

# Career Development Strategy

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*Department: Human Resources*

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**M&T Bank**

# MDP Project Team



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Retail Banking  
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# Meet Jane Jones

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# Project Overview

# Project Objectives

- Throughout our project, we focused our efforts on the following:

1

Define career development, and evaluate its current role within M&T

2

Enhance the employee experience and increase retention of talent

3

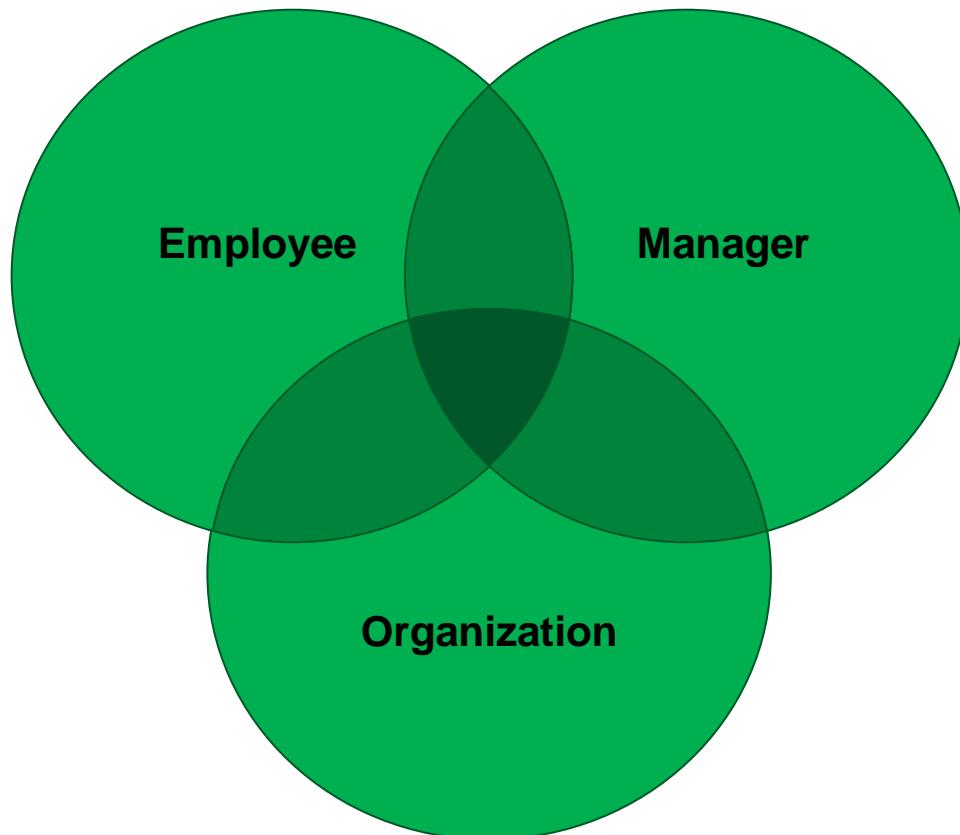
Recommend improvements based off of internal and external research

4

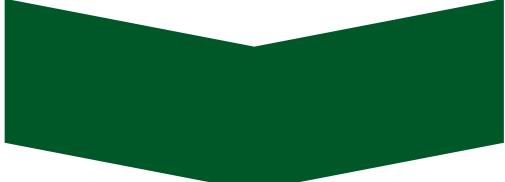
Create infrastructure that will enable career development and facilitate talent mobility

# Career Development Definition

- The process of enabling employees to develop the skillset necessary for managing and progressing their career



## Opportunities for Growth



No formal centralized process for career development



HR Business Partners do not have the bandwidth to support all employees with current responsibilities



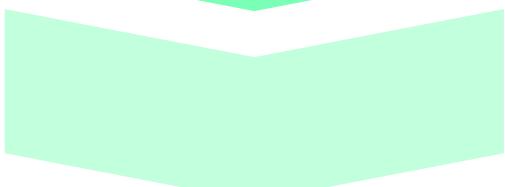
Management challenges



Inconsistent experience based on department/manager



Employee feedback on the desire for more career pathing



High potential employees may leave the bank due to lack of awareness of resources and opportunities

## What Employees Are Saying

**“If I want to advance my career at the bank I am not sure who to turn to or how to navigate that process.”**

**“A career path for each position outlined, and next steps needed to get there. What are some different career paths I could take starting with Tellers to Branch Managers? Provide an outline of the different skills and competencies I need for that position.”**

**“I think M&T Bank can improve the employee experience by outlining possible career paths. I have been in my job role for awhile and opportunities for advancement have never been brought to me; how do you think that makes me feel as an employee? Not very valued.”**

**“More regular conversations around career and skill development. Who in the organization actually knows what my career path could be or what I want to do? I haven't had that conversation or been asked that.”**

**“Right now what this company lacks is the recognition of talent and identification of future prospects. There are not enough opportunities to grow professionally and advance in your career.”**

# Improving the Employee Experience

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# M&T Strategic Imperatives



**“We will continually work to not only ensure you have the tools you need to do your job but that you have development opportunities to advance your career...**

**...we will work to create an environment where we’re attracting and retaining the very best talent to drive our legacy of employee engagement, customer commitment and financial success.”** - 2019 Strategic Imperatives Management Group

# Future of Human Resources



## Why is it Important?



Attract Top Talent



Job Satisfaction



Retain  
Employees/Reduce  
Turnover



Increase  
Productivity &  
Financial Returns

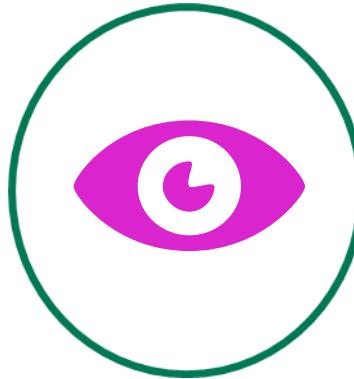
## Benefits



To have a better understanding of our employees



Better communication within the organization



Employees get helpful assistance and guidance



Increase employee engagement

# Research

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47%

## Employee Retention

47 percent of HR Professionals state that retention and turnover is their greatest challenge –  
(Risepeople.com)



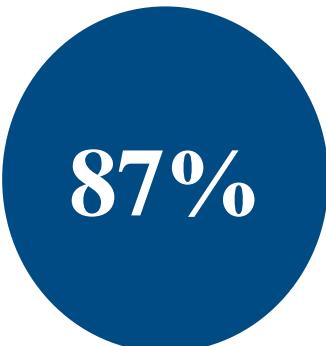
1 in 3

## Employee Turnover

One –third of the workforce will leave their current employers within 6 months –  
(Saba software)

## Millennials

87 percent of millennials value professional development and career growth. By 2030 75% of the work force will be made up of millennials – (Guthriejensene.com)



87%

## Replacement Cost

The cost to replace an employee earning less than \$50,000 annually is about 20 percent of the employee's salary – (Center for American Progress)



20%

## Turnover – *Tenure*

- Average tenure at M&T: **10.7 years**
- Breakdown of turnover by tenure
  - Tenure of 1 year or less → Moving Average of **32.8%** turnover
  - Tenure of 2 to 4 years → Moving Average of **21%** turnover



Turnover by Tenure (%)

Tenure at Termination	2014	2015	2016	2017	2018	Moving Average
<1	39.2	39.5	36.6	38.7	28.5	35.8
1	34.3	29.2	30.1	27.9	25.9	29.7
2	28.6	29.0	24.5	23.5	17.4	24.6
3	24.1	22.4	21.9	18.0	13.7	20.3
4	16.6	18.3	25.5	14.7	12.2	18.3
5-9	12.9	14.7	16.1	14.5	10.0	13.4
10-14	10.4	9.9	13.7	11.0	7.8	10.2
15-19	6.7	9.0	9.7	9.1	7.2	7.7
20-24	6.7	8.2	8.1	7.6	5.9	7.5
25-29	7.7	7.0	10.5	8.0	5.6	8.1

\* Data provided by HR Analytics

## Turnover – *Officer Title*

- Breakdown of turnover data
- Associates consistently maintain a much higher turnover rate than any other segment of our employee population (**19.9%** compared to **9.3%** of next highest officer in 2018)



Turnover by Officer Title (%)

Officer Title Group	2014	2015	2016	2017	2018
Associate	25.7	26.1	29.1	25.6	19.9
Banking Officer	11.6	12.7	11.1	12.3	9.2
Assistant Vice President	9.3	12.7	10.2	9.7	9.3
Vice President	9.4	9.2	9.2	9.3	8.7
Administrative Vice President	6.3	6.0	5.2	7.4	6.5
Group Vice President	7.7	3.5	3.1	8.6	5.7
Senior Vice President	--	8.4	3.3	8.8	7.0
Management Group & EVPs	5.9	--	5.6	27.3	--
Average Total Turnover	18.6	19.1	20.1	18.1	14.2

\* Data provided by HR Analytics

# Millennials

- Majority of millennials fall under the Associate officer title
  - Age range of 22 to 35
- Why they're leaving
  - Expect rapid progression, a varied career, and constant feedback
  - Uncomfortable with rigid corporate structures, turned off by information silos
  - Desire to learn and willingness to move on if expectations not met

*Which of the following things do you believe make an organization an attractive employer?*



\* Data provided by PwC

# Recommendations

## Recommendations

- Our recommendations will help by:
  - Improving the employee experience
    - Increasing job satisfaction
    - Retaining talent
    - Increasing productivity and profitability

**Our recommendations are...**



HR  
Business Partner



# PathSavvy

## PathSavvy – What is it?

**“PathSavvy is a next-level career pathing software solution that helps you build an engaged, productive and higher performing workforce.”**

- Platform for employees to understand skills, areas of improvement, and available career paths
- Career Pathing
  - The process used by an employee to chart a course within an organization for his or her career path and development.
  - Encourages employees to pursue careers within the company



## PathSavvy – Why do we need it?

- Provide employees with transparency
  - Discover career moves that align skills and interests
  - Awareness of what's needed to progress
- Activate talent mobility
  - Eliminate promotion-focused mindset
  - Employees want flexibility
- Allow employees to take ownership of their careers
  - Independence
  - Location-agnostic



# PathSavvy – Who can benefit?



## ■ Employee

- Uncover career opportunities that match individual skillsets
- Create personalized action plan that outlines learning, training, and experiences needed



## ■ Manager

- Use employee action plans to have meaningful, results-driven discussions around growth and development
- Allows leaders to play more active role in supporting their employees' career development



## ■ HR

- Gains data-based insights into workforce to better match employees with roles
- Reduce time to fill new positions
- Reduce cost of attrition and recruiting

## Jane Jones Recap

Been with M&T for 5 years

High potential employee receiving positive feedback from her manager

Ready to take on more responsibility

Considering jobs outside of M&T



Jane Jones

## My Career

Current Position: Senior Service Associate Edit

Past Positions: Service Associate Edit

Next Position: Relationship Banker Edit

Future Positions: Assistant Branch Manager Edit

Saved Positions: 2 Edit

Mentoring Positions:



## My Competencies



### Communication



None



### Decision Making



None



### Contributing to Team Success



None



### Selling or Influencing others



None



### Sales Ability/ Persuasiveness



None



### Technical / Professional Knowledge and skills



None



### External / Internal customer focus



None





## My Interests

Interact with customers in a face-to-face environment



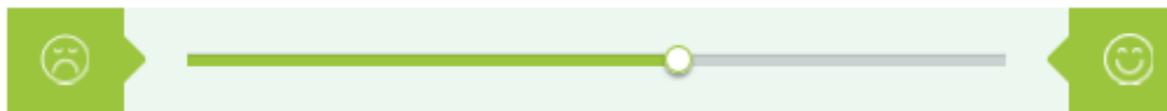
Results driven



Creating and/or improving processes



Ability to work in a fast pace environment



Leading teams



Selling ideas, products and services



[Go to your action plan](#)

Past Positions →



→

Add Future Position

My action plan progress

100%

86%

Education Progress

Competencies Progress

Interests 84%

Competencies 81%

Education 100%

My Match Today



Overall Match 20

Jobs I Would Love 14

Education Stretch 2

Ready Today 3

Lots of Opportunity 5

## Relationship Banker

To step into this role you  
need to improve upon 4  
competencies



## Branch Operations Coordinator

To step into this role you  
need to improve upon 7  
competencies



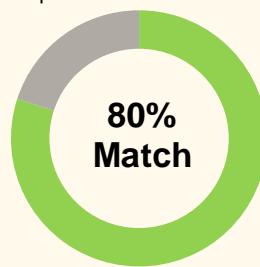
## Sales Support Specialist

To step into this role you  
need to improve upon 9  
competencies



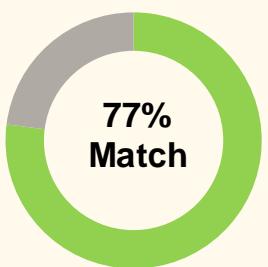
## Assistant Branch Manager

To step into this role you  
need to improve upon 11  
competencies



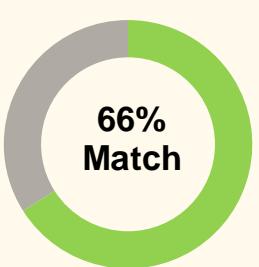
## Relationship Manager

To step into this role you  
need to improve upon 10  
competencies



## Financial Advisor

To step into this role you  
need to improve upon 9  
competencies



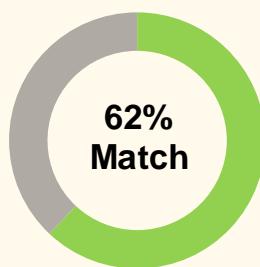
## Business Banker

To step into this role you  
need to improve upon 6  
competencies

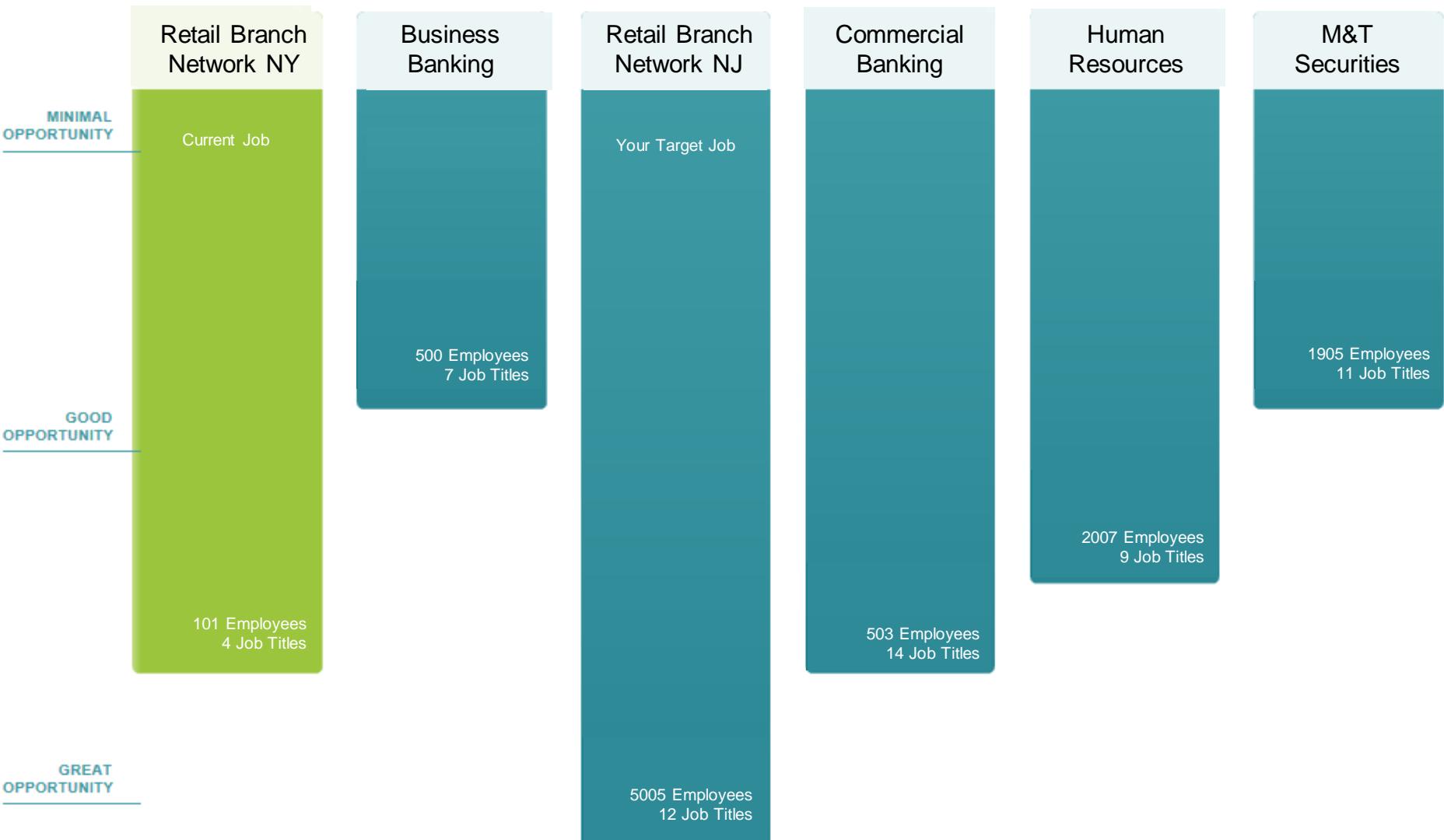


## Accounting Analyst

To step into this role you  
need to improve upon 12  
competencies



# Company & Departments





PAST POSITIONS



ACTION PLAN



Add Future Positions

FUTURE POSITIONS

## Selling or Influencing Others



Level 3 competency in Selling or Influencing Others means Performing independently

### WHAT TO DO TO GET THERE



- [9 Tips To Improve Your Active Listening Skills](#)  
LMS: 15 minutes
- [10 Steps To Effective Listening](#)  
LMS: 10 minutes
  
- [Youtube: Ice Breakers for Active Listening : Teaching & Learning Styles](#)  
External Training: 3 minutes

Summary

Company Insights

Group Insights

Competency Insights

Roles I Manage

All Role Requirements

## Usage Details

### Yearly Employee Access



Participating Employees

### Action Plan Defined



Participating Employees

## POSITION TITLE

Senior Service Associate[End Search](#)

John Smith	Overall 78%	Competencies 82%	Interests 72%	Education 100%	Not Interested
Ron Jones	Overall 77%	Competencies 89%	Interests 80%	Education 89%	Not Interested
Christina Peterson	Overall 74%	Competencies 83%	Interests 83%	Education 89%	Invite To This Role
Emily White	Overall 68%	Competencies 88%	Interests 60%	Education 89%	Not Interested

## Main Sites

Audit

Banking Services

Business Banking Resource Center

Commercial Banking

Compliance

Consumer Lending

Corporate Services

Credit

Cybersecurity

Digital and Contact Center Banking

Disaster Recovery &amp; Business Continuity

Diversity &amp; Inclusion

Employee Banking

Enterprise Data Office

Enterprise Security

Finance

Human Resources

Investment Group

Legal &amp; Office of the Corporate Secretary

Marketing &amp; Communications

Mortgage &amp; Customer Asset Management

Office of the Customer Advocate

Retail Resource Center

Risk Management &amp; Regulatory Affairs

Securities Resource Center

Technology

Technology &amp; Banking Operations



PathSavvy®

## Employee Directory

## Take me to:

## Help me with:

## Tools:

Workday is here!

[Get Started >](#)M&T Bank  
Newsroom[Learn more >](#)WILMINGTON  
TRUST  
Newsroom[Learn more >](#)Strategic  
Imperatives[Read More >](#)

# PathSavvy

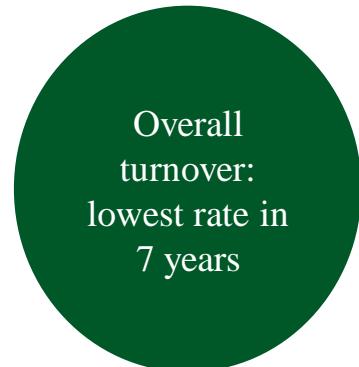
- Workday
  - Connective and comprehensive program to streamline HR-related tasks
    - Path Savvy can align key skills and competencies
    - Opportunity to complement Workday
- Proprietary matching algorithm
  - Provides more custom exploration than other HR tools
  - Unique visualizations help employees understand career options in ways other tools cannot
- Very employee-focused and intuitive
  - User-focused interface makes all the difference in whether or not employees will actually want to use the system

# PathSavvy

- In order to move forward with our career development initiatives, we need a functional competency framework in place
- Implementation will take 4-6 months
- Internal product owner
  
- Help create a culture of innovation
  - Shift perception from conservative to cutting-edge
  - More engaged employee base  greater retention, ability to attract talent, and more productive workforce

## Success Story— Apria Health Care

- Employees: 13,200      Locations: 400 nationwide      Customers: 1.9 million/year
- Went live September 2018
- “It’s easy to use, and it provides a ton of to-do items for employees and managers to work on together during one-on-ones and coaching”( Apria Health Care)
- Helped build a competency model
  - Process allowed them to build upon the foundation of dozens more roles than before



# HR Business Partners

## Current HR Business Partner Structure

- HR Business Partners (HRBP) are a successful model
  - Bringing HR directly into business lines
  - Business Partner has a deep understanding of the business line
  - Valuable resource to help HR more intimately interact with specific business lines
- Currently 27 HR Business Partner
  - Do not have the bandwidth to support all 17,000 employees
  - Inconsistent process for career development and coaching
  - The Business Partners are not reaching all levels of officers
  - Not as structured at the officer lower levels
- Varying experience based on manager, HRBP, and department

# Business Partner Recommendation Overview

Increase total number of business partners

Decrease business partner to employee ratio

Reallocate roles and responsibilities

# Officer Breakdown by Business Line

	Associate	Banking Officer	Assistant VP	VP	Admin VP	Group VP	Senior Vice President
Enterprise Data	3	10	15	15	4	1	
Corporate Administration	4	12	6	2	5	3	2
Legal	11	7	7	29	15	2	3
Audit	14	25	24	20	8	5	1
Marketing/Communications	16	32	30	55	18	4	2
Treasury	17	36	32	14	16	8	1
M&T Realty Capital Corp	19	36	38	60	8	4	
Human Resources	45	61	49	55	12	7	3
Finance	65	67	52	57	24	10	5
Credit	70	95	62	89	27	13	8
Business Banking	100	75	53	267	26	6	3
Enterprise Security	109	44	46	23	8	3	
Corporate Services	128	49	44	37	12	3	1
WISD-Wealth Management	156	188	151	372	50	26	7
Risk Mgmt & Reg Affairs	158	268	116	176	30	10	6
Technology	201	553	291	209	32	17	5
Commercial Banking	331	248	158	485	93	29	29
WISD-Institutional	334	207	159	295	32	10	8
Mortgage	550	210	132	119	37	13	4
Digital & Telephone Bnkg	556	57	19	15	5	1	1
Customer Asset Management	622	117	47	28	5	5	2
Banking Services	1066	185	138	84	30	7	1
Retail Banking	3985	424	318	362	35	8	6
<b>Total</b>	<b>8560</b>	<b>3006</b>	<b>1987</b>	<b>2868</b>	<b>532</b>	<b>195</b>	<b>98</b>

\* Data Provided by HR Analytics

## HRBPs Breakdown

Region	HRBPs
New York – Western	15
Delaware	3
Maryland	2
New York - Upstate	2
Pennsylvania	2
Greater Washington DC	1
New Jersey	1
New York City	1
	<b>27</b>

### Number of Employees per BP

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U
252	443	472	525	560	583	619	679	699	715	755	768	815	818	836	848	895	918	1077	1537	1812

## Recommended Business Partner to Employee Ratio

- Talent Strategy Group Benchmark Report
- Average for financial services 1:375



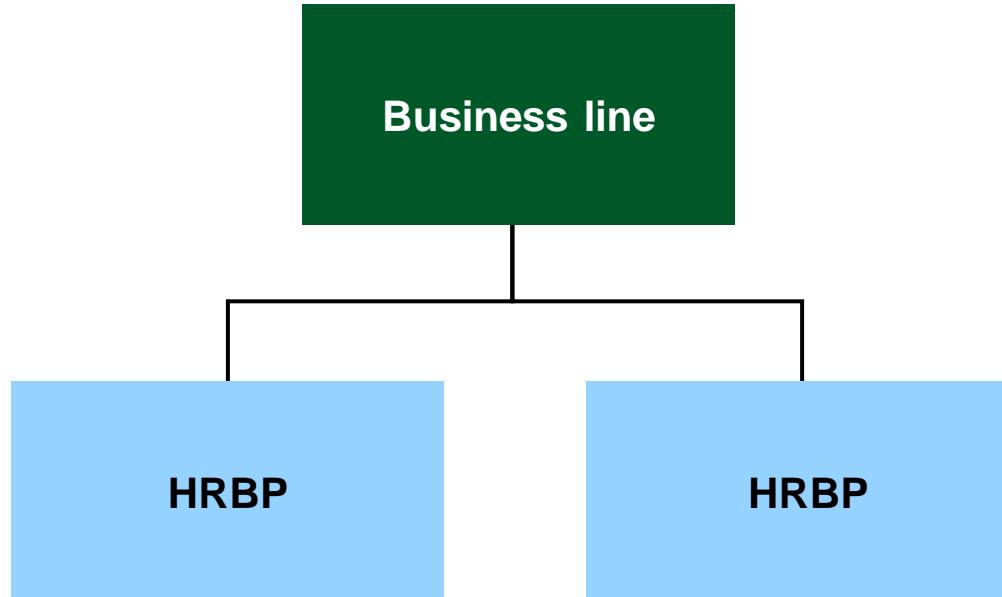
Employees	17,000	50,000
HRBPs	27	128
Ratio	1:630	1:391



	Total Employees	Associate	Current # BPs	Total Recommended 1:375
Corporate Administration	34	4		-
Enterprise Data	48	3	1	-
Legal	74	11	2	-
Audit	97	14	2	-
Treasury	124	17	2	-
Marketing/Communications	157	16	2	-
M&T Realty Capital Corp	165	19	1	-
Human Resources	232	45	2	-
Enterprise Security	233	109	1	-
Corporate Services	274	128	1	-
Finance	280	65	2	-
Credit	364	70	2	-
Business Banking	530	100	2	-
Digital & Telephone Bnkg	654	556	1	2
Risk Mgmt & Reg Affairs	764	158	2	-
Customer Asset Management	826	622	2	-
WISD-Wealth Management	950	156	1	3
WISD-Institutional	1045	334	2	3
Mortgage	1065	550	2	3
Technology	1308	201	2	3
Commercial Banking	1373	331	4	-
Banking Services	1511	1066	2	4
Retail Banking	5138	3985	9	14

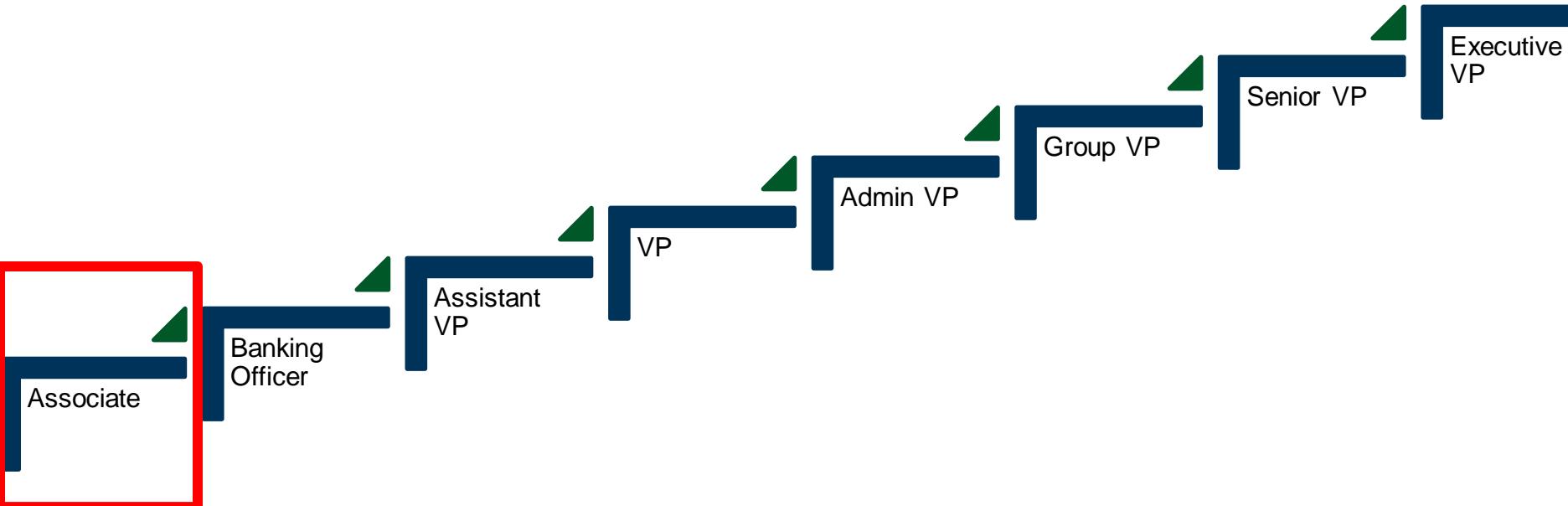
# Increasing Total Number of Business Partners

- Recommending M&T should have a total of 45 Business Partners
  - Adding 18
- Implement two Business Partners per business line
  - Same grade level



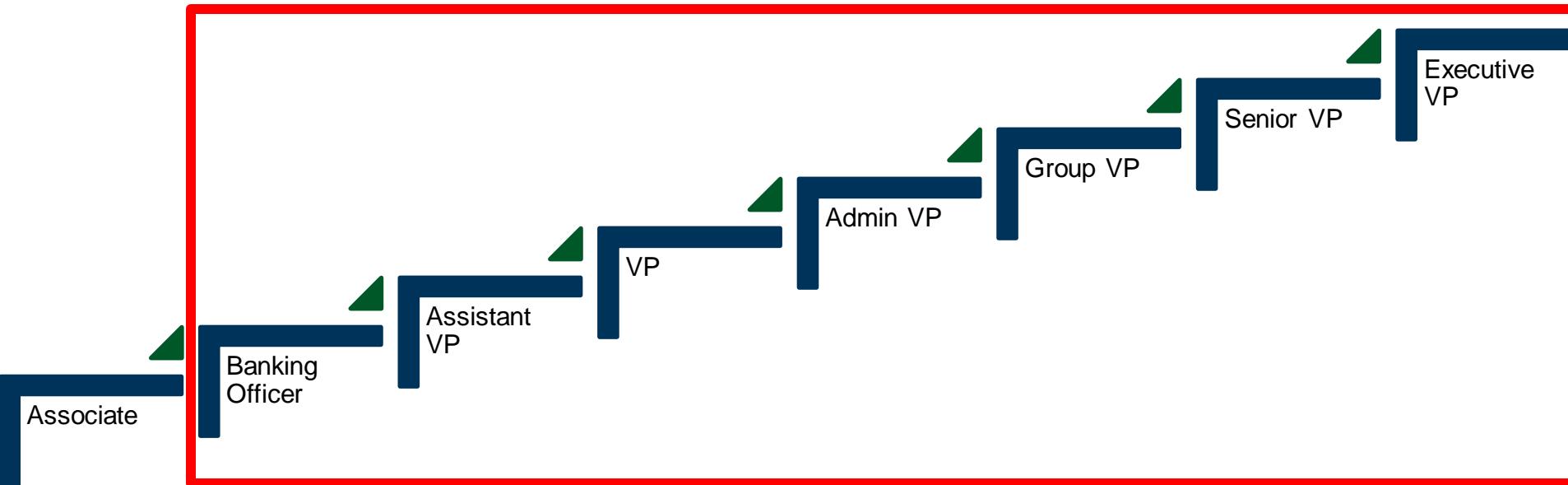


# Business Partner for Associates



**Employees**  
**8560**

## Business Partner for Other Officer Levels



Employees	3006	1988	2869	532	195	99	17
Total:						8706	

# Business Partner Roles and Responsibilities



# Cost to Implement



# Customized Pricing.

## PathSavvy Pricing just for M&T Bank.

- Implementation and deployment of PathSavvy Platform
- Importing of data
- Timeline: 4-6 months
- Continued access to PathSavvy
- Hosting and maintenance fees
- 24 hour turnaround support
- Annual review

## Cost of Adding HRBPs

Number of HRBPs to be added	Salary of HRBPs* (including associated costs)	Hiring Costs**	Total Cost
18	\$105,600	\$1,250	\$1,930,000

\* National range midpoint data used by M&T for entry level HRBPs(\$88,000), plus an added 20% to account for additional costs of benefits associated with salaries

\*\* HR Departmental Cost Per Hire FY 2017 (FP&A)



## Costs Overall

Recommendation	Cost
Path Savvy	\$130,000
Addition of HRBPs	\$1,930,000
<b>Total Cost</b>	<b>\$2,060,000</b>

## Costs of Turnover

Company Information*		
Number of Employees		16,254
Annual Turnover Percentage		18%
Number of Employees Lost		2926
Average Salary of Employees we're concerned about		\$38,000
Employee Expenses		Turnover Costs
Cost of Turnover (Per employee)		\$7,600
Cost of Turnover		\$22,275,000
Percent Reduction in Cost of Turnover	2%	\$19,800,000
<b>Dollars Saved</b>	<b>2%</b>	<b>\$2,475,000</b>

\*Numbers are based on a 5 year average for M&T (HR Analytics)

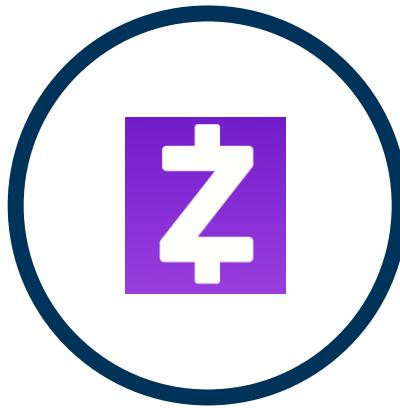
## Cost comparison



\$2 million



\$ 17 million



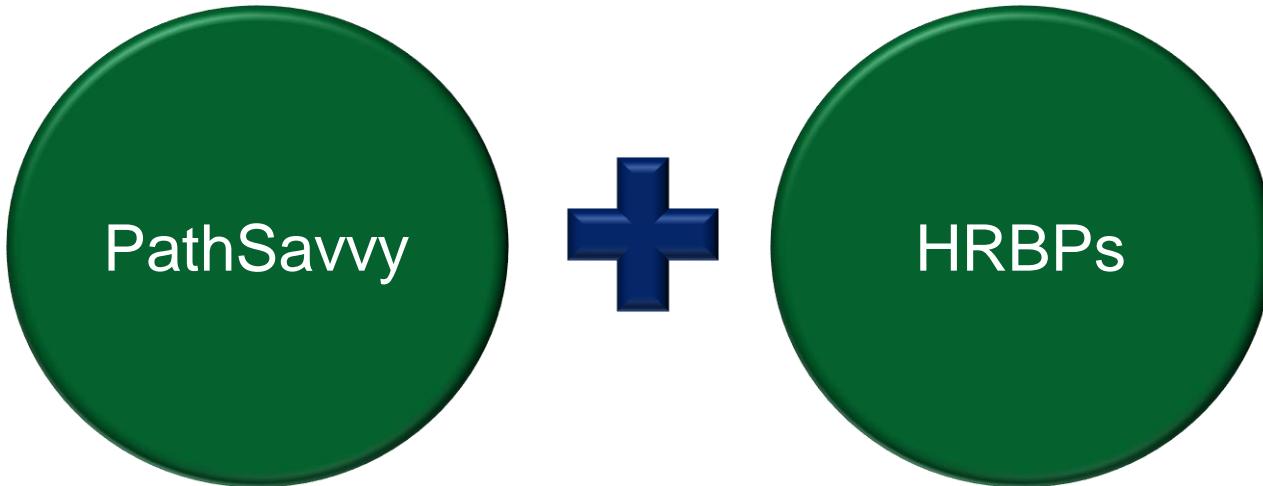
\$15 million



\$155 million

# Summary

## Summary



We believe that the implementation of our recommendations will result in:

- Increased retention / Reduced turnover
- Higher employee job satisfaction
- Attraction of top talent
- Increase in productivity via heightened employee engagement

## Next Steps



### HRBPs



Contact Vendor

Discuss areas in need of additional business partner support

Assign M&T Product Owner

Add HRBPs where needed

Gather information needed for implementation

# Thank You!

## Special Thanks To

Abigail Size

Danielle Brown

Deana Summerson

Katie Smith

Conor Flynn

## Additional Thank You to

Katie Palka

Kayla Pontello

### Interviews:

Al Broadbent	Denise Harrell	Laura Pingatore	Rochelle Harding
Andrea Kozlowski	Dorothy Campbell	Matt McDermott	Roy Brock
Ashley Giglia	Evan Pizzuto	Meagan Marino	Ryan McGraw
Bill Kennelly	Joanna Pietropaoli	Melanie Mahoney	Ryan Sattler
Chris Suszek	Justin Badura	Monica Scaglione	Sara Corry
Cindy Warkentin	Kevin Berchou	Nicole Buckhout	Sky Aitken
David Boretti	Laura Patton	Rob Sorantino	Vivek Siddhu

# Questions?

# Appendix

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LEE HECHT  
HARRISON

Meet Myca

How can  
I help?



PathSavvy<sup>®</sup>

# Third Party Vendor Ranking

Categories	Rank	Lee Hecht Harrison	PathSavvy	IBM	BetterUp
Career Paths	12	1	4	3	2
Career Coaching	11	1	3	2	4
Job Architecture	10	1	4	3	2
Competency model	9	1	4	3	1
Manager Resources	8	3	4	1	2
Customizable	7	1	4	3	2
Price	6	2	3	4	1
Scalable	5	4	4	4	4
Ease of use	4	4	4	4	4
Time to Implement	3	3	1	2	3
Artificial intelligence	2	1	3	4	2
Integration with workday	1	1	2	3	3
<b>Total</b>		<b>23</b>	<b>40</b>	<b>36</b>	<b>30</b>

# Manager Resources

- We recognize that managers do play an important role in career development
- We thought of a few different approaches that might encourage managers to play a more active role in career development

## 1. Monetary Incentives via Talent Review

- Managers should be rewarded for developing their talent
- 6-month waiting period

## 2. Further Manager Training

- Increase New Manager training from Level 100 to higher level courses

## 3. Employee Engagement Survey – Manager specific

- Engagement actions related to a manager's career development efforts have an impact on year-end evaluation

## 4. Job Descriptions

- Managers and employees accountable for their professional development – creates a culture of learning and progression

# Employee Engagement

- Impact on the Bottom Line
  - Numerous studies have quantified the impact employee engagement has on company revenues:
    - *Dale Carnegie Training* – organizations with engaged employees outperform those with disengaged employees by 202%
    - *Towers Perrin* – estimates that highly engaged employees boost a company's net profit margin by 6%
    - *Gallup* – employee disengagement costs U.S. business between \$450 billion and \$550 billion a year due to poor productivity
  - Companies in the top-quartile of high engagement levels are 21% more productive and have 22% higher profitability than those in the bottom quartile
    - Effect on profitability flows through employee retention, turnover, engagement and productivity while at work
  - The most engaged workers are 87% less likely to leave their company
  - For every 1% increase in employee engagement, you can expect to see an additional 0.6% growth in sales for an organization

## Other Considerations

- Manager training
- Internal marketing
- Utilizing resource groups
- Career subscription emails
- Career counselor
- Career Development Department
- New hire training
- Mentorship

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