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New Competencies for HR

Researchers have updated the portfolio of competencies for high-performing HR professionals.

By **Robert J. Grossman**

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What does it take to make it big in HR? What skills and expertise do you need?

Since 1988, Dave Ulrich, professor of business administration at the University of Michigan, and his associates have been on a quest to provide the answers. This year, they've released an all-new 2007 Human Resource Competency Study (HRCS). The findings and interpretations lay out professional guidance for HR for at least the next few years.

"People want to know what set of skills high-achieving HR people need to perform even better," says Ulrich, co-director of the project along with Wayne Brockbank, also a professor of business at the University of Michigan.

Conducted under the auspices of the Ross School of Business at the University of Michigan and The RBL Group in Salt Lake City, with regional partners including the Society for Human Resource Management (SHRM) in North America and other institutions in Latin America, Europe, China and Australia, HRCS is the longest-running, most extensive global HR competency study in existence. "In reaching our conclusions, we've looked across more than 400 companies and are able to report with statistical accuracy what HR executives say and do," Ulrich says.

"The research continues to demonstrate the dynamic nature of the human resource management profession," says SHRM President and CEO Susan R. Meisinger, SPHR. "The findings also highlight what an exciting time it is to be in the profession. We continue to have the ability to really add value to an organization."

"HRCS is foundational work that is really important to HR as a profession," says Cynthia McCague, senior vice president of the Coca-Cola Co., who participated in the study. "They have created and continue to enhance a framework for thinking about how HR drives organizational performance."

What's New

Researchers identified six core competencies that high-performing HR professionals embody. These supersede the five competencies outlined in the 2002 HRCS—the last study published—reflecting the continuing evolution of the HR profession. Each competency is broken out into performance elements.

"This is the fifth round, so we can look at past models and compare where the profession is going," says Evren Esen, survey program manager at SHRM, which provided the sample of HR professionals surveyed in North America. "We can actually see the profession changing. Some core areas remain the same, but others, based on how the raters assess and perceive HR, are new." (For more information, see "[The Competencies and Their Elements](#)".)

To some degree, the new competencies reflect a change in nomenclature or a shuffling of the competency deck. However, there are some key differences.

Five years ago, HR's role in managing culture was embedded within a broader competency. Now its importance merits a competency of its own. Knowledge of technology, a stand-alone competency in 2002, now appears within Business Ally. In other instances, the new competencies carry expectations that promise to change the way HR views its role. For example, the Credible Activist calls for HR to eschew neutrality and to take a stand—to practice the craft "with an attitude."

To put the competencies in perspective, it's helpful to view them as a three-tier pyramid with Credible Activist at the pinnacle.

● **Credible Activist.** This competency is the top

The Competencies and Their Elements

indicator in predicting overall outstanding performance, suggesting that mastering it should be a priority. "You've got to be good at all of them, but, no question, [this competency] is key," Ulrich says. "But you can't be a Credible Activist without having all the other competencies. In a sense, it's the whole package."

"It's a deal breaker," agrees Dani Johnson, project manager of the Human Resource Competency Study at The RBL Group in Salt Lake City. "If you don't come to the table with it, you're done. It permeates everything you do."

The Credible Activist is at the heart of what it takes to be an effective HR leader. "The best HR people do not hold back; they step forward and advocate for their position," says Susan Harmansky, SPHR, senior director of domestic restaurant operations for HR at Papa John's International in Louisville, Ky., and former chair of the Human Resource Certification Institute. "CEOs are not waiting for HR to come in with options—they want your recommendations; they want you to speak from your position as an expert, similar to what you see from legal or finance executives."

"You don't want to be credible without being an activist, because essentially you're worthless to the business," Johnson says. "People like you, but you have no impact. On the other hand, you don't want to be an activist without being credible. You can be dangerous in a situation like that."

Below Credible Activist on the pyramid is a cluster of three competencies: Cultural Steward, Talent Manager/Organizational Designer and Strategy Architect.

● **Cultural Steward.** HR has always owned culture. But with Sarbanes-Oxley and other regulatory pressures, and CEOs relying more on HR to manage culture, this is the first time it has emerged as an independent competency. Of the six competencies, Cultural Steward is the second highest predictor of performance of both HR professionals and HR departments.

● **Talent Manager/Organizational Designer.** Talent management focuses on how individuals enter, move up, across or out of the organization. Organizational design centers on the policies, practices and structure that shape how the organization works. Their linking reflects Ulrich's belief that HR may be placing too much emphasis on talent acquisition at the expense of organizational design. Talent management will not succeed in the long run without an organizational structure that supports it.

● **Strategy Architect.** Strategy Architects are able to recognize business trends and their impact on the business, and to identify potential roadblocks and opportunities. Harmansky, who recently joined Papa John's, demonstrates how the Strategy Architect competency helps HR contribute to the overall business strategy. "In my first months here, I'm spending a lot of time traveling, going to see stores all over the country. Every time I go to a store, while my counterparts of the management team are talking about [operational aspects], I'm talking to the people who work there. I'm trying to find out what the issues are surrounding people. How do I develop them? I'm looking for my business differentiator on the people side so I can contribute to the strategy."

When Charlease Deathridge, SPHR, HR manager of McKee Foods in Stuarts Draft, Va., identified a potential roadblock to implementing a new management philosophy, she used the Strategy Architect competency. "When we were rolling out 'lean manufacturing' principles at our location, we administered an employee satisfaction survey to assess how the workers viewed the new system. The satisfaction scores were lower than ideal. I showed [management] how a negative could become a positive, how we could use the data and follow-up surveys as a strategic tool to demonstrate progress."

The six competencies and the elements that make them up offer the outlines of what it takes to be successful. The Credible Activist is respected, admired, listened to and offers a point of view, takes a position and challenges assumptions by:

- Delivering results with integrity.
- Sharing information.
- Building relationships of trust.
- Doing HR with an attitude (taking appropriate risks, providing candid observations, influencing others).

The Cultural Steward recognizes, articulates and helps shape a company's culture by:

- Facilitating change.
- Crafting culture.
- Valuing culture.
- Personalizing culture (helping employees find meaning in their work, managing work/life balance, encouraging innovation).

The Talent Manager/Organizational Designer masters theory, research and practice in both talent management and organizational design by:

- Ensuring today's and tomorrow's talent.
- Developing talent.
- Shaping the organization.
- Fostering communication.
- Designing reward systems.

The Strategy Architect knows how to make the right change happen by:

- Sustaining strategic agility.
- Engaging customers.

The Business Ally contributes to the success of the business by:

- Serving the value chain.
- Interpreting social context.
- Articulating the value proposition.
- Leveraging business technology.

The Operational Executor administers the day-to-day work of managing people inside an organization by:

- Implementing workplace policies.
- Advancing HR technology.

Anchoring the pyramid at its base are two competencies that Ulrich describes as “table stakes—necessary but not sufficient.” Except in China, where HR is at an earlier stage in professional development and there is great emphasis on transactional activities, these competencies are looked upon as basic skills that everyone must have. There is some disappointing news here. In the United States, respondents rated significantly lower on these competencies than the respondents surveyed in other countries.

- **Business Ally.** HR contributes to the success of a business by knowing how it makes money, who the customers are, and why they buy the company’s products and services. For HR professionals to be Business Allies (and Credible Activists and Strategy Architects as well), they should be what Ulrich describes as “business literate.” The mantra about understanding the business—how it works, the financials and strategic issues—remains as important today as it did in every iteration of the survey the past 20 years. Yet progress in this area continues to lag.

“Even these high performers don’t know the business as well as they should,” Ulrich says. In his travels, he gives HR audiences 10 questions to test their business literacy.

- **Operational Executor.** These skills tend to fall into the range of HR activities characterized as transactional or “legacy.” Policies need to be drafted, adapted and implemented. Employees need to be paid, relocated, hired, trained and more. Every function here is essential, but—as with the Business Ally competency—high-performing HR managers seem to view them as less important and score higher on the other competencies. Even some highly effective HR people may be running a risk in paying too little attention to these nuts-and-bolts activities, Ulrich observes.

Practical Tool

In conducting debriefings for people who participated in the HRCS, Ulrich observes how delighted they are at the prescriptive nature of the exercise. The individual feedback reports they receive (see “[How the Study Was Done](#)”) offer them a road map, and they are highly motivated to follow it.

Anyone who has been through a 360-degree appraisal knows that criticism can be jarring. It’s risky to open yourself up to others’ opinions when you don’t have to. Add the prospect of sharing the results with your boss and colleagues who will be rating you, and you may decide to pass. Still, it’s not surprising that highly motivated people like Deathridge jumped at the chance for the free feedback.

“All of it is not good,” says Deathridge. “You have to be willing to face up to it. You go home, work it out and say, ‘Why am I getting this bad feedback?’ ”

But for Deathridge, the results mostly confirmed what she already knew. “I believe most people know where they’re weak or strong. For me, it was most helpful to look at how close others’ ratings of me matched with my own assessments. ... There’s so much to learn about what it takes to be a genuine leader, and this study helped a lot.”

Deathridge says the individual feedback report she received helped her realize the importance of taking a stand and developing her Credible Activist competency. “There was a situation where I had a line manager who wanted to discipline someone,” she recalls. “In the past, I wouldn’t have been able to stand up as strongly as I did. I was able to be very clear about how I felt. I told him that he had not done enough to document the performance issue, and that if he wanted to institute discipline it would have to be at the lowest level. In the past, I would have been more deferential and said, ‘Let’s compromise and do it at step two or three.’ But I didn’t do it; I spoke out strongly and held my ground.”

This was the second study for Shane Smith, director of HR at Coca-Cola. “I did it for the first time in 2002. Now I’m seeing some traction in the things I’ve been working on. I’m pleased to see the consistency with my evaluations of my performance when compared to my raters.”

What It All Means

Ulrich believes that HR professionals who would have succeeded 30, 20, even 10 years ago, are not as likely to succeed today. They are expected to play new roles. To do so, they will need the new competencies.

Ulrich urges HR to reflect on the new competencies and what they reveal about the future of the HR profession. His message is direct and unforgiving. “Legacy HR work is going, and HR people who don’t change with it will be gone.” Still, he remains optimistic that many in HR are heeding his call. “Twenty percent of HR people will never get it; 20 percent are really top performing. The middle 60 percent are moving in the right direction,” says Ulrich.

“Within that 60 percent there are HR professionals who may be at the table but are not contributing fully,” he adds. “That’s the group I want to talk to. ... I want to show them what they need to do to have an impact.”

As a start, Ulrich recommends HR professionals consider initiating three conversations. “One is with your business leaders. Review the competencies with them and ask them if you’re doing them. Next, pose the same questions to your HR team. Then, ask yourself whether you really know the business or if you’re glossing on the surface.” Finally, set your priorities. “Our data say: ‘Get working on that Credible Activist!’ ”

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