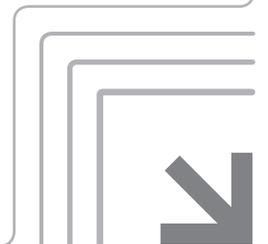


HR Talent and the New HR Competencies



DAVE ULRICH, JON YOUNGER, WAYNE BROCKBANK, AND MIKE ULRICH

This article describes partial results of the 2012 global Human Resources Competency Study (HRCS), led by The RBL Group and the Ross School of Business, University of Michigan. Over the past 25 years, this ongoing research project has provided the most global, comprehensive, and empirical identification of the competencies expected of HR professionals, and the impact of these competencies on both individual HR professional effectiveness and business performance. HRCS findings have influenced thousands of HR departments, from global giants to smaller organizations in every continent. This article points out a number of the key findings of the research and identifies implications of the study findings for HR talent planning, assessment, and development.



HR Talent and the New HR Competencies*



Dave Ulrich, Jon Younger, Wayne Brockbank, and Mike Ulrich

HR creates value by increasing the performance and agility of the talent (human capital) and culture (organization capability) of the organization. Delivering this value defines the required skills and competencies expected of an effective HR professional. Since 1987, we have chronicled what it means to be an effective HR professional through five waves of global surveys of HR competence. In 2012, The RBL Group, together with the Ross School of Business, University of Michigan, and HR professional association partners, completed a sixth round of the global HR Competency Study, or HRCS.

The research is important to HR professionals because it empirically describes what it means to be an effective HR professional. In short, it is a mirror that allows HR professionals to identify strengths and necessary behavioral adjustments where performance is not up to par. In a world of increasing change, complexity, and competitiveness, there has never been a greater need to help HR professionals identify what it means to contribute more fully, effectively, and insightfully.

A COMPREHENSIVE REVIEW

Working with HR professional and educational organizations in Australia, China, India, Latin America, Middle East, Turkey, Northern Europe, and South Africa, and through our extensive networks in North America and Central Europe, we have collected data in this round of HRCS from over 20,000 individuals. To define potential competencies for HR professionals, we relied on focus groups, theory, research including prior rounds of HRCS, and experience to identify what effective HR professionals must know and do. This work resulted in testing 139 specific behavioral competency descriptions.

Highly rated HR professionals were nominated to participate in a 360-based survey methodology by their organizations. The individuals then filled out a self-report survey and invited both HR and non-HR associates to make assessments. In addition, the survey had two outcome variables: personal effectiveness (“Compared to other HR professionals you have known, how does this participant compare?”) and measured business performance using an index of seven dimensions of

business success. This is the largest global, comprehensive, and longitudinal assessment of the HR profession.

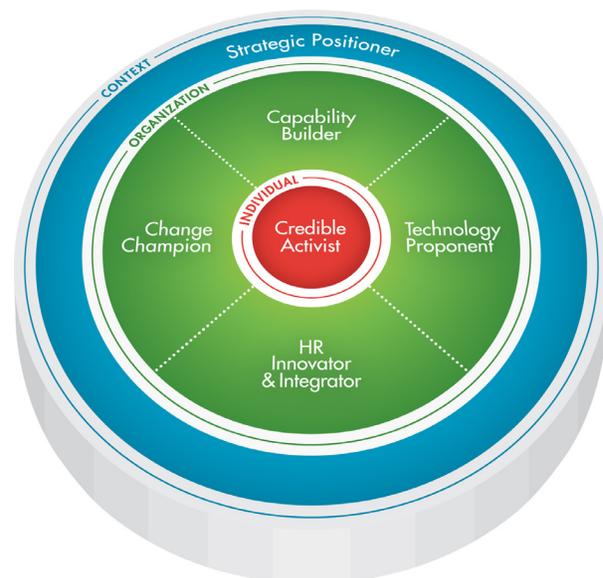
SIX FUNDAMENTAL COMPETENCY DOMAINS

The 2012 HRCS identifies six fundamental competency domains that HR professionals must demonstrate to impact business performance. The six competency domains are graphically represented in figure 1 and discussed below.

1. Strategic Positioner

High-performing HR professionals think and act from the outside-in. They are deeply knowledgeable of and translate external business trends into internal decisions and actions. They understand the general business conditions (e.g., social, technological, economic, political, environmental, and demographic trends) that affect their industry and geography. They target and serve key customers of their organization by identifying customer segments, knowing customer expectations, and aligning organization actions to meet customer needs. They also cocreate their organizations' strategic responses to business conditions and customer expectations by helping frame and make strategic and organization choices.

Figure 1: 2012 HR Competencies



*Note: Originally written for publication in *Strategic HR Review*.

2. Credible Activist

Effective HR professionals are Credible Activists. Credibility comes when HR professionals do what they promise, build personal relationships of trust, and can be relied on to meet commitments. Being a trusted advisor starts with deep business knowledge and acumen. As an activist, HR professionals have a point-of-view, not only about HR activities, but about business demands. As activists, HR professionals learn how to influence others in a positive way through clear, consistent, and high-impact communications. Some call this HR with an attitude. HR professionals who are credible but not activists are admired but have little impact. Those who are activists but not credible may have good ideas, but not much attention will be given them. To be credible activists, HR professionals need to be self-aware and committed to building their professionalism.

3. Capability Builder

An effective HR professional melds individual abilities into an effective and strong organization by helping to define and build critical organization capabilities. Organization is not just structure or process; it starts with capability, which is what the organization is good at and known for. HR professionals should be able to audit and invest in the creation of organizational capabilities. These capabilities outlast the behavior or performance of any individual person or system. Capabilities have been referred to as a company's culture, process, or identity. HR professionals should facilitate capability audits to determine the identity of organizations. Such capabilities include customer service, speed, quality, efficiency, innovation, and collaboration. One such emerging capability of successful organizations is to create an organization where employees find meaning and purpose at work. HR professionals can help line managers create meaning so that the capability of the organization reflects the deeper values of the employees.

4. Change Champion

As change champions, HR professionals ensure that organization actions are integrated and sustained through disciplined change processes. Strong HR professionals make an organization's internal capacity for change match or lead the external pace of change. As change champions, HR professionals help make change happen at institutional (changing patterns), initiative (making things happen), and individual (enabling personal change) levels.

To make change happen at these three levels, HR professionals play two critical roles. First, they initiate change, which means they build a case for why change matters, overcome resistance to change, engage key stakeholders in the process

of change, and articulate the decisions to start change. Second, they sustain change by institutionalizing change through organizational resources, organization structure, communication and continual learning. As change champions, HR professionals partner to create organizations that are agile, flexible, responsive, and make transformation happen in ways that create sustainable value.

5. Human Resource Innovator and Integrator

Effective HR professionals innovate and integrate HR practices into unified solutions that solve business problems. They must know the latest insights on key HR practice areas related to human capital (talent sourcing, talent development), performance accountability (appraisal, rewards), organization design (teamwork, organization development), and communication. They must also be able to turn these unique HR practice areas into integrated solutions, generally around an organization's leadership brand. These innovative and integrated HR practices impact business results by ensuring that HR practices maintain their focus over the long run and do not become seduced by HR fads or irrelevant "best practices."

6. Technology Proponent

In recent years, technology has changed the way HR people think and do their administrative and strategic work. At a basic level, HR professionals need to use technology to more efficiently deliver HR administrative systems like benefits, payroll processing, healthcare costs, and other administrative services. In addition, HR professionals need to use technology to keep people connected with each other. Technology plays an increasingly important role in improving communications, doing administrative work more efficiently, and connecting employees to customers. An emerging technology trend is using technology as a relationship-building tool through social media. Leveraging social media enables the business to position itself for future growth. HR professionals who understand technology will create improved organizational identity outside the company and improve social relationships inside the company. As technology exponents HR professionals have to access, advocate, analyze, and align technology for information, efficiency, and relationships.

THE IMPACT OF HR EFFECTIVENESS AND BUSINESS PERFORMANCE

Because the six domains of HR competence address external trends, they have an impact on both the perceived effectiveness of the HR professional and the performance of the business supported by the HR professional. According to the study,

HR professional competence explains almost 10 percent of business success. But the competencies that predict personal effectiveness are slightly different than those that predict business success, with insights on technology, HR integration, and capability building having a greater impact on business results. The challenge—not surprisingly—is to ensure both the HR professional competence and the HR organizational effectiveness required for contribution and sustained high performance.

These findings begin to capture what HR professionals need to know and do to be effective. They are further refined in table 1 which shows the specific factors within each of the six competency domains and how they affect both perceived effectiveness of HR professionals and business success. High-performing HR organizations across regions and industries, both small and large, appear to have the mix of HR competencies identified through this research.

Table 1: HR Competency Subfactors

HR Competency Domain: Subfactors	Mean (1 to 5)	Individual Effectiveness 100%	Business Success 100%
Strategic Positioner			
Interpreting global business context	3.83	4.4	4.2
Decoding customer expectations	3.83	4.4	5.2
Co-crafting a strategic agenda	3.96	6.3	4.6
Credible Activist			
Earning trust through results	4.36	6.9	4.0
Influencing and relating to others	4.24	7.0	4.1
Improving through self-awareness	4.08	6.5	4.7
Shaping the HR profession	4.13	4.4	2.9
Capability Builder			
Capitalizing organizational capability	4.03	5.4	5.3
Aligning strategy, culture, practices, and behavior	3.94	5.3	6.1
Creating a meaningful work environment	3.94	4.1	5.2
Change Champion			
Initiating change	3.94	5.4	4.8
Sustaining change	3.91	4.7	5.7
HR Innovator & Integrator			
Optimizing human capital through workforce planning and analytics	3.95	5.5	5.6
Developing talent	3.83	4.0	5.3
Shaping organization and communication practices	3.94	5.8	5.6
Driving performance	3.87	4.7	5.2
Building leadership brand	3.87	4.9	5.4
Technology Proponent			
Improving utility of HR operations	3.72	2.9	5.0
Connecting people through technology	3.77	4.6	6.3
Leveraging social media tools	3.68	2.7	4.7
Overall R ²		.431	.108

APPLICATION TO HR TALENT MANAGEMENT

Over the 25 years that we have chronicled HR professional competence (see also Ulrich, 1996; Ulrich and Brockbank, 2006), the HRCS findings have influenced thousands of HR departments from global giants like Novartis and Intel to smaller organizations like a community hospital system in Baltimore and the AF Construction Group in Norway. We have learned from and with them how to use the HRCS in building talented HR organizations. The following steps summarize what we have learned:

1. Build the Case for HR Talent

Good HR talent management starts with the end in mind. A useful first step in defining what HR needs from its talent is what the organization needs from HR. Consider three questions:

- What value is HR delivering to the business now?
- Given external trends and changes, what value must HR deliver to the business in future?
- What is the business value of closing the gap—in opportunity, performance, and risk management?

2. Adopt a Common Language/Framework of Competence

For AXA, the French insurance giant, the HRCS is a shared framework or language of competence for HR professionalism, one that co-exists cooperatively with the overall competency expectations of AXA employees in general. It is the same for McKesson in the United States, CA and Kraft's Asia-Pacific operations. General corporate competency models are helpful but not specific enough to help HR professionals identify unique needs for development. The HRCS fills that gap by providing a framework that is specific to HR, rooted in research, global, reliable across industries, and responsive to change over time. Each round we learn that HR performance expectations—and therefore its talent—must evolve to address new challenges.

3. Assess Competence

The HRCS research provides a useful tool for assessment and improvement planning. For example, Applied Materials, the hi-tech leader, used the HRCS assessment process to identify where HR professional talent was strong, and where there was significant opportunity to improve in strategic areas. Deutsche Bank is a second example. Zurich Financial is a third.

4. Mind the Gap: Invest Where the Impact is Greatest

In the last round of HRCS (Ulrich, Brockbank, Johnson, Sandholtz, and Younger, 2007), Hess Petroleum HR professionals identified business acumen (“business ally”) as a critical gap. Lexis Nexus HR professionals saw culture and change stewardship as a gap. The HRCS competencies define what HR talent must do well, and provide an objective basis for defining strengths, weaknesses, and the areas where investments in HR talent are likely to produce the greatest ROI.

5. Share Stories

Stories make competencies real by enabling HR professionals to “try on” behavioral goals and improvement needs. Stories of “critical incidents” are a powerful teaching tool, assisting HR professionals to internalize the competencies and the benefit of personal investment in development. Maersk, the global shipping company, and the Ontario Teacher's Pension Plan use the HRCS competencies to build a stronger “story line” of HR excellence in business partnership as part of its HR transformation.

6. Monitoring and Communicating Impact

HR, like any organization, is obliged to demonstrate that its talent investments pay off. The HRCS research provides a framework for HR leadership teams to report on value, and to build a shared understanding of what HR must deliver. Companies like Molson Coors use the competency research to help business leaders better understand the expectations they should have for HR, and how well HR is delivering against these expectations.

HR'S ROLE IS CRITICAL TO PERFORMANCE

We are optimistic about the present and future of HR. Over the past 25 years, HR has earned greater visibility and influence as a business partner. And, although HR has further to go (Boudreau, 2011), we see ample signs of progress. As this and prior rounds of HRCS indicate there is increasing clarity and granularity on what HR professionals and departments must do to be seen as creating value. The 2012 HRCS research provides specific insights on where HR is strong, where it must improve, and the priorities for competency growth. It also implicitly reinforces the message that HR plays—or should play—a critical role in organizational performance and development.

REFERENCES

John Boudreau, *Transformative HR: How Great Companies Use Evidence Based Change for Sustainable Advantage* (Boston: Harvard Business School Press, 2011).

Dave Ulrich, *HR Champions* (New York: Wiley, 1996).

Dave Ulrich and Wayne Brockbank, *HR Value Proposition* (Boston: Harvard Business School Press, 2006).

Dave Ulrich, Wayne Brockbank, Dani Johnson, Kurt Sandholtz, and Jon Younger, *HR Competency: Mastery at the Intersection of People and Business* (Washington D.C.: SHRM, 2007).

ACKNOWLEDGEMENTS

We thank the following organizations: AHRI, IAE, 51Job, NHRDI, ASHRM, HR Norge, and IPM as well as Pelin Ungulacir and Professor Christine Cleemann of the Copenhagen Business School.

About the Authors



DAVE ULRICH

Dave has consulted and done research with over half of the Fortune 200. Dave was the editor of the *Human Resource Management Journal* 1990 to 1999, has served on the editorial board of four other journals, is on the Board of Directors for Herman Miller, is a Fellow in the National Academy of Human Resources, and is cofounder of the Michigan Human Resource Partnership



JON YOUNGER

Jon's career has been a mix of consulting, executive management, and HR leadership. Prior to joining The RBL Group, he was Chief Learning and Talent Officer of one of the largest U.S.-based financial services organizations, responsible for the leadership development, corporate learning, staffing, performance and talent management, and succession planning. He has also managed executive compensation and HR strategy.



WAYNE BROCKBANK

Dr. Brockbank is a Clinical Professor of Business at the University of Michigan's Ross School of Business. At the Ross School of Business, Dr. Brockbank is the Director of the Center for Strategic HR Leadership and the Faculty Director and Core Instructor of the Strategic Human Resource Planning Program, the Human Resource Executive Program, and the Advanced Human Resource Executive Program.



MIKE ULRICH

Mike's background is focused on research methods and statistical analysis. He holds both B.S. and M.S. degrees in statistics with emphasis on business analysis. Mike has experience in a wide variety of statistical methods, including ANOVA, sample and survey design, structural equation modeling, Bayesian hierarchical models, stochastic processes, and non-parametrics. He has worked on a variety of statistical projects from exit polling to the relationship between job performance and satisfaction.

Contact us for more information
about The RBL Group products
and services:

Phone 801.616.5600

Email rblmail@rbl.net

Online www.rbl.net

Mail 3521 N. University Ave., Suite 100
Provo, UT 84604



Copyright © 2012 The RBL Group

All rights reserved. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or using any information storage or retrieval system, for any purpose without the express written permission of The RBL Group.