

Book reviewed:

Title: Human Resource Champions. The next agenda for adding value and delivering results.

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Publisher: Harvard Business School Press, Boston, Massachusetts, USA

Year: 1997

ISBN: 0-87584-719-6

Pages: 254

While most human resource (HR) books deal with the HR practices such as selection, training, appraisal, organisation, and dismissal, this book is organised around HR outcomes. Mr. Ulrich provides plenty of concrete examples, worksheets, and tables that can be used "as-is". This review will consider initially each of the 8 chapters and will then offer an overall assessment.

To begin with, chapter 1 considers 8 challenges which affect today's business.

Theses are:

Globalisation,

Value chain for business competitiveness and HR services,

Profitability through cost and growth,

Capability focus,

Change, change, and change some more,

Technology,

Attracting, retaining and measuring competence and intellectual capital,

Turnaround is not transformation.

These challenges redefine competition and the old myths about HR must be addressed by considering the new realities of today's business world.

I- Old Myths:

1. People go into HR because they like people.
2. Anyone can do HR.
3. HR deals with the soft side of a business and is therefore not accountable.
4. HR focuses on costs, which must be controlled.
5. HR's job is to be policy police and the health-and-happiness patrol.
6. HR is full of fads.
7. HR is staffed by nice people.
8. HR is HR's job.

II- New Realities:

1. HR departments are not designed to provide corporate therapy or as social or health-and-happiness retreats. HR professionals must create the practices that make employees more competitive, not more comfortable.
2. HR activities are based on theory and research. HR professionals must master both theory and practice.
3. The impact of HR practices on business results can and must be measured. HR professionals must learn how to translate their work into financial performance.
4. HR practices must create value by increasing the intellectual capital within the firm. HR professionals must add value, not reduce costs.
5. The HR function does not own compliance-managers do. HR practices do not exist to make employees happy but to help them become committed. HR professionals must help managers commit employees and administer policies.
6. HR practices have evolved over time. HR professionals must see their current work as part of an evolutionary chain and explain their work with less jargon and more authority.
7. At times, HR practices should force vigorous debates. HR professionals should be confrontational and challenging as well as supportive.
8. HR work is as important to line managers as are finance, strategy, and other business domains. HR professionals should join with managers in championing HR issues.

Chapter 2 presents four outcomes: strategy execution, administration efficiency, employee contribution and capacity for change. While these are outcomes that have to be championed by line managers and HR staff, the role of HR to add value and achieve these outcomes is presented in chapters 3-6. To be slightly provocative, chapters 3 through 6 are the roadmaps for transforming an HR function from an administrative roadblock into a key business partner. The example is given of Motorola which wanted to enter the Russian market and offered training through the HR department for its new Russian clients. Another example mentioned is Hewlett-Packard whose HR deal with "customers" and which apportions ownership in percentage of strategy, organisation, administration and employee commitment between HR and line management.

Chapter 3 describes how HR can help make strategy happen and reviews the role of HR as a strategic partner with line management. It is the process of converting strategy in to action and looks at the process of organisational diagnosis. The example of Coopers and Lybrand is given who stated that "our people are our customer's most important asset" and "we want to be the employer of choice of employees our customers would choose". The challenges of becoming a strategic partner are defined as:

- Avoid the "strategic plan" on "top shelf" syndrome
- Create a balance scorecard
- Align HR plans to business plans
- Watch out for quick fixes
- Create a capability focus within the firm.

The concept of moving from strategy to action is called organisational diagnosis which is broken down to:

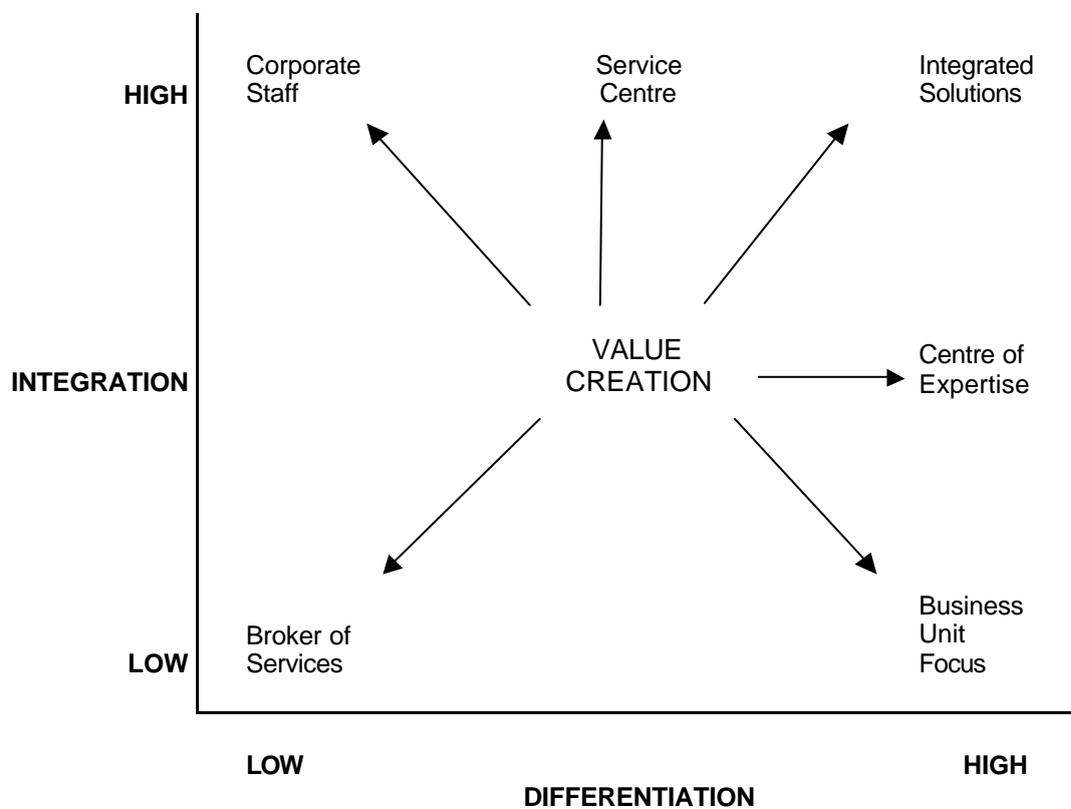
- Defining an organisational architecture
- Creating an assessment process.

The example of GE is given who integrated this process in to the internal business audit process so that HR questions had to be addressed with the business question.

- Providing a leadership for improvement of practices and
- Setting priorities

Chapter 4 presents the ways in which HR can help build administrative efficiency by reviewing the role of HR as an administrative expert. This chapter looks at the ways in which work can be organised so that costs can be reduced while maintaining quality of service. It is interesting to see a proposal in which HR is itself re-engineered and considers organisational design choices such as outsourcing/brokered services, and shared services. As in the other chapters, many examples given. In addition to offering ways to solve problems, this chapter also includes a safety net in a section titled "Potential pitfalls and things to watch out for".

Figure 1 Aspects of HR Adding Value throughout the Business



Chapter 5 reviews the role of HR as the employee champion to ensure employee contribution. In particular, it considers the management of intellectual capital to create value, and the process of increasing employee commitment and competence despite the challenges of re-engineering trauma and burn-out.

Chapter 6 considers the function of HR as an agent of change. The ability to build a capacity for change within a company and the process of changing corporate culture are reviewed. The principal examples offered are Sears and GE.

Chapter 7 introduces ways for HR to rethink and redefine itself. The ability of HR to generate HR strategies is presented with Eastman Kodak, makers of photographic systems, Hallmark, makers of greeting cards and Amoco, petroleum refiners, amongst 15 others as examples of companies that successfully transformed their HR departments. Amoco is presented as a case study while the others are presented in tabular form allowing one to compare the different methods and directions.

Chapter 8 is the final chapter and tries to answer the question "what's next ?" by highlighting the importance of continued examination of HR theory, tools such as those needed for a global HR, leadership, knowledge transfer, culture change or customer focused HR. In addition, the capabilities of HR, HR value proposition, HR governance, career and competencies are considered. This chapter also challenges the idea that HR professionals are the HR champions by stating that it is the line managers who are the HR champions as they are primarily responsible for HR practices and for the outcome and processes in a company.

To offer an overall assessment of this book, the first question that must be answered is why was this book chosen ? Amazon.com sells human resource books and from their listings, this book was one of the few that was not a standard textbook and that had a good review record. Amazon.com offers readers to post a review of the book on their site and the reviewers must place a mark based on a five "star" score system. This book was the only one with a five out of five "stars" from its 12 reviewers.

This book presents HR as part of the competitive business equation and how competitive challenges dictate HR activities. It tries to move away from the "them and us" or "HR and line managers" attitude to one where both HR and line managers are operators in adding value to a business. It does not deal with the standard functions or tools of HR, i.e. employment/dismissal, but rather the strategic process at all levels within a business. Its main strength is that it tries to move one's thinking of HR from being a staffing position to one with strategic function and of significance for the

business. In addition, this is not simply a theoretical thesis but is supported with plenty of concrete examples, worksheets, and tables that can be used "as-is".

There are two main weaknesses of this book. The first is that it was published in 1997 and therefore mentions the beginning of telecommuting. However, hot-desking, or other flexible work systems are not discussed. These new working options are due to the expanded possibilities of telecommunications and computer systems which have occurred since the book was published. The second weakness is that this book uses examples from the United States. It would be nice to see some European examples which might be different due to the presence of a state social insurance system which is more extensive than that in the USA.

The challenges of different national cultures are mentioned in this book but it is not a major theme and this could be considered a third possible weakness. However since 1997, I suspect that many more companies have become multi-national either by having different nationalities in one location, or by having workplaces throughout across the globe, and global HR and/or intercultural people management at a personal level is an important issue. The strategic implications of not addressing this issue are not only the lowering of company efficiency but the prospect of "bad press". An example of this would be the Nike experience with their factories in the Far East in which poor working conditions were publicised by various NGOs. Nike's response was poorly executed and showed the company as being one that was not credible resulting in a loss of consumer confidence.