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Agenda

Forces of Change & Future of Work

Looking Ahead: Emerging Roles

Gap Inc. Engagement & Sustainability Insights

Q&A
Forces of Change

- Human and machine collaboration
- Accelerated technology change
- Truly connected world
- Global talent market
- Social and organizational reconfiguration

Source: Future of HR Working Group
By 2025, approximately 25% of all tasks will be automated through robotics, driving roughly 16% global labor cost savings.

A Truly Connected World

Mobile Penetration by Region – January 2014

- North America: 101%
- Western Europe: 151%
- Central & Eastern Europe: 90%
- Central Asia: 112%
- Middle East: 72%
- South Asia: 67%
- Southeast Asia: 109%
- Oceania: 94%
- South America: 124%
- Central America: 89%

Sources: US Census Bureau, InternetWorldStats, CNNIC, Tencent, Facebook, ITU, CIA
Shifts in the Global Talent Market

High demand for foreign workers

Here are the 10 regions with the most H-1B application demand, accounting for about 53 percent of the work visa requests.

New York-Northern New Jersey-Long Island (N.Y., N.J., Pa.) 52,921
Los Angeles-Long Beach-Santa Ana 18,048
San Francisco-Oakland-Fremont 16,333
San Jose-Sunnyvale-Santa Clara 14,926
Chicago-Joliet-Naperville (Ill., Ind., Wis.) 14,011
Boston-Cambridge-Quincy (Mass., N.H.) 11,541
Dallas-Fort Worth-Arlington (Texas) 10,651
Houston-Sugar Land-Baytown (Texas) 10,107
Seattle-Tacoma-Bellevue (Wash.) 9,633

Source: U.S. Department of Labor (BAY AREA NEWS GROUP)
Future of Work

Five Forces of Change

1. Social & Organizational reconfiguration
2. All inclusive, global talent market
3. A truly connected world
4. Exponential pattern of technology change
5. Human & machine collaboration

Two Core Themes

Democratization of Work

A more highly democratized future is characterized by new “employment” relationships shorter in duration and more company / individual balanced. A shift toward a more agile and responsive view of work will deliver results by activating purpose-built networks.

Technological Empowerment

Technology is transforming the way we live and work. Machine learning, 3D printing, mobile, wearables, and algorithmic analytics are some of the many technologies that promise to improve individual empowerment.
Future of Work
Emerging Roles for Leadership in 2025

- Plan: Trend Forecasting & Change Leadership
- Attract: Talent Sourcing & Community Building
- Engage: Culture & Community Activism
- Align: Organization & Performance Architecture

Operational Excellence
Emerging Roles for Leadership in 2025: Culture & Community Activism

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
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<tbody>
<tr>
<td>Employment Brand</td>
<td>Employee Experience</td>
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<tr>
<td>Organization Development</td>
<td>Culture Orchestration</td>
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<tr>
<td>Employee Engagement</td>
<td>Community Engagement</td>
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<tr>
<td>Team Collaboration</td>
<td>Community Collaboration</td>
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<tr>
<td>Corporate Social Responsibility</td>
<td>Providing Purpose &amp; Meaning in Work</td>
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Gap Inc.’s Transformation

Be the world’s favorite for American style
Transformation Impacted Gap Inc. Bottom Line

- **Earnings Per Share**
  - $0.93
  - $1.05
  - $1.34
  - $1.58
  - $1.88
  - $1.56
  - $2.33

- **Turnover Rate**

- **Employee Engagement**

- **Transformation Launched**

Year:
- 2006
- 2007
- 2008
- 2009
- 2010
- 2011
- 2012
Transforming Culture: Social Capital

Do more than sell clothes
Businesses leading the way to economic opportunity for American workers.

#UpSkillAmerica
Store Leadership Conference

Gap Inc.
Since 1969 Gap Inc. has made tremendous progress in promoting sustainability, and continues to be a leader in the retail industry.

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1969</td>
<td>First Gap store</td>
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<tr>
<td>1977</td>
<td>First vendor guidelines</td>
</tr>
<tr>
<td>1992</td>
<td>Code of Business Conduct</td>
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<tr>
<td>1996</td>
<td>First SR report published</td>
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<tr>
<td>1998</td>
<td>Launched P.A.C.E program</td>
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<tr>
<td>2001</td>
<td>Handwork community center</td>
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<tr>
<td>2004</td>
<td>Updated Code of Business Conduct</td>
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<tr>
<td>2007</td>
<td>Launched This Way Ahead program</td>
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<tr>
<td>2008</td>
<td>New GHG goal</td>
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<tr>
<td>2009</td>
<td>Environmental footprint</td>
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<tr>
<td>2011</td>
<td>Global partnerships team formed</td>
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P.A.C.E (Personal Advancement & Career Enhancement)
Aimed at training female garment workers in technical and social skills so they can advance in work and life.

The program operates in Bangladesh, Cambodia, China, India, Sri Lanka, and Vietnam

30,000 women have participated in P.A.C.E. training, and in the pioneer factory, women who completed P.A.C.E. were promoted at 4.7 times the rate of other female workers at the same factory

In 2011, P.A.C.E. was recognized as a model program and innovative approach for the advancement of women by the Clinton Global Initiative.

On September 28, 2015, CEO, Art Peck announced a commitment to put 1 million women through the program by 2020.
Leadership Imperative

2013

The New York Times
Asia Pacific

Building Collapse in Bangladesh Leaves Scores Dead

2015

ALLIANCE
FOR BANGLADESH WORKER SAFETY
Q&A