

The Future of Work podcast is a weekly show where Jacob has in-depth conversations with senior level executives, business leaders, and bestselling authors around the world on the future of work and the future in general. Topics cover everything from AI and automation to the gig economy to big data to the future of learning and everything in between. Each episode explores a new topic and features a special guest.

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Jacob 00:52

Hello, everyone, thanks for tuning in to another episode of the future of work My guest today, Steve Preston, CEO of Goodwill Industries International, and also the former secretary of the US Department of Housing and Urban Development. Steve, thank you for joining me.

Steve 01:08

Thank you for having me. I appreciate it very much.

Jacob 01:10

Oh, of course. Well, before we get into all the fun questions that I have for you, why don't we start with a little bit of background information just about you, you know, where did you grow up? But how did you get into what you're doing now? Is this something that you know, you wanted to do?

Steve 01:25

Yeah, I grew up in a blue collar town in Wisconsin, it was a General Motors town, and never knew I'd make it out of Wisconsin. And I just had a just, I had so many opportunities, most of which were enabled by education, and had a long career in business and finance. And about 20, some years into my business career, I had an opportunity to serve the federal government. And I was asked to go to the federal government, because there was a large program that was experiencing significant operational problems after Hurricane Katrina, the loan program to help people rebuild was was badly, you know, just wasn't able to get the product out.

Steve 02:11

So they asked me to come in as a business person who had run operations before to come and fix this big program. And then when we did that, and thankfully, we were able to get a lot of funding into people's hands to rebuild their homes and businesses. When the housing market started blowing up, I was asked to go run another, you know, agency in the middle of a federal disaster, which was HUD. And what happened during that time, as I had always loved working with, with kids in in urban environments, I spent a lot of time tutoring and mentoring kids, and really had a heart for that.

Steve 02:47

But when I was at HUD, especially, I think I got more visibility into what it's like, when kids who grew up in difficult situations, don't have the opportunity to get out of those situations, and then mature adults and increasingly faced challenges. And all of a sudden people are 30, or 35, or 40 years old. And

they're in a life without a whole lot of opportunity ahead of them. And so I really just, you know, just developed a real burden for people who wanted to invest back in themselves to get their lives back.

Steve 03:20

So after the government, I'd run a couple of companies. And I just said, you know, what, I want to figure out how to do this full time. And it was really either coincidental or providential, that I got a call to candidate for the head of Goodwill, and we're the largest workforce development organization in the country. We help millions of people. And I just couldn't believe I got the call. Because it's really what I want to do. It's where my heart is, where my passion is. And we do it through a social enterprise. So it's sort of like running a business as well, which is also what I love to do.

Jacob 03:53

Can you give people a little bit of background information about the company. So like you said, What do you guys do? How many employees do you guys have? And what are some of the projects and initiatives that you guys have going on?

Steve 04:03

Yeah, so we are what's known in the nonprofit sector as a federated model, which means that we are a collection of independent local organizations. They're all called Goodwill. But each one has a territory. They have their own board, they own their own assets. They're independent, but we work together as a collective. And so it works well, for two reasons.

Steve 04:29

Number one, those local organizations are embedded in their communities. They're extremely committed to what's happening on the ground, their boards are local, they're connected to other local service providers. So there's a lot of relevance in what they do. They know the employers they know the nature of the local population, which varies across the country. So they can they can roll out sort of relevant, you know, opportunities. The benefit also though, is that at a national level The organization I run is able to look across all of those Goodwill's and say where are there common opportunities for us to provide leverage great curriculum, great programs, other kinds of support that everybody can use, that helps make everybody better. And so it's really that one two punch that that makes it great.

Steve 05:23

The other unique aspect of it is the stores, we have 3300 stores. And stores serve two purposes. Number one, we employ collectively 140,000 people, and many of the people we employ are people that have challenges getting work elsewhere, we, you know, we, we hire a lot of people coming out of incarceration or a lot of people with educational challenges, sometimes people with disabilities. And so it provides us an opportunity to provide training and development support in the operation.

Steve 05:55

But the second thing is, those stores also generate additional funds. And we take the funding from the store. And we provide it to our workforce development center network. So aside from the stores, we have 650 job centers around the country, where people can go to get trading development, coaching, job placement services, and the stores help fund those. So it's both in those centers, we touch a million

and a half people a year. I mean, it's a massive, massive operation. And then online 24 million people through training and development online. So it's a massive enterprise. It's a massive enterprise and, and it's so desperately needed right now in our country. It really is.

Jacob 06:36

Yeah, I mean, it's the past year or so has been pretty, pretty crazy, to say the least, which is actually a good transition, because I wanted to ask you, what are some of the big trends that you are specifically paying attention to right now in the world of work?

Steve 06:54

Well, before the pandemic, we were very focused on what everybody's calling the future of work. And that is a significant migration in labor demands by employers that are more focused on technology skills, and other cognitive and relational skills that surround the product development and service delivery. And so many of the many of the forecasters or economists were forecasting a 30 or 35 million jobs would be lost over the next decade.

Steve 07:26

Well, what happened when COVID hit is not only do we see unemployment spike, there were two other phenomena within that, number one, that people who lost their jobs were people with lower levels of levels of education, lower income levels, and disproportionately people of racial and ethnic minorities. Those were the people that we were concerned about losing their jobs in this in this future of work migration. So number one, that group of people disproportionately became unemployed.

Steve 08:00

And then in addition to that, employers accelerated their adoption of digital technologies, customer interactions, now supply chain support other kinds of internal management processes. So both the people we were concerned about were hit and the migration in the job market accelerated, which puts us in a situation where increasingly people need digital skills to be able to compete for jobs, increasingly, employers are looking to upgrade sort of the level of skills that they need for all kinds of roles. And increasingly, the people who need to access those jobs don't have those skills. And that's why the role we play in society right now in the job market is so critical.

Jacob 08:47

Yeah. No, I mean, I agree in the work that you guys are doing is really, really amazing. Were there any other trends that you mentioned, kind of post COVID? That's what you were focusing on a lot of these teams around the future of work. Were there any other specific trends that you are or were paying attention to?

Steve 09:07

Well, for us, one of the other things we were able to leverage during this period of time, the trend that happened really quickly, obviously, was everybody. Everybody adopting, you know, virtual interaction. And we adopted virtual interaction very quickly, to deliver our support services. So online coaching, online lectures, we already had online, digital, sort of pre recorded type, you know, online courses, but really human interaction, online, job fairs, and those types of things.

Steve 09:44

And so interestingly, many of the people that we serve, often have a hard time getting to our centers because of childcare or transportation of jobs or whatever. And in many cases, we were able to reach them more effectively. Now There is, you know, an unfortunate side of that is many people in those populations also don't have access to computers or digital networks. So in some cases, people were sort of doubly disabled. But we are seeing an expanded ability to reach people that we couldn't reach otherwise, or that didn't have the flexibility to come into our workforce development centers. And so that's been a trend that's helped us very much.

Jacob 10:27

Yeah, the digital, the digital aspect of this, I think, has been really, I mean, revolutionary for a lot of organizations just to see the level, you know, the scale, that we're still able to stay connected and get work done. I mean, I don't think we've ever seen anything like this before. Which is, it's been crazy.

Steve 10:43

No. And I think the other thing is, people are really accommodating, like, you know, in our workplace, you know, people started out apologizing when their kids were coming into the room, I would always get the kid on camera, I want to see the kids, you know, this is the fun part of this, you know, and so, you know, a lot of people have been, you know, unable to get other homes because of childcare issues, or because of mobility issues. So people are just more accommodating, because they get it, I think that really works in everyone's favor.

Jacob 11:14

Do you see long term implications of this kind of like a blurring of working life? because like you said, You used to, you know, you would be embarrassed if your kids were in the background, you would be embarrassed if you know, if your background wasn't perfect, and you had to do a meeting from a closet or from your bedroom or your kitchen. And now, you know, you got kids bouncing around everywhere. You got dogs barking you meetings from your closet? I mean, it's like, yeah, it seems like all of this has gone up window, you see kind of long term implications of this for the workforce.

Steve 11:48

Yeah, I think I think there are long term implications. And I don't think we're going to understand the degree to which things will change until, you know, so we're sort of in that post vaccine world. But we know a number of things. Number one, we know that we can, we can use technology to interact well. And that, in that there are ways to use it effectively. And we're so we've sort of broken through a lot of those barriers. And it's not, it's not a questioning of how it's going to work, or will it be effective, we've made it work. And we've actually expanded our capabilities.

Steve 12:24

Number two, I think a lot of people are realizing that they just get a whole lot more done when they're at home. And so there's this strange dynamic of, I can actually plow through a lot more work, I can just, you know, but the flip side of that is there is something really lost about the onsite human dynamic. And I had a, I had an off site with about five people last week. And we were very careful, we had to figure

out how to do it. And I walked away, just saying, I can't believe how connected it was how much we were able to interact in a different way. And so I think as we look at the future of work, we're going to have to ask ourselves, where is that connectedness? Where's that physical connectedness essential? Where is it not? And what does it mean for, you know, kind of enforced coming into the workplace? You know, like, how does that whole picture work?

Steve 13:20

Because it's going to be hybrid. People see value in it, both personally, and in terms of workforce effectiveness, but there are challenges and we have to figure out what that hybrid model is going to look like.

Jacob 13:33

So what's, what's the answer? I mean, do you do you see in person disappearing completely, like some people have said, and, you know, major cities like San Francisco, near where I live are going to vanish? And everyone's going to move away from these places? Everyone's going to be remote forever? Or do you still see us returning to some sense of, you know, going into the office and seeing people face to face?

Steve 13:58

I think that I think it's going to be in part based on the nature of the employer. And part based on the nature of the job. We, I think certain jobs lend themselves to remote, you know, kind of, you know, remote access better than others. I think if you have a job where you are a programmer, or you are somebody who is, you know, a content designer, or a writer or somebody who really has a lot of independence in their job, a need at not a whole lot of need to be in a group physically. Those are the jobs I think that will continue to be very well served through remote work. And so that's number one.

Steve 14:43

But there are other roles where you just it there is just so much value from having convenings and being able to have sort of that natural flow that occurs when you're in the room where you're passing paper back and forth. When you're, for me the big thing you know, the killer has been the lack of a whiteboard where we're talking back and forth. Adding things. And there is sort of this generative activity that takes place when you're creating as a group. And that is very hard to do online. That's very hard to do online. So it's I think its nature of company and nature of the job.

Jacob 15:14

What about for leadership? Because I would imagine that, you know, even if you're a writer, even if you're a programmer, if you want to lead other writers, if you want to lead other programmers, I mean, would you agree that for any kind of position where you are responsible for others, there probably will continue to be some of that in person interaction? Or can that be virtual?

Steve 15:36

I think, I think for most roles, I believe, to some degree, you're going to need that personal interaction. It's just we're human beings, you know. And it's funny, I hired a new head of technology two and a half

months ago, and I didn't, I saw him for the first time face to face a week and a half ago. He said, I really didn't know what your look look like. And you know, and, and we were kind of making some jokes back and forth. But it was that like that connectedness was just something, you know, really helpful.

Steve 16:09

And we, you know, we thrive on engagement, we thrive on relationships, we are humans. We love being with other people. And there's something that's really life affirming about that. And there's something good that happens when you're doing that. And I just, you know, desperately hope that we don't throw, you know, try to throw that away, because there's so much good in it, especially when you're trying to create culture, where you're trying to create collaboration, when you're building trust among people. There's something special about the human connection.

Jacob 16:40

Yeah, I couldn't agree more. I mean, I think all the people out there who say, Oh, we just want to have a, you know, a large remote workforce full time forever. I mean, part of that's kind of crazy to me, because like you said, we're social animals, we need that interaction. I mean, it's, it almost sounds a little depressing, honestly, to just be at home all the time, and to never physically see anybody that you work with.

Steve 17:05

Yeah,

Jacob 17:06

So I very much agree that we'll see some sort of a hybrid, where, you know, maybe you don't need to come into work every day, you know, maybe you don't need to work nine to five, but there will be a balance of seeing people face to face versus being able to do work remotely. Because you also brought up an interesting point of like innovation, you know, coming up with ideas. As much as we love technology, it is not the same thing. Doing things virtually versus, you know, being face to face with with people on your team.

Steve 17:34

Yeah, I mean, picture room with a big whiteboard wall, where you're drawing diagrams and your symbol it let me take a marker and look, if we did it this way, and then you're back and forth, you're interacting in a way that that's, that's hard to manufacture online. I think one of the other questions it's going to raise, though, is what does the workspace look like?

Steve 17:54

Because, you know, we have some good common areas in our building. But we've always had a, a relatively large, remote workforce, when everybody comes in for an employer week, you know, they're scrambling for space, trying to figure out where to put everybody. If that changes, fundamentally, it's going to be very interesting to see how space is engineered how technology in this space is engineered, because if you've got three people remotely, and five in the room, you got to figure out how to engage that way. And but I think those are the types of things where we've learned how to do things differently. And we'll break we'll bust through those questions.

Jacob 18:33

Yes. It is interesting to think about what the office will look like, you know, will it stay the same? And we're just going to have open spaces or like, what, what is that gonna look like? And I know that there are a lot of technology companies and architecture firms who are, you know, hard at work trying to figure out what that's going to look like? And especially, you know, a lot of people are worried, what if there's another pandemic? What if something like this happens again, in the future? How do we keep our employees and our workforce safe? So,

Steve 18:59

yeah,

Jacob 18:59

A lot of a lot of stuff out there. I mean, what do you think is gonna happen? And I know, this is a very, very hard question to answer. But when you think about the physical space, have you thought about what that might look like or how that's going to change for your employees?

Steve 19:18

A, somewhat, we definitely are thinking much more aggressively about remote work. I've hired two senior executives that live in different cities, I would have really had a hard time doing that before. And people can travel when they need to willing to do that, but they can work effectively. And as a result, I'm sourcing, I'm tapping into a bigger talent pool and a deeper or, you know, more skilled talent pool than what's just available in a particular geography.

Steve 19:55

But I had begun to think about it. I haven't settled anywhere, but I begin Under think about sort of, you know, required on site days where everybody comes in, or certain kinds of, you know, guidelines about when we're in and when we're not. And, you know, and in within all of that our employees are very focused on sort of fairness, like, you know, am I going to have to come in five days when they have to come in two days, so we have to figure that piece out as well. But I'm definitely thinking about a hybrid model, because I do not want to throw out the human interaction side, I think that's critical.

Steve 20:33

And I think, you know, especially when you are dealing with complex business issues, and you know, making tough decisions, having trust, having those deep personal relationships, is just, I mean, that's, that's how leadership functions well, is being having that joint accountability and trust, and being able to move forward together with those kind of, you know, situations in place. And pure remote doesn't do that.

Jacob 21:02

Yeah, no, I agree. Well, we've been talking a lot about technology. So I'm kind of curious. Do you remember the first job you ever had? And what was the technology like? Because there are a lot of people who are earlier in their careers who listen to this podcast, who have no concept of some of these things. I mean, my dad was telling me stories were when he used to work in a company way back

when they had a PA system. So if they wanted to get in touch with you, they just paged your name over the entire like, company PA system. No, no internet, no, no smartphones, you had to give people the number of the hotel where you were staying. Do you remember like, those days?

Steve 21:43

Yeah. So look at me, I remember right? I've been around longer than you. Well, it's my first job like, my first job was in fourth grade selling stuff door to door, so I can make some cash. But when I got into college, I got into college at a very interesting time. Because when I was in college, and my first job is when the PC first came on the market. And in my very first job, it was working, it was in a bank training program. They had a program, this is before Excel, it was before Lotus, they had something called VisiCalc.

Steve 22:18

And when you got on line to do your spreadsheet, the cursor would go like did you know and then when you if you had something to calculate, you hit the calc button and go to lunch. And hopefully it was done calculating when you got back. So the technology, you know, not only the technology development has gone quickly, and an accelerated, but technology adoption has accelerated. And I think, you know, when I was sort of an earlier stage of my career, you'd see a lot of people trying things like banks trying to online banking, which was clunky, they were very suspicious.

Steve 22:59

But what we see now is, you know, you see a new app, you see a new technology, like, you know, I get mad when my iPad doesn't do something now and you know, so the adoption is much quicker. That's what we saw during COVID. Personally, all of us, and it's what we saw with companies. So, yeah, the world is very different because of it, but we're also pushing it much harder. I do think sometimes that I do this myself, I asked myself, you know, this is very convenient. I love having this. Is it...what's good and what's not good? You know? And how do we manage what's good and what's not good in a way that we can get that balance? Because a lot of the technology out there can be kind of an assault, you know, as well, you know, I get I get twitchy if I'm too far away from my iPhone, you know?

Jacob 23:51

Yeah, no I know what you mean. What do you think the impact would have been if we had something like this pandemic 20-30 years ago, before having all these technologies in place?

Steve 24:02

Yeah, I think it would have been much more difficult. There's, there's no doubt about it, because we have...It's not we have an ability to deliver service, we have an ability to engage with people without seeing them physically, which is a big deal. We couldn't have run the workplace, like we would like, you know, imagine getting on a telephone and trying to run a company with you know, people on call chains and that kind of thing and sending paper back and forth.

Steve 24:36

I mean, just, the degree to which our economy has kept going in this kind of a pandemic is astounding. And so much of that has been enabled through digitization and through what you and I are doing here, and you know, those capabilities have been You know, has evolved very quickly, even in handful, the last handful of years. So it's been a game changer. And I think I think we would have seen a much, much deeper impact on our economy.

Jacob 25:12

And I think it would have been disastrous, to be honest. I mean, who knows? Like, I mean, like you said, How do you run and scale and, you know, build a company when you don't have technologies? Like how do you know, you're not going to get 1000 people on the phone together? So I, I mean, I can't imagine what how businesses would still be operating now.

Jacob 25:34

So I want to transition a little bit and curious to hear your advice for people who are in the job market now. And you know, there are a lot of like, young people and I talked to somebody a couple of days ago, she was doing a student podcast for her University. And she was telling me, she was trying very, very hard to find a job. And a lot of her peers and friends were getting frustrated. They don't feel like anybody's hiring them. They're getting depressed. And it's not just younger workers, but just anybody in the workforce now is having a really, really hard time. What are what are you seeing? I mean, do you have any advice, suggestions? What should people be doing? If they're looking for jobs right now?

Steve 26:12

Yeah. So one of the first things people should be doing is taking care of themselves mentally and emotionally. Looking for a job is stressful it now, rejection in people, it is very easy to go dark when you're looking for a job. And so one of the most important things to do is keep yourself mentally and emotionally healthy. Spend time with friends, take care of yourself physically, you know, you know, stay engaged, you know, in what's happening in the world, that's number one, take care of yourself.

Steve 26:42

Number two, one of the benefits, you know, I wouldn't say there's a lot, one of the benefits of having this time on your hand, is you have time to build your skills, you don't need a big degree, necessarily. You may have enough, there are so many online capabilities to to, you know, to develop skills, digital skills, you know, coding skills, you know, specifically workforce skills, data skills. So, don't, you know, don't think you can't make this time good for yourself, invest in yourself, because you might find in three months or four months, you've developed a credential or a capability that broadens your opportunities.

Steve 27:26

The other thing that shows is when you're talking to a potential employer, and they say, Well, what have you been doing during your unemployment, you say, Look, I've done a number of things, I've taken this online course, I got this credential, I use it to invest in myself and I got healthy, I read three books, you know, it shows that you are able to develop that you're forward looking that you're accountable.

Steve 27:48

The other thing is, get on goodwill.org, if you get on goodwill.org, there's a little thing that says find a job now, you can take online courses directly through us. And if you go to that link, you'll see any number of courses you can take online. The other thing is we've got a partnership with indeed.com, you can go into their site, and search for all the jobs in your local area, you can screen based on your skills based on categories, whatever.

Steve 28:20

And then the last thing I'd say is go into your local Goodwill, if they're open, and get their advice on what's available in your market, what your skills look like what your how you kind of connect with what's out there, and let them help you with resume writing and interview skills and connections to local employers. So a lot of learning opportunities, a lot of connection opportunities and Goodwill should be able to provide you with human support opportunities.

Jacob 28:48

Yeah, I love the message of using now as a time to continue to invest in yourself. And you know, don't just sit around and feel sorry for yourself and think that you know, you can't do anything but really using now's the time to build.

Jacob 29:02

You also mentioned something interesting, which is now a lot of employers when they're asking, you know, what are you doing during this time? The conversation shifting around how you're investing in yourself is interesting, because usually an employer wouldn't necessarily ask you like, oh, what are you doing during this pandemic? Like, what are you doing with your time? So really showing and telling people how you're investing in yourself how you're trying to learn and grow and develop, I think is really great advice.

Steve 29:31

Yeah, time is precious, you know, and most of us in our lives are always looking for time. And when you've got it, the challenge with having time, like unemployment is it's filled with all sorts of anxiety and urgency, but you have to find you have to find space to make it good time to come out at the other end in a better position when you entered it.

Jacob 29:54

And it can be tough. I mean, like you said looking for a job is hard in general looking for a job during a pandemic. I can't even imagine how hard that is for a lot of people.

Steve 30:05

The other thing I'd say is, we all have networks, we might not think of them as networks or job networks. But we all know a lot of people. And it's really important to get out there and say, This is what I'm, this is what I'm thinking about. Do you know anybody I should be talking to every conversation leads to another conversation, it is amazing how many times a chance conversation will lead you to another conversation, which leads you to the job and you look like I can't believe that's how I got this job. You know, I talked to this person. And you know, they led me down this path. At the traditional

path. Like I said, goodwill.org, call the local Goodwill, see if we can help you out. We have a lot of resources available.

Jacob 30:48

Yeah, I love that. What about skills? So when you think about what we're going through now, what what are some of the skills and mindsets that you can get are going to be most important, most crucial for people in this in this new world of work?

Steve 31:04

Yeah. So there's, there's there a couple things to think about foundations. And think about skills where you've got a square peg that goes into a square hole for a job. So foundations, what we find is a lot of people, especially a lot of the people that are laid off right now who are in frontline service type roles, or were in frontline service roles, desperately need foundational skills.

Steve 31:28

So gateway digital skills, even if you go to a company, they have a training program, frequently, you need to be able to use technology to even you know, access those training programs. So gateway you know basic digital skills, basic workforce, digital skills, and then also workplace effectiveness skills, if you don't feel comfortable going into a new kind of workplace, because you don't know kind of how to communicate effectively, or how to negotiate or how to present yourself, those workforce effectiveness skills are very important so that when you go in, you kind of know the rules of the road, you can you can work effectively on teams and that type of thing.

Steve 32:04

So it's both kind of basic technical competencies and workforce competencies. Then when you look at the jobs that are out there, increasingly, what we see is a number of things. Number one, higher level, digital technology skills continue to be a strong demand. And so if you have the ability to learn Python skills, or Tableau skills are other things that may be very relevant. Increasingly, we're working with employers who are looking for particular health care jobs. So we've got training programs for that. They're looking for particular credentials, HVAC construction, manufacturing, retail, we have programs for that some of that we delivered directly, some of that we deliver through partnerships with community colleges, we've got 170 Community College partnerships.

Steve 32:53

So we we work with people to say, what are the foundations you need? Do you have them? And when you look at the jobs available to you, and this is very important, because jobs available are unique by local market, what's available in your local market? What skills do you have? What do you aspire to? Okay, let's work with you now, to provide a pathway to get those skills and support that you need. One of the big things we deal with is sometimes and I mentioned this a little earlier, people need help with other things, people need help with transportation.

Steve 33:25

People need help with childcare, sometimes even housing or food. So we will work often with other local service providers, sometimes we provide that support directly, so that the person that we're

working with gets the whole continuum of support from What do you need? How do we help you get that need training or other support? Now let's place you into that job and make sure that you're ready to compete the workplace.

Jacob 33:50

Yeah, those are those are great skills and mindsets to have sort of a balance between it sounds like the technology skills versus some of the human skills and listening communication presenting yourself versus actually, you know, knowing how to use technology that's out there. So it's it's a good good blend of those. Where do you see demand from organizations? What are they hiring for? positions are what are they looking for in terms of skills and mindsets in themselves?

Steve 34:17

Yeah, so we have seen some industries that were badly hit come back. So retail has begun, sort of that hiring upswing again. Logistics has stayed very strong. So we see a lot of people placing them in positions as commercial drivers, we do some training their manufacturing has continued to stay relatively strong. And then as I mentioned earlier, unique IT skills has can have continued to stay strong. So those are all areas where people continue to be hiring. And we see even in some cases, continued growth.

Jacob 35:03

Sorry, I started pause there for a second. So okay, so it sounds like there are definitely some areas out there that are continuing to grow. Do you see some areas where we're seeing a collapse? Or where a lot of jobs are starting to disappear? And maybe it's a result of technology? But what are the kind of the red flag areas you're paying attention to?

Steve 35:24

Yeah. So let me make emphasize one thing I said before, jobs are local, you made a manufacturing economy, you may live in Silicon Valley, you may if you live in Las Vegas, that's a service economy. And so you need to look at who the local employers are, and what the skill sets are that are needed. We just have not seen hospitality bounce back yet, you know, the airline industry, the hotel industry, restaurants have tried to come back through, you know, we've all seen, you know, outdoor cafes, people doing delivery, people doing that stuff,

Jacob 36:00

Not the same,

Steve 36:02

Not the same. And unfortunately, you know, a lot of them are still having challenges. So I think the other thing, so that's certainly a category we continue to be concerned about. I think the other thing more broadly, is just that the overall job market needs to come back, because we still have a high level of unemployment. Now, it is way better than it was at the heart of the pandemic significantly better than what anybody projected, nobody would nobody thought we'd be under 7%. Right now.

Steve 36:36

However, what we saw in the recession in 2009, and 10, is something that we're very concerned about now. And that is, when people leave the job market for a longer period of time, 5,6,7 months, a lot of times they stay out of the market. And they just figure out how to, you know how to how to survive either on, you know, however, and it's really unhealthy. It's unhealthy for the individuals, it's unhealthy for our communities, it's unhealthy for our economy, and so our bigger concern right now, is another overall economic growth. So that we can get, we can get more, we can get more jobs opening up in general.

Steve 37:20

And I think we'll see it across sectors, as the economy begins to come back. And I just don't know that we're going to see that until the vaccine is fully distributed, because too many people are out. But our hope is that we'll see jobs filled, we've seen employers, you know, sitting tight with their employment right now, we've seen them very hesitant to expand it. In some cases in the fourth quarter, we saw some people pulling back generally.

Jacob 37:50

What's your, I guess you can give a conservative and a little bit less of a conservative prediction. How long do you think it'll take before we get back to you know, quote, unquote, normal as far as business, hiring, unemployment rates? Like, what, what do you think is optimistic versus more, you know, conservative.

Steve 38:12

So I think pre pandemic, we had an extremely low unemployment level. So I wouldn't peg that as sort of normal, I would peg something, you know, you know, is somewhat higher level unemployment, relative to the, you know, three plus percent range that we saw before. And I think, once we get the vaccine out there, I think in six to 12 months, we could see things really coming back.

Steve 38:40

I mean, people are dying to get out there and do Oh, yeah, they want to jump on a plane, they want to take a vacation, they want to go out to restaurants, I think we're gonna see is this pent up demand unleashed. And that's going to, that's going to get the wheels turning, I really do. But we have to get to that point of comfort and confidence. And in the challenges this last spike in the in the pandemic, or the one that we're currently in right now. I just feel like we've just seen so many people in our own circles get affected by it, and some, you know, some terribly some terribly affected. Many of us have lost friends loved ones as a result.

Steve 39:18

And how's it the length of the pandemic and the current severity of it it's very real. And it's and people are really are really staying back in a lot of ways. But once once they get that vaccine and the world opens up, I think you're going to see an unleashing of activity, and hopefully that's going to drive economic demand and opportunity.

Jacob 39:39

Yeah, I mean, I'm one of those people that's very excited. I usually give a lot of speeches every year, you know, 40, maybe 40-50 talks a year traveling all over the place, and now everything is being done virtually. My wife is the same and we were both talking saying we you know we miss actually getting on a plane and traveling somewhere to speak on a stage and meeting people. So we're we're definitely in that group of looking forward to seeing people.

Steve 40:03

Yeah, I'm in the same I'm in the same boat. I'm on a plane every week, I did a big event, I was told that there are 1000 registrants. Who knows who I'm talking to? Where they are.

Jacob 40:14

And you're just talking a little red dot on the camera.

Steve 40:16

I can't see the person who's interviewing me like, I don't know.

Jacob 40:21

Exactly.

Steve 40:24

And there's just something special about that engagement. And in my world, when we're talking about, you know, working with other people who are helping people get their lives back on track and doing really interesting things. That collaboration is just, man, it's so energizing to see all the exciting things people do. And it just, it's hard. It's hard to see that now.

Jacob 40:44

I know one of the other areas that you are really passionate about is this idea of purpose in business. So can you talk a little bit about what that means? What is purpose in business? Why is this so important for leaders to pay attention to?

Steve 40:59

Yeah, well, before I came to Goodwill, I almost my entire career is in business. I think people frequently note my government background, because those are very visible roles. But but but the vast majority of my career has been in, you know, running companies. And I believe that purpose in business is essential. And when you think about it, it touches on so many levels.

Steve 41:23

Number one, organizations are large ecosystem and with lots of employees. And I think it's critical for leaders to bring wholeness to organizations and bring an ethos in a culture that allows people to thrive, that allows them to grow. When you look at the issues we're facing in our country right now, that brings opportunity for equity in businesses are the primary employers in the part primary kind of resource

holders in our economy in our society, in a business gets the hind doing the right thing, business has the right ethos, great things happen, both for the people they employ, and for their communities.

Steve 42:04

The other thing is, when you don't have principled leadership, you see terrible things happen. In fact, I'm giving a talk tomorrow on leading in crises. And one of the topics I'm going to be talking about is how bad leadership or you know, kind of unprincipled leadership causes crises. You know, I was CFO of a large company during the Sarbanes Oxley meltdown in the early 2000s, you saw all kinds of moral issues across the world. I was the HUD Secretary during the housing crisis. And there were all kinds of moral failures across businesses, you know mortgage institutions and, and in any number of, you know, lenders and people who are in the securitization industry, we we need principled leadership and people who have a sense of true north, because in so many ways, great leadership brings flourishing to their organizations and to our communities. And bad leadership causes terrible things, which can result in a systemic breakdown. It's, it's a very, very far reaching issue.

Jacob 43:12

What's interesting, you bring up leading in crisis Now, of course, I have to ask you about that. Do you have any advice for leaders out there who are listening to this show who are trying to lead their teams and their organizations through these tough times? You've obviously had to lead people through a lot of very difficult things in the past, what did you do? what's the secret to being able to do it effectively?

Steve 43:34

Well, first of all, you've got, there are a lot of things. Number one, you need to know what the mission of your organization is, and what you're hoping to achieve. And you need to use that mission and lean into it as a rallying cry for your people. What is it that is your true north? Why is it? And how do you get people to focus on that, because what happens in a crisis is people are scared, they're confused. And the last thing they need is lack of direction. They definitely need direction.

Steve 44:02

So number two, is you really have to diagnose what the problems are, you know, at Goodwill. You know, we have this huge store network, and all these independent members, when COVID hit I told my entire team pencils down, what is the network need? And we started daily webinars for our members talking about how do you forecast cash flow effectively? How do you renegotiate with with lenders? How do you work with your employees when you're closing stores for several weeks? And how do you do that in the right way, how to avail yourself of federal programs to support you.

Steve 44:33

So you have to say, what is the issue my organization faces? How do we fix this or address it? And then you have to get super rigorous to get over and say, This is our mission. This is how we're going to execute it because we understand the issues. And I'd say the other thing is to keep your employees engaged in the process. employees don't want to be disconnected from it. They want to see what happening and what their role is. In a crisis can actually be a great time to infuse purpose into the organization and see your employees raise up to to go after that mission.

Steve 45:15

We saw at Goodwill, when I was in the government. You know, at SBA, we had a big issue during the Katrina crisis, we saw people raise up to serve disaster victims in ways that never had the same in the housing crisis, people want to be part of something great, they want to be part of driving the mission of the organization forward. And if you engage them in the process, you can just not only dignify them, by helping them participate, but just unleashed enormous, enormous potential from the organization.

Jacob 45:44

I suppose part of that means you need to be a little bit more open and transparent with your people to

Steve 45:48

You do, you do. People want to know what the truth is. People can smell it when you're cagey. They want you to be honest. But the other thing they want you to be is they want you to be decisive. You've got the ball, you're willing to make a decision, you're going to move forward, they want to trust you. And they want to trust that they can follow you.

Steve 46:12

But it's funny, I was on a call recently, or this is probably a few months ago, now we actually and you know, what one of my team said, you know, people actually want to see what's going on inside of you a little bit more, because I'm kind of the A lot of people have been kind of the heads down, let's charge let's make it happen. And I so I, we were on an employee call, I said, Look, I actually really miss everybody. And I actually kind of regret that I can't walk into people's offices and, and that's

Jacob 46:39

They wanted to see that humaneness

Steve 46:40

And it was such an affirmation to the team. It's not something I normally would have done, but it was super authentic. But people want to see you and who you are and what you're going through. Because it helps them connect all of what's happening with you as the leader. And that's something I think that's hard to, you know, kind of hard to feel comfortable with. Sometimes I think as an organizational leader.

Jacob 47:09

Yeah, I mean, a lot of leaders are usually not, I guess we can say not not good are comfortable with it, letting their guard down a little bit. And being vulnerable. In humans, you're supposed to have all the answers, you're supposed to know everything. And people don't want to see you in a moment of frustration or uncertainty or, you know, it feels weird to like, let people in.

Steve 47:29

But you know, what you can do though, is you can say these are the answers we have, these are the ones we don't have that are going to work on, we're focusing on this, this is how we think it's going to happen. If you can give people as much certainty in this in the place of uncertainty as much visibility as possible. It really gives people something to grab on to and to say I get it, like I know what to expect now. I know what I know. And I know what I don't know. But what I don't know, is going to be

addressed. And that's very helpful for people because, you know, looking into a black hole is very disconcerting.

Jacob 48:07

Well, it seems like now, especially as a result of COVID leaders are having to become more human. You know, you can't start off your call. Now talking about sales numbers, you have to ask how people are doing if they're safe, you have to share more about who you are and what you're going through as a leader because I think the situation kind of demands it, so to speak. And it's very hard to lead, just in general, when you're not human and open and authentic and transparent with your people.

Steve 48:36

Yeah, we we just launched or just finished up kind of a culture process, which we were going through before COVID. And we sort of launched a number of values that we are received to adhere to. And for the first time, we put a value in our in our value statement called well being, which is we we care about each other's well being. And we need to accommodate that in the workplace. Because what we have found, we thought it was important Anyway, it was something we were discussing. But what we realized was because of some of the issues we talked about earlier, well being in the marketplace is very good in the workplace is very nuanced. And it may be a you know, the stress that you're having, because you have three kids doing home school at the time, or it may be, you know, relatives that are sick with the pandemic or other issues.

Steve 49:29

And as a result, what we learned is the more we tried to understand what people were going through, and let them express that. You know, the more comfortable they were in this space than we were at. We began doing, you know, town halls where we just, you know, we had times where we said, you know, we had sort of an app that allows you to input sort of statements and we said, Everybody just put put down what you're feeling right now. Going through what's good. What do you feel good about what's really hard right now. And, and it just sort of unlocked this, you know, this sense of oh my gosh, we're all in this together, we get it, we can have these conversations. And that's really affirming for your workforce, because they are going through so much.

Jacob 50:15

Couldn't agree more. So what did you tell your team internally, so when COVID was becoming what it is now, what was the message that you gave your people?

Steve 50:29

The message that we gave our people were was, it was on a number of levels. Now, the irony for us is we had, we were in the final stages of launching a new strategic plan. And we were we were org charts and staffing and like designs, and we had this whole sort of path forward. And we've been working on it for months and engaging our local Goodwill's for months. So we got very transparent number one, we said this is the financial picture. And we did have to make some tough decisions financially, which was hard for everybody.

Steve 51:02

But we said to people, look, these are the financial decisions we have to make. This is how long we're going to make it for. At the end of this period, this is the process we're going to go through to make decisions. So we gave people certainty, in a period of difficulty, we made sure them when we were going through employee decisions, we took actions to help people through that period of time, you know, if we had to say, unfortunately, we had to say goodbye to some people, we made sure they had health care through the entire year, we made sure that we did other things to support them. So that's number one.

Steve 51:35

Number two, we said, pencils down on certain activities, we're not going to crush you. This is the net, this is what we're going to focus on. This is why this is where the value add is. And then we began to when we came, you know, number three, as I mentioned before, we got very focused on helping our members. And so everybody engaged on really, what do we need to do today, because when the crisis in everyday is new, and then we began to say, okay, six months, or excuse me six weeks into it, we began to say, this is how we're going to move out of it. This is the this is what we're going to be looking for when we determine how we're going to move out of it. And then actually what we did is we dusted off that strategy. We refigured it based on a post COVID world. And we gave people visibility to say not only this is where we're going in the next handful of months, this is where we're going long term. And this is how we're going to build to that longer term.

Steve 52:32

So people always had an ability to engage on relevant service delivery on the urgent needs, but also visibility into the intermediate move forward in the longer term strategy and transformation. And so provided us with this substantive engagement series of engagement mechanisms that kept people focused on Where are we going? And how are we going to get there rather than Oh, my gosh, how am I going to deal with what's happening now?

Jacob 53:03

So we talked a little bit about skills, mindsets, changes to the workforce. Any other changes that you think either individuals or organizations need to be aware of as far as like the future of work in a post COVID-19 world?

Steve 53:17

Yeah, I think there's a really important, I think, awareness and trend that I like to mention, and that is this whole understanding of what employers need for a particular job. Historically, many people have been excluded from jobs, because a particular job description requires a certain degree or certain experience that may not even be relevant for the role.

Steve 53:43

And so what we have found is that a lot of people, especially you know people who don't have college degrees, may be perfectly qualified for a job, and may not even be able to get a look at it in so there is a lot of work that we and other organizations are doing to say, let's begin to build a skills focused effort, both in recruiting and in promotions. And not only does that open up the labor pool, it actually also

advances equity, because so many of the people that had been sort of, you know, boxed out of those roles, you know, are people that have experienced inequities.

Steve 54:22

And so, it was really heartening in December to see that the Business Roundtable which is you know, is largest companies in the country, put forward a statement to say that we are going to undergo an initiative to relook at how we hire and how we promote, to have it skills based and in at large companies signed on to this initiative. It's music to our ears, because what we do, when somebody comes through our door is we say, let's do a skills assessment. Let's look at the role you're going for what skills do you have today, but what do you need to acquire to to to be able to candidate for that job.

Steve 55:01

So this is a really important trend that we hope will continue. Because it's going to open the door for qualified people. Interestingly, one of the populations that is frequently impeded, are veterans, veterans come back, a lot of veterans don't have a college degree, they get this phenomenal training, logistics, you know, all sorts of leadership skills, you know, these incredible things. But, you know, connecting the dots between the skills that they have, and the needs of a job are sometimes hard because people don't always understand the roles. They don't they don't make those connections. A lot of what we do with vets is to ensure that they can, you know, they can they can draw those, you know, those associations.

Steve 55:46

But this is a really important trend for us. And certainly, it's my fondest desire that major corporations and smaller corporations across the board will begin to say, What do I really need for the person in this role to be successful? And how might I think differently about finding that that next person? And how do I also kind of get over some of my, my biases, I mean, we see this a lot with people coming out of incarceration. You know, what a lot of the individuals we support, in our second chance programs find that role. They're terrifically loyal, they have a lot of good, good life experience. They might need some skills, provisioning, but they end up becoming terrific employees. So opening up that aperture to say, what should that funnel look like is, is is a big deal for our entire community, so that we can both have a competitive labor force that meets the need and give opportunities to a lot more people?

Jacob 56:45

Well, I know we're pretty much at the end of our time. But it sounds like just from talking to you that you're optimistic about the future, you have you have high hopes, you see good things on the horizon.

Steve 56:55

I'm optimistic. I am optimistic, because I think I think we're reaching more people through what's kind of opened up over the last nine months, I think, and I'm hopeful that employers will continue to open their minds about how best to fill those roles. And I'm very hopeful that people like Goodwill, and other people in this industry will continue to expand the relevant the opportunities for people to get relevant skills for relevant roles.

Steve 57:21

And what right now what we're doing what we've been doing for a number of years, but the big, big part of our strategy, is to make sure that people across the country, if they walk into Goodwill, or another local service provider, in that location can get everything they need to get from where they are today, to what they aspire to be in the future. And we want to be part of that equation for them.

Jacob 57:42

Yeah, no, I love that. Well, where can people go to learn more about you, or Goodwill, or anything that you want to mention for people to check out, please feel free to do so?

Steve 57:53

Well, two places, you know, primarily go to goodwill.org. And if you need once again, if you need training, there are many places to get training right in the website. Or if you want to begin doing a job search, we've got that link with Indeed. The second piece is put in your zip code into the search finder, find your local workforce development center, and call that number to say, what onsite programs do you have in my area? what employers do you have relationships with? What are your recommendations to help me and and we'll work very hard to give you a human being who can help walk you through that journey. So online, and and make sure to make that phone call.

Jacob 58:34

I love it. Well, fantastic piece of advice there. Well Steve, thank you so much for taking time out of your day to speak with me.

Steve 58:42

Thank you for having me. It's really been a lot of fun.

Jacob 58:44

Yeah, it was great. And thanks, everyone for tuning in. My guest again has been Steve Preston. He's the CEO of Goodwill Industries International. Make sure to check them out. They have a lot of really wonderful resources out there for everybody and we will see you next week.