



How to Get Results from Your HR Transformation

By Dave Ulrich, Norm Smallwood, Alan Todd

Key Takeaways:

- *HR transformation underlies organization effectiveness.*
- *Utilizing the Organization Guidance System, HR transformations shift from a descriptive approach to a prescriptive approach.*

The crises of our day (global coronavirus pandemic, racial and civil unrest, global immigration, economic decline, political squabbles, and personal and emotional malaise) have accentuated the importance of human resource issues to [help an organization succeed in the marketplace](#).

Numerous HR innovations in programs, processes, practices, and digital apps have occurred under the rubric of HR transformation. We believe it is time to offer guidance on the extent to which organization effectiveness initiatives in [talent](#), [capability](#),

and [leadership](#) deliver results to employees, strategies, customers, investors, and communities. We have developed and offered a free [Organization Guidance System \(OGS\)](#) to guide the portfolio of these efforts.

HR transformation underlies organization effectiveness. We have written 13 books and 100's of articles, collected data from over 100,000 respondents, offered hundreds of workshops, and consulted on how to deliver HR transformation. We have evolved the study of [HR transformation](#) into four stages of maturity and nine domains of action.

Figure 1 provides a comprehensive template for assessing overall HR Transformation along 9 domains for each of the 4 levels of maturity (36 cells overall). Our point of view on HR Transformation is NOT limited to these 36 cells, but the extent to

which the work in these 36 cells delivers results. We believe that describing what the maturity and activity of HR can be dramatically advanced by prescribing which of the stages of maturity and domains of activity should be focused on.

Report Guidance on Human Resource Transformation

After 18 months of creating an *Organization Guidance System*, we can now report how well companies perform on the four stages of maturity and nine domains of HR and the impact on results. Figure 2 reports pilot results (with a sample of 148 respondents) about the performance and impact of the four stages of HR maturity on four key results. This figure reports the overall mean (column A) of the four stages of maturity (with outside in being the lowest score) and the relative impact of each

Figure 1
HR Transformation:
4 Stages of HR Maturity Across 9 HR
Domains

Domain	Stages of HR Maturity			
	Essential Foundation	Functional (best practice)	Strategic	Outside-In
HR Reputation What is HR known for?	HR Compliance	HR Functional Excellence	Strategic HR	HR Outside-In
HR Customers Who are HR's customers?	We are employee champions	We are advisors to managers	We are strategists	We are business proponents
HR Purpose What is our HR mission? Why do we exist?	We exist to do the basics well	We exist to design and deliver innovative HR practices	We exist to partner with business leaders to help make strategy happen	We exist to add business value that impacts external stakeholders
HR Design How is the HR department organized?	HR is an efficient organization	HR organizes to offer specialized solutions	HR organizes to match the business organization	HR organizes to build market value
Organization Capability How does HR facilitate the right organization?	HR delivers organization role clarity	HR delivers organization systems	HR delivers organizational capabilities	HR delivers ecosystem for external stakeholders
HR Analytics How can HR use information to make better decisions?	HR Scorecards or Dashboards	HR Predictive Analytics	HR Strategic Interventions	HR Guidance for Stakeholder Value
HR Practices How do we create and deploy HR practices?	HR delivers essential work	HR delivers leading edge practices	HR delivers practices to enable strategy	HR delivers HR solutions that benefit external stakeholders
HR Professionals What HR professionals need to be, know, and do to be effective?	Trusted Operators	Functional Experts	Credible Partners	Engaged Business Partners
HR Relationships How does HR go about doing its work?	HR individual contributors	HR team players	HR as members of business teams	HR stakeholder partners

not as critical for results as the strategic and outside in HR work. Our results show that doing HR foundational/essential work

matic difference in the perceived impact of HR stage and financial results may suggest that HR professionals and line managers see the impact of HR work differently.

Third, in Figures 2 and 3, we found that functional excellence (best practice) and strategic HR are highly correlated ($r=.82$) and neither focus delivers results that matter. It may be time to do less “best practice” or even “strategic” HR work and more focus on aligning HR to external stakeholders. In Figure 4, we report the findings by the nine domains of HR activity. The results in Figure 4 are also striking as they inform the effectiveness of HR transformation. First, the attention on “HR organization” (#4) does not show much impact on any of the results. We still find that most “HR transformation” work obsesses on the HR design. This research shows that HR practices (#7) has the most impact on the results. Second, it is interesting that each result (column B, C, D, E) is shaped by different HR domains. We need to explore more why these results require different domains of HR transformation.

Implications

These findings from the Organization Guidance System dramatically shift the discussion of HR transformation from what is done to what should be done. While these findings are with a small pilot sample, the implications of this human resource guidance are profound. Rather than randomly create innovative HR initiatives, business and HR leaders can use the *Organization Guidance System* to receive rigorous guidance on where to focus for results.

Read the *Organization Guidance System* pilot results of the three other pathways: [Talent](#), [Organization Capabilities](#) and [Leadership](#).

This *Organization Guidance System* is FREE to anyone. Simply visit www.rbl.ai to get started.

(Figure 2, 3, and 4 on Page 3 and 4.)

of the four stages (rows) on four outcomes we measured in the pilot (columns B, C, D, and E). We used proprietary analytics (variance decomposition) to understand how different levels of HR maturity (rows) will deliver different results (note: in the pilot, we focused on 4 results; we now have added a fifth, social citizenship).

The results from the *Organization Guidance System* are startling! First, we had assumed that foundational/essential HR work was

is critical to all results (green scales in columns B, C, D, E). Second, we worked to understand these results and discovered in Figure 3 a very different view of the stage of HR maturity and results depending on who answered the survey. HR professionals saw an improved financial performance from doing essential/foundational work; while non-HR respondents (business leaders) see HR outside in as much more critical for financial performance. This dra-

Figure 2
Stage of HR Maturity and Results

Level of Maturity	A Global Mean (n=148)	B Employee	C Strategic / Business	D Customer	E Financial
Essential/Foundation	3.40				
Functional (best practice)	3.47				
Strategic	3.54				
Outside-In	2.95				
Model R ²		13.5	12.1	16.3	10.3

Figure 3
Financial Performance by Rater Background
(HR vs. non-HR)

Stages of HR Maturity	HR	Other Leaders
Essential / Foundation		
Functional (best practice)		
Strategic		
Outside-In		
Model R ²	10.9	29

Figure 4
Nine Domains of HR Activity and Results

Domains of HR	A Global Mean (n=148)	B Employee	C Strategic / Business	D Customer	E Financial
HR Reputation	3.00				
HR Customers	2.85				
HR Purpose	3.69				
HR Design	2.71				
Organization Capability	3.01				
HR Analytics	2.56				
HR Practices	2.62				
HR Professionals	3.22				
HR Relationships	2.84				
Model R ²		10.5	16	10.5	6.5

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rblmail@rbl.net