

WACHOVIA

EMERGING STRATEGY

SELECTED BACKGROUND INFORMATION

Primary Industry Sector:	Financial Services
Type of Organization:	For-profit
Worksite Locations (countries):	United States (+39 International locations)
Size of Workforce:	120,000+
Average Age of Employees:	40.4
Average Age of Retirement:	60 (58 for managers)

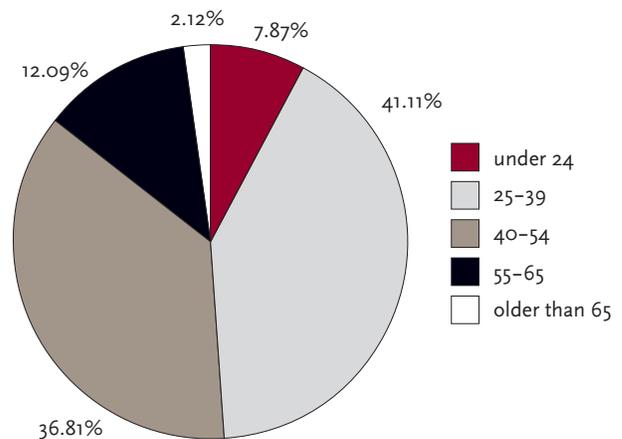
INTRODUCTION

Wachovia is one of the largest banking and financial services organizations in the United States. They provide a broad range of retail banking and brokerage, asset and wealth management, and corporate and investment banking products and services. One of Wachovia's strategic priorities is to create an inclusive workplace where they value and retain employees and deliver exceptional service to customers and communities. The average age of a Wachovia employee is about 40 years old. The average length of service at Wachovia is 8.82 years and currently over 12% of the workforce has 20 or more years of service. In response to these workforce demographics, Wachovia has established a number of policies and practices to leverage the talents to its multigenerational workforce, including its Career Flexibility focus, which is highlighted in this case as a promising practice.

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 2A-B focus on eight essential dimensions comprising the

Figure 1. Age Distribution of the Workforce



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.

Wachovia's strategies and practices regarding changing age demographics in the workplace and emphasize several aspects of The Center's Quality of Employment Framework.

Wachovia leverages efforts to be an employer-of-choice in several ways, including: creating opportunities for meaningful work, providing workplace flexibility, and offering fair and attractive benefits. Its Career Flexibility focus makes Wachovia an appealing place to work because the benefits that emerge from this focus are attractive to employees of all ages.

Beginning in 2006, Wachovia launched an internal research initiative to explore the impending impact of Baby Boomers becoming retirement eligible. The project sought to identify the risks and potential opportunities presented by shifting age demographics in the labor force and the resulting impact on the attraction, retention, and development of talent at Wachovia. In addition, an anticipated change in the retirement benefits structure on January 1, 2008 made this a priority issue for the company. The project conducted an assessment of the characteristics of various generations in workforce, and preliminary findings were shared with other sub-teams and HR leaders to assist in strategic decision making at Wachovia.

The project quickly evolved into a broader look across all generations and provided Wachovia with valuable themes across its multigenerational workforce. It was clear that Wachovia could not drive and sustain the organic revenue growth needed for long term success without ensuring they'd continue to have an employee population that was highly engaged in what they are doing. The primary themes that consistently emerged involved workplace flexibility, retention/attraction, and talent development.

Workplace Flexibility

Flexibility is seen as the common denominator across Wachovia's multigenerational workforce. Employees at all life stages want flexibility for different reasons. Older adults may want flexibility as they phase into retirement, while Generation X may want flexibility in order to spend time with and care for their families. Wachovia is looking at how to drive the kind of culture change that will enable more flexibility in the way that work is done and in the ability to empower people to take ownership of their job and their career. For example, the company sees phased retirement as one potential form of flexibility that may ease the transition out of the workforce for an older worker. That same flexibility could also enable a new parent to "off ramp" or "on ramp" to balance his/her new priorities.

Retention and Attraction

With the baby boomer generation beginning to become retirement eligible, there is growing pressure to find their replacements. (See Figure 3 for details.) However, Wachovia recognizes that to maintain their position as an employer-of-choice, they must adjust their strategies to both attract and retain this new multi generational workforce. Simply staying "on course" and relying on existing early career hiring strategies may no longer be sufficient.

Figure 2A. Quality of Employment: Strategy



Talent Development

Wachovia considers talent movement to be a critical issue that is tied directly to retention. This idea encompasses the identification of talent in terms of key skills and competencies and the movement across organizations. Wachovia seeks to enable individuals with the flexibility to align their priorities in a way most relevant to them, while supporting their professional development goals as well. It is critical for Wachovia to address learning and development for both younger and older workers, and early to late career employees.

THE RESPONSE

"If an employer is truly committed to flexible choices in how work gets done and offering their employees opportunities for flexible careers, then phased retirement should happen naturally."

Figure 3. Age Demographics at Wachovia

Current Retirement Eligible (defined as: Age 50 & 20, or 65 & 5)	8,000 employees (8.3%)	} 20.1%
Current Early Retirement Eligible	6,217 employees (6.5%)	
Employee becoming Retirement Eligible 1/1/2008	5,035 employees (5.2%)	
Remaining "Baby Boom" Age Population	24,199 employees (an additional 25.2%)	

Executive Case Summary

In response to the challenges and issues identified, Wachovia has enhanced many of its existing programs, such as updating its Financial Education Workshops and expanding the role of the Retirement Specialists. Wachovia envisions the Retirement Specialist will incorporate whole-life planning assistance, to leverage existing resources and success stories, and to conduct face-to-face meetings if that

is most effective. Wachovia is encouraging its employees to take full advantage of their Savings Plan (the company’s 401(k) plan), consider options for Referral Programs, and think about pre-retirement planning. In addition, Wachovia has implemented a Career Flexibility focus, which will be highlighted in the next section.

PROMISING PRACTICE

FEATURED PROMISING PRACTICE AT-A-GLANCE

Career Flexibility

Description:	A focus on internal processes, programs, and systems to enable employees of all ages to incorporate flexibility into their jobs in ways most relevant to them.
Initial Purpose:	To promote flexibility in the workplace and help retain and recruit older workers.
Target Population:	Employees of all generations, life stages, and career phases.
Launch Date:	2007

IMPLEMENTATION

Wachovia has begun to develop a variety of programs aimed at improving the quality of employment for employees of all ages and career stages. Because of the realization that flexibility is the “common denominator” across generations, Wachovia strives to incorporate flexibility into the culture of the workplace. To ensure the successful implementation of workplace flexibility, Wachovia has initiated a focus on Career Flexibility, which is the focus of this section.

Career Flexibility was conceptualized on the premise that employees need to take “ownership” of their jobs and careers. The concept offers different flexibility options for employees. These options may include enhanced time-away policies, incentives to stay or leave, elder care support, long-term care, and a paid time off accumulator (PTO). PTO can enable greater flexibility and ownership of time. The accumulator would accrue time monthly and allow employees to “bank” accrued but untaken portions of their PTO allotment (for example, up to two times an employee’s annual PTO allotment). This resulting PTO accumulation can “fund” various flexible options such as sabbaticals,

Figure 2B. Quality of Employment: Practice



phased retirement, extended time away following a birth or adoption, emergency time away, and retirement “rehearsals” (a concept of funding a leave by taking PTO on a reduced schedule to simulate a fixed/reduced income).

Another example of this flexibility is the mechanism the company created to keep “alumni” connected to Wachovia. In order to stay connected, Wachovia encourages information sharing via email communications, and web-based resources. “Next Place” is a data source designed for employees to network with other individuals who have worked with Wachovia for advice on assignments, projects, and additional knowledge. Wachovia uses the exit interview process to identify talent who is willing to return for this purpose.

Wachovia would like to leverage their alumni for other initiatives as well, such as holding focus groups as a source

of feedback for marketing or to collaborate on ideas. Some future recommendations Wachovia may include:

- Providing career counseling as part of an overall talent management strategy;
- Increase retirement planning support, including pre-retirement resources;
- Enhanced flexibility in benefit options available;
- Other increased flexibility options

MOVING FORWARD

Wachovia is committed to its multigenerational workforce and strives to remain an employer-of-choice. Organizational leaders at Wachovia view their multigenerational strategy as constantly evolving. Wachovia predicts this will significantly enhance their broader employment brand statement that continues to evolve as they integrate lessons learned from the multigenerational research.

Goals of “Next Place”

- Keeping retirees connected with the company;
- Creating partnerships with external sources;
- Enhancing benefit choices
- Adding flexibility in how work gets done and managing the necessary change;
- Continued career development for all ages.

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The 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/Globalo1_Employer-of-Choice.pdf