

## Executive Case Summary Series

# TALENT MANAGEMENT

## *And The Prism of Age*

### THE EMPLOYER LEARNING CIRCLE

The Employer Learning Circle provides timely resources to participating employers who are pioneering new responses to the aging workforce, and offers opportunities to accelerate understanding of the workplace response to the changing age demographics of the workforce through access to information about new and innovative practices as soon as these practice experiences unfold and findings emerge.

### CASE METHODOLOGY

For this study, four leading employers were asked to “scan” their organizations and evaluate their talent management strategy and programs through the lens of age. Each employer then selected one “age-responsive” promising talent management practice to explore in an interview conducted by the Center.

### INTRODUCTION

To Employers-Of-Choice, the impact of a uniquely age-diverse workforce on talent management is one of the most critical aspects of human resources for the 21<sup>st</sup> Century. Today, all aspects of age, including chronological, life stage, career stage, tenure, and generation are important drivers for organizations to consider when they turn their view toward talent management. As Baby Boomers slowly begin to retire, and Gen-Ys enter the workforce looking to begin their careers, attracting, retaining and engaging the “best and the brightest” employees of every age and career stage is paramount to an organization’s future growth and success.

The Center’s Quality of Employment Framework (Pitt-Catsouphes, et. al. 2007)<sup>1</sup>, as seen on the right, focuses on eight important dimensions of an Employer of Choice Strategy. Talent management touches on at least five of these dimensions, including Opportunities for Development, Learning & Advancement; Opportunities for Meaningful Work; Rewards: Fair, Attractive and Competitive Compensation & Benefits; Culture for Respect, Inclusion and Equity; and Promotion of Constructive Relationships at the Workplace. Broadly speaking, a forward thinking talent management strategy likely touches on all eight dimensions.

Leading employers, such as those highlighted here, know that innovative talent management programs are an important way to distinguish their organizations as an Employer of Choice and are important for attracting and retaining employees at every level.



In Parts I to III, we will explore how leading employers define talent management, review emerging strategies that they are utilizing to position their talent management initiatives and highlight their organization-specific approaches. We will also look at the role that age plays in the development and execution of their talent management programs and explore the key organizational concerns that are driving this strategic emphasis on talent management. In Part IV, we will take a deeper look at five promising practices, and in Part V, we have included an assessment tool, which can be used to scan your organization in regard to key talent management concerns and evaluate how your organization is addressing five dimensions of age as they relate to your current talent management programs.

Included in this document is information regarding the following innovative talent management practices:

Organization	Practice	Page
CVS	“Talent is Ageless” - CVS Mature Worker Program	8
Deloitte	Mass Career Customization	10
Fidelity	Graduate Management Apprenticeship Program	12
St. Luke’s Health System	Leadership Academy	14

## I. EMERGING EMPLOYER STRATEGIES

*“Talent management is not just about selecting and training people to lead; we need to support them with the right tools, ongoing learning opportunities and careful mentoring so they can be prepared to become leaders in our organization.”*

*- Fidelity Investments*

Just what is talent management? If you ask fifty employers, you will likely get fifty different responses, yet there are some common threads that run through these definitions. As a rule, talent management includes some or all of the following: talent strategy and workforce planning; periodic assessment of skill sets and competencies needed; the identification of jobs that are critical for organizational success; clarification of anticipated vacancies and targeted recruitment efforts to fill those vacancies with appropriate candidates; career and succession planning; performance management; leadership development; and continuing growth and education opportunities for all employees.<sup>2</sup> Good talent management ensures that employees of all ages and career stages have the experience, training and support they need to do their jobs well.

As part of our Employer Learning Circle Talent Management Pod\* we asked leading organizations about how they were positioning their current talent management strategies and what role age played in developing those strategies. These employers are aware of the impact the four-generation workforce will continue to have on their organization and are all committed to offering talent management programs that are relevant across the life span of their employees.

### Definitions

An organization’s definition of talent management is significant because it reflects that organization’s strategy and priorities and literally drives the organization’s talent management processes and programs. At St. Luke’s Health System, they define talent management as “a conscious, deliberate approach, undertaken to attract, develop and retain people with the aptitude and abilities to meet current and future organizational needs.” Deloitte calls their talent management approach “The Talent Experience” which includes talent acquisition, talent development, mass career customization, total rewards and building the workplace of the future. At Fidelity Investments, talent management is viewed as effectively balancing the attraction of external talent with retaining and managing internal talent and resources. At CVS, their talent management process is focused on ensuring that their employees have the skills and tools they need to deliver excellent results and feel a strong connection to the organization.

### Approaches

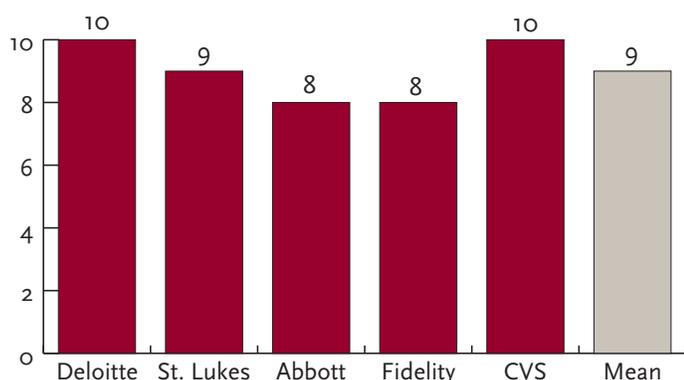
*“You can’t talk about The Deloitte Client Experience without mentioning the Talent Experience in the same breath — and vice versa. It takes the best talent to attract prominent clients, and prominent clients attract the best talent. With both sides of the Deloitte Experience working in tandem, we can truly achieve the standard of excellence.”*

*Bill Freda, Managing Partner - Clients and Markets, Deloitte LLP*

\* The Employer Learning Circle provides timely resources to participating employers who are pioneering new responses to the aging workforce, and offers opportunities to accelerate understanding of the workplace response to the changing age demographics of the workforce through access to information about new and innovative practices as soon as these practice experiences unfold and findings emerge.

Each workplace that participated in this Learning Circle Pod has a talent management strategy that drives their decisions about what types of programs they offer. When asked to rate how strategic their company’s approach to talent management is on a scale of 1 to 10, with 10 being very strategic, none ranked their company’s approach lower than an 8 for an average rating of 9.0 (see Figure 1). This clearly reflects how significant talent management is as a business driver today.

Figure 1. How Strategic is your Company’s Approach to Talent Management?



As a professional services and consulting firm, Deloitte believes they have one “product” to offer the marketplace — their talent. Their “Talent Agenda” is focused on developing tomorrow’s leaders, which means helping their talent enhance performance in their current positions, acclimate to new roles, and take on greater responsibilities. One of the six initiatives in St. Luke’s strategic plan is directly tied to talent management. The initiative, “Great People,” focuses on enhancing staff engagement, heightening leadership and management development and increasing staff retention, thereby creating “Tomorrow’s Workforce” of future leaders in every area of the organization. Fidelity’s talent management strategy also focuses on building tomorrow’s leaders and looks carefully at balancing the attraction of external talent with retaining, managing and growing internal talent. In the past year, Fidelity has made a concerted effort to create ways to better attract talent and better manage their internal talent. At CVS, talent management is focused on building the skills and knowledge their employees need to deliver excellent results, providing their customers with the best possible experience in their stores, and building a strong connection to the organization.

## II. AGE



Making assumptions about groups of employees based on their generation or chronological age is a mistake. Leading organizations know that age is a far more complex concept than the number of years a person has lived and are incorporating the Center’s concept of the prism of age into their talent management programs, which includes chronological age, generation, life stage, career stage and tenure. Each of these dimensions of age can play a significant role in how employees view themselves and how talent management programs need to respond to them. We can not assume that workers advance through life and career in predictable paths; age, life-stage, tenure and career-stage no longer map neatly with each other and the span of ages within different career stages is quite large. In a recent study of 2200 employees, the ages of those who reported themselves as in early-career ranged from age 17 to 61 years; mid-career, from 23 to 62 years; and late-career, from 28 to 81 years!<sup>3</sup>

With four generations in today’s workplace, leading organizations are looking at the varying needs of their diverse employee populations, making conscious efforts to augment their existing talent management programs to reflect that diversity and introducing new strategies that consider the needs of employees of every age, life and career stage.

When we asked our participating organizations if they currently considered age as a factor in their talent management strategy, on a rating scale of 1 to 10 with 1 meaning “not at all” and 10 meaning “yes, in everything we do,” the average score of all participants was 7.0. While this rating is quite significant since it shows a deep commitment to considering age as a factor in talent management, it is perhaps even more significant when exploring why those ratings were selected. CVS’ rationale is that their emphasis is not specifically on age but on creating a diverse workforce; age is extremely important but it is only one diversity factor. St. Luke’s regularly analyzes the age demographics of their workforce and is developing initiatives that respond to today’s changing demographics such as an increased focus on succession planning and flexible work arrangements, which are more attractive for people in various life and career stages.

## How old are your employees . . . really?

**Chronological age**—a proxy measure for age-related individual human development (physical, social, emotional, etc.).

**Occupational Age** (referred to as **Career-stage** in the Pod)—a way of thinking about experiences that mark the accumulation of knowledge, competencies, skills and social capital related to a particular type of career or line of work.

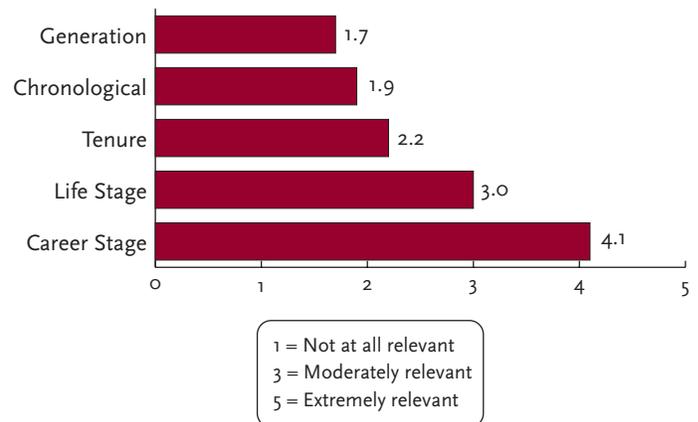
**Life Events Age** (referred to as **Life-stage** in the Pod)—an individual's development as s/he moves through life-course experiences (often indicated by markers of life events and transitions, such as marriage or the birth of children, which connect us to our social world).

**Generational Age**—refers to the societal influences (such as economic circumstances, historical events, and dominant cultural values) that have a sustained impact on the way large groups of people see the world and make meaning out of their experiences.

**Organizational Age** (referred to as **Tenure** in the Pod)—the number of years that an employee has been with a particular employer or, in some cases, the number of years the person has been in a particular job or profession.

From Deloitte's perspective, career stage, life stage and tenure are particularly relevant because they know that people may want to make different career choices at different times in their lives and careers. Rather than prescribe what those choices will be at any one point in time, Deloitte believes there should be options that allow people to "customize" their fit. An employee's options are more conscribed when first entering the organization but that changes over time. Fidelity has made a concerted effort to enhance their workforce diversity, particularly in the area of attracting retirees and

Figure 2. Relevance of Age to Talent Management Strategies



older workers into some of their customer-facing roles. At the same time, they have expanded their efforts in leadership development with programs for mid-career employees in order to build future leaders for all areas of the organization.

We also asked organizations interviewed for this study to rate the relevance of the five dimensions of age for one specific talent management program of their choosing. The results were interesting and quite telling. Perhaps most important to note, is that in every case, companies rated the generation and chronological aspects of age as least relevant, and overall, career stage and life stage were considered most relevant (see Figure 2). Figure 2 above reflects the mean score for each of the five age factors.

Considering that several of the talent management programs discussed are leadership development programs, it seems logical that career stage is highly rated as an important age factor since there are specific career requirements for each program's eligibility. What is clear is that these leading organizations are being "age responsive" in regard to talent management and offering programs to meet the needs and desires of an age diverse workforce, with options that are appropriate at an individual's particular life and career stages.

### III. BUSINESS CASE

The four-generation workforce is driving change in every aspect of human resources and is a major factor influencing why these leading employers are giving so much time and focus to talent management. But what specifically are the key drivers for these changes? We found there were consistent answers across the companies we talked to that connect to age:

- Anticipating the retirement or non-retirement of older workers and the passing on of their knowledge
- Preparing future leaders to take over management roles when positions become available
- Creating flexible work schedules for every sector of the workforce to increase employee engagement at all career and life stages.

#### Anticipating retirement or non-retirement of older workers

One important aspect of effective talent management is anticipating the need to replace employees who are approaching retirement, yet approximately three-fourths of all employers in the Center's 2009 Talent Management survey (77%) of 696 organizations stated that they have not analyzed projections about the retirement rates of their employees (either "not at all" or "to a limited extent").<sup>4</sup> This statistic seems shocking, considering the demographic tsunami that is approaching every business. It's not a surprise that the Boomers are aging, but add to that the impact of the recent economic downturn and a unique situation has arisen. New workers are entering the workforce, older workers are staying in their jobs and fewer are retiring, leaving organizations with a workforce funnel that is overflowing. Early adapter organizations are handling this situation in a variety of ways.

CVS offers pharmacy and other store employees the opportunity to work in different locations at different times of the year. As a result, older workers can spend the winter working in stores in Florida, and work in their hometowns the rest of the year. This allows CVS to maintain a precious body of institutional knowledge and has built a deep esprit d'corps among their employees. Fidelity has reached out to retirees to staff their 401(k) call centers, offering them a variety of part-time opportunities that fit their needs and

their life-stage. This effort is reflective of the aging workforce at large. Fidelity's customers were asking Fidelity to provide them with representatives "like me" who had a first hand understanding of the issues facing an individual who is struggling over key life decisions such as whether or not to retire.

#### Preparing future leaders

While Boomers and late career stage employees may be staying in their positions longer, when they do retire there will be a leadership gap in most organizations. Forward thinking employers are not waiting for that to happen. Rather, they are preparing now for the future so that when this cohort is retiring in large numbers, well-prepared candidates will be ready to take their places and provide knowledge and business continuity. Deloitte's effort to build and prepare future leaders begins even before individuals become employees. For example, in 2007, Deloitte instituted their Future Leaders Apprentice Program which is aimed at helping to increase their pipeline of diverse talent by providing scholarship awards, mentoring, and professional development training to select, highly qualified minority students. Each of Deloitte's businesses also offers year-long programs that help develop a pipeline of women leaders for their future. In these two programs, Forward Track and Focus Forward, high potential professionals at various life stages and career stages, who are strong candidates for advancement, receive coaching in leadership, business development, executive presence, professional networking, negotiating, conflict management and personal brand development to prepare them for future leadership positions.

After going through succession planning exercises and analyzing their workforce demographics, both Fidelity and St. Luke's realized they needed to address the future leadership gaps that were looming for their respective organizations. Both created new leadership development programs to ensure a robust pipeline of future leaders available "at the ready" whenever a position opened. St. Luke's has developed succession planning strategies not only for leaders, but for hard to recruit positions as well. CVS has long been known for their store management development programs. These programs have been augmented to include a wider range of candidates from all ages and life stages.

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## Flexible work schedules

St. Luke's has many options available to staff for flexible scheduling from 16 hours a pay period to 72-80 hours a pay period. Fidelity implemented a part-time workforce for some of their customer-facing roles with retirees, caregivers and also reached out to their current employee base to understand who might be interested in moving from full-time to part-time status due to life stage developments. The company was surprised when about 5% of their population expressed interest in the part-time option. As life stage changes occur, and people need to make schedule adjustments, management works with them to accommodate their needs so Fidelity does not lose good talent. CVS is also committed to maintaining a diverse workforce which includes the various aspects of age. They take into consideration the changing family structure, changing expectations of Boomers, the desire for more older workers to continue working long after the standard retirement age of 65, and have a variety of part-time schedules and job opportunities to appeal to individuals at various life and career stages.

The practice examples that follow have been selected as Promising Practices of how leading employers are successfully promoting "age responsive strategies" regarding the talent management of their workforce.

## IV. A. PROMISING PRACTICE - CVS



### Selected Background Information

<b>Primary Industry Sector</b>	Drugstore retailer
<b>Type of Organization</b>	For-Profit Organization
<b>Size of Workforce</b>	215,000 employees in the United States

FEATURED PROMISING PRACTICE AT A GLANCE	
<b>“Talent is Ageless” - CVS Mature Worker Program</b>	
<b>Description</b>	Partnership with community agencies to hire and train mature workers to work in CVS stores.
<b>Purpose</b>	Live the CVS values of believing that “Talent is Ageless”
<b>Target Population</b>	Mature workers
<b>Launch Date</b>	2003

### I. Implementation

CVS believes that “Talent is Ageless” and employing mature workers makes good business sense. It considers its mature workers to be key members of their team, and its mature worker program reflects that attitude. In the early 2000’s, CVS began looking at the aging workforce and spent a great deal of time thinking and talking about what this changing demographic could mean for building their future workforce. They hired a consultant with extensive experience and knowledge of mature workers and workforce development and charged her with assisting them in developing mature worker partnerships with agencies across the country. The effort gained momentum, and the CVS Workforce Initiatives Team, along with key individuals from CVS Field and Operations, launched the “Talent is Ageless” initiative in 2003.

The goal of this mature worker program is to partner with local agencies that can provide qualified candidates to fit the needs of CVS stores. For this program, CVS targets individuals between the ages of 50 and 99. The agencies identify qualified candidates based on CVS criteria and send them to CVS for screening and interviews for open positions.

CVS then determines if the candidate has the potential to succeed in the organization and makes a job offer.

Once selected, participants go through the CVS “SuccesS Development” program, a 4-6 week training program during which they are mentored by a store associate who is tasked with determining that they are appropriate for the job. Since mature worker candidates come to CVS with a wide range of abilities, skill levels, and knowledge, this usually occurs at a slower pace than for a normal hire because the process is customized to the individual to ensure that everyone accepted into the mature worker program is successful. When a candidate is hired from a partnering agency, CVS may get a short term wage reimbursement from the agency which is truly a win-win partnership for all involved. The agency helps to find the mature worker a job, CVS gets a good employee and a short term wage reimbursement from the agency, and a mature worker gets an opportunity for meaningful work with a career path.

### II. Age

CVS is a leader in promoting diversity in the workplace and has long been committed to the recruitment, training and retention of older workers in jobs and careers at all levels within the company. Hiring needs differ from store to store, but no matter the location, the commitment to hiring older workers is consistent across CVS. Career stage continues to be somewhat relevant depending upon the individual and the open position. Some older workers are experienced individuals who have retired from their careers and are looking for a way to continue doing meaningful work. Some are older workers who are in the early career stage of a second career. Life stage was quite relevant in developing this program, and at this stage in life, individuals are often looking for the flexibility in their work schedule that CVS can offer. For several years, CVS has also recruited retired pharmacists to serve as mentors for high school students in its “Pharmacies of Promise” program.

### III. Lessons learned

When CVS started rolling out the mature worker program, it learned that not everyone was positive about hiring older workers. Initially, it was challenging for some District and Regional Managers to see the value in the mature worker program, but in time, small successes turned into great partnerships. There is a mentality to working at CVS; working in the stores is not as easy as it might seem at first

glance. Customer service is very important to the company, and there are a lot of challenges in training candidates to master the CVS customer service process. CVS realized that it needed to educate its own employees about the value of hiring mature workers to get them on board. They also discovered the need to educate applicants about what the jobs entail and what CVS expects of them if they work in a CVS store.

The partnering agencies are key to the success of the mature worker program, but that success is also dependent upon the agencies understanding the jobs and the candidate criteria. After a few missteps, CVS realized that it needed to promote the jobs in a way that the agencies and the mature workers were clear about what the jobs entailed. A number of times agencies sent candidates to interview who had no real interest in or understanding of what working in retail or a pharmacy involved. As a result CVS improved its job descriptions and its communication with the community agencies, and created media pieces that helped to explain the mature worker program and what CVS was looking for in an employee.

Another challenge CVS faced was its online application process, which many mature worker applicants found to be quite lengthy and cumbersome. When CVS realized this, it developed a way to help applicants through the application process by bringing them into CVS training sites for “pre-employment development.” Meeting in small groups, candidates are educated in the details of the CVS interview and application process, and by the conclusion of the class, an applicant is more comfortable with continuing through the process.

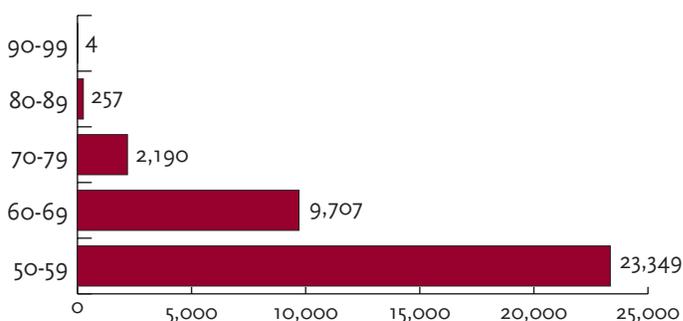
Going into this project, CVS thought that it would need to customize everything for mature workers because they would be unable to adjust readily to using new technologies, but that was not the fact. Instead, they learned there is a wide range of capabilities within this population and they now adjust their training processes on a case by case basis. CVS is convinced that a multi-generational workforce is essential to its mission. Through the mature worker program, CVS employees and management have learned that mature workers add great value to the CVS operation.

#### IV. Evidence of Progress

The number of mature workers aged 50 and older at CVS has grown from 6 percent in the late 1990s to more than 18% today. Hiring and retention have probably offered the most positive evidence of the success of this program. CVS has been able to hire mature workers and watch them excel, contribute and move up the career ladder. This has been particularly successful in the pharmacy technician position. Many mature workers interested in working for CVS have a medical background, and CVS has been able to transition them into pharmacy technicians.

Basically, CVS defines success of this program by the number of successful hires, and that number has reached 18%. CVS has a database of everyone it has hired through this program and carefully monitors and celebrates their progress. The CVS staff knows where the mature worker hires are, how they are doing, how long they stay, and if they have moved up the career ladder. As a result, it knows the program has been a success because more mature workers are staying and growing with the company than ever before. Currently, 18.4% of CVS employees are 50 and over, and 6.3% are 60 and older, with four employees in their 90’s (see Figure 3). These numbers are expected to increase over the next decade.

Figure 3. Number of CVS Employees Aged 50 Years or Greater



## IV. B. PROMISING PRACTICE - DELOITTE



### Selected Background Information

<b>Primary Industry Sector</b>	Professional Services
<b>Type of Organization</b>	For-Profit Organization
<b>Size of Workforce</b>	Approximately 45,000 professionals
<b>Average Age of Retirement</b>	59 years

FEATURED PROMISING PRACTICE AT A GLANCE	
<b>Mass Career Customization (MCC)</b>	
<b>Description</b>	A framework for how careers are built and talent is developed that offers a structured approach to identifying career-life options, making choices, and agreeing on benefits and trade-offs that work for both the business and the individual.
<b>Purpose</b>	Meet the changing needs of employees at different career and life stages while meeting the needs of the business.
<b>Target Population</b>	All employees
<b>Launch Date</b>	2007 (pilot in 2005)

### I. Implementation

For decades, the “corporate ladder” has been the traditional work experience for American workers, but that experience is a singular path upward limiting an individual to two basic choices: move up or stop moving. This career development concept assumes that an individual’s needs and desires remain constant over time. Instead, Deloitte offers employees a “corporate lattice” model with multiple paths for growth. At any given time, an individual can move faster, slower, or change directions, adjusting as a worker’s needs change over time, and offering employees a better career-life fit. Deloitte uses a lattice metaphor instead of a ladder because it better reflects the varied ways an individual can

develop and progress over time. It also extends the focus to growth and development in response to the flattening of organizational hierarchies and ensures employees access to career conversations across all demographic groups and at every stage of a career. Deloitte is trying to create an overall talent experience; a key principle of that is customization.

Deloitte’s Mass Career Customization (MCC)<sup>TM</sup> program is an organizational “framework” that allows each individual in the organization to collaborate with his or her manager to customize career paths over time. The framework has four dimensions:

- **Pace:** Options relating to the rate of career development and growth.
- **Workload:** Choices relating to the quantity of work output.
- **Location/Schedule:** Options for when and where work is performed.
- **Role:** Choices in position and responsibilities.

MCC recognizes that careers ebb and flow over time and provides a more fluid structure in response to those changes. It institutionalizes a framework and process and allows choices, makes trade-offs more explicit, provides greater transparency and extends the bounds and consistency of what’s acceptable. The program was piloted in 2005 and was rolled out to 7,500 people across the organization in 2007. It then rolled out to the rest of the Deloitte employees, including those in India, in stages starting in June 2008. The genesis of this initiative came out of the Deloitte Women’s Initiative, and included a steering committee of business leaders from around the organization with high levels of senior leadership support from very early on. Leadership saw that the shift from ladder to lattice was already happening without any formal structure; they felt that Deloitte would have a competitive advantage in attracting and retaining top talent by acknowledging that shift and creating an institutional structure to address that trend. An important driver of this systemic shift was the changing demographics of their workforce, from the shrinking pool of skilled labor and changing family structures to the increasing number of women and changing expectations of men, to the evolving expectations of Gen Y and Gen X and the ever-increasing impact of technology. They saw an advantage to responding to these trends in a systematic way rather than in an ad hoc, one-off fashion they could not scale.

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## II. Age

Since the target population for this program is every employee, MCC touches on literally every aspect of age. Everyone, no matter what age, career stage, life stage, tenure, or generation needs career-life fit. MCC is a career map that helps employees to clarify what they need, where they are going, and how they want to work at every career and life stage.

## III. Lessons Learned

Deloitte learned a variety of lessons during the MCC pilots that helped inform the full implementation. Perhaps foremost, they learned that there was a pent-up demand for “dialing up” career options. Their young workforce wanted to accelerate their careers more quickly than expected. This was important to know so that supervisors could better manage expectations as well as better match opportunities to people’s career-life fit desires. Another lesson learned from the pilots was not to have any tenure thresholds for inclusion in MCC – since even entry level employees can benefit from an MCC conversation. Deloitte also built an IT system from scratch because there were no existing systems that could capture the MCC profile. This investment has paid off in better integration with all their existing Talent Management data. Lastly, they learned that the approach they took really does scale career-life fit in a way that flexible work arrangements did not.

## IV. Evidence of Progress

MCC is now integrated into the annual performance management cycle for all employees, not just those dialing their careers up or down. Every Deloitte employee has an MCC profile that can change over time. Each individual’s current level of contribution is depicted in their MCC profile which shapes their annual goals, provides a context for their performance evaluation and helps to inform assignment decisions. While still early in its tenure, Deloitte can already see that MCC has resulted in higher retention of high performers, higher quality career conversations, increased satisfaction with career life fit and increased confidence in the ability to design a future career life fit. The MCC framework gives employees at every career stage and in every area of the organization a common language and common base for conversations around career-life fit they were not having before.

There have been significant increases in the number of people who say they feel like they have more input in their careers and have the right support to manage their career/life fit. Deloitte believes that MCC has helped strengthen its talent brand as an innovative organization that tries to engage with its people. This is very attractive to early career employees in particular, because they are looking for flexibility in how their careers will unfold and how their work gets done. Evidence that MCC is strengthening Deloitte’s talent brand can be seen in the recognition Deloitte has received in 2009, including being in the top 10 Best Companies to Work for by Working Mother Media, and being voted the number one place to launch your career by BusinessWeek magazine.

**IV. C. PROMISING PRACTICE - FIDELITY**



**Selected Background Information**

<b>Primary Industry Sector</b>	Finance and Insurance
<b>Type of Organization</b>	For-Profit Organization
<b>Size of Workforce</b>	54,144 employees in the United States
<b>Average Age of Employees (in benefit programs)</b>	37 years

<b>FEATURED PROMISING PRACTICE AT A GLANCE</b>	
<b>Graduate Management Apprenticeship Program (GMA)</b>	
<b>Description</b>	A two year program for outstanding mid-manager level employees to help them gain the skills needed to lead
<b>Purpose</b>	Build future leaders for the firm from the internal ranks
<b>Target Population</b>	Internal middle managers or external MBAs with leadership capabilities
<b>Launch Date</b>	September 1, 2008

**I. Implementation**

As a result of firm-wide succession planning discussions, Fidelity saw a pipeline gap of employees who could move from the mid-manager level into director and ultimately Vice President level positions. Fidelity is committed to promoting from within, and they were concerned about not having the right people ready and equipped to fill the leadership roles of the future. They realized they needed to develop a program that would ensure they have people ready and identified, with the right balance of experience internally and externally, to move forward when the positions became available and, they needed to do it immediately.

This program was initiated by the Chairman so it had immediate top down support. The Chairman “removed all barriers” to make sure the program was quickly up and running. Fidelity did not want to wait for the economy to turn around; they felt they needed to “invest in our future,”

protect the program from budget cuts and be committed to it for the long term. With the Chairman’s support and commitment to fund the program, they put together a highly talented team and created the General Management Apprenticeship program, (GMA) welcoming its first group of forty participants in September 2008.

To be selected for the GMA program applicants, whether internal or external, must undergo an extensive interview process. For external applicants, Fidelity seeks MBA graduates preferably with some previous work experience and strong leadership tendencies. Internally they look for outstanding mid-manager level employees, most of whom have experience working in one group. The GMA gives them the opportunity to acquire skills to work in a variety of business units. To date the classes have been comprised of 50% internal and 50% external participants

The program runs for a two year period, with participants rotating to different positions every 6 months. The rotations are in a variety of departments across the entire Fidelity enterprise, including technology, operations, investor relations, real estate, etc., depending upon which areas have the resources, the need and the interest in participating. Assignments may be global as well as national and participants may have up to two assignments out of their home area. If participants are given an assignment away from their home area, Fidelity offers them two trips per month home.

At the beginning of the program, participants go through a two-week “boot camp” that orients them to the program, the goals, the various aspects of the Fidelity enterprise, and prepares them for their first assignments. After boot camp, they go right into the business unit they are assigned to for the first six months. Each participant has an individual development plan with both core courses and individual courses to complete. The individual-specific courses and training are selected to enhance the participant’s existing skills and ensure a well-rounded leadership education experience. There are two program directors who mentor and coach the individual participants in addition to their other job responsibilities. These mentors help to identify who will go on what rotation next, and what skills each participant needs to develop. Social events are held for peer mentoring and to build community among the participants, but most of the mentoring comes from the program directors.

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## II. Age

The target population for this program is middle managers and external recent MBA candidates who have work experience and show strong leadership capabilities. Chronological age is not particularly relevant, although participants tend to skew to a below 35 age cohort. Life Stage is moderately relevant in developing this program. Fidelity feels that having participants who are at different life stages brings a wider variety of experiences to the cohort and adds richness to the program. Of course, career stage is extremely relevant to this program since it is geared specifically to middle managers and MBAs with work experience. When participants have had a number of different positions and exposure to a variety of leadership styles they are better equipped at managing others in the future. Tenure is moderately relevant to the program since internal candidates must have been with Fidelity for at least one year and external candidates have previous work experience and an MBA. Efforts are made to balance gender and experience, but financial services as an industry is highly weighted towards males, so they have not yet achieved the diversity of participants desired.

## III. Evidence of Progress

The GMA program is only a little over one year old so there is not a great deal of hard data as yet, however, anecdotal feedback from business units who have been exposed to individuals in the program has been very positive. There is a great deal of internal interest in the program. Employees are very pleased that the organization is supporting career growth and presenting opportunities to learn the skills needed for the future. Externally, the program has been so popular that Fidelity has had to turn away many highly qualified candidates. When the first cycle is complete, Fidelity plans to develop specific criteria for measurement which will result from information about those who graduated, such as how many had strong performances, what placements were most successful, etc. This information will help refine the recruitment process and create a profile for successful candidates for future recruitment into the program.

## IV. Lessons Learned

The most important lessons Fidelity learned to date was that the succession planning process was inadequate for the future growth of the company and that there was a need and desire internally for an advanced management/leadership program. Fidelity is such a complex organization that the more exposure people can have to multiple business groups, the better prepared they will be as future leaders. They are also learning what the participants need and finding better ways to give them the information necessary to succeed in each placement. Since planning the program and starting it within eight weeks, Fidelity realized they did not do an adequate job of preparing the managers who would be working with the participants for the first cohort. By conducting a mini boot camp for the participating managers, a better job was done with the second group that started July 1, 2009.

While there was no particular resistance to the program, some employees were upset that Fidelity selected any external candidates for the program. These employees wanted to know why an external candidate brought more to the table than an internal candidate. Over time, that dissension has subsided somewhat because people have seen the quality of the candidates at work. Fidelity has also improved the way they promote the program; since they only had eight weeks to put the program together, they made a few missteps which have been corrected. With the additional promotion, employees realize that the program is very competitive and that ultimately that is a good thing for the firm to have both internal and external participants which brings richness to the program and the firm.

There is a great difference between managing and leading. Before Fidelity instituted the GMA program, they realized they were not doing enough to groom their future leaders. Promoting someone into a leadership role and expecting them to succeed based on past successes was not an appropriate way to build their future bench strength. With the General Management Apprenticeship Program in place, Fidelity is ensuring that their future leaders will have the right tools and experiences to ensure a high level of success.

#### IV. D. PROMISING PRACTICE - ST. LUKE'S HEALTH SYSTEM



##### Selected Background Information

Primary Industry Sector	Health Care Provider
Type of Organization	Not-for-profit
Size of Workforce	7,608 employees in the United States
Average Age of Employees	41 years
Average Age of Retirement	62 years

FEATURED PROMISING PRACTICE AT A GLANCE	
St. Luke's Leadership Academy	
Description	A program to identify future leaders and begin preparation to create smoother transitions into leadership roles through education, observation, mentoring and networking.
Purpose	To have candidates prepared to fill future executive roles.
Target Population	High potential, high level employees who are currently in leadership positions.
Launch Date	2006

##### I. Implementation

As a result of a demographic assessment of executive level employees in 2006, St. Luke's realized that many of their high level employees were nearing the ends of their careers and would be retiring within five years. In order to ensure that they had future leaders in the organization who were prepared to fill those positions as they became available, St. Luke's established the Leadership Academy. The primary goal of this program is to ensure that identified future leaders gain the skills, knowledge and experience necessary to fulfill expectations and demands of executive level positions.

Selection to participate in the program is a "top-down" process. Current leaders are educated about the program, the criteria for participation, its importance, and then submit nominations. A small cohort of employees who have

met specific criteria are identified and nominated by leaders. Eligibility of the program is limited to those employees with management experience. Additionally, employees are expected to participate for the full 2 year program. All the nominations are discussed amongst the leadership and a group decision is made regarding who to select for the program. St. Luke's made a conscious decision not to have employees apply for the program, rather have leadership identify high potential employees. If an employee is interested in being selected for the program, it is discussed at their performance evaluation. The discussion does not mean that being selected is ensured or even possible.

The 2006 pilot program consisted of 16 employees and was so successful that the program was continued. Participants attend 12 sessions over a period of 2 years, including courses in conflict management, coaching, leadership styles, team dynamics and critical thinking. Each six hour session involves education, observation, hands-on experience, mentoring and networking. Additionally, participants are involved in a project that benefits the organization. At the completion of the program, participants are provided information for obtaining American College of Healthcare Executive certification.

##### II. Age

Selection for participation in the Leadership Academy touches on each aspect of age in different ways. Chronological age is not a factor for selection, however, individuals are required to have management experience and be committed to the organization for at least the next two years. Career stage is particularly relevant since participants without management experience are not considered for the program although individuals may self-identify at different career stages such as early career or mid-career, depending upon how they view their future goals. St. Luke's feels that life stage is not particularly relevant in the selection process, but the criteria that St. Luke's has instituted may lend itself more to individuals in certain life stages than others. In the pilot group, one participant dropped out of the program due to a life stage issue, however, others going through significant life stage events have stayed in the program. Generation was not considered as a relevant concern in creating the program; participants have spanned several generations. Tenure is of course important, since one of the criteria for nomination is at least two years in a leadership role.

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### III. Lessons Learned

To date, the program has been very successful. One of the greatest challenges that St. Luke's faced in getting the program started was the organization's disparate locations. The program was initially launched in two locations, but currently sessions are held at all six locations so that participants can attend at least one session in their home location. All participants have a chance to become familiar with all of St. Luke's facilities.

After the pilot group in 2006, St. Luke's made several changes for the second round. The individual project each participant had been assigned became a group project to promote working as part of a team. Instead of being assigned a mentor, participants were given the opportunity to choose their mentor; this created a more personal mentor-mentee relationship which has a higher potential for continuation after the program completion. Furthermore, sessions were changed from monthly to every other month and classes were structured differently and held from 9:00am-3:00pm to allow for travel time.

### IV. Evidence of Progress

Of the first sixteen Leadership Academy participants, one was promoted to a director level position in the first year after the program and 8 others were promoted or took on more responsibility within the second year of completing the program. An additional positive outcome of the program has been the success of the individual and team projects. Included in these projects was an initiative to revamp the Leadership Academy itself. Participants have been highly positive about their experiences in the Leadership Academy and St. Luke's feels satisfied the program will continue to ensure the organization has executive level candidates for future positions as they become available.

In addition to preparing future leaders, St. Luke's saw this program as the foundation for building an internal university for employee development. They have refined courses over the past three years and have received constructive feedback about the program content from participants. In particular, participants felt that by attending Board meetings and having wider organizational exposure they gained a deeper understanding of the enterprise and how the organization works, experiences that will be invaluable as they take on future leadership roles. This is exactly the result that program developers hoped for when designing the program structure.

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## V. ASSESSMENT TOOL

The US labor force participation among adults 55 and over is increasing and expected to continue to increase; many older Boomers are choosing to delay retiring or starting new careers in their fifties and sixties. At the same time, Gen Y is entering the workforce and Gen X employees are feeling squeezed; the leadership positions they thought were on tap may not be available due to delayed Boomer retirements. How can an organization keep all these employees engaged and thriving?

With age related Talent Management issues more critical than ever before, it is helpful to have a focused way to address these issues with your organization. Using a tool that can guide you helps to focus and clarify your thinking to raise and answer questions such as:

- How are we looking at this issue or are we looking at it at all?
- How would we like to look at it? What does it mean to us and our employees?
- How is the age and generations of our employee population impacting our Talent management?

Clearly, it is important for your organization to regularly assess how you are meeting the talent management needs of your employees. To assist you in doing that, we have developed a three part tool, or “Scan”:

Part I helps you to understand how your organization is addressing five key Talent management concerns:

- Is your organization thinking differently about WHO to hire in response to changing age demographics? If so, how?
- Is your organization thinking differently about how to RETAIN and MOTIVATE your age diverse workforce? If so, how?
- Is your organization looking at the jobs of the future and thinking about WHO will do WHAT jobs? If so, how?
- Is your organization making adjustments for individuals in similar positions who are at different life stages? If so, how?
- Is your organization making adjustments for individuals in similar positions who are at different career stages? If so, how?

Part II helps you assess how your organization is considering the various dimensions of age as it relates to your current talent management programs.

Part III helps you to reflect on the information you included in the scan and comment on what you learned as a result of completing the Scan process.

Plan to spend 30 to 45 minutes completing all three parts of the Scan, preferably with a group of your colleagues who can assist you in putting your findings into action!



## PART II. AGE MATTERS

When thinking about “age and work,” it can be a bit difficult to untangle “what is related to what” because age is often related to many aspects of our lives. For example, there has often been a correlation between age, career-stage, and life-stage, but in today’s age diverse workforce, this is not always the case, so it is important to keep the distinctions between the different aspects of age clear. Consider these five dimensions of age when completing this exercise:

<b>Chronological</b>	often used as an age proxy measure for age-related individual human development (physical, social, emotional, cognitive).
<b>Generation</b>	population groups of people who are approximately the same age and share key societal experiences.
<b>Occupational Age</b>	experiences that mark the accumulation of knowledge, competencies, skills related to a particular type of career.
<b>Life Events Age</b>	an individual’s development as s/he moves through life course experiences (marriage, family, empty nest, etc).
<b>Organizational Age</b>	refers to the number of years that an employee has been with a particular employer or, in some cases, the number of years the person has been in a particular job or profession.

Please complete the following summary chart by listing 3 specific examples of your organization’s current Talent Management practices in Column 1 and then answering the chronological age related questions in Columns 2 -5. For Column 6, use the following codes to denote which other dimension (s) of age matter for that example:

GENERATION: GEN		CAREER STAGE: CS		LIFE STAGE: LS		TENURE: TN
Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	
<b>Current Talent Management Practice</b>	<b>Is it age responsive &amp; effective for employees of any age?</b>	<b>Is it effective for younger employees?</b>	<b>Is it effective for employees at midlife?</b>	<b>Is it effective for older employees?</b>	<b>What other dimensions of AGE matter for this example?</b>	
SAMPLE: Management Development Program	Not sure	no	maybe	no	CS, LS, TN	
Example 1:						
Example 2:						
Example 3:						

## PART III. LEARNING

Now that you have completed Parts I and II of this Scan, please take some time to reflect on the information you included and answer the next 3 questions.

1. What surprised you regarding your organization’s perspective on AGE in regard to your Talent Management Strategy?

2. Are one or more dimensions of AGE more or less significant for your organization? Which ones?

3. Why do you think these dimensions are more or less significant?

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## References

- 1 Pitt-Catsouphes, M., & Matz-Costa, C. (2009). *Engaging the 21st century multi-generational workforce: Findings from the age & generations study* (Issue Brief No. 20). Chestnut Hill, MA: Sloan Center on Aging & Work at Boston College. Retrieved from [http://agingandwork.bc.edu/documents/IB20\\_Engagement\\_2009-02-10.pdf](http://agingandwork.bc.edu/documents/IB20_Engagement_2009-02-10.pdf).
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## The Sloan Center on Aging & Work at Boston College

The Sloan Center on Aging & Work at Boston College was founded in 2005. Working in partnership with workplace decision makers, the Center promotes the quality of employment for the 21st century multigenerational workforce. The Center strives to put evidence into practice to improve employment experiences for both employers and employees. We place a particular emphasis on workplace flexibility that supports 21st century ways of getting work done and enhances employees' work experiences. Our multitiered strategy includes combining employer-engaged research and academic rigor with innovative communications. We engage multidisciplinary teams of researchers from around the world to forward three research streams—the U.S. National Initiatives, the State Initiatives, and the Global Initiatives.

The Sloan Center's U.S. National Initiatives partners with scholars and employers across the United States, placing a particular emphasis on workplace flexibility. Together, we explore the intersection of employee preferences with employer practices and chronicle emerging strategies as they evolve. Current projects include analyses of the Health and Retirement Study, Elder Care, Workplace Flexibility, and Multigenerational Talent, and the Age & Generations Study.

The Center on Aging & Work is grateful for the continued support of the Alfred P. Sloan Foundation.

For more information about the Sloan Center on Aging & Work at Boston College, please visit:  
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