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# Workforce Redesign

2020 CEOI WORKING GROUP REPORT

As job losses caused by the COVID-19 pandemic add up into the millions, it is clear the global economy won't recover until displaced workers can connect with new jobs. At the same time, the accelerated pace of technological change triggered by the crisis has underscored a need to play up digital proficiency and to hone "soft" skills that aren't linked to any particular position.

"We've realized during the COVID-19 crisis the already enormous challenge that companies face in ensuring that business and society promote prosperity that is inclusive and sustainable over time," observed Matt Heimer, senior features editor for FORTUNE, in kicking off the Workforce Redesign working group, presented in partnership with Workday.

Looking ahead, business has a responsibility to advance forward-thinking, achievable strategies for retraining workers, rethinking recruitment, embracing a culture of continuous learning, and providing far deeper transparency around the diversity of their workforces.

## THE CASE FOR BUILDING A RESILIENT WORKFORCE

**RECOMMENDATION 1:** *The COVID-19 crisis has exposed and exacerbated fissures in the global workforce, eliminating millions of jobs that may never return in their former shape. It has also accelerated technological change within businesses, widening the digital skills gap. We believe that business has a responsibility to take the lead in retraining displaced workers, creating new pathways to employment, and developing new ways of measuring and credentialing workers' skills.*

Of the many shockwaves rippling through the global economy as a result of the global pandemic, the loss of livelihood for millions of people is one of the most devastating. A [Pew Research Center survey](#) released in late September estimates at least 15% of U.S. adults were laid off or lost their jobs because of the coronavirus outbreak—and at least half of them still aren't employed. Especially hard-hit have been lower-income workers: close to half have been affected by job losses or pay cuts, with Hispanic Americans harder hit than any other racial demographic, according to the Pew study. Some opportunities—especially in industries such as hospitality and travel—may take years to return.

At the same time, our new “at home” virtual lifestyles are inspiring many companies to fast-track digital transformations. Skills related to artificial intelligence applications, digital marketing, and data science (to name a few) will be at a premium.

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—Aneel Bhusri, CEO Workday

The outlook underscores the need for entirely new approaches to hiring and training—to help both existing and displaced workers remain relevant in new roles that emerge during the recovery, according to Workforce Redesign co-chair Aneel Bhusri. “The global economy is not going to get back on track until we can get all these people back gainfully employed, and many of the jobs that have been lost aren’t coming back,” he said.

In particular, this is a chance to reframe policies around diversity and inclusion, and to draw from pools of applicants who companies might not have previously considered when hiring, including those who don’t have traditional four-year degrees. “This is a real opportunity for business to step up, do the right thing, and also help get the global economy back on track,” Bhusri said.

## PRIORITIZE BUILDING NEW PATHWAYS

**RECOMMENDATION 2: We call on companies to rethink the way they hire new talent and train (and retrain) their workforces, to better connect displaced workers and legacy jobholders with new opportunities.**

The COVID crisis, alongside the intensified corporate focus on addressing racial justice, has underscored systemic shortcomings in the processes that companies use to recruit, onboard, and train their workforces. The working group members observed that this moment offers an unprecedented opportunity for companies to reimagine those strategies, while simultaneously helping workforces become more resilient to future shocks.

The focus should shift to helping workers develop “market-ready” hard skills through apprenticeships, new forms of mentorship, or microcredentials specific to certain roles, members of the group suggested. What’s more, managers should prioritize nurturing soft skills—such as the ability to listen, to communicate, or to negotiate—that could translate well from position to position, allowing for more flexibility. “It’s not just about throwing some training classes at people, it’s really understanding what they could be good at, in terms of aptitudinal or soft skills assessment,” said pymetrics CEO Frida Polli, who co-chaired the discussions. “It’s understanding what they have done, their past experiences.”

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—Frida Polli, CEO pymetrics

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Technology platforms for knowledge-sharing, self-assessment, and continuous ongoing learning will be crucial for scaling these efforts while also personalizing the learning and career development experience for job seekers, according to the participants. Many of these platforms exist today, but are maintained separately, suggesting an opportunity for collaborations that make them more interoperable, the working group observed. Some participants, such as McKinsey and Genpact, have opened access to their training and knowledge databases to those outside their companies. This was a practice other working group members said they'd like to see continued and scaled in the future. Integral to reskilling efforts will be standardized metrics for measuring and describing skills, which suggests a role for government agencies, NGOs, or third-party private-sector platforms that can serve as neutral arbiters.

To support the recommendation for hiring and training, the group advocates these ideas:

- Implement recruitment and promotion strategies that rely less on searches for traditional credentials (e.g., four-year college degrees, past experience in very similar jobs) and more on metrics that carry value across industries (e.g., vocational credentials, test-based assessments of both “hard” and “soft” skills).
- Design apprenticeship programs to “train up” workers who are changing industries or roles.
- Commit across their organizations to more frequent and dynamic on-the-job training and mentorship for workers in all roles
- Make reskilling a C-suite-level priority, and report regularly on progress on that front.

## COLLABORATE ON RESKILLING

**RECOMMENDATION 3: *We strongly believe that the reskilling and redeployment of workers can scale up to a meaningful impact only if employers commit to collaboration—both with each other and with public-sector bodies that have a holistic view of the needs of their communities.***

As has been demonstrated time and again during the pandemic, collaborations that address shared needs will be essential for achieving speed and scale. Cross-sector collaboration, for example, could make it easier for workers displaced from one industry to find employment in another that they might not initially consider.

One private-sector example referenced during the Workforce Redesign discussions was the People + Work Connect platform, built in just 14 working days by human resources teams at Accenture, Lincoln Financial Group, ServiceNow, and Verizon to help companies laying off employees connect those individuals with businesses seeking to hire. As of early October, the marketplace reflected more than 400,000 positions globally.

When it comes to collaboration spanning the public and private sectors, an exemplar referenced often by the working group was the Back to Work Rhode Island program, championed by R.I. Gov. Gina Raimondo and backed with \$45 million in federal funding. That initiative includes CVS Health, Raytheon, Salesforce, and other local employers, along with community colleges and universities. The idea that this sort of initiative could be emulated across all 50 states, coordinated by the governors' offices, captured imaginations. But working group participants cautioned that each state is at a different stage of recovery and these programs must be developed with attention to local priorities.

Equally as important: these initiatives must link to explicit employment opportunities. "You have to be a business-oriented governor, or a business-oriented mayor, in order to understand how to do that," Bhusri said. The goals of these collaborations should include:

- Achieving "interoperability" around hiring standards, with employers reaching broad agreement about which aptitudes are needed in which roles, and how best to measure them.
- Sharing of best practices around skills measurement, onboarding, and training.
- Creating local job-training programs that can quickly upskill displaced workers for job categories where workers are in short supply.
- Building "aggregator" platforms to more quickly match workers and opportunities.

## **ENCOURAGE A FEDERAL ROLE**

**RECOMMENDATION 4: In the U.S., we call on the federal government, regardless of the election outcome, to commit financial resources to support these collaborative efforts.**

**The pandemic-induced recession has impacted the revenue of many companies in ways that make it difficult for them to invest in reskilling; it has also decimated the tax revenues of state and local governments. Therefore, we urge Congress and the executive branch to provide funding for apprenticeships, vocational training programs, and job-skills databases. Consider them an investment in the nation's human infrastructure.**

Given the unique economic considerations, population demographics, and industry-sector profiles of each state, what role can the federal government play in the reskilling of America? One obvious area is funding, especially as states face post-pandemic budget crises, noted one CEO. Another participant pointed to the federal government's potential role in standardizing how skills are described or mapped to certain opportunities, providing a means for objective measurement, or frameworks so that they can be validated or transferred from state to state. Federal authorities could likely also play a role in ensuring that such standards comply with antidiscrimination laws. While the idea of encouraging the federal government to serve as an "aggregator" of employment opportunities through an online platform was floated, the group's members determined this sort of project was best left to the private sector.

## CALL FOR TRANSPARENCY AROUND DIVERSITY AND INCLUSION

**RECOMMENDATION 5:** *The current crisis has exposed the devastating effects of inequality of access to employment, as women, working parents, and people of color have been driven out of the workforce at far higher rates than other groups. We strongly believe that companies should publish data about the composition of their employee ranks, broken down by gender and race, the better to understand where their training, recruitment, and retention efforts may be falling short. We commit to publishing that data about our own companies, and we call on our peers to do the same.*

The pandemic has not been an equal-opportunity job destroyer. Many of the demographic segments hit hard by job losses—including young adults and those with lower levels of formal education—were struggling before the crisis. What's more, the Pew Research Center reports this is the first downturn in five decades in which women lost more jobs than men, throwing years of hard-won progress into retreat.

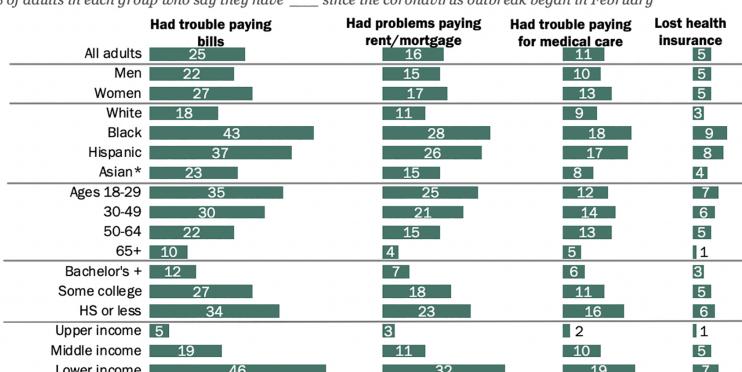
These realities underscore the need for CEOs to embrace more ambitious diversity hiring commitments and to become more transparent about whether those targets are being met, noted one HR executive. A stronger effort must be made to eliminate

potential bias from job descriptions, among other things to make sure talent pipelines don't exclude potential applicants unintentionally. Another member suggested potential employers should make better use of platforms that reach candidates who aren't necessarily served by traditional recruiting services, such as the social network Jobcase, which caters to workers without college degrees.

None of the recommendations made by the Workforce Redesign group should be considered side initiatives, noted Polli. Instead, leaders and managers should be held accountable for supporting them. "This is real change management," she advised.

**Problems paying bills, rent or mortgage have impacted adults with lower incomes more than others since February**

% of adults in each group who say they have \_\_\_\_\_ since the coronavirus outbreak began in February



\*Asian adults were interviewed in English only.

Note: White, Black and Asian adults include those who report being only one race and are not Hispanic. Hispanics are of any race. "Some college" includes those with an associate degree and those who attended college but did not obtain a degree. Family income tiers are based on adjusted 2019 earnings.

Source: Survey of U.S. adults conducted Aug. 3-16, 2020.

"Economic Fallout From COVID-19 Continues To Hit Lower-Income Americans the Hardest"

PEW RESEARCH CENTER

## COLLABORATION EXAMPLES

**The Rework America Business Network**

**People + Work Connect**

**Back to Work Rhode Island**

IN PARTNERSHIP WITH  **workday**®

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The Fortune CEO Initiative, launched after an extraordinary 2016 meeting at the Vatican, was created to convene, engage, and reflect the purpose-driven missions of corporate leaders who are committed to addressing societal challenges as part of their core businesses. Our CEO members believe in a simple proposition: that companies can and should do well by doing good in the world.

And today, Fortune CEOI members challenge all corporate leaders to adopt the following actions in four key areas: making technology a force for good, addressing the urgency of climate change and human impact on the environment, ensuring a more equitable society, and preparing our global workforces for the challenges of the future. Core to all of these efforts is collaboration—across the spectrum of business, with governments and nonprofit groups, and even with industry competitors. And so, as part of this year's CEOI goals, we are committed to providing a guide and resource for helping companies collaborate at scale.