

## **CASE STUDY**

# **NORTHERN NATURAL GAS SKILL-BASED PAY**

### **OPPORTUNITY OVERVIEW**

Northern Natural Gas' skill-based pay program, which includes over 2,700 performance standards and tasks, required updating to reflect current standards and operating procedures.

### **CLIENT OBJECTIVE**

The skill-based pay program utilized by Northern Natural Gas needed to be updated to reflect current procedures and new regulatory standards. According to a training department official with Northern Natural Gas, "we felt we needed to update the program from a content standpoint, from a regulatory standpoint, and to include the emphasis on new technologies we were using. We also wanted to reflect the new ownership of our company."

### **TARGET AUDIENCE**

Over 500 field operations employees located across 11 states.

### **RUSSELL ASSOCIATES' SOLUTION**

Russell Associates provided consulting services to Northern Natural Gas. The services included assistance with structuring and content of the program and editing of the final version. Russell Associates also used their prior experience to assist Northern Natural Gas in understanding the options and considerations required for a skill-based pay program. Additionally, Russell Associates provided needed leadership to help assure the program was completed as Northern Natural Gas envisioned.

### **IMPLEMENTATION**

Northern Natural Gas' updated skill based was rolled-out to field employees in January of 2006.

### **PROGRAM RESULTS**

Each year 1 / 3 of field employees are re-qualified and tested using the skill-based program. The skill-based pay program validates the knowledge of field employees and provides the testing and records needed for regulatory purposes. Northern Natural Gas continues to work with Russell Associates to assist in providing support as the skill-based pay program is updated to meet new requirements.

"The feedback on the project has been very positive. We have had a very high level of success from the field employees as they have moved through the program. We feel the ultimate goal of proving that we have some of the highest trained employees in the industry and some of the best qualified employees is the best overall outcome"

Training Department, Northern Natural Gas