

# THE PRACTICE OF HUMAN RESOURCE STRATEGIC ROLES BY “ULRICH” MODEL



Ria Mardiana Yusuf

S.E., M.Si.  
Economic and Business Faculty of Hasanuddin University,  
Makassar, Indonesia  
e-mail: riamard@unhas.ac.id



Saldy Fidyawan

PT. Vale Indonesia Tbk - Sorowako, South Sulawesi,  
Indonesia

*This study examines the practice of Human Resource Strategic Roles Model of Ulrich at Indonesian Nickle Mining Company, which have been divided into Four-Role Model. The various roles that are examined in this study are the strategic partner, change agent, administrative expert and employee champion. All of these roles will be analyzed by using the Pearson Correlation coefficient to test the information about relationship between roles. Through the cross sectional study among 43 data were collected from professional of human resource department, finding showed that in case of roles practice of HRM Strategic of Nickle Mining Company roles of strategic partner, change agent, administrative expert and employee champion are significantly related to each other. Furthermore, it is found that strategic partner and administrative expert has a strongest relational against the other relationships human resource roles.*

**Key Words:** human resource strategic roles, strategic partner, change agent, administrative expert, and employee champion

## Introduction

The landscape of business competition is changing and the new era competitiveness are needed to deal with the challenges ahead. The intensity of the challenge is globalization which is needed the proper responses. This responses reveal to the new competitive reality demanding organization capabilities that will be enable organization to differentiate themselves from their competitors (Ulrich, 1996).

The differentiation of organization requires an utilization of a complex array resources or called by “mix resources” to grow, survive and achieve the objectives (Inyang, 2010). The deployment of those mix resources could contribute significantly to the goals of the organization. Of these, the biggest contributor to those goals is human resources (Inyang, 2010). There are three organizational core competences to found influencing the continues

competitive advantages of organization, that is physical capital, human capital and organizational capital.

In recent years, there has been much debate according to the strategic roles of Human resource. Especially in area of how human resource could contribute to competitive advantage organization. And the primary way to gain the competitive advantage is to manage people more effectively (Walker, 1992). HR offer a valuable list of professional tasks that current CEO's should expect from HR. Some said that human resource played the invisible role that attention to corporate governance and compensation to the executives had been neglected (Long et al, 2008). Therefore, there are so many barriers that human resource professionals needed to overcome to be truly a strategic partner (Mondy & Noe, 2005).

There is a theoretical challenge facing strategic human resource management, the articulations of "black box". Especially how does "black box" explain HR's contribution to a firm's sustained competitive advantage? (Becker & Huselid, 2006). Accordingly, there are four characteristics that could explain the "black box" situation (Walker, 1992):

- 1) Integrating people related business issue and strategies with business strategy;
- 2) Integrating human resources processes with management processes-enabling managers to manage people effectively by focusing on ways to increase organizational effectiveness;
- 3) Integrating the human resources staff function with the business redefining its organization, roles and capabilities, and
- 4) Integrating human resource measure with business measure focusing on the business impact of actions.

From those four characteristics, Ulrich (1996) explained that human resource should offer a value added and positive contribution into the organization. Consequently, the roles undertaken by human resource professionals are in reality multiple. Ulrich (1996) is also offering four roles played by the professional human resource,

- 1) as a strategic partner,
- 2) as an administrative expert,
- 3) as an employee champion,
- 4) as a change agent.

By fulfilling this role, human resource professionals will increase their capacity to execute business strategies. The principles of the four roles is how deliverables as a system to the organizational human resource.

This research paper intended to analyze the relations within four roles of strategic human resource by "Ulrich" model: as a strategic partner, administrative expert, employee champion, and change agent, in practically at Indonesian Nickle Mining Company Sorowako. Following the literature on human resource strategies and making a kind of confirmation about that literature into the practice of strategic human resource. Specifically we argue that there is strong relationship between those four roles human resource strategic.

## **Review of Literature**

### ***The Four-Role Model of Ulrich***

There is a dramatic shift in the role of human resource management (HRM) in recent decades. Becker et al. (2001) found traditionally, the human resource function has been viewed as primarily administrative, focusing on the level of the individual employee, individual job and individual practice. Human resource has now emerged as a strategic paradigm in which individual human resource functions, such as recruitment, selection, training, compensation and performance appraisal, are closely aligned to with each other and also with the overall strategy of the organization (Long & Ismail, 2008). The situation has changed in the past decade (Lawler & Mohrman, 2003).

Becker and Huselid (2006) found that the field of human resource strategy differs from traditional human resource management domain in two important ways. First, strategic human resource management focuses on organizational performance rather than individual performance. Second, it also emphasizes the role of human resource management systems as solution of business problems (including positive and negative complementarities) rather than individual human resource management practices in isolation. A core theoretical rationale for human resource's potential role as strategic assets in the firms, and as a notion to be the competitive advantage, is above-average of financial performance (Wright et al, 1992). But in reality the scenario is quite different (Ismail & Long, 2008), Barney and Wright (1998) pointed out that one reason why human resource executives are not invited to the strategic planning table is that they are perceived as lacking the required competencies.

The design of this paper research is based on four-roles model of Ulrich (1997). He stated that human resource can help organization to deliver organizational excellence by means of four methods. First, HR should become a partner with the management of the firm in helping with strategy execution. Second, human resource should contribute expertise in the efficient and effective performance of work, so that costs are cut and quality is maintained and it called as change agent (Long & Ismail, 2008). Third, human resource should be the employee champion which mean that employee should increase and ensure their ability that contribute to the organization. Finally human resource professional must be continually contribute to the process of change and help to improve the organization's capacity (Ulrich, 1997).

Becoming a strategic partner is the key of human resource role (Ulrich, 1997), which mean the participation of human resource in the process of defining business strategy, not merely responding to the strategy edicts presented by "senior management". Therefore as a professional, human resource must be capable to effective and efficiently aligning their action with the strategy of the business (Ulrich, 1997). It also defined that human resource strategic as a process to linking the human resource practice into business strategy (Ulrich, 1997).

The role of administrative expert is about the technical of human resource management practice as an implication of strategic human resource. The more important objective of this role is to make every effort of human resource to ensure that organizational process are designed and delivered with the utmost efficiency and innovatively (Ulrich, 1997).

The role of employee champion shows the process of employee-friendly environment creating. Its about the role that deals with the day-to day problems, concerns the need of employees (Conner & Ulrich, 1996). To the human resource professionals, it was the function of how they could increase the employee contribution and commitment to the organization (Ulrich, 1997; Csoka, 1995). They must work hard through workshop, communication and employee surveys to orient and train manager, especially the line managers to take responsibility for being the focal point of employee morale (Ulrich, 1997).

The popular phrase says that “change happens”. Modern changes today – due to globalization, customer demands, technological innovation, and information acces- is both dizzying and dazzling (Ulrich, 1996). Ulrich (1997) also said that the change in organization will fall squarely in the human resource role of change agent. Agent’s role refers to helping organization build a capacity of change (Conner & Ulrich, 1996). The capacity of change of course should be the duty of manager of human resource and human resource professional. Ulrich (1997), Baird and Meshoulam (1988) stated that the effectiveness of human resource management depends on it’s fit with the organizational stage and development and that, as the organization grows, human resource practices and procedures must evolve to meet those needs. Ulrich (1996) pointed out that evolving the procedures and practices are a kind of response due to the change itself, and according to Ulrich (1996), three general response types may be identified: initiatives, processes, and cultural adaptations. Initiatives focused on implementing the new procedures, programs or projects. Cultural is about the common values and shared meaning of organization that influence the organizational human resource management systems (Rogg et al., 2001). Accordingly “change” is not simple, but still needs effort and ability to improve initiatives that beneficial to organization success in long term (Ulrich, 1997).

Research of Conner and Ulrich (1996) found that there is the correlation between four-roles of human resource strategy. The same result also founded by Pranofian (2003) who considered correlation between those four-roles of human resource strategy, between strategic partner’s role and employee champion’s role, also between the administrative expert’s role against agent’s role changes. The meaning of those finding is four- roles of Ulrich’s human resource strategic actually is a kind of system that could be a formula helping human resource management to adapt and response to environment needs, and to take care of organizational sustainability. Just like what the expert mentioned before, the new business context, which is characterized by increasing globalization, greater organizational complexity, market competitiveness and cutting-edge information communication technology is prompting organization executive to take more interest in the deployment and utilization of their human resource (Inyang, 2010). Strategic of human resource management

together with the basic of human resource management principles, which is integrate with the concept of business strategy (Inyang, 2010).

### **Purpose of the Study**

The purpose of this study is to analyze the correlation between Ulrich’s four-roles human resource strategic in the PT. Inco, Tbk, the biggest Nickel’s mining company at Sorowako, Indonesia. The four-roles of human research strategic has been designed by Dave Ulrich in (1996) which consist of strategic partner role, change agent role, employee champion role and administrative role.

### **Research Methodology**

The design of this research is descriptive quantitative by surveying 43 professionals in all level of human resources department. This paper is a case study research on Indonesian Nickle Mining Company. To collect data, this paper used the Ulrich and Conner questionnaire (1997). Questionnaire was divided into four parts for the strategic partner, change agent, administrative expert and change agent. Each of part has 10 items questionnaires, because we use patent questionnaire of Conner and Ulrich, therefore we didn’t make some kind of validity and reliability test for those tool. The respondent have been asked to choose the statement that is most relevant in their workplace. Alikert scale is used on the questionnaire with the following ratings. “1 –worse, 2-bad, 3-enough, 4-good, 5-very good.

This research also used The Pearson Correlation to analyze the correlation between four –roles of Ulrich’s human resource strategy.

According to the Tab.1, 32.6% of respondents agree to choose good and 16.3% agree to choose bad. It means that for the all question of strategic partner, according to the respondent perception, role of strategic partner often implemented by the organization at their workplace.

Table 1 - Sum of Strategic Partner’s Role  
(data received by co-autors)

Strategic Partner’s Role	Sum	Percentage
- worse	-	-
- bad	7	16.3
- enough	13	30.2
- good	14	32.6
- very good	9	20.9
Totally	43	100,00

Table 2 - Sum of Change Agent Role  
(data received by co-autors)

Change Agent Role	Sum	Percentage
- worse	-	-
- bad	4	9.3
- enough	15	34.9
- good	12	27.9
- very good	12	27.9
Totally	43	100,00

According to the sum of change agent questionnaire, 34.9% respondents choose sometimes, and none of respondent chooses. It means that according to respondents, role of change agent sometimes implement on their workplace.

Table 3 - Sum of Administrative Expert Role  
(data received by co-autors)

Administrative Expert Role	Sum	Percentage
- worse	-	-
- bad	7	16.3
- enough	16	37.2
- good	9	20.9
- very good	11	25,6
Totally	43	100,00

Tab. 3 illustrates that administrative expert role enough implemented at their workplace. It also means that at Indonesian Nickle Mining Company administrative data sometimes completed by the management.

Table 4 - Sum of Employee Champion Role  
(data received by co-autors)

Employee Champion Role	Sum	Percentage
- worse	-	-
- bad	7	14.0
- enough	16	37.2
- good	9	32.6
- very good	11	16.3
Totally	43	100,00

Tab. 4 shows that due to respondent, employee champion role at Indonesian Nickle Mining Company being implemented by the management enough.

Table 5 - Relationship between Four HR Roles of Ulrich  
(data received by co-autors)

		Coefficient Correlation
Strategic Partner-Change agent	Correlation Coefficient	0.975*
Strategic Partner-employee Champion	Correlation Coefficient	0.946*
Change Agent-Administrative Expert	Correlation Coefficient	0.777*
Change Agent-employee champion	Correlation Coefficient	0.760*
Administrative Expert-employee champion	Correlation Coefficient	0.760*

\*Correlation are significant at the 0.05 level (2-tailed)

As shown in Tab.5, all components of strategic roles by Ulrich have a significant correlation.

This finding is relevant due to the study of Conner and Ulrich (1997), also Pranofian (2003). Those same study also found that a significant correlation between Strategic partner role, employee champion role, administrative expert role and employee champion role at the company, according to the employee of human resource department. The indication of the result showed that in Nickle Mining Company, the implementation of strategic role of employee is well categorized. It means that commitment and contribution of employee to the organization due to employee is good. Mondy (1998) said that the triggering factor to make commitment and contribution being stronger is arise through a lot of factors. One of that is compensation. As the matter a fact compensation of the employee, in the good grade for the public organization that owned by the government. But still in overall perspective, the four role's of strategic human resource have been implemented at Indonesian Nickle Mining Company.

**The Implication of the Research for CEO's of Organizations**

1. Implementation of four-roles of human resource should be increase, specially the strategic partner role of employee.
2. Get employee and HR personnel to involve in operations meeting and another strategic role.
3. Give to company human resource an opportunity to become involved in planning and policy planning even shared information.

## Reference

- Baird, L., & Meshoulam, I. (1988). Managing Two Fits of Strategic Human Resource Management, *Academic of Management Review* 13 (1): 116-128.
- Barney, J. B., & Wright, P. M. (1998). On Becoming a Strategic Partner: The Role of Human Resources in gaining competitive advantage. *Human Resource Management*, 37 (1): 31-46.
- Becker B., Huselid M., A. & Ulrich, D. (2001). *The HR Scorecard: Linking People Strategy and Performance*, Cambridge, MA: Harvard Business School Press.
- Becker, E. & Huselid, M.A. (2006). Strategic Human Resources Management. Where do We Go from Here? *Journal of management*, Vol 32, No. 6 December, 898-925.
- Becker, E. & Huselid, M. A., (1998). High Performance Work Systems and Firm Performance: A Synthesis of Research and Managerial Implications, *Research in Personnel and Human Resource Management*, 16, 53-101.
- Conner, J., & Ulrich D. (1996). Human Resource Roles: Creating Value not Rethoric, *Human Resource Planning*, Tempe: 19 (3) 38.
- Csoka, L. S. (1995). *Rethinking of Human Resources: A Research Report*. New York, The Conference Board.
- Inyang, B. J. (2010). *Strategic Human Resource Management (SHRM): A Paradigm, Shift for Achieving Sustained Competitive Advantage in Organization*, *International Bulletin of Business Administration*. EuroJournals, Inc. 2010, 23-36.
- Lawler, E.E. & Mohrman, A.M. (2003). *Creating a Strategic Human Resource Organization: An Assessment of Trends and New Directions*. Stanford, CA. Stanford University Press.
- Long, C. S. & Wah Khairuzzaman bin Wan Ismail, (2008). The Vital Roles of Human Resource Professional: A Study on the Manufacturing Companies in Malaysia. *The Journal of Management Studies*, Volume 3, Number 2, August 2008, 114-124
- Mondy, R.W & Noe, R.M. (2005). *Human Resource Management*. International Edition, 9th Edition, Prentice Hall.
- Pranofian, R. (2003). *Human Resource Strategyy at Jakarta's Companies*, Thesis University of Indonesia.
- Ulrich, D. (1996). *Human Resource Champion*, Harvard Business School Prees, Boston, Massachusetts.
- Ulrich, D. (1997). *The Next Agenda For Adding Value and Delivering Results*. Harvard Business School Press Boston, Massachusetts.
- Walker, James W. (1992). *Human Resource Strategy*. International Edition, McGraw-Hill, Singapore.
- Wright, P., McMahan, G., Gerhart, B. & Snell, S., A. (1997) *Strategic Human Resource Management: Building Human Capital and Organizational Capability*. Technical report, Cornel University.