

Competency Validation Center for Health Care Executive Summary

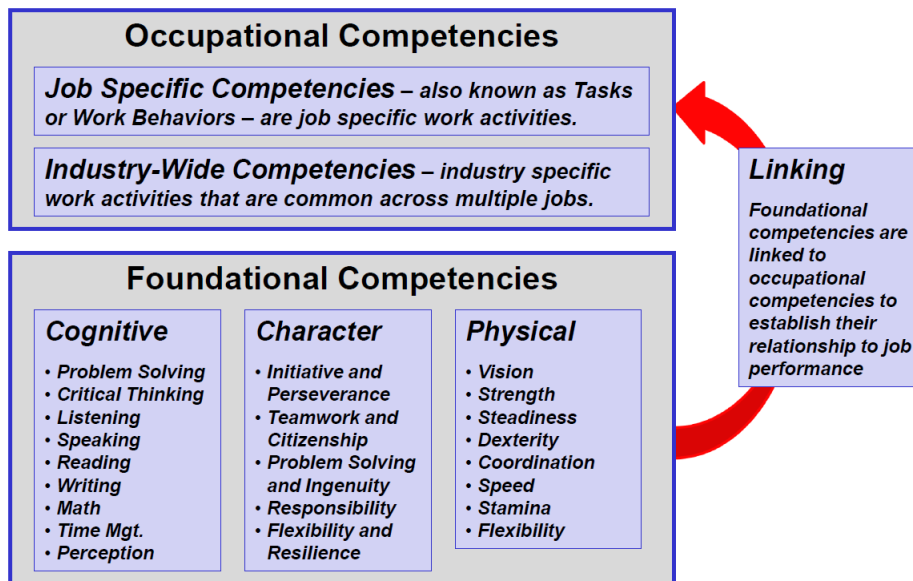
Project: The Innovation Network for Communities (INC) will establish the Competency Validation Center (CVC) in order to support improved quality and productivity in the US economy through the definition, validation, and open communication of industry-endorsed competency frameworks and models. The CVC is scaling up work already accomplished by Metrics Reporting, Inc (MRI) with Trinity Health in West Michigan. The CVC will address each industry sector beginning with health care and manufacturing.

Problem: There are dozens of businesses, schools, government institutions, foundations, and non-profits working on competency-based education and workforce initiatives within disconnected silos. Many available solutions have had little impact because (1) most solutions are not grounded in validated competencies, (2) most solutions are proprietary or idiosyncratic and (3) most solutions are not anchored in measurable standards of performance. There is currently no organized industry process for defining and validating industry-wide competencies.

Solution: The Competency Validation Center will define, validate, and openly communicate the competencies that can be demonstrated to be related to job performance. By filling this void, the Center will set the foundation for a cooperative and openly shared competency-based talent supply chain system that aligns employers, educators and individuals across the US economy. We will begin with the \$2.8 trillion health care industry and initially focus on a set of health care job families that covers the majority of health care jobs.

“The focus of the Competency Validation Center is the definition, validation, and communication of competencies that are demonstrated to be related to job performance.”

Much progress has been made on career pathways and stackable credentials in recent years. There is a growing realization that the quality of credentials varies greatly. Lumina’s work on *Connecting Credentials* has been particularly helpful to convene key stakeholders and to provide a framework to evaluate credentials. The work of the CVC would be perfectly complementary to the work that is underway. The following model illustrates the alignment of occupational and foundational competencies.



There are numerous competency models and frameworks. In our work with Trinity Health we worked to establish a model that recognizes the key features of the most popular models and aligns well with professional standards and practices. Credentials are generally associated with occupational competencies. The best credentialing organizations engage industrial psychologists to perform a practice analysis that provides detailed occupational competency information that is the basis for curriculum development, accreditation, assessment, credentialing, and continuing education. Organizations that follow all professional standards are the exception, not the norm. Employment tests are generally based on foundational competencies because they are very good predictors of job performance. The *Uniform Guidelines on Employee Selection Procedures* requires employers to validate assessments. Validation must be done in accordance with professional standards to be legally defensible. Validation in standards always includes analysis of quantitative data. Validation quantifies the relationship between what a test actually measures and what it is intended to measure or predict. There is an inherent expectation that credentials and employment tests are predictive of job performance. Yet, credentialing organizations do not publish validity studies that demonstrate the validity of their credentials in predicting job performance. This is a major shortcoming that the CVC will help to address.

Our work is primarily focused on defining, linking, and validating the foundational competencies. We recognize the work of the professional organizations in defining occupational competencies, with special appreciation for those that conduct their practice analysis in line with professional standards. Our work links the foundational competencies to the occupational competencies. As the Lumina work progresses, we will have higher quality occupational competencies for linking. And, as our work progresses the stackable credentials that include foundational skills will improve their ability to predict job performance. Validation conducted according to professional standards needs to be part of the work on credentials the jobs eco-system.

Innovation Network for Communities and Metrics Reporting, Inc. have built solid relationships with Hope Street Group and Corporation for a Skilled Workforce to coordinate our work and optimize our contribution to the national efforts.

The Center extends the practice of evidence-based decision making into the realm of human talent selection and development. Evidence-based talent supply chain management uses tools to verify the tasks and requirements of a job; translates job requirements into occupational, cognitive, character, and physical competency requirements; identifies objective assessments measuring a job applicant's competencies; and correlates measures of those competencies with measures of job performance.

The CVC will advance this mission by:

- **Defining competencies** for all major job families in each industry sector.
- **Validating competencies** with independent third-party research.
- **Aligning with professional standards** for credentialing and licensing.
- **Supporting employers' use of assessments** to measure competencies.
- **Integrating competencies into education** to build a talent supply chains.
- **Remaining fully compliant with employment law** – e.g. the Uniform Guidelines.

Metrics Reporting has proven the effectiveness of our competency validation and evidence-based selection process with Trinity Health and national talent supply chain partners. The process has the following components:

- **Job taxonomy.** Development of 21 job families that organize over 100 O*NET occupational codes and cover more than 90% of health care jobs.
- **Job analysis.** A simplified and shortened process for grouping jobs into a job family; analyzing the knowledge, skills, abilities, and work styles required to perform tasks in the job family; and working with subject matter experts (SMEs) to evaluate the importance level of each competency relative to performing the job.
- **Competency validation.** Processes for defining competencies that are measurably related to job performance as well as gathering and organizing evidence to substantiate the relationships.
- **Assessment tool selection and use.** A system for determining which assessments meet the generally accepted principles and practices of industrial psychology and accurately measure competencies – the key to being effective and legally defensible.
- **Supply chain engagement.** Processes and tools for communicating competency requirements to education and training organizations so that they can integrate them into their curriculum standards, teaching, assessment, and career pathways.
- **Postsecondary engagement.** Collaboration with the Health Professions Pathways (H2P) Consortium to align educational competency models to employer needs.
- **Professions engagement.** Collaboration with professional associations and the Health Professions Network (HPN) supporting their competency model projects.

Metrics Reporting, Inc. has demonstrated the effectiveness of our competency validation process with Trinity Health by achieving excellent results across five key metrics:

- Reduced first-year turnover – from a baseline of 25.3% down to 18.9%
- Reduced Time-to-Fill – from 37 days down to 32 days
- Reduced Recommend/Hire ratio – down to 1.4 (10 hired for every 14 recommended)
- Increased Diversity – 26.0% of new hires are diverse, up from 14.6%
- Financial Impact – Trinity Health reports \$2,647,695 annual savings

The CVC aims to effect fundamental change and our long-term vision is that:

- The health care sector sets an example for competency validation that is adopted by other sectors of the U.S. economy
- Every major sector has defined job families that cover the majority of the jobs in the sector and has defined, validated, and communicated competency models for each of those job families
- Employers have access in a competitive marketplace to legally defensible selection processes and high quality, cost effective assessments and related selection tools
- A critical mass of U.S. employers use these competency models and selection tools to select and develop talent
- Educators embrace occupational competency information to inform curricula improvements and to ensure graduates have the competencies to be successful in the jobs marketplace
- Educators align competency-based education programs with industry-wide validated competency models
- Professional organizations embrace industry-wide competency models and align competency definitions to create a common language around competencies
- States embrace industry-wide competency models as a means to harmonize licensing requirements for professions

Year One Work Plan: A one-year business planning and stakeholder engagement process is planned for 2015/2016. The outcomes of this one-year process will include:

- A fully formed Board of Directors and Advisory Board
- Legal incorporation and filing for 501c3 status
- A detailed business plan for the CVC with a five-year income and expense pro-forma
- Funding raised for the first three years of operation
- A management team hired and in place
- A multi-year implementation plan for the health care sector initiative
- Health care employer founding memberships for the health care initiative
- Begin work with a leading manufacturer to prepare for the next sector

The tasks to accomplish these outcomes are described in the table below.

Outcome	Tasks
<i>Founding Health Care Employer Membership</i>	<ul style="list-style-type: none"> • Informal convening of health care CEOs in the fall of 2015 • One on one meetings with interested health care systems to explain the CVC value proposition and connect it to their strategic interests • Full founding employer convening in Q2 of 2016
<i>Board of Directors and Advisory Board</i>	<ul style="list-style-type: none"> • Identify candidates • Solicit interest in participation • Confirm Board and Advisory Board membership • Hold first Strategic Advisory Board meeting in Q2 2016
<i>Legal Incorporation</i>	<ul style="list-style-type: none"> • Incorporate as a non-profit organization • File IRS 1023 application • Obtain IRS 501c3 approval
<i>Detailed Business Plan</i>	<ul style="list-style-type: none"> • Develop detailed business and operating plans for the CVC based on the existing concept document
<i>Raise Funds for the First Three Years of Operation</i>	<ul style="list-style-type: none"> • Raise commitments from membership fees, corporate sponsorships and foundation grants amounting to approximately \$6 million over three years
<i>Management Team</i>	<ul style="list-style-type: none"> • Develop position descriptions • Post positions; recruit and hire • Use evidence-based assessment tools in the hiring process where appropriate
<i>Sector Competency Validation Scan</i>	<ul style="list-style-type: none"> • Conduct a scan of the competency validation frameworks in other top US job producing sectors • Establish priorities for expanding the competency validation model to other sectors

Until the full start up funding for the CVC has been secured, the business planning work will be done on a contract basis with consultants and partners.

The organizations responsible for the deliverables will include:

- **The Innovation Network for Communities.** In addition to serving as the fiscal agent, John Cleveland, INC President, will facilitate the business planning process, write the CVC business plan, and file the IRS application for the CVC.
- **Hope Street Group.** Hope Street Group has the lead responsibility and will play the lead role in organizing the convening of employers.
- **Metrics Reporting, Inc.** Bill Guest, President of MRI, will lead the documentation of processes, development of tools, and definition of metrics for the CVC; support the one-on-one employer meetings; develop the next level of detail for the CVC competency validation framework; facilitate the employer convening; and design the process for industry-wide competency validation.
- **Sharf and Associates, Employment Risk Advisors, Inc.** Jim Sharf will provide advice and legal support on establishing industry-wide legal defensibility for the validated competencies and engage with employers' corporate legal counsel in support of the CVC's goals.
- **Corporation for a Skilled Workforce (CSW).** Larry Good and the CSW team are embraced as key advisors. CSW will advise the CVC to ensure the work is aligned and complementary to other national efforts. CSW is also a partner in the Mercy Health work in West Michigan to establish career pathways and stackable credentials that utilize the data from job analysis and competency validation.

Year One Budget: The proposed Year One budget for the CVC business planning process and launch is described below.

<u>Expense Category</u>	<u>Cost</u>
INC Staff Expenses	\$150,000
Hope Street Group	\$75,000
Other Consultants and Contractors	\$175,000
Travel	\$25,000
Convening Expenses	\$20,000
Other	\$10,000
Sub-total	\$455,000
Admin Fee (10%)	\$45,500
Total Budget	\$500,500

About INC

The Innovation Network for Communities (INC) is a national non-profit organization whose mission is to develop and spread scalable innovations that transform the performance of community systems. INC works in three primary sectors: urban sustainability; high performing urban K-12 schools; and adult workforce development.

INC has been working on talent supply chain management issues for over a decade, beginning with the lead project management on one of the first Workforce Innovations in Regional Economic Development (WIRED) in West Michigan in 2004.

INC is also the leading national expert on the use of networks for social change. INC principals recently authored a book on the subject: [Connecting to Change the World](#), which ranks in the top 20 Amazon non-profit titles.

Background on the work of the Innovation Network for Communities can be accessed at its web site: www.in4c.net.