

[performance]

skill-based compensation

Creating effective programs

procedures
development

skill-based compensation

strategic competency
programs

curriculum
development

training program
assessment

personnel assessment
& allocation tools

work processes
& software

Tying compensation to job skill acquisition can improve performance and profitability

Companies report many benefits from skill-based pay including improved team performance, increased productivity, greater workforce flexibility, reduced compensation costs and increased job satisfaction¹. For example, 94% of companies in an ACA study reported increased output per hour worked; and 98% reported increased employee satisfaction and commitment.

Do you know exactly how your program will produce the results you envision?

Skill-based pay does not work like magic. Programs can fail. Achieving a return on your program investment hinges on (1) *how explicitly you can define measurable objectives for the program*, and (2) *how precisely you can define the exact mechanisms by which your program will produce results*. Proven methods exist to define desired results and how they will be achieved. There are even ways to perform predictive ROI analyses on your proposed program. If you would like to know more, ask for our white paper, *Design Rationale for Skill-Based Pay*. (We also have white papers available on many related topics which are available at your request.)

We can help answer the questions you've been asking:

- How can I model and use the concept of skill-based pay to meet *my* company objectives?
- What can I do to ensure employee acceptance?
- How do I collect skills information, and what resources will it take?

- How does the quality of skill definitions affect program outcomes?
- What legal and government issues have a bearing on task analysis?
- How do I develop fair and accurate skills verification?
- How should my communications and roll-out program work?
- What impact will all this have on my training department?
- How can this program help meet mandated requirements, such as Process Safety Management?
- What is it really going to cost?
- How can it pay for itself?
- How can we keep it evergreen?

Capturing the full value and incentive of skill-based pay requires comprehensive support and administration systems

Our experience shows that roll-out and program support may present more hazards than program design. Without integrated support systems, value can disappear, administration can become a drain on company resources and the program can actually become a disincentive to employees. Through our consulting, we have designed the specific support systems that produce success. You can find out more from our white paper, *Support Systems For Skill Based Pay*².

Daniel Follette, Inc. provides complete processes, software systems and staff for the design, implementation and management of skill-based pay. Our REPERTOIRE™ processes include manuals and communications to guide all company participants

¹ See the American Compensation Association study, **Skill-Based Pay, Practices, Payoffs, Pitfalls and Prescriptions**.

² Extracted from a presentation given at the Seventh Annual International Conference on Work Teams sponsored by the Center for the Study of Work Teams at UNT.

Skill-Based Pay Services and Products Offered by Daniel Follette, Inc.

Shaded boxes indicate which service or product is applicable to each project phase.

Program Phase Services	Information Gathering	Opportunity Analysis	Program Design	Development: Tasks/Skills Definition	Strategic Training Alignment	Roll Out/ Implementation	Evergreen Management
Consulting							
Development Model							
Work Process							
Development Team Staffing							
Electronic Information Support Systems							
Custom Systems Programming							
Literature Summaries and Abstracts							
Benchmarking Services							
Communications Programs							

Consulting: Clients can benefit from our expertise through consulting at any project phase.

Development Model: This development model can serve as a basis to simplify program design and management. It identifies key issues, activities and timelines. The package includes booklets with charts, an MSPowerPoint presentation and an orientation session with our staff.

Work Processes: Clients can license packaged, proven work processes to reduce development costs. Fees include process team orientation and work process guides, forms, files and training. Processes can be customized to specific client requirements. Computerized information support systems, which mirror the work processes, are available.

Development Team Staffing: Our development teams can be the engine to move you quickly to implementation. Teams include developers, managers, communications specialists, programmers and clerical support.

Computerized Information Support Systems: These open systems mirror the work processes and can be licensed to simplify the tasks of data collection, training development, testing, and project management and to facilitate the evergreen process.

Custom Systems Programming: We provide complete customization of our open support systems to meet specific client requirements.

Literature Summaries and Abstracts: Companies can gain insight quickly with our summaries and abstracts of literature on skill-based pay.

Benchmarking Services: Formal or informal benchmarking can help evaluate proposed programs. Protocol is important to avoid governmental scrutiny. We can help connect clients with benchmarking partners and third party proctoring.

Communications Programs: Most literature stresses the importance of program communications. Our communications specialists can help map and manage all communications needs and produce all media required. Our electronic publishing capabilities can provide you with timely, low-cost training manuals, program reporting and all other requested documentation on an as-needed basis.

1911 McDuffie
Houston, Texas 77019

phone
713/527-9787

fax
713/524-7199

e-mail
enquire@follette.com

web site
<http://www.follette.com>

through their roles. These systems have been proven in major consulting assignments. The chart on this page outlines the resources Daniel Follette, Inc. offers. Our program model and program assessment are good starting points for either new or existing programs.

Meaningful task analysis is at the core of an effective skill-based pay program

Effective skill programs define employee competencies in very specific terms. Our methodology begins with defining the task inventory performed by employees in each job as discrete, observable behaviors. From this rigorous task analysis we extract observable skills that can be measured, learned and certified. The success of all other facets of the program relies on the thoroughness and accuracy of the task and skill analysis. Our COMPLETE, CONSISTENT, RELEVANT AND FAIR™ skill assessment process brings exactly these attributes to your program.

Skill-based pay can provide extremely cost-effective training

The information that skill-based pay provides permits aligning training activities with critical skills. Our Strategic Training Alignment™ processes can create a low-cost, comprehensive training program as a part of skill-based pay. It can move your company from topic-based training to strategic, skill-based training. The results include absolute alignment of your training with corporate strategy and substantial reduction of training expenditures.

Mine the information that skill-based pay provides

Task and skill information is captured by our SkillForge™ software. This gives clients the ability to use it to create new management tools. For example, when tasks are combined with information about criticality and time card information, they can be used to make staffing allocation decisions using our Strategic Resource Allocation™ process.