

One Size Does *Not Fit All*

Mass career customization restructures both the expectations and the mechanics of how careers are built.

By Jennifer C. Rankin



Conventional wisdom holds that career success takes the shape of a ladder. Narrow, sequential and unidirectional, it offers evenly spaced, clearly defined rungs. Climb carefully and there's a reward for each step taken—a promotion from assistant vice president to second vice president, from a cubicle to an office with a door (but no window), from lunch in a brown bag to lunch at the club. Step sideways and you either drop down a few rungs or fall off the ladder entirely.

This model, which emerged during the Industrial Age and took off during the post-World War II business boom, has definite military underpinnings. It rewards careful, incremental progress and conformity and values the group more than the individual.

Inward-looking and hierarchical, the model proved to be highly effective and efficient in an environment where a handful of executives had access to information unavailable to either employees or customers and the market place rewarded one-size-fits-all products. It also meshed well with the traditional family structure, which is rare today. According to the U.S. Bureau of Labor Statistics, only 17 percent of U.S. households today are traditional with a husband who works outside the home and a wife who does not, compared to 63 percent of households in earlier generations.

This model also rested upon an employer-employee covenant: You put the company first and we'll take care of you. Enter Jack Welch, who many say was the first American CEO to weaken that agreement by jettisoning 100,000 GE employees between 1981 and 1985, a move that earned him the moniker Neutron Jack. Dozens of his peers swiftly followed suit.

Although Welch was a man ahead of his time, it wasn't too long before his fellow CEOs began to face tremendous pressure to deliver results in the face of skyrocketing benefits costs, international competitors wielding cheap labor, green mailers who could buy them out of business, investors who insisted on quick returns for their stocks, and customers who demanded top drawer products at rock bottom prices. These and other pressures compelled them to unleash lean and mean operating structures that further undermined the old covenant.

So how have employees reacted to two decades of disappearing job security and increased workloads? On the upside, most have toughened up and gotten with the new program. On the downside, many have embraced the Me, Inc. philosophy of looking out for No. 1, which has had an unexpected consequence for corporations: employee disengagement.

According to extensive studies conducted by Gallup, only 29 percent of employees are engaged in their work. Some 54 percent are disengaged (mentally checked out) and 17 percent are actively disengaged (sabotaging the efforts of their co-workers). This means that every US\$ 1 million a company spends on payroll delivers US\$ 290,000 worth of effort.

Also driving employee disengagement is the herculean task of trying to balance a demanding job with family commitments, community service and spiritual growth. So is the inability to grow professionally on the job. Gallup found, however, that the biggest driver of employee

disengagement is poor management, which is a direct reflection of corporate culture.

"The greatest advantage any business could have over the competition is not its products, but its engaged employees," writes Renee Cormier, president and owner of Powerhouse Conferences, in an April article for *Training Magazine*. "Through its studies Gallup found that more than half of disengaged employees would never rec-

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BILL MCKINNEY

ommend their employers' product or service to others, but most of the engaged employees would. Engaging employees is the only way to have lasting success in business."

There has been one constant throughout these work place changes: the career ladder. Career ladders are not going away any time soon. Companies are comfortable with them. They serve a structural purpose, Type-A personalities need mountains to climb, and they are the linchpin of most over-the-counter employee compensation systems. Nevertheless, some executives are starting to ask if career ladders can meet the needs of today's companies and employees and if the model is capable of delivering the products and services customers demand today. One company that's questioning the status quo and exploring its options is Thrivent Financial for Lutherans.

Formed in 2002 with the merger of Appleton, Wis.-based Aid Association for Lutherans and Minneapolis, Minn.-based Lutheran Brotherhood, two of America's oldest and most prominent fraternal benefit

societies, Thrivent Financial now is the nation's largest fraternal insurer.

As of December 31, 2008, the company had 2.6 million members, US\$ 162 billion of life insurance in force, US\$ 61.9 billion in assets under management, 2,926 home office employees, and 2,694 financial representatives. Thrivent ranks 409 on the Fortune 500 list.



Business Drivers

A number of business imperatives compelled Thrivent Financial to re-invent its approach to career management:

- **Technology:** Technology has improved organizational flexibility and productivity, raising the bar on what is expected both in the marketplace and of the workforce. Technology also gives the workforce unlimited access to information about career opportunities and options outside Thrivent.
- **Profits:** Organizations are under great pressure to create more value with less cost, a mission that's difficult to accomplish with a disengaged and/or plateaued workforce or one that's constantly turning over.
- **People:** Employees and prospective employees are looking for careers that fit their lives rather than trying to squeeze their lives into their careers. They wonder why they can customize everything from their cars to their blue jeans, but not their careers.
- **Demographics:** Demographic changes are creating a more competitive talent market as well as different expectations across multiple generations. Although the common thread among the generations is the importance of a meaningful career, there is quite a difference in what a meaningful career might look like. Gen Yers, for instance, are "chunking" their lives into distinct phases emphasizing work, parenting, travel or something very different. Organizations will need to be prepared to accommodate these differences or risk losing valuable talent.
- **Change:** As the speed of change increases, organizations are looking for people who can learn and adapt to a variety of ever-changing scenarios. Gone are the days of careers built on doing the same job for several years. In fact, it is likely that many of the jobs that will be done in the future haven't even been invented yet. Learning agility will become a competitive competency for building a highly adaptable workforce.

For all of these reasons, Thrivent now offers its employees a solid career value proposition that keeps them very engaged in shaping their futures. "It is vitally important that career development be a highly transparent partnership among Thrivent Financial, its leaders and each individual," says Bruce Nicholson, FSA, chairman, president and CEO. "This requires the commitment of every employee to build learning agility and every leader to add career coaching to their repertoire of skills."

A fraternal benefit society is a not-for-profit organization that provides insurance to its members, who share a religious, ethnic, vocational or other common bond. Like mutual insurers, fraternal societies are not publicly traded and their policyholders are members who receive excess revenues in the form of an annual dividend.

Despite their unique place in the financial services sector, fraternal societies are still insurance companies grappling with most of the same business pressures as

mutual and stock companies. For starters, their members can and do buy insurance, annuities, mutual funds and bank products from non-fraternal organizations, so their products must be competitive. And while they may not issue stock, their investment portfolios have taken the same hit as their non-fraternal competitors during the current recession, as have the securities underpinning their products. They also face the same human resources issues, among them recruiting talent, rewarding

performance, offering a competitive benefits package, developing a clear employee value proposition and so on.

Value Proposition

Thrivent is in an excellent position to meet those challenges. For starters, it has a compelling and clear mission as a faith-based organization called to improve the quality of life of its members, who are Lutherans, their families and their communities.

To do just that, Thrivent adheres to five core values: stewardship (what is best for members drives every decision); accountability (employees own the results of their individual actions); growth (required of both individuals and the company in order to be a vibrant resource for members); integrity (we do what is right and treat each other with honesty, respect and dignity in order to forge caring and trusting relationships with members and each other); and community (we are a community that demonstrates genuine concern for the whole person and all employees work together to balance the demands of personal and professional life).

A number of environmental factors compelled Thrivent Financial to re-invent its approach to career management (see *Business Drivers*) and to tap Barbara Foote, FLMI, vice president of its Enterprise Effectiveness and Talent Office, and her team to spearhead the effort. "Our goal," says Foote, "is to build a career culture that drives stronger business results by engaging the workforce in building a long-term career with Thrivent Financial that is in alignment with their aspirations and life needs," and she gives several reasons why:

- We are in the business of building long-term relationships with our members. Having talent that can deliver on this long-term proposition is critical to our ability to compete.
- The workforce is changing. It's more diverse and people have different expectations. If we are to attract and retain talent in the future, prospective and current employees need to see opportunities to develop themselves over time as well as the flexibility to make career pivots throughout life's cycles.
- We're committed to building a diverse workforce and a diverse workforce has different needs. Family structures

are different, there are more women in the workforce, and the workforce has become multigenerational. All of this has an impact on why we need to think differently about how careers are built.

- We need to be able to pivot through faster market changes and cycles and to do so we will need an adaptable workforce.
- Financial services organizations are always challenged with retention of field financial representatives. While Thrivent Financial has traditionally done better than the industry, there is substantial room for improvement.

“We take the Thrivent values very seriously,” she says. “To demonstrate our commitment to the core value of community, we want to excel at helping people make intentional decisions and choices about their careers to fit their lives. That’s what this is about—having ongoing conversations about what is important to people and how they can best make a difference in the business.”

In 2007, Foote learned about something called mass career customization at a thought leadership conference, where she bumped into a team from Deloitte, which pioneered the concept at their own firm. Intrigued, she brought the idea back to Thrivent and engaged a Deloitte team of consultants briefly to kick-start the process. At the same time, a handful of executives had expressed interest in improving workforce engagement in the area of career satisfaction.

Mass career customization restructures both the expectations and the mechanics of how careers are built. It is based on the view that the career journey of knowledge workers increasingly looks like sine waves of work, with climbing and falling levels of engagement with work over time. What’s so new about that? In a word, lots. When you work for a company that embraces the philosophy, your career, your professional development and your chance to continue making meaningful contributions are not sidelined as you dial in, out and around the organization.

Proponents replace the corporate ladder model for career progression with a lattice ladder model. According to Deloitte, the corporate lattice model of career progression allows for multiple paths upward,

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BARBARA FOOTE

taking into account the changing needs of both the individual and the organization across various intervals of time. Employees can move faster, slower or change direction. Career lattices foster transparency and shared responsibility for career planning. And they can result in increased loyalty, decreased acquisition and retention costs, and increased productivity through greater employee satisfaction and career-life fit.

Industry First

Thrivent Financial for Lutherans was the first company to implement mass career customization into its career planning approach. Its first step was developing a pilot prototype. “We took a rapid-cycle design approach,” says Foote. “We assembled representatives from Thrivent’s major divisions, deliberately choosing a mix of

managers, individual contributors and creatives. Then we gave the 15-member team a fact pack that contained analytical data such as employee engagement data, human capital data, stakeholder interview data and external talent marketplace trends. We told them the pilot prototype they created had to work for the entire organization. We also asked them to design a prototype that embraced our corporate culture.”

The team delivered the prototype in two days. A key outcome is the Career GPS, an original and innovative navigational toolkit that helps individuals assess what is important in a career, how work fits into their life needs and how they can fit their strengths and interests with Thrivent’s needs.

Instead of doing a full-blown, company-wide rollout of the prototype, Thrivent is taking it one division at a time. Marketing was the first key sponsor. The division’s workforce engagement data showed its employees were highly engaged, but they wanted more career development.

So what steps does an interested employee take to customize his/her career at Thrivent? First, the person completes the Career GPS. The career GPS takes the employee through four areas:

- **Goals/Values:** Setting career goals and clarifying what is important to the individual.
- **Life/Work Profile:** Clarifying the life/work choices the individual is seeking (based on the mass career customization model).
- **Sweet Spot:** Bringing together how the employee can best bring strengths and passions to make a difference at Thrivent not only in the work of the business, but also in volunteerism.

When the GPS is complete, the employee schedules a career conversation with his/her manager. Together, they discuss the GPS and discuss potential areas of development, which takes the shape of a lattice, not a ladder, based upon Thrivent’s 70-20-10 model for career development:

- Seventy percent of the employee’s development will come from on-the-job experiences that are relevant, demanding and meaningful. Employees are encouraged to build a broad base of experiences in their “lattice” around

different experiences rather than focusing on specific jobs. For example, an employee who aspires to a broad management role seeks experiences such as fix-it or turn-it-around; strategic role; start-up; line-to-staff switch; staff-to-line switch; cross moves; scale (size) shift; scope (complexity) shift; crisis management; change management; influence without authority; significant people demands; project/task force membership; and project/task force leadership.

- Twenty percent will come from coaches, mentors and peer networks.
- Ten percent will come from formal education, training programs and licensing tracks.

This shifts the development conversation from “What class should I sign up for this year?” to “How can I use my job or a project to gain experiences I need?” It places career ownership with the employee and development support with the manager.

“Organizations are different and employees are different,” says Foote. “As a result, the traditional corporate ladder is a much less effective route to individual success and to organizational success. The career ladder rewards an employee for developing one deep skill over time. In a business climate that demands adaptability and agility, ladders hurt the workforce and hurt the organization. What is required are broad, on-the-job, in-the-trenches opportunities to make a difference.”

This does not mean that core HR systems for, say, compensation, education and training, or performance reviews go away. What it does mean, however, is those functions, typically veiled in quasi-secrecy, take a back seat to employees having fully transparent career conversations with their managers and that all employees, not just the fast trackers, can tackle meaningful, developmental work that advances their prospects at Thrivent.

“We don’t view career customization as a function or a program,” adds Foote. “We see it as a cultural shift and as a philosophy/process for building a career. The process is supported by the Employee and Career Development area in Human Resources. We call the initiative Building a Career Culture.

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KIRSTEN SPRECK

At this point, Thrivent is primarily measuring the impact of the initiative in terms of employee engagement. Foote reports good early results, with a definite uptick in employee engagement. In addition, employees who have participated in the pilots and engaged in the process have found it to be helpful in thinking more holistically about their careers and giving them the tools to do so. Finally, the first sponsoring executives have been encouraging their employees to get experience in other areas of the company or to volunteer for special assignments. They also are talking up the initiative around the company.

“I firmly believe that the most important thing a manager can do is help team members find roles where their passion intersects with the needs of the business,” says Bill McKinney, vice president, Distribution Development, who implemented the process last year in the first pilot group. “I believe that in many cases people work

at only 75 to 80 percent of their potential when they are just ‘doing their job’. When you help them align their work with something they are truly passionate about, you will often see people dedicate 120 percent of their energy, taking on new opportunities at higher levels of engagement. That’s a 50 percent improvement in their individual productivity.”

Kirsten Spreck, director of Corporate Real Estate, is currently in the process of implementing career customization. “Introducing the career culture process to our team has been a rewarding journey for us. One of the most important things a leader can do is to build a culture where individuals can match their personal aspirations and passions with organizational needs and opportunities. Our team has really enjoyed the open conversations and the possibilities that have been identified. I expect greater levels of engagement and productivity as we start transforming these conversations into actions.”

Mass career customization, then, is a structural response to workforce changes that are already well underway. Thrivent Financial is embracing those changes and expects to reap great rewards from its new career culture. Will you be next? ■

Editor’s Note:

The phrase Mass Career Customization (MCC) has been trademarked by Deloitte, which developed the MCC model and is close to wrapping up its own global, company-wide implementation. For in-depth information:

Read *Mass Career Customization* (Harvard Business School Press, 2007), the best-seller written by Cathleen Benko, vice chairman and chief talent officer for Deloitte LLP, and Anne Weisberg, a Deloitte director who specializes in diversity, gender and work/life integration.

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