



# WHITE PAPER

## SUCCESS PROFILES<sup>SM</sup>

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### COMPREHENSIVE TALENT MANAGEMENT THROUGH HOLISTIC JOB ANALYSIS

In the current business environment many of you are facing increased competition and eroding market share. Your senior leaders recognize that your company needs to shift its strategic direction—change its selling model to become more consultative, drive new product innovation, and aggressively manage costs to maintain profitability. Meeting these business challenges is the main focus of your CEO and leadership team. But how can your top leaders ensure that thousands of associates understand the business strategy and encourage them to share, contribute, and address the challenge of the future?

Whether the challenge is growth, service excellence, or brand recognition, organizations need an effective way to link their people strategy to their business strategy. That is, understand what it takes for people to succeed in their new business environment and align their talent management systems—hiring, development, performance management, etc.—to build people who succeed.

This means that successfully executing your business strategy starts with creating a comprehensive view of what it takes to be successful in a job, function, or level, and then integrating that description into all of your talent management systems.

In developing these comprehensive views, it is equally critical to make sure that the language spoken by guardians of talent management is translated into the vernacular of the senior leadership ranks. All too often well-defined ‘competencies’ developed by HR fail to resonate with strategy-setters because it is not in their language. This often results in a failure of senior executives to drive the necessary change.

This disconnect between strategy and a comprehensive approach to managing the talent who will execute it is evident in current succession management statistics. A May 2007 report from Bersin & Associates<sup>1</sup> found that the 51 percent of respondents cited lack of potential leaders as their first or second top challenge. In a separate study conducted by DDI and the Economist Intelligence Unit in 2008<sup>2</sup>, 55 percent of respondents said that their firms’ performance was likely or very likely to suffer in the near future due to insufficient leadership talent. And according to the same study, the greatest barrier to effective strategy execution was placing the wrong person in a key role (as selected by 36 percent of respondents).

So how can you ensure you have the right, capable leader in a key role—executing your most important strategies? Building Success Profiles<sup>SM</sup> is the most effective way to connect business strategy and people capabilities. They're fundamentally different from other approaches (such as competency modeling) because they look beyond mere competencies to create both a way for business people to talk about managing talent, and a way for talent managers to understand what the business needs. Success Profiling<sup>SM</sup> emerged as a critical best practice over several decades, yet today fewer than 6 percent of respondents to the Bersin survey believed they had a world class competency management process. In the past, HR managed job descriptions—lists of important job responsibilities and critical experience and knowledge requirements. Then during the '80s, organizations looked beyond job tasks and responsibilities to focus on competencies necessary for success in a job. Competencies describe the behavior required to be successful in a job or role. Presently, savvy organizations are not only identifying com-

petencies but are going a step further by developing a full Success Profile<sup>SM</sup>.

Success Profiles holistically capture the requirements of job success—what knowledge, experience, competencies, and personal attributes are critical to drive business strategy in a job, job level, or function (See Figure 1). These Profiles define what enables individual, group and eventually business success—or conversely, contributes to failure if lacking. Accuracy in defining success along with comprehensive coverage of the four components in the model are the cornerstone of an effective business-based, talent management system.

How does this link between business strategy and people requirements work? Consider again a company facing growth. To meet current and future challenges, this company determined that “Driving New Product Innovation” will be a critical factor or business driver for achieving growth. So to create Success Profiles that align talent management systems with business strategies, it was critical to define what people in each

FIGURE 1: THINK HOLISTICALLY: THE COMPLETE SUCCESS PROFILE

**WHAT PEOPLE *KNOW***

Technical and/or professional information needed to successfully perform job activities

**WHAT PEOPLE *HAVE DONE***

Educational and work achievements needed to successfully perform job activities



**WHAT PEOPLE *CAN DO***

A cluster of behaviors performed on a job

**WHO PEOPLE *ARE***

Personal dispositions and motivations that relate to job satisfaction, job success or failure

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job or level need to do effectively to bring new offerings to market. For example, each level within the organization has different responsibilities to contribute to success:

> **Senior Leaders.** When the driving business need is product innovation, our research shows that Change Leadership, Selling the Vision, and Empowerment/Delegation are critical competencies for senior leaders to possess when facing this challenge. Some examples of what this will actually look like that come to mind: senior leaders at a car company charge their staff to double the fleet's fuel efficiency within a decade; to launch a product that supports an emerging technology or trend; or introduce an entirely new product that develops a market that didn't previously exist.

> **Entry- and Mid-level Leaders.** Frontline leaders and managers play a large role in implementing a change that requires increased innovation. Past competency profiling efforts demonstrate that Facilitating Change, Coaching, and Customer Focus are critical competencies for these leaders to successfully implement this required change.

These leaders are the executors when it comes to innovation. They're taking big ideas from senior leaders and making them real. They're also motivating their teams to support the effort. And in tough economies, they'll be vital in deciding which innovations are well-timed, using their thorough knowledge of the organization's customer base.

> **Frontline Associates.** Individual contributors also play a critical role. Research shows that competencies and personal attributes such as Adaptability, Initiating

Action, and Continuous Improvement contribute to successful innovation at this level of the organization.

Frontline associates play a key role in innovation as well. Often, these hands-on workers are the ones who see flaws in a plan or a product that weren't obvious when the idea was conceptualized. When frontline associates are innovative, they infuse change and improvement to the overall process. They tackle tough problems, and improve the overall end result.

Motivational fit for "Driving New Product Innovation" is similar at all three levels. When innovation is the business driver, associates should be excited by change rather than comfortable with the status quo. Innovators like to problem solve, and value the chance to be in on something new. Location fit is another kind of motivational fit that can't be overlooked. How well, for example, would an engineer adapt to an isolated desert environment that goes along with a job testing explosive devices? He may love the work, but can he find satisfaction with the compromises he must make to do it?

Many companies realize that it's not enough to simply state the business driver for a job or level. In order for an aspirational business driver to be more than 'words on the company poster', the business drivers must link to critical people capabilities. The people capabilities (or Success Profiles) shape the talent management systems to hire, train, evaluate, and promote people at each level. In the following sections of this paper, we'll detail challenges organizations typically face when executing a business-relevant talent management strategy. We'll show how to build accurate Success

Profiles. And, we'll demonstrate how these enriched Profiles form the foundation of an effective organization-wide talent strategy that provides a framework for selection, development, performance management, and succession processes across all organizational levels.

## THE CHALLENGES

*“HR isn't connected. They're a function that keeps our paychecks coming, but setting strategy? Sometimes, they're a hindrance to our business.”* Harsh criticism, but hopefully outdated for your organization. The sentiment reflects the days before business-based talent management. Business-based talent management strategy emphasizes the relevance of target competencies across all HR programs to drive business success. It also encourages measurement of the impact of their use (e.g., the utility of HR programs) and the success of the business. As an example, one can measure the impact of a better selection system on the quality of hires, new employee speed to productivity, and retention.

In addition to increased pressure to measure impact for HR initiatives, there are a number of factors that increase the importance of maintaining accurate up-to-date and scalable Success Profiles:

- > **Common understanding is essential to meet goals.** Any company needs key players to understand their roles in executing strategy. As organizations span the globe, creating a common understanding—and translating it from business goals to talent management—is problematic. Success Profiles, unlike other job analyses, provide this bridge between business and talent worlds as well as a common

language to foster understanding.

Additionally, organizations need to make sure that all managers have the same understanding of how to apply a competency definition. You don't want one manager holding a direct report to a higher performance standard than another manager with an employee doing the same job. The first person could be deprived of bonuses, promotions, etc. because on the surface they received lower ratings.

- > **Globalization changed job requirements.** As organizations extend their reach, leaders find that information management, collaboration, and decision-making are more complex. Leaders must also adapt leadership behaviors to suit those from other cultures. Expatriate leaders face a number of issues. Some struggle to adjust to a new culture and assimilating their families. Others find it difficult to re-assimilate at the end of an assignment and find ways to apply their newly acquired skill sets.
- > **As Baby Boomers retire, organizations need experienced leaders to take their places.** Many organizations are totally unprepared to fill these soon-to-be-open positions, as they lack a systematic process to select and develop the next generation of leaders.
- > **Organization commitment is in decline.** Recent research shows that up to half of the global workforce is disengaged. Employees' trust is eroded when they fail to see career paths, or encounter downsizing and mergers. Competitors are quick to offer greener pastures, sparking a cycle of job-hopping and brain drain.

- > **Readiness for promotion is low, while the demand for short time-to-productivity is high.** Ineffective new leaders can cause low productivity, low morale and disengaged followers. Without support, new leaders don't know how to address the new leadership challenges they face. And flatter management ranks mean fewer mentors, and less experience.

These challenges can be addressed through leadership development, sound selection and promotion practices, and solid performance and succession management. We think the basis of these systems is business-relevant Success Profiles. In the next section, we'll talk about creating effective Success Profiles that address the challenges detailed above.

## SUCCESS PROFILE MANAGEMENT: A HOW-TO GUIDE

Success Profile management has four imperatives:

1. Understand the business strategy.
2. Identify the knowledge, experience, competencies, and personal attributes required for job success.
3. Apply the Success Profiles consistently through talent management systems and processes.
4. Rapidly update Success Profiles as the business changes.

Let's take a look at each of these imperatives in more detail.

### **Imperative 1:** **Understand the business strategy.**

Success Profiles are most transformative when they start with the end in mind. That is, they account for your current and future

business needs. Effective talent management requires that your business goals and strategies drive the quality and quantity of the talent you need. Define what it will take for your organization to succeed globally over the next 3-5 years. Ask: Do we have enough leaders with the right capabilities to tackle these challenges? If not, how can we identify those with the greatest potential and accelerate their development? Then ask: What will be the measurable indicators of talent growth? A well-known management axiom is that "you can't manage what you can't measure." Keeping the end in mind is the most central tenet to great talent management.

### **Imperative 2:** **Identify the knowledge, experience, competencies, and personal attributes required for job success.**

You know your business strategy. Armed with that focus, it's time to translate business strategy into talent management—in the form of Success Profiles. To efficiently build Success Profiles, follow these steps:

1. Plan
2. Collect Data
3. Build, Confirm, and Document a Profile

**Step 1:** The process to identify the Success Profile for a job or job family level starts with planning. Those leading the process (known as analysts) seek to understand the business environment, strategies, and objectives associated with the jobs or roles being analyzed. From this understanding, the analyst can identify potential knowledge, skills, motivations, and competencies that will enable people to be successful.

Analysts examine current competency models and determine their relevancy to the people requirements for the target positions or levels. This ensures the Success Profiles process is completed as efficiently as possible without wasting time gathering redundant information. Then, consider the implementation strategy—the technology and HR processes that will be impacted by the new Success Profiles. This will ensure that you will carefully adapt these supporting systems and processes to the new Success Profiles.

A good plan identifies who needs to buy in to the process and should have input into the models themselves—including stakeholders, line and HR managers, and incumbents. Communicating the business reasons for the Success Profiles ensures buy-in of the deliverables and the expected impact on existing systems and processes.

**Step 2:** After planning, the data collection phase begins. There are three common sources of information:

- People doing the job.
- People managing those who do the job.
- Visionaries and senior leaders who can speak to the business strategies/drivers.

Each of these three sources contributes a valuable perspective. Successful incumbents detail the challenges someone new to the role will face. Managers offer a different perspective. They are best able to share examples of various ways in which current incumbents are exceptional or sub-standard in addressing the challenges of the target job/level. Visionaries offer critical additional insights. These leaders have information about the direction of the business that will influence what it will take to be successful in the future, which may not be known by incumbents or their managers.

**Step 3:** After collecting information, the analyst integrates or combines insights from these three sources and drafts a tentative Profile. This Profile should be reviewed and confirmed by visionary leaders, especially when substantial changes in business or people requirements are prevalent. In other situations, managers complete a questionnaire in which they are asked to help with rating and ranking specific elements of the Success Profile. The end product includes clearly defined competencies, as well as the specific knowledge, experience, and personal attributes, such as motivation to collaborate with others or to assume leadership responsibilities. Those running the process will generate the appropriate documentation and reports that describe the Success Profiling process and results. The report should comply with relevant legal and professional guidelines.

When implementing your plan to develop Success Profiles, there are several best practices that will ensure the most accurate and useable outputs:

- > **Strive for clarity above all else.** Your competency models are up for interpretation by those who use them—and in most cases, that’s going to be a lot of people. Subjective interpretations lead to inconsistency, so when developing competencies or Success Profiles, one must take great care to clearly define competencies in measurable terms. For example, having “Business Acumen” often sounds good on paper, but is hard to interpret in practice. By describing observable, measurable behaviors, you eliminate the misunderstanding and confusion that comes with vaguely defined competencies.

- > **Separate trainable and non-trainable components.** People can be trained to communicate, coach and develop others, manage work, and even build partnerships. It's much harder to train someone to take initiative, manage work-related stress, or be motivated to lead others. The best Success Profile separates trainable and non-trainable components. When it comes time to apply your Profiles to your HR processes, your selection process will cover most if not all elements of the Profile, but emphasize non-trainable elements of success. Alternatively, your development process will focus on the more trainable elements. This will help you use time and resources more effectively in both processes.
- > **The golden rule to mitigate risk and enhance business relevance.** Risk can be associated with legal compliance issues or costs created by an irrelevant competency model. Starting with the desired business result in mind will mitigate your risk. Success Profiles that link clearly to business strategy and job challenges are less likely to open you to legal action. And, their use is more likely to make a difference on your bottom line—offering the greatest return on your investment of time and money.
- > **Start at the top and cascade competencies.** Senior leaders set the strategy, and also hold the greatest accountability for executing it. The challenges should, of course, be reflected in the Success Profiles for their executive-level positions. They also should influence the Profiles of the manager below the executive level. For example, when an executive has a competency related to Change Leadership, his or her direct reports'

Success Profiles may include the related competency 'Facilitating Change' so that direct reports can support their executives' effort. This cascading view ensures alignment of all levels with an organization to the core business drivers.

### **Imperative 3:**

**Apply the Success Profiles consistently through talent management systems and processes.**

There's no return on investment for building a Success Profile that sits on a shelf in HR. The results are achieved with careful application into HR systems and processes. While this may seem obvious, it can fail to happen all too often, especially when operational managers refuse to use the Success Profile language when describing the performance of people. Moreover, if the Profiles are not useable in multiple systems, they often fail to be implemented.

To ensure broad use, it is necessary to employ common terminology which lends itself to a consistent interpretation of meaning about people requirements across HR systems in multiple contexts—hiring, development, performance management, and succession management. This creates more understanding among users, as well as greater scalability and efficiency. For example, using data collected in the hiring process in on-boarding, and as input to developmental planning, speed to productivity is accelerated for new leaders. By having a common view of what it takes to be a leader while avoiding a 'one size fits all' approach to on-boarding, managers are better able to support the transitional challenges faced by a new leader. And, incumbents clearly see how to be successful in their current jobs and plan their career paths.

It's important that you try to have as few lists of competencies as possible. Organizations benefit from identifying and organizing jobs into common families for building Profiles. Typical examples of job families can be grouped by function (manufacturing, sales, human resources) or by job level (executive, manager, professional). Lists get out of control when people try to focus on the small differences among jobs rather than the commonalities. There are important differences between an attorney, an accountant, and HR practitioners, in terms of knowledge, education, and experience. It is important to reflect these differences in the Success Profile. But from a competency perspective, all of these jobs may require individuals to be good partners, planners, and communicators and this commonality can drive simplicity in the Success Profile models. Common competencies may apply across many functions or levels in an organization.

Companies increasingly invest in technology systems to help develop and apply Success Profiles. In an ideal world, all systems are integrated with each other and use a common Success Profile framework. But information technology system integration is not essential—what is critical is that each system uses the same kind of information. In other words, they are built from a common Success Profile framework. As mentioned previously, rich information about a candidate is collected during the selection process. Is there a process for information about individual strengths and development areas to be captured and used to inform the most efficient on-boarding plan? Does the new hire's performance plan reflect strengths and development needs identified in the hiring process? Do employees with promotional aspirations

understand what it takes to be successful at the next level? Having a common understanding of what is needed in a job creates more reliable and thus more accurate people-related decisions.

**Imperative 4:**  
**Rapidly update Success Profiles as the business changes.**

How often should Success Profiles be updated? The answer: When business strategy changes in a way that dictates new requirements for people. For some organizations, this may happen yearly, for others it may be every few years. On average, companies should consider reviewing their Profiles at least every 18 months to two years. There are some common indicators that an organization should re-evaluate its Success Profiles:

- Your business landscape or market changed.
- New competitors are impacting your strategies.
- New technologies emerge and affect your processes.
- Business line managers request training you don't currently offer in order to meet a new need.
- Hiring managers want to change your interviewing targets because they don't feel it meets their requirements.
- Those using your performance management system find it hard to make a connection between the "hows" and what it takes to achieve results.
- Business and operational managers ignore your HR initiatives.



Complexity is increased when people systems must work across regional boundaries. Increasingly, companies need to deploy competencies and Success Profiles on a global basis as a way to drive a ‘one company’ strategy. Translated competencies run the risk of misinterpretation. Though proficiency levels among incumbents or candidates may differ geographically, it’s most important that competencies are consistently interpreted no matter where they are used. Common targets and standards are especially important when comparing talent from different regions.

### THE MOST CRITICAL FACTORS ASSOCIATED WITH THE EFFECTIVE IMPLEMENTATION OF SUCCESS PROFILES

So how can you get the most out of your investment in identifying, applying, and managing Success Profiles? Several proven best practices will enable your organization to be more effective in this area.

#### > Integrate Talent Programs Around a Common Success Profile

Too often, different competency models are developed for different processes and programs. As a result there’s no common framework to assess, develop, and appraise people. Competencies, or more holistic Success Profiles, are a powerful tool that should link and create synergies among these HR processes.

Common Success Profile frameworks allow people to better understand what’s expected of them from a behavioral point of view as they progress through the organization. This results in consistent, reliable application of your Profiles. If a candidate for promotion is assessed on his or her ability to develop others, but subsequent leadership

development programs address decision-making and budgeting, how can an incumbent determine what is important? HR processes need not be identical, but they should be complementary.

#### > Mitigate Risk

There are two big risks when it comes to Success Profiling.

1. Does this model provide the highest level of legal defensibility possible, should the need arise?
2. Does it accurately drive your business and cultural strategies?

To be effective legally and strategically, Success Profiles must create a link between the competencies and business drivers faced in the target job/level.

Competencies are more legally defensible and useful when they include a clear definition and are measurable. One way to ensure that competencies can be a basis for assessment and development is the use of ‘key actions.’ Key actions describe the critical behaviors (not tasks) that are particularly important for individuals to exhibit when successfully applying the competency. Additionally, you want to make sure that there’s not a lot of overlap between the competencies. When each competency is discrete, training and selection processes designed around the model are less redundant and thus more efficient.

#### > Use Models That can be Quickly Updated

Change is constant. The market changes, mergers and acquisitions reshuffle priorities, technology improves, and employee and customer expectations never stay the same for long. This poses a real challenge when talent management has to be aligned

with the business. It must be easy to re-prioritize the elements in your Success Profiles, or introduce new ones that are needed to drive future success. Organizations can't afford to conduct elaborate studies with lengthy data collection activities that take months—if not years—to build or update a model. Those who've taken this approach often find out that once their model is ready to be launched, the business situation has changed and their Profiles are irrelevant. In an ideal world, every time a company does business planning or changes the strategic direction, they should re-examine executive and leader competencies. Determine whether competencies, knowledge, experience, or personal attributes need to be added, deleted, or moved up or down in importance in order to drive business success. Flexibility is essential to ensure you'll realize the goals you've set for your Success Profiling project. Some companies have a process champion, who is charged with keeping the models up to date and well communicated. Having an effective technology-enabled Success Profiling process is the best way to ensure flexibility and make rapid updates to your Profiles.

#### > **Ensure Sustainability**

Here are some ways to ensure your Success Profile is sustainable and has maximum impact:

1. **Communication.** Have senior leaders address the business case and create buy-in for the Success Profiles.
2. **Accountability.** Clearly define roles in developing and using the model, and establish accountabilities for all key stakeholders, starting with the CEO.

3. **Skill.** Training may be necessary to help people understand how to interpret and use Profiles in various HR processes. Competency analysts need to be trained on how to develop them in a way that mitigates legal risks and creates a positive impact on the business.
4. **Alignment.** As we've already discussed, common competencies across HR processes create synergies that drive efficiency and better results.
5. **Measurement.** Provide clear lead and lag measures on the outcomes associated with using competencies. Better quality of hires and reduced time to contribution are common metrics for hiring systems, and better application of skills is common for training programs.

### MEASURE THE BUSINESS IMPACT OF YOUR SUCCESS PROFILING EFFORTS

According to the *Job/Role Competency Practices Survey Report*<sup>3</sup>, 91 percent of organizations reported improved processes for selecting and designing training programs when they designed training and development processes around competencies. (In contrast, only 48 percent report such impact when HR processes are not supported by job competencies.) When competencies are the foundation of HR processes, 91 percent of organizations report their selection and promotion systems are more fair, 89 percent report performance management is more effective, and 91 percent report training and development is more effective. When three or more HR systems are supported by competencies, 60-70 percent of organizations report improvement in bottom-line

indicators such as financial performance, productivity, quality of products and services, employee or customer satisfaction, and retention of quality employees.<sup>3</sup>

While the above demonstrates the impact Success Profiles can have upon implementation, take care to identify and track the metrics in your organization that are aligned to your leaders' business. By measuring the impact in terms that relate directly to their business, HR professionals can make more informed decisions regarding future enhancements to talent strategies. Additionally, you will be well on your way to ensuring you have the critical buy-in from the senior leaders in your organization. Without senior leadership's buy-in, it is unlikely you'll achieve complete success with your talent management initiatives.

## Citations

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