy, teamwork, a new type of leadership (leading teams of teams where everyone is a powerful changemaker), and changemaking. (Ashoka's global collaborative

entrepreneurship teams for “Every Child Must Master Empathy” and “Youth Venture” are focused precisely here.

In a world of escalating change, the rules cover less and less. Anyone who tries to be a good person by diligently following the rules will, inevitably if unintentionally, hurt people and disrupt groups. They (and quite likely their group with them) will be marginalized, thrown out. That is one of the reasons that the skill of empathy is essential now.

How does this world, in which all the systems are changing and bumping one another, stay on a safe, fair, and beneficial-for-all path? There has to be a powerful force constantly pulling society back to the center.

That is why social entrepreneurs are critical (and no doubt why the field has grown explosively over the last three decades). Because the challenge is at the level of systems, it requires entrepreneurs. That is what entrepreneurs do. Time and time again, however, entrepreneurs with narrow objectives (including self-interest, shareholders' interests, or a religious or ideological end) pull the world astray. The environment suffers. Privacy fades away.

Social entrepreneurs are the essential corrective force. They are system-changing entrepreneurs. And from deep within they (and therefore their work) are committed to the good of all. Whenever the world needs to turn in a better direction, they emerge to ensure that it does so.

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JOBS AND SOCIAL INNOVATION

BY ROSABETH MOSS KANTER

Jobs are the best social program, it has been noted frequently. If that's true, we can expect to see social problems rather than progress in the United States if we continue to have high rates of youth unemployment, especially among minority males. Youth unemployment is an even greater problem in other countries—Greece, Italy, South Africa, to name just a few. Furthermore, the gap between the highest income-earners and the rest continues to grow, and social mobility has declined. Opportunity has become one of the most perplexing questions of our times. Job creation is an imperative, and it calls for innovation in social institutions.

The global financial crisis hurt everyone, but it had two pernicious effects on specific populations, and it pointed to underlying

structural issues that make the problem harder: global competition from emerging markets and productivity through technology, which can replace people with machines. Small businesses, especially startups, long the engine of American job creation, fell behind in job creation and failed at a slightly higher rate. At the same time, as many as 3 million jobs went unfilled because of a mismatch between the needs of employers and the availability of workers with appropriate skills. (Both according to data I collected for the Harvard Business School US Competitiveness Project.)

Two broad strategies are needed: 1) to boost the success rates of innovative new enterprises with growth potential and 2) to innovate in education and training to ensure that those who have been falling behind can find opportunity. Venture creation is a way for people to create their own jobs and provide employment for others as well. Both nonprofit and for-profit enterprises can create jobs, although for-profit enterprises can attract capital to allow for scaling up faster and to larger size.

Promoting entrepreneurship has a human capital component. The Kauffman Foundation has long been at the forefront of urging the teaching of entrepreneurship skills. The number of academic programs has been growing. There also has been growth in the number of nonprofit incubators and accelerators, often university-related. A classic lesson about innovation applies here: To get more

successes, you need more failures. In short, increasing the volume of startups, and supporting them with mentors, is likely to produce many more viable growth enterprises.

In the next 10 years, student entrepreneurship will be the norm. Stealth all-nighters by the next Mark Zuckerberg, Bill Gates, or Michael Dell, who started Facebook, Microsoft, and Dell in their college dorm rooms, will be replaced by pizza workshops



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—ROSABETH MOSS KANTER, Harvard University

in university facilities where venture creation is woven into the curriculum and supported by the faculty. Moreover, cities will create innovation districts with shared work spaces and affordable post-student housing, to support graduates as they build a venture. Boston is creating such an innovation district in its still undeveloped waterfront area, anchored by another sign of



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things to come, the offices of Mass Challenge, one of the world's largest business plan contests.

Some incubators and contests will reach inner cities, motivating left-out populations to remain in school and gain skills to “do cool stuff.” But a range of other human capital innovations can build on recent successes to accelerate progress. Apprenticeships are an underused mechanism for ensuring job-ready skills; apprentices are employed in only a handful of the industries eligible, according to the US Department of Labor. Social enterprises have emerged to fill the void—such as Year Up, which prepares selected youths from disadvantaged backgrounds for good jobs. With the national spotlight on this challenge, such innovations will likely scale up in the next decade, with community-based organizations, new social ventures, and traditional educational organizations creating collaborations with employers.

Educational bridges will be built to connect school to work and to make working an integral part of schooling. They will increase the relevance of education to at-risk youth populations and motivate staying in school; they will also ensure job-ready “middle skills,” those involving more than high school but less than four years of college. Some examples: a six-year high school pilot in New York City, Pathways in Technology Early College High School (P-Tech), opened in 2011; the community college system, which offers college-level classes to the students and an associate's degree on completion; and IBM, which supplies mentors, field experiences, and the promise of a job interview upon graduation. (I have been an IBM senior advisor.) This model is spreading quickly. It should become an integral part of urban school systems in the next decade, replacing failed high schools with a skill-building alternative.

The military has long been an effective job-training mechanism providing opportunity for upward mobility. Veterans services were long left to the federal government, but there are signs that social entrepreneurs want to tackle the problem of matching veterans with civilian job opportunities. This trend is likely to grow, as social ventures apply technology to make matches and provide online mentoring.

In the next decade, civilian national service has the potential to take its place beside military service as a universal training ground for young people and a bridge between education and careers. In the United States, civilian national service is the province of social enterprises that can receive (limited) federal dollars but also enjoy private sector support and, in some cases, funding from the entities being served. For example, City Year, a model for President Clinton's AmeriCorps program, has focused in recent years on deploying corps members to alleviate the US high school dropout problem, adding literary and math training for corps members and turning them into “near-peer” paraprofessionals. (I serve on the City Year national board.) National service can thus create jobs directly by employing young people to address national needs; it also works on human capital formation for future jobs.

One mega-trend could be the most important of all. A future arena for innovation is in quality-of-life services: health care, education, and improving the environment. The application of new

technologies—for example, home health monitoring, smart water meters, and digital classrooms—will produce new service models that will shake up established organizations, but also will create demand for a range of new professional and paraprofessional roles that will provide job opportunities for middle-skill jobs.

Investments in entrepreneurship and human capital through innovative institutional models can broaden the pool of jobs as well as the number of people ready to fill them. That would expand opportunity and restore more inclusive economic progress.

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THE EMPOWERMENT OF ARAB WOMEN

BY SORAYA SALTİ

Over the past two decades, there has been an important yet gradual development in the Arab World. It doesn't grab the headlines, like the conflicts and revolutions we often witness, and it's hard to perceive without looking closely. The development I'm speaking of is the slow but continuing empowerment of Arab women. Although we're still climbing a



Rising educational levels and increased Internet access will inevitably result in more female entrepreneurs in our region. More Arab businesswomen are gaining regional and global recognition.

—SORAYA SALTİ, Junior Achievement Worldwide

hill laden with stumbling blocks, we're inching closer to the top.

Despite a widespread narrative of the disenfranchisement of women in our region, I would like to point to a few examples that make me optimistic and proud. A 2011 study by Booz & Company asked a group of young Arab women: “What should be the role of young girls/women in society?” Seventy-one percent of respondents said it was to seek employment for financial support and financial independence, whereas only 22 percent saw their role as housewives and mothers. According to the World Economic Forum's 2012 Gender Gap Index, women in Jordan, Algeria, Egypt,