CTGN SUMMARY OF THEMES

Operational and strategic priorities for the U.S. Department of Labor

October 2025

On September 30, 2025, members of the Compensation and Talent Governance Network (CTGN) were joined by Keith Sonderling, deputy secretary of the U.S. Department of Labor, for a conversation on the department's priorities and its national workforce development strategy, including how it is approaching the workforce challenges raised by artificial intelligence.

This session was part of a larger meeting that included in-depth discussions of the impact of AI on the workforce, approaches to employee mental health and well-being, and emerging trends in executive compensation amid political and economic uncertainty. A summary of the full meeting can be found here. For a list of meeting participants, see the appendix (page 5).

Advancing departmental operational priorities

As the Department of Labor entered the second Trump administration, its efforts focused on restructuring to eliminate inefficiencies, strengthen accountability, and improve operations. *"We had to first get the fundamentals right, ensuring taxpayer dollars were used effectively before moving on to larger policy initiatives,"* Mr. Sonderling said.

These early initiatives addressed gaps in systems and controls, breaking down silos and setting the stage to advance the department's operational priorities:

- **Targeting enforcement and strengthening trust with employers.** Mr. Sonderling emphasized that the department is working to promote transparency and clarity in its regulatory priorities and enforcement decisions. He said that while motivations behind some past government investigations may have been unclear, *"we're making investigator metrics fair and transparent to build trust and confidence that if there are investigations it's not random and there's reasons to do so."* At the same time, enforcement efforts are becoming more data driven. For example, data now guides enforcement toward industries with historic patterns of high violations. *"Whether it's dry cleaners in the Northeast or manufacturing in the Southwest, we're using very granular metrics to determine when enforcement would be warranted if companies don't comply."* To encourage firms to proactively address potential violations, the department has relaunched self-audit programs and voluntary initiatives through which

companies can work with the department to maintain compliance and avoid government enforcement action. *"Law enforcement and compliance assistance go hand in hand. There is no better defense for companies than to say that they tried to resolve these issues with the department,"* the deputy secretary said. By enabling employers who engage with the department in good faith to avoid investigations, these programs can also allow the department to focus its enforcement resources on *"truly bad employers."*

- **Driving efficiency and alignment of resources with department priorities.** Reflecting on the work of the Department of Government Efficiency in the early part of 2025, the deputy secretary said, *"The most critical insight came from tracking every dollar. The government wasn't doing that before, and we had to ask, 'What is the [return on investment] of these programs?'"* The review of spending enabled leaders to identify programs and roles that were duplicative or misaligned with priorities.

Developing a national workforce strategy

Preparing the American workforce for the future means ensuring that workers have the skills to succeed in emerging roles and to adapt to technological change, including the impact of AI. The Department of Labor aims to address global competitiveness and persistent talent shortages through a range of initiatives, including the following:

- **Expanding high-skill apprenticeships and public-private partnerships.** Following an executive order ("Preparing Americans for High-Paying Skilled Trade Jobs of the Future") the Department of Labor is working to expand the Registered Apprenticeship program to 1 million active apprenticeships—with *"nearly 500,000 of the current 600,000 apprenticeships already in skilled trades"*—to align training programs with the nation's reindustrialization and talent needs. Companies can partner with universities, tech firms, and local workforce agencies to create structured pathways from training to employment. The Department of Labor is also developing incentives for employer participation, including subsidies and tax benefits, to *"encourage broad engagement and ensure Americans gain the skills needed for high-demand roles,"* said Mr. Sonderling. Directors agreed that a sustainable shift toward investment in apprenticeships requires real incentives for companies to participate. *"We have to know what the benefit is for companies. This will rely on the private sector to push it through and there have to real financial incentives for employers to participate,"* said one director.

- **Aligning workforce needs with local talent.** *"Having a local American workforce that is trained for these in-demand jobs is the problem we're trying to solve,"* said the deputy secretary. Geographic mismatches between workforce needs and local talent make it difficult for companies to make significant investments in those areas. To address that gap, the department is working with schools and local training programs to prepare workers for the specific jobs that will be available when facilities open. *"That's where we can really work with high schools to train youth, so in four years when they graduate, they're prepared to fill these roles,"* he explained.

- **Addressing the AI skills gap through education initiatives.** The Department of Labor is working with the Department of Education to develop a comprehensive AI curriculum spanning elementary through adult education. *"The goal is to build foundational AI literacy so employees understand and*

trust the tools rather than fear replacement," said Mr. Sonderling. As part of this effort, billions of dollars previously managed by the Department of Education are being redirected to the Department of Labor. *"The funds are not being eliminated but reallocated to support workforce development, ensuring Americans are prepared for AI-related roles and that employers and educators have the resources needed to build a skilled workforce,"* he said.

- **Launching an AI Workforce Research Hub.** The Department of Labor is establishing an AI Action Hub to serve as a *"one-stop shop for information about guidance and guardrails under long-standing laws related to the use of AI"* for employers. It will also analyze data from workforce agencies to track where AI is displacing jobs and provide granular insights into specific industries, roles, or geographies where AI is having the greatest disruptive impact on the workforce.

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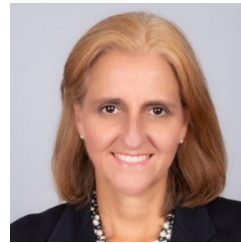
Appendix 1: Participants

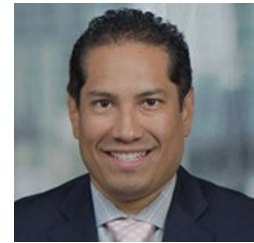The following members participated in all or part of the meeting:

Noni Abdur-Razzaq
Associate
Tapestry Networks

Eric Baldwin
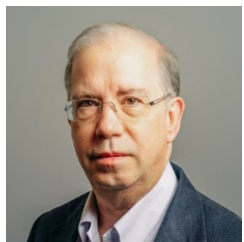Executive Director
Tapestry Networks

Lynne Biggar
Compensation, Benefits, and Talent Management Committee Chair
Voya Financial

Jose Borbor
Head of Total Rewards
PVH

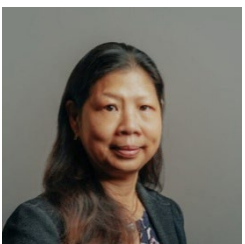**Marjorie Rodgers Cheshire**
Compensation Chair
Exelon

Jonathan Day
Chief Executive
Tapestry Networks

Antonio Fernández
Chief Ethics and Compliance Officer
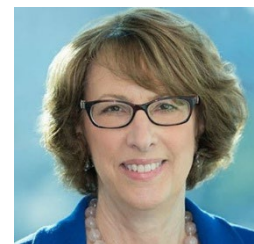FirstEnergy

Bill Glavin
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Invesco

Lindee Goh
Managing Director
Tapestry Networks

Kathy Kessel
SVP, Executive & Global Compensation
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Hal Kravitz
Lead Director
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Linda Mills
Compensation and Management Resources Chair
AIG

Bea Perez
Compensation Chair
WW Grainger

Kathy Pike
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Matt Ryan
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Kaiser Permanente

Keith Sonderling
Deputy Secretary of Labor
U.S. Department of Labor

Ed Steinhoff
Managing Director
Pearl Meyer

Matt Turner
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Pearl Meyer