The Future of Organisational Design

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This research reconceptualises the domain of people in organisations and places it on a sound intellectual foundation that will lead to improved technology for organisations. The article argues that organisational theory must originate from within a general theory of psychology that accounts for all human endeavours. OPD theory offers an approach for designing and operating an organisation that enables the greatest chance of strategic success. OPD theory challenges current organisation theory, redefines the concept of human capital, links human resources (HR) costs to the profit and loss account, and enables the capitalization of an organisation’s HR investment.

JEL Codes: M16

1. Introduction

It is common knowledge that all aspects of management and organisational design are created by people and are, therefore, part of the social sciences (Harzing & Pinnington, 2015). In this regard Little (2013c) claims that the nature and structure of social science, including analysis of causality, are interrelated. Furthermore, the practical application of the theory of psychology offers a summary of the theory which describes the human psyche as a set of ‘frames’. The ‘frames’ then define the person and the emotions associated with the ‘frames’, and they give energy to the actions arising from the person’s ideas. These foundation principles are then used to build an understanding of an organisation and the links between the organisation and the individual. These concepts are also well aligned with the overarching concept of strategic human resources management (SHRM) as a core aspect for aligning organisational objectives with people capabilities to achieve organisational success (Dessler, 2015; Truss, Mankin & Kelliher, 2012;).

The above mentioned concepts are contextualised in the On-going Professional Development (OPD) concept, which is a watershed for social science, in particular the theory and practice of HR. It is common knowledge that even the best strategic plan is pointless unless someone executes actions consistent with the plan. OPD outlines the process of engaging people in a strategy so that they have a perfect strategic role which allows them to realistically achieve goals. The central issue to be resolved is that the causal link between human resources behaviour and organisation strategy is confirmed. It is accepted that human behaviour depends on the human mind and that human resources management (HRM) deals with human behaviour in any business, regardless of its nature. It follows that the roots of human resources (HR) must be in understanding the complexity of the human mind and its relationship to the organisation. To create sustainable solutions, this complexity must be understood in order to execute tasks with clarity and simplicity to

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achieve an organisation’s goals. The OPD theory is built on an effective solution to these underlying issues. OPD theory is the manner of thinking about organisations and leadership that leads to the OPD-SHRM system. Therefore, the OPD-SHRM system entails the following key elements: It is a paradigm for team leaders derived from the OPD theory together with associated processes that enable the paradigm to be applied in every team and to every team member. It includes the social technology for implementing OPD theory in organisations to achieve sustainable improved results.

This article is organised as follows: The introduction contains the overall setting as to what the OPD approach is about. The literature review entails an analysis of strategic HRM concepts by global researchers followed by how the OPD theory and model is different from current theory. In the next section it is outlined how OPD theory is a core driver for the strategic success of organisations. Practical examples of real life case studies are then presented to indicate how OPD could impact on organisations’ actual profits. In the last two sections implications arising from the application of OPD to organisations’ performance aspirations are discussed, as well as conclusions which are drawn concerning the impact of OPD on organisations’ bottom line.

2. Literature Review

According to Rudman (2010) SHRM has many definitions, such as: The HR activities used to support an organisation’s competitive strategy; those decisions and actions that concern the management of employees at all levels in an organisation; all those activities affecting the behaviour of individuals in their efforts to formulate and implement the strategic needs of an organisation; the pattern of planned human resource deployments and activities intended to enable an organisation to achieve its goals; and the means of aligning the management of human resources with the strategic content of the organisation. Boxall and Purcell (2011) also point out that SHRM is an approach to making decisions on the intentions and plans for the organisation concerning its employment relationships and the organisation’s recruitment, training, development, performance management, rewards, employee relations strategies, policies and practices. The defining characteristics of SHRM are that they are integrated – HR strategies are generally integrated vertically with the business strategy and horizontally with one another. The HR strategies developed by a SHRM approach are essential components of the organisation’s business strategy and overall effectiveness (Boxall 2014, Snell & Bohlander 2013). True SHRM goes further because there should be a two way process; people are the most important asset and a source of competitive advantage. An organisation’s business goals and strategies must also take notice of relevant HR factors (e.g. availability of skills, labour supply, labour productivity and management quality). In other words, HR factors must always be a part of the business strategy of an organisation. This is the basis of the ‘matching model’, which shows how HR policies and practices are inextricably linked to the formulation and implementation of strategic corporate and/or business objectives.

Banfield and Kay (2012) also emphasize a ‘tight fit’ between HR and business strategies, and recognize the role of external forces and environmental circumstances when determining what an organisation’s mission and strategies might be. Similarly, Stone (2013) and Dessler (2015) also state that the characteristics of an organisation’s working environment directly impacts on the level of employee satisfaction and engagement. By observing the impact of the working environment the creation of the conditions for high performance work occurs and through this, the organisation’s competitive advantage is created by developing unique talents and competencies. It is also important to create
organisation wide (strategically valuable) capabilities within the workforce as a whole, such as functional flexibility, creativity, learning and willingness to engage in discretionary effort. Possessing a vision of how the HR function needs to operate and being able to convince other stakeholders what that vision means in practice is also essential. Acquiring, nurturing and retaining talented people, however difficult, consistently contribute to developing specific HR strategies that reflect the strategic needs of an organisation. It is furthermore important to provide leadership and exercise influence at all levels within the HR function and the wider organisation to achieve set goals. The possession of a strategic mindset - the ability to see and think in a strategic way, being forward looking and future orientated is therefore crucial for organisation goal achievement.

Härtel and Fujimoto (2015, p.8) also point out that the SHRM “process is driven by planning, foresight and analytical decision-making about the strategic fit between workers’ affective, behavioural and cognitive qualities and organisational objectives. Effective SHRM involves understanding both the internal and external operational requirements of the business as well as its social and behavioural requirements.” Thus linking HR with strategic objectives could lead to improved organisation performance. Therefore, SHRM involves setting employment standards and policies and developing a corporate culture that fits the organisation’s operating environment and objectives, as well as identifying and implementing the activities and policies necessary to enact the chosen strategy for managing the employee-employer relationship. It is clear that SHRM thus integrates two ideas. First is the notion that an organisation’s people are important factors in both strategy formulation and implementation. Second is that the organisation’s HR practices are important in developing its pool of human-oriented capital for the future strategy formulation process of an organisation.

Further, the methodology of the fundamental intellectual position derived from the cybernetics of Ashby (1960), provides a direct link between SHRM and the health of the community within which the organisation is embedded. Ultimately it serves as part of the community economy. The link is sufficiently direct and clear to make the OPD theory definition of SHRM not only a crucial driver of success within the organisation, but also the crucial driver of community success.

The OPD theory of organisational design is grounded on a single fundamental, namely the goal-action principle which states that for every goal there are actions (called ideal actions) which also incorporate strategic human resource goals and the process for these goals to be achieved. Carrying out ideal actions does not guarantee success but not doing them guarantees failure, hence they represent the best chance of the greatest success. Ideal actions are derived from Key Performance Indicators (KPI's), and a set of KPIs and ideal actions is referred to as a game plan. If there is a group of KPIs, it means that there will be a set of ideal actions referred to as the “behavioural structure”, which can then be organised into a structure of multiple game plans. If the game plan is as good as it can be, then it provides an idea of the perfect game plan for every role.

A job being well done means that ideal actions performed as well as they can be done, will provide an idea of how to deliver the perfect game. Furthermore, the concept of motivation is to build clear ‘frames’ of the game plan in a person’s mind and then imbue those ‘frames’ with positive energy. The two most powerful positive sources of energy are regarded as fun and flow. OPD theory is based on the validation of the Herzberg hygiene-motivator theory with OPD providing the motivators. In addition, building clear ‘frames’ of game plans in a person’s mind and then working with the person to find flow and to have fun while delivering
the ideal actions parallels McGregor Theory X and Theory Y. However, OPD provides the intellectual depth that is not present in the original theory (Little, 2013b).

Professionalism is defined, as in sport that is doing what needs to be done by putting aside immediate personal feelings and deepening the overall sports analogy. A ‘professional culture’ encourages people to deliver the perfect game, and in so doing finding flow, which also entails total engagement with the task during their ideal actions, and enjoying finding satisfaction in their work each day (Csikszentmihalyi, 1990). The more people are able to do this, the more they succeed and the more the organisation succeeds in achieving its objectives, as highlighted by Nel et al. (2014). Cultural audits measure the extent that team leaders have guided the development of the professional ‘frame’ of mind in the minds of team members, and ensuring that people are focused on delivering the perfect game that is based on the perfect game plan in their role (Nel & Little, 2009). Other researchers such as Nel and Fourie (2013) also emphasise that ultimate performance is a perfect game plan perfectly delivered.

The OPD theory leads to defining management as improving game plans and having people adopt the game plan, keeping their mind on a ‘frame’ as seeing it as ‘what I do at work’. Leadership then is engaging with people so that they maintain their agreed game plan ‘top of mind’, ensuring that they are enjoying their workday, are respected and supported while striving to deliver the perfect game (Nel and Little 2010).

OPD-SHRM is thus regarded as a set of business processes that enables management and leadership to provide clear and direct guidelines to team leaders via regular cultural audits. These are the steps that make their team move their actual behaviour closer to the ideal actions. People are supported so that they can identify exactly what they need to do to achieve the greatest results. As the actions, that are consistent with the alignment of actual behaviour with the ideal actions improve, the results must improve (Little, 2013a). If people adopt clearer ideas in their minds they are more inclined to do them. This leads to a position under OPD theory that the first priority is to identify what people need to do to contribute to the success of the organisation which will be reflected in its bottom line. These aspects are further clarified in the model presented in the next section.

3. OPD Model and Theory

The OPD concept described in the previous section can be presented by the application of the model shown in Figure 1 below. The aim of OPD-SHRM is to identify the perfect game plan and have it perfectly delivered. OPD theory deals with minds and the alignment of minds with the actions needed by the organisation. OPD theory deals with all human performance within the organisation, derived from a fundamental theory dealing with all human performance in organisations. There are many tools that could be applied to improve the organisation, for example Kaizen, just in time, and six sigma. Application of all such tools will be improved by improved focus, and improved clarity on where and how the tool fits into the structure of ideal actions in the job. In short, no matter what tools are applied, the improved performance that arises from OPD theory enables improved results.
Management is building perfect game plans. Capturing the best ideas is organisational learning. The administration is as important as staff interaction and is more controllable.

Current effort through the current game plan, gives current results.

Current effort through a better game plan gives an improved result.

Current effort through a perfect game plan gives a much improved result.

Improved effort through a better game plan gives much improved results.

Improved effort through a perfect game plan gives very much improved results.

Creating improved effort by enabling people to have fun, and find flow.

Source: Adapted from Little (2013c)

4. The HR Department as the Core Driver of Strategic Success

Successful organisations have a strong focus on quality and excellence which incorporates effective organisational design and management components such as strategic HRM (Nel
The understanding of SHRM in terms of OPD theory goes further and emphasises that it depends upon the development of a scientific theory of organisation design which gives rise to a set of HR processes. OPD theory defines a new and more scientific link between people and the organisation. These links enable management to establish a set of strategic HR processes that enable improved management of human performance as a strategic factor in achieving results.

In OPD theory all HR considerations take place after the strategic choices by an organisation have been made. HR issues that come into play in strategic decisions are costs, for example, wage costs, recruiting costs and training costs, which are often estimated as one overall expense. In OPD theory, HR is an operational issue involving the roll out of the organisation’s strategy. Within OPD theory, the task of SHRM is to identify the behavioural structure and guide its delivery. This activity is an intrinsic aspect of HR and it arises from a full understanding of the link between the organisation and people.

The activity of SHRM is the alignment of the actual behaviour of every person with those actions that offer the greatest chance of the greatest strategic success. The overseeing of SHRM throughout the organisation is delegated by the CEO to the HR department in larger organisations, but the alignment of actual behaviour with ideal actions is the key HR focus of all organisations regardless of their size (Truss, Mankin & Kelliher, 2012, Dessler, 2015). Within OPD theory the aim of SHRM is to identify the behavioural structure of the organisation and support every team leader in achieving delivery of that behavioural structure in every team role. OPD-SHRM then refers to the set of HR tools that enables the team leader to perfectly identify the behavioural structure in their team and guide the perfect delivery of that behavioural structure. This is done in partnership with the HR department, in order to identify the perfect game plan in every role in the team and to guide delivery of the perfect game. Integrated into OPD-SHRM are “tools” such as engagement, performance management, cultural development, moments of truth, management by walking around, coaching, training, disciplining, rewarding financially and emotionally/psychologically, results, organisational success and personal success. Within OPD theory the definition of SHRM, therefore, places HR processes at the very core of a successful organisational strategy, making the processes of strategic HR the crucial proactive function within the organisation and ensuring it is applicable to every aspect and every team within the organisation (Nel & Little, 2009). The two crucial factors to emerge from the OPD organisational design specification are as follows: First, the crucial role of HR is to proactively partner with every team leader to identify the perfect game plan in every role in their team and guide delivery of the perfect game that enables people to find flow at work, so making the work experience of people some of the best moments in their lives. Second, to ensure that the OPD-SHRM processes to achieve delivery of the perfect game is clear and systematised. Some practical examples of the application of the OPD model and theory are presented in the sections below.

5. Findings

In the following section various examples and case studies are cited as to how the OPD model operates in practice and contributes to enhancing an organisation’s profits.

5.1 A Practical Example of the Impact of OPD-SHRM on Profits in an Organisation

A team leader works with team members to build a clearer, more effective individual role. Game plans are co-ordinated with the team game plan, and the team leader then guides
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and supports delivery of the individual role game plan by a team member being assigned to a particular role. A team leader spends approximately 20 minutes per month on one-on-one discussions with each employee to maintain the focus on the game plan. See Figure 2 in this regard illustrating the results of the OPD profit profile link (OPDPPL) improvements in sales performance in achieving ideal actions.

Figure 2: Causal link to results OPD profit profile link (OPDPPL) via each person’s mind

Gain in results is $1 \times 2 = \text{OPDPIF (OPD profit improvement factor)}$

(2) Typical for each 1% gain in performance sales increase 0.3%-0.4%, direct costs decrease 0.2%-0.3%

(1) Input to move actual behaviour closer to ideal actions. Typical is 8-16% improvement.

Leadership judgment (A): Team leader works with the team member to build clearer more effective personal game plans coordinated with the team game plan and ideal actions derived from goals. So goal-action is causally engaged in the organization.

Leadership effectiveness (B): Team leader then guides & supports delivery of the personal game plan. Team leaders spend 20 minutes/month/role in one-on-one discussions.

Another practical example of the impact of OPD-SHRM on profits is presented in Table 1. Inputs for the practical example are as follows:

- 60+ staff. 10% increase in human performance.
- OPDPPL sales 0.35 therefore OPDPIF +3.5%
- OPDPPL direct costs 0.25 therefore OPDPIF -2.5%
- OPDPPL overheads 0.1 therefore OPDPIF -1.0%

Table 1: Impact on profits from enabling perfect game plans perfectly delivered

<table>
<thead>
<tr>
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<th>Before OPD-SHRM</th>
<th>OPDPIF After OPD-SHRM</th>
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<tbody>
<tr>
<td>Sales</td>
<td>$30,000,000</td>
<td>100.0% 3.5% $31,050,000 100.0%</td>
</tr>
<tr>
<td>Direct costs</td>
<td>$18,000,000</td>
<td>60.0% -2.5% $18,164,250 58.5%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>$12,000,000</td>
<td>40.0% $12,885,750 41.5%</td>
</tr>
<tr>
<td>Overheads</td>
<td>$9,600,000</td>
<td>32.0% -1.0% $9,504,000 30.6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>$2,400,000</td>
<td>8.0% $3,381,750 10.9%</td>
</tr>
<tr>
<td>Profit gain from better SHRM</td>
<td>$981,750</td>
<td>40.9%</td>
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The following 2 case studies are somewhat unique in the literature, as there are very few studies available on the systematic link between HR input and improved results.
The empirical results listed in the two case studies below originate from organisations actually applying the OPD theory and model. The methodology followed for each case study is first presented separately below, before discussing the actual case itself. The motorcar industry in New Zealand is a very competitive environment to do business in and to survive by making acceptable returns is difficult. It was therefore chosen as representing a relative harsh environment to test the effectiveness of the OPD model. The methodology that was used is outlined below.

**Case study 1: Refining the minds of people in a small team**

Car parts and the management thereof form an integral and critical part of any automotive dealership. If not managed well, it can seriously damage the reputation and customer base of an automotive dealership. For the purpose of this case study, the researchers decided to select the parts department of a dealership in Auckland, New Zealand. Enquiries were made to the general managers of all dealerships in Auckland and the researchers requested information which would indicate the margins for their parts departments. This was done after explaining the objective of the research being to identify current HR practices and to improve upon it using the OPD Model. One dealership was chosen which had a good gross margin in the parts department already and consent was obtained from the general manager. Any improvement in margins would thus have to be very good to go beyond what was already good management, but which would indicate the value of the OPD model, as discussed in this article. The investigation took a year to complete and was initiated in 2011. For privacy reasons, neither the dealership nor the staff involved can be made public.

Michelle (fictitious name) was the parts manager in an automotive dealership. She had two staff members reporting directly to her. Results were strong, with a gross margin of over 27% (regarded as a very good result in the NZ motor industry). She was applying the OPD model and had worked conscientiously to develop clear and effective ideal actions derived from the KPI's as agreed with the Chief Executive Officer (CEO) who owns the dealership as well.

The researchers explained the OPD model to her team and executed the training of the team members as to what was required to improve results. The training, for example, included aspects such as the following: Identify best ideal actions in the parts department system; clarity to ensure that KPI's are ideal actions in the minds of staff; ensure that ideal actions are “top of mind” and hence become part of “habitual behaviour” and improvement of skills delivery at every work point to implement ideal actions.

After the team training she then held regular meetings with her two team members, as they agreed on the ideal actions and their commitment to the delivery of those actions. In short she saw it working, the improvement in sales numbers proved the approach and she was committed to continue applying the OPD model and theory to her team members.

During a review she said she did not really execute one-on-one performance appraisals, but kept on top of it by regular briefings and daily interactions with her team. It was suggested to her that if people are to generate sustainable changes in behaviour they need to have their mind in the right place all the time.
The researchers regularly discussed the process with her how to get people to become reflective, and how to really get clarity in their thinking. She agreed it was best done without distractions because if the mind of an employee was clear productivity and profits would increase. The idea of professionalism, therefore, required a steady focus on what to do and commitment to do it each day as needed.

After reflection she agreed and committed to carry out one-on-one meetings to engender more professional reflection in the minds of her team members, ‘pulling them out’ of daily routine activities and assisting them to get clear on what was really needed and why. After they agreed, she gave them her re-commitment to improve clarity and focus to get work done to a better standard. This continued for a whole year and margins were then assessed again.

Over time employees sharpened their ideal actions, and they were clear about what was needed and improved their professional focus. Employees also felt good about their professional efforts to improve their delivery of ideal actions. Sales improved along with improved customer satisfaction and after a year the gross margin increased to just over 30% as well.

**Case study 2: Building the minds in a sales team**

As mentioned elsewhere in this article, sales (new and/or used cars) are a critical element of an automotive dealership’s business. The same methodology used for the parts department was again followed and one dealership was chosen in Auckland in New Zealand. Once again, consent was obtained from the general manager and the process was initiated to run over a year period to get meaningful results, which would then take into consideration seasonal fluctuations in the automotive trade as well.

The OPD model and theory was once again explained to the sales team and training was executed as to how to go about to have the appropriate focus and frame of mind. Training took place one day a week for three months and covered similar topics as was explained in Case Study 1. The training included sessions with the sales team attended by the General Manager as well who supported the process and requested the sales team to give their full support. Sessions again covered what was required to execute ideal actions and what would be the correct "frame of mind". Once the sales team exhibited appropriate behaviour after individual interviews with them, the researchers were convinced that they were ready to continuously operate at peak performance. After a trial period of three months, the researchers were satisfied that the measuring process could start and would continue for one year. Once again, neither the dealerships nor the names of individual participants can be made public for privacy reasons.

This case study thus concerns the results for a sales team where the OPD model was implemented in year 1 and was operational through to year 2. The results are reported in Table 2, below. The results show the gross profit generated by the sales team in 2011 compared to the gross profit generated in 2012 over an eight months period after a year of the process being continuously implemented had passed.

The table shows the monthly growth process compared to the gross profit in year 2 and what the change as an overall percentage was. For example, in February in year 1 the gross profit was $89,300 and in year 2 it was $110,000 which is 123.18% and with the starting point of the base of 100% for year 1. It should be noted that in some months the
percentage change was less than the base of 100% due to seasonal fluctuations, e.g. August year 1 was $127,000, but in year 2 it was $106,300 and that being 83.7%.

Over the eight month period after a year of continuously implementing of the OPD model, there was a 5% increase in sales gross profit. It was thus attributed to applying the OPD model and theory, which represented substantial increases in final profits, in line with anticipated projections.

Table 2: Improved gross profit in a sales team

<table>
<thead>
<tr>
<th>Month</th>
<th>Year 1</th>
<th>Year 2</th>
<th>%Year 2/1</th>
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<tbody>
<tr>
<td>Jan</td>
<td>$98,900</td>
<td>$110,400</td>
<td>111.63</td>
</tr>
<tr>
<td>Feb</td>
<td>$89,300</td>
<td>$110,000</td>
<td>123.18</td>
</tr>
<tr>
<td>Mar</td>
<td>$91,400</td>
<td>$115,800</td>
<td>126.7</td>
</tr>
<tr>
<td>Apr</td>
<td>$140,700</td>
<td>$107,400</td>
<td>76.33</td>
</tr>
<tr>
<td>May</td>
<td>$112,700</td>
<td>$119,800</td>
<td>106.3</td>
</tr>
<tr>
<td>Jun</td>
<td>$97,100</td>
<td>$128,700</td>
<td>132.54</td>
</tr>
<tr>
<td>Jul</td>
<td>$110,600</td>
<td>$114,000</td>
<td>103.07</td>
</tr>
<tr>
<td>Aug</td>
<td>$127,000</td>
<td>$106,300</td>
<td>83.7</td>
</tr>
<tr>
<td>Totals</td>
<td>$867,700</td>
<td>$912,400</td>
<td>105.15</td>
</tr>
</tbody>
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It was also projected from the model that the increase in self-discipline would result in more consistent delivery of ideal sales actions. The result was producing more consistent sales, and this was progressively occurring. Results and performance continued to improve as the employees became used to the new culture and new way of thinking.

The potential of the OPD model has not yet been fully explored. For example, in discussions with directors and senior executives regarding the application of the case studies quoted above, they were of the view that a 5% improvement in sales revenues, and a 5% decrease in costs was possible, from improved staff behaviour.

From the case studies it is clear that the motivation of staff using a particular model, as well as the commitment of senior management to clearly identify organisation objectives, are inextricably linked. The one cannot be successful without the other and this confirms what is well documented in successful businesses using the OPD-SHRM model. This includes taking cognizance of the importance of diversity and culture in the workplace as confirmed by the research of Harzing & Pinnington (2015) as well.

6. Implications Arising from the Application of the OPD Model and Theory

The practical results of the OPD-SHRM model application in organisation design and management is one in which HR emerges as a natural partner to team leaders, each with a clear and defined role in guiding employee performance to improve profits. The aim to improve profits is also aligned with the approach of Dessler (2015) because it hinges on improved employee motivation and performance.

HR itself has two aims. The main priority is to work with team leaders to identify and guide delivery of the perfect game plan for the team. This is the crucial proactive role in establishing and executing strategy. Strategy is delegated by the CEO to HR as the ‘technical’ task of partnering and supporting team leaders throughout the organisation. The
second aim is everything that HR currently does in organisations, referred to as ‘compliance and administration’ by Snell and Bohlander (2013).

A crucial consequence of the OPD-model is a revised definition of SHRM. Once the strategic decision is made then OPD-SHRM processes immediately come into play with questions such as: What goals are implicated in the decision? How will these goals be grouped to form roles? How will roles be grouped to form teams and teams formed into divisions? And from this set of preliminary questions emerge the organisational structure of divisions, teams and roles in teams. Roles are defined by goals and KPI’s are derived from strategy. In each role, KPI’s define ideal actions, which, if delivered to the standard required in an organisation, ensure the greatest chance of greatest success by achieving the greatest result. This is also confirmed by the empirical research of Sabarwal (2014).

In terms of OPD theory and applying the model, monthly financial reports represent a summary of whether or not the leadership in the organisation has succeeded in identifying and guiding delivery of the perfect game plans in each role. The organisation is monitored via financial reports, but managed/led via refinement and development of the ideal actions in every role.

The framework of role specifications is captured in the SHRM information system (SHRMIS), described in OPD theory as linking KPI’s and ideal actions with performance management, training, and cultural audits, and measuring the professionalism in a team. OPD theory leads to a revised definition of human capital, with human capital being a measure of the quality of the perfect game plans captured in the SHRMIS. The logic is that if an organisation has captured perfect game plans in every role perfectly, then merely by exposing these to the team members assigned to the roles, will result in those people having in mind more effective means of achieving the result than they may have had otherwise. OPD theory clearly defines links between changes in human performance and the profit and loss of an organisation. Second, the OPD theory enables capitalisation of the human resource investment and links a balance sheet value of human capital to the potential success of the organisation.

The responsibility for defining the perfect game plan rests with the leadership and ultimately the CEO, who has responsibility for the delivery of strategy, since perfect game plans perfectly delivered is the key to strategic success. Once the strategy is decided, then the priority focus of the CEO becomes the identification and delivery of the behavioural structure which must underlie the strategy to achieve organisational objectives.

7. Summary and Conclusion

The concept of OPD-SHRM is original, because it has not been encountered in this format in the literature before, where the question of employee performance enhancement and behaviour has been integrated with SHRM into a single model, which results in profit improvement in organisations.

The research using two case studies from two different organisations was conducted over a continuous two year period starting in January 2011 and concluded at the end of 2012 when the results were written up. Eight months of continuous, but one year apart, comparisons resulted. It must be noted that for the previous five years the OPD-SHRM model was applied and tested in various organisations over short periods. However, the empirical case studies were executed in a longitudinal manner over the said period. That
said the evolvement of the concept and refinement thereof was developed over a 10 year period by the researchers prior to the empirical testing described in this article.

From the research results it is evident that advanced knowledge regarding human capital was created via the empirical testing described in this article. It resulted in enhanced performance and profit improvements in organisations in New Zealand using the "perfect game plans perfectly delivered" analogy by applying behavioural principles as well, as was shown in Figure 1. OPD theory also clarifies a corporate culture which revolves around two crucial factors: first, identification of the ideal actions that enable the best chance of the greatest success, and second, the self-discipline of employees to act out those ideal actions as and when needed. The emergent self-discipline of employees has an immediate effect on organisation results and, therefore, profits. The case studies presented above clearly show the power of focused thinking, because a perfect game plan is executed with the consequent positive results.

The implications of the case studies’ results regarding the OPD-SHRM model are far reaching because it can also be used to redesign an organisation. The results create new insights into performance enhancement and thus improve the management of human resources in organisations to improve profits by incorporating behavioural and motivational aspects as well. In 2014 an independent research project was executed by Sabarwal (2014) also using the OPD-HRM model in 11 service organisations in Auckland. Interviews were conducted and a questionnaire was distributed to all participants. Improvements between 2% and 12% in profits before tax were recorded at the end of 2014 for that research project. OPD theory and the fundamental social science methodology and analysis from which it is derived, thus ensures organisational design specifications of future organisations to be built to a higher standard than organisations of the past. The OPD theory and model thus have the capability to deliver staff fulfilment and improvement in bottom-line results as well.

To date, the research regarding the OPD-SHRM model was only executed in New Zealand and primarily focused on service organisations, which is a limitation. More comprehensive research in other parts of the world perhaps covering manufacturing organisations as well, could shed more light on the value and use of the OPD-SHRM model to improve performance and profits in organisations.

References

Nel & Little

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