

Competencies: Gateway to Integrated Talent Management

February 7, 2008

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Competencies

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About Us

■ Who We Are

- Industry's primary research firm focused on What Works® in enterprise learning and talent management

■ Research Areas

- Planning & Strategy
- Content Development
- Enterprise Learning
- Learning Technology
- Talent Management
- Performance Management
- Leadership Development
- Succession Management
- HR and Talent Systems

■ Offerings

- In-Depth Studies and Reports
- Research Memberships
- Workshops
- Benchmarking
- Advisory Consulting

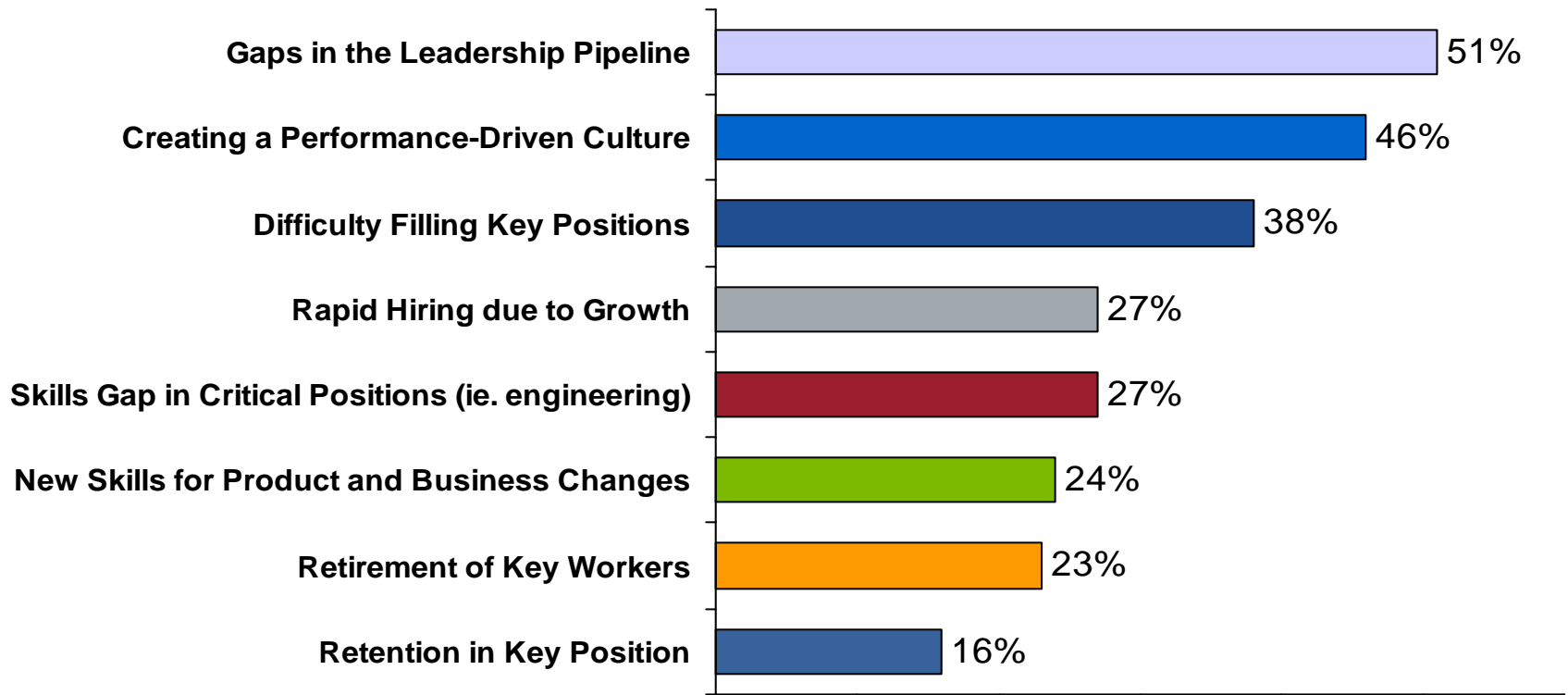


Agenda

- The Business of Talent
- Talent Management
- Competency Management
 - Types of Competencies
 - Defining Competencies
 - Profile Management
 - Case Study Examples
- Competency Management Systems
- Talent Management Integration
- Benefits of Competency Management

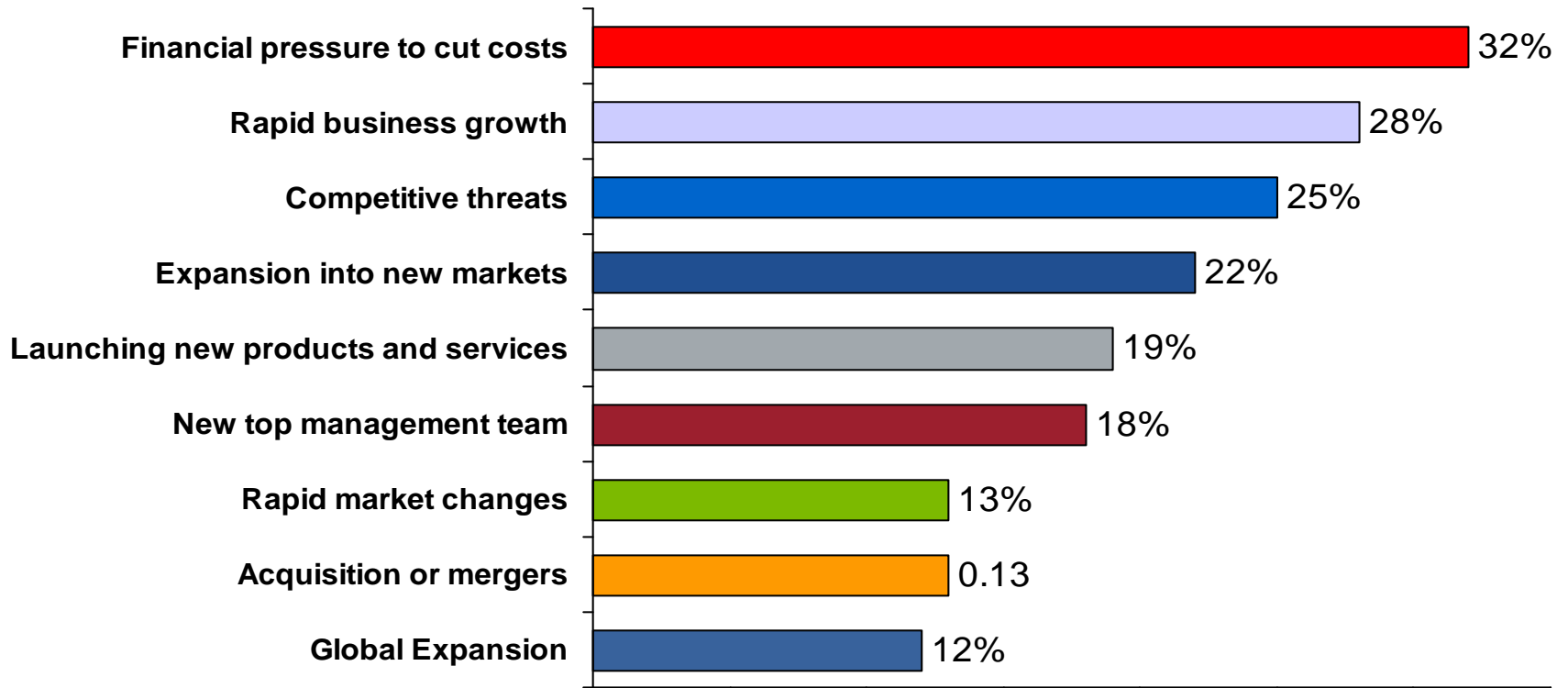
Top Talent Challenges

What Are Your Organization's Top Talent Challenges for 2007?



Top Business Challenges

What Are Your Organization's Top Business Challenges for 2007?



The Business of Talent Management



FedEx

**Rapid Business Growth
New Products and Services**



**Critical Shortage of Key
Technical Workers**



**EASTMAN
Raytheon**



MARSH



**Restructuring, Consolidation
Alignment of Workforce**



ANN TAYLOR

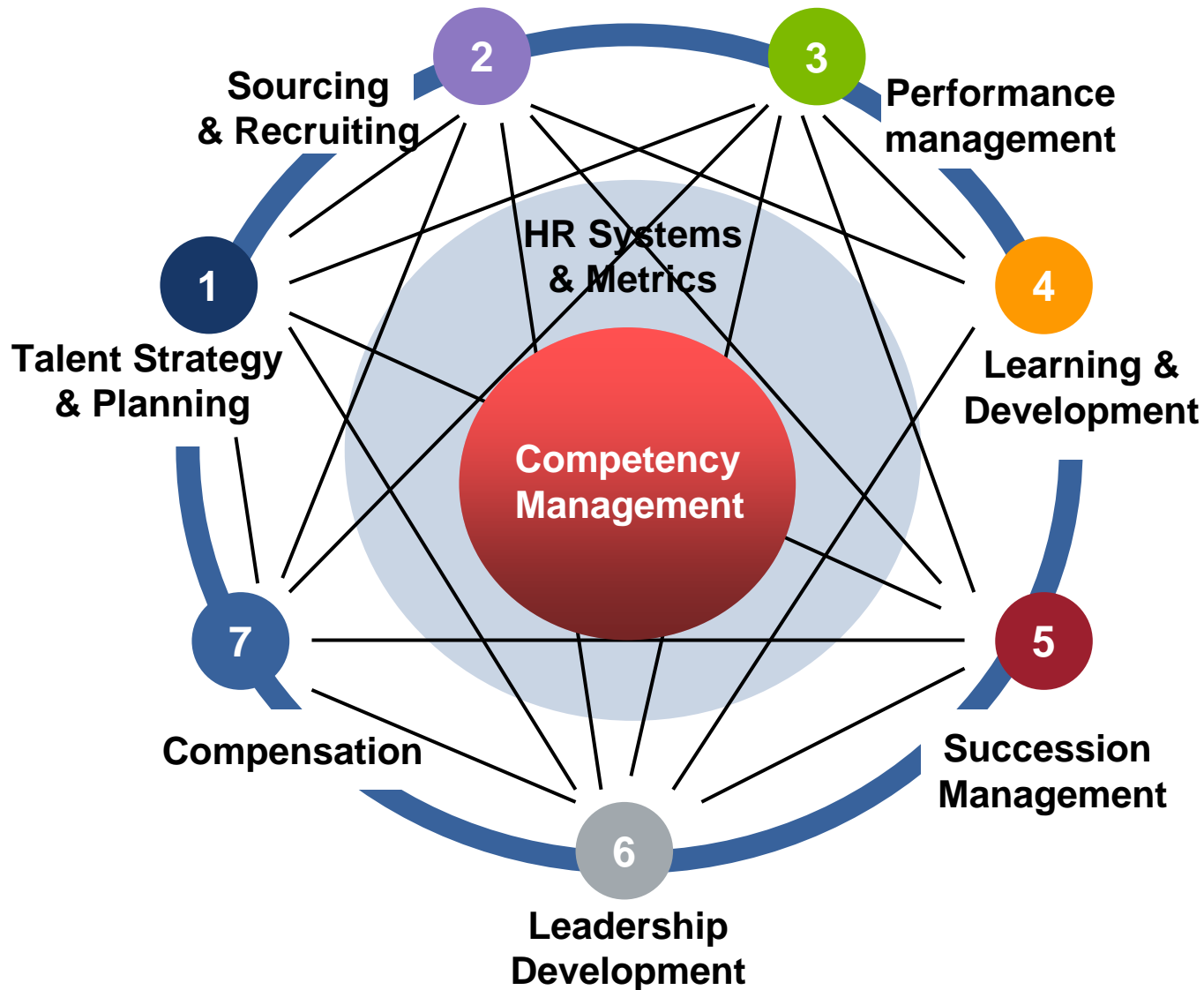


**Hiring, Onboarding,
Driving Performance
Culture**

High Impact Talent Management Framework



Integrated Talent Management



Competency Management

What is Competency Management?

- a set of practices that identify and optimize the skills and competencies required to deliver on the business strategy.
- provides the foundational data to support strategic human resources processes

Other Key Terms

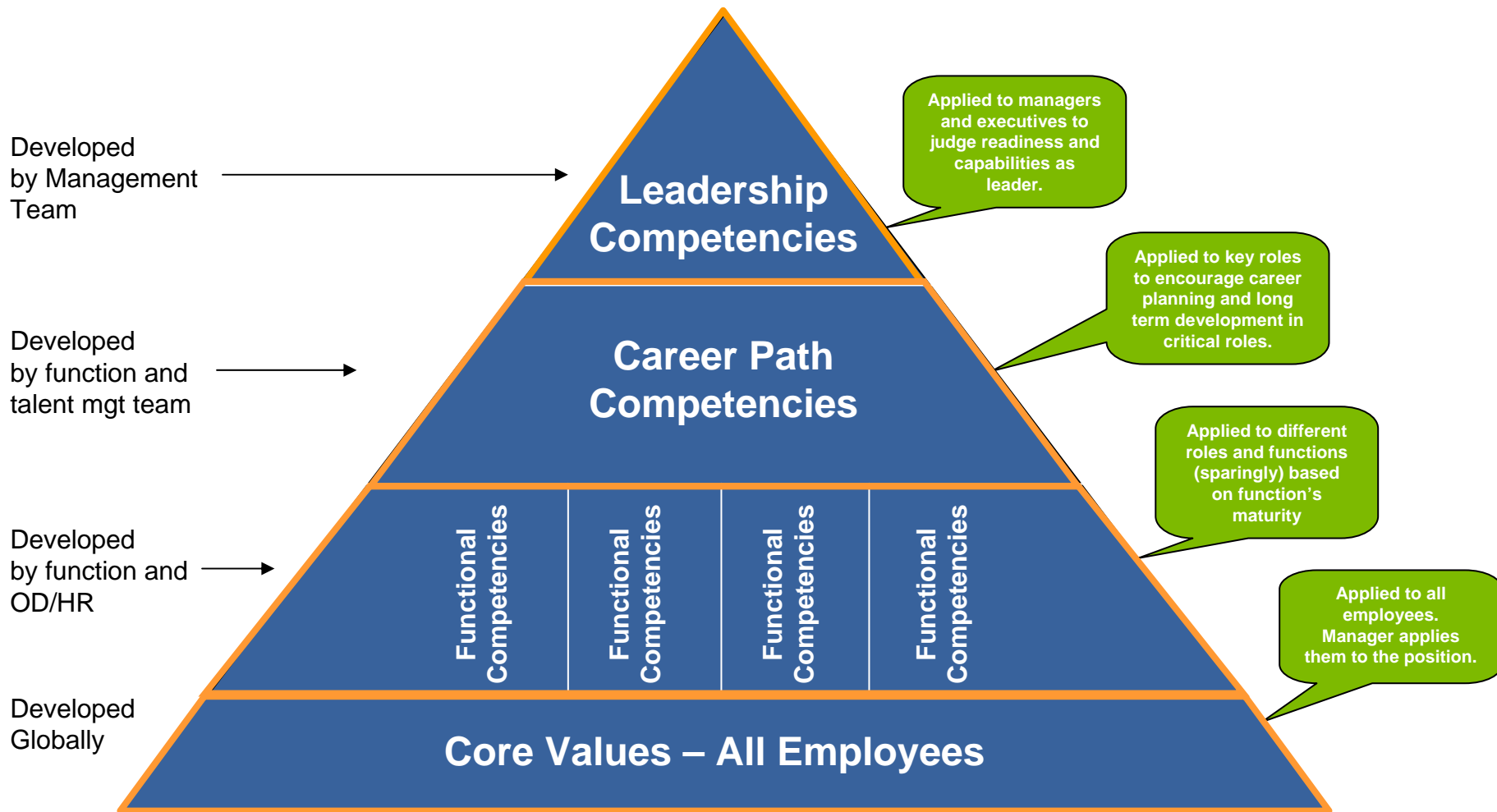
Competencies are:

- A set of clearly defined skills, behaviors, and knowledge which are used to evaluate, assess and develop people.
- Behaviors that become associated with how an organization perceives success

Competency Model is:

- A framework or list of competencies, often organized into multiple groupings or clusters, which are attributable to desired employee performance.
- Often depicted graphically for ease of understanding

Types of Competencies



Only 35% of Organizations use competencies in performance management and only 25% of those organizations regularly maintain them.

Defining Competencies

Company Principles and Values

- widely used throughout an organization
- often developed by the CEO or top management team
- rarely change

Values at Southwest Airlines

- Hard Work
- Ownership
- Egalitarianism
- Simplicity
- Profitability



Defining Competencies

Company Principles and Values

- widely used throughout an organization
- often developed by the CEO or top management team
- rarely change

Functional or Job Family Competencies

- define job families and job profiles
- assess high-performing individuals
- identify competencies characterizing high performance
- often build upon established models

Poll Question

- Does your organization have defined functional competencies?
 - Yes, for all functional areas
 - Yes, for some functional areas
 - No, we do not have functional competencies
 - I don't know

Profile Management



Functional Competencies at Textron

Function: Finance - Controller



GENERAL ACCOUNTING PRINCIPLES AND PRACTICES

- Ability to critically analyze financial statements and make strategic recommendations
- Translates financial data into information to support operational decision making

BUSINESS SYSTEMS, PROCESSES AND CONTROLS

- Ability to identify internal control weaknesses and take appropriate corrective actions
- Ability to develop and implement business systems/processes in the organization

ANALYSIS AND REPORTING

- Ability to assess risk and opportunity of base case and alternatives
- Ability to influence organization and management with the results of analysis

BUDGET AND FORECASTING

- Knowledge of budget and financial analysis techniques
- Ability to conduct cost benefit analysis of capital expenditures

BUSINESS PARTNER

- Ability to identify and communicate linkage between operational levers and financial performance
- Ability to consult with business managers concerning financial and operational issues

RISK MANAGEMENT

- Ability to evaluate customer and supplier contractual, operational and financial risk

Job Family Competencies at Steelcase

Steelcase

Sample of Competency Model by Job Family

Business Leader	Process Leader	People Leader	Technical/ Professional	Admin/Office
				Adaptability (Non-executive)
Building Organizational Talent				
				Building Positive Working Relationships
Business Acumen	Business Acumen			
Change Leadership	Change Leadership	Facilitating Change		
Coaching/Teaching	Coaching/Teaching	Coaching	Coaching	
	Communicating with Impact	Communication Skills	Communication Skills	Communication Skills
		Continuous Improvement	Continuous Improvement	Continuous Improvement
Customer Orientation	Customer Orientation	Customer Service Orientation	Customer Service Orientation	Customer Focus
Developing Strategic Relationships	Developing Strategic Relationships			
Driving for Results	Driving for Results			
		Decision Making	Decision Making	Decision Making (Admin)
	Empowerment/Delegation	Delegation		
Entrepreneurship				

Source: Steelcase, 2008

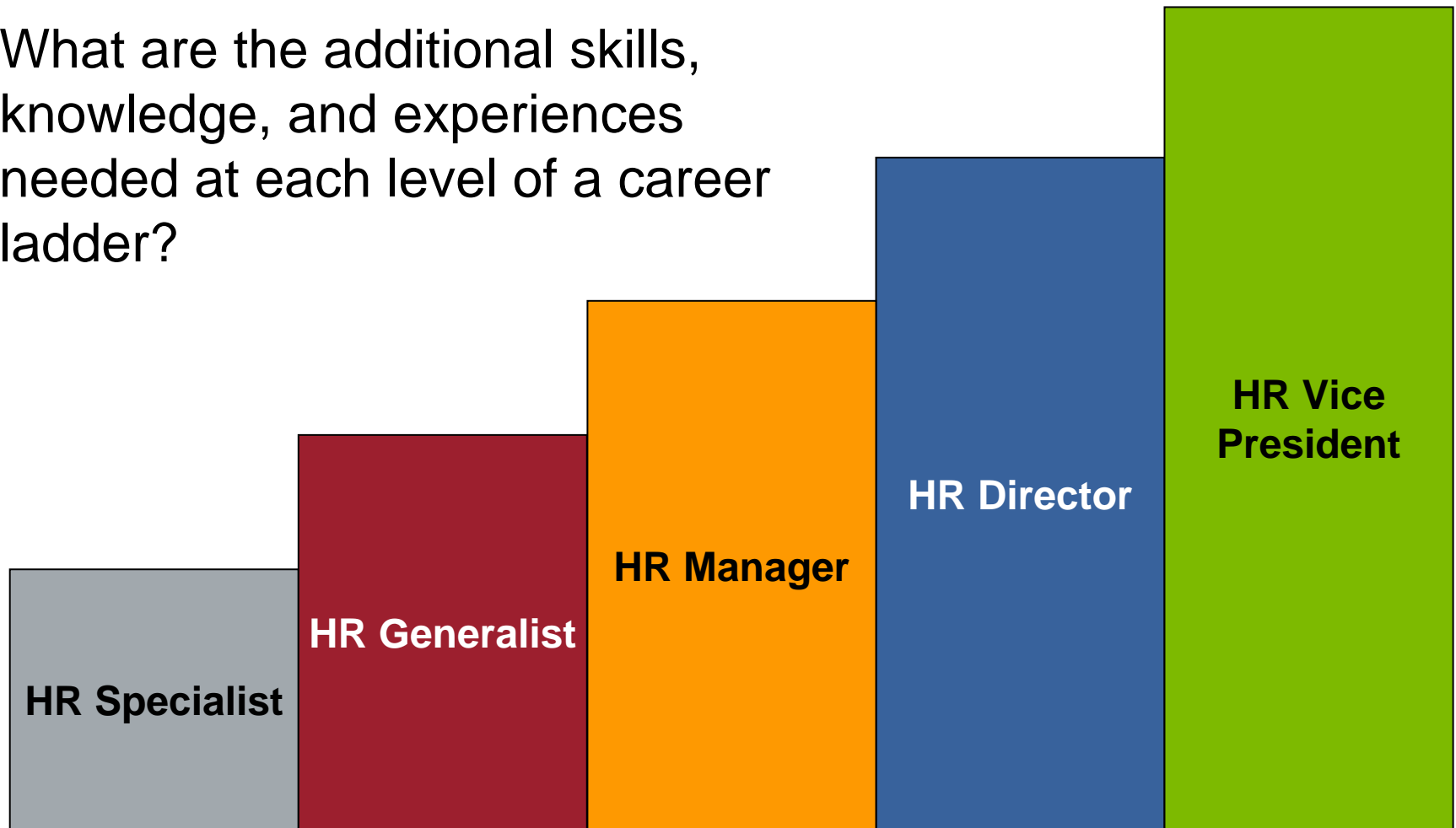
Defining Competencies

Career Path Competencies

- more specific than functional competencies
- used within every job role
- describe skills to walk up career ladder

Career Path Competencies

What are the additional skills, knowledge, and experiences needed at each level of a career ladder?



Defining Competencies

Career Path Competencies

- more specific than functional competencies
- used within every job role
- describe skills to walk up career ladder

Leadership Competencies

- assess and develop leaders
- “Catch All” model
- “Building Block” model

Poll Question

- Does your organization have defined leadership competencies?
 - Yes
 - No
 - I don't know

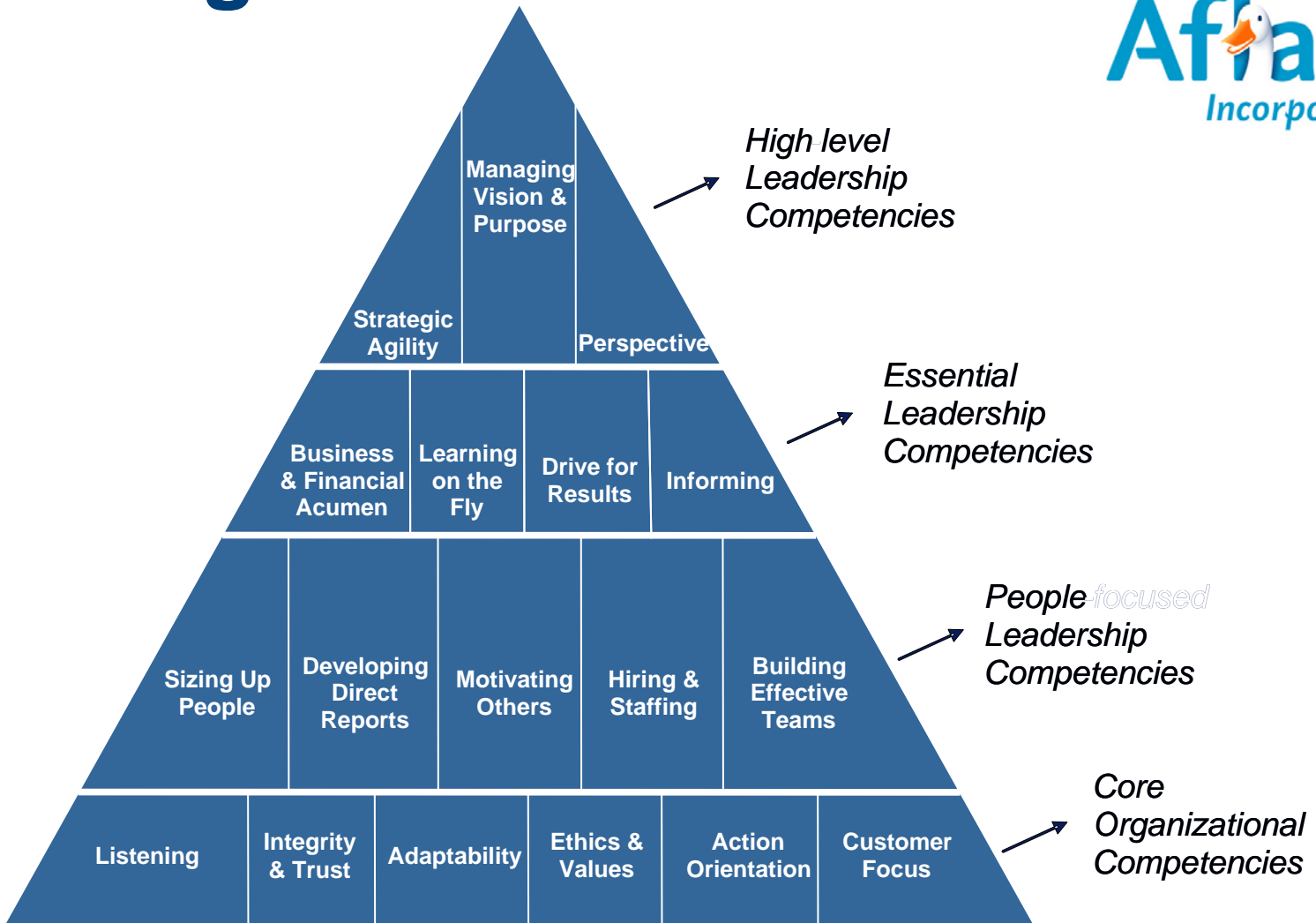
Leadership Competencies at GE Catch All Model



imagination at work

- Energy
- Energize
- Edge
- Execute

Leadership Competencies at Aflac Building Block Model



Poll Question

- How often do you review and update competencies?
 - Every year
 - Every 2-3 years
 - Every 4+ years
 - We use the same competencies year over year

Competency Management Systems

- A central repository manages all competencies (including competency libraries), proficiency scales, behavior anchors, and interview and assessment questions.
- Provide a common language for organizations to define and manage the skills, attributes, and behaviors for job families, job profiles, and roles across all talent processes.

Poll Question

- Do you use a competency management system to maintain and track competencies?
 - Yes
 - No, but we plan to
 - No
 - I don't know

Competency Management at Eastman Chemical



- define specific functional/technical competencies required for compliance

TESS Administrator

Role Catalog > Role Details

Associated Tasks and Competencies Information > Sales Leader

General

Stewards

Completion

Overview

Prerequisites

Assignment Reminders

Expiration Reminders

Notifications

Assessment

Reassignment

Associated Tasks and Competencies

System

Item	Task	Competency	TYPE	STATUS	IMPORTANCE	FREQUENCY	PROFICIENCY
<input type="checkbox"/>	Core Values		Group	Active	10	10	N/A
<input type="checkbox"/>	Customer Service		Skill	Active	10	10	Proficient
<input type="checkbox"/>	Integrity		Skill	Active	10	10	Expert
<input type="checkbox"/>	Quality		Skill	Active	10	10	Proficient
<input type="checkbox"/>	Leadership - The Four Es		Group	Active	10	5	N/A
<input type="checkbox"/>	Edge		Skill	Active	10	5	Proficient
<input type="checkbox"/>	Energize		Skill	Active	10	5	Functional
<input type="checkbox"/>	Energize		Skill	Active	10	5	Functional
<input type="checkbox"/>	Execute		Skill	Active	10	5	Expert
<input type="checkbox"/>	Functional		Group	Active	10	10	N/A
<input type="checkbox"/>	Sales		Skill	Active	10	7	Expert
<input type="checkbox"/>	Research		Skill	Active	10	6	Aware
<input type="checkbox"/>	Project Implementation		Skill	Active	10	8	Proficient

Competency Management at Eastman Chemical



- identify skill gaps through a skill assessment tool

January 23, 2008

TEES Talent Management Solutions

Supervisor: **Pattie Hughes**

Career Portal | Learning and Development Portal

Activities | Registration | Skills | Performance | Personal | Catalogs | Reports

Self Assessments

I Want To:

[Collapse All Comments](#)

[Delete Results](#)

[Print Self Assessment Results](#)

Show Me:

[Overall Role, Task, and Competency Ratings](#)

[Only Supervisor Ratings](#)

Self Assessment Results on Sales Associate for Colleen Brown

Supervisor results are final.

■ Associate Score ■ Supervisor Score

Competency	Associate Score	Supervisor Score
Sales Associate	4.333	2.00
Product Demos	5.00	2.00

Comments

Competency	Associate Comments	Supervisor Comments
1. Ability to connect with audience	Am able to easily connect with audience.	Colleen still needs some work in connecting with the audience.

Competency Management at Eastman Chemical

EASTMAN

- determine appropriate training

January 23, 2008


TEDS Talent Management Solutions

Supervisor **Pattie Hughes**

← Home User ? Close

● Career Portal ● Learning and Development Portal

Activities Registration Skills Performance Personal Catalogs Reports


Self Assessments 

I Want To:

[Return to Previous Screen](#)

[Assign Selected Items](#)

Certification Training for Verbal Communication

 The following training is required to become certified for the competency

Title	Local Code	Certification	Recert.	Type	Revision	Status	Delivery Method
<input type="checkbox"/> Meeting Skills	MGT105	✓		Course	1	Active	Instructor Led
<input type="checkbox"/> Presentations	MGT102	✓		Course	1	Active	Multiple Delivery Methods

Competency Management at Eastman Chemical



- track employee performance in order to ensure compliance standards

January 23, 2008

TEES Talent Management Solutions

Supervisor: **Pattie Hughes**

[Career Portal](#)
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[Activities](#)
[Registration](#)
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[Performance](#)
[Personal](#)
[Catalogs](#)
[Reports](#)

Current Skills for Rhodes, Nick

I Want To:

[Assign](#)

[Complete](#)

Select	Title	Code	Type	Status	Hours	Status Date	Due Date	State
<input type="checkbox"/>	Sales Leader		Role	Pending Certification	0.00	12/31/08	12/31/08	Primary
<input type="checkbox"/>	Core Values		Group	Pending Certification	0.00	12/31/08	12/31/08	Current
<input type="checkbox"/>	Customer Service		Skill	Pending Certification	0.00	12/31/08	12/31/08	Current
<input type="checkbox"/>	Integrity		Skill	Pending Certification	0.00	12/31/08	12/31/08	Current
	Ethics	FIN125	Learning	Required	40.00	12/31/08	12/31/08	
<input type="checkbox"/>	Quality		Skill	Pending Certification	0.00	12/31/08	12/31/08	Current
<input type="checkbox"/>	Leadership - The Four Es		Group	Pending Certification	0.00	12/31/08	12/31/08	Current
<input type="checkbox"/>	Functional		Group	Pending Certification	0.00	12/31/08	12/31/08	Current
<input type="checkbox"/>	Sales		Skill	Pending Certification	0.00	12/31/08	12/31/08	Current
	Customer-Oriented Selling - Self Study	SAL160	Learning	Required	24.00	12/31/08	12/31/08	
	Facilitating	FACRATEST	Learning	Required	8.00	12/31/08	12/31/08	
<input type="checkbox"/>	Research		Skill	Pending Certification	0.00	12/31/08	12/31/08	Current
<input type="checkbox"/>	Project Implementation		Skill	Pending Certification	0.00	12/31/08	12/31/08	Current

Poll Question

- Are competencies considered foundational for all talent management processes in your company?
 - Competencies are linked to all of our talent management programs
 - Competencies are linked to some of our talent Mangement programs
 - Competencies are not linked to our talent management programs
 - I don't know

Talent Management Alignment

Recruitment & Selection

- Helps qualify and assess candidates
- Facilitates behavioral-based interviewing
- Provides a foundation for consistent interviewing

Performance Management

- Indicates behaviors to measure employees against
- Provides the "how" in addition to the "what" for goal setting
- Creates a common language for assessment

Talent Management Alignment

Career & Succession Management

- Helps guide individual career development
- Provides a roadmap for employees
- Enables an assessment for future roles
- Contributes to the definition for “High potential”

Leadership Development

- Defines curriculum that will “teach the competencies”
- Provides alignment between business strategy and necessary skills to drive organizational performance

Talent Management Alignment

Learning & Development

- Helps build curricula paths within job functions
- Creates behavioral standards for learning assessment
- Builds a linkage between performance management and learning management systems

Compensation

- Helps align pay with performance
- Enables incentives to target actions and behaviors, not only the end results

Talent Management Alignment at Steelcase



- **Recruitment and Selection**
 - Hiring new employees
 - Training managers to be talent assessors by observing, recording, classifying and judging behaviors.
- **Performance Management**
 - Promoting current employees
 - Identifying development gaps for all individuals
 - Record behaviors needed for personal and organizational development
 - Providing the framework for a common language to describe work tasks and monitor employee performance.
- **Employee Development**
 - An optional process, enabling employees to be assessed against competencies and create development plans
 - Having discussions with managers about strengths and opportunities around weaknesses
- **Succession Management**
 - Identifying high-potential employees who may be exemplar in certain competencies
 - Determining successors to key positions
- **Learning & Development**
 - Providing relevant training and development options
 - Linking to learning management system

Benefits of Competency Management

- Provides a common “currency” for assessing performance and potential;
- Enables a consistent and effective selection of high potential leaders;
- Enables the creation of focused performance improvement programs;
- Provides benchmarks and criteria for hiring;
- Contributes to equitable compensation;
- Enables an individual to embark on career planning;
- Helps employees understand what is important for their success; and
- Conveys to employees what is valued.

Benefits of Competency Management Systems

- Improve recruiting
- Effectively manage performance and employee potential
- Implement career planning
- Share talent
- Measure organizational capabilities, skills gaps, and managerial bench strength
- Increase the effectiveness and alignment of learning and development programs

Source: "Talent Management Suites: *Market Realities, Implementation Experiences and Vendor Profiles*," Bersin & Associates / Leighanne Levensaler, January 2008.

Key Areas of Impact

Impact of Functional Competencies

1. Professional Services Firms
2. Pay for Performance
3. Impact on Training

Impact of Leadership Competencies

1. Rapid Response to Business Change
2. Career planning
3. New Manager Training

Source: "The Role of Competencies in Driving Financial Performance," Bersin & Associates / Josh Bersin, January 2007.

Research Report

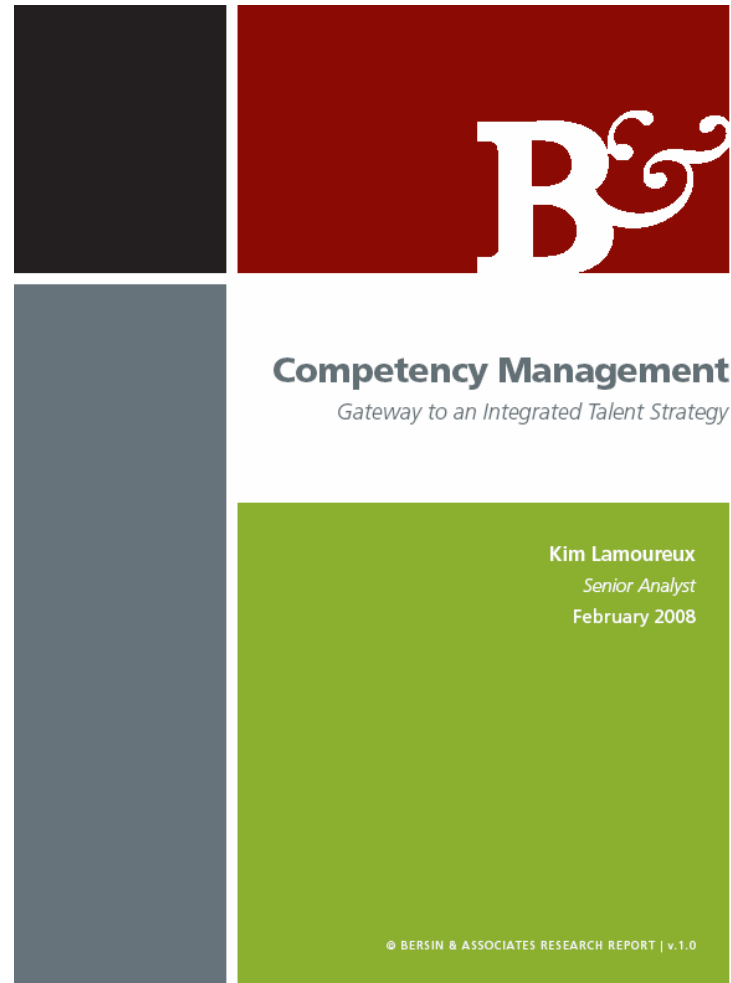
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To Obtain the Report:

You can register to be notified of this report at

www.berstin.com/competencymgt

Also you will be able to access the report at www.teds.com



Q & A



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