



UL COMPLIANCE TO PERFORMANCE  
LEADERSHIP FORUM 2016

Philadelphia, PA | October 31 — November 2



# A Complete View of Competency:

Using Integrated Performance Data to Determine Competency

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# Objectives

- This session will discuss:
  - What **competency management** is
  - The **challenges and benefits** of competencies
  - The secrets of effectively **implementing competency models**
  - Using **performance data** to help determine competency
  - The **business value** of well-implemented **competencies**



# Some of Today's Talent Challenges

- Finding skilled talent
- Retaining top talent
- Adhering to compliance regulations
- Leveraging predictive talent analytics
- Developing and sustaining a business-driven and automated competency process



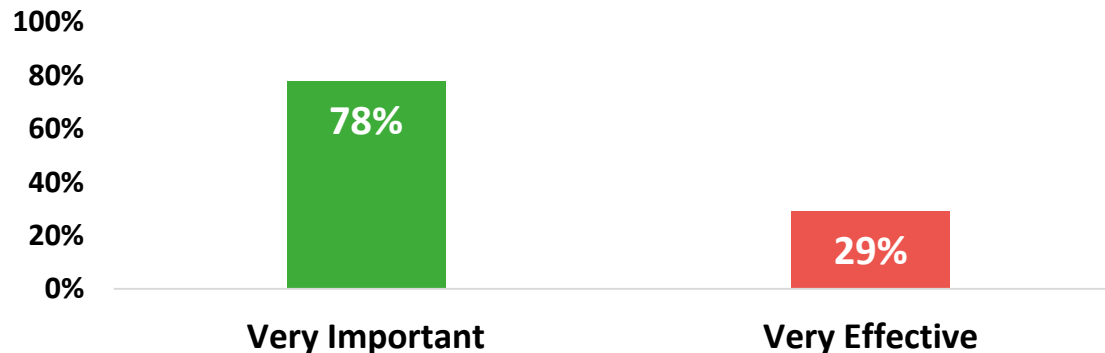
# High Performance Employee Development

- Aligns with business goals
- Is aligned with mission-critical competencies
- Ensures compliance
- Drives capability
- Links to talent processes



# Competency-Based Development for Meeting Organizational Compliance and Business Goals: Critical Yet Ineffective in Most Organizations

How important and effective is competency-based development in your organization for meeting organizational compliance and business goals?



Source: 2016 Brandon Hall Group State of Talent Management Study



# The Science Behind Competencies

- **72%** of organizations said the most important factor in an individual's decision to stay (or join) organizations is the opportunity for role-based – development (leadership and technical/functional)\*\*
- Yet, **71%** of organizations said they lack the know-how to create role based development\*
- Further, just **8%** have automated competency management\*\*\*

Sources:

\*2015/2016 Competency Management Benchmarking Study, UL

\*\*2015 State of Employment Value Proposition Study, Brandon Hall Group

\*\*\*2015 State of Talent Management Study, Brandon Hall Group



# What Is Competency Management

- A business lever to identify and assess knowledge, skills, abilities, and behaviors critical for:
  - Achieving business goals
  - Improving individual performance
  - Meeting compliance regulations
  - Optimizing talent actions, decisions, and practices in an integrated fashion:



# Competency Management Components

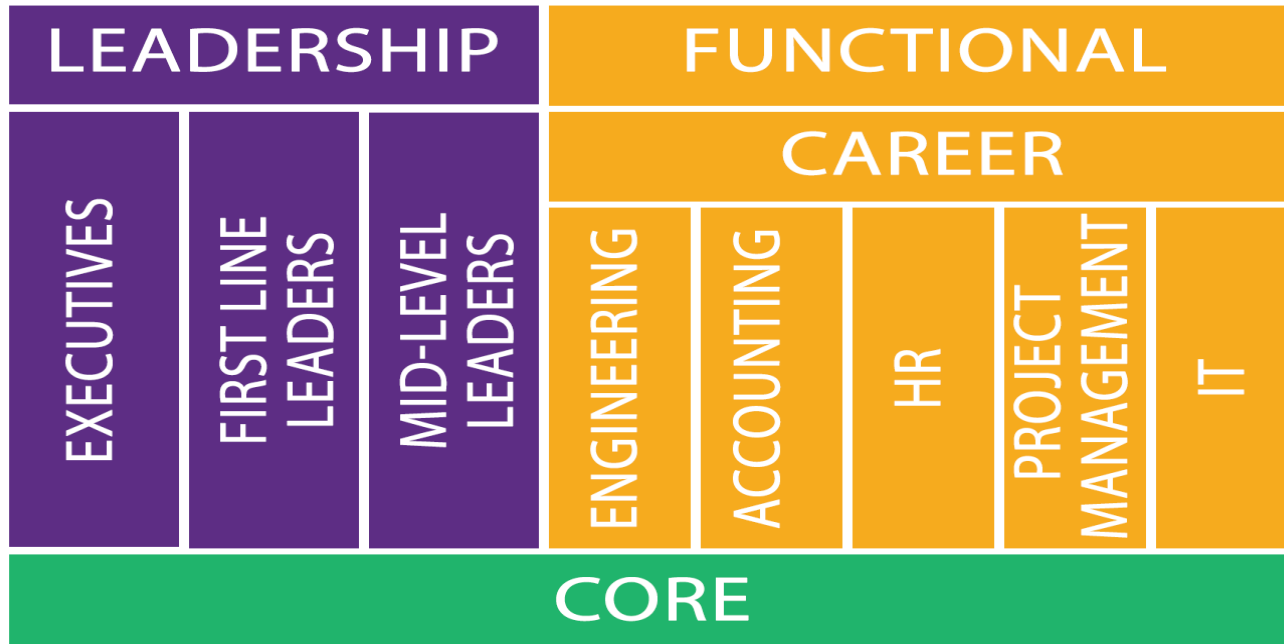
- **Competency Model**
- **Competencies**
- **Competency Proficiency Scale**





# Competency Model: a definition and example

A set of key competencies aligned with an organization's business goals.



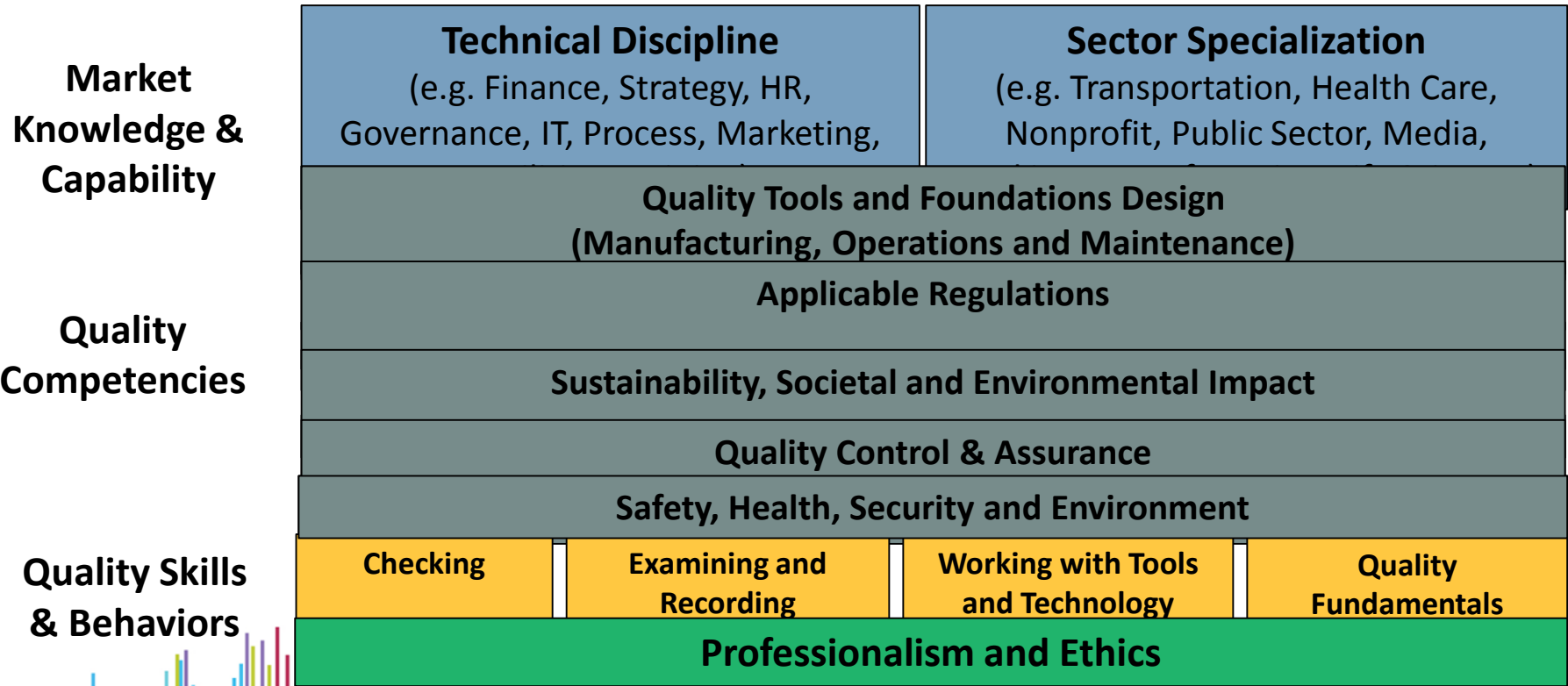
# Competencies: a definition and example

**Competencies** are knowledge, skills, abilities, and behaviors.

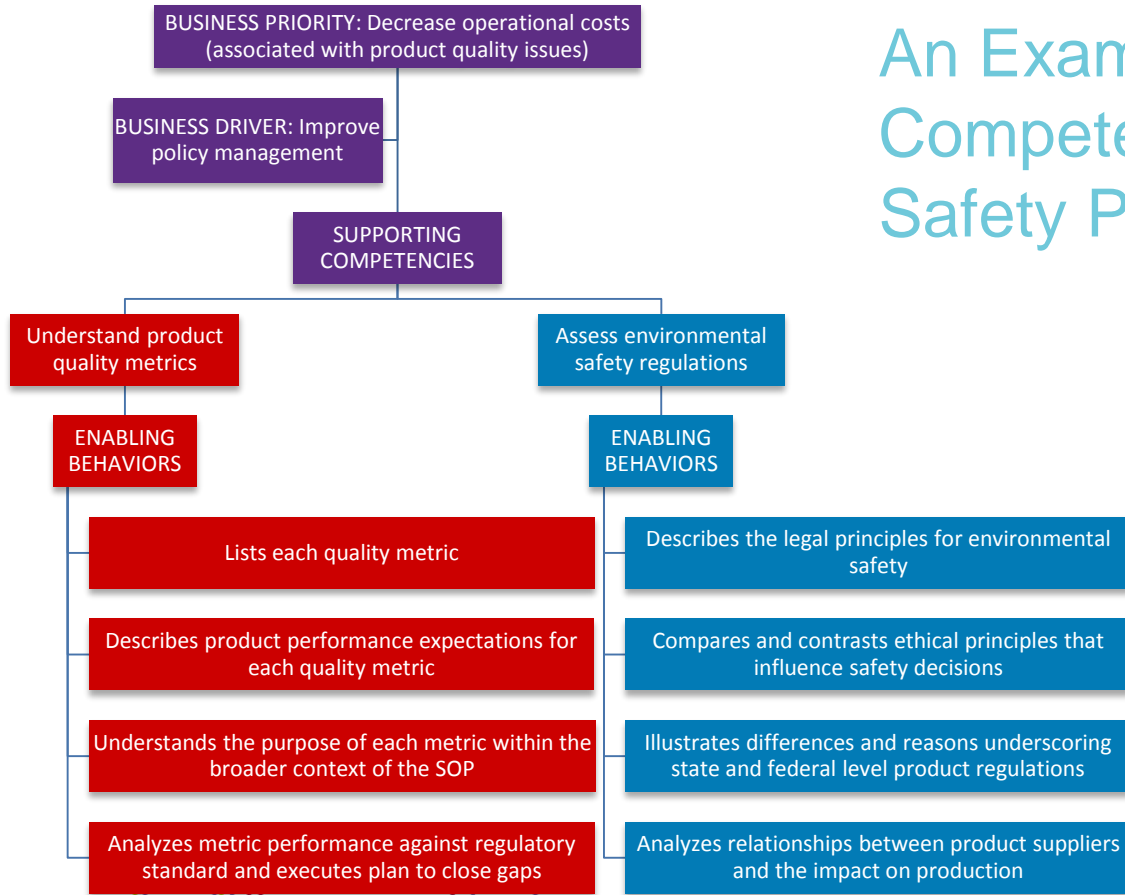
## Sample Competencies of Selected Organizations

Organizations	Core Competencies	Leadership Competencies	Functional Competencies (could be technical and/or nontechnical)	Career Competencies
3M	Integrity, respect, teamwork	Customer focus, communication, innovation, integrity, problem solving	Resource planning, risk management	The set of core, leadership, and functional competencies that job function to describe the skills required to move up within a particular job role or between job roles.
American Express	Communication, customer focus, integrity	Adaptability, initiative, reliability	Claims management, risk analysis	
Boeing	Communication, safety, teamwork	Challenges, integrity, results-oriented	Purchasing negotiation. Operations safety	
GE	Communication, teamwork	Balance, honesty, integrity	Digital marketing, SQL coding	
Procter & Gamble	Communication, integrity, respect, teamwork	Fairness, honesty, respect	Product testing	
Walt Disney	Communication, customer focus, safety, teamwork	Consistent, creative, detail-oriented	Project management, strategic marketing	

# Quality Functional/Technical Competency Model



# An Example of Mission Critical Competencies for Product Safety Plant Operations Roles



Steps	Outputs
1. Identify the business priority	Decrease operational costs (associated with product quality issues)
2. Identify the business driver	Improve policy management
3. Identify the supporting competencies and enabling behaviors:	
Critical Technical Competencies	Behaviors
Understands product quality metrics	<ul style="list-style-type: none"> <li>• Lists each quality metric</li> <li>• Describes product performance expectations for each quality metric</li> <li>• Understands the purpose of each metric within the larger context of the SOP</li> <li>• Analyzes metric performance against regulatory standard and executes plan to close gaps</li> <li>• Anticipates required metric performance for go-forward safety goals</li> </ul>
Assesses components of the environmental safety regulations	<ul style="list-style-type: none"> <li>• Describes the legal principles for environmental safety</li> <li>• Compares and contrasts ethical principles that influence safety decisions</li> <li>• Illustrates differences and reasons underscoring state and federal level product regulations</li> <li>• Analyzes relationships between product</li> </ul>



# Competency Proficiency Scale is a defined rating or measurement that assigns an expected level of competence on a given competency.

## Customer Focus

**Customer Focus** is the ability to focus on the unexpressed or future needs of current and potential end customers and/or clients. Outstanding employees and leaders recognize that delighting internal and external customers/clients requires an ability to put themselves in the minds of others and anticipate needs from their views. They spend time with clients, customers, and others in the marketplace to understand the underlying, unmet needs that our organization can address.

First Level Leaders & Employees	Mid Level Leaders & Employees	Senior Level Leaders & Employees	MASTERY LEVELS (1 Low; 5 High)	BEHAVIORAL DESCRIPTORS
			1. Takes responsibility to meet expressed needs	<ul style="list-style-type: none"> <li>Asks questions to understand client/customer's current needs</li> <li>Follows through with appropriate actions and/or information to meet the requests of clients/customers</li> <li>Maintains clear communication with clients/customers regarding mutual expectations</li> </ul>
			2. Demonstrates service by going beyond what is expected	<ul style="list-style-type: none"> <li>Proactively acts to make a situation better for a client or customer group by going beyond normal service</li> <li>Over-delivers on stated commitments to exceed expectations on stated needs</li> <li>Proactively identifies and executes those action steps that will delight a client or customer group</li> </ul>
			3. Possesses understanding of others' situation or business	<ul style="list-style-type: none"> <li>Takes the time to actively learn about the stated needs by asking questions, getting various perspectives, and exploring how our organization can add value.</li> <li>Spends time in the marketplace or with internal customers to explore existing, unmet needs and ways that current organizational capabilities can address these needs</li> </ul>
			4. Focuses on creating and developing the right solutions to address specific needs	<ul style="list-style-type: none"> <li>Positions team and self as a true partner so as to engage in healthy, open dialogue about best solutions</li> <li>Demonstrates the vision for our organization in an engaging way to generate commitment to achievement of objectives</li> <li>Enables employees to perform at their best by setting direction, providing structure, and providing needed information</li> </ul>
			5. Identifies unmet needs in the marketplace or internal customer group	<ul style="list-style-type: none"> <li>Uses understanding of the broader marketplace or internal customer to identify long-term benefits and value, and adjusts our organizations business plans accordingly, often in advance of the marketplace's own awareness of need for change</li> <li>Engenders a climate in which our organization's executives and employees are encouraged to track and analyze the broader marketplace to identify and solve unmet marketplace-wide needs</li> </ul>



# An Example: Build Your Functional Competency Model

Steps	Actions
1. Create the competency dictionary	Select 7-10 leadership competencies and functional competencies per segment and job family mission critical to compliance and business goals and define behavioral anchors for each competency
2. Define the proficiency scale	Decide upon number of proficiency levels Define each level in context of behavioral anchors and segment and role
3. Create the model	Include core, leadership, functional, and career competencies
4. Build success profiles	Start with critical talent segments and key job roles Consider requisite competencies, experience, and attributes needed now and going forward
5. Communicate the model and profiles	Include all stakeholders
6. Update the model	Review the model regularly – at least as frequently as compliance regulations and business goals are reviewed/changed Revise the model to align with changing compliance and business goals
7. Automate the competency process	Evaluate and select competency technology to ensure enterprise-wide application of competency management and comprehensive competency measurement & reporting

# The Challenges and Issues of Competency Management

- **Planning:** Competency management is treated as an HR process, rather than a business imperative
- **Designing:** Competencies are selected and competency models designed without appropriate identification of critical talent segments & key job roles
- **Implementing:** Competency models are unveiled without appropriate consideration of stakeholders and in the absence of formal launch plans
- **Sustaining:** Insufficient budget and/or technology is allocated to sufficiently sustain the initial implementation and ongoing alignment of competencies with business goals





# The Challenges and Issues of Competency Management

Because of insufficient upfront knowledge and planning around these competency management issues, 69% of organizations said their competency management was only somewhat, or not at all, effective



Implementation Phases	Leading Practices	
<h2 data-bbox="214 244 440 303">Planning</h2>	<ul data-bbox="606 159 1166 383" style="list-style-type: none"> <li>• Identify business goals</li> <li>• Understand compliance regulations</li> <li>• Define competency strategy</li> <li>• Identify critical talent segments and key job roles</li> <li>• <b>Identify critical competencies</b></li> </ul>	<ul data-bbox="1250 139 1707 401" style="list-style-type: none"> <li>• Define behavioral descriptors</li> <li>• Create success profiles</li> <li>• Define launch plan strategy</li> <li>• Understand stakeholders' needs</li> <li>• Define budget and technology requirements</li> <li>• Identify success metrics</li> </ul>
<h2 data-bbox="200 434 454 493">Designing</h2>	<ul data-bbox="606 426 1093 492" style="list-style-type: none"> <li>• <b>Build a competency model</b></li> <li>• Define cascaded proficiency levels</li> </ul>	
<h2 data-bbox="144 598 511 657">Implementing</h2>	<ul data-bbox="606 571 1128 674" style="list-style-type: none"> <li>• Integrate with other talent processes</li> <li>• Engage stakeholders</li> <li>• Communicate stakeholder benefits</li> </ul>	<ul data-bbox="1250 532 1765 713" style="list-style-type: none"> <li>• <b>Implement multiple competency measurements</b></li> <li>• Take baseline of each success metric</li> <li>• Engage executives and other senior business leaders</li> </ul>
<h2 data-bbox="195 794 461 853">Sustaining</h2>	<ul data-bbox="606 765 1850 874" style="list-style-type: none"> <li>• Assign business leader accountability</li> <li>• Capture metrics, compare against baseline, and share with stakeholders</li> <li>• Review and revise competency model regularly to keep aligned with changing business goals</li> </ul>	



Most Challenging Leading Practices	Implementation Success Secrets
<p><b>Identify critical competencies</b></p>	<ul style="list-style-type: none"> <li>• Use predictive talent analytics and interviews and focus groups with star and average performers in critical talent segments and key job roles</li> <li>• Define behavioral descriptors using appropriate level of detail and ensuring behaviors progressively build</li> </ul>
<p><b>Build a competency model</b></p>	<ul style="list-style-type: none"> <li>• Include all four competency types in your model: core, leadership, functional, and career competencies</li> <li>• Include only those competencies in your model that drive achievement of business goals</li> <li>• Keep the number of competencies in your model to a minimum – 7 to 10 is usually ideal</li> <li>• Consider buying an off-the-shelf competency library &amp; tweaking competencies, behavioral indicators, &amp; proficiency scales to meet your business needs</li> </ul>
<p><b>Implement multiple competency measurements</b></p>	<ul style="list-style-type: none"> <li>• <b>Include data from manager, employee, and peer reviews</b></li> <li>• <b>Include data from knowledge assessments</b></li> <li>• <b>Include performance data from internal systems</b></li> </ul>

# Automate Your Competency Management

myDashboard: Supporting the growth of our Associates, our Business, our Customers



Less experienced in this area.  
Development opportunity identified



Meets expectations for current job role.  
May want to continue to develop skills to  
allow you to take on stretched assignments



Identified Strength

**% to Skill Profile:**  
1% - 59%

60% - 79%

80% - 100%

## Team Member Summary



### Team Summary

Devin Chapman  
Senior Regional Field Service Manager



Options

### Person

Latest  
Results



### Apple, Steven

Senior Regional Field Service Manager



### Johnson, Mary

Field Service Engineer III



### King, Markus

Field Service Application Specialist I



### Levy, Jane

Field Service Engineer III



### Livermore, George

Territory Service Specialist



### Peters, Larry

Field Service Engineer III



## Summary by Skill Set



### Team Category Summary

Devin Chapman  
Senior Regional Field Service Manager



Options



My Results

### Category

Latest  
Results

### Business Acumen



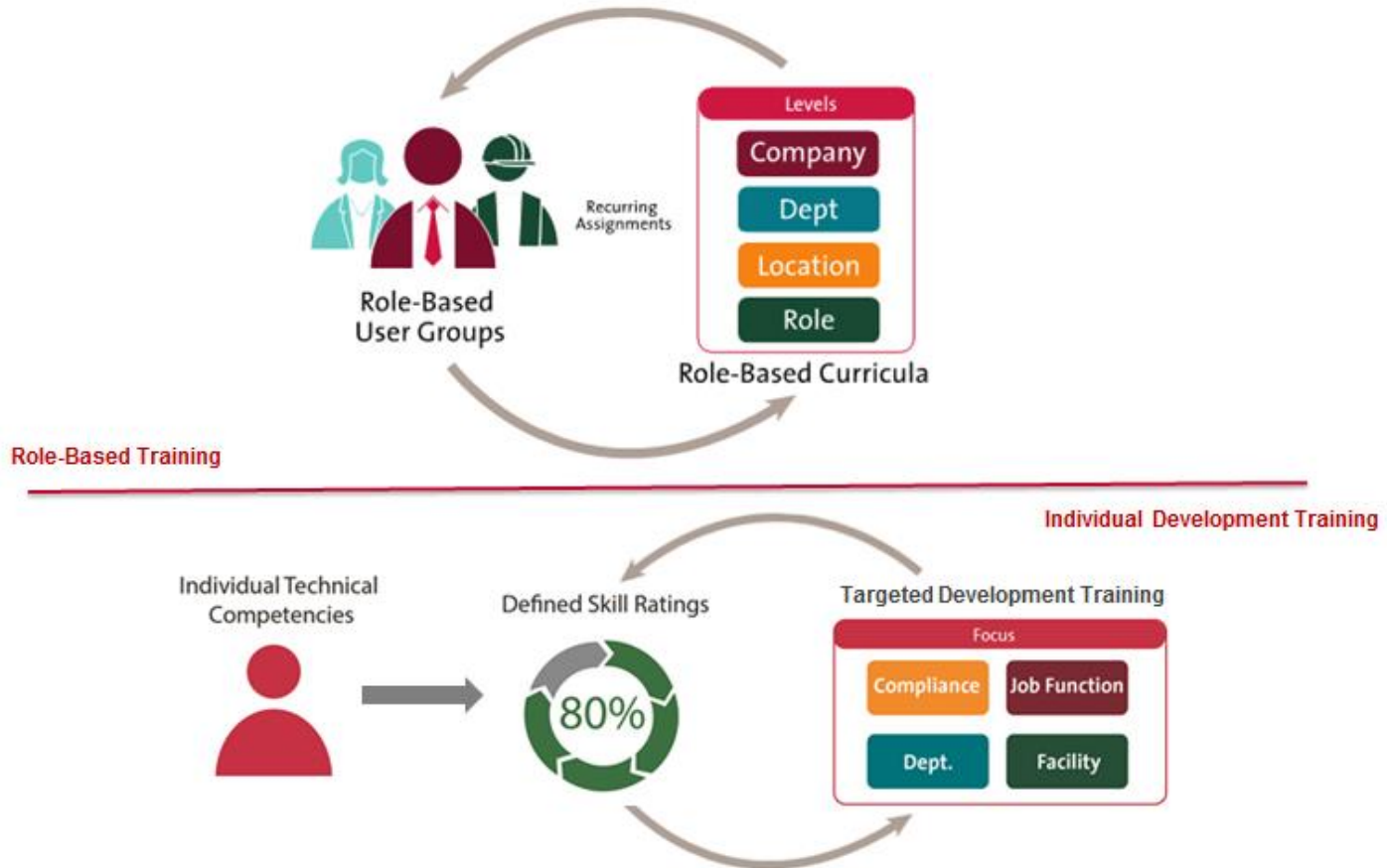
### Leadership Anchors



### Service Activities Data



# Integrate Qualification & Competency



# What are the Sources of Competency Data?

- Manufacturing Performance – MES, ERP
- Sales / Service Performance – Salesforce, Oracle, etc.
- Quality & Safety Performance – QMS, SMS
- Knowledge Level – eLearning Courses, Exams, LRS
- Behavioral Change – Performance Assessments
- Role Based Qualification - LMS



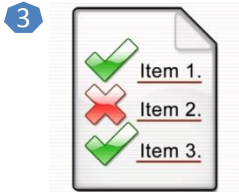
# Sources that Help Measure Competency



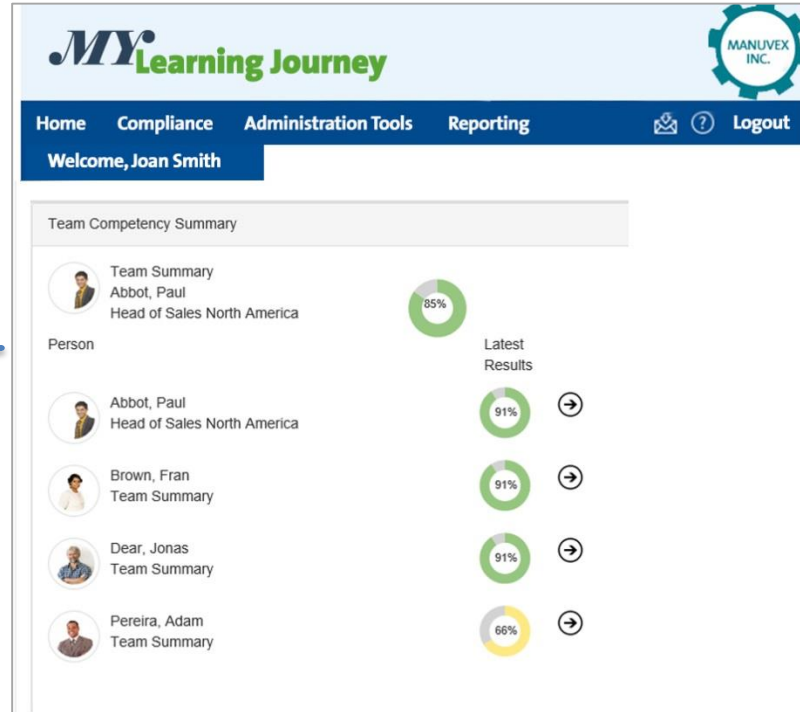
1  
Single or Multi-User Ratings & Reviews



2  
System Generated Performance Data








3  
Knowledge Level / Exam Data



**MY Learning Journey** MANUVEX INC.

Home Compliance Administration Tools Reporting Welcome, Joan Smith

### Team Competency Summary

Person	Latest Results
 Team Summary Abbot, Paul Head of Sales North America	85%
 Abbot, Paul Head of Sales North America	91% →
 Brown, Fran Team Summary	91% →
 Dear, Jonas Team Summary	91% →
 Pereira, Adam Team Summary	66% →

## Proficiency Overview by FSE

Manager	Employee ID	FSE Name	Job Title	Blue line	Legacy API & QTRAP	MALDI	MD - 3200 API & QTRAP	MD - 3200 API & QTRAP	OSTAR Family	Triplet OF	Voyager	Agilent	CTC	Esigent High flow	Shimadzu	Parker Gas Generator	Peak Gas Generator	EKSPOT	Power Var
John	239267	Thomas	Field Service Engineer III	CE	T										T				
John	111039	Oladipo	Field Service Engineer III	CE	CE	T	CT			T				P	T	T			
John	101449	Jesus	Field Service Engineer III	CE	CE		CT		T					T	T				
John	237647	Prabhdeep	Field Service Engineer II	CE	CE										T				
John	237987	Milton	Field Service Engineer III	CE	CE										T				
John	107319	Steven	Field Service Engineer III	CE	CE		CT			P									
John	51754	Mark	Field Service Engineer III		CT	T	CT		CT	CT					T				
John	107498	Matthew	Field Service Engineer III	CT	CE	T	CT	CT			T				T				
John	230665	Neal	Field Service Engineer III	CE	CE		CT					P			T				
John	51859	Martin	Field Service Engineer III	CE		CT	CT			T	T			T	T			T	
John	100649	Abelardo	Field Service Engineer III	CE	CP		CT			CE					T				
John	237648	Julie	Field Service Engineer III	CE	T										T				
John	100240	William	Field Service Engineer II	CE	CE		CT								T				
John	106101	Ronald	Field Service Engineer III	CE	CE		CT		CT		T				T				

### Status Code

All touchpoints computed on a rolling year

P Planned

T Trained

CT Certified Trained

CP Certified Proficient  
Touched 18-24 times

CE Certified Expert  
Touched 24 Times or more

### Touchpoints

< 6

< 12

> 18



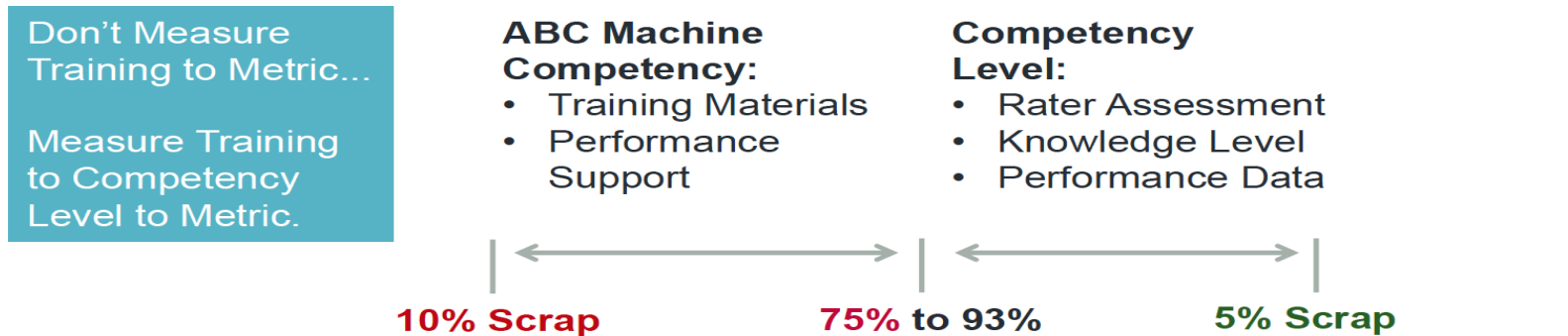
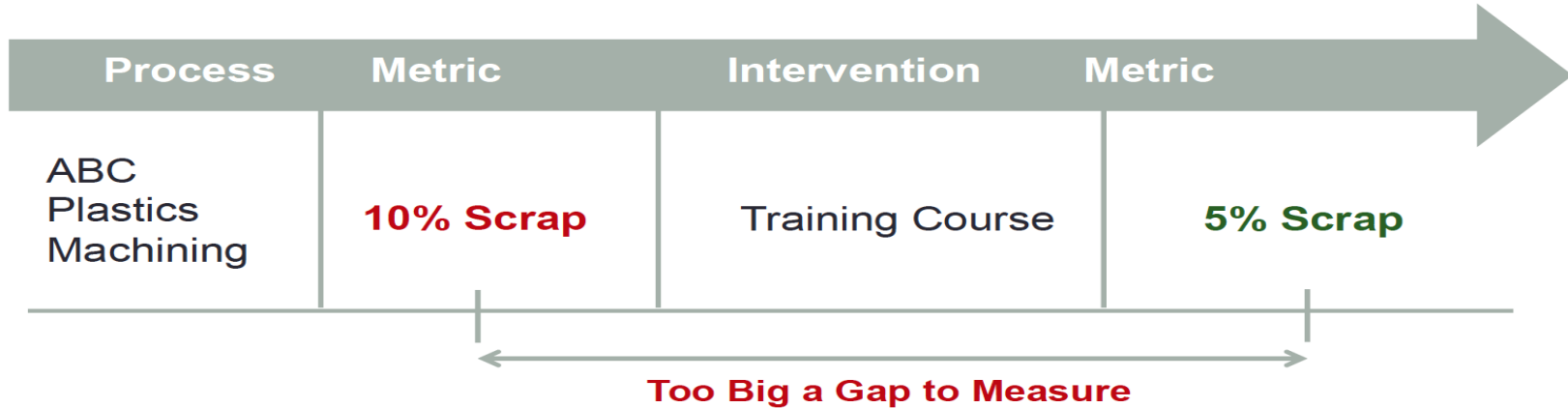


# The Benefits of Competency Management & Competencies

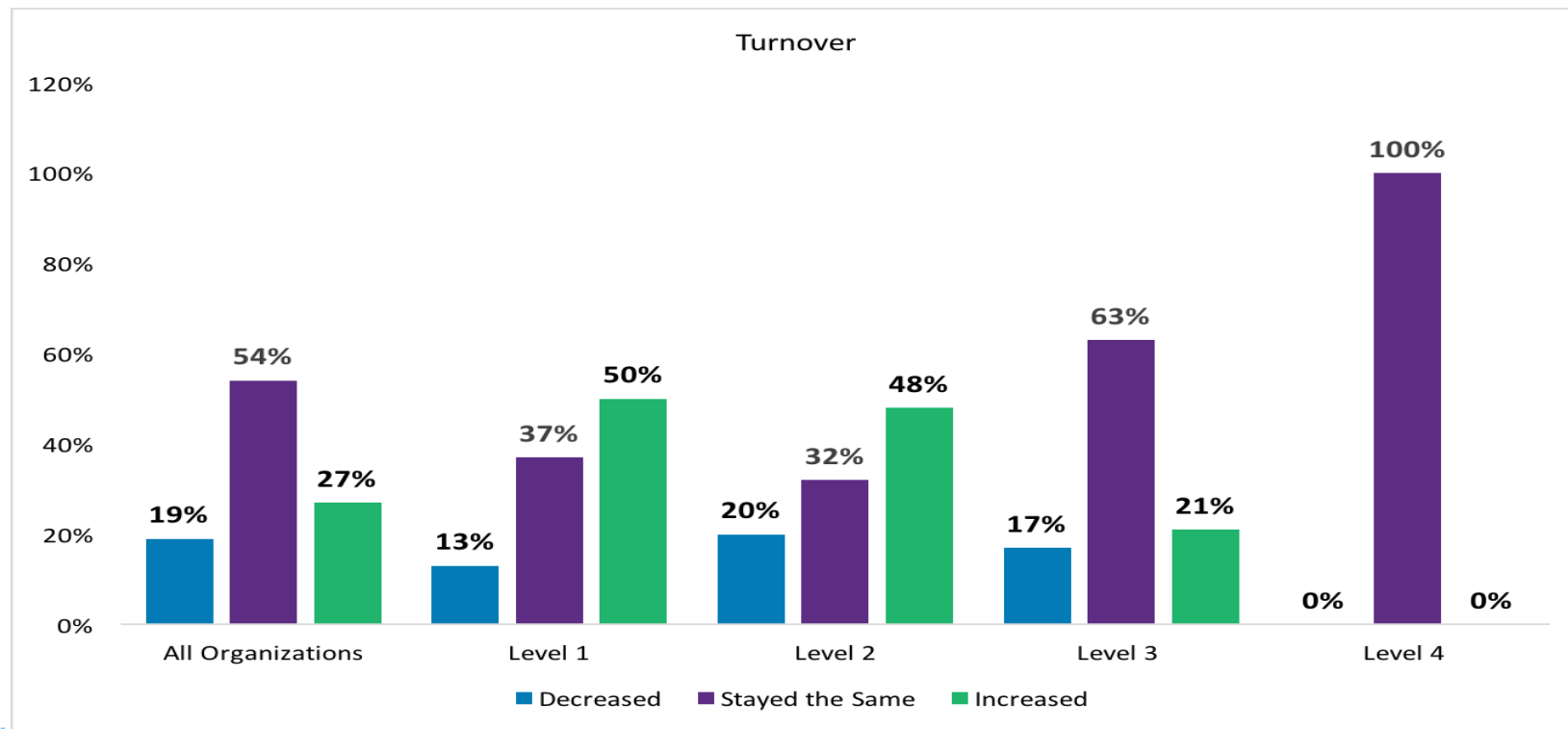
- Science-based data informing requisite behaviors
- Improved talent planning
- Healthier talent pipeline
- Integrated talent actions, decisions, and processes
- Compliance with industry and other regulations
- Improved employee performance
- Improved operational efficiencies



# Using Competencies to Measure Business Performance

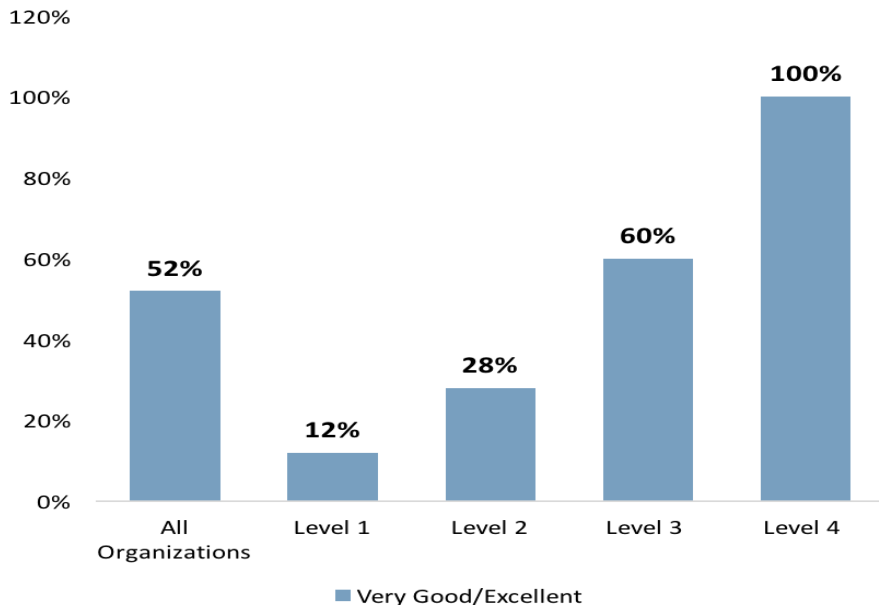


# High Performance Competency Management Yields Better Business Performance – Turnover

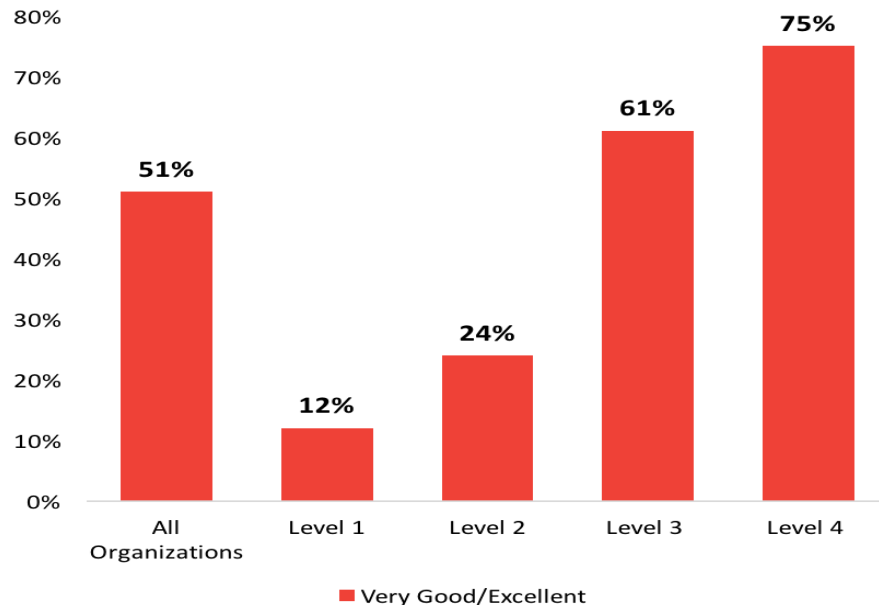


# High Performance Competency Management Yields Better Business Performance – Fill Rate & Engagement

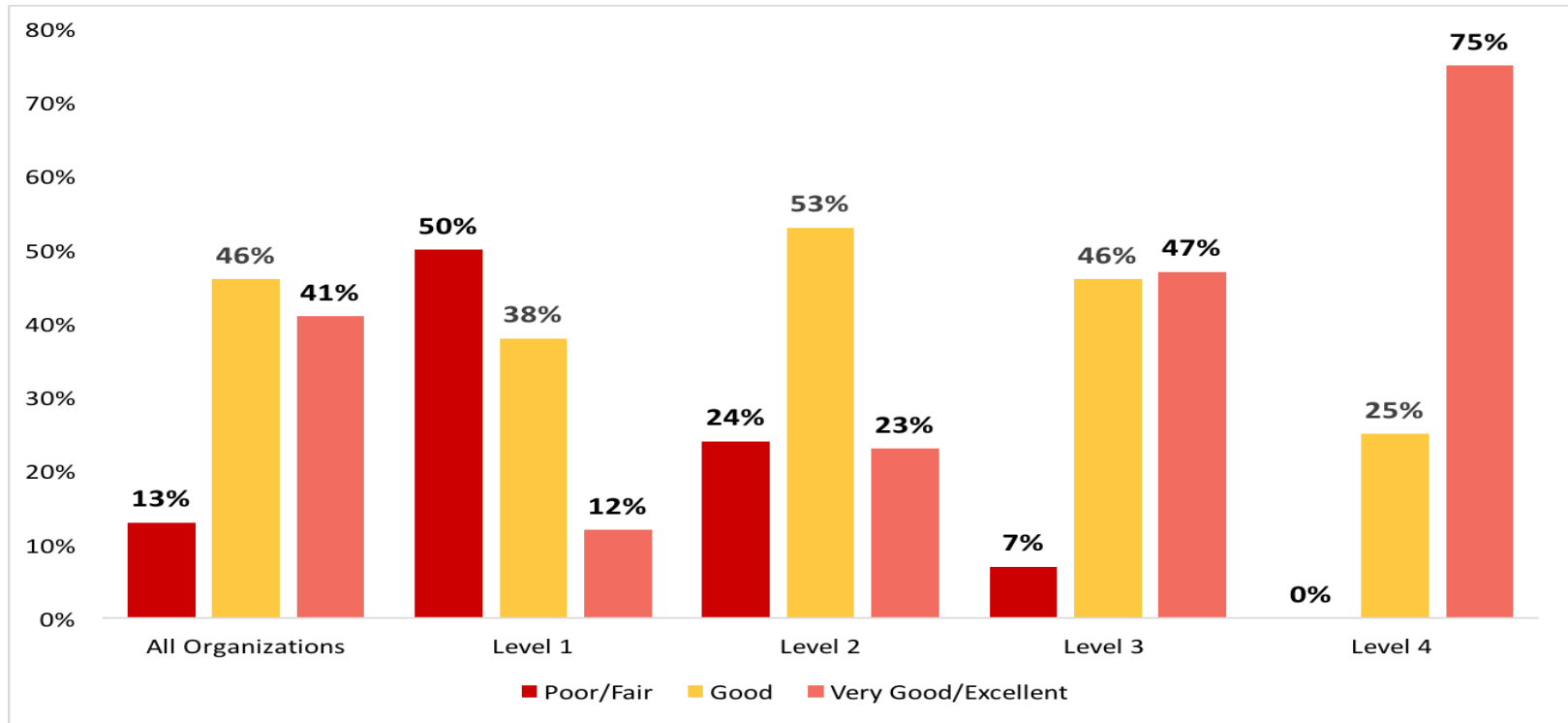
Internal Fill Rate of Key Positions



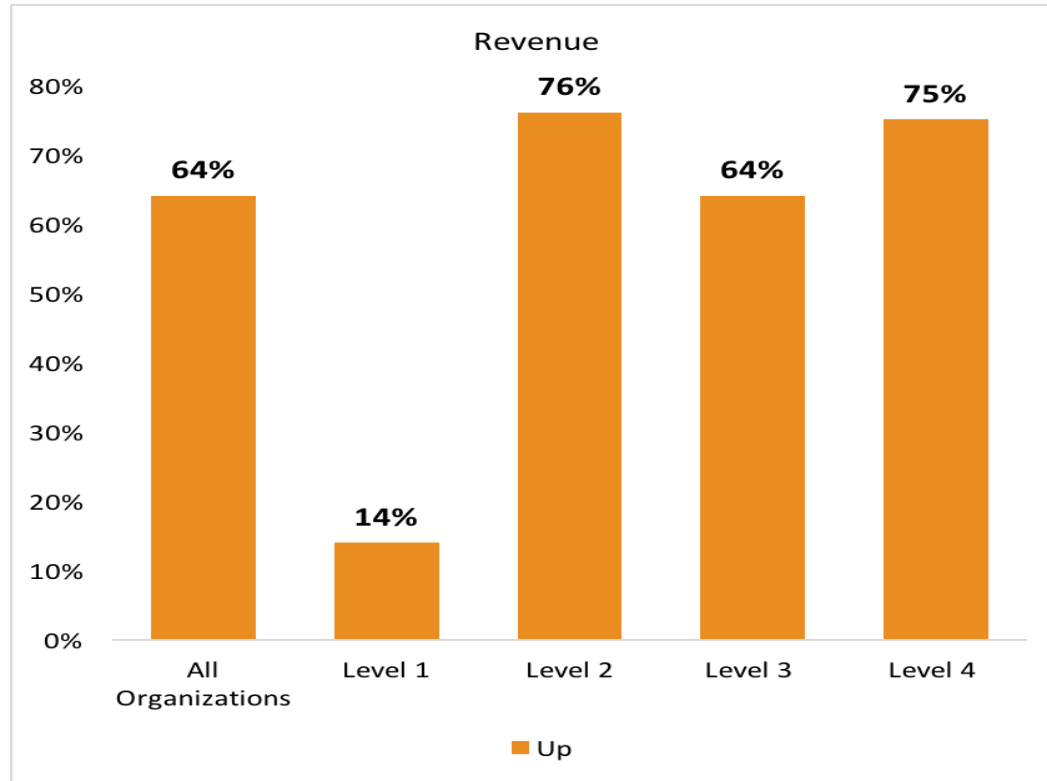
Engagement



# High Performance Competency Management Yields Better Business Performance – Brand Quality



# High Performance Competency Management Yields Better Business Performance – Revenue



# Questions to Consider As You Initiate High Performance Competency Management

**1** Are we clear about our process for identifying the competencies that uniquely drive achievement of our business goals? If not, from whom do we still need to gather input?

**2** Do we have stakeholder consensus on what our competency proficiency scale will look like? If not, from whom do we still need to gather input?

**3** Do we have technology from which our competency model will be accessible by stakeholders? If not, what is our process for gathering executive-level approval and what functionality will be critical to support our competency model?

**4** Do we have reasonable and appropriate budget to enable Level 4 automated competency management implementation?

**5** What business metrics will we baseline and gather post-implementation to indicate the business impact of our competency management?



# Questions?

