

CVS Caremark: Emerging strategy

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CVS CAREMARK

EMERGING STRATEGY

SELECTED BACKGROUND INFORMATION

Primary Industry Sector:	Retail
Type of Organization:	For-Profit
Worksite Locations (countries):	United States
Size of Workforce:	190,000 employees. The number of employees has increased from 2007-2008
Average Age of Retirement:	60 years

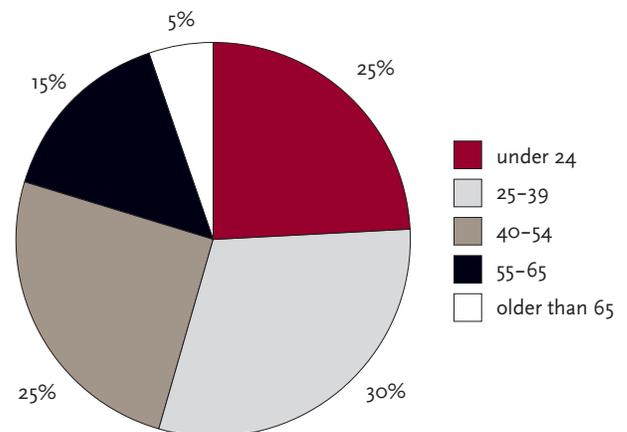
INTRODUCTION

CVS Caremark, a for-profit retail business which specializes in health care, has a mission of improving the lives of those they serve by making innovative and high-quality health and pharmacy services safe, affordable and easy to access. The company prides itself on working as a team to complete this mission and believes that all employees deserve respect as well as a supportive work environment that recognizes and rewards the contributions of all employees. In response to its diverse multigenerational workforce, CVS Caremark is looking for ways to retain its current employees for longer periods of time, while sparking interest in the industry among younger generations. The company is concerned that as older generations retire there may not be enough young people entering the workforce to fill the void.

THE BUSINESS CASE

Employer-of-Choice is more than just a popular buzz word. Twenty-First Century Employers-of-Choice understand what motivates employees, and are committed to developing 21st century solutions to recruit, retain, and engage a diverse, multigenerational workforce. While there is more than one set of indicators for an employer-of-choice strategy, Figures 2A-B focus on eight important dimensions. These

Figure 1. Age Distribution of the Workforce



essential components comprise the Center's Quality of Employment Framework (Pitt-Catsouphes et. al, 2007). Of course, different employers are likely to focus on different aspects of the employer-of-choice strategy depending on the organization, the needs of its workforce, and the country context. Some actions – such as the expansion of workplace flexibility – can help organizations simultaneously reach goals and objectives related to multiple components of the employer-of-choice strategy. Employers may tailor their employer-of-choice policies and practices depending on the stage of employment (recruitment, engagement, and/or retention) they seek to affect.

CVS Caremark's strategies and practices, with respect to changing age demographics in the workplace, exemplify several aspects of this Framework.

CVS Caremark is aware that by 2012, 19% of the nation's workforce will be adults age 55 or older, yet the percentage of younger workers age 25-54 is expected to decline (Tossi, 2004). These numbers suggest that there will be a shortage of workers available to fill positions in the coming years. Notably, mature workers already comprise over 17% of CVS

Caremark’s current workforce. The company strongly values mature workers’ qualities, such as their work ethic, loyalty and ability to serve as role models. Furthermore, CVS Caremark, which sees talent as “ageless,” believes that mature workers add diversity to the workforce and mirror their customer base. The company has a national reputation as a leader in mature workforce strategies and the recruitment of older workers and even received the 2007 American Society on Aging (ASA) Business and Aging Award. Older workers now hold a variety of jobs within the organization. (See Figure 3.)

Through programs such as the Senior Pharmacists Legacy Mentoring Program, CVS Caremark is creating opportunities for development as well as for meaningful work. The company also prides itself on the Snowbird Program, which offers employees the flexibility to shuttle between two CVS Caremark/pharmacy locations on a seasonal basis. This program provides attractive benefits to participating employees by offering aid with moving expenses. Furthermore, CVS Caremark encourages a culture of respect and constructive relationships at the workplace by stressing that all employees are recognized for their contributions.

CVS Caremark would like to maintain its position as an employer-of-choice by assessing how to further strengthen its approach to engagement, recruitment and retention.

Engagement

As a result of looming pharmacist and pharmacy technician shortages, maintaining a well-engaged workforce is becoming critically important to CVS Caremark. The company is working to find ways to help its employees feel that their expertise is valued and keep their passion for the profession alive.

Figure 2A. Quality of Employment: Strategy



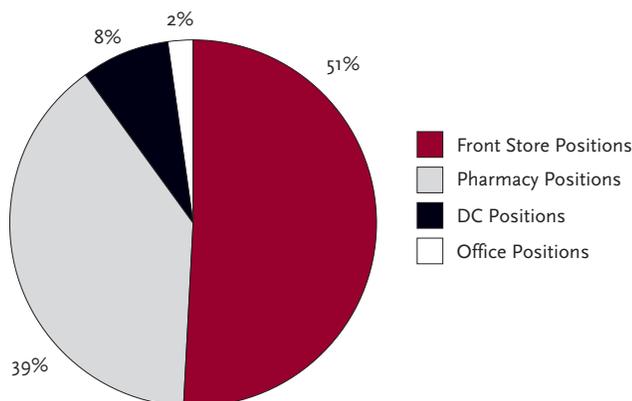
Recruitment

CVS Caremark anticipates pipeline issues in filling pharmacist positions. There are fewer students entering into pharmacy studies, yet the demand for prescription drugs is expected to increase in the coming years. Furthermore, the nature of the position often requires employees to work odd hours. As a result, CVS Caremark is looking at ways to increase the number of people interested in the pharmacy profession.

Retention

An additional contributor to the anticipated pharmacist shortage is retirement of those currently filling CVS Caremark pharmacist positions. In response to the anticipated retirement of many of its pharmacists, CVS Caremark would like to develop methods of enticing current employees to stay with the company past their typical retirement age. CVS Caremark recognizes that the loss of older workers means the loss of skills, experience, institutional knowledge and relationships, which take time to replace.

Figure 3. Job Categories for Employees Over 50 at CVS



THE RESPONSE

Although CVS Caremark does not have a formal strategy in place to manage the changing demographics of its workforce, it has taken tremendous strides. The company designed its Snowbird Program in order to improve retention of its employees and provide them with the ability to seasonally relocate with ease because each store shares a similar layout and equipment. This program is helpful for employees of all generations and is typically not too difficult to facilitate. CVS Caremark has also put in place a mentoring program called the Senior Pharmacists Legacy Mentoring Program. The program, discussed in detail in the following section, brings trained pharmacists into contact with high school students as a method of recruiting young people into the pharmacy profession.

PROMISING PRACTICE

FEATURED PROMISING PRACTICE AT-A-GLANCE

Senior Pharmacists Legacy Mentoring Program

Description:	Intergenerational effort to bring experienced pharmacists who are trained in mentoring together with high school students in order to foster interest in the pharmacy profession.
Purpose:	To recruit young people into the pharmacy profession, in addition to improving retention and engagement of older workers.
Target Population:	Experienced CVS Caremark pharmacists/ inner-city, minority youth in the Chicago area.
Launch Date:	Developed in 2005. Piloted 2006-2007 in Chicago.

IMPLEMENTATION

The Senior Pharmacists Legacy Mentoring Program was piloted in the Chicago area in 2006-2007 as a method of recruiting young talent to the pharmacy profession as well as improving the engagement of current pharmacists employed by CVS Caremark. The company saw the program as an opportunity to preserve the legacy and knowledge of its senior pharmacists as well as to deal with the expected pharmacist shortage. The mentoring program is a low-cost way to strengthen CVS Caremark's reputation for doing good work within the community. By allowing mentors to give back to the profession and preserve their legacy within CVS Caremark, the mentoring program will also strengthen organizational and professional commitment and thus, support retention efforts.

The program is targeted towards inner-city, minority youth, as a result of CVS Caremark's recognition that this population requires support and encouragement to decrease high school drop out rates. The program allows younger students to learn about the field, middle school students to shadow a pharmacist, and high school students the opportunity to have an internship in a pharmacy. It also allows pharmacists who participate the opportunity to give back to the profession. Mentoring a student means that their legacy is able to live on in future generations— when the employee does leave CVS Caremark, their knowledge, skills and experiences will be left behind. Additionally, mentors have the ability to earn continuing education credits. Retired CVS Caremark

Figure 2B. Quality of Employment: Practice



“Efforts, such as the legacy mentoring program, that help strengthen organization and professional commitment are also important in retaining the expertise of senior pharmacists. Strategically, this is an important HR effort given the aging workforce and projected labor shortages.”

pharmacists can participate, although senior pharmacists who are currently working are the most common mentors of the program.

Objectives of Senior Pharmacist Legacy Mentoring Program

- Capture the expertise of senior pharmacists to interest young people in the pharmacy profession;
- Improve the retention rate of pharmacy technicians by strengthening their organizational commitment through one-on-one interactions with mentors during training;
- Promote diversity in the pharmacy profession through increased recruitment of persons from minority backgrounds and reinforcement by means of coaching and personal connections with senior pharmacists;
- Strengthen the commitment and retention of senior pharmacists.

CVS Caremark sees mentors in the program as role models, stating, “Working senior pharmacist mentors serve as the best examples to young people of what can be achieved by schooling, ambition, and hard work.” Mentors are trained in a variety of areas, including mentoring techniques, cross-cultural sensitivity, the mentor as role model and leader, effective communication, interpersonal relations and teamwork, and conflict resolution techniques.

“This program enhances employees’ commitment and attention because they want to do this. Every one of them indicated that they really wanted to give back.”

LESSONS LEARNED

CVS Caremark has learned a number of lessons from the Chicago pilot of the Senior Pharmacist Legacy Mentoring Program. These lessons include:

- The importance of partnering and planning to identify and formalize community partnerships between businesses, educational institutions and community organizations, especially those involved with youth from minority backgrounds;
- The advantages of mentor orientation and training, especially in areas of cross-cultural communication;
- The challenge of finding a pharmacist to cover the shift of the mentoring pharmacist and compensating the mentoring pharmacist for time taken off work;
- The benefits of having mentor recognition activities;
- The need to evaluate both mentor and mentee experiences.

EVIDENCE OF PROGRESS

Although CVS Caremark is still in the process of determining how to measure success for the mentoring program, the company does feel it can be measured by how many young people actually enter pharmacy school. Though, the company notes that completion of the program without entering the field should not be seen as a failure. Through focus groups, CVS Caremark has also found that employees who participate in the mentoring program have enhanced commitment to the profession and really wanted to give back.

MOVING FORWARD

CVS Caremark plans to continue the Senior Pharmacist Legacy Mentoring Program in 2008, expanding it beyond the Chicago area. The company would also like to develop a similar program which is focused on pharmacy technicians.

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The Sloan Center on Aging & Work has developed the Executive Case Summary Series to provide Center Partners and members of Learning Circles with current information about workplace strategies, policies and practices established for today's multi generational workforce.

These cases have been prepared to foster the sharing of information among talent management experts and to accelerate “just-in-time” insights about employer-response to the 21st century workforce even as strategies, policies and practices are just emerging.

The Case Summaries contain confidential (and in some cases, proprietary) information about organizations. Therefore, the Center provides these cases only to organizations that are Center Partners and members of Learning Circles.

Interested in additional information about this Case Summary? Please contact Samantha Greenfield at 617-552-9117.

Pitt-Catsoupes, M., et. al (2007). *Employers-of-Choice in Countries-of-Choice* (Global Executive Insight No. 01). Chestnut Hill, MA: The Center on Aging & Work/Workplace Flexibility. Retrieved from http://agingandwork.bc.edu/documents/Globalo1_Employer-of-Choice.pdf

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