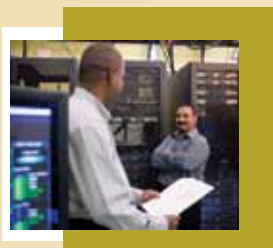


# CVS/Caremark *Pathways to Retail Careers* A Pilot Program of New Options@Work



## ■ A Complicated Labor Market

The retail sector has long been a driving force of our nation's economy and its largest employer, with more than 15 million jobs in 2009. Despite the far-reaching economic slowdown of the last two years, the retail trade and sales fields are projected to grow by between 4 and 8 percent in coming years, adding an estimated 1.6 million new jobs by 2018. Together, they will remain a dominant source of employment and a significant source of employment growth in the United States.

At the same time that retailers and other employers need reliable workers, young Americans in need of jobs have seen their employment prospects collapse. Young adults (aged 16 to 24) have been among the hardest hit during the recent recession. Labor participation for this age group — already lower than for any other cohort of Americans — has dropped to 54 percent in the last two years, the lowest level since just after World War II.

Within this population is a large cohort of so-called “disconnected” youth — young people between 16 and 24 who have no meaningful attachment to school *or* the labor force and typically few family supports to help them navigate the transition to adulthood. Troubling in the short term, the cost of this lost work experience is compounded over time as these individuals lose out on both future earnings and the chance to take the first step up a career ladder.

And broader trends are complicating the picture. Not only are there far fewer young people entering the workforce to fill the gap left as Baby Boomers start to retire, but also millions of those in line are ill-prepared for the demands of productive and rewarding work. In research by Corporate Voices and others, employers reported that 42 percent of their newly hired high school graduates lacked the basic skills they need to succeed

in the 21st-century economy. Even among recent college graduates, only 24 percent had an “excellent” grasp of basic knowledge and applied skills. It's surely no surprise that younger Americans who fall short of employers' expectations will fare the worst and be in the least favorable position once the U.S. economy rebounds.

As one of the nation's leading retailers, CVS/Caremark is feeling the pinch of these seemingly contradictory labor trends. The company is facing critical shortages of supervisory and management staff to address the projected growth in demand. But within its current workforce, an absence of key basic academic and workforce skills makes it difficult for too many entry-level employees to advance to management positions and build rewarding careers. By enabling both its new hires and its current associates to gain these critical skills while they train for advancement, CVS believes it can create “on ramps” to employment and help employees develop essential workforce skills they will need for promotion within the organization.

## ■ One Innovative Solution

CVS/Caremark and WorkSource Partners, Inc., with generous support from the W.K. Kellogg Foundation's New Options@Work project (formerly the New Options Initiative), have designed an innovative training “pathway” to help disconnected

“It is clear that we are facing near- and long-term talent shortages, and, as a result, we cannot afford to waste any potential resources. ‘Disconnected’ young adults represent a great untapped source of talent — and with support and appropriate training they will become resources for our company, our communities and our country.”

*Steve Wing, Director of Workforce Initiatives,  
CVS/Caremark*

young adults and other employees enter the retail field and build a rewarding career. The *Pathways to Retail Careers* program represents an early but promising model, one that is achieving demonstrable success helping a small group of young adults overcome serious and varied barriers to steady employment. Significantly, this program closely reflects a model alternative career pathway (illustrated on page 3), which was developed by Corporate Voices for Working Families and its partner companies, including both CVS and Worksource Partners, in collaboration with the New Options Employer Stakeholder team.

The approach combines academic and workforce skill development so critical for entering the workforce as well as career advancement. It integrates job training, mentoring and post-placement career development supports with a work-based learning curriculum — a combination designed to give young adults both the workplace skills and academic competencies required to thrive as employees at CVS or elsewhere in the working world. At this writing, the program is being piloted in two major metropolitan markets: Boston and Detroit. **This case study focuses on the on-ramping phase of the pilot, providing an overview of the range of activities during pre-employment up through job placement.**

In Boston, that effort builds on a longstanding collaboration between CVS and Jewish Vocational Service (JVS), with WorkSource Partners playing an invaluable role coordinating all aspects of the pilot. JVS, a highly respected provider of career training and support for diverse workers, is the lead academic partner, taking primary responsibility for job-readiness training instruction and academic remediation as students progress through the program and once they land jobs. WorkSource Partners has been engaged each step of the way: designing the initial pilot, working with CVS and JVS to develop a curriculum that integrates CVS goals into skill training, coordinating outreach to community-based organizations to recruit young adults, heading up the important assessment process, and serving as a liaison between participants and the local CVS managers. Moreover, WorkSource Partners guides overall program management, providing constant oversight and steering course corrections as the partners learn which program elements are working and which need refinement.

In Detroit, a similarly strong partnership has been forged between CVS, WorkSource Partners and The Guidance Center, a prominent social service provider with a track record of collaboration with CVS in the Detroit metropolitan area.

Boston and Detroit were chosen as pilot locations in part because CVS/Caremark operates two of its most active Regional Learning Centers in these markets. In both communities, the existing infrastructure and the expertise of the centers' staff and managers represent invaluable resources that can be leveraged for the *Pathways to Retail Careers* pilot. Considered a "touch point" in the pipeline, the Regional

Learning Centers coordinate all communication between the young program participants and dozens of CVS store managers in each region. More information on these innovative training hubs run by CVS and on the numerous other resources the company has committed to the pilot program is contained in this case study.

## ■ Who It Is Serving

By design and intent, the retail training program has targeted a population of young adults with very significant life challenges and barriers to success in a traditional work environment. Phase One of the pilot has focused on out-of-school youth in Boston and Detroit. About a quarter of the participants dropped out of high school; 71 percent earned a high school diploma or GED. In addition, a number have been or are currently homeless, living in shelters or on a relative's couch. Others are young single mothers, struggling to balance work and child care with few financial resources. At least one participant in each city is a transgendered youth with multiple social and economic barriers.

The program is committed to serving some of the neediest members of a broader population of disconnected youth. While that makes success all the more important, it also means that those involved in implementing the effort have had to be realistic about what it will take for participants to make progress — and about how to measure "success."

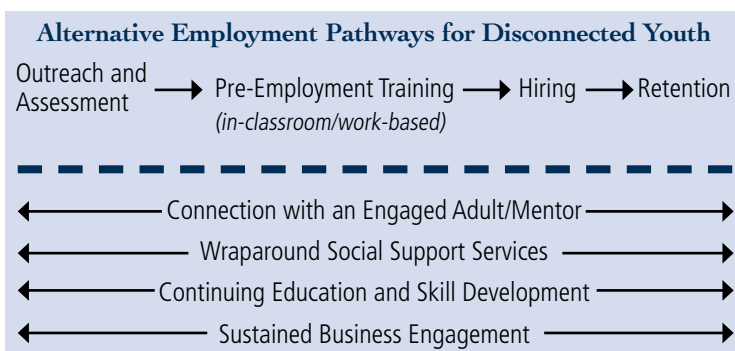
"As an employer, we see *Pathways* programs as a way to hire and train an underutilized pool of entry-level applicants that we can grow through our company to meet future staffing demands. We are also committed to hiring from the neighborhoods where we do business and training individuals not just for jobs, but for long-term careers in retail and pharmacy."

*Steve Wing, Director of Workforce Initiatives, CVS/Caremark*

## ■ How It Works: Progress along a Pathway

The *Pathways to Retail Careers* program comprises two main phases: a pre-employment stage and a post-placement stage. Though this case study focuses on the key steps leading up to employment, it is important to consider these steps as part of the full continuum of supports envisioned by the program model. That model is the outgrowth of careful consideration by a group of employers convened by Corporate Voices for Working Families to participate in the New Options Employer Stakeholder team. The working group included senior representatives from CVS/Caremark and WorkSource Partners, as well as Accenture, Bright Horizons, Connect EDU, Deloitte, HEB Groceries, Marriott and the TJX Companies.

The employers were asked to design a strategy that would provide a bridge between disconnected young adults and employers with career path employment opportunities. Companies identified some of the biggest barriers that young people face entering and advancing in today's workforce. Those barriers included their limited skill levels (both academic and workforce), perceptions about their interest in and capacity to fit in the corporate culture, and a range of life challenges interfering with a young adult's ability to be a reliable employee, among others. They then agreed on key strategies to address those challenges, including a set of critical supports that could ideally be provided by community partners with select expertise. The schematic below depicts the four main stages of the pathway (above the dotted line) and the four critical areas of support (below the dotted line) that must be provided to maximize success.



The CVS *Pathways to Retail Careers* training program was designed to address key challenges including actual skill level of the young adults as well as *perceptions* about their ability to integrate into the workplace and perform on the job and to provide necessary supports at each important step along the way. Efforts to date are discussed in the next section.

### Outreach and Assessment

In early 2009, WorkSource Partners began by identifying potential referral sources for recruiting program candidates. The organization developed program fact sheets, flyers and other promotional materials to distribute to a wide range of programs in the greater Boston area where older teens and young adults might be looking for work. The process continued as WorkSource Partners staff made contact with more than 100 community-based organizations, out-of-school youth programs, adult education and training programs, and

“Employers are increasingly critical of the lack of employability skills among young workers and their poor work behavior, but they can only gain such skills through work itself. No demographic group is in more need of immediate job opportunities than teens and young adults.”  
*Andrew Sum and Joseph McLaughlin, Center for Labor Market Studies, Northeastern University*

one-stop career centers. As these numbers suggest, this task has been more challenging than anticipated. WorkSource Partners reports that its recruiters have had to cast a very wide net across community partners to find the “right” cohort of youth for the pilot program. Although early outreach was slower than expected, the task has become easier as the program established credibility and the first class of participants quickly secured job placements. “Our success is breeding more community engagement,” report WorkSource Partners staff, who believe that word-of-mouth endorsements of the program have helped raise interest among two key audiences: social service agencies who can refer likely candidates and the program candidates themselves.

After initial outreach was made, a more formal *recruitment* process has involved individual efforts by WorkSource Partners staff to select candidates for the *Pathways to Retail Careers* pilot. Key activities have included conducting information sessions, leading presentations for Workforce Investment Board youth program coordinators and following up with each organization for referrals.

When program managers identify participants, each one has undergone several levels of *assessment* before final admission to the program. First, an in-person interview with WorkSource Partners is designed to evaluate overall behavior and suitability for the training program. The interview is usually followed by CVS's standard employment eligibility test, UniCru, meant to identify other risk factors. Only after candidates meet these two hurdles are they sent on to CVS's Regional Learning Center in Boston or Detroit, where they face a final job interview with one or more CVS hiring managers.

“Our job was not just to put together another pre-employment program. What's different about this effort is we're working to disrupt the systems that have long served as barriers to success for these aspiring young adults.”  
*Neil Silverston, WorkSource Partners, Inc.*

### Pre-Employment Training

Beginning in March 2009, the first cohort of young adults enrolled in the pilot program and then began a six-week work readiness program centered on a *contextualized retail training curriculum*, overseen and conducted in Boston by JVS and in Detroit by The Guidance Center. In both cases, the training experts work very closely with CVS staff, again through its Regional Learning Centers, whose intensive input has informed every part of the program design.

The curriculum — which has been evolving in response to feedback from CVS managers — blends company-specific, entry-level training and applied academic instruction. Each participant works at his or her own pace under the guidance

of a learning coach. And each pursues a range of basic academic competencies he or she is likely to need on the job — including reading comprehension and computational math — through an academic software program called KeyTrain. Along the way, progress is assessed using a related tool called WorkKeys, and more work or remediation is provided where gaps are seen. At the end of the classroom-based training period, students who successfully complete the WorkKeys assessment earn the WorkKeys Career Readiness certificate — a kind of “seal of approval” demonstrating to CVS or other employers that they have mastered the skills needed to succeed in the workplace.

The classroom-based training modules, delivered through CVS’s internal e-learning system for job training and promotion called LearnNet, include a combination of the following:

- Workplace skills for the 21st century;
- Team building, communication and professionalism;
- Problem solving;
- Computer literacy;
- Financial literacy;
- “The World of Work” — importance of punctuality and reliability; and
- Career development workshops.

Students also are introduced to requisite CVS customer service, cash register and photo lab skills throughout the training, with real-world examples integrated into written assignments, case studies, simulations and group projects.

Toward the end of the training program, each participant secures a short-term, unpaid internship at a CVS store. Interns are expected to “shadow” store associates and managers to observe all functions of the retail and pharmacy operations. Boston and Detroit have been experimenting with the internship schedule;

### Learning and Training in Context

Students in the CVS *Pathways to Retail Careers* pilot benefit from a specialized training program with these key characteristics:

- **Contextual** — Classroom and online exercises are grounded in the real-life demands of CVS employees as articulated by managers in the curriculum design.
- **Relevant** — The classroom training was intentionally designed to translate to academic credits to help students onto a path of academic advancement. Some participants are working toward a GED. Those with high school credentials will have the option of securing college course credits through a new partnership with Bunker Hill Community College.

currently, managers believe a part-time internship of two full days each week for several weeks — while classroom training continues — is the most successful approach.

### Hiring and Retention

Once they have successfully completed this pre-employment preparation, participants in the pilot program have begun moving into part- and full-time employment at CVS. While the hiring and retention phases of the *Pathways to Retail Careers* pilot will be documented in a future case study, it is worth noting that the program envisions an ambitious array of supports to ensure success for disconnected youth once they are employed. For the early cohorts of program participants, these already include the following:

- **Post-placement support, coaching and education** — After job placement, new hires will continue to work under the close supervision of their learning coach and a job mentor, typically a CVS store manager who remains their primary point of contact in the workplace.
- **Individual post-placement career development** — The new employees also will be encouraged to set and pursue career and educational goals they have identified in an individual development plan (IDP). They’ll be offered work-based learning opportunities to prepare them for managerial training as well as college-level coursework.
- **Opportunity to earn college credit** — As individuals gain work experience and follow their IDPs, they will qualify to earn college credits toward an associate degree at Bunker Hill Community College.

### Underpinning the Pathway: Needed Supports

The CVS/WorkSource Partners pilot intentionally addresses each of the key challenges to workplace success that were articulated by employers over time. Similarly, the program strives to address the important supports — the structural beams — that employers determined were needed to increase the odds of success.

### Connection with an Engaged Adult/Mentor

From the beginning of the pre-employment process through the internship and hiring phase, each young participant is assigned a career coach who helps resolve barriers that often arise in the students’ homes, in their social circles or at work. At other stages along the way, students work closely with a learning coach, as well as with a workplace mentor assigned by CVS. Even in the early pilot phase, the experts at WorkSource Partners and in the CVS stores alike agree that

this dedicated, one-on-one coaching is critical to the success of the new students.

### *Wraparound Social Support Services*

Recognizing the range of barriers facing many of its young program participants, WorkSource Partners regularly steps in to help students with social supports including child care and emergency financial support. This kind of backup problem-solving is critically important to CVS supervisors and store managers, who don't want to be reminded that they are taking a potential risk by hiring from the disconnected youth population. Students have virtual round-the-clock access to a program director at WorkSource Partners, who is their first point of contact when an urgent need arises. They can reach the director by cell phone at any time while she monitors them — and she intervenes immediately if they stumble or stray from their pathway.

### *Continuing Education and Skill Development*

As the *Pathways to Retail Careers* program moves into its second phase, Corporate Voices intends to document the important area of support of continuing education and skill development. At this juncture, however, there is no question that CVS and WorkSource Partners share a strong commitment to creating a pathway for young participants

### **Key Support for Disconnected Young Adults**

- One-on-one mentoring during pre-employment training and post-placement
- Broad case management to help students resolve barriers at home as well as at work
- Help navigating the social service system to access child care, housing, transportation and tax credits for which they are eligible
- Direct assistance (e.g., transportation vouchers or child care referral, if provided by employer)
- Proactive check-ins by mentor or coach if student misses training or work

that advances both their career options *and* postsecondary success. Once a participant is successfully placed in a job, the program offers continued career development, academic coursework and other learning activities. These efforts are customized to each young person's needs and guided by an IDP. Working toward clear milestones written into his or her IDP, the new employee will demonstrate core workplace and retail skills and an overall readiness to advance within CVS. The ultimate goal is to create a portfolio of on-the-job experience and skills that translate into 12 college credits, to be applied toward an associate degree program at Bunker Hill Community College.

“Going into this, we weren't really sure what to expect, but the program has been a great success because we've been able to source candidates who've really impressed our store managers. That's been a really pleasant surprise.”

*Richard LaFerriere, CVS Regional Learning Center, Boston*

### *Sustained Business Engagement*

It should be no surprise that employer engagement is an essential determinant of success in any program of this kind. From the earliest conceptual stage of the pilot program through its current practice, CVS managers have been leaders in this effort — helping with program and curriculum design; leveraging the resources of their Regional Learning Centers; working closely with WorkSource Partners, JVS in Boston and The Guidance Center in Detroit; and devoting considerable personal time to everything from on-the-job mentoring to attending graduation ceremonies for incoming associates. In this case, the leadership team has included CVS's national director of workforce initiatives, the manager of workforce initiatives for the Northeast Region, staff from the company's Government Programs team, managers of the Boston and Detroit Regional Learning Centers, and their fellow directors of human resources. From the company's perspective, this level of corporate and individual engagement is justified by the anticipated payoff over the long term.

## ■ Conclusion

The CVS *Pathways to Retail Careers* pilot program is showing early promise, with young adults making successful transitions to work in both Boston and Detroit. CVS, in partnership with WorkSource Partners as the intermediary and JVS and The Guidance Center as training partners, has developed an employer-led, alternative pathway approach demonstrating that with the right set of training, supports and business engagement, it is possible to tap valuable talent from the most vulnerable among the young adult population.

Of the 65 young people who have begun the first three cohorts, 71 percent have successfully completed the training, and approximately two-thirds have been successfully placed in part- or full-time jobs in Boston or Detroit CVS stores to date. (Initial placement is ongoing in Detroit, so those numbers will increase.) In Boston, the preliminary results are most encouraging: Among those successfully completing the pre-employment training, 86 percent have secured jobs, and 79 percent of those remain employed at this writing. That retention rate far exceeds the company's average.

And from the important perspective of CVS store managers and Regional Learning Center staff, the investment is paying early dividends. Almost uniformly, company officials report that youth from the pilot program are much better prepared for entry-level positions than other job candidates. They credit WorkSource Partners and its training providers for “really understanding the kind of people we’re looking for” and sending only the best-suited candidates to store managers for consideration.

CVS and WorkSource Partners are already exploring how to take the lessons learned from this pilot program and translate them into scalable strategies to provide on-ramp opportunities for disconnected young adults and new talent streams for the company. In addition, the partners are continuing work to integrate on-the-job training and work-based learning with educational opportunities so that the young adults acquire critical skills and postsecondary credits that are essential for career advancement.

## Employers: A Starring Role

The success of the *Pathways to Retail Careers* pilot will depend greatly on the commitment of its founding employer partner, CVS/Caremark. By extension, any successful effort to assist disconnected youth seeking a pathway to advancement will require a sustained commitment from other employers hoping to access a new talent pool. Here are a few of the many ways that CVS has engaged its staff, corporate resources and time in this effort to date:

- Collaborate with training providers to shape curriculum to meet company's hiring expectations, standards and workforce needs;
- Provide individual mentors for each participant, either a store manager or Regional Learning Center supervisor;
- Commit to providing job internships for any participant who successfully completes the training program;
- Supervise and assess interns and provide daily feedback;
- Work with individual store managers to create buy-in for the program's goals and for hiring its graduates;
- Engage with community college officials to secure recognition/credentialing of the training program; and
- Generally promote, recognize and champion program successes among fellow employers and across the broader community.

## About CVS/Caremark

<http://info.cvscaremark.com/community/building-futures>



Through its unmatched breadth of service offerings, CVS/Caremark is transforming the delivery of health care services in the United States. The company is uniquely positioned to effectively manage costs and improve health care outcomes through its 6,300 CVS/pharmacy stores; its pharmacy benefit management, mail order and specialty pharmacy division, Caremark Pharmacy Services; its retail-based health clinic subsidiary, MinuteClinic; and its online pharmacy, CVS.com.

## About CVS's Regional Learning Centers

In 2000, CVS/pharmacy joined forces with a one-stop career center in Washington, DC, by adding a CVS Regional Learning Center inside the center — creating the first government/corporate one-stop partnership in the nation. Since then, the company has opened eight more Regional Learning Centers in major cities and installed in each one mock CVS stores, in which specialized training is delivered to both new hires and current company associates. The Regional Learning Centers match job seekers with permanent employment opportunities at CVS retail stores and elsewhere in the communities they serve. CVS documents several important benefits from its investment in the centers, including a better-trained workforce, higher employee retention, greater diversity within its workforce, improved customer service and an enhanced reputation as a good corporate citizen.

## About WorkSource Partners, Inc.

<http://worksourcepartners.sharepointspace.com>



WorkSource Partners' mission is to invest in the enormous potential of entry-level workers, enabling individuals and companies to achieve extraordinary growth. We seek fundamental change in the way companies invest in and develop their employees. We believe that investing in human capital can yield significant business returns. Excellent companies will set new standards as learning and teaching organizations in which education is embedded in the workplace and every individual has the opportunity to grow, and in which managers and employees are jointly engaged in individual and organizational success.

## About New Options@Work

[www.wkkf.org](http://www.wkkf.org)

New Options was launched to address the problem of how the more than 4 million disconnected young adults in the United States can access new pathways that will lead them to living wage jobs and careers. New Options is an initiative of the W.K. Kellogg Foundation that establishes a new platform for disruptive, positive change in the Work Force Development/Youth Development space.



## About Corporate Voices for Working Families

Corporate Voices for Working Families is the leading national business membership organization representing the private sector on public and corporate policy issues involving working families. A nonprofit, nonpartisan organization, we improve the lives of working families by developing and advancing innovative policies that reflect collaboration among the private sector, government and other stakeholders.

## Find Out More

Publications, research studies and toolkits on a host of workforce readiness, flexibility, family economic stability, and work and family balance issues are available on the Corporate Voices Web site at [www.corporatevoices.org](http://www.corporatevoices.org).

1020 19th Street, NW  
Suite 750  
Washington, DC 20036

Phone: 202-467-8130  
Fax: 202-467-8140

Blog: [corporatevoices.wordpress.com](http://corporatevoices.wordpress.com)

Twitter: @corporatevoices

[www.corporatevoices.org](http://www.corporatevoices.org)