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NEW  
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LIFE



New York Life Insurance Co.'s

**MICHAEL MOLINARO**

# New York Life: Ensuring Permanence and Legacy

JENNIFER KAHN

New York Life Insurance Co.'s Michael Molinaro instills a sense of leadership in younger employees while maintaining the organization's 168-year heritage.

In 2008, when the financial industry began to feel the impact of the economic recession, many major firms on Wall Street struggled or even collapsed. Some, however, such as New York Life Insurance Co., remained successful. One year earlier, the company achieved the best possible ratings from the four independent rating companies — Standard & Poor's, A.M. Best, Moody's and Fitch Ratings. In June 2009, the same four companies reaffirmed New York Life's financial strength. In the middle of

mortgage crisis of the late 2000s," he said. "In joining New York Life, I wanted to be part of a company in the financial services industry that not only had nothing to hide, but is forward-looking. New York Life is about doing the right thing for our policyholders, for our employees, for the markets and for the industry we're in."

## Renewed Emphasis on Leadership

Molinaro credits part of New York Life's success to its legacy. The company has roots as far back as 1845, and remains one of the largest mutual life insurance companies in the United States and the world.

However, Molinaro said the company's long-tenured workforce meant that over time, the organization hadn't done a good job developing the next level below its senior management. He said before he arrived, nearly half of the executive officers were nearing retirement, and the pipeline wasn't ready to replace them. He was brought on board to reorganize the leadership pipeline, and made this his first priority.

"When I joined New York Life, we needed to assess the talent that we had and make decisions about what talent we needed to find externally, while developing the current employees inside the organization and then devising a plan to help its talent rapidly assume new positions," Molinaro said.

Revamping the company's learning infrastructure came naturally to Molinaro, who was not a newbie to the financial or learning and development industries. The Rutgers University graduate's first job out of college was in an operational position at Drexel Burnham Lambert, an investment bank that was forced into bankruptcy in 1990. During his time there, he said he found his passion for recruiting and learning. But after a few years running both operations and the company's training program, he was told by Bryan Knapp,

"This is a place about doing the right thing, for our policyholders, for our employees, for the markets and for the industry we're in."

— Michael Molinaro, chief learning officer, New York Life Insurance Co.

the meltdown, Ted Mathas, president and CEO, said that New York Life is "built for times like these."

Michael Molinaro, who became the company's chief learning officer in July 2009, said the economic collapse reaffirmed the importance of being part of an organization that is not only transparent, but has values that are in line with his own. "The financial industry as a whole had, somewhat justifiably, gotten a bad rap since the market collapse and



who was leading Drexel's HR department, that he had to choose between the two career paths.

Before Molinaro took the plunge and left Drexel, Knapp, who became Molinaro's mentor later in life, taught Molinaro two lessons: First, ensure that learning and development programs reflect an organization's values. Second, make sure learning results are measurable and on target with the overall business plan and providing real impact.

After his time at Drexel, Molinaro worked for other Wall Street firms, including Shearson, Lehman Brothers, Smith Barney, AIG and Reuters. He then led learning for Deutsche Bank and investment bank UBS for more than 12 years in Europe.

In 2009, while still working at UBS in London, Molinaro received a call from Hy Pomerance, New York Life's head of HR, and was offered his current position. He accepted because he knew his position would be unique. Unlike some other CLOs, his job encompasses an organizational development component that incorporates change management, team intervention and organizational effectiveness responsibilities. He also appreciated that New York Life has a conversational culture that values face-to-face interactions.

Molinaro has imbued that cultural facet in his work and the curriculums he creates, focusing on in-person training and shying away from e-learning and social learning. Content ranges from multiday development programs to 90-minute workout sessions that help employees gain confidence in their managerial skills.

He also said it's important that learning touch every point in the organization, from specialized training for customer service teams to educational training on financial models for line employees. Last year 80 percent of New York Life's employees participated in some type of training.

### Gauging Learning Effectiveness

To measure the effectiveness of its learning programs, about 15 percent of employees receive quar-

terly pulse surveys, and biannual engagement surveys are distributed to the entire workforce. The organization takes a long-term view because it's not owned by public shareholders and thus does not have quarterly earnings targets to meet.

Molinaro also receives feedback through constant conversations with human resources business partners and talent leaders, who provide guidance for current and future learning. Frank M. Boccio, executive vice president and chief administrative officer of New York Life, said in his 38 years at the organization, he has only taken two management courses, and he said, "If I were 30 years old today and an employee at New York Life, I would be very excited about the tools that are available to me today to grow my career. Now leadership and development are more than just words. Management and leadership development is itself a competency."

Boccio said Molinaro and his team have brought both soft elements and hard structure to the learning program at New York Life. Hard structure in terms of strong, new processes complemented with soft components — the learning process is flexible and allows for solutions to specific business needs as well as programs tailored to specific individuals.

Keeping learning initiatives aligned with overall business metrics is key for Molinaro, who said he constantly reminds himself of a lesson he learned early in his career: "You don't build a church for Easter Sunday." Essentially, it means to be modest in his plans and approaches to be sure they stand the test of time.

### Build for the Future

While New York Life survived the financial crisis, Molinaro said it's not time to relax. In the last four years, the company has implemented a leadership competency model, along with new learning initiatives such as an executive leadership program and an executive officer induction program to help ensure the company's future success. In these programs, external coaches provide education tailored to senior leaders.

## THE NINE PILLARS OF NEW YORK LIFE

New York Life Insurance Co. CLO Michael Molinaro said nine qualities exemplify the company at its best. The organization uses these pillars to recruit talent and to train up-and-coming leaders because they exemplify the life insurance company's performance management process. The qualities are accountability, authenticity, community, conviction, growth, impact, insight, legacy and permanence.

"I've worked at other organizations that had published qualities or values. They talk about them, they're burned on a plaque in the lobby, but they don't really mean anything," Molinaro said. "The values of New York Life are really lived here. I was in a conversation with the executive management committee and this is what they were talking about. They are very interested in the way our leaders are bringing these qualities to life."

— Jennifer Kahn

# START YOUR *Employees* On The PATH TO SUCCESS

Molinaro said he shifted the company's focus from core professional development to leadership development, and to develop the next generation of leaders, he and his team created an accelerated leadership program (ALP) in 2012, a 14-month development initiative designed to identify and train high-potential employees for leadership positions.

The ALP combines experiential learning with academics and challenges employees to go outside their comfort zone to apply leadership to real New York Life case work. Company leaders identify employees with leadership potential, and the program is designed to present candidates with experiences they would not have in their day-to-day jobs. The goal is to tap potential earlier in employees' careers.

Program participants face a business problem with their peers, allowing employees an opportunity to network across various areas of the company and giving executives a chance to see employees in a different context.

"The program is a wonderful opportunity for employees and executives, and both groups have benefited through employee growth, including a number of promotions of those who have participated in the program," Boccio said.

New York Life is not alone in creating this sort of program. Many leaders across various industries have shifted their focus toward leadership development. In its 2013 Accelerating High-Potential Employees on the Path to Leadership survey, the Institute for Corporate Productivity (i4cp), a human capital research network, said 79 percent of organizations with 1,000 or more employees provide opportunities for high-potential employees to interact with senior leadership.

Donna Parrey, i4cp's chief research analyst, said organizations have increasingly begun to prepare to develop leadership talent rapidly, and she said those who are interested in joining the bandwagon should offer programs similar to New York Life's ALP.

"To develop the next generation, a company should provide a high-potential employee with a rotation to another function or business unit or to another geographic location to give them a new challenge in a new setting," she said. "This experience gives the accelerated learner an opportunity to develop skills they wouldn't otherwise have — an opportunity to develop in the current role."

In March, Bersin by Deloitte, an HR-based research and advisory firm, recognized the company's ALP with an award for excellence in employer training and development programs.

During his first four years as CLO, Molinaro said the focus was on building programs such as the ALP. Now he plans to ensure all the parts work together.

"We've built a really good story about how we develop and manage leaders and professionals in our organization; our work now is making sure we can integrate those into an easily understood, digestible way for people to think about their development."

Looking ahead, Molinaro said he views leadership as the continuation of what has come before, while balancing the need to grow and to prepare to be permanent in the future.

"We've got to have a sense of legacy and bring our important past forward, but we've got to make sure that we have a sense of permanence. That means looking forward to make sure that we are going to be here a hundred or more years from now," he said.

"When I look out my living room window at night across Manhattan, I see the New York Life building, an important landmark building that has this beautiful gold dome," he said. "I see that dome every night when I go to sleep. I'm reminded all of the time of the work I'm doing. It's a blessing to be here. I'm happy to see that each night." **CLO**



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