Competencies Just Evolved.
Ensure Your Business Evolves Too
2-Day Online Learning & Leadership Development Event

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ONLINE
September 9–10, 2014
Today’s Moderator

Andrew Bateman

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Today’s Guest Speakers

Vicki Swisher
Senior Director of Intellectual Property Development
Korn Ferry

Marni Jouve
Director of Channel Management
Korn Ferry
Competencies just evolved.
Ensure your business evolves too.
Today’s topics

Describe forces compelling this evolution of competencies.

Explore the latest research and global trends.

Competency evolution spotlight: the journey to Korn Ferry Leadership Architect™.

Best practices to achieve max benefit for your evolved competency strategy.
Poll question

What is the biggest driver for re-evaluating a competency strategy in your organization?

- New leadership
- Business strategy shift
- Changes in external business environment
- Current competency strategy has not achieved results
- Other
If you’re re-evaluating competencies, you’re in good company.

Research found that updating competencies has a beneficial effect across the business. 62% to 70% of these high-performing organizations were updating their competencies every two to three years.

Loew and Garr 2011
The business landscape.
Factors of today’s business landscape

- Globalization
- Innovation and Changing Strategies
- Flatter and Leaner
- M&A / Restructuring / Spin Offs
- Technology
- Marketplace Disruptions
“It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.”

Charles Darwin
Focus on critical behaviors to drive performance

<table>
<thead>
<tr>
<th>Innovation leaders</th>
<th>Change leaders</th>
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<tbody>
<tr>
<td>• View problems as challenges to be overcome.</td>
<td>• Pivot organization in anticipation of or response to market changes.</td>
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<td>• Use technology for new products &amp; services.</td>
<td>• Swiftly change the business model and lead competitors because of adaptability, foresight.</td>
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<td>• Stay in front of trends by creating new markets.</td>
<td>• Master ability to inspire and motivate people.</td>
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<tr>
<th>Growth leaders</th>
<th>Global leaders</th>
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<td>• Thrive in new, complex, and crowded business environments.</td>
<td>• Attract global talent, operate across boundaries, meet diverse customer needs.</td>
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<td>• Open to diverse points of view.</td>
<td>• Require global perspective, cultural agility, self-awareness, openness, and flexibility.</td>
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<td>• Grow business under pressure: lack of resources, fierce competition, thin margins.</td>
<td>• Depend on their capable, self-directed teams.</td>
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Business environment is driving trends in the competency environment

Organizations are looking for a competency strategy that is:

- Simple.
- Aligned with core values.
- Technology enabled.
- Grounded in science.
- Globally relevant.
- Connects all the organization’s talent strategies.
Enduring value of competencies

They’re still the ‘red thread.’

• Links all talent management practices together.
• Aligns talent strategy to business strategy.
• Provides clear set of expectations.
• General enough to prepare talent for the dynamic business environment.
• Get at the ‘how’ of performance.
Competency proficiency still matters… a lot

Competency proficiency accounts for between 43% and 64% of the total variation of job performance.

- Executive: 45%
- Manager: 43%
- Supervisor: 53%
- Individual contributor: 64%
Evolving competencies to meet the demands of today’s business landscape.
Guiding principles

• Focus on skills that matter most for performance.
• Most relevant in today’s and tomorrow’s business context.
• Valid across global regions.
• Content that is user-friendly and simple.
• Drives multiple processes including selection, development, and performance.
Research approach

• Extensive review of the scientific literature.
• Based on legacy competency libraries from Lominger, PDI Ninth House, and Global Novations.
  • Quantitative, qualitative, and market-based data.
  • Performance correlations at multiple levels.
  • Skill and importance normative data.
• Global and industry trends.
• Customer and expert input.
Competencies in context

**FOR EXAMPLE**
Skills and behaviors required for success that can be observed.

**FOR EXAMPLE**
Decision quality, strategic mindset, global perspective and business insight.

**WHAT YOU DO**
Inclinations, aptitudes and natural tendencies a person leans toward, including personality traits and intellectual capacity.

**FOR EXAMPLE**
Assertiveness, risk taking, confidence and aptitude for logic and reasoning.

**EXPERIENCES**
Assignments or roles that prepare a person for future roles.

**FOR EXAMPLE**
Functional experiences, international assignments, turnarounds and fix-its.

**WHO YOU ARE**
Values and interests that influence a person’s career path, motivation and engagement.

**DRIVERS**
Power, status, autonomy and challenge.

Source: Korn Ferry Four Dimensions of Leadership and Talent, 2014
Evolution of legacy competencies

Some are enduring and universally valuable:
- Decision Quality
- Business Insight
- Customer Focus

Some evolved for 21st century relevance:
- Analysis/Problem Solving → Manages Complexity
- Managing Diversity → Values Differences
- Negotiating → Persuades

Added based on research and market realities:
- Builds Networks
- Situational Adaptability
- Balances Stakeholders
Poll question

Which of these evolved/new competencies do you see as critical to your organization’s success?

*Select all that apply.*

- Manages Complexity
- Values Differences
- Persuades
- Builds Networks
- Situational Adaptability
- Balances Stakeholders
Competencies have evolved, and so have the best practices.
Leadership context

Then
Emphasis on leaders.

Now
Leadership as a shared responsibility.
Global norms and performance correlations

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<tr>
<td>A</td>
<td>Business Insight (5)</td>
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<td>Customer Focus (11)</td>
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<td>Financial Acumen (17)</td>
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<td>Tech Savvy (35)</td>
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<td>Manages Complexity (8)</td>
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<td></td>
<td>Decision Quality (12)</td>
</tr>
<tr>
<td></td>
<td>Balances Stakeholders (32)</td>
</tr>
<tr>
<td>C</td>
<td>Global Perspective (18)</td>
</tr>
<tr>
<td></td>
<td>Cultivates Innovation (19)</td>
</tr>
<tr>
<td></td>
<td>Strategic Mindset (33)</td>
</tr>
<tr>
<td>D</td>
<td>Action Oriented (2)</td>
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<tr>
<td></td>
<td>Resourcefulness (27)</td>
</tr>
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<td>E</td>
<td>Directs Work (15)</td>
</tr>
<tr>
<td></td>
<td>Plans and Aligns (25)</td>
</tr>
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<td></td>
<td>Optimizes Work Processes (38)</td>
</tr>
<tr>
<td>F</td>
<td>Ensures Accountability (1)</td>
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<td></td>
<td>Drives Results (28)</td>
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<td>Collaborates (6)</td>
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<tr>
<td></td>
<td>Manages Conflict (9)</td>
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<td>Interpersonal Savvy (20)</td>
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<td>Builds Networks (21)</td>
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Intention

Then
Drive individual performance.

Now
Intentionally shape a high performing culture.
Every day, hundreds of talent decisions are made
Shape culture through aligned decisions

A competency framework, aligned with strategy, shapes the organization.
Frequency

Then
Long standing framework.

Now
Language to signal strategic changes.
Then
Functional or business unit autonomy.

Now
COE approach to drive shared talent mindset.
Research as we know

Similar competencies most correlated with high performance across all or most regions:

- Manages Complexity
- Action Oriented
- Plans and Aligns
- Ensures Accountability
- Drives Results
- Collaborates
- Nimble Learning
- Being Resilient

Similar strengths and weaknesses across all or most regions.
Focus

Then
Focus on identifying the right competencies.

Now
Focus on changing behavior.
Communication as important as identification

Typical approach (percent of effort)

- Identification of competencies: 80%
- Integration: update/create tools: 20%
- Launch & communication
- Long-term implementation
Communication as important as identification

Recommended approach
(percent of effort)

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<th>Identification of competencies</th>
<th>Integration: update/create tools</th>
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<td>Competency strategy</td>
<td>Launch &amp; communication</td>
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<td>Long-term implementation</td>
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</tbody>
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20% 80%
Poll question

How would you rate your competency integration?

- Very successful
- Somewhat successful
- No current competency solution
- Somewhat unsuccessful
- Very unsuccessful
- Not sure
Ready for the next step?

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Questions?

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