SEPTEMBER 05, 2019

●

HOSTED BY
THE EVERMAY
ESTATE,
WASHINGTON DC

The Future of Work Report:

Summary of 2019 Policy Workshop

Reported and Edited by Daniella Goncalves (USCIB)

Table of Contents

Executive Summary

The Wilton Park USA Foundation convened a dialogue, in partnership with S&R Foundation, with a grant from The USCIB Foundation, Inc., and support from the USCIB Corporate Responsibility and Labor Affairs Committee, the International Organization of Employers (IOE) and the Global Apprenticeship Network (GAN). The objective of the meeting was to frame the policy and programmatic context for Future of Work (FoW) public and private initiatives and to set the stage for future discussions. Attendees represented U.S.-based multinational corporations from an array of industry sectors.

The "Future" of Work (FoW) is already here, and is being influenced by five key megatrends that are shaping labor markets more broadly:

- Technological advances
- Changing demographics
- Globalization
- Climate change
- Increasing demand for skilled labor

Policy discussions, research and actions related to FoW are being taken to varying degrees in major international fora, including the G20, G7, International Labor Organization (ILO), World Bank and the Organization for Economic Co-operation and Development (OECD). The U.S. government has created the National Council for the American Worker and the American Workforce Policy Board to develop a national strategy for skills training of workers.

The day's discussion focused on three themes:

- Internal Buy-in, Alignment and Planning
- Taking Company FoW Programs Global
- Measuring and Communicating Progress to Diverse Audiences

Executive-level leadership is instrumental in initiating and implementing a company-wide FoW strategy. Data that communicates the importance of investments in FoW initiatives can be used to promote C-suite involvement, which, among other things, is necessary to ensure the engagement of all relevant business units. The strategy should be grounded in a company-wide

job mapping exercise that identifies the skills and competencies required for each position and matches these to existing training opportunities. The objective is to identify skills and training gaps, as well as to illuminate career opportunities for employees. During the event, participants discussed building virtual platforms to enable these training initiatives. Companies are increasingly partnering with educational institutions to create training programs to upskill and reskill employees. In some cases, these programs are made publicly available. However, continued efforts are required to ensure interoperability of certification and credentialing.

Appropriate and effective FoW strategies will, of course, vary greatly depending on national circumstances. Multinational corporations may therefore be challenged to scale their programs. For example, scaling and mainstreaming apprenticeship programs may be hampered by the diversity of apprenticeship models. Here too, companies benefit from partnerships with local NGOs, CSOs, governments and even local SMEs and suppliers.

Lack of common vocabulary, the complexity of FoW issues and the need to identify useful metrics have made communication and measurement particularly difficult. Messaging tailored to individual stakeholder groups is a useful strategy. Many business leaders view this new policy frontier as an opportunity to redefine success by developing new metrics.

Broad and sweeping responses are necessary across a wide array of policy areas, from education and training to migration to apprenticeship policies. Creating widely recognized certification and credentialing schemes is a priority for business leaders and government officials alike. However, it is important to note that current business-led initiatives are unsustainable and will require public funding and the establishment of many more public-private partnerships.

FoW is an evolving concept, requiring engagement from all stakeholders. Workers need to embrace the call to be lifelong learners. Businesses, civil society and government need to find areas of productive collaboration to ensure that labor market and education policies produce positive outcomes for all.

The one-day event reported here, held at the historic Evermay Estate in Washington, DC, was the first in a planned series. This initial dialogue, which included a number of U.S.-based multinational corporations, sought to frame the broader policy and programmatic context for Future of Work (FoW) initiatives and set the stage for future discussions. These will include a broad array of stakeholders, including government, civil society, educators, and private sector representatives from various developed and emerging markets.

This report expands on the following key themes that businesses have identified regarding their internal FoW programs:

- Securing internal buy-in for FoW initiatives requires leadership from executive-level leaders; mapping exercises to understand gaps in competencies among employees; and partnerships with educational institutions to deliver learning material
- The difficulty of scaling FoW initiatives across global supply chains can be eased through apprenticeship programs and partnerships with governments and civil society
- Communication strategies should be built on a company's values and tailored to the targeted audience
- Identifying the proper metrics to track is ongoing and business leaders view this as an opportunity to redefine success

The Policy Landscape

The meeting began with an overview of the societal and political contexts in which FoW discussions are taking place.

FoW is a trending topic at local, federal and international levels, as well as in society at large. Frequent and ongoing conversations are being held by politicians, policymakers, reporters and business leaders to understand what FoW is and how best to address the challenges and opportunities it presents. Technology, changing demographics, globalization, climate change and access to skilled labor are all having profound implications for the world of work. Such megatrends have affected labor markets before, but the current pace of change and the interaction of these factors have heightened their impact and led to urgent calls to action.

Megatrends:

1) **Technology** is perhaps the most pervasive and disruptive of the megatrends. Used here, the term refers to a variety of ways in which technology is shaping and altering the world of work: how it affects the way businesses organize people, time, and location; how classification of workers is impacted by the proliferation of the diverse forms of work enabled by digital technologies; how these technologies will affect employment rates in an increasingly automated world; how to promote skilling, reskilling and upskilling; and how to design governmental education and social programs needed to address technological developments.
2) **Changing demographics** impact the availability of labor and will require government policies to address needs of different population segments. Developed countries are contending with ageing populations, leading to reductions in working-age citizens and greater strains on retirement and social security systems. At the same time, developing nations have young populations, which may benefit various development agendas if the proper educational, technical and vocational programs are instituted.
3) **Globalization** has created a truly international labor market, marked by economic integration and shifting geographic centers of power and production.
4) **Climate change** is posing significant challenges and lawmakers are responding by setting ambitious targets, necessitating business participation in and compliance with environmental standard setting.
5) **Access to skilled labor** is catalyzing and accelerating action on FoW initiatives. In the U.S. alone, 7 million job vacancies are unfilled due to issues with recruiting job seekers with relevant skills. Not only are Science, Technology, Engineering and Math (STEM) skills required to meet the demands of today's labor market, but so too are so-called soft skills, e.g. teamwork, problem solving, critical thinking. Investments in education systems and lifelong learning programs will be needed to ensure we close the skills gap.

Arenas for discussion and action:

Group of 20 (G20)
Th G20 consists of governments from 19 of the world's largest economies, including developing countries, plus the European Union. FoW was recognized as a cross cutting issue at the G20 Summit held in Buenos Aires, Argentina in December 2018 when G20 Leadership adopted a Declaration[1] that identified the following policy objectives as necessary to build an inclusive, fair and sustainable FoW:

- Harnessing the benefits of technology for growth and productivity
- Supporting people during transitions and addressing distributional challenges
- Securing sustainable tax systems
- Ensuring the best possible evidence to inform decision-making
- Promoting international cooperation

Group of Seven (G7)
The G7 is an intergovernmental economic organization composed of the world's seven largest advanced economies. G7 leadership met in March 2018 Montréal, Canada to discuss "Preparing for jobs of the future." As a result, G7 Employment Ministers were tasked with implementing a strategy that prepares their countries to effectively respond to FoW concerns. Elements of such a strategy include launching a digital tool that supports collaboration among G7 countries; promoting female economic empowerment; enabling continuing dialogue; and demonstrating leadership in preparing youth for the future of work.

G7 governments, together with the social partners -- IOE, the International Trade Union Confederation (ITUC), the Trade Union Advisory Committee at the OECD (TUAC) and Business at OECD -- followed in June 2019 with a Declaration in which commitments were made to respond effectively to shape the FoW, especially through tripartism and social dialogue.[2] Signatories also agreed to foster coherence and collaboration through deepening integration of international labor standards and to engage in continuing efforts to assess and report on progress.

---

[1] https://www.consilium.europa.eu/media/37247/buenos_aires_leaders_declaration.pdf
[2] http://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=135728&token=08d1a7b12c153d79a81eaf4e0847dcee1c3b3739

International Labour Organization (ILO)
The Global Commission on the Future of Work, established by the ILO, launched a report in January 2019 entitled, "Work for a Brighter Future."[3] The report made proposals in three areas – investing in people's capabilities, investing in the institutions of work and investing in decent and sustainable work. Employers, as represented by the IOE, declined to endorse this report, voicing concerns regarding the practical challenges and feasibility of some of the report's recommendations (e.g. the universal labor guarantee).[4]

In June 2019, the ILO Centenary International Labour Conference adopted a Declaration for the Future of Work[5] and a resolution[6]. The Declaration and resolution stressed the significance of sustainable enterprises in providing decent work and economic growth; the need to create an enabling environment for the private sector; the importance of harnessing technology for productivity; and the importance of focusing on skilling.

World Bank
The World Bank's 2019 report, "The Changing Nature of Work," places the impacts of technology at the center of FoW and suggests that governments respond by investing in human capital; enhancing social protections; and increasing revenue mobilization.[7]

Organisation for Economic Co-operation and Development (OECD)
The OECD's Employment Outlook for 2019 focuses on FoW, stressing the impacts of technology.[8] It notes that while some jobs are being displaced, others are being created; and that action addressing the skills deficit, social protections, collective bargaining and targeted investment are urgently needed.

U.S. Government
Beginning in 2016, the U.S. Department of Labor (USDOL) recognized the need to emphasize the FoW in policy discussion and launched a paper series to help

[3] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_662410.pdf
[4] http://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=135116&token=4eccee0278ddbedce38557f369748044664cf499
[5] http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_711674.pdf
[6] http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_711659.pdf
[7] http://documents.worldbank.org/curated/en/816281518818814423/pdf/2019-WDR-Report.pdf
[8] https://www.oecd.org/employment/outlook/

inform the creation of comprehensive research agenda. This paper series analyzed outsourcing by domestic companies and resultant effects on job quality and inequality. Existing, albeit limited, data sources were reviewed to assess definitions of outsourcing, collect theoretical explanations for why firms decide to contract out for certain functions and ascertain outsourcing's possible consequences for job quality. Further investments in research will be required to properly calibrate FoW policies and periodically measure progress.

Nevertheless, it is the stated policy of the U.S. Government to ensure that the American workforce is prepared and equipped to fill vacancies in an increasingly dynamic labor market. In 2018, an Executive Order established the National Council for the American Worker, responsible for developing a national strategy for training and retraining students and workers to fill the more than 7 million jobs that are currently vacant. The Council convenes the executive branch, private employers, educational institutions, labor unions, non-profit organizations, and State, territorial, tribal and local governments to collaborate on solutions that properly respond to the changing needs in the world of work. It is tasked with raising awareness of matters related to the importance of investments in skilling and science, technology, engineering and mathematics (STEM) education, job creation in emerging tech fields, trade and manufacturing opportunities, and training programs. Additional mandates include recognizing companies for successful programs, increasing partnerships to provide training, education and apprenticeships, maintaining transparent, high quality job data and developing industry-recognized credentialing systems.[9]

The American Workforce Policy Advisory Board[10] was established to work in tandem with the Council by providing recommendations to effectively address FoW issues. Government officials, NGO leaders, trade union representative, academics, and business leaders have been appointed to the Board to ensure a holistic approach to policy proposals. Over 200 companies and trade groups of all sizes have signed a Pledge to America's Workers, demonstrating their commitment to expanding programs that educate, train and reskill the workforce

---

[9] https://www.whitehouse.gov/presidential-actions/executive-order-establishing-presidents-national-council-american-worker/
[10] https://www.whitehouse.gov/presidential-actions/executive-order-establishing-presidents-national-council-american-worker/

from high-school age to near-retirement.[11] To date, over 14.4 million new opportunities have been pledged.

For a more detailed overview, please see the IOE and USCIB report and accompanying survey, "Moving Ahead: the Future of Business in the U.S.," at http://www.ioe-emp.org/index.php?eID=dumpFile&t=f&f=145523&token=360ac254abddb0d01bdf5bc63ec20ab55d7a865b&L=0

---

[11] https://www.whitehouse.gov/pledge-to-americas-workers/

Session One – Getting Going:
Internal Buy-In, Alignment and Planning

This session focused on the challenges facing companies beginning new FoW programs, including the efforts required to gain traction internally and partnering with relevant business units. Ahead of the meeting, participants were asked to consider the following questions:

- How does the Future of Work (digitalization, new forms of work and contracting, etc.) impact my organization?

- What is my company doing to address the challenges and opportunities posed?

- What questions do I need answered with respect to the topic and its impacts?

- Do I know what stakeholders expect?

- What gaps exist in our efforts to address this issue?

- How do you get internal buy-in to begin a program?

- Which business units are involved?

- How can groups like USCIB, GAN and IOE facilitate?

Presenters shared their experiences throughout the process of designing a FoW program. A few common themes emerged:

Buy-in From the Top is Key

Implementing a FoW program cannot be relegated and siloed within the Human Resources function. A variety of other business units must be involved. Successful and robust FoW initiatives often begin with leadership from the C-suite. CEO recognition of the magnitude of the challenges posed by skills mismatches among current employees and potential new hires often results in a salient business case for investments in designing and executing workforce development systems. A recent Harvard Business School article even posited the need for a new executive level function - chief skills and learning officer.[12]

---

[12] https://hbr.org/2019/09/its-time-for-a-c-level-role-dedicated-to-reskilling-workers

Effectively presenting data that communicates a narrative is a useful tactic in situations where CEO or employee buy-in may be lacking. When speaking to leadership, linking programs with cost savings, return on investment and key performance indicators is a fruitful place to start. Calculating the price of letting go of workers and onboarding new ones with more pertinent skills may illuminate a cost savings associated with training from within. The number of people who implemented new skills from training that resulted in productivity gains and the decrease in travel spending due to virtual classrooms may be highlighted as well.

Employees may or may not be aware that one out of seven jobs are at risk of automation. Thus, CEOs need to have honest and frank conversations with employees about the importance of reskilling and upskilling, while underlining the ways in which a new initiative will support worker transitions. Additionally, FoW ambassadors can communicate the value of a company's new program and assist with navigating a possible career pivot. Consistent social dialogue, whether through direct conversations between workers and management or facilitated by apps or trade unions, buttressed by data, is helpful in ensuring uptake.

Mapping

Securing internal buy-in and alignment is an important first step but actually building an effective program requires creating an employment ecosystem, wherein the capabilities most needed by the company are clear to employees who are then given opportunities to attain those skills. Presenters discussed the vital role of mapping the company's current and future workforce needs, both as an architectural exercise related to program design and as a tool for employee engagement.

Detailing job descriptions and associated required competencies is a necessary first step to projecting skills needs in the future. Job descriptions can be assessed and distilled into key competencies that are then matched to training modules. Such cataloging equips companies to identify missing capabilities, which can be used to tailor upskilling curricula to individual employees or create training series.

Several companies utilized the information gathered from mapping and cataloguing exercises to build virtual skilling platforms. These virtual platforms not only allow workers flexibility in taking advantage of skilling initiatives anywhere and anytime, but also enable employees to identify potential new career paths and act on those opportunities. It may be the case that an employee has gained a new skill that they are unable to practically apply in their current role. Companies may consider adding a feature to their skilling platforms that allows employees to work on projects across different roles and business units to gain hands-on experience implementing newly attained competencies.

Partnerships

Partnering with organizations that create curricula and provide training certifications assists both enterprises and employees. Massive Open Online Courses (MOOCs), provided by organizations like Coursera and edX, and universities with physical and online presences make partnering to deliver workforce educational programs accessible and convenient. Businesses can use their internal skilling platforms to provide partner content in the form of tailored course sequences, nano degrees, certifications and even university degrees.

In some cases, businesses have made their skilling programs available to the public. Speakers viewed this as a way to broaden community engagement while at the same time creating a pool of potential new hires that have relevant skills and qualifications on their first day.

Session Two – Beyond HQ:
Taking Company Future of Work Programs Global

In this session, companies with global operations discussed implementation of consistent skilling programs across differing national contexts, as well as the extension of FoW programs to business partners along international supply chains. In advance of the meeting, participants were asked to consider the following questions:

- How do I implement Future of Work programs across different national contexts?

- How do I ensure consistency across different national contexts?

- When Future of Work requirements extend to your business partners, how does that look?

- Do I know what stakeholders expect?

- What stakeholders do you look to in order to facilitate scaling of programs?

- What more do I need to scale my company's Future of Work program?

- How can groups like USCIB, GAN and IOE facilitate?

For large multinational companies, approaching FoW programs is often heavily dependent on local context. The workforce, skilling needs and government capacity may vary greatly along different stops in a company's supply chain.

Specific efforts may be needed to understand the particular skills gaps that exist for workers in developing countries. This may require a mapping exercise, not unlike the one described in the first session. If required, training programs can be retooled to include entry-level skilling segments, enabling employees to gain baseline competencies and grow into more advanced training modules within the company's existing framework.

Apprenticeships

As one of the oldest models of education, apprenticeships are increasingly recognized as an efficient and cost-effective way to resolve skills mismatches.

Apprenticeships provide on the job training with flexible working and learning approaches. Many companies are targeting this model, traditionally geared towards teenagers and young adults, at mid-career and returning professionals. In doing so, apprenticeships tailored to this group not only assist with career development of mid-level managers, but also help low-wage workers and those re-entering the workforce following a time period of unpaid care work.

There is no globally uniform definition or model of apprenticeships, although the ILO has established a workstream to develop international standards for apprenticeships. Meanwhile, lack of consistency and regulatory approaches pose problems for the scaling of apprenticeship programs globally.

In the U.S., regulatory hurdles have created barriers to instituting programs in the past, but recent government action is focused on opening this model to domestic firms by eliminating and rolling back legal constraints.

Partnerships

Scaling FoW and apprenticeship programs is a complex and multifaceted task that is made easier by engaging with strategic partners. NGOs, civil society and governments are important partners in assisting with any number of tasks, including credentialing, permitting and enhancing rule of law. Other, less obvious, partners include supplier SMEs and local start-ups. Integrating suppliers into FoW programs results in reciprocal learning opportunities, as SMEs are experts themselves. Local start-ups that are engaged in solving societal issues may provide the product or service necessary to bring programs to fruition.

Session Three – Measuring and Communicating Progress to Diverse Audiences

This session centered on developing internal plans for audience identification, milestones, measurement and formats to better capture whether programs are delivering expected results for companies and stakeholders. Ahead of the meeting, participants were asked to consider the following questions:

- How do you know if your Future of Work programs are delivering their expected results for your company or your stakeholders?

- How do I identify my audience?

- What metrics should I be measuring and how?

- What format best communicates the impact my program is having?

- What information would be beneficial in further tailoring my program?

- Is this working?

- Do I understand what stakeholders expect?

- How can groups like USCIB, GAN and IOE facilitate?

Rethinking Communications Strategies

The multifarious nature of the FoW concept has led to some confusion for workers, as well as business leaders, underscoring the importance of building effective communication strategies. Participants noted the lack of a common vocabulary and the effect this has on larger business alignment on FoW policy and practice space.

Currently, lack of clarity on FoW, coupled with the complexity of the issue itself, is uncovering a need to rethink once standard communications tools and metrics. A good place to begin unpacking these challenges and building a communications strategy is with a company's stated values. Publicly stated values can serve as a foundation upon which to build a larger narrative.

The importance of knowing the audience and tailoring communication accordingly was a common refrain among participants. FoW implicates a web

of different stakeholders, with complex identities and needs. Ensuring robust engagement in such an initiative requires individualized messaging that demonstrates company values in practice and the positive impacts to be gained from actions taken by the targeted stakeholder. Tailored messaging can also provide data on the effectiveness of communications campaigns.

Measuring Outcomes

Given the newness of this workstream, there remains a great deal of scope for identifying useful metrics to quantify success. Participants discussed using engagement benchmarks as a valuable reference point. Practical indicators of engagement can include data on the number of people actively utilizing skilling resources, completing certifications, or changing career paths as a result of reskilling or upskilling.   Additionally, confidential employee engagement surveys can be deployed as a way of gathering feedback. However valuable, this information alone does not paint a holistic portrait of a successful FoW initiative.

Identifying the proper metrics to track is a priority. In doing so, many business leaders are seeking to redefine success. Because the FoW agenda requires long-term thinking and an openness to labor mobility, some participants suggested using data on the number of employees who upskilled, and as a result moved on to a new opportunity at a different company, as a metric of success. More knowledge sharing discussions should focus on benchmarking.

Other Key Takeaways

- Lifelong learning is essential to lifelong employability
- FoW needs to be embedded in the structure of the business
- Governments need to be engaged on a range of topics surrounding the FoW
  - It is unsustainable for business to fund the lion's share of FoW initiatives. Governments must be more proactive in establishing policies to future-proof their economies;
  - Public education needs to be reconfigured to respond to changing demands of the labor markets;
  - Social protection schemes need to undergo a massive revision or reimagining;
  - To scale apprenticeship programs globally, governments should pursue more consistent regulatory approaches.
- Focus on both STEM and the development of soft skills is essential
- Participants questioned whether college degrees were always necessary and if more effort should be made to identify jobs that do not necessarily require higher education
- Though businesses are developing platforms to enable skilling programs, there remains an absence of widely recognized, interoperable credentials and certifications
- Stigma surrounding apprenticeships, particularly in the U.S., should be combatted
- Systems for recognizing relevant life experience could be useful in lowering college tuition

Conclusions and Next Steps

Referring to this policy space as the "future" of work undermines the reality and urgency of the topic. The future of work is now and alignment on everything from basic language and definitions, to more complicated education, social protection and skilling policies, is required to properly contend with and thrive in an increasingly dynamic world.

Recognizing the imperative to act, businesses have made efforts to meet the evolving needs of today's labor market. Companies have created employee skilling, reskilling and upskilling programs and have occasionally made these resources publicly accessible. In some cases, businesses have partnered directly with academic institutions to develop curricula and degrees that match the evolving needs in today's world of work. Investments have been made in apprenticeship programs that benefit workers of all career levels. Partnerships with local actors and officials have been forged, bringing more people into the FoW fold while enabling better delivery of products and services.

It is clear that the business community cannot do this alone. Governments need to be more responsive to the evolution of the labor market by instituting beneficial policies and funding effective programs. Workers themselves need to show initiative by embracing lifelong learning. Millennials have shown a particular understanding of the need to consistently refresh and update skills.

FoW is a living concept and will continue to be the subject of discussion.

USCIB, IOE and GAN will lead future sessions of this dialogue series. Based on participant feedback, we have identified the following action-items:

- Engaging with partners to develop widely recognized, interoperable and portable skills validation and certification systems
- Sharing effective benchmarks and metrics
- Providing more opportunities for corporate peer-to-peer learning and experiential sharing

- Inviting colleagues from various business units to future workshops to reflect the diversity of perspectives this workstream requires because the FoW is everyone's business
- Developing a common language and skills framework, along with a toolkit, to be deployed across industry sectors
- Convening a meeting with government officials to discuss policy priorities within the FoW space, including educational policy and funding opportunities
- Convening a meeting with trade representatives, academics, NGOs and civil society to identify best practices for FoW-related partnerships