

# BLUEPRINT FOR JOBS IN THE 21<sup>ST</sup> CENTURY

A Vision for a Competitive Human Resource Policy  
for the American Workforce

**Wednesday, May 11, 2011**

**10:00 AM to 11:00 AM**

**2261 Rayburn House Office Building**

**Washington, D.C.**

*Program*



The Association of Chief Human Resource Officers

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# AGENDA

## AGENDA

10:00 AM

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**Jeffrey C. McGuiness**

President & CEO, HR Policy Association

### Remarks from Panelists

**J. Randall MacDonald**

Chairman, HR Policy Association Board of Directors

Senior Vice President, Human Resources, IBM Corporation

**Michael L. Davis**

Chairman, HR Policy Association's 21st Century HR Policy Project

Senior Vice President, Global Human Resources, General Mills, Inc.

**Mara E. Swan**

Executive Vice President, Global Strategy and Talent, ManpowerGroup

**Martin Neil Baily**

Senior Fellow, Economic Studies, Brookings Institution

Chairman, Council of Economic Advisers (1999–2001)

**Neera Tanden**

Chief Operating Officer, Center for American Progress

Director of Domestic Policy, Obama-Biden Campaign

### Questions from Audience

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# WHO WE ARE

## ABOUT THE ASSOCIATION

**HR Policy Association** is the lead public policy organization of chief human resource officers from large employers. The Association brings together HR professionals at the highest level of corporations not simply to discuss changes in public policy, but to lay out a vision and advocate for competitive workplace initiatives that promote job growth and employment security.

- **Membership:** The HR Policy Association consists of over 325 of the largest corporations doing business in the United States and globally. Collectively our members employ more than 20 million employees worldwide and have a market capitalization of more than \$7.5 trillion.
- **Impact:** Senior corporate officers participate in the Association because of their strong interest in impacting the direction of HR policy and practices. Their objective is to work together to use the combined power of the membership to act as a positive influence to improve public policy, the HR marketplace, and the human resource profession.
- **Uniqueness:** There are literally hundreds of organizations representing various segments of the human resource function. HR Policy Association focuses primarily on the concerns of the most senior HR executive in Fortune 500 companies, and it is these chief human resource officers who participate in the Association's activities and drive its agenda.
- **History:** HR Policy Association has been operating for more than four decades, coming together in 1968 to address the tumultuous labor and civil rights issues that were sweeping the workplace at that time. It has remained together ever since, continuing to tackle new problems and emerging issues affecting senior human resource executives.

HR Policy is a non-profit organization formed under 501(c)(6) of the Internal Revenue Code. Key practice areas include (but are not limited to): talent and workforce development, healthcare, executive compensation, labor law and labor relations, wage and hour issues, employment discrimination, immigration, mandated leave and retirement security.

# ABOUT THE BLUEPRINT

# BLUEPRINT FOR JOBS IN THE 21<sup>ST</sup> CENTURY

A Vision for a Competitive Human Resource Policy  
for the American Workforce

Jobs.

It is the most significant domestic policy issue facing the United States today—how to create and sustain quality employment opportunities in the United States in the new, hyper-competitive global economy of the 21st century. Americans want fulfilling jobs that provide security, jobs that hold the promise of a better future, jobs that can triumph over the economic forces that now move globally at the click of a computer key.

We are pleased that the federal government now appears to be willing to address this issue. In a recent speech President Obama said:

We need to out-innovate, out-educate, and out-build our competitors. We need an economy that's based not on what we consume and borrow from other nations, but what we make and sell around the world. We need to make America the best place to do business.

We could not agree more. In the new global economy powered by technology and tightly woven together by the Internet, America and American workers are now competing on a world stage. A company's research and development center can be in one place, and then the results of that research can be instantly transferred and utilized anywhere on earth. Engineering graduates from American universities are now competing for the same jobs with graduates from excellent universities in India, Singapore, and other emerging nations. Jobs characterized by low-skilled repetitive tasks that once paid well in America are being replaced at an increasingly rapid rate by technology that can do the same job at a fraction of the cost. The jobs issues for policy makers in America, therefore, are many and include such questions as:

- How do we encourage companies to locate facilities and the jobs they create in the United States?
- How can American graduates compete for jobs that can be located in dozens of different countries around the globe?
- What jobs are vanishing in America, what are the new career paths being created by the 21st century economy and what can the country do to support those new career paths?
- What economic, education, and regulatory environments will promote jobs in America?
- How can America compete and win on the global economic stage?

# ABOUT THE BLUEPRINT

With this report, HR Policy Association provides the perspective of the chief human resource officers of more than 325 of the largest companies doing business in the United States today on America’s jobs challenges and the human capital policy changes needed to make the President’s dream, and our dream, a reality.

As the top human resource professionals for their companies, HR Policy Association members are responsible for hiring, training, promotion, and succession for our organizations. Collectively, the Association’s members employ more than 20 million people worldwide, and in the United States they employ more than ten million Americans, nearly nine percent of the private sector workforce. Most HR Policy Association members operate globally, and their experience with hiring, training, assessing, and promoting people in virtually every region of the world gives them an excellent perspective regarding the strengths and weaknesses of the American employment system. Simply put, HR Policy Association members are in the best possible position to understand how to expand long-term employment opportunities in the private sector in the United States.

The information and recommendations made in this report are the product of two years of discussions, surveys, and interviews with HR Policy Association members. These occurred in small focus groups, larger membership meetings, conference calls, and one-on-one sessions with the most senior human resource executives in more than 250 companies. The report is not the independent work product of the Association’s staff nor any consultant or outside organization; rather, the Blueprint channels the thinking of chief HR officers regarding making America more competitive and stimulating job growth in the U.S. For example, the following are the responses of the membership to a survey conducted in March of 2011.

What steps could the U.S. Government take that would result in your company hiring more employees in America over the next 3 years than you currently expect to hire? (Please select no more than five):

- 51% Create a less adversarial, more sensible regulatory environment
- 47% Provide certainty regarding government regulatory and enforcement requirements
- 38% Reform the corporate income tax system and significantly lower the rate
- 34% Make significant policy changes to lower health care costs
- 31% Increase the supply of qualified workers by improving the U.S. education system and focusing job training on business needs
- 23% Reduce the amount/costs of employment litigation
- 21% Nothing, employment levels are driven by economic conditions and business opportunities
- 19% Reduce government spending and debt
- 12% Enact immigration reform

- 11% Increase government spending on research and development
- 7% Enact all pending free trade agreements and aggressively pursue more
- 4% Increase government spending on infrastructure such as high-speed rail, high-speed internet, and repairing crumbling roads and bridges
- 2% Promote green jobs
- 7% Other

This paper has five sections which include a series of detailed recommendations regarding the changes needed in workforce development, education and training, immigration, and benefits policy to restore America’s competitiveness.

**Section I**, “The New Economic, Demographic, and Social Realities Facing the United States: A Global Economy Powered By Technology and Intelligence,” describes the fundamentally different global economy in which the United States is now operating and will continue to operate for many years to come, and the implications of this new economic order for students, jobseekers, employees, educators, and government policymakers, among others.

Each of the report’s remaining sections provides background regarding the topic of that particular section and then lists a series of specific recommendations.

**Section II**, “Developing the Necessary Talent To Staff the Workforce of the New Global Technology Economy,” calls for a fundamentally different way of approaching how America develops the skills it needs to produce and sustain quality employment opportunities. In it, we encourage employers, educators, and government policymakers to become far better coordinated in the deployment of their resources to create lasting employment opportunities. Our members believe that in the dynamic economy of the 21st century, there needs to be a fundamental restructuring of the way in which employers interact with the education community as well as government training and education policymakers, such that all three sectors are working together to create the conditions necessary to promote job growth and employment security.

**Section III**, “Attracting the World’s Top Talent to America and Retaining It,” argues that our immigration laws and regulations are badly out of step with 21st century realities and have a debilitating effect on the American economy and its global competitiveness. This section recommends that instead of turning away skilled foreign workers in critical industries, or discarding the fruits of our universities by sending brilliant foreign graduates home, America should capture this talent. Among our proposed solutions, we call for providing a path to U.S. citizenship for any foreign student who obtains an advanced degree in the U.S. in the STEM disciplines; the development of a market-based system for awarding visas,

# ABOUT THE BLUEPRINT

instead of imposing new restrictions on them that could only damper the economic recovery; and the implementation of more flexible mechanisms for allowing professionals to transfer from temporary to permanent status, irrespective of quotas or their original nationality.

**Section IV**, “Creating a Regulatory Environment That Encourages Innovation and Job Growth: The Need to Replace Conflict with Consensus to Achieve Competitiveness,” proposes a fundamentally different way of approaching workplace regulation—one that replaces our current system of conflict-based policy development with a structure based on consensus. It also discusses why regulatory policy designed for the industrial age of manual labor makes so little sense in today’s digital age. It seeks to redefine what is considered success in the development of employment regulation policy, which is far too focused on the extent to which the government in power saddles employers with additional administrative requirements, compliance obligations, mandates, and liability.

**Section V**, “Reining In U.S. Health Care Costs To Encourage Employment Growth: A Challenge to the Health Care Supply Chain,” discusses the impact of current health care trends on the willingness of employers to expand employment opportunities and locate work in the United States. It issues a call to action to the health care supply chain and government policy makers to address America’s labor costs—among the highest of any nation—which are driven in large part by health care costs.

In this paper, we have chosen to accentuate the positive and to encourage breakthrough thinking to figure out the best path forward. Each day we read about another organization, another commentator, another political figure describing how the course the nation is on is leading to a declining standard of living; we hear that our children will be worse off than their parents and that the American dream will be a distant memory. This presumes that America is not able to recognize the situation it is in, change course accordingly, and pull toward common objectives to restore its competitiveness. There is no question that the United States is being severely challenged by the economic forces sweeping the globe. We see the impact of these forces in chronic high unemployment, slow economic growth, and the reluctance among employers to hire new workers in the United States or expand stateside operations in the midst of this uncertainty. However, America has experienced tremendous challenges since forming itself out of a wilderness three centuries ago to become the dominant economic and military power it is today, and there is no reason it cannot continue to act creatively to meet today’s challenges. This paper seeks to lay out the specific changes the nation’s senior human resource executives believe are necessary to staff the competitive American workforce of the 21st century and to create the good jobs for which everyone is looking.

In preparing this paper we have drawn on a variety of sources, primarily our own experience, captured in membership surveys, focus groups, committee work, and one-on-one discussions with the Association’s 300+ member companies. There is one source, however, which deserves special mention—Rising Above The Gathering Storm, Revisited: Rapidly Approaching Category 5, by the National Academies of Sciences. The information, opinions, and recommendations in that paper track very closely the thinking of the Association on the critical domestic policy issues of the day. It addresses a wide range of current economic issues, builds on the human capital strategy subjects it addresses and offers a set of more detailed recommendations in that subject area.

April, 2011  
Jeffrey C. McGuiness  
President & CEO  
HR Policy Association  
Washington, DC

# PANELISTS



**J. Randall MacDonald**

Senior Vice President, Human Resources  
IBM Corporation

Randy MacDonald joined IBM in 2000 as senior vice president, Human Resources. In this position he is responsible for the global human resources practices, policies and operations of the organization, and reports to Chairman, President, and Chief Executive Officer Sam Palmisano.

Prior to joining IBM, Mr. MacDonald was the executive vice president of Human Resources and Administration for GTE (now Verizon Communications). Mr. MacDonald was with GTE for 17 years, holding positions of increasing responsibility. Before joining GTE, he held human resources positions at Ingersoll-Rand Company and Sterling Drug, Inc.

In August 2009, Mr. MacDonald received the Distinguished Human Resources Executive Award from the Academy of Management for his significant contributions to the science and practice of human resources, including HR-related research and education. He is the first executive to receive this award twice; he was also recognized with this honor in 2004. Among many other awards, Mr. MacDonald was named Human Resource Executive Magazine’s “HR Executive of the Year” in 2008.

He is a member and past chair of Cornell University’s Center for Advanced Human Resources Study and a past chair of the Personnel Roundtable. He is also a member of the HR Policy Association, which he serves as Chairman of its Board of Directors.

In 1998, Mr. MacDonald was named a Fellow of the National Academy of Human Resources, the human resource profession’s highest honor for outstanding achievement. He was elected to the Academy’s Board of Directors in 2000 and serves as its Vice Chair.

He also was a member of the President’s Advisory Commission on Consumer Protection and Quality in the Health Care Industry.

Mr. MacDonald has a bachelor’s degree in political science and a master’s degree in industrial relations from St. Francis University; he received the St. Francis University Distinguished Alumni in Business Award in 1999, and was a Trustee of the institution. Mr. MacDonald also serves as a Trustee of Bucknell University, and as vice chairman of the board. He is a member of the Board of Managers of Delphi Corporation and a former member of the Board of Directors of Covance.



**Michael L. Davis**

Senior Vice President, Global Human Resources  
General Mills, Inc.

As senior vice president, Global Human Resources, Mike Davis has responsibility for all human resource functions at General Mills.

Previously, he was vice president, Human Resources for the General Mills U.S. Retail and corporate functions for three years. Prior to that, he served for nine years as vice president, Compensation and Benefits.

Before joining General Mills, Davis worked for 15 years as a compensation consultant with Towers Perrin. When he left Towers Perrin in 1996, he was the firm’s worldwide practice leader for executive compensation.

For the past five years, Davis has served as an adjunct professor at the Carlson School of Management at the University of Minnesota.

He is a certified public accountant.

Davis currently serves on the Board of Directors of HR Policy Association and is the Chairman of the Association’s 21st Century HR Policy Project.

# PANELISTS



**Mara E. Swan**

Executive Vice President, Global Strategy and Talent  
ManpowerGroup

Mara Swan is ManpowerGroup’s Executive Vice President, Global Strategy and Talent, after being promoted from Senior Vice President of Global Human Resources. Mara came on board in 2005 and has had a significant impact in both the human resources area of the organization and the strategy and contemporary talent development area.

As a recognized expert in Human Resources, Mara is featured regularly as a speaker at high profile events, including the Annual Meeting of the World Economic Forum in Davos, where she has provided council on women in leadership, amongst other topics. In recognition of her success, Mara was named as a ‘Woman of Influence’ in the Milwaukee Business Journal in 2008. Mara is a member of HR Policy Association.

A veteran of the human resources profession, Mara joined Manpower from the Molson Coors Brewing Company where she served as Chief People Officer for its global operations. Prior to her tenure with Molson Coors, she was Human Resources Manager for Miller Brewing Company.

Mara holds a bachelor’s degree in business administration from the University of Buffalo and a master’s degree in industrial relations from the University of Minnesota.



**Neera Tanden**

Chief Operating Officer, Center for American Progress  
Director of Domestic Policy for the  
Obama-Biden Presidential Campaign

Neera Tanden has over a decade of experience in the executive and legislative branch, as well as in campaigns, local government, and think tanks. As Chief Operating Officer, she leads strategic planning for the organization, manages operations, and oversees the health care program.

Neera Tanden has most recently served as senior advisor for health reform at the Department of Health and Human Services, advising Secretary Kathleen Sebelius and working on the president’s health reform team to pass the bill. In that role, she developed policies around reform, and worked with the Hill and outside groups on the president’s health reform legislation.

Prior to that, Tanden was the director of domestic policy for the Obama-Biden presidential campaign, where she managed all domestic policy proposals, including health care. Before that, Tanden served as policy director for the Hillary Clinton presidential campaign where she directed all policy work, ranging from domestic policy to the economy to foreign affairs, and managed day to day policy announcements. In that role, she also oversaw the debate preparation process for the candidate.

Before the presidential campaign, Tanden was Senior Vice President for Academic Affairs at the Center for American Progress, which she rejoined. She was one of the first senior staff members at CAP, joining as Senior Vice President for Domestic Policy when CAP first opened its doors. In between, Tanden was Senator Clinton’s legislative director, where she oversaw all policy in the Senate office. In 2000, she was Hillary Clinton’s deputy campaign manager and issues director for her Senate campaign in New York. Tanden also served as associate director for domestic policy in the Clinton White House, and senior policy advisor to the first lady.

Tanden currently has a regular column for The New Republic online and has appeared on the NewsHour with Jim Lehrer, MSNBC, CNN, and Fox. She received her bachelor of science from UCLA and her law degree from Yale Law School.

## PANELISTS

**Martin Neil Baily**

Senior Fellow, Economic Studies  
Brookings Institution  
Chairman, Council of Economic Advisers (1999-2001)

Martin Baily re-joined Brookings in September 2007 to develop a program of research on business and the economy. He is studying issues of productivity, technology, globalization and trade and exploring the impact of new technologies on the economy.

Dr. Baily is also a Senior Advisor to McKinsey & Company, assisting the McKinsey Global Institute on projects on globalization and productivity. He is an economic adviser to the Congressional Budget Office and a Director of The Phoenix Companies of Hartford CT.

Prior to his return to Brookings, Baily was a Senior Fellow at the Peterson Institute for International Economics. His book *Transforming the European Economy* was published by the Institute in 2004. In August 1999, Dr. Baily was appointed as Chairman of the Council of Economic Advisers. As Chairman, Dr. Baily served as economic adviser to the President, was a member of the President's Cabinet and directed the staff of this White House agency. He completed his term as Chairman on January 19, 2001. During that period he also served as President of the Economic Policy Committee of the Organization for Economic Cooperation and Development. Dr. Baily previously served as one of the three Members of the President's Council of Economic Advisers from October 1994 until August 1996.

Dr. Baily was a Principal at McKinsey & Company at the Global Institute in Washington, D. C. from September 1996 to July 1999. He was also a visiting fellow at the Global Institute 1993-1994. Dr. Baily helped lead project teams using industry case studies to explore service and manufacturing productivity and employment, as well as a series of country studies, looking at France, Germany, the Netherlands, the UK, Brazil, Korea and Russia. Dr. Baily has also worked with McKinsey client teams, providing counseling to CEO's on economic issues.

Dr. Baily earned his Ph.D. in economics in 1972 at the Massachusetts Institute of Technology. After teaching at MIT and Yale, he became a Senior Fellow at the Brookings Institution in 1979 and a Professor of Economics at the University of Maryland in 1989. His research has focused on wage setting, macroeconomic policy, innovation, productivity and economic growth.

He has served as an academic advisor to the Federal Reserve Board and testified numerous times before Congress. He served on a panel convened by the Office of Technology Assessment and was the Vice-Chairman of a panel of the National Academy of Sciences/National Research Council to investigate the effect of computers on productivity. He was a research associate of the National Bureau of Economic Research.

In 1987 Dr. Baily co-founded the Microeconomics issue of the Brookings Papers on Economic Activity. He is the author of many professional articles, and the editor or co-author of six books.

# MODERATOR



## **Jeffrey C. McGuiness**

President & CEO  
HR Policy Association

Jeffrey C. McGuiness is President and CEO of HR Policy Association, the nation's premier organization representing the chief human resource officers of more than 325 Fortune 500 companies who collectively employ more than 20 million people worldwide. On the public policy front, the association focuses on shaping the development of the human resource and employment policies, primarily at the federal level.

Mr. McGuiness has been with the Association since 1973, becoming President in 1988. During that time, he has been deeply involved in representing the interests of senior human resource executives in the key policy debates in the U.S. Congress and the administration, from the Carter Labor Law Reform bill to the Employee Free Choice Act, all the major employment, discrimination and leave issues, and in proceedings such as the Dunlop Commission during the Clinton Administration. At the same time, he leads Association initiatives that use the collective strength of the membership to achieve market-based improvements in HR practices and offerings.

From 1981 to 1984, Mr. McGuiness served as Chairman of the Civil Rights Reviewing Authority of the Department of Health and Human Services. During 1979-80, Mr. McGuiness served as a Special Counsel to Senator Richard Lugar (R-IN) during the drafting of the Chrysler bailout program. In 1995, Mr. McGuiness was elected a Fellow of the National Academy of Human Resources and has served on the Board of Directors of its related foundation. He is a graduate of Principia College and the American University School of Law. A member of the District of Columbia bar, he is the author of several publications and commentary on workplace policy.