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MASS CAREER CUSTOMIZATION:

Aligning the Workplace with Today's Nontraditional Workforce
by Cathleen Benko and Anne Weisberg

Sweeping changes in the way we work, live and build careers are not just on the horizon—they are here and here to stay. A new book by two executives from Deloitte, well known for its innovative workplace practices, takes a clear and cogent look at the realities of today's world of work and offers a new and innovative corporate model to meet these realities. The Mass Career Customization model is an elegant solution to a complex issue – one that can no longer be classified as a women's issue, a generational difference or a heated debate about work/life balance.

MASS CAREER CUSTOMIZATION: Aligning the Workplace with Today's Nontraditional Workforce (Harvard Business School Press; September 20, 2007; hardcover) by Cathleen Benko and Anne Weisberg, examines the current landscape and alerts corporate America that *now* is the time for a change in the workplace to better suit the knowledge-driven, and increasingly scarce, workforce.

What's Happening?

The corporate world has, in two short generations, almost completely transformed. From more women in the workforce to changing family structures to aging baby boomers to the arrival of Generations X and Y, never before has the collective face of the employee changed so much in so little time.

And, while the norms of the *workplace* have their roots in the industrial age, the norms of today's *workforce* do not. In all, authors Benko and Weisberg have uncovered how the convergence of key trends is making our lives look so different in the 21st century. These are:

- **Shrinking pool of skilled labor**
- **Changing family structures**
- **Increasing number of women**
- **Changing expectations of men**
- **Evolving expectations of Generations X and Y**
- **Increasing impact of technology**

These trends are leaving today's organizations in desperate need of a new workplace paradigm that addresses how work gets done and careers are built, to replace the outdated, ill-fitting paradigm that is currently in play.

From Corporate Ladder to Corporate Lattice™

The employee that is emerging is one who is diverse in terms of background, personal circumstances, expectations, and aspirations. In a day and time when these individuals can get credit cards with billing cycles that meet their needs, order their favorite color M&Ms™ with a personal slogan, and order an IPOD preloaded with their favorite bands, it is really not surprising that they are no longer satisfied with the traditional, one-size-fits-all, continuous full-time climb up the corporate ladder.

Rather than climbing the proverbial corporate ladder, the authors explain why workers will instead scale a Corporate Lattice™, which allows them to climb upward via paths that are more fluid and adaptive. Today's career path, they explain, is an undulating journey of climbs, lateral moves and planned descents. "Many knowledge workers are already building lattice-like careers by moving in and out of organizations, or up and down hierarchies, even without support or structure from their employers", explains Benko and Weisberg. MCC presents a response to the demise of the corporate ladder and provides a transparent, scaleable framework for customizing careers within a corporate lattice world.

Mass Career Customization (MCC) Framework

The MCC framework provides a structured approach for organizations and their people to identify options, make choices, and agree on tradeoffs to ensure that value is created for the business and for the individual. MCC articulates a definite, not infinite, set of options along the four core career dimensions—Pace, Workload, Location/Schedule, and Role—as well as the

tradeoffs associated with each at any point in time *and* over time. The four dimensions are interdependent; a change in one typically will impact and require adjustments in one or more of the others.

In short, MCC's core principles are:

- **Increasing choices that help employees shape career paths that fit the various stages of their personal lives**
- **Making career building a more explicitly shared responsibility between the enterprise and the individual while improving the quality of career conversations and development.**
- **Making adaptability over time a core competency for individuals and enterprises**
- **Creating transparency regarding trade-offs and choices that lead to better planning, better decisions, and greater satisfaction**
- **Selecting choices that are good for both the employee and the enterprise**
- **Retaining talent by cultivating a new sense of loyalty and connection**

Just as mass product customization has improved profitability, reduced costs and increased customer loyalty for consumer businesses, MCC can deliver similar outcomes.

MASS CAREER CUSTOMIZATION answers today's workplace challenges with a compelling and innovative approach. The book is a primer to the new world of work.

Cathleen Benko is vice chairman and chief talent officer for Deloitte & Touche USA LLP. She previously authored *Connecting the Dots: Aligning Projects and Objectives in Unpredictable Times* (Harvard Business School Press, 2003). **Anne Weisberg** is a director specializing in talent diversity for the Deloitte U.S. firms.

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About the Authors

Cathleen Benko

Cathy Benko, vice chairman and chief talent officer for Deloitte & Touche USA LLP, is responsible for driving the organization's commitment to attract, develop and advance a highly skilled and increasingly diverse workforce, which today comprises more than 42,000 people.

Prior to assuming her current role, Cathy held dual responsibilities for leading Deloitte Consulting's high technology industry sector as well as Deloitte's award-winning Women's Initiative. Earlier she was Deloitte Consulting's first Global e-Business Leader.

In recognition of her professional achievements, Cathy has been named one of the "25 Most Influential Consultants" and a "Frontline Leader" by *Consulting Magazine*. She has also been cited for her accomplishments by a number of prestigious organizations, including Women in Technology International (WITI) and the *San Francisco Business Times*, which has named her one of the "Most Influential Women in the Bay Area" for six consecutive years.

Cathy previously authored *Connecting the Dots: Aligning Projects and Objectives in Unpredictable Times* (Harvard Business School Press, 2003). She also authors a weekly conversation about work, life and everything in between available at www.deloitte.com/us/winblog

Cathy earned her M.B.A. from Harvard Business School and a Bachelor of Science degree from Ramapo College. She is a member of Deloitte's Executive Committee and the Deloitte Foundation Board. She lives in Northern California with her husband and two children.

Anne C. Weisberg

Anne Weisberg is a director specializing in talent diversity for the Deloitte U.S. firms. She is a specialist in the field of gender and work/life integration.

Prior to joining Deloitte, Anne was a senior director in the advisory services practice at Catalyst, where she advised clients on diversity strategies. She directed a large-scale study of careers in the legal profession, *Women in Law: Making the Case* (Catalyst, 2001). Anne is also co-author of *Everything a Working Mother Needs to Know* (Doubleday, 1994). Previously, she practiced law in New York and clerked for a federal judge in Chicago.

Anne received her J.D. cum laude from Harvard Law School and her Bachelor of Science degree Phi Beta Kappa from the University of California, Berkeley. She and her husband live in Manhattan and have five children between them.

* As used here, "Deloitte" means Deloitte & Touche USA LLP and its subsidiaries.

An interview with Cathleen Benko and Anne Weisberg, authors of *MASS CAREER CUSTOMIZATION*

Q: In your book, you talk about a rising tension between today's organizations and companies and the workforce. What is this tension about?

A: Only 17 percent of households now have a traditional household (defined as a husband in the workforce and a wife who is not), down from 63 percent in 1950. With 83 percent of U.S. households now considered "nontraditional" there's little wonder why many executives are either sensing or already confronting mounting tensions. These tensions are rooted in the misalignment between the traditional workplace and the largely nontraditional workforce, and in the stunning transformation of an economy dominated increasingly by knowledge-driven services. Such changes have placed huge demands for rapid adjustments on employees and employers -- all within the amazingly brief span of just two generations.

Q: You suggest a new corporate strategy that you call *MASS CAREER CUSTOMIZATION*. What exactly is that strategy?

A: Mass Career Customization is a structured, systematic approach that allows organizations to correlate an employee's talents, career aspirations, and evolving life circumstances over time in ways that match up with the enterprise's evolving marketplace strategies and need for talent. In essence, it does for careers what mass product customization has done for the consumer products industry -- replacing a one-size-fits-all approach with a bevy of customized product offerings. And just as product customization led to higher profits, lower costs and greater customer satisfaction, MCC delivers better employee job satisfaction, greater loyalty and lowers costs related to less employee churn. Ultimately, one of MCC's greatest benefits is the **option** value it creates for employees. They benefit from the comfort of having the choice to customize their careers as priorities change over time (whether or not the options are ever exercised).

Q: You also talk about employees no longer climbing the proverbial corporate ladder, but instead scaling what you call *The Corporate Lattice*TM. What exactly is the difference?

A: Our inspiration for this name comes from the realm of mathematics. In mathematics, a lattice allows one to move in many directions between a set and its subsets and is not limited to upward or downward progress. Lattices are also structures that can be repeated infinitely at any scale in the theoretical world. In this way, lattices are more varied than ladders, which provide a singular upward path. Organizations that embrace lattice-like thinking give employees a structured, yet customized way, to build their own career paths and manage their own goals along with the needs and goals of the enterprise.

Q: You talk a lot about customized careers not being strictly a women's issue. Can you tell me about how men are drawn into the equation?

A: In some respects, men are worse off than women in their search for solutions to career-life fit. Men often fear that merely raising the subject of flexible hours, or location, or workload will cause them to be viewed as less committed, relegated to less appealing work or worse yet, shunned or put out to pasture. Ninety percent or more of the American workplace remains largely calibrated to the past traditional family patterns and life cycle rhythms of the early- and mid-twentieth century, when wives typically raised children at home and husbands worked forty

hours a week in a factory, office, or store. We have reached an inflection point--a point where **everyone** in the family structure is taking a new and different role signaling that the time has come for these antiquated standards to change.

Q: Tell me how some of the other demographic groups are being affected by these six trends and the changes associated with them.

A: The truth is nearly every demographic group is being affected. For example, one growing concern of Generations X and Y is that large numbers of boomer generations will not retire, essentially forming a "gray ceiling" that will take these rising generations still more years to penetrate within traditional corporate-ladder organizations. Empty nesters who can now devote greater time to their employers and aging boomers who might want to downshift at a pace that fits their personal lives are also looking for options beyond the all-or-nothing-decision of retirement. These are just a few examples from a vast array of life circumstances that today's workforce, and therefore workplace, is grappling with.

Q: You talk in the book about flexible work arrangements (FWAs), which are largely how many of these anomalies are being dealt with in organizations today. In short, you say they aren't enough. Why?

A: Because these issues are not anomalies and instead sit on top of a fundamental workforce shift. As a result, a *structural* response is required. The majority of public accounting firms, for example, have aggressively implemented FWA policies over the past decade, yet the two most prevalent reasons why employees leave are still working conditions (schedule, hours, assignments), cited by 90 and 80 percent of women and men respectively, and work-life issues, cited by 86 and 70 percent of women and men. By focusing on the job at the moment, rather than the career over time, FWAs mainly have served as way stations in career paths, sidelining – and even derailing – the careers of FWA program participants. FWAs are point solutions positioned as one-off accommodations or exceptions that do not scale or address the structural issue of aligning the workplace with the evolving needs of the workforce. FWAs focus almost exclusively on hours and work location at a specific point in time and are neither adequately integrated with the organization's ongoing talent management processes nor address the larger question of career progression in terms of roles, quality of assignments, pace for promotion and responsibilities. And while some women have been willing to pay a price in their career potential in exchange for more flexibility, men for the most part have not. In summary, FWAs are simply not the solution we all hoped they would be.

Q: So how does Mass Career Customization stack up to flexible work arrangements as a solution to managing the new workforce?

A: MCC offers a new model of career progression and a supporting framework, approach and processes that identify, develop and advance talent in ways that go well beyond the one-off marginal systems of FWAs. Employees customize their careers by selecting, in counsel with their managers, options within each career dimensions—Pace, Workload, Location/Schedule and Role—that closely matches their career objectives. MCC takes into account individual life circumstances at moments in time, allowing employees to dial up and down and then revisiting these choices periodically as circumstances evolve. This plan allows both the employee and the manager to clarify expectations for specific work contributions, evaluations and associated rewards. In all, MCC reinforces a corporate lattice model and addresses the limitations of FWAs.

Q: You hear a lot about women opting out of the workforce these days. Will MCC help to address this issue?

A: It obviates the issue. The primary reason women opt out today is because there is currently no scalable way to dial down their level of engagement in the workplace during childrearing years. MCC is centered on the powerful insight that the career journey in the knowledge driven economy will look increasingly similar to a sine wave of sorts, with climbing and falling phases of engagement over time. With MCC women will find that they don't need to abandon the workforce in order to achieve career-life fit. Instead, MCC creates new lanes in the highway, a new menu of choices for women who are at a point in their lives where they need to dial up or down their careers because of their life circumstances. The difficulty in re-entering the workforce after a sustained absence is well-established; MCC can make that notion obsolete. This is an empowering approach.

Q: I can see how the worker benefits from this approach, but what about the organization as a whole?

A: MCC has a distinct advantage to organizations of all sizes and types. It delivers a win/win by taking into account the needs of the company and the individual: choices must be good for both the business and the employee. It gives enterprises a distinct competitive advantage through increased employee job satisfaction and loyalty, greater potential for the kinds of continuous long-term relationships with higher-performing employees that improves productivity; and lower costs related to employee churn. In today's world of increasing labor scarcity, these are very powerful benefits.

Q: Is this already going on?

A: Elements of MCC are already happening, albeit in a variety of one-off manifestations. Many people manage their career-life fit by making MCC-type choices, in effect dialing up or down their careers sometimes in cooperation with their employers, but other times, without. MCC provides a formal, systematic approach that will create more consistent, scalable, and long-term benefits for both organizations and their employees.

Q: Have any organizations implemented MCC? What are the early findings on this?

A: Deloitte initiated a series of pilot programs beginning in 2005, concluding that early fears of MCC opening the floodgates for too many employees wanting part time positions, or no travel, or other such things, proved not to be the case. The surprising choice turned out to be just the opposite, that a large number of employees said they wanted to dial up their careers. The pilots also cited improvement in the quality of career conversations and the psychic benefit of knowing a model exists that systemically provides options—whether or not those options are ever exercised in an extraordinary way. A positive correlation between MCC and retention was also established.

MASS CAREER CUSTOMIZATION

The workforce trends that are causing a profound change in how work gets done... and how careers are built:

- **Knowledge Worker Shortfall.** The shortfall of knowledge workers will expand in the next decade in the face of rising demand. Accelerating retirement of Baby Boomers, lower birth rates, increased competition for skilled workers worldwide, stagnant college graduation rates, and declining competency in basic skills such as writing and math by high school students, and even college graduates, are all contributing to the impending talent shortage in the knowledge economy. The Employment Policy Foundation estimates that by 2012, there will be a six million person gap in the U.S. between the number of students graduating from college and the number of workers needed to cover job growth and replace retirees.
- **Changing Family Structures.** Only 17 percent of U.S. households today are traditional, with a husband who works outside of the home and a wife who does not, compared to 63 percent of traditional households in earlier generations. Other changes, like a declining marriage rate, reduced or delayed childbirth among married couples, and an increase in single-parent families and in dual-career families, has prompted the “end of the lockstep lifestyle.”
- **More, Better Educated Women.** Women, who statistically do not work full time continuously throughout their careers, are entering the workforce at a faster pace than ever before. Nearly 60 percent of all college graduates today are women, and they graduate with better grade point averages and more honors than men. Women also comprise half of all law students, nearly half of all medical students, and more than 40 percent of MBAs. More than half of all management jobs today are held by women. The ranks of married women in the workforce have doubled since 1970.
- **Changing Expectations of Men.** More men of all ages are spending time with their children and running the household than in past decades. In fact, many have reached a point where preserving or increasing their personal time is more appealing than acquiring bigger jobs and more money. Research shows that control over their work schedules is a high priority. A 2006 study by the Association of Executive Search Consultants found that 56 percent of senior executives surveyed would strongly consider refusing a promotion if it meant fewer hours available for their personal lives. Studies show, however, that very few men take advantage of paternity leaves or other “flex options” because they believe these benefits are intended exclusively for women and that these programs would harm their careers.
- **Generations X and Y.** Defined as those between 18 and 43 years of age, these demographic groups have high expectations for both personal lives and their work lives. Members of these generations view careers as personalized paths that meet the individual’s interests and development goals, and include many diverse work experiences. They are technologically savvy, adaptable to change, and often eager to work in nontraditional methods and schedules. A 2006 poll of employees by the Society for Human Resource Management found that 75 percent were looking for a new job; of these, 48 percent wanted better career-development opportunities, while only one-third said higher compensation was their chief objective.

- **Technology.** New technologies continue to pave the way for employers and employees to create new options for when, how and where works get done. The explosive growth of broadband has been a major factor in enabling the virtual workplace. In 2000, less than 5 percent of U.S. households had broadband connectivity, but by October 2006, the number had risen to over 76 percent. Other digital technologies supporting new methods for how and when work gets done include virtual private networks (VPNs), email, instant and text messaging, cellular phones and video-conferencing—all readily available almost anywhere. And new software applications in business intelligence, business process management and other information management disciplines continue to create exciting new opportunities to accelerate innovation and productivity. The payoff can be substantial. Sun Microsystems, for one, reported cost savings of more than \$387 million over four years from a global program involving more than 55 percent of its 35,000 employees.

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