

Ulrich Model on Practices of Human Resource Strategic Roles

¹Ria Mardiana Yusuf, ¹Saldy Fidyawan and ²Ismail Suardi Wekke

¹Fakultas Ekonomi, Universitas Hasanuddin, Jl. Perintis Kemerdekaan, Makassar, Indonesia

²Sekolah Tinggi Agama Islam Negeri (STAIN) Sorong, Papua Barat, Indonesia

Abstract: This study examines the practice of human resource strategic roles model of Ulrich at PT. Inco Indonesia 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 this roles will be analyzed by using the coefficient pearson correlation 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 PT. Inco 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 as HRM, Ulrich

INTRODUCTION

The landscape of business competition is changing and the new era competitiveness is needed to deal with the challenge ahead. The intensity of the challenge is globalization which is needed the proper responses. These responses reveal to the new competitive reality demanding organization capabilities that will be enable organization to differentiate themselves from their competitors (Ulrich, 1997).

The differentiation of organization requires the utilization of a complex array resources or called by “mix resources” to grow, survive and achieves 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 are human resources (Inyang, 2010). Without effective people, it is simply impossible for organization to achieve its objectives (George *et al.*, 1998).

Organization must gives attention to the competencies Ulrich define competency as the ability to add value to the business; competence must focus on the process leading from changing business conditions to achieving sustainable competitive advantage. There are three organizational core competences that is physical capital, human capital and organizational capital (Barney and Wright, 1998). And the primary way to gain the competitive advantage is to manage people more effectively (James, 1992; Baird and Meshoulam, 1998). Some said that human resource played the invisible role that attention to corporate governance

and compensation to the executives had been neglected (Long and Ismail, 2008). Therefore, there are so many barriers that human resource professionals needed to overcome to be truly a strategic partner (Mondy and Noe, 2005).

According to Syaifudin and Nasser, those are successful organizations which regard human resources as the most significant asset (Sayfuddin, 2014). HR is seen as the foremost intangible asset which comprises a firm’s core competence and crucial to solving organizational problems and increasing performance (Rowley and Abdul-Rahman, 2007). Without HR’s transformation to managing the HR function strategically, the executive team may continue to regard the HR department as a drain on firm resources and not as a contributor to firm performance (Payne, 2010). Strategic management is mostly a management and top management issue it seems to be necessary to strengthen HR roles as management positions.

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 and Huselid, 2006). Accordingly, there are four characteristics that could explaining the “black box” situation integrating people related business issue and strategies with business strategy) integrating human resources processes with management processe senabling managers to manage people effectively by focusing on ways to increase organizational effectiveness). Integrating the human resources staff

function with the business redefining its organization, roles and capabilities and) integrating human resource measure with business measure focusing on the business impact of actions.

From those four characteristics (Ulrich, 1997) 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 not single (Ulrich, 1997) also offering four roles played by the professional human resource as a strategic partner as an administrative expert as an employee champion and as a change agent. By fulfilling this role, human resource professionals will increase their capacity of a business to execute its 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 relational within four roles of "Ulrich's strategic human resource as a strategic partner, administrative expert, employee champion and change agent, in practically at PT. Inco Sorowako. Following the literature of human resource strategy and making a kind of confirmation about that literature into the practice of strategic human resource. Specifically, we argue that it has been strong relationship between those four roles human resource strategic.

Literature review: There has been a dramatic shift in the role of Human Resource Management (HRM) in recent decades (Long and Ismail, 2008; 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 to aligned with each other and also with the overall strategy of the organization (Long and Ismail, 2008). The situation has changed in the past (Lawler and 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 to 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 a strategic asset in the firms (Schroeder, 2013) and as a notion to be the competitive advantage is above-average of financial performance (Wright *et al.*, 1997). But in the reality the

scenario is quite different (Long, 2013; Barney and Wright, 1998) pointed out that one reason why human resource executives not invited to the strategic planning table is that they are perceived as lacking the required competencies (Boudreau and Ramstad, 2007).

Pointed out that the old paradigm of human resource roles which is doing the administrative doer, being modernize into strategic facilitator. Specially the increasing of human resource function due to organization. According to James (1992), there are four roles of human resources that functioning as strategy; support, service, consulting and leadership. Although, Schuler identify six strategic roles of human resource as a business person, shaper of change, consultant to organization or partner to line, strategy formulator and implementer, talent manager and asset manager or cost controller.

The design of this study research is based on four-roles model by Ulrich (1997). He stated that human resource can help organization delivering their 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 cost are cut and quality is maintained and it called as change agent (Long and Ismail, 2008). Third, human resource should be the employee champions which mean that employee should increase and ensure their ability that contribute to the organization. Finally, human resource professional must be continually contributing to the process of change and help improve the organization's capacity to do so (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 (Becker and Huselid, 2006). 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). In relation to efficient and proper staffing, administrative expert role has a notable implication that may entail an extensive Human Resource Information System (HRIS) (Sayfuddin, 2014).

The role of employee champion is the process of creating the commitment of employee-friendly environment to the successful of the organization that employs them (Ulrich, 1997). It's about the role that deals with the day-today problems, concerns the need of employees (Conner and 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". The pace of change today due to globalization, customer demands, technological innovation and information access is both dizzying and dazzling (Ulrich, 1997) also said that the change in organization will fall squarely in the human resource role of change agent. Becoming the change agent's role refers to helping organization build a capacity of change (Conner and 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 (1998) stated that the effectiveness of human resource management is depends on its fit with the organizational stage and development and that as the organization grows, human resource practices and procedures must evolve to meet those needs pointed out that evolving the procedures and practices are a kind of response due to the change itself and according to, there are three general response types may be identified: initiatives, processes and cultural adaptations. Initiatives focused on implementing the new procedures, programs or projects. The top management may require the HR professionals to support the change initiatives in the organization (Long, 2013). It can make the employees feel more comfortable with the changes that occur (Gomez, 2001).

Culture is about the common values and shared meaning of organization that influence the organizational human resource management systems (Bahussin and Garaihy, 2013; Rogg *et al.*, 2001). Accordingly, "change" is not simple, but still it needs effort and ability to improve and initiatives that beneficial to the successful of organization in long term (Ulrich, 1997).

Research of Conner and Ulrich (1996) found that as a whole there is the correlation between four-roles of human resource strategic. The same result also founded by Pranofian (2003) and Long and Ismail (2008) it's a correlation between those four-roles of human resource strategic. Which means that there is the correlation between strategic partner's role and employee champion's role, also between the administrative expert's role against change agent's role. Between those roles another, the

correlation of strategic partner against change agent are strong. The meaning of those finding is four-roles of Ulrich's human resource strategic actually is a kind of system that could be as a formula that helping management of human resource to make an adaption and response need for the environment and to take care of organizational sustainability live.

Just like what the expert mentioned before, the new business context which is characterized by increasing globalization, greater organizational complexity, market competitiveness regionally (Gabriela and Delia, 2015) or internationally (Globerman, 2014) and also 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).

MATERIALS AND METHODS

The design of this research is descriptive quantitative by using 43 professional in all level of department of human resources. Categorizing of this paper research is case study research at PT. Inco Tbk. By using the questionnaire as a tool to collect data, this paper using the Ulrich and Conner questionnaire (Ulrich, 1997) as the instrument for collecting data. Questionnaire were split into four parts for the strategic partner, change agent, administrative expert and change agent. Each of part has 10 items questionnaire. Because of we are using the patent questionnaire of Conner and Ulrich, therefore we didn't make some kind of validity and reliability test for that tool. The respondent has been asked to choose the statement that is most relevant in their workplace. A likers scale is used on the questionnaire with the following ratings: "1-worse, 2-bad, 3-enough, 4-good, 5-very good. This research also using The Pearson Correlation to analyzed the correlation between four roles of Ulrich's human resource strategic.

RESULTS AND DISCUSSION

According to the data, 32.6% respondent said agree to choose good and 16.3% agree to choose bad. None of them choosing rarely. 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).

According to the sum of change agent questionnaire, 34.9% respondents choose sometimes and none of respondent choose rarely. It means that according to respondent, role of change agent sometimes implement on their workplace (Table 2).

Table 1: Sum of strategic partner's role

Strategic partner's role	Sum	Percentage
Worse	7	-
Bad	13	16.30
Enough	14	30.20
Good	9	32.60
Very good	-	20.90
Total	43	100.00

Table 2: Sum of change agent role

Strategic partner's role	Sum	Percentage
Worse	-	-
Bad	4	9.30
Enough	15	34.90
Good	12	27.90
Very good	12	27.90
Total	43	100.00

Table 3: Sum of administrative expert role

Administrative expert	Sum	Percentage
Worse	-	-
Bad	7	16.3
Enough	16	37.2
Good	9	20.9
Very good	11	25.6
Total	43	100.0

Table 4: Sum of employee champion role

Employee champion	Sum	Percentage
Worse	-	-
Bad	7	14.00
Enough	16	37.20
Good	9	32.60
Very good	11	16.30
Total	43	100.00

Table 5: Relationship between four HR roles of Ulrich

Variables	Coefficient correlation
Strategic partner-change agent	0.975*
Strategic partner-employee champion	0.946*
Change agent-administrative expert	0.777*
Change agent-employee champion	0.760*
Administrative expert-employee champion	0.760*

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

Table 3 illustrate that 37.2% respondent appraise that sometime and it means that according to the respondent perception, administrative expert role enough implemented at their workplace. It also means that at PT. Inco administrative data sometimes completed by the management of PT. Inco (Table 3 and 4).

Same as amount of respondent of employee champion, employee Champion Role 37.2% according to respondent, they choose enough. This means that due to respondent, employee champion role at PT. Inco being implemented by the management in score enough.

As shown in Table 5, all components of strategic roles of Ulrich have a significant relationship each other. Which mean that between strategic partners, change agent, employee champion, administrative expert has a significant correlation against each other.

This finding is relevant due to the study of (Conner and Ulrich, 1996; Pranofian, 2003). Those same studies also found that a significance correlation between Strategic partner role, employee champion role, administrative expert role and employee champion role at PT. Inco Tbk. According to the employee of human resource department. The indication of the result showed that in PT. Inco Tbk, the implementation of strategic role of employee is categorized well.

It means that commitment and contribution of employee to the organization due to employee is good. Mondy and Noe (2005) 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 at PT. Inco in the good grade for the public organization that owned by the government. But still in overall perspective, the four roles of strategic human resource have been implemented at PT. Inco Tbk.

Employees are helped by human resource development skills to improve organizational and personal knowledge, skills and abilities (Muchira and Kiambati, 2015). So, PT. Inco in other side has to held the HRD Skills. But still in the agent of change and employee champion according to employee in an enough grade. It has been the historical folklore that since 2006 the changing owner of PT. Inco limited is moving from Inco Limited Canada to the Vale Brazil. Which mean that the holding company's system and culture supposed to be change too argues that as it deals with the culture of an organization, the HR department is uniquely positioned to take responsibility for this role in the firm.

And to recover system and making a kind of adjustment to the suitable culture takes much more time, although PT. Inco Tbk is the second Nickel mining enterprise in the world. According to the interview, it was some dissatisfaction due to the new management of Vale, Brazil. But still the dissatisfaction condition of employees, so far are in the proper area.

CONCLUSION

The finding of this research show that in the mining company in case of four-roles of Ulrich human resource strategic of PT. Inco Tbk, there is a significant relationship between HR Role of Ulrich to the implementation in companys.

IMPLICATIONS

Implications for the CEO's of organizations: Implementation of four-roles of human resource should be increase, specially the strategic partner role of

employee. Get employee and HR personnel to involve in operations meeting and another strategic role even only shared information. Give human resource of PT. Inco opportunity to become involved in planning and policy planning even shared information.

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