A senior executive, Steve has had a traditional career in many respects. Always on the move, he scaled the corporate ladder as he built a series of successful business units within the same organization. His wife stayed home to raise their three children, returning to graduate school only when the kids were in middle and high school. In one respect, however, Steve is not so traditional. Ten years away from retirement, he wants to scale back his travel, even though this may limit his opportunities for leadership roles. “At this point in my life, my priorities are such that my faith and personal life come before the role I play within the organization,” Steve explained. “I want to be true to my priorities.”

In other words, Steve wants options – options that have not historically existed for people at the top or on the fast track up the corporate ladder. In fact, for a variety of reasons including better health, financial gains and personal preference, many Baby Boomers nearing retirement do not want to stop working completely, but they don’t want to work in the same way they’ve been working either. What if an ingredient of the solution to the impending talent gap posed, in large part, by the retirement of the Baby Boomers, was to provide options for customizing career paths in a manner that employees could have their proverbial cake and eat it too?

Business leaders like Steve are not the only ones looking for alternatives to the all-or-nothing approach of the corporate ladder. Many of tomorrow’s leaders are searching for the same thing. These “knowledge professionals,” who are in ever-increasing demand and will drive business growth through the early decades of the 21st century, are redefining what it means to build a successful career. They have grown up in a customized world, where choice is everywhere. As Mark Penn states in his book *Microtrends*, “The power of individual choice has never been greater.” At the same time, people’s lives are increasingly complex and varied, resulting in the “end of the lockstep lifestyle.” No wonder, then, that men and women are increasingly disappointed with the one-size-fits-all corporate ladder. As a result, we believe responding to the war for talent in the coming years will require a restructuring of both the expectations and the mechanics of how careers are built. In this article, we propose a new model for doing both we call mass career customization (MCC). MCC is based on our view that the career journey of knowledge workers increasingly looks like sine waves of sorts, with climbing and falling levels of engagement with work over time.
In fact, we see the corporate ladder model for career progression already giving way to what we term the corporate lattice. In mathematics, a lattice ladder allows one to move in many directions, is not limited to upward or downward progress, and can be repeated infinitely at any scale. In the real world, lattices are living platforms for growth, with upward momentum visible along many paths. The corporate lattice model of career progression allows for multiple paths upward taking into account the changing needs of both the individual and the organization across various intervals of time. It can foster transparency and shared responsibility for career planning, which in turn can drive a new brand of loyalty, based on the continuous collaboration between employer and employee to design customized career paths.

While not visible to most managers, much of the challenge they face today likely comes from the fact that knowledge workers are already building lattice-like careers by moving in and out of organizations and up and down hierarchies, albeit often without support or structure from their organizations. In a poll Deloitte conducted of over 250 executives across over a dozen organizations, over 70 percent of them said they had dialed up or down, either formally or informally, at some point during their careers.

Looking back, have you ever formally or informally “dialed up or dialed down” your career?

Stories abound. A former U.S. Marine with an MBA moves across industries and geographies, as well as in and out of the workforce, staying home for three years with his children. He has customized his career in tandem with his wife’s as they traverse the world of work and home. Today, he works full-time from home, where he enjoys the level of day-to-day flexibility that this arrangement affords. An attorney turned forensic investigator not only changed careers, but spent six years at home with her children, then gradually advanced and was eventually promoted to partner, all while maintaining an 80 percent schedule. Now, as an empty nester, she is completely dialed up – leading a team of 30 and traveling around the world (including England, where her oldest is studying at a university) on business.

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Looking back, have you ever formally or informally “dialed up or dialed down” your career?

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These stories are evidence that sweeping changes in the way we work, live and build careers are not just on the horizon – they are here to stay. Managers are struggling to respond to these changes. They can sometimes have difficulty relating to the issues facing their employees since today’s circumstances are different than when these managers were climbing the ladder. They also can make the mistake of treating the changes in the workforce as a series of discrete, singular events. In fact, we believe these events are not only connected, they are converging, creating unprecedented pressure on organizations to accelerate the transition from corporate ladder to lattice.

**MASS CAREER CUSTOMIZATION: ENABLING THE CORPORATE LATTICE**

Building the corporate lattice organization first and foremost requires a new mental model of career progression based on lattice-like thinking. Some organizations demonstrate this type of thinking with excellent business results. Take SAS, the world’s largest software company. Based in Cary, North Carolina, SAS enjoys double-digit growth, a turnover rate of 3 percent compared to the industry average that hovers around 20 percent, and a customer retention rate of 98 percent. They attribute much of these results to innovative workplace practices supported by lattice-like thinking, including work/life integration programs. As its vice president for Human Resources explained, “One of the hallmarks of our success is we don’t really have stagnant career ladders.”

Instead, SAS is continuously calibrating the needs of the business with the needs of its people, moving people around the organization and customizing dial-up/dial-down options.

While SAS and other companies can demonstrate the benefits of an informal lattice model, we believe that adopting a systematic approach to replacing the corporate ladder with the corporate lattice creates more consistent, scalable results. To meet this challenge, we have designed the MCC framework, which draws on the effectiveness of mass product customization for inspiration. Mass product customization produces business benefits in three areas: reduced costs, increased profitability (through value pricing), and greater customer satisfaction and brand loyalty. MCC can produce similar benefits: reduced acquisition and retention costs; increased productivity through greater employee retention and career-life fit, and increased loyalty from greater connection with employees.

**Mass Customization Shared Benefits**

The workplace has experienced an erosion of loyalty – and rise of churn. Fifty-six percent of Americans say that *employers* are less loyal to employees than a generation ago, and 51 percent say that *employees* are less loyal. About one in three employees had recently been approached by another organization hoping...
TREND 1: SHRINKING POOL OF SKILLED LABOR

The Economic Policy Foundation estimates that there will be a six-million-person gap in the United States between the number of students graduating from college and the number of workers needed to cover job growth and replace retiring boomers by 2012 and a 35-million-person gap by 2025. Despite assumptions to the contrary, this gap cannot be filled completely using conventional tactics like outsourcing and technology-based productivity gains. In fact, India—a major outsourcing destination—is itself starting to feel the pinch, with a 500,000 worker shortfall predicted in its IT sector by 2010.

To lure them away, and 77 percent of workers aged 36 to 40—right in the pipeline for leadership—last in new jobs less than five years. What The Economist calls “the collapse of loyalty” has made it harder for companies to respond to the talent shortage, as people move in and out of jobs more frequently.

This flux is difficult on individuals as well as organizations. Even Gen Y workers, who have a reputation for being fickle, would actually rather stay with one organization if that organization delivered on its commitments and allowed them to grow and contribute. From the employer’s perspective, employee loyalty can help create customer loyalty — creating a positive, reinforcing relationship. As James Goodnight, CEO and founder of SAS, has said: “Over the years, I have learned that employee loyalty leads to customer loyalty, increased
TREND 2: CHANGING FAMILY STRUCTURES.

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. Nontraditional families are putting pressure on existing workplace models of career progression originally structured to match the mainstream rhythms of the traditional two-parent, single-income household of the past.

TREND 3: INCREASING NUMBER OF WOMEN IN THE WORKFORCE

Nearly 60 percent of college graduates today are women, graduating with better grade point averages and more honors than men. More than half of the management jobs today are held by women. Yet, most women’s lives do not fit traditional career trajectories; indeed, the majority of women have nonlinear or discontinuous careers.

TREND 4: CHANGING EXPECTATIONS OF MEN

More and more men have reached a point where preserving or increasing their personal time is more appealing than acquiring bigger jobs and more money. A recent study found that 56 percent of senior executives surveyed would strongly consider refusing a promotion if it meant fewer hours available for their personal lives.

TREND 5: EVOLVING EXPECTATIONS OF GENERATIONS X AND Y

Defined as those between 18 and 43 years of age, these demographic groups have high expectations for both personal and work lives. Members of these generations view careers as personalized paths that fit their individual interests, development goals and desire for many diverse experiences. They are technologically savvy, adaptable to change, and often eager to work using nontraditional methods and schedules.

TREND 6: INCREASING IMPACT OF TECHNOLOGY

Advanced technologies continue to pave the way for employers and employees to create new options for when, how and where work gets done. The payoff for using technology in this way can be substantial. Sun Microsystems 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.

innovation and higher-quality software. MCC can bring loyalty back into the workplace through a more transparent, continuous collaboration that can benefit both the employee and employer sides of the corporate table.

The MCC framework articulates a definite, not infinite, set of options along the four dimensions of a career—Pace, Workload, Location/Schedule, and Role—as well as the trade-offs associated with choices across these interrelated dimensions. In collaboration with their managers, employees customize their careers by periodically selecting options along each dimension based on their career objectives and current life circumstances within the context of business needs. These choices are reflected on an MCC profile. The MCC “common” profile, shown below, depicts what most people’s profile would look like at any particular point in time.
**MCC Common Profile**

The MCC profile provides a snapshot of each employee’s career at a given point in time, and it can be adjusted over time. Just as you would adjust the sound on a stereo equalizer by moving the sliders up or down, MCC allows employees to dial up or dial down to optimize their career paths at varying life stages.

Although MCC provides options for multiple career paths, it does not open the door to an infinite number of profile combinations. Our research has shown that, on the contrary, and perhaps counter-intuitively, at any point in time the vast majority of employees will have profiles that look more or less the same (like the one depicted in the MCC Common Profile). However, employees who believe they have some control over career options and enjoy organizational support for their decisions can be happier, more loyal and more productive. Even if they don’t currently need options, employees can derive a *psychic benefit* from knowing that options and an organizational process for managing these are available should they need to deviate from common, full-time and unrestricted employment sometime in the future. We call this *MCC option value*, and it is what, in part, can build a greater sense of loyalty. There is also a cultural value that MCC can deliver by requiring well-framed conversations between employee and employer regarding career choices. The transparency and shared responsibility for career planning that result from these structured conversations can be integral features of a corporate lattice organization.

**MCC OVER TIME: WHAT’S YOUR SINE?**

While most employees’ MCC profiles will display common attributes, over time each employee’s MCC profile will exhibit its own path, recording the series of choices made over the course of the employee’s career. For many, this path will look like a sine wave of sorts, with climbing and falling levels of contribution over time, as illustrated in the MCC Sine Wave figure below. As this employee’s career progressed, his level of contribution rose and fell. While he is not fully dialed up today, he anticipates being fully dialed up in the near future. As he explained: “I see a time in the not-too-distant future when I will want to dial up my career, in part so that my wife can dial down and spend time at home with the kids before they go off to college.” Under the MCC framework, his desire to dial up would be captured in building his next stage MCC profile. This is the option value that MCC delivers.
WHY FLEXIBLE WORK ARRANGEMENTS ARE NOT THE ANSWER

To date, the primary corporate response to the changing workforce has been flexible work arrangements (FWAs). Typical FWAs include reduced hours or part-time arrangements, telecommuting, job sharing and compressed work weeks. FWAs were instituted as a retention tool, but rarely have worked that way. For example, while public accounting firms have aggressively implemented FWAs for years, work-life issues are cited by almost 90 percent of women and men as the reason for leaving. Similarly, while over 90 percent of law firms offer FWAs, very few lawyers actually use them, and turnover rates among associates are at an all-time high, with nearly 80 percent leaving by the end of their fifth year.

Whatever the form, by focusing on the job at the moment rather than the career over time, FWAs have served mainly as way stations in career paths, sidelining—and even derailing—the careers of FWA program participants. They 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 are often negotiated in a state of crisis. They 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 do they address the larger question of career progression. In short, FWAs lack connection with the construct of careers. In addition, men view FWAs as “for women only,” and utilization among men is extremely low, even though men are increasingly interested in a better career-life fit.

Basically, as exceptions to the norm, FWAs do not change the norm. If anything, FWAs result in reinforcing the workplace norm of continuous, full-time employment over the course of one’s career. It is our prediction that within the next few years, FWAs increasingly will be viewed as an interim, late-20th-century workplace solution, a transitional step that helped individuals cope with changing work and personal demands. What is needed now is a more significant structural response to the workforce changes that are already well underway.

FACT, NOT FICTION

Having determined the need to evolve into a corporate lattice organization, Deloitte began piloting MCC in 2005 and has since rolled out MCC to approximately 7,500 individuals, with plans to roll it out to over 30,000 additional U.S.-based employees over the next year. The objectives of the pilot and the initial wave of implementations were to:

- Sustain high levels of client service
- Quantify the impact of MCC on various talent models
- Support a cultural shift in acceptability of career customization
- Improve practitioner job satisfaction and commitment
- Increase retention of high talent
- Create a sustainable, scalable model

The findings from the Deloitte MCC pilots and the initial waves of implementation were encouraging. Not only was there no negative impact on client service, some clients responded very positively and were interested in what they could learn from Deloitte’s experience. Participants reported an increase in job satisfaction and productivity, stating that the MCC framework helped them manage work, career and personal life. There has also been a significant improvement
Findings from the initial roll-out of MCC confirmed that, while 85 percent of participants said they were having career development conversations, less than half said those conversations covered career-life fit. The MCC framework can help bake this element into career conversations. “The counseling sessions I have held using the MCC framework were clearly more productive. My counselees came prepared to talk about how their profiles look today and what their profiles might look like in the future. They appreciated the transparency,” says Mike Pacetti, a partner with Deloitte and Touche LLP. “My counselees talked openly about career-life fit. There was a real acknowledgment of the need to be able to customize careers.”

In addition, findings from the initial waves of roll-outs further confirm the ways in which MCC builds employee loyalty. First, survey findings confirmed that respondents who have an effective career-life fit were nearly twice as likely as those who did not have an effective career-life fit to report that they intended to stay for six years or more. And those who projected a good future career-life fit were more than twice as likely to report that they intended to stay than those who did not, confirming that there is a psychic value in knowing a model exists that can be tailored to evolving life circumstances—regardless of whether these options are ever exercised in an extraordinary way.

Another key survey finding is that 55 percent of respondents reported upon initial introduction of MCC that MCC had a positive impact on their continued desire to work at Deloitte, and 62 percent of respondents reported that MCC had a positive impact on their likelihood to recommend Deloitte to others as a great place to work. In addition to employee attitude survey results, key metrics for the first wave of MCC roll-outs have positive trends.

Retention of top performers in those areas of Deloitte that participated in the initial MCC roll-out improved more than the retention improvements made by Deloitte as a whole. Another key metric, employee referrals, showed that roll-out participants have a higher referral rate than the baseline population. Referrals are a significant measure of efficacy because the quality of candidates is a higher caliber than the open market, and because it’s a positive indication of employee satisfaction.

While there was a significant concern early in the execution of the pilots that moving to an MCC model would open the floodgates for decelerating careers,
the fear was shown to be unfounded. The vast majority of employees elected not to initially change their level of engagement with Deloitte by either dialing up or down. In the eight percent of cases where individuals wanted to adjust their level of contribution, the interest in initiating new requests to accelerate careers outpaced interest in decelerating careers by as much as two to one.

Even with these initial positive results, implementing MCC at Deloitte has had its challenges. One challenge has been integrating MCC into existing talent management processes and systems. Articulating the impact of different choices available under the MCC framework on compensation, goal setting, performance reviews and ratings required a significant amount of attention. The attention was much less about technology per se but around several philosophical areas. For example, whether or not those who elected to dial down could be given high performance ratings (they can) garnered some debate. In addition, there was debate about how to treat performance ratings for those who elected to dial up but failed to achieve their dialed up goals.

At the same time, managers have had to take action to integrate new information about their employees’ plans and desires into how their teams are structured and work is delivered. Not surprisingly to us, there was variability in both their willingness and ability to handle this and their effective counseling abilities.

Other organizations are now adopting the MCC framework. One such example is Thrivent Financial, which is using it as a foundation for creating a “career culture that appeals to the different generations in our workforce and aligns with our corporate value of respecting the whole person,” explained Barbara Foote, vice president of the Enterprise Talent Office at Thrivent. As a financial services institution struggling with high turnover among its sales force and the need to attract an increasingly diverse workforce, Thrivent has been piloting MCC as part of an overall career development program in its Marketing division, where...
the leaders see the MCC framework as a way to build the talent strength they need to deliver on their goals. Thrivent’s leadership recognizes both the need to evolve into a lattice organization, and the need to intentionally address those elements of its corporate culture that stand in the way.

Specifically, Thrivent was experiencing a reluctance of their people to express career aspirations because of their emphasis on personal humility, as well as the negative perception surrounding lateral moves, which were seen as resulting from either less-than-stellar performance of the individual or “hoarding” behavior of the manager. Things are different now.

“MCC allows our people to have career conversations in a way that is acceptable within our culture, and yet transformational in terms of quality, breath and depth,” Foote said.

Adoption of MCC as the framework to enable the corporate lattice organization to take root is, in many respects, acknowledgement that the organization is at an inflection point relative to how it views and develops its talent. Having said this, each of us walks into the future backwards – even if we want to go in a new direction, we are not always aware that we are defining this in relation to our past experiences. We call this the “TiVo revelation.” When TiVo was introduced, most thought of it as a fancy VCR. But over time, we have come to appreciate how TiVo affords a whole new, customized approach to experiencing television entertainment. Similarly with MCC, leading your organization to adopt MCC—in spirit or in form—will require a solid understanding and buy-in of the urgency regarding the realities of the talent market, as well as the business benefits of embracing the new lattice paradigm. In other words, you need to answer the question: “Why should I care?” using the language and discipline of business. While that answer will look different for each organization, we think that maintaining industry advantage will depend largely on whether you ask that question.

THE ELEPHANT IN THE ROOM

With the business challenge well articulated, the arguments convincing and defensible, and the course of action laid out, we are aware that not everyone recognizes that (1) there is a structural workforce shift at hand, (2) the workplace must respond in kind, and (3) now is the time and place to address this challenge.

Perhaps this perspective is most effectively described by a personal experience in a local Italian restaurant with a great friend and newly retired mentor. Over a leisurely dinner, we began talking about workforce trends and mass career customization. After some good-natured bantering back and forth, his bottom line took me aback. He asserted that successful people in business possess two qualities: They are talented and they work really hard. And anything that undermines these two characteristics will ruin business.

While we agreed that talent and hard work are essential, I believe the reality is that the career journey of today’s knowledge workers will not look like his. As his wife of 40 years pointed out, “The reason that you were so successful is because you had the talent and you worked really hard at one thing – your career. The other elements of life during those years were handled by me.” The division of labor at home for their three married children, in their 30s and parents of young children, is totally different. Take their oldest son as an example. He is talented
and works very hard – and so does his neurologist wife. The difference is that they do not “work hard” singularly at their careers. They work hard as a team, traversing home and work responsibilities.

The point? The delineation between the home front and the work front has become irreversibly blurred. While the couple I had dinner with typified the 17 percent of the U.S. population that categorize the traditional workforce, their children characterize the 83 percent who do not. And this is not likely to change. We believe it’s time to start thinking and creating solutions to deal with this new reality structurally and systemically. And that’s what building a corporate lattice organization is about.

Cathy Benko is vice chairman and chief talent officer for Deloitte LLP. Anne Weisberg is a director in Deloitte’s talent organization, with Deloitte Services LP. They are co-authors of Mass Career Customization: Aligning the Workplace with Today’s Nontraditional Workforce (Harvard Business School Press, 2007).

Endnotes
2 Mark Penn, Microntrends: The Small Forces Behind Tomorrow’s Big Changes (Twelve, 2007): p. xi
4 U.S. Patent Pending
5 Poll taken during Mass Career Customization DelBrief, September 28, 2007
6 Interviews conducted by the authors, 2007
8 Ibid
10 Dychtwald, et al, Workforce Crisis p.6
11 The Economist, “The world is our oyster – the talent war has gone global and so have the talent shortfalls,” within The Search for Talent: Why It’s Getting Harder to Find (Economist Special Report, October 7, 2006)
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