



Advancing Impact and Status of HR

Applying technology that ensures HR the driver of strategy

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Contents

Abstract 3

Current global state of HR 4

The question 4

The necessary intellectual complexity of HR theory 5

The process to be applied in seeking a solution 6

The re-conceptualization of social science 6

The analysis of causality 6

The analysis of social causality 8

Application of the new social science to human psychology 10

A brief look at OPD basic theory 12

Application of the new social science to organisation design 13

The OPD theory of organisation design and leadership 13

The summary paradigm used in practice 15

Monitoring and corporate management of the SHRM processes 17

Leadership judgment and leadership effectiveness 18

Definition of strategic HR management (SHRM) 18

OPD theory from CEO viewpoint 19

Role of HR 19

Professionalism 19

Implementation 20

Some key changes in management practice/terminology 21

Financial payback from strategic HR 23

Diagram of the links between OPD-SHRM input and results 25

OPD-SHRM impact on the profit and loss 26

Results 27

Quote from CEO of key client 27

Why does OPD theory get applied? 28

Learning experience 28

Emergent corporate ethics 30

Summary: Winning with the OPD theory 31

Review of the qualities of a solution 31

Conclusion 32

OPD theory a global watershed in HR 32

References and notes 33



Abstract

Human performance depends on the mind, human resources deal with the human performance. It follows that the roots of HR must be in social science, the science of people, which must include the science of mind.

The more insightful and apt our technology the more effectively we manage. Therefore we need better science from which we can deduce better theory leading to better technology enabling better management of human performance as a strategic factor in organisational results¹.

Ideas are the way we 'see' or 'view' a situation. Ideas are our personal 'theory' and are psychologically the same as a scientific theory, except that scientific theory is bound by tighter rules.

Underlying OPD theory is the re-conceptualisation of social science with clear definition of the intellectual base of HR, such as general theory of cause, general theory of psychology, general theory of knowledge, and clearly defined tools for social science theory creation and precise rules for the application of those tools.

When people use the OPD theory to 'see' the organisation, they are enabled to apply the technology derived from the theory (the OPD-SHRM system) to act more effectively and get better results.

The data with clients validates the OPD theory.

Current global state of HR

In all organisations human performance is a crucial strategic factor in results. But HR is frequently seen as a cost based compliance driven function, and is not seen as an equal contributor to organization success².

Global HR best practice has provided unquestionable improvement, but can more be done? Research shows number of problems.

- Team leaders find HR an admin chore that does not add value.
- HR activities are delivered in uncoordinated silos as "latest new initiative" with limited long term, sustainable results.
- Once team leaders lift 'foot off the pedal' performance slips back and plateaus.

Why...?

Background fact: Globally there is no clear scientific and causal link between strategy and staff behaviour (including a definition of SHRM).

Proposition: If we had such a link team leaders could be guided to use it to achieve superior sustainable staff performance.

The question

What exactly must HR Practitioners do to ensure sustainable acceptance as a crucial partner in the rollout of strategy and hence in organisation success?

The aims in creating the solution are first ensure it is intrinsic to HR as a discipline, in that way senior practitioners are on the Executive team due their technology, and their personal skill and acumen becomes a bonus. Second, to ensure the solution is on secure intellectual foundations giving it the status of theory enabling permanency and improved technology.

The qualities sought in a solution are: (1) Permanence so that managers need never learn another system. (2) Efficient so that it delivers the greatest result for the least effort. (3) Easy to use being simple, clear and fits with what people 'sense' as practical and effective. (4) Complete and needs no other supporting system, it is a complete coordinated HR program in itself. (5) Proven, shown to deliver results in clients.

The OPD theory meets these qualities, as is demonstrated in this paper.

The necessary intellectual complexity of HR theory

HR deals with people. To understand people we need understand mind. At very least have a general theory of psychology that includes the resolution of the body-mind problem. If not, there is left the likelihood that an eventual solution to the body-mind problem, or an eventual general theory of psychology could impact and alter or invalidate the solution. To maintain intellectual integrity, if we do not resolve prior issues that could impact any solution, then we need state that '... in the absence of a theory of psychology any HR theory is offered as speculation subject to an eventual solution to a general theory of psychology that may or may not support the theory of HR'.

But if a general theory of psychology should be causal then what is causality? How do we understand it in relation to our theory of HR? We are now very deep into complex issues involving the foundations of science itself yet there are direct links to a theory of HR and if none of these deeper issues are resolved then we must preface our theory of HR with a statement that declares fully the intellectual limitations³.

Deeper epistemological analysis concludes that to create a theory we need conceptualisation tools so we know and understand the theories we build. Such tools are used and understood in physics⁴, but mathematics does not work in social science, so how do we build theory in social science such that we know and understand exactly the conceptualization process?

For these reasons a theory of HR to meet qualities sought of a solution must be built on foundations grounded in the science of people and science of mind (social science).

The OPD theory is built on this exact premise beginning with the identification of the tools for conceptualization of theory.

The process to be applied in seeking a solution

Arising from considerations on the underlying intellectual complexity of HR theory the following process was adopted in creating OPD theory.

1. Develop new science tools enabling improved conceptualization of theory where link between variables is clearly defined and include understanding of causality.
2. Resolve the issues that need resolved first to enable scientific discussion of HR topics. These prior issues are: Tools for theory creation, general theories of cause, and psychology, and application of theory of cause to social systems.
3. Apply the science to the question: What exactly is the causal link between strategy and staff behaviour?
4. Derive the technology from the theory.
5. Implement the technology in organisations by coaching team leaders in the theory so they 'see' the team/organisation structure via the theory and then apply the technology derived from the theory.
6. Monitor to see if clients get a better result.

The re-conceptualization of social science⁵

You would not go to catch fish with a paint brush. The right tools are crucial to do a good job. Having the right tools is equally important for theory creation.

Tools used in OPD theory⁶ are W Ross Ashby immediate and ultimate effects with the process of primary operations supported by Little analysis of variables.

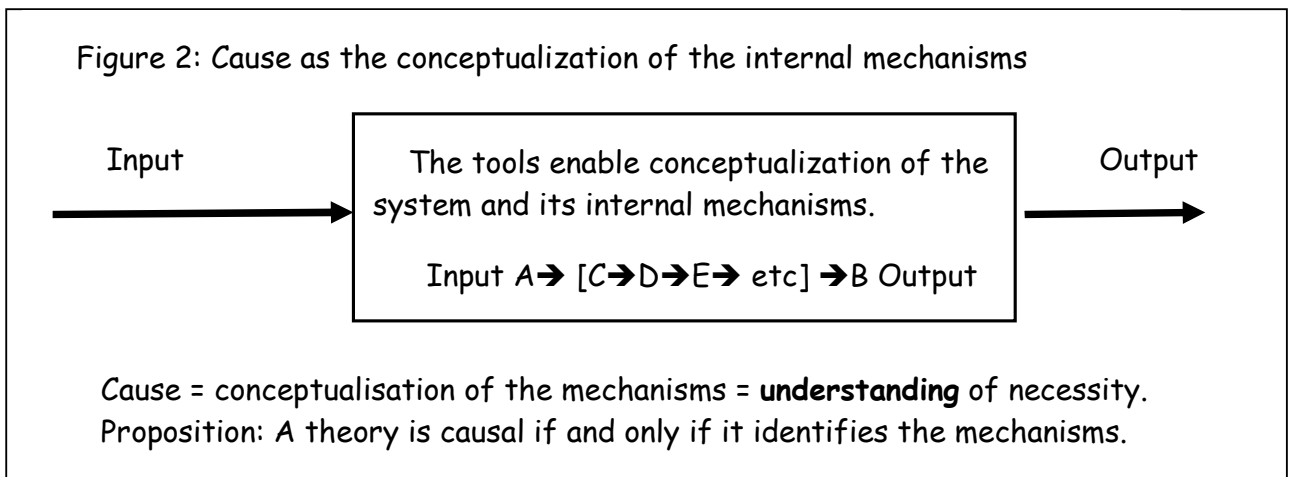
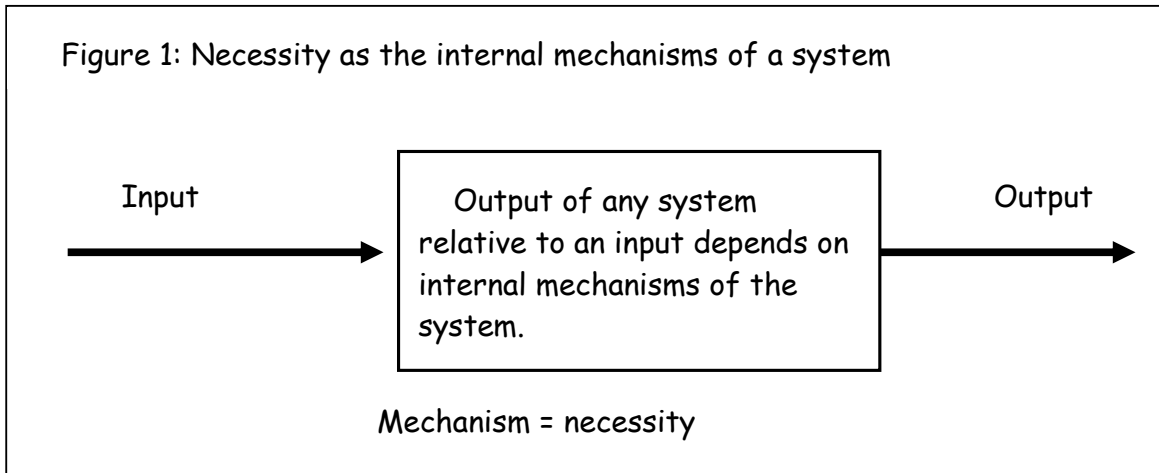
The analysis of causality

All systems exhibit outputs resulting from the operation of the internal mechanism within the system. Operation of the internal mechanism is called necessity.

The use of variables⁷ and application of the principle of primary operations and immediate and ultimate effects by W Ross Ashby⁸ enables conceptualisation of the mechanism of any system.

Conceptualisation of the internal mechanism in a system in relation to the system outputs is cause⁹. Cause is not necessity it is our conceptualisation of the mechanisms hence is our conceptualisation or understanding of necessity.

The figures 1 and 2 illustrate the relationship between internal mechanisms, necessity, conceptualization tools and cause.



This separation of cause and necessity is unique to this analysis. It is this understanding of cause and necessity and their separation that more than anything else is the foundation of the intellectual position of the re-conceptualisation of social science¹⁰.

The proposition arising from this analysis is that any theory is causal if and only if the internal mechanisms of the system are identified and are engaged in the understanding of the outputs¹¹. If a theory is not causal then we have no choice but to resort to statistics to predict and analyze the data.

The analysis of social causality

A crucial constraining factor in applying the new tools is all topics have to be discussed within the framework enabled by the solution or resolution of prior issues that could impact the solution to the topic, for example, human performance in an organization could not be discussed without prior insight into a general theory of psychology and causality. This is operation of the principle of 'first things have to be done first'.¹²

The first two prior issues are resolved, namely identifying tools enabling systematic theory creation (effectively a model of knowledge)¹³, and the analysis of causality via the tools. The third prior issue is the application of the tools and the understanding of cause to groups.

Imagine viewing ruins of houses and circumstances of some ancient civilization. If we return to the ruins in a year, or 100 years they will be unchanged other than obvious physical decay.

Are ruins the civilization? Obviously not: So, what is needed for a civilization to dynamically exist? What is it that makes some ruins 'living', or conversely, what is it that is missing in ruins that makes them 'dead' in the sense they are unchanging in every way other than physical decay.

Now, imagine walking into a room, there are cups and plates scattered about, seats in a semi circle, two white boards filled with notes; scraps of paper with more notes and four groups of five chairs arranged away from the main group of chairs and well separated from each other about the room.

We can surmise there was some form of group workshop, and from the notes we may even surmise what the workshop was about. If we leave the room overnight and return in the morning, then the room will be as we left it, no living actions will have altered the features in the room.

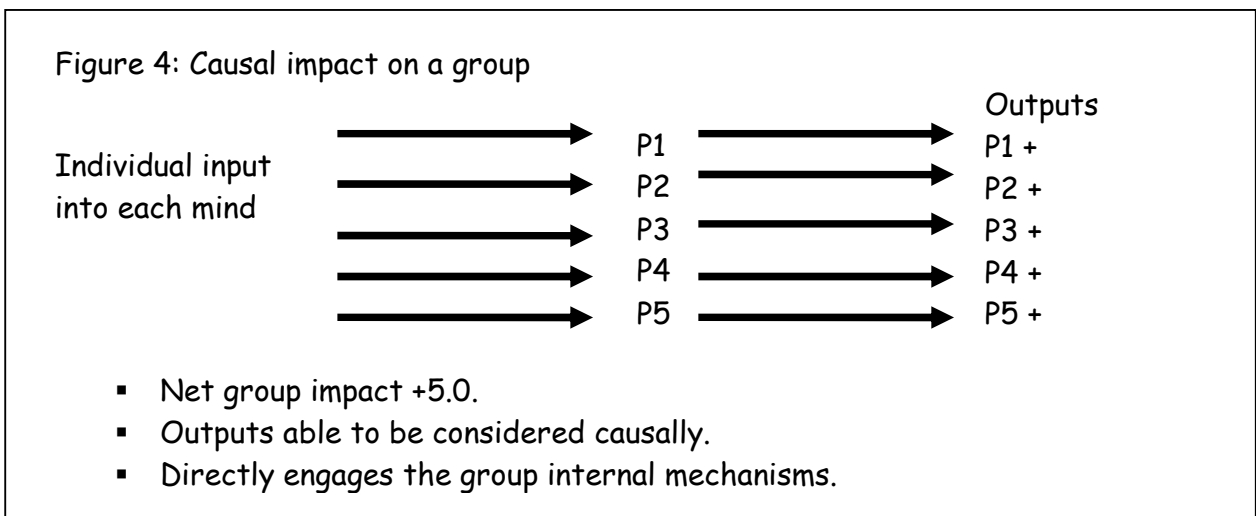
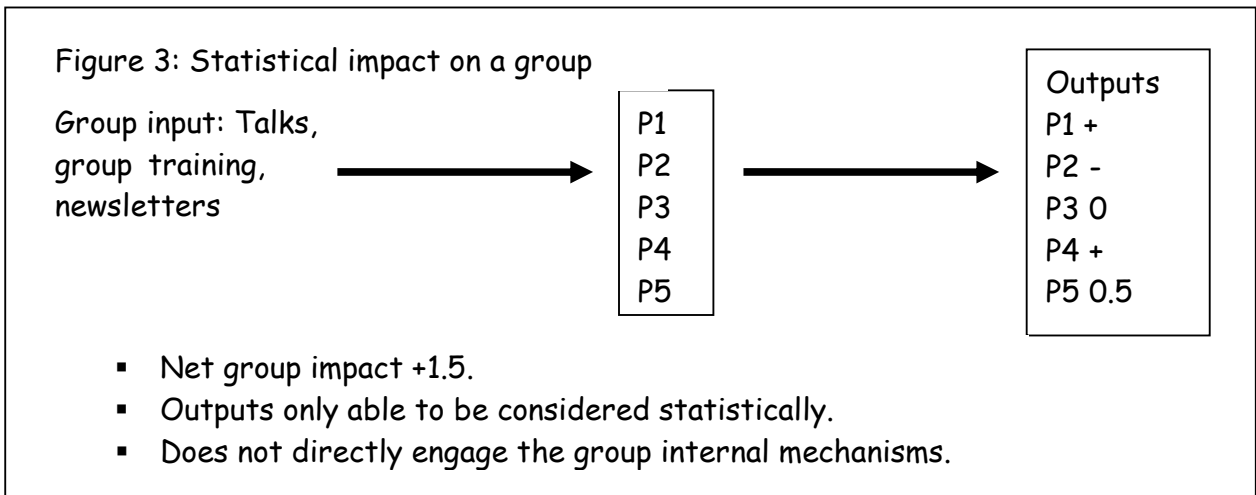
The group room is to the group as ruins are to the civilization; both are the remnants of dynamic causality of the living; both are missing people engaged and active in the processes implied and relevant to remnants.

The remnants of the group activity are part of the group outputs, there are other outputs in terms of what members of the group carried with them in their minds relative to the group activity and social processes, for ruins and for a workshop room, then the outputs that continue in the minds of the members can be referred to a 'cultural', so now

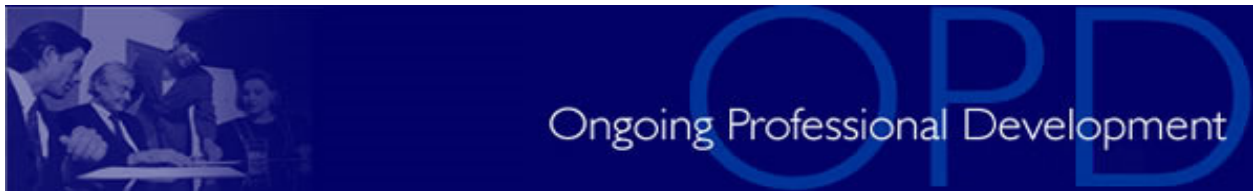
we have two types of social output, physical remnants and cultural outputs carried forward in each individual mind of those participating¹⁴.

This argument leads to the following proposition: Mechanisms of group/social outputs are via the individual mind. Therefore a theory of social causality must be by way of conceptualization of the causal factors in the individual person. A theory of social systems requires a causal understanding of psychology.

As per the previous proposition, if a theory is to be causal it must identify and operate via the internal mechanism of the system, if not then the output data can only be considered statistically. Figures 3 and 4 illustrate the different processes and how they impact the 'group internal mechanisms' (P is for person, and +, -, & 0 for the impact positive, negative or neutral).



Any group wide phenomenon that appears to have group wide impact is merely a 'shotgun' scatter effort into the group with take up via some percentage of individual



minds in the group¹⁵. All social causality is via the individual mind¹⁶ and any form of group development via the mind of each person will be much more effective.

Application of the new social science to human psychology¹⁷

The general theory of psychology was derived by applying the tool for theory creation to system 'person in their environment'¹⁸.

The human brain is a physical device driven by the tendency to seek the lowest level energy states available to it. This tendency is referred to as 'entropy'¹⁹.

The brain is the mechanism²⁰ of mind, and the mind experiences the consequences of the brain, such experience of thought driven by the brain is not causal in conduct, but the person may think it is. This is the phenomenon of habit generating thought, and for the person to think such thought causal in their conduct, but it is not, it is consequential of the brain and the tendency of the brain to follow the lowest level energy path. Low level energy paths in the brain are referred to psychologically as habit²¹.

Ideas or thought are causal and shape mood and conduct²².

Empirical research²³ has established we 'see' with our mind not our eyes. The example of looking at a house to buy or burgle resulted in people 'seeing' very different aspect of the house and remembering those aspects. We can understand how we 'see' as organized onto 'frames'²⁴ with what is on a frame as our personal 'view', 'model', 'theory', cognitive structure, etc...('buy' or 'burgle' as separate 'frames').

Our personal view is psychologically the same as a scientific theory, except that scientific theory is bound by tighter rules. If we sharpen our thinking - improve our theories - we can get a better result which leads to the comment: There is nothing more useful than a good theory.

Part of mind called 'attention' can intervene into the brain to cause neural states to occur that if the brain is left to its own internal mechanisms would not otherwise occur. I refer to this as conscious choice or free will.

Human conduct is understood as a consequence of the resolution of the tension between entropy and free will²⁵.

Free will is only exercised by active application of attention to intervene in our brains to achieve neural flows that otherwise will not occur, hence the exercise of freewill requires energy and it is only by the application of that energy can we thwart entropy. I summarize this proposition in the comment: Only consciousness can make water go up hill.

Finally, due variability and flexibility of the brain in relation to the mind, specifically in relation to the ideas of mind, it is only the individual who can intervene in their own mind ... this is a general and fundamental principle that totally precludes for example, some form of ray or device that can access and selectively alter a persons brain/mind.

Below is an example of the sort of attitude framework as it arises from the analysis and as it exists within the OPD theory. Only the individual has access to their mind/brain, the fundamentals of psychology are choice and effort to overcome entropy and assert the choice, so only the individual can enforce these as choices.

- What I see depends on what I think, therefore by adopting a better theory of the link between strategy and behaviour I can use it to get a better result ... I can choose to seek and build better ideas ...
- I can choose to be successful at work.
- I can choose to be professional and focus on the actions at work that enable my greatest success.
- I can choose to 'turn up' each day...
- I can choose to make my life and my work more enjoyable by making it more successful for me...
- I can choose to cooperate with my team leader to improve my professionalism
- I can make it happen if I choose and put in the effort.

In the technology of the OPD HR theory, these issues are brought to account in guiding every person to assume responsibility for the operation of their own mind, and to accept the behavioural consequences of their mind. A training technological consequence is an emphasis on developing emotional intelligence.

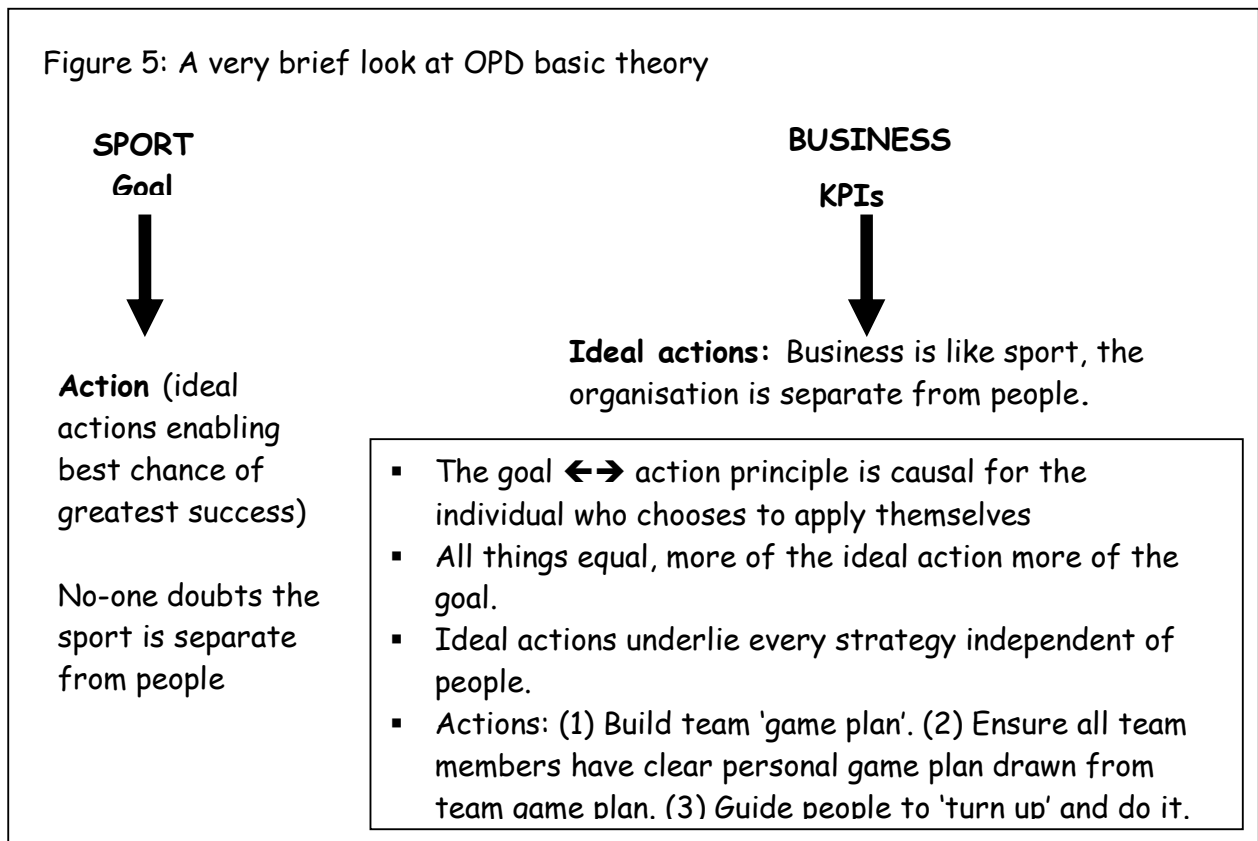
A brief look at OPD basic theory

OPD theory for the organisation has two underlying propositions.

First, goal-action, that for every goal there are actions that must be delivered if the goal is to be achieved. For example, if you are responsible for maintaining the food in the fridge, the fridge is empty and you go to the movies, not the supermarket, then there will be no surprise if the fridge is still empty on your return home. The point is general, and applies to all goals.

Second, the ontology of organisations, they are posited to exist independent of people as an idea that can be causal in human mood and conduct, and that they are collection of goals, usually with an overall goals called strategy that is the overriding aim that guides collective action within the organization.

This underlying structure is summarised in figure 5 below, where an 'organisation' is compared to any sport, with both being 'structured groups', with the overarching goal giving the structure to the group and hence from that structure then is derived the form and design that then proceeds to shape behaviour.





Application of the new social science to organisation design

The system analyzed is a 'person in the organization'²⁶.

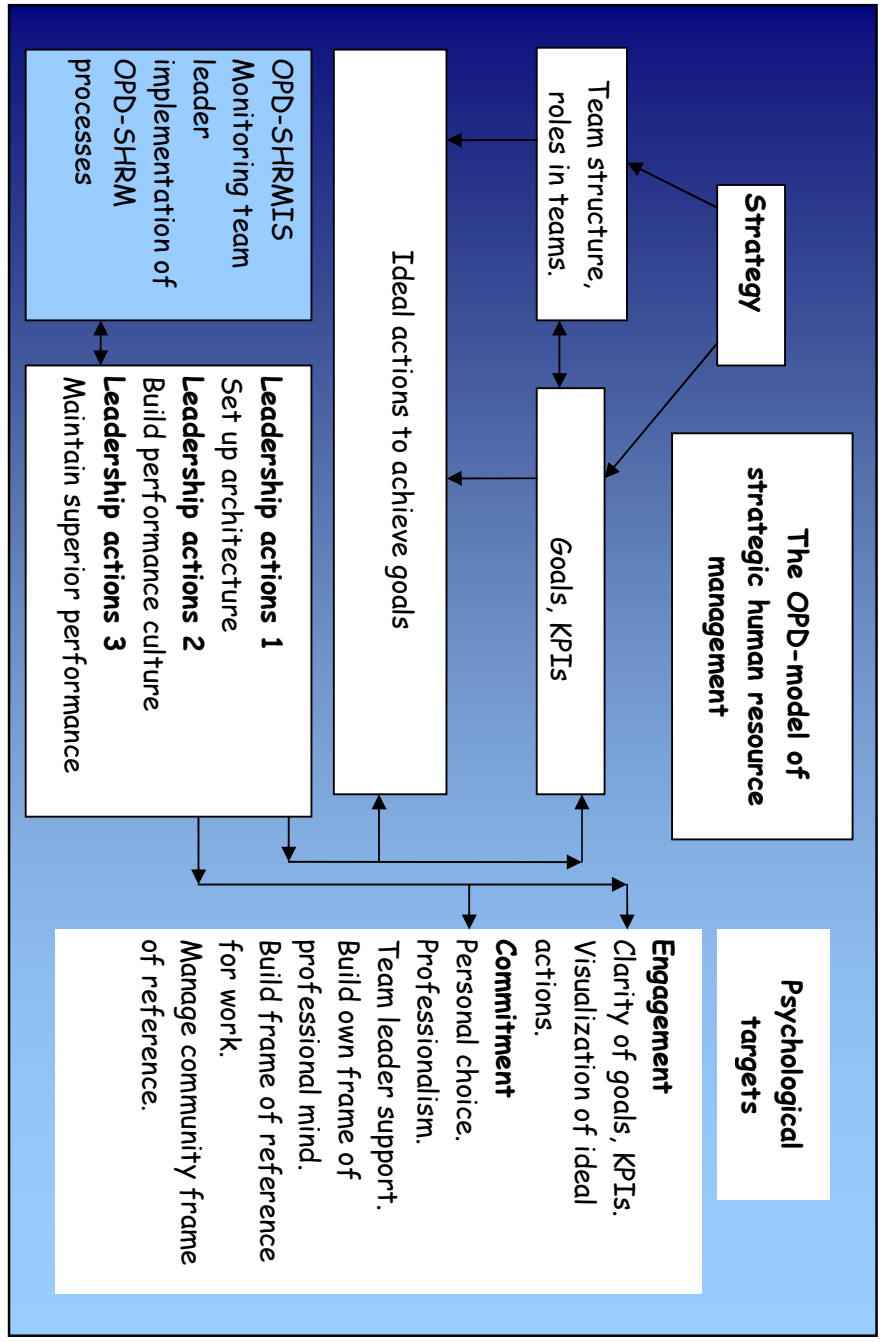
The new social science with the theories of cause, psychology, knowledge is then used as the base for the question: what exactly is the relation between organization strategy and staff behavior^{27,28}

The OPD theory of organisation design and leadership²⁹

The OPD theory has the following key features³⁰.

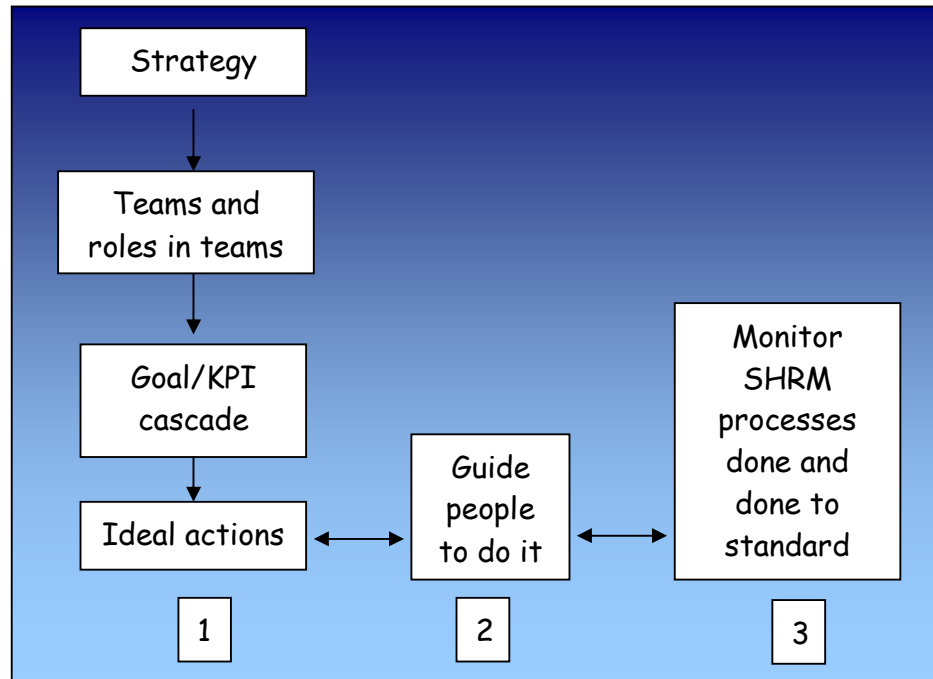
- The goal cascade from strategy to the KPIs in each role³¹. If all KPIs achieved, the strategy is achieved.
- Apply the causal link between goals and actions needed to achieve the goals called ideal actions. Ideal actions are driven by the goal and are independent of people³².
- Then link the mind of the person assigned a role to the ideal actions needed in the role such that the ideal actions are delivered with increased effectiveness.

OPD-SHRM is the name applied to the set of human resource management processes³³ that enable greatest chance of greatest organisational success.



The summary paradigm used in practice³⁴

Figure 6: The simplified OPD-paradigm for team leaders



The model arises from applying the rules as discussed, but in very simple terms, the organization is separate from people therefore from strategy we can identify the underlying teams and roles in team, then goals in each role to be achieved to ensure strategy achieved. This is the common goal cascade, but this time it DOES NOT involve people at all, it does involve the leadership who do the analysis, but the end result does not implicate people, it is a summary of those goals needed by the organization to achieve its strategy.

Then once goals identified in the team roles the concept of goal ↔ action is applied that is for every goal there are actions that must be carried out if the goal is to be achieved. We call these actions the ideal actions; they are those actions that when acted out provide the greatest chance of greatest goal success.

The aim of the first part is 'get the concept right first', that is ensure clear strategy, team/role structure judged most likely to succeed, then the ideal actions in each role. Once created, then from the CEO point of view³⁵, they have the strategy and the set of ideal actions across the whole organisation, such that if the ideal actions are delivered to standard, then the strategy is achieved.

Ideal actions go far beyond job descriptions, they do not belong to people at all they are totally dependent on strategy and the goals (KPIs) derived from strategy. At this



point the organisation and what it needs from people is completely independent of people. This cannot be stressed hard enough.

The first stage, labeled 1 in the figure 1, sets up the organization 'architecture' from strategy through team structure and roles in team, to define goals (KPIs) in each role, and ideal actions derived from goals essential if the goal is to be achieved.

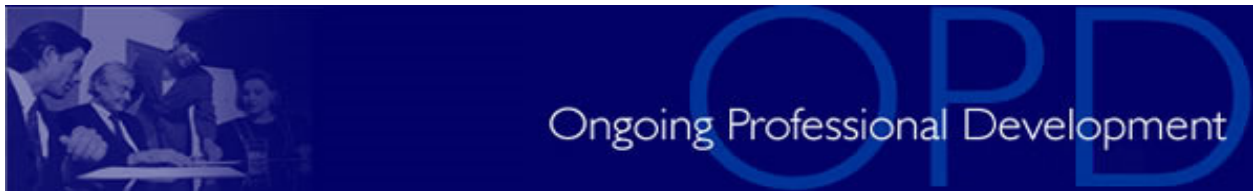
The architecture is not the team/reporting structure; rather it is the cascade of goals leading to the ideal actions. In creating teams/divisions, etc, the rule followed is 'like goals with like goals', this is important since goals generate ideal actions, so if markedly dissimilar goals are combined in a role, then the behavioral spread will be very wide, demanding an extraordinary spread of competencies in the person assigned the role³⁶. The central document defining the architecture is called the role performance specification, defining the KPIs, ideal actions, noting extraordinary issues and factors in the role³⁷. We regard clarity of roles as important, with improved clarity supporting improved role delivery. Role multiplicity also improves role performance, by enabling clarity of the role structure of the job, and the actions needed within each role.

Time available is assigned to each role, then the time assigned the role is distributed across the ideal actions, this process of allocating time across the roles and ideal actions in the role is called time budgeting³⁸.

Key terms are (1) *behavioral structure* which is the set of ideal actions underlying some set of KPIs, hence behavioral structure of the organization as a whole, of a division, of a team, or of a particular role³⁹. (2) *Behavioral balance* is the assignment of time available across the roles and ideal actions within each role. The term 'balance' referring to balanced effort across the ideal actions judged the most likely distribution of effort to achieve the greatest result. It is important to understand that the time budget is not set in stone, it can often be ignored for several weeks, but if ignored for too long then some aspect of the required result will not be achieved.

It is the fundamental leadership priority of the CEO to guide identifying the behavioural balance across the organisation that is judged as offering the greatest chance of the greatest result⁴⁰. This process is referred to as *leadership judgment*, beginning with strategy and ending with the identification of the actions needed offering greatest chance of greatest strategic success.

The person assigned the role must be involved in finalising the ideal actions in the role. So once finalised the ideal actions have been signed off by the team leader, the team leader's boss, and by the person assigned the role. It is the CEO who is ultimately responsible for the ideal actions identified as being those needed to achieve strategy.



The second step labelled 2 in figure 1 is cultural and developmental in staff involving the application of the staff in delivering the ideal actions judged most likely to achieve greatest result.

Monitoring and corporate management of the SHRM processes

There are very clear and well defined processes in the OPD-SHRM system. So if all team leaders are implementing those processes to standard, then the team result must improve.

The principle is that if every team leader does the SHRM processes to standard in their team then the team will achieve the greatest result.

If the ideal actions are identified and delivered to standard then the results must be achieved ... the provisos are (1) the ideal actions are apt and accurate in relation to the KPIs; (2) there is effective guidance to sustain delivery of the ideal actions; (3) that economic conditions do not change.

It is the role of HR to monitor implementation of the SHRM processes in every team; this monitoring system is provided and is called OPD-SHRMIS⁴¹ (the SHRM information system labelled 3 in figure 1).

If the SHRM processes are not being implemented in any team then HR person discusses that with the team leader, checks they have the skills etc, then if the team leader persists with failure to implement the SHRM process HR reports the failure to the senior manager of the team leader.

These corporate processes are not the 'operation' of the OPD-SHRM system which is focused on each individual mind; rather they are merely organisation wide monitoring to assess the processes being applied by every team leader to every individual mind.

These corporate wide processes do not build a professional culture; they merely monitor that SHRM processes that give the greatest chance of the greatest level of individual professionalism are being applied in every team.

A 'professional' culture emerges as the term used to describe the overall perception of how the group act, that is if every person is 'professional' then the organisation culture can be described as 'professional'⁴². It must be stressed there is no group or corporate wide way of changing organisation culture, that can only be done by changing enough individual minds⁴³.

Leadership judgment and leadership effectiveness⁴⁴

Leadership judgment is determining:

- An apt strategy for the business.
- The team/role structure.
- Delegation of KPIs into every role.
- The set of ideal actions needed in every role if the KPIs in that role are to be achieved.
- Goal↔action: Ideal actions are those actions derived from every goal agreed needed if the goal is to be achieved. The goal ↔(ideal) action principle is causal, that is given similar external circumstances, and given apt judgment of the ideal actions, then if the ideal actions are delivered with greater effectiveness then goal achievement will increase.

Leadership effectiveness is the extent the leadership succeeds in guiding every person to deliver the agreed ideal actions in the role assigned them⁴⁵. Successful leadership effectiveness achieves *alignment* of actual staff behavior with the ideal actions agreed as needed for success.

The practical psychological principles implicated in leadership effectiveness are as follows.

- Reality of mind: Only a person has access to their mind.
- Clarity in mind: To get it clear in mind it is best made clear on paper first.
- Choice: A person is able to intervene in their mind to achieve improved delivery of the ideal actions agreed in the role *if and only if* they choose to.
- Professionalism: The active effort by the person to cooperate with their manager to develop the professional frame of mind and minimize disruption to their professional frame of mind and so enable greatest delivery of the ideal action agreed as those needed for greatest success.

Definition of strategic HR management (SHRM)

Within the OPD theory SHRM is intrinsic to HR, and is the activity of aligning actual staff behavior with the ideal actions agreed as needed for success. Within the OPD theory the process of aligning actual staff behavior with agreed ideal actions is the fundamental process of roll out of strategy. The set of HR processes to achieve the roll out is called OPD-SHRM.

OPD-SHRM actions: (1) Build team 'game plan' relative to strategy. (2) Ensure all team members have clear personal game plan drawn from team game plan. (3) Guide people to 'turn up' and do it. Summary: OPD-SHRM = roll out of strategy.

OPD theory from CEO viewpoint

Imagine being CEO, good judgment has gone into the team game plan and integrated individual game plans which are complete and apt in relation to the strategy.

As CEO you are well satisfied with the leadership judgment: The strategy, team structure, team roles, KPIs, and ideal actions are well defined.

As CEO, You know that the roll out of strategy now depends solely on leadership effectiveness to guide delivery of ideal actions to standard.

As CEO you now have several issues:

- **Organisation development** to maintain aptness of roles, KPIs and ideal actions.
- **Monitoring OPD-SHRM** and support/partnering with team leaders enabling best delivery of ideal actions in each team.
- **Develop coaching 'edge'** at guiding team members to 'turn up'.
- **Develop skills/training** of staff in relation to delivery of ideal actions.
- **Recruit and retain** staff with skills needed to deliver ideal actions.

Role of HR⁴⁶

The CEO delegates these issues to the HR Department with the OPD-SHRM aim: To partner with all team leaders in refining and delivery of ideal actions to the highest standard.

The OPD theory redefines every aspect of HR and restructures the HR Department.

Professionalism

The key principle now is how people in fact approach their job; the model of this relationship (person with their job) is well known and is visible every day on the TV sports channel. We call it 'professionalism', that is sports professional approach the task of their sport with a certain detachment, once in the game they do not allow any other thoughts to be in mind as they strive to deliver the actions needed to win. Words such as focus, clarity, self-discipline typify the mind set of the professional sports person. They are competitive, with most of that competitiveness focused back onto their own mind to control and moderate internal thoughts and emotions that have the potential to interfere with the delivery of the ideal actions they know needed to give themselves greatest chance of success. They are creative in the moment, and within the bounds of the game, but well understand that in the next game or one after, they will do largely the same things they did in the last game. They also practice and practice to hone their skills at the key actions they know are the essential basics.



The essential principle is people 'approach' their roles in an objective but committed manner, called professionalism. This then leads to a single appropriate corporate culture of 'professionalism'.

Implementation

Surveys and comment in the literature are clear that people in an organisation have the closest relationship with their team leader. To facilitate effective one-on-one meetings to discuss development of a more professional frame of mind a close relationship would be desirable.

The conclusion is that the team leader is in the best position to work with the team member and develop the team member's professional frame of mind and so guide improved delivery of the agreed ideal actions⁴⁷.

The core OPD-SHRM process is via one-on-one meetings each month between team leader and team member. The only question addressed at the one-on-one meetings is:

Are the ideal actions still apt, are they being fully delivered and how can we improve them?

The meetings should be no more than half an hour per role. Therefore a team leader with 10 staff and 20 roles (two roles for each staff member) is required to hold 10 hours of monthly meeting with staff, say 2 days effort each month if planning and review time included.

This ratio of time commitment needed applies to all team leaders from CEO to the lowest level of supervision⁴⁸.

Other key groups would require additional time, for example, where the organization has internal HR department, then additional time would be needed as it is crucial that all HR processes are aligned with the OPD-model, and the HR department develops the internal skills to fully implement the theory in a self-sustaining manner which will mean the department is reorganized in line with the theory⁴⁹.

Should the person choose not to align their minds to achieve the work success, choose not to work/cooperate with the team leader, or if they prove to lack integrity in relation to the stated choice, then it is recommended the organisation release them.

Some key changes in management practice/terminology⁵⁰

- Improving human performance: Only occurs via the individual mind and is facilitated causally via a one-on-one process where the person chooses to work with their leader to develop their professional frame of mind, and engage in mind with the ideal actions needed for greatest success.
- Increased human performance: Defined as increased delivery of ideal actions.
- Results report (numbers): Defined as a summary of the extent the leadership guided delivery of ideal actions.
- Improving results: Is selection of the numbers to be improved, then identifying the roles and hence KPIs to improve, then identifying the set ideal actions (the behavioral structure) to be improved. Finally, feeding this analysis into the one-on-one team leader interactions so that actual staff behavior is shifted toward the ideal actions required to achieve greatest result.
- Increased leadership effectiveness and efficiency: For a team of 10 involves less than two days each month gaining up to twice the results.
- Visualisation as engagement⁵¹: By visualizing the ideal actions the person then engages in mind with the ideal actions to improve delivery of those actions.
- Role specification: The summary of KPIs derived from the strategy with associated ideal actions agreed to enable the greatest results. One job may consist of many roles (for example sales and marketing manager). A role is a unique set of actions, attitudes and skills in relation to goals expected to be achieved in the role.
- Performance management⁵²: The whole OPD-SHRM process. Delivered each month in one-on-one meeting where the actual behaviors' are compared with the ideal actions needed for success.
- Maintaining high actual results: Compare actual result with projected and review which ideal actions not delivered and what is to be done.
- Working *in* business: Delivery of ideal actions to standard.
- Working *on* business: Review of ideal actions to assess they are still relevant and sharp.
- Ongoing performance improvement: Effort by person and manager to improve ideal actions and delivery of those actions.

- Organisational development (OD): Review of strategy, or goal cascade, or ideal actions needed to achieve goals and strategy. The conceptual analysis of the needs of the organisation in relation to new or changed external conditions. OD is conducted fully independent of people.
- Change management: Follows OD and is the realignment of actual staff behavior with the new ideal actions needed to realize the new strategy. Change management is done by one-on-one meeting between the person and manager to review the alignment of their mind with the new ideal actions/KPI structure determined from the OD effort.
- Cultural audits: Reviews of team leader effort at implementation of the key SHRM processes that offer greatest chance of greatest success.
- Customer audits: Identify those ideal actions that enable greatest customer satisfaction and then use the OD and change management process to increase delivery of those ideal actions.
- Behavioral structure: The set of ideal actions which underlie a goal (KPI). The term does not change with scale and so applies to the organisation, a division, a team or a single role.
- Time budget⁵³: The time available in a role, or roles, distributed across the ideal actions to enable the greatest result.
- Behavioural balance⁵⁴: The set of ideal actions (the behavioural structure) with the allocation of time available to ensure a 'balanced' effort in relation to the KPIs to be achieved.
- Staff satisfaction: Ensuring core of sound hygiene factors in wages, salaries and conditions⁵⁵, then apply OPD-SHRM motivation factor to deepen satisfaction from engagement and achievement⁵⁶.
- Talent identification and development: Team performance is the core of organisational success. Hence the first step is to identify people who can and do use the OPD-SHRM processes to achieve high team results. Such people have already made crucial psychological commitment to lead. Development of talent is then exploring the extent the person has the intellectual capacities to operate effectively at higher organisational level demanding higher IQ and greater insight and strategic creativity. There is no sure way of assessing these intellectual and creative capacities, which will demand a blend of educational achievement, psychometric tests, practical projects and sound judgment of experienced executives.



- Training⁵⁷: enhancing skill at delivery of agreed ideal actions.

Financial payback from strategic HR

There are two crucial links that need to be analysed to assess payback.

First: The link between ideal actions and the profit profile we call the link the OPD profit profile link (OPDPPL).

Beginning with KPIs, the first step is to identify the ideal actions that offer greatest chance of the KPIs being achieved. This link between ideal actions and KPIs is direct and causal. If the actions needed to achieve a goal are delivered more effectively, then all things being equal goal achievement will increase. The exact question is as follows.

For every 1% increase in effectiveness of delivery of ideal actions what will be the increase in the goal achievement?

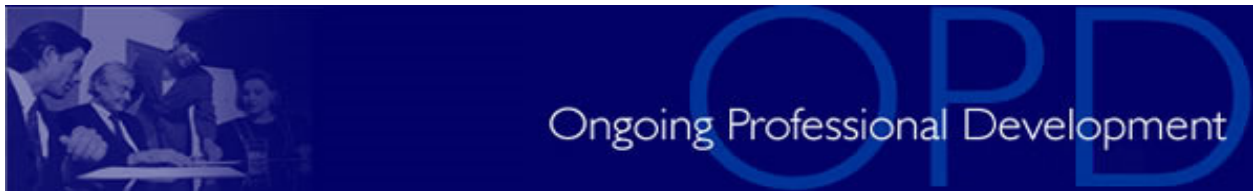
Our research is not complete, and is not yet published. The results come from discussion with clients, and from relating gains in client results to the estimates to the improvement in ideal action in the clients, and to relating gain in results to the cultural audits that record the gains in the professional mind of staff.

Initial answers are as follows. For every 1% increase in improved delivery or greater effectiveness of ideal actions then:

- For sales revenues, there is a 0.3 to 0.4 increase.
- For direct costs there is a 0.2 to 0.3 reduction.
- For overheads, there is a 0.1 to 0.2 reduction.

Getting reduction in overhead costs is the hardest since costs in overhead are seldom real unless staff dismissed, and that is not usually the target. Increases in sales is the largest OPDPPL, that is realistic since sales is all behaviour and handling people, so any improvement in ideal actions will most impact results. Direct costs are also impacted heavily by machines, and operational process not immediately involving behaviour, like speed of work lines, therefore sits mid way between sales and overheads.

There is some indication that different industries fall differently in these ranges, so in one industry the sales OPDPPL may be 0.3, while in another 0.38. There is also some suggestion that the links vary between regions even in same company. And that even the different people working side by side can have different links. This is where the link varies with competence, so two sales people in the same office may increase their prospecting, but one gets a vastly better result... like a top tennis player will always beat an intrinsically lesser player.



There is yet a lot of detailed work to do to unravel the links between regions and between 'talent' and the result, and between improved training and the result.

A crucial conclusion already made is that the OPD profit profile links must be normalised within a company, and perhaps within a region within a company, that variation of processes, or operational methods, of the education and general experience of the staff recruited in the region and even commitment of the CEO will invalidate industry normalisation.

For now, we have some broad guidelines; these will be refined over coming years as we learn more on the exact links between ideal actions in results.

Second: The potential increase in delivery of ideal action within a team, division or across the whole organisation. The increase in delivery of ideal actions is called 'increased human performance'. The exact question is as follows.

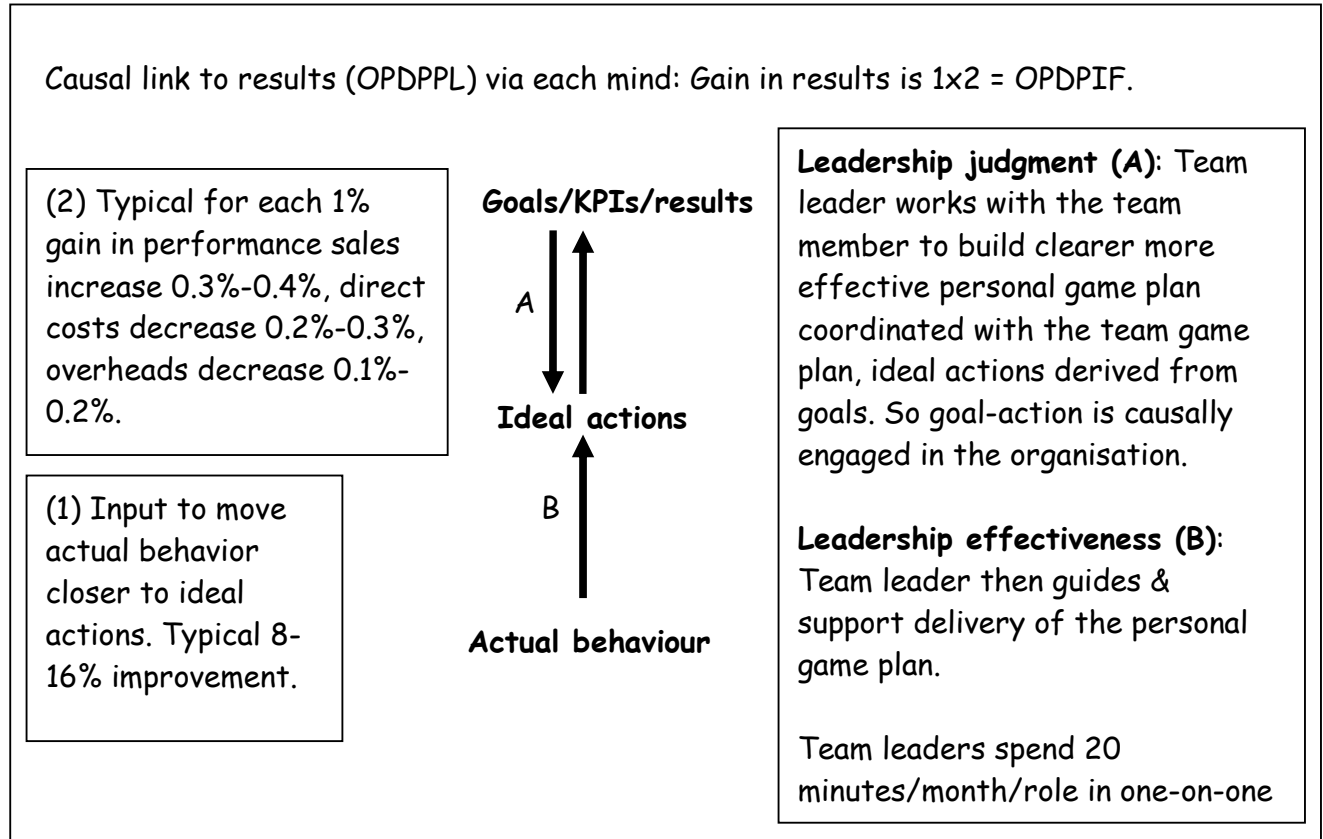
What percentage increase in delivery and effectiveness of ideal actions is possible with this person (group of people, team, division, or whole organisation)?

The core SHRM team leader process⁵⁸ is developing improved delivery of ideal actions in the individual⁵⁹; the team leader working each month with each person in their team to sharpen ideal actions and then improve delivery of the agreed actions.

On evidence to date, and research will consolidate the data, even in well run and well organised companies, the improved SHRM model and processes will create an 8% increase in accuracy and aptness and delivery of ideal actions (The impact on this on the profit and loss is illustrated below). In less well run companies, the impact is up to a 20% improvement in the aptness and delivery of ideal actions.

The impact of a tightened intellectual base for HR processes results in realistic and modest sustainable gains in staff performance, but the impact on the profit and loss and on results generally can be large. To get the impact on the profit and loss, multiply the profit profile link by the projected increase in improvement in delivery of ideal actions. That is multiply OPDPPL by the increase in human projected increase in human performance; this multiple is called the OPD performance improvement factor (OPDPIF).

Diagram of the links between OPD-SHRM input and results



OPD-SHRM impact on the profit and loss

Assume a company with revenues of \$200, 000,000 with 80+ staff. Profits are 8% of revenues, at \$16, 000,000. It is reasonably well run, so projected potential gain in human performance is assessed by the executive team as 10%.

Agreed links to the profit profile are:

- Sales 0.35%, therefore sales OPDPIF is 3.5%
- Direct costs 0.25%, therefore direct cost OPDPIF is 2.5%.
- Overhead 0.1%, therefore overhead OPDPIF is 1%.

These figures are now applied to the profit profile.

	Before OPD-SHRM		OPDPIF	After OPD-SHRM	
Sales	\$ 200,000,000	100.00%	3.5%	\$ 207,000,000	100.00%
Direct costs	\$ 120,000,000	60.00%	2.5%	\$ 121,095,000	58.50%
Gross profit	\$ 80,000,000	40.00%		\$ 85,905,000	41.50%
Overheads	\$ 64,000,000	32.00%	1.0%	\$ 63,360,000	30.61%
Operating profit	\$ 16,000,000	8.00%		\$ 22,545,000	10.89%
Profit gain from better SHRM				\$ 6,545,000	40.91%

Simply from improved management human resource as a strategic factor in results, profits increase by 40%, and this merely with a 10% gain in delivery of ideal actions. The 40% gain in results is from the improved OPD-SHRM technology arising from the OPD theory.

Business is more successful, people more successful with greater satisfaction, team leaders subject to less pressure, and stress, more money to pay performance pay. In short, a greatly improved result balanced by greater staff morale.



Results

The OPD theory is empirical validated in clients. Because it is causal via the individual mind, strictly it needs only to be proved in one mind, if one person can by choice improve some set of actions, then the system is validated.

Personal experience proves this point, since we all know that if we choose, we can indeed get better with any given set of actions. It has now been proved in many dozens of cases in many types of organization situation, that if people choose, they are well able to improve delivery of some specified actions.

The SHRM information system does not deliver OPD-SHRM it merely monitors that team leaders are implementing the processes of OPD-SHRM.

There is still detail to research, such as refinement of the profit profile links, this detail will be published as it comes available. All results have proved resilient and stable provided leadership focus (especially the CEO) remains on delivery of ideal actions.

- A food manufacturing business increased sales gross profit by 5% in ten months.
- A retail electrical chain increased profit by 22% in eight months, an increase of \$700,000 in annual profits.
- A motor vehicle dealership (one of the first clients been on system four years) increased profits to double the accepted industry standard of 'very good'. The CEO opened two other branches, become preoccupied and profit slipped from the peak to 25% above industry standard. He is now refocused and results are expected to return to previous levels over next three months.
- A small foundry business (20 staff) lifted gross profit from 42% to 58% in fifteen months.

Summary: OPD theory operates via the individual mind and is proven by it being successful in a single mind. It is also well understood in popular insight since we all know we can do things better if we try.

Quote from CEO of key client

... To new divisional manager: "Follow OPD advice, identify ideal actions and guide them being delivered with commitment, the money just turns up..."

Why does OPD theory get applied?

- Because it makes sense to people (build a sound game plan and turn up and deliver on it).
- Team leaders 'get it', and see immediately that it will add to the performance of the team.
- People 'get it' and see immediately it will enable personal success.
- It is easy to apply.
- It is what people often do now, just makes it sharper and that much more effective. So takes very little time.
- The techniques are realistic and very useful and helpful; they are real and apply in all life.
- People more supported by their team leader in achieving their work success.
- People learn about their own professionalism develop it, and apply it else where which is delivery of agreed ideal actions.
- It makes a huge difference in achieving better results.
- It makes work life more successful and more satisfying.
- People feel better about themselves and their work success.

Learning experience

From client experiences to date several key outcomes have emerged.

A CEO will 'see' the correctness of the model and logic of it, but it is very difficult to shift from the understanding to have them acting each day consistent with that understanding. The change in behaviour takes much longer than would appear, likely a year is required, and if it is not 'prodded' frequently in that time then the CEO will regress and results will slip.

The role of the CEO is crucial. A team of senior executives will also 'see' the method, and will implement it to a point. At one key client, they achieved a level (3% profit to sales) about 20% above what is regarded as very good industry standard (2.5% profit to sales). It is the extra drive and intensity of the CEO that gets the extra result. Typically the CEO has this drive and is why they are CEO. At a recent strategic performance review of the system, the CEO said "I could go away and drop in a couple of afternoons each week and the team will get me good profit to sales ... but to get very good or higher then I need pay attention to their leadership of their teams... so my worth as leader is about \$500,000 annual profits".



The role of the CEO is so important that we now see this OPD-SHRM system a "CEO/organisational development" tool. The role of the CEO is then exactly to ensure the team leaders are applying the processes. The second crucial aspect is to ensure team leaders understand that the CEO retains full responsibility for the aptness of ideal actions and the CEO has merely delegated the daily management of that to the team leader. The CEO in effect signs off every set of ideal actions in every team... and we have found it is important for team leaders to feel this steady consistent pressure.

The OPD-SHRM focus and methodology is the only 'leadership' training required. The nature of team leadership is exactly the same from top to bottom.

Competence with the technical aspects of the work is essential. When technical competence is in place, and OPD-SHRM leadership system then implemented, results can increase by near 100%.

There is no business where OPD-SHRM is not applicable and that will not benefit by better strategic management of human performance as a strategic factor in the profit and loss. If it works in one person, it will work in all people, if and only if they choose to apply it. Similarly, the OPD theory is independent of social culture.

The corporate management is completely separate from the individual development, and effectiveness lies fully in the application of the processes to individuals by team leaders. Overseeing delivery of the ideal actions, this is monitored via HR overseeing the SHRMIS (the SHRM information system), and is also assessed by normal monitoring of financial results expected and projected from applying the system.

Where HR departments are involved it is crucial the department is realigned with the model and its consequences. This is much more difficult than it appears; the difficult part is people grasping the extent of the difference when they think they are doing much of it now with job descriptions, engagement audits leadership training and cultural audits. The model aligns every HR action and every leadership action to ensure they all contribute to better delivery of better ideal actions so results improve.

When applying the model it is crucial HR becomes the 'technical' partner for every team leader. HR must emerge as the key source of insight and skill and applying the OPD-SHRM technology.

Implementation of the OPD-system in every team is not negotiable under directive from the CEO. Then HR aligns itself as the HR strategic performance partner with every team leader as the crucial resource of insight and skill in applying the system to achieve greater results than the team leader could otherwise achieve.

The talent system is identifying people who can apply the processes to a team and get excellent results. While it is systematised, it is like tennis, which is systematised, but there are always those who can play better by instinct. Talent development is then the process of ensuring the person has the intellectual capacity and breadth to step up to roles more demanding of reflective thinking and creativity. Currently there are no sure ways of assessing either IQ or EQ, and talent development reduces to guided exercises on projects and giving the person steadily increasing roles of greater complexity and judgment.

Emergent corporate ethics⁶⁰

The OPD theory places HR at the center of the roll out of strategy, making HR crucial in organisation success. We can now make the links

HR success → organisation success (OPD theory)

Organisation success → economic success (in free democratic society)

Economic success → community wealth

Community wealth → community health

Summarised

HR success → community wealth and health

There are significant emergent ethical⁶¹ issues implicated, for example: Does asking people to 'commit' and 'turn up' imply an ethical quid pro quo so that ownership does not enable a company to for, example, shift offshore as and when governance determines? That is, does the organisation seeking commitment have a return ethical obligation to support the community? For example, does the governance have the authority to shift the organization to an offshore location with lower wages? And if the current community know that is possible, will this erode their commitment to turn up? And should this be codified?

HR success → (ownership and governance) → community wealth and health

The impact is summarized above, which in effect poses a question about the current concept of 'ownership' and the power of corporate governance in relation to the current rather simple concept of shareholder ownership.

The scientific OPD theory cannot decide on such questions, but they emerge from the first thorough scientific theory of the link between an organization and people, and from the link emerges the ethical considerations of the link between the organization itself and the community in which it is embedded, especially given it is organization success that drives community success.

Summary: Winning with the OPD theory

Leadership judgement:

1. Create an apt and sharp team game plan.
2. Integrate the individual game plans with the team game plan.

Leadership effectiveness:

1. Guide people to 'turn up' and do it.

Review of the qualities of a solution

The OPD theory and technology arising from it meets the qualities sought initially.

- **Permanent:** Because it is science theory, based on causal models it is a permanent solution.
- **Efficient:** Because causal, it offers the greatest return for effort.
- **Easy to use:** Everyone sees and understands what it takes to 'turn up' in sport, and knows they can do it better if they try.
- **Complete:** Because the analysis began with the complete system, then the solution is complete.
- **Proven:** Is shown to work in clients.

Conclusion

To advance the impact and status of HR the HR practitioner must implement in their organisation the OPD theory or some equivalent system⁶².

The system must provide managers similar quality, scientifically sound processes, offering clearly defined reproducible inputs that achieve reproducible improvements in results.

HR must then partner those managers in achieving consistent and sustainable improved human performance in their team.

OPD theory a global watershed in HR

"The OPD-Concept as presented in this paper is a global watershed for social science and in particular for the theory and practice of HR.

HR has the opportunity to embrace this new and exciting model, to advance the status and impact of HR, and through the better harnessing of its people to take a huge step forward in the wealth and hence health of our communities.

HR can lead the way in this economic and social development".

Dr Pieter S. Nel

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Auckland

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References and notes

¹ The fundamental intellectual base and the solution to the question 'how can we better manage human performance to get better long term results' is derived almost in total from original thinking done by Graham Little Hence the references are to this work since the great bulk of research and papers simply have nothing of value to say on the question that are framed in this presentation. There are traditional notations to literature in the papers co-authored with Professor Nel, however for the greater part these are for 'political' and 'acceptability' reason and had no influence on the actual drafting of the solutions that are offered here.

² Nel, P (2010) Private communication. *"I acknowledge that the global academic community is in the process of re-conceptualising the HR discipline, which has been going on for the last few years. The OPD model, based on the research of Dr. Graham Little, is a solution to the HR questions being raised and is probably of the most logical and thorough intellectual development currently available in the HR field. Given the current intellectual development which culminated in the OPD model, it is noteworthy that the model has been proven with clients in New Zealand who adopted it, since 2008. It is therefore apparent that the OPD approach also entails practical solutions and is probably 10 years ahead of current thinking in this field. The overall conclusion I have reached is that this OPD model and system is an idea whose time has come in the challenging times currently facing businesses globally"*.

³ This is the 'first things first' issue as it arises in relation to HR theory. An example is the work of Karl Marx, who discussed evolution of society via various stages, yet at no time does he seriously address the intellectual questions of causality in social systems and the link between individual psychology and social groupings. Therefore for his work to have full intellectual integrity he needed to state "...in the absence of a general theory of cause and of psychology, which have the potential to impact any solutions on social development, I hereby speculate that societies develop as follows...". I suggest had his work been prefaced in this manner, it may not have had the impact and appeal it did, and the globe may have avoided a lengthy and costly digression.

⁴ There are several good questions relating to the use of mathematics in physics, for example, why does the universe follow our mathematical processes? And while $E=mc^2$ was written before found to be a physical relationship, is mathematics now pushed too far as a tool for leading the conceptualization process in physics.

⁵ Little, G R (1999-2005), Section of index: **General theories of cause, knowledge and psychology at <http://www.grlphilosophy.co.nz/paperindex.htm>** Papers 1 - 7 and supporting notes and papers, accessed August 31, 2011.

⁶ Little, G R (2000) A model of knowledge and tools for theory creation, <http://www.grlphilosophy.co.nz/paper3.htm> accessed October 10, 2011.

⁷ Little, G R (1999) The summary of the alternative social science structure. Perception and a general theory of knowledge, <http://www.grlphilosophy.co.nz/paper2.htm>, accessed August 31, 2011.

⁸ Ashby, W Ross (1960) Design for a brain, Chapman Hall, London.

⁹ Little G R (2003) Summary of the general theory of cause. <http://www.grlphilosophy.co.nz/generaltheory.htm> accessed September 16 2011.

¹⁰ Little (1999-2005)

¹¹ When a theory is not causal then the only recourse to understanding data is the use of statistics and probability. This exists today for example, in current modern physics, quantum theory, treats photon as a point particle, therefore is immediately in breach of this proposition, and is therefore not a causal theory. This proposition directs effort in physics to understand the internal mechanisms of a photon and its links to its environment, then and only then science can progress beyond current probability. This theory of knowledge goes further in that it is projected that '*there is always a mechanism*', this is the universal mechanistic postulate, see Little (1999-2005). The result of this postulate is that there is no such thing as 'science', it is all technology, since there is always an underlying level of mechanism and insight we do not know nor understand but which we can learn to predict by use of clever statistics.

¹² Little, G R (2005), Toward a better standard of judgment than peer review
<http://www.grlphilosophy.co.nz/BetterStandardofJudgement.htm>, accessed August 31, 2011

¹³ Little (2000).

¹⁴ In archeological studies much of the effort goes into estimating from remnants the nature of the minds that generated the remnants. A very similar problem remains after any group exercise, for example, the CEO talking to the collective regional staff, the impact on staff may be gleaned by social acclamation such as clapping, but really the detailed analysis of the group response can only be by way of survey of each individual mind.

¹⁵ The critical mass is when sufficient people adopt the way of thinking and hence acting as to be able to generalise about the overall group, and the habits are so consolidated in the group that people joining the group follow the norms of the group, the problem is if this becomes blind obedience to the norms and loses its reasoned edge, this is managed within OPD-SHRM by building professionalism as a way of life, and the ideal actions the current means whereby the way of life is expressed. Hence the means can and should be changed, but the way of life remains.

¹⁶ Little, G R (2005/1) The poverty of sociology: why Marx is not a scientist.
<http://www.grlphilosophy.co.nz/WhyMarxIsNotScientist.htm> This point is crucial, there is no causality in 'culture' or society all causality in social system is by individual action: So called 'social action' is merely the sum of the action of the members of the group, and the causation of that action can only be analyzed in terms of summing the action of each individual.

¹⁷ Little G R (2001) Paper 5: Why we do what we do, the outline of a general theory of psychology.
<http://www.grlphilosophy.co.nz/paper5.htm> accessed September 19, 2011. This is a full discussion of the intellectual structure from which the comments are drawn.

¹⁸ Little G R (2001) Paper 5: Why we do what we do, the outline of a general theory of psychology,
<http://www.grlphilosophy.co.nz/paper5.htm>. Accessed September 1, 2011.

¹⁹ There are a number of definitions of entropy; all refer to the same phenomenon, namely the tendency of the universe of flow to the least energetic state, which is why a broken plate will stay broken. In this context I prefer the definition of entropy as the tendency of any system to flow to the lowest energy state available to it.

²⁰ Little G R (2000) A model of knowledge and tools for theory creation.

http://www.grlphilosophy.co.nz/paper3.htm#_Toc495405836 accessed September 16 2011. Under my theory of knowledge, knowledge is not continuous and exists in domains, with some domains being the underlying mechanisms for others. A key issue is the understanding of coherent variables that is variables not able to be 'reduced' to more fundamental variables. Coherent variables define unique domains of science, hence in the case of the body-mind one unique domain is the brain and neurological events, the other is mind and mental events, mind is the result of the mechanism in the brain, but ideas cannot so easily be reduced to neural events without loss of understanding of the idea and its import within the psychology of the person.

²¹ So in the brain, the neural flow will follow lines of least resistance, typically those will be the habituated flows as illustrated in de Bono model of the brain as a jelly, and by pouring hot water on it so grooves are carved, and then more hot water flows down the grooves so deepening them exactly as habits are deepened and consolidated.

²² Little G R (1999-2005) for discussion on the intellectual background to this comment, and the full solution to the body-mind problem.

²³ Anderson, R.C. and Prichert, J.W. Recall of previously unrecalable information following a shift in perspective. *J. Verb. Learn. Verb. Behav.* 1978, 17, 1-12 for an interesting account of how attitude alters perception. They asked 50 people to examine a house with view to buying it, and then asked another 50 to examine the house with view to burgling it. They then asked each group to list what they remembered about the house. The lists were totally different. I have used the example of 'what you see when you look at a house to buy or burgle' in dozens of workshops to make the point of how attitude can shape what one sees, and business and personal opportunity begins with our attitude. Hence within the model is crucial that people are clear on the roles in their jobs, clear on the KPIs in each role, and clear on the ideal actions offering greatest chance of greatest success in each role, and clear on how to distribute their time across the roles and across the ideal actions. 'Buy' and 'burgle' are then specific aspects of conscious thought I call 'frames' as a power point frame. People can then use that understanding to create their own internal frame structure in relation to work and delivery of ideal actions. This effort I refer to as 'professionalism'.

²⁴ 'Buy' and 'burgle' are then specific aspects of conscious thought I call 'frames' as a power point frame. Imagine a set of power point transparencies just behind our forehead, when we think burgle so up pops the one with burgle and that is what we 'see', buy, then so we see items related to buying the house. This is a simplified model of our psychology, but useful and enables people to understand how they work. People can then use that understanding to create their own internal frame structure in relation to work and delivery of ideal actions. This effort I refer to as 'professionalism'.

²⁵ Little, G R (2004) Paper 7: The tension between cause and free will - the fundamental of all human experience. <http://www.grlphilosophy.co.nz/paper7.htm>. Accessed September 18, 2011.

²⁶ Little, G R (2003), People and profits http://www.grlphilosophy.co.nz/People_and_profits.pdf, accessed August 31, 2011.

²⁷ Nel and Little (2010/1). *An Integrated Strategic Human Resources Model to Achieve Organizational Objectives*
http://websearch.usq.edu.au/search?sa.x=12&sa.y=8&q=nel+and+little&entqr=0&output=xml_no_dtd&sort=

date%3AD%3AL%3Ad1&client=default_frontend&ud=1&oe=UTF-8&ie=UTF-8&proxystylesheet=default_frontend&site=default_collection

²⁸ It is important to understand these diagrams strictly within the social science rules as summarized earlier in the presentation, the diagrams are ultimate and immediate effects linked as to provide causal definition, which is the conceptualisation of the mechanism intrinsic to the system where by the behavior of the whole organization/people system is manifest.

²⁹ For full details of the theory see Nel and Little (2010/1 & 2).

³⁰ Nel and Little (2010/2), Sustainable leadership: The fundamental solution to lasting superior staff performance http://www.uunz.ac.nz/pdf/journal/edition1/Journal_part4.pdf.

³¹ A role is a collection of related or similar KPIs, requiring unique ideal actions if the role result is to be achieved. Often a job will consist of two or more roles, for example sales and marketing manager, with each role defined separately. A crucial aspect of defining roles is to ensure the KPIs are similar since if not, then the behavioural structure underlying the roles will be unrealistic broad and not achievable.

³² This is a crucial difference in start point in the OPD analysis. For example, imagine all staff on a bus and the bus crashed and all killed (similar to the MU disaster of the several decades ago). The organization would go on ... but what would go on. Within the OPD theory an organization is an idea that influences behavior, but this definition is not possible supported without a general theory of psychology within which ideas exist and are causal in behavior, but this is not possible without a theory of cause, etc... leading to the essential proposition of 'first things must be done first' ...

³³ The processes are derived from the OPD theory, and are in fact the strategic HR processes that emerge from the theory.

³⁴ The OPD theory has profound consequences for the concept of management and HR. These consequences are now fully unraveled in the series of book Redesigning the organisation, available on Kindle at <http://www.amazon.com/-/e/B001K8CWJI>. For specific review of the reorganisation and changes in HR focus and priorities then refer The role of human resources management in the modern organisation, http://www.amazon.com/resources-management-organization-Resdesigning-ebook/dp/B0050I57BO/ref=ntt_at_ep_dpt_2

³⁵ Little G R (2011/2) The mind of the CEO. The details of how the CEO needs to think in relation to this model are available on request; the book is in final stages of review.

³⁶ For example, combining sales representative and accounts payable; real example is inbound/outbound telephone customer service, does it sit in sales or operations. The answer lies in careful review of the KPIs/ideal actions and the alignment with divisional strategies.

³⁷ Note that one job may have several roles; a role is a set of attitudes, skills and actions sufficiently unique to be defined separately. In many jobs, a key psychological issue is role transitions. Simple examples are the job of sales and marketing manager, with three roles, sales manager, sales team leader, and marketing manager; or factory manager which in a small unit could have several roles factory team leader, production planner, factory manager, and QA manager.

³⁸ Little G R (2011/3), Time budgeting, Kindle http://www.amazon.com/Time-budgeting-Redesigning-organisation-ebook/dp/B004VS2MCG/ref=ntt_at_ep_dpi_3

³⁹ Note, the theory does not change with scale, so the exact same theory applies to 1 team member as applies to 1000.

⁴⁰ Little G R (2011/2).

⁴¹ OPD-SHRMIS is not HRIS, an organization needs both. OPD-SHRMIS monitors whether or not team leaders are implementing the OPD-SHRM processes and technology in the team, therefore it monitors the team leader is implementing those HR processes that enable greatest success in role out of strategy. HRIS is administration of the staff details, and while useful and necessary, and enabling data that can be used in the OPD-SHRM implementation, it is crucial the two are not confused.

⁴² The critical mass is when sufficient people adopt the way of thinking and hence acting as to be able to generalise about the overall group, and the habits are so consolidated in the group that people joining the group follow the norms of the group, the problem is if this becomes blind obedience to the norms and loses its reasoned edge, this is managed within OPD-SHRM by building professionalism as a way of life, and the ideal actions the current means whereby the way of life is expressed. Hence the means can and should be changed, but the way of life remains.

⁴³ Little, G R (2005/1) The poverty of sociology: why Marx is not a scientist. <http://www.grlphilosophy.co.nz/WhyMarxIsNotScientist.htm> This point is crucial, there is no causality in 'culture' or society all causality in social system is by individual action: So called 'social action' is merely the sum of the action of the members of the group, and the causation of that action can only be analyzed in terms of summing the action of each individual.

⁴⁴ Little G R (2011/1) The last leadership book you ever need read, Kindle, http://www.amazon.com/last-leadership-Redesigning-organization-ebook/dp/B004ZQRS64/ref=ntt_at_ep_dpi_1

⁴⁵ It is key that the team leader understands the goal↔action link therefore fully understand that I if they indentify apt ideal actions and then guide delivery of those actions they will achieve a better result then they would otherwise.

⁴⁶ Little, G R (2011/1) The role of human resources management in the modern organisation, http://www.amazon.com/resources-management-organization-Resdesigning-ebook/dp/B0050I57BO/ref=ntt_at_ep_dpt_2

⁴⁷ Little G R (2011/3) Time budgeting, kindle http://www.amazon.com/Time-budgeting-Redesigning-organisation-ebook/dp/B004VS2MCG/ref=ntt_at_ep_dpi_3 and Little, G R (2011/4) Modern team leadership, Kindle http://www.amazon.com/Modern-leadership-Redesigning-organisation-ebook/dp/B004X6U408/ref=ntt_at_ep_dpt_8

⁴⁸ This is very important to understand, the role of team leader is exactly the same regardless of the level of the organization, namely to identify and guide delivery of the ideal actions that enable greatest success. Hence team leadership training is exactly the same for the CEO as it is for the lowest level supervisor. In fact we recommend that senior team leaders are mixed with junior and are seen to be expected to do the exact same things in their team and are measured the exact same way.

⁴⁹ Little G R (2011/1).

⁵⁰ The model has profound consequences for the concept of management and HR. These consequences are now fully unraveled in the series of book series *Redesigning the organisation*, available on Kindle at <http://www.amazon.com/-/e/B001K8CWJI>. See the appendix in *The last leadership book you ever need read* at the author site for full details and definitions. For specific review of the reorganisation and changes in HR focus and priorities then refer *The role of human resources management in the modern organisation*, http://www.amazon.com/resources-management-organization-Resdesigning-ebook/dp/B0050I57BO/ref=ntt_at_ep_dpt_2

⁵¹ Note, that the effectiveness with which team leaders build this 'engagement' in the mind of team members is measured in the OPD cultural audits. Hence the definition can be monitored and is measurable.

⁵² Performance management as it emerges in OPD-SHRM is the comparison of actual behaviour with the agreed ideal actions. Therefore the identification of those ideal actions is intrinsically part of the process. Every team leader needs to have worked through the concept and OPD-SHRM system, so they know that if they identify apt ideal actions and guide team members to deliver those ideal actions then the team has greatest chance of greatest success.

⁵³ Little G R (2011/3), Time budgeting, Kindle http://www.amazon.com/Time-budgeting-Redesigning-organisation-ebook/dp/B004VS2MCG/ref=ntt_at_ep_dpi_3

⁵⁴ Little G R (2011/3)

⁵⁵ Nel and Little (2010/1), figure 1, where HR policy is shown as an intrinsic 'value' of the organization. If people feel the organization does not 'value' them, as expressed in the written and/or implicit HR policy then as when anyone feels they are not 'valued' they leave. It is very important under the model to see written HR policy as a direct relationship between people and the organization, independent of the relationship a person has with their team leader. The person has the rights as spelled out in HR policy, and those rights cannot be removed or short changed by any team leader whose sole responsibility is to fairly and without bias or favor implement those rights toward every employee.

⁵⁶ 'Motivation' and 'hygiene' factors are drawn from the work of Herzberg and have the exact same meaning as used here. This is not as simple as it sounds, and can have profound impact on people, for example and salesperson has been prospecting hard all day, for no result, the sales manager comes across and thanks them and congratulates them for the effort, this can profoundly impact the state the sales person goes home in and even more profoundly impact the state of coming back tomorrow and doing it again. Ideal actions are of that exact quality, those actions that if persisted with lead to eventually success.

⁵⁷ Coaching is defined as an aspect of the one-on-one performance management process where the team leader uses their skills and insight to guide sharper delivery of the ideal actions by the person. Training is defined as the direct development of the skills of delivery of the ideal actions needed to be successful in the role. One is an on-the-job process, typically done by the team leader; the other is an off-the-job process done by trainer, either internal or external, in-company workshop, or a multi-company workshop. Both coaching and training have the same objective, to improve the skills of delivery of agreed ideal actions.

⁵⁸ Little G R (2011/3) Time budgeting, kindle http://www.amazon.com/Time-budgeting-Redesigning-organisation-ebook/dp/B004VS2MCG/ref=ntt_at_ep_dpi_3 and Little, G R (2011/4) Modern team leadership, Kindle http://www.amazon.com/Modern-leadership-Redesigning-organisation-ebook/dp/B004X6U408/ref=ntt_at_ep_dpt_8

⁵⁹ If training develops skills, coaching develops intensity of mind in relation to the game plan, that is the set of ideal actions that need delivered if the result is to be achieved.

⁶⁰ It is crucial to understand that this ethical issue arises from within the theory; it is not imposed as a preference or moral choice. For perhaps the first time ethical considerations arise from thorough scientific analysis based on a fundamental intellectual position. The emergence of the ethical issues is in contrast with the work of say Karl Marx, who tended to impose an ethical framework. These ethical questions related to the link between a commercial organization and the community arising for the OPD theory is currently being explored in the book *Building community wealth and health*, this book part of the redesigning the organization series.

⁶¹ There is a clear distinction between corporate ethics and cultural ethics. Corporate ethics exist in the relationship an organization makes with its community; corporate ethics are implemented by the governance of the organization. Cultural ethics are how the organization treats people, for example, HR policy (whether written document or implicit) is core ethics in how the organization treats its staff, cultural ethics are implemented by team leaders.

⁶² Currently the OPD-system is the only one based on the scientific model of the link between strategy and staff behavior.