

FIDELITY

EMERGING STRATEGY

SELECTED BACKGROUND INFORMATION

Primary Industry Sector:	Finance and Insurance
Type of Organization:	For-Profit Organization
Worksite Locations (countries):	United States
Size of Workforce:	45,444 employees. The number of employees remained the same from 2007-2008
Average Age of Employees:	33 years

INTRODUCTION

Fidelity Investments is an international provider of financial services and investment resources that help individuals and organizations meet their financial objectives. One in four people in the United States have some part of their retirement savings with Fidelity. Fidelity is committed to continuous improvement with both state of the art technology and customer service.

As the U.S. population ages, Fidelity is experiencing an increased demand for retirement and financial planning products. In response, Fidelity continues to develop innovative and adaptable workforce and business strategies such as the Retirement Services Staffing Model highlighted as the Promising Practice in this case.

THE BUSINESS CASE

Employer-of-Choice is more than just a popular buzz word. Twenty-First Century Employers-of-Choice understand what motivates employees, and are committed to developing 21st century solutions to recruit, retain, and engage a diverse, multigenerational workforce. While there is more than one set of indicators for an employer-of-choice strategy,

Figures 1A-B focus on eight important dimensions. These essential components comprise the Center's Quality of Employment Framework (Pitt-Catsouphes et. al, 2007). Of course, different employers are likely to focus on different aspects of the employer-of-choice strategy depending on the organization, the needs of its workforce, and the country context. Some actions – such as the expansion of workplace flexibility – can help organizations simultaneously reach goals and objectives related to multiple components of the employer-of-choice strategy. Employers may tailor their employer-of-choice policies and practices depending on the stage of employment (recruitment, engagement, and/or retention) they seek to affect.

Fidelity's strategies and practices with respect to changing age demographics in the workplace exemplify several aspects of this Framework, including Wellness, Health and Safety; Workplace Flexibility; and Fair, Attractive and Competitive Compensations & Benefits.

In order to remain an employer-of choice, and as a result of growing business demand, Fidelity has implemented an updated staffing model for their Retirement Services

business. As the population ages, there is an increased demand for Fidelity's Retirement Services business, which is the part of the organization that is focused on talking to employees of companies that have their 401k plan with Fidelity. As a result, there is a growing need to fill positions in the Retirement Services call centers as the need for these products increases. Fidelity has also found that during certain peak calling times of the day, week, and year, there is not ample staff to provide the quality of customer service for which Fidelity strives. Fidelity also determined that it was underutilizing its employees significantly during hours with low call volume. Although call volume can peak especially high at certain times, such as Mondays, lunch hour, or tax season, it can swing very low at other times, such as Fridays.

Another factor leading to the implementation of the Retirement Services Staffing Model was the demographics of Fidelity's customer base. Predominantly, individuals who call Fidelity for Retirement Services are people who are preparing for retirement or are in post-retirement planning stages. Fidelity must consider customers' need to interact with someone who can relate to his or her situation or circumstance. Fidelity believes this leads to a more empathetic, appreciative, and understanding interaction. Traditionally, these jobs have been seen as entry-level positions, filled by college-level recruits. Not only do college recruits have limited experience and personal understanding of retirement planning, but they also see these jobs as "stepping stones" to higher level positions and often want to leave after a short period of time. Employing more older workers will not only allow Fidelity to seek more experienced individuals, but also means employees will be better equipped to relate to Fidelity's customers.

Figure 1A. Quality of Employment: Strategy



In addition to business demands and customer needs, Fidelity would like to address the desire for flexibility throughout the organization, particularly in Retirement Services. Flexibility not only meets employees' needs, but it accommodates the nature of the business. The goal is to develop a staffing model across their phone organization that is more flexible and adaptable to the times of day, week, and year that the demand for Fidelity's services is at its greatest.

THE RESPONSE

In response to the challenges and issues identified, Fidelity has revised their Retirement Services Staffing Model.

PROMISING PRACTICE

FEATURED PROMISING PRACTICE AT-A-GLANCE

Retirement Services Staffing Model

Description:	Implementation of a part-time flexible staffing model in the Retirement Services call centers.
Purpose:	This program helps Fidelity to maximize the efficiency of its employees during their shifts, while providing them with opportunities for flexibility.
Target Population:	Retirement Services call centers in Durham, North Carolina; Covington, Kentucky; and West Lake, Texas.
Launch Date:	Fall 2007 (Momentum picked up in January 2008).

IMPLEMENTATION

Fidelity implemented its “new” Retirement Services Staffing Model in the Fall of 2007. They found that instead of hiring a full-time employee in the call center and underutilizing them during slow call hours, they could hire a part-time employee for 20 critical hours during the week. For instance, they can hire 50 people for 20 hours per week rather than 25 people for 40 hours per week. The part-time workers generally work five 4-hour shifts during peak calling hours. A full-time employee does not have a lot of flexibility because in order to maintain 40 hours, they typically have to be there from 9am to 5pm. However, a part-time employee has the flexibility to work critical shifts throughout different times of the day or week. In addition to its appeal for employees, a part-time staffing model also allows Fidelity to maximize productivity during peak shifts.

Fidelity is trying to recruit employees who are looking for a challenging, yet flexible job at whatever stage of life they are in. Retirement services positions are complex, require a great deal of training and may not typically be what people think of when looking for part-time employment. While part-time workers are typically placed into one of three categories—including parents, students and second job hires, Fidelity expands these categories to four, to include older workers. Fidelity highly values older workers for their ability to relate to their customer base. Fidelity feels that older workers are able to have a more empathetic and understanding conversation with customers, since they are also at an age where retirement or retirement planning is on their mind. The company also believes that the call center job requires a

Figure 1B. Quality of Employment: Practice



highly skilled, educated worker who is looking for a job that is both challenging and stimulating. The older worker tends to fit this profile.

In its efforts to recruit qualified older workers, Fidelity realized that they could not simply go into the market with existing recruiting strategies. Fidelity recognized that different generations look at media in different ways, and that it needed to find out what their target population—older workers—wanted and needed from employment. These needs could be very different from a working parent or a student. While Fidelity has expanded the part-time worker profile to include older workers, they would still like to have a diverse workforce and hire part-time workers from all four categories. As a result, Fidelity conducted an analysis of media usage habits of the populations it was hoping to recruit to fill part-time positions. These populations included retirees, homemakers and individuals seeking a second income, among others.

Primary Goals of the Retirement Services Staffing Model

- Maintain a flexible workforce
 - ⇒ Employees not locked into Monday - Friday, 9am-5pm workweek;
 - ⇒ Flexibility is appealing for employees;
 - ⇒ Allows employer to maximize productivity.
- Employ individuals (older workers) who can better relate to Fidelity’s aging customer base.

LESSONS LEARNED

Fidelity has found that the new Retirement Services Staffing Model creates numerous variations on the typical work week. As a result, the infrastructure of training must be able to support the different schedules that have developed. Before the Staffing Model was altered, training for a full-time employee lasted for eight weeks from 9-5 each day. With the varied schedules, training for the part-time person may last up to 16 weeks. In addition, because Fidelity is hiring two part-time workers for every full-time worker, the manager now has more employees to manage.

EVIDENCE OF PROGRESS

After moving to a part-time worker-based call center with the implementation of the new Retirement Services Staffing Model, Fidelity tracked what types of people were hired to fill the open part-time positions. The majority of candidates recommended for hire were caregivers, people seeking second income or students. Before implementation of

the updated Retirement Services Staffing model, 100% of the employees who filled Retirement Services call center positions were full-time, college hires. After updating the staffing model however, 75% of call center new hire employees are part-time and only 25% of them are college hires.

MOVING FORWARD

It is too soon for Fidelity to determine which category of workers (working parents, students, older workers, employees in a second job) is the most successful. Although Fidelity assumes this will vary by market and circumstance, it is something they would like to examine in the future. In the Fall, Fidelity hopes to examine its hiring pattern following the implementation of the new staffing model and determine what attracts and retains people from each of the four categories of part-time workers to particular roles within the company. In the future, it will be important for Fidelity to understand more about the implications of shifting to this part time model.

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Publication Date: June 2008

The Sloan Center on Aging & Work has developed the Executive Case Summary Series to provide Center Partners and members of Learning Circles with current information about workplace strategies, policies and practices established for today's multi generational workforce.

These cases have been prepared to foster the sharing of information among talent management experts and to accelerate "just-in-time" insights about employer-response to the 21st century workforce even as strategies, policies and practices are just emerging.

The Case Summaries contain confidential (and in some cases, proprietary) information about organizations. Therefore, the Center provides these cases only to organizations that are Center Partners and members of Learning Circles.

Interested in additional information about this Case Summary? Please contact Samantha Greenfield at 617-552-9117.

Pitt-Catsoupes, M., et. al (2007). Employers-of-Choice in Countries-of-Choice (Global Executive Insight No. 01). Chestnut Hill, MA: The Center on Aging & Work/Workplace Flexibility. Retrieved from http://agingandwork.bc.edu/documents/Global01_Employer-of-Choice.pdf