

Now that HR has joined business discussions, what do you have to contribute?

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Let me begin with gratitude for thoughtful work by many who established HR issues as central to [competitive advantage](#), [strategic success](#), and [financial performance](#). As a result of their work, HR (people and ideas) have been part of business discussions (often simply called being “at the table”) for many years. The recent 2020–21 crises (e.g., global pandemic, social injustice, political differences, economic recession, digital 4.0, and emotional malaise) have not only reinforced HR’s significance to business results but challenged HR professionals to have even more impact thereon.

In this post, I offer a fourth commentary on the recent research from the [HR Competency Study \(HRCS\) eighth round](#) to show what [HR contributes to business discussions](#). This eighth round of HRCS is sponsored by the University of Michigan, The RBL Group, and nineteen HR associations, and is performed by Pat Wright, Mike Ulrich, Erin Burns, and Kaylene Allsop. (Full disclosure: I have been centrally involved in this [HRCS research since 1987](#), but I am an advisor and not a principal investigator on this eighth round.)

When you as an HR professional are invited into a business conversation (about strategy, customer service, financial results, digital transformation, or something else), *what should you uniquely bring to that conversation?*

Our HR competence research has shown HR professionals offer unique insights about [three human capability agendas](#) to help deliver business results (see Figure 1).

Figure 1:
HR’s Contribution to Business Discussions

Human capability topics for HR to focus on:	Mean (1 to 5)	Impact on business results
Creating workforce agility	3.36	33%
Aligning and embedding organization capability	3.96	44%
Delivering a diversity, equity, and inclusion agenda	4.16	23%
		100% total

First, create workforce agility

People are the core ingredients to any organization, and HR should be the thought leaders with ideas, tools, and experiences to upgrade talent. In today's changing world, employees have to act with [increasing agility](#), being able to create a future, anticipate opportunities, adapt quickly, reskill continually, and learn always. HR explores how to ensure organizations have the talent required to deliver on the customer, investor, and strategic goals.

Second, align and embed organization capability

Since our 1990 book, *Organization Capability*, my colleagues and I (and many others) have consistently shown that “organization capability” matters more than “individual competence” in delivering business results. In a business conversation, you ask, “Do we have the right organization to deliver our desired results?” Historically, the right organization focused on clarifying roles and reporting relationships (structure or design) then on aligning systems (e.g., seven Ss or STAR model of systems). More recently, “organization” is not about the structure or systems but the capabilities of the organization.

Organization capabilities represent what the organization is known for, what it is good at doing, and how it allocates resources to win in its market. Organizations should be defined less by their structure and systems and more by their ability to establish the capabilities required to win—that is, to serve customers in ways that competitors can not readily copy. Figure 2 suggests twelve possible capabilities. In business discussions, HR professionals can help define which capabilities best deliver key outcomes.

**Figure 2:
Twelve Critical Capabilities**

1. Talent: We attract, motivate, develop, and retain talented and committed people at all levels of the organization (workforce, competence, people).
2. Agility: We make change happen fast (change, speed, adaptability, flexibility).
3. Strategic Clarity: We create a shared agenda, broad commitment, and engagement around our strategy (strategic unity, purpose, mission, vision).
4. Customer Centricity: We foster strong and enduring relationships of trust with target customers (net promoter score, market share, customer share).
5. Right Culture: We create and embed the right culture throughout the organization (shared mindset, firm identity, values).
6. Collaboration: We work together to make the sum more than the parts (teamwork, cross functional, alliances, coordination).
7. Social Responsibility: We establish a strong reputation for managing planet, philanthropy, people, and political agendas (e.g., corporate social responsibility; environmental, social, and corporate governance; social citizenship; triple bottom line).
8. Innovation: We create and deliver new products, services, business models, and ways of working that are commercially successful (product creation, curiosity, knowledge management).
9. Efficiency: We reduce the costs of our business activities (standardization, reengineering processes, streamlining).
10. Accountability: We set and meet commitments on time and within budget (execution, discipline, high-performance orientation).
11. Information/Analytics: We acquire, analyze, and apply information to improve decision making (predictive analytics, dashboards, scorecards).
12. Leverage Technology: We exploit and apply latest technological trends (digital age, AI, machine learning, Internet of things).

Figure 3 shows the research from the Organization Guidance System (organization pathway) that shows the relative impact of each of the twelve capabilities on employee, strategy, customer, financial, and community outcomes. The green cells show high impact, and the red cells show low impact. For example, this data shows that for strategic business outcomes (column D), strategic clarity and agility are the most important capabilities; whereas, for customer outcomes (column E), strategic clarity and customer-centricity are the most important capabilities. By doing the Organization Guidance System, HR professionals can help their organization know which capabilities matter most to the outcomes the organization cares most about (go to www.rbl.ai to take a free assessment and get a free company report).

Figure 3:
Impact of Twelve Capabilities on Five Outcomes
(Organization Guidance System, OGS, www.rbl.ai)

Organization Capabilities	A Global Mean (n= 367)	B Std Dev	What guidance can we offer? (relative impact on ... divide 100 points)				
			C Employee	D Strategy/ Business	E Customer	F Financial	G Social citizenship
1. Talent	3.37	0.76	16	7	4.5	10.8	12.5
2. Agility	3.36	0.86	11.7	16.4	10.5	8.4	3.4
3. Strategic Clarity	3.43	0.77	17.1	20.2	18.4	19.5	4.6
4. Customer Centricity	3.61	0.78	9.2	7.9	19.3	10	1.9
5. Right Culture	3.35	0.84	12.6	11.2	10.4	9.6	4.9
6. Collaboration	3.39	0.79	5.6	3.9	5.8	4.3	2.5
7. Social Responsibility	3.39	0.82	3.3	2.9	3.8	4.9	49.4
8. Innovation	3.13	0.78	4.5	6.2	7	9.6	5.9
9. Efficiency	3.26	0.78	6.6	8.7	7.3	8.5	3.5
10. Accountability	3.17	0.77	3.6	4	4.2	5.1	1.8
11. Information/analytics	3.24	0.94	5	6.8	6.1	3.7	2.9
12. Leverage Technology	2.99	0.94	4.9	4.7	2.7	5.6	6.6
	R²		32.1	45.9	37.8	22	58.7

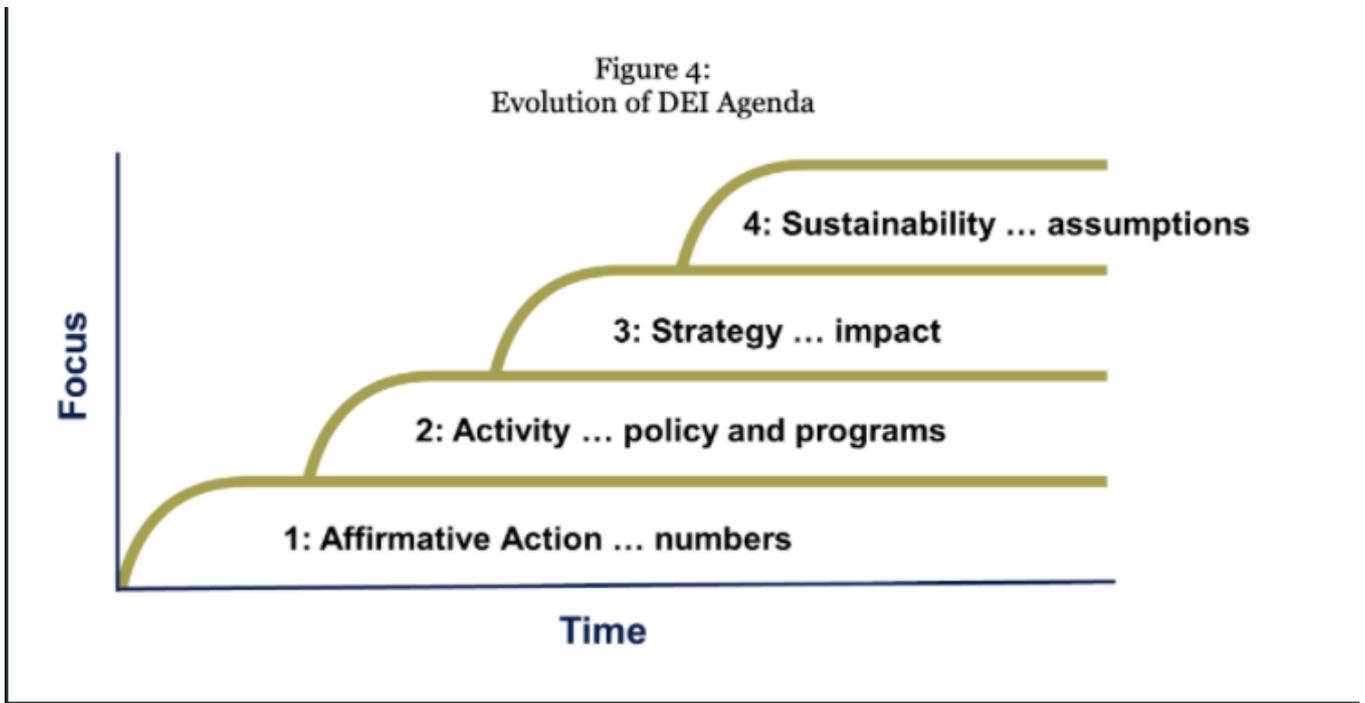
Third, deliver a diversity, equity, and inclusion agenda

Recently, issues around social justice—as evidenced in diversity, equity, and inclusion (DEI)—have become ever more prevalent. The emerging DEI agenda needs to move beyond calls for action to sustainable results in finding ways to manage diverse candidates into leadership positions, to have honest and sensitive conversations on social justice issues, and to turn social consciousness desires into productive conversations and sustainable actions.

[DEI progress](#) can be put into four phases (Figure 4). DEI efforts need to evolve beyond phase 1 (affirmative action scorecards that track numbers), phase 2 (DEI activities, policies, and programs) and even phase 3 (the strategic relevance of DEI efforts). Moving to phase 4, to be sustainable, DEI efforts need to address fundamental and often unexplored assumptions then embed new behaviors supporting these DEI assumptions. These assumptions are about how leaders use their power to empower others and how to ensure that every employee has something of value to offer the organization.

In business discussions, HR professionals move DEI efforts through these four waves to ensure a responsible organization.

Figure 4:
Evolution of DEI Agenda



Conclusion: What do you have to contribute?

Imagine yourself engaged in business dialogue as a member of the leadership team. Based on our research, we suggest that you are the architect of how to create a more agile workforce, align and embed the right organization capabilities, and make progress on DEI efforts. By working on these issues, you contribute to business results.

Welcome to the discussion; savor your contribution!

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<https://thehumancapitalhub.com/articles/now-that-hr-has-joined-business-discussions-what-do-you-have-to-contribute>