

Dave Ulrich: HR Transformation

When I ask a group of HR practitioners about different authors Dave Ulrich is the only HR academic who is routinely recognized by a majority of people. His most recent book is [HR Transformation: Building Human Resources from the Outside in](#). He has written many books, but this one interested me in particular because it reminded me of his most famous work: *Human Resource Champions*. If you haven't read *Human Resource Champions* you should pick it up because you'll find many of the ideas we take for granted about HR are articulated there.

It is possible that the ideas neatly laid out in *HR Transformation* may have a similar impact; creating a commonly accepted way to think about the HR function.

I recently spoke to Dr. Ulrich who is co-founder of The RBL group, an advisory group for the world's top HR leaders, and a professor of business at the Ross School of Business at the University of Michigan.

DC: How do you react to my feeling that *HR Transformation* could be a successor to *Human Resource Champions*?

DU: "In *Human Resource Champions* I wanted to shift the thinking in HR. Much of the discussion at that time was in the "from ... to" style; for example "from administrative to strategy" or "from day-to-day to long term". I wanted to suggest

that this from/to distinction was a false one; HR has to be "and/also" where they are both administrative and strategic; short and long term; looking after process and people.

Secondly, I wanted to define the roles of HR as outcomes more than activities. I saw a lot of work in HR focused on activities (number of hours of training a leader receives; whether a firm is using 360° feedback; if it implements performance based pay or competence based hiring). I wanted to shift the focus to *outcomes* of the activities. I defined four outcomes each of which had a role associated with it: administrative efficiency (administrative expert), strategy execution (strategic partner), managing change (change agent), and talent improvement (employee champion)."

DC: That model has served us well, where does the new book take us?

"In *HR Transformation* we wanted to update the field of HR. In the last decade the pace of change has increased thanks to technology, globalization, demographics, and customer expectations. HR has to not only redefine roles and outcomes, but be transformed to make those outcomes happen.

HR Transformation offers both a broad and specific approach to transformation. Broadly, we identify four phases of transformation:

- **Building the case:** *Human Resource Champions* really looked more inside the organization. *HR Transformation* clearly begins defining the HR roles by understanding the business context where HR adds value.
- **HR outcomes:** We had four outcomes in *Human Resource Champions*. Now we are much clearer about HR outcomes being the capabilities of a firm. These are things like being good at “speed” or “execution”. We lay out about a dozen possible capabilities along with capability assessment tools. We then talk about five general roles for HR success—I won’t go into detail on that here, but it is laid out in the book.
- **HR re-engineering.** In *HR Transformation* we talk more broadly about re-engineering HR departments (centers of expertise, service centers, outsourcing), HR practices (in people, performance, communication and work), and HR professionals (the competencies which have evolved for HR professionals to meet today’s demands)
- **Accountability.** We see line managers are ever more accountable for HR work with HR professionals as architects.

DC: One of the underlying ideas driving these four aspects of transformation seems to be the outside/in perspective. Can you explain that?

DU: In some ways outside/in is very simple. In all that we do, HR should ask

“What will this mean for customers or investors outside the company?”

This line of sight is sometimes easy, sometimes difficult. Let me give an example, for competency models HR should begin with the skills required by the customers; e.g. what things do customers require that engineers need to know and do?

DC: That’s straightforward when you say it, but it’s quite a new perspective. Normally we think about what an engineer needs to do for the organization—how the job fits into the organizational machine—not how the job serves the customers. Can you share other examples?

DU: For on-boarding, the orientation should begin with how a company makes money and how it differentiates itself in the marketplace. This uniqueness then becomes a part of how employees are oriented to think and act.

For benefits the line of sight may be a little most diffuse, but a benefits person can still connect the outcome of good benefits programs (healthy and committed employees) to customer expectations and service.

It is so easy to be focused inwardly on who we are and to build on our strengths. But we are much more successful when we see our strengths in terms of how we help our external stakeholders.

DC: You mentioned HR outcomes are capabilities; can you give an example of how companies use capabilities?

DU: Almost every company with a good HR plan designs it around capabilities.

Good HR plans are not about what we do in HR, but what we deliver. Rockwell Automation has four outcomes of their HR work: a more talented workforce, a leadership bench, a unified (one company) culture, and a more efficient HR organization. These outcomes are capabilities. They will then design staffing, training, compensation, benefit, communication, and organization design practices to make those outcomes happen.

Google and Apple are striving to become more innovative, which is the capability that centers their HR work.

Pfizer is working to reduce cycle time from R&D to commercialization which is speed as a capability. Their HR transformation is driven by this issue.

DC: The concepts in the book are straightforward, but they give us a lot to think about.

DU. Hopefully *HR Transformation* will shape conversations about HR in the next few years and other ideas will evolve from them.

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Some recent books by Dave Ulrich:

HR Transformation: Building Human Resources from the Outside in

By Dave Ulrich, Wayne Brockbank, Jon Younger, Mark Nyman, and Justin Allen

The HR Value Proposition by David Ulrich and Wayne Brockbank

The Leadership Code: Five Rules to Lead By by Dave Ulrich, Norm Smallwood, and Kate Sweetman

HR Competencies: Mastery at the Intersection of People and Business by Dave Ulrich, Wayne Brockbank, Dani Johnson, Kurt Sandholtz, Jon Younger

Leadership Brand: Developing Customer-Focused Leaders to Drive Performance And Build Lasting Value by Dave Ulrich and Norm Smallwood

How Leaders Build Value: Using People, Organization And Other Intangibles to Get Bottom-line Results By Dave Ulrich and Norm Smallwood

David Creelman writes and speaks on human capital management. Learn more at www.creelmanresearch.com