



Interview

“Analytics only work if you ask the right sort of questions”

HR guru Dave Ulrich on the challenges facing the business of the future, and GCC nationalisation

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Known as the ‘father of modern HR’, Dave Ulrich is Rensis Likert Professor of Business at Ross School of Business at the University of Michigan. Globally respected, he talks to *People Management* about big issues such as Middle East nationalisation, what it takes to be a modern-day leader and how organisations need to adapt their structures and hierarchies.

One of the biggest challenges facing Middle Eastern HR professionals is to nationalise their businesses by encouraging local talent. Which strategies work best, and how do good leaders create cohesive organisations?

Nationalisation (Emiratization, Saudisation, etc) is an important pathway to build a viable local economy, if done well. The danger is that placing individuals in positions of influence and power without the proper skills will disable the economy and stifle growth. Localisation can be powerful if there is rapid personal and career development. In organisations, expatriates must have an incentive to develop local talent who can not only replace, but surpass them. Sourcing

individuals who diligently work to replace themselves can be difficult, and requires building total reward systems for non-locals that motivate them to nurture others.

How would you make the case for HR professionals to move into senior executive roles? Which areas do they need to develop to take on such jobs?

In defining the requirements of most senior positions, the dominant issues are around executing strategy, managing change, motivating individuals, shaping culture and building stronger organisation capabilities. These job requirements are central to the experience of many senior HR leaders. In our research, published in *Harvard Business Review*, we found 20 per cent of CEOs and CHROs had similar leadership profiles on 14 leadership dimensions, more so than the CFO, CIO or CMO. This is not surprising when you consider the best CEOs today are required to manage the more intangible sides of business.

You’ve written extensively about effective leadership. How hard





as the world rapidly changes, the challenges of coordination, control and clarity have to adapt. We are seeing organisational innovation with things such as holacracy [a 'circle'-based management system], networks and self-governing teams.

These innovations will endure as we discover new organisational forms that enable the whole to continue to be more than the parts; through management by mindset more than management by objectives; through platforms of individual competencies more than organisational requirements; and through innovative pods within networks more than innovation centres.


Where can data add genuine insight to HR operations and strategy?

Analytics, technology and big data should be enablers of business, not the drivers. Without asking relevant business questions, all these enablers can be misused. Building an 'HR' scorecard of practices or competencies, which is not tied to relevant business results, misuses data. Drawing on work by Dick Beatty, we see four phases of business relevance: HR scorecards (tracking information on HR activities); HR insights (drawing insights from big data, statistical analysis or anthropological work); intervention (comparing the impact of HR practices); and impact (starting with a business challenge and showing how HR efforts will impact it).

Why has the Ulrich model [of HR structure] endured, and what do people most misunderstand about it?

People say they disagree with the Ulrich model because it isn't about how HR can deliver business value – but that's exactly what it is about. My focus when developing the model was always about how HR isn't just HR, but is about helping the business succeed through finding talent and leaders, and enhancing capabilities – those capabilities might include external sensing, innovation, collaboration, efficiency, information management and so forth.

Organisations must ensure they adapt HR to the strategy and structure of the business. I've seen the model applied wrongly when businesses believe one type of HR structure fits all.

If you look at the model as it was in the 1990s, of course it won't work in 2016. It endures because we are constantly updating it. 

* Professor Dave Ulrich is speaking at the HR Summit and Expo at the Dubai International Exhibition Centre, UAE, on 14-16 November

Is it to change the traditional view of a leader in a conservative culture?

Leadership is less about who a leader is and more about the value a leader creates for someone else. A leader who does not create value for others is more a narcissist than a true leader. With value creation for others the dominant paradigm, a conservative traditional (or liberal and innovative) culture works to create leaders who make others better. Leaders who act as autocrats do not build future leadership. Changing this mindset is more likely to come when leaders recognise their success is what happens when they are gone.

Will new organisational forms – which do away with traditional hierarchies and encourage deep democracies – spell the end for the concept of traditional organisations?

For centuries, we have seen the traditional hierarchy or bureaucracy, which has clarified who does what and ensured coordination to make the whole more than the sum. But

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