

To whom it may concern,

Over the past two years Andrew Olivier and The Working Journey have played an important role in assisting me to implement a comprehensive organisational redesign and leadership development program across IAG.

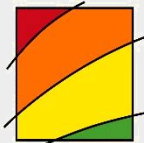
Andrew's deep expertise of Elliot Jacques organisational design principles and methodologies have been an asset that I have relied on extensively. Even more importantly, the energy and passion he brings to his work, along with impressive facilitation and stakeholder management experience, have helped to effectively engage leaders across my organisation and to drive meaningful change.

In addition to the delivery of the organisational redesign program, Andrew has regularly provided me and my team with strategic insights on a range of corporate culture and leadership issues. This has made him a valuable advisor and thinking partner.

I would highly recommend Andrew and The Working Journey to any organisation that is planning or implementing large scale organisational design initiatives.

Mark Milliner, CEO Australia and Group COO. Australian Multinational Insurer
2018

Some background to Requisite Organisationⁱ & Organisation and Leadership Effectiveness



THE WORKING JOURNEY

Prepared by
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I was introduced to RO at my previous company of 16,000 employees and understood its power. After becoming CEO I have implemented RO across the organisation and have aligned it to our ten years Strategic Intent.

Ian Stone. MD Royal Automobile Association of South Australia

1.

Background

Elliott Jaques first introduced his ideas in the 1940's and 50's Glacier Project in the United Kingdom (Elliott J, 1951), while a consultant for the Tavistock Institute. He integrated the ideas of many thought leaders into a full body of knowledge. The Glacier Project was a major breakthrough in management and systems thinking and generated a great deal of academic debate (Gray J.L(ed), 1976). Criticism was levelled at the theories for being "the truth" and damning because it left no place for any other theories.

"Because it is a closed system of propositions, it – on the surface at least- appears to reject any alternate form of theory, giving it the superficial appearance of mutual exclusiveness. And anyone ...knows that any theory not open to inclusion with existing theories is doomed to expulsion from the academic ranks." (McCarty & Gray; 1976; p.10).

However, it has been in constant use for fifty plus years, used extensively in diverse organisational and business settings and across different cultures. Consultants and organisations in the early 21st century use his models in different ways, probably few that Jaques would be happy about, since he primarily described it as scientific management (an indication of its modernist genealogy) which was measurable and not open to negotiation around certain key issues. These included **time span of discretion** and **role authorities and accountabilities and the importance of healthy working relationships** which were tied to **seven levels of work complexity** and **effective structures geared to business purpose**

The original models have developed into meta-theory organisational theory and practice status. Hypo-deductive applications and a logical appeal have seen many derivatives, theses, books and ongoing practical applications being developed. In the late 20th century complexity science gave it a new epistemology, enhancing coherence and an understanding. It also heralded a move away from physics and rational universal truth, to the softer, less certain world of multidisciplinary interfaces, in particular the biological sciences. Third Wave (post modernism) liberated work diversity, old divisions and distinctions gave way to new work configurations, real and virtual, in a brave networked world. Jaques' Requisite Organisation (RO) mirrors many of the key properties of a Complex Adaptive System, such as hierarchy of function (not power), more complex relationships and behaviours between parts, adding, assimilating / combining / discarding parts, reoccurring use of patterns - it is brilliantly frugal abundance.

Most organised work (which is mostly complex adaptive systems) will need a separation of activities to achieve its purpose. This separation is given form through work levels and in the unique way work and relationships is organised in **Requisite Organisation (RO)**, as his collection of interlocking ideas became known. RO offers a blue print for understanding and organising human enterprise which is based on creating **mutual trust and felt fair relationships**. What is of interest is that Jaques formed his hypothesis some thirty years before complexity science was

articulated as a paradigm and many of the post-modern descriptors would apply. RO is underpinned by the scientific principles of Leadership and Management.

Now more than fifty years later RO is still a vibrant, dynamic and global approach. Practitioners, Clients and Researchers meet regularly to discuss and present, the most recent being August 2014, New York City. In 2015 a meeting will be held in Sydney, Australia.

2. REQUISITE PRINCIPLES: STRUCTURE & WORK LEVELS.

2.1 Seven Work Levels, Time and Unique Value Add

Strategy defines structure. The nature of work is based on dealing with increasing ambiguity and complexity to achieve goal directed outputs. The Work Complexity model is comprised of seven work levels, illustrated in Figure I.

Complexity is defined *“in terms of the number of variables operating in a situation, the clarity and precision with which they can be identified, and their rate of change”*

Each work level has a unique value add, as well as a unique time span, defined as *the amount of time it takes to complete the most complex task* (Jaques, 1989). At the more complex work levels this is measured as *the amount of time lapse before the level above can judge the outcomes of the most complex decisions*. At Work level VII, it may be up to fifty years before the real impact of the decisions can be felt.

Figure I shows three domains of work. The first domain is that of Added Value and this is where operational efficiency, productivity and industry expertise is critical. It is where most businesses operate. This domain is focussed on production, producing outputs in the most cost effective manner, efficient services, skills training and being able to respond or initiate quickly. Work is about serving a known client base and asking if the systems, processes and procedures are still doing what they should be doing and questioning whether we might be able to do them more effectively.

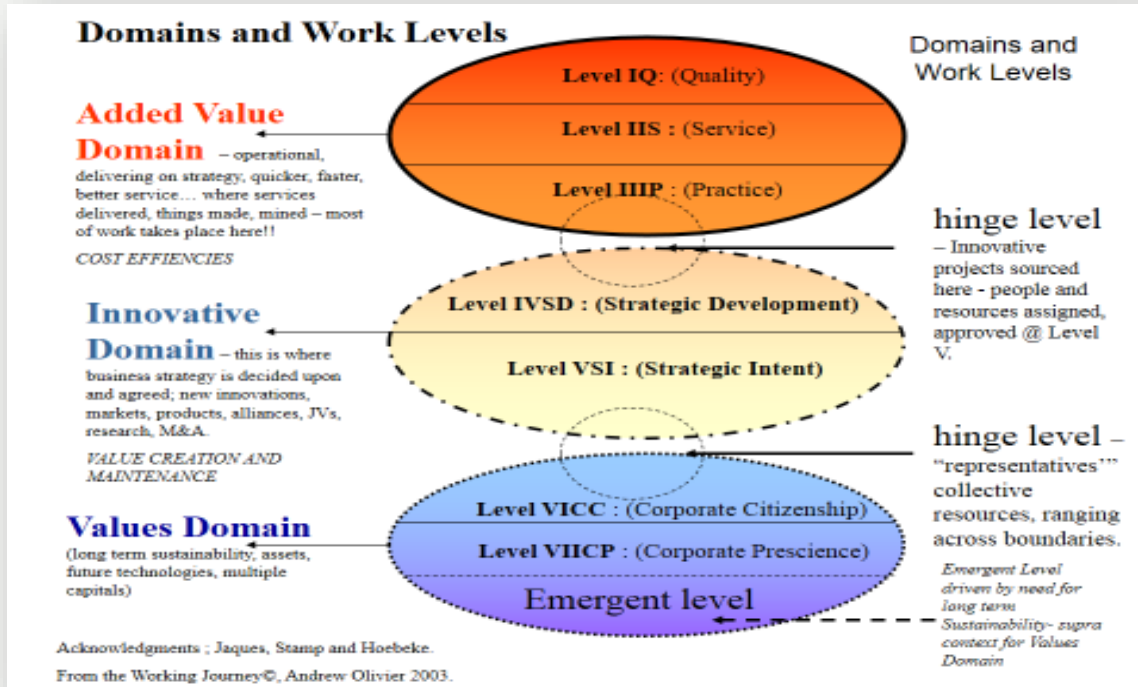
The Value Added Domain is responsible for cost management and continually adding value to the existing client base. There are three levels of work complexity found in this domain and the time span for seeing the outcomes of the most complex decisions is up to two years.

The second “chunk” is the Innovative Domain and is the executive levels of management of an organisation. Here strategic direction is set and frameworks created to take the organisation forward over a time span from three to ten years. This is the domain responsible for creating value (beyond just profit), stakeholder relationship management; image, social and environmental issues, reputation, the forging of JV's, sourcing new products, innovations and industry standards.

This is the top end of an independent company or large operating division within a group. There are two levels of work complexity found within this domain. Projects aimed at innovative products, services and processes are sourced in this domain. This domain of work is about wealth creation and maintenance. Issues of concern here are capital projects, combined profit and loss,

social responsibility, growth and innovation. Here policy is formulated and strategic intent mapped out.

Figure 1:



The third domain is concerned with the management of multinational and global organisations and has two work levels. The Values Domain is a contentious area and work here is about creating, terminating and shaping business units within the contexts in which they are embedded. It is about sensing changing values and nascent trends and patterns and making them tangible and real to stakeholders and shaping institutions that are able to interact with these new forces. Changes at these levels are across boundaries and cultures and deals with multiple and diverse unified whole systems over time spans of up to fifty years.

Levels VI and VII are responsible for national policy frameworks in the public sector and from running global operations in the private sector. Not every work system needs seven, most have three - *it depends on the strategic intent of the enterprise (i.e. level of complexity) as to the level required of its leadership.*

Table I below indicates typical roles one might find at each level. This is guide only and role designations often have no link to the actual work complexity undertaken.

Table I: Examples of roles at Themes of Work Complexity I - V

Level I	Manual worker, admin clerk, front line sales person, call centre operator, police constable, artisan, technician, claims assessor, miner, chef, front line supervisor
Level II	Doctor, dentist, bench scientist, front line manager, researcher, lecturer, faculty officer, area sales manager, head chef, systems analyst, accountant.
Level III	Manager, project leader, research programme leader, human resource manager, academic department head, practice head, logistics manager, colonel, ship's captain, call centre manager.
Level IV	Financial manager, dean, general manager, principal advisor, snr consultant, one star general, deputy director.
Level V	CEO of a large, complex freestanding company; maybe national or multi-national, MD of a division within a group, director general, vice-chancellor of university, two stars general.

2.2 Common Problems with Managerial Structures and Systems

No work system can function effectively with a missing level or with work levels compressed or partially present. Alas, many do, quite badly, and this is clearly identifiable. Accountability and authorities are often not aligned vertically or cross functionally to achieve business purposes. Disempowerment and misalignment creates problematic cultures and in turn this creates dysfunctional work systems, with resultant loss in the quality of working relationships, wasted resources, time, money and often competitive edge. In some cases, this can have grave consequences for image, reputation, profitability and the environment.

In larger organisations structures can be created without clear purpose or accountabilities and such pseudo structures would find it very difficult to create sustainable value. Levels of Work and Requisite Managerial Leadership practices provides the “physics” and “biology” to:

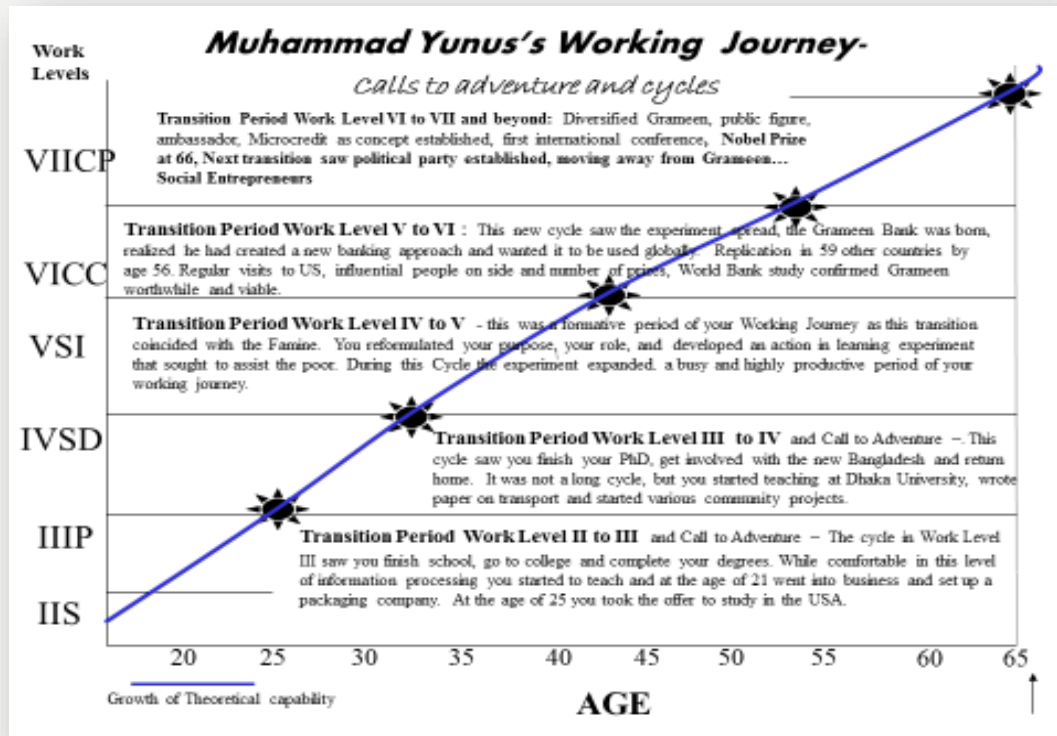
- ❑ Provide a theory and practice to deal with organisational growth and increasing environmental complexity. Provides context between the organisation and the environment within which it does business
- ❑ Provide unique criteria for ensuring Value Add of each manager and employee
- ❑ Ensure role Authority and Accountability and definition of role types that empowers effective structures vertically and horizontally to deliver outcomes
- ❑ Provides the physics of design to avoid duplication and confusion – provides criteria to determine where decisions will be the most effective (in outcome and cost) through clearly defined Tasking.
- ❑ Provide the conditions – including understanding of values, context and purpose, quality, quantity, resources and time – for enabling other levels to do what they do best and to deliver outcomes. Each level of complexity offers a unique contribution
- ❑ Empowerment for employees to carry out creative and innovative work with authority and accountability

*The work of Elliott Jaques and his colleagues is as much a study of the human condition as it is a model of management application in the business world. Understanding levels of work, individual capability and the potential for properly designed and applied management system is the key to delivering exceptional results. **MARK CUTIFANI, CEO Anglo American.***

3. REQUISITE PRINCIPLES: HUMAN CAPABILITY

Requisite Enterprise offers a unique and well researched method of managing talent pools and developing individuals. Put simply, it can predict how people will choose to exercise their judgement over the course of their Working Journey. An international database has been compiled from these capability interviews globally. Figure 2 illustrates the plot of Nobel Laureate Muhammad Yunus using one of these predictive methods.

Figure 2: An Individual Journey



What this means is effective talent management is possible that looks at meeting workforce requirements now and into the future. The rate of our cognitive growth is determined by Modes. There are seven human growth modes and the bulk of humanity seems to be located within Mode I – IV. Mode V represents the first of the growth Modes with the power to take someone into Work Level V and thus into the lower part of Fourth Order complexity. Thus Mode Vs are generally recognized as the beginning of high potential. Depending on our growth mode, we develop cognitively **at a predictable rate**, finding work challenges at different work levels.

This growth is expressed in the way we process information, how we handle ambiguity and how we like to make exercise our judgment in decision making. Jaques refers to this as Cognitive Power (CP) and defines it thus: "*Cognitive power (CP) is defined as the potential strength of cognitive processes in a person and is therefore the maximum level of task complexity that someone can handle at any given point in his or her development*"

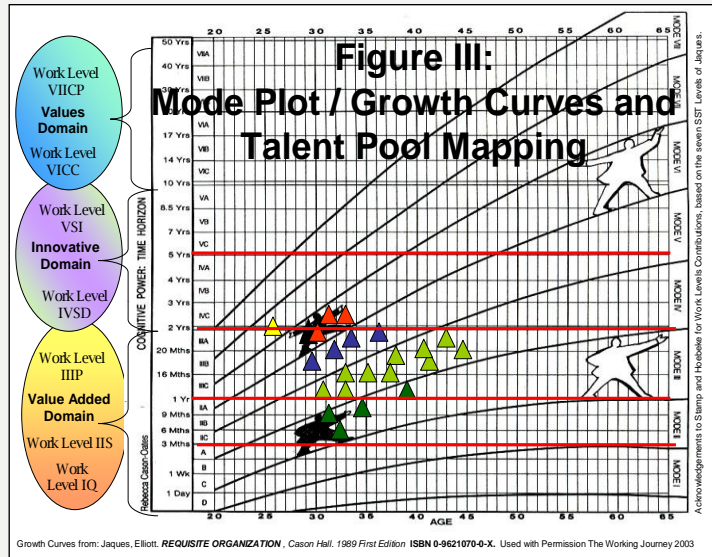
While we have a number of related Journeys (e.g. Personal and Private Journeys) running through our Life, it is the Working Journey which often tends to dominate and play a major role in shaping our lives. Many are driven by a need to find meaning and to actualise our capability (potential). Often this is a stumble in the dark, and we move without a clear plan or a roadmap of how our Working Journey might unfold in the Future.

The growth of individual capability is based on the assumption that as we mature our capability grows and our needs for challenge changes at a predictable rate. This rate of changes differs between individuals but what is really exciting is that it is predictive.

If we are in **flow**, meaning we are challenged and enjoying what we are doing, we hardly notice this transition. Flow is a sought after state when we tend to truly be connected with our work challenges and find life fun, stimulating and often reflects periods we may look back

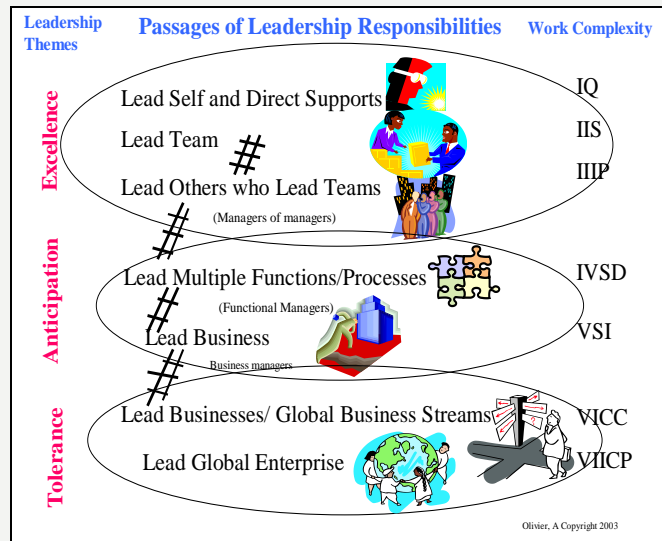
"The Working Journey has worked with us to understand the capabilities and growth paths of our pool of candidates, and of our successful Scholars. With his help we have a deeper understanding of their position and trajectory of these outstanding young people, and in particular, their key transition points. The Scholarship itself is such a transition, and our Foundation also works with Scholars after their return as they establish their careers. The Growth Modes model has been a very useful framework with which to consider and discuss career paths with the Scholars. It also allows the opportunity – if we can learn how to use it properly – to better sort candidates on the basis of their Applications into those we should interview, and those we shouldn't"

Dr PETER BINKS, CEO of the Monash Foundation (2014)



upon with fondness. Each cycle of new capability is “long time” and may last from five to twenty years in some cases.

From an organisational talent pool management perspective one can start to look at people pipelines with a new degree of clarity and accuracy. We can start identifying groups for the passage to each new work level and can manage individual development with a far greater clarity of purpose. The focus of talent pool management can be shifted to the preparation of leaders for the passages from Level III to IV, IV to V and V to VI. The focus becomes what is required to be successful at the next level, and having knowledge when this will occur, then matching to organisational capability needs.



Talent Pool mapping is indicated in Figure III and the passages of leadership complexity can be summed up in Figure IV. Figure I shows how the nature of leadership themes change in the domains as does the very theme of leadership (e.g. a leadership theme of excellence in operational directly measurable work, to anticipation in the innovative domain where we consciously craft our future). The passages show how managerial leadership becomes larger and more complex in the people pipeline.

Assessment Methods:

- The Working Journey Interview (CEO, Board)
- MCPA™ / CPA (senior and executive manager- face to face or Internet, Skype)
- IRIS (30 - 45 minute structured interview for new entrants)
- CNT (non-verbal)
- Rapid Talent Pool Evaluation (In-house - Manager & Manager Once Removed - all levels)

In terms of my commitment to RO, I refer to the workshop manual on almost a daily occurrence and I try to see problems through the RO lens. I find it is giving me a lot of clarity and I know I'll stick with it because it is aligned closely with my belief that every person is capable of greatness. RO shows me how to lead my team to greatness. – Paul Cassidy. General Manager CGU Insurance. Australia.

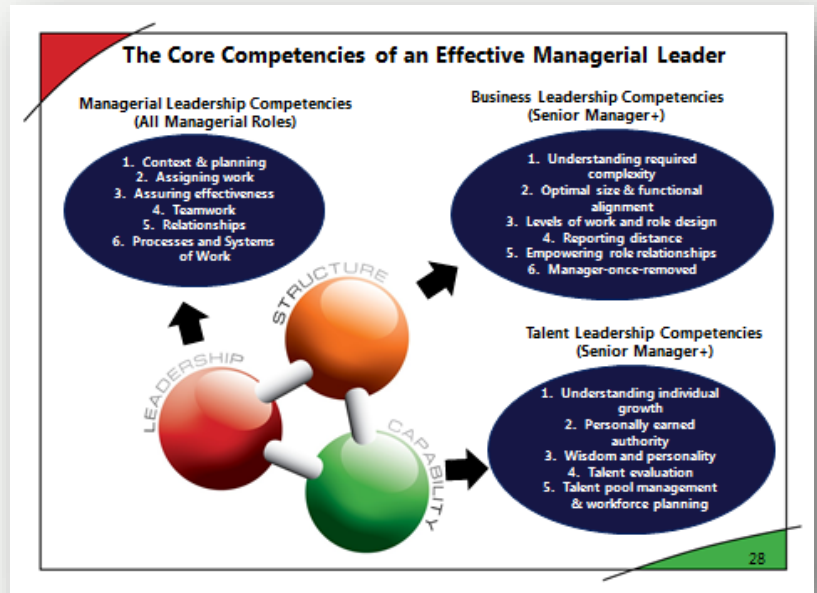
I have supported and recommended the introduction of the RO principles as I believe they are clear and logical and come together to build an integrated framework that will assist any business in achieving its Strategic Intent. Allen Candy, CEO. Life Care Inc. 2014

4. REQUISITE PRINCIPLES OF LEADERSHIP PROGRAMME

Over the decades experiential research globally has derived a set of leadership practices which, when used as regular practice ensures meaningful work, an outcome focus and allows people to add value at the right level.

Most importantly, these practices induce TRUST and FELT FAIR behaviours.

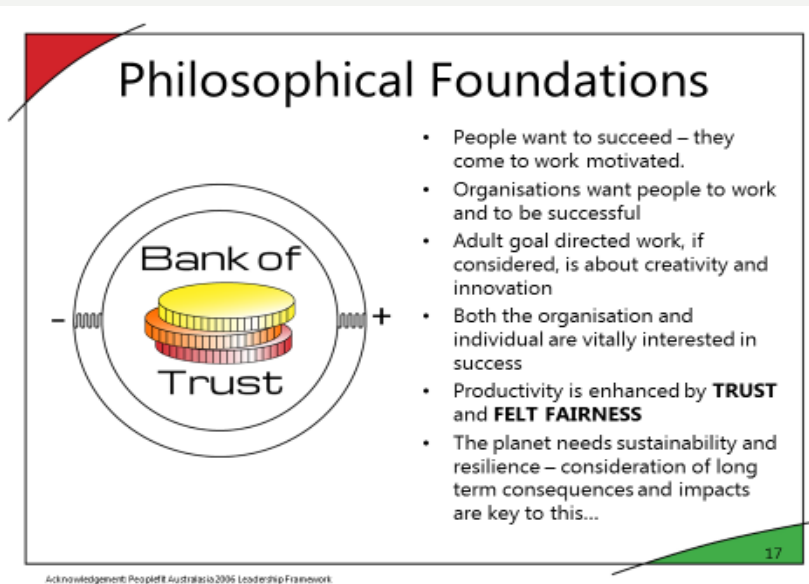
Three core groupings of **Requisite Leadership Competencies** have been identified and when integrated 'switch on' People and Structure to create Organisation and Leadership Effectiveness.



A Requisite Enterprise is underpinned by the assumptions that employees want to work and be successful. Further that work, if properly thought through, is about creativity and innovation. And society needs to have successful sustainable and clever enterprises.

Research has also shown that productivity is improved when people are doing work that is fulfilling, when they feel the work has meaning and that they are acknowledged for their effort. Fear and limitations have the opposite effect.

Requisite leadership practices require competence by all who are accountable for managing and leading a team. This is not personality tests or radar



charts showing current versus desired culture; this is about developing competence to ensure managerial leaders can lead effectively to produce required outcomes, within time, budget and quality, while building strong two way trusting relationships.

For all who have managerial accountability there are certain basic competencies that are the minimal requirements for effective leadership, such as;

- setting clearly thought out tasks with resources required and time for delivery
- managing and leading a team to deliver outcomes
- understanding vertical and cross functional role types so as to be able to empower role relationships;
- assign authorities with accountabilities;
- context setting and integration of work, prioritising and resource integration
- dealing effectively with conflict
- leading a team using an understood process where roles and accountabilities are clearly understood
- driving performance using a felt fair and trust building process

In addition to these competencies senior leaders need another level of competence including;

- Designing strategy and executing upon it,
- Building and aligning effective structures
- Designing effective work systems/processes
- Understanding their Manager Once Removed (MoR) authority and accountabilities
- Communicating effectively at all levels.

That people must interact to achieve their work outcomes is cornerstone of R.E and our leadership programme directly addresses the five concerns of all employees, namely:

- ★ Where are we going?
- ★ What's my job?
- ★ What's our plan?
- ★ How am I performing?
- ★ What's my future?ⁱⁱ

On behalf of World Education Australia, a heartfelt thank The Working Journey for providing the capability review of our senior management team. The short finalisation workshop with our Board Chair last week was most valuable and closed out the assignment neatly for us as well. Special thanks for conducting the in-depth interviews.

Not only were they enthusiastic and competent in their consultation they were exceptionally thorough in their approach; ensuring we have a clear idea of the capabilities of the senior members of the team, where they are at now and by understanding how they make decisions, how they can better contribute to the organisation in future.

The Board and I are most grateful for this information which will be used to develop succession plans by better appreciating the career paths of these important team members.

*Once again, we have thoroughly enjoyed working with you and your team. Your contribution to improving our employee engagement and innovation will assure improved organisational performance as we work towards our mission; providing people living in hardship with opportunities to invest in their own lives. The benefits of the restructure had been enormous. **Guy Winship. CEO. World Education Australia. 2016***

4. OUR SERVICES-

Our services may be integrated into offering a complete service to give your organisation the capability to become requisite itself. This is a way of being, knowing and doing and is owned by every managerial leader. *It is not owned or driven by HR. The custodian is the CEO and HR is accountable for providing where necessary the systems of work to support this transformation.* Requisite Enterprise is a fully integrated way of designing and operating an enterprise.

Here are some of the standalone offerings:

Requisite Leadership Review – how requisite is leadership in your organisation? What is your leadership risk? How effectively do you serve your internal customers...We offer a range of audit and review services that allows both for organisational leadership assessment to identify risk to delivery and which provides a platform for individual development.

Levels of Work Reviews - These reviews applies the principles of organisation design to the structure and provides an analysis of how effective the structure is for its purpose both in terms of risk to delivery and to frustrating employees. Check for missing levels, overlaps, duplications, authorities and accountabilities.

Individual Capability Interviews - online or face to face. *Integrates with Levels of Work Scan to provide a dynamic real time picture of how the work system is operating and*

what may need to be done. Capability Interviews are important for understanding individual Journeys, talent pool mapping and development.

Rapid Talent Pool Management – Rapid Talent Pool Evaluation can deal with larger numbers and is a process managed by line managers and the Manager Once Removed. Very practical and allows for succession planning and development.

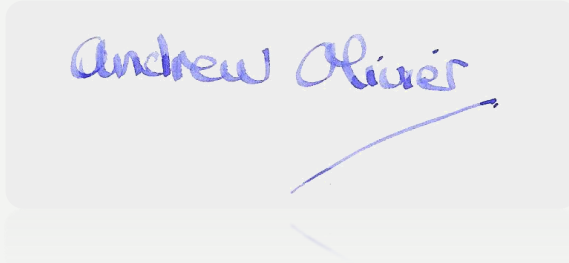
Work System Design – Requisite Principles offer a wonderfully practical and tested approach to designing roles to deliver on your strategic intent. Vertically, horizontally and across the organisation. Specific focus on bringing clarity to cross functional role relationships

Organisational Leadership Effectiveness Programme

For Requisite Leadership – Once the groundwork is done (marked with *) the induction to R.E workshop is held with the CEO/ Executive Leader presenting ot his or her leadership team with us facilitating. The focus is on your strategic intent and how do we create the enterprise to achieve it and create workplaces based on trust and felt fairness. For the executive team down to supervisory levels.

Organisational Restructure. - a comprehensive approach for large scale change programmes with effective outcomes. We work with you and your team in a logical and structured process of analysis and redesign for purpose. People, Structure and Leadership aligned to long term strategy and tactical milestones. Based on the book “Organisational Design, What Your University Forgot to Teach You”

If you are interested in next steps, please contact me for a further discussion



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Requisite Enterprise has assisted greatly in providing clarity and process in structuring the organisation to deliver the strategic plan. The methodology of determining levels of work and roles within the levels is invaluable as the output is a well-structured organisation which is efficient, agile and effective. To a CEO this is powerful.

The unique value add within roles not only gives the organisation a clear view of the synergistic structure and capability it has at its disposal but also the individual has a sense of meaningful worth in the business as well. Within the value add of roles is the accountability and authority of the role and it is here, as all parts of the organisation operate in a synchronised motion, that speed and accuracy improve along with decision making. Again, to a CEO, this lays the foundation for a successful business. ***Tony Wojciechowski, Managing Director 2014. National Pharmacies.***

Selected References and other readings...

A full range of current and historical books and publications relevant to Requisite are obtainable from here:

[Books by Organization Design Practitioners Using Levels of Work Complexity & Human Capability](#)

Other papers of interest:

- Brause, A. (2000). [An Investigation of Presidential Elections Using Jaques' Construct of Mental Complexity](#). Unpublished Doctoral Dissertation, University of Texas, Austin.
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"Whenever I take an assignment, one pre-requisite is that of getting an agreement that I can use the principles and methodologies of Requisite Organisation. The main reasons are that I have found it to be a competitive advantage and that it helps me towards realising a vision of improving people's daily life in the jungle of the organisational complex, big or small. Everyone deserves to have a great manager that shows a broader perspective, a clear delegation of tasks and company that helps gradually growing his/her challenges and work in line with the person's inner potential." **Christoffer Andersson. VP Billing and Customer Care. Ericsson. India**

when it is first presented to you, this is a complete organisation structure, management system... helps when you are downsizing because of some financial constraints or challenges and also helped a lot now, in terms of growing the organisation and that is where it is really showing its power. **Thad Simmons, CEO Novus International. USA.**

If looking at Elliot's functions it terms of lets look at work, outputs of work, how does work get done inside that organisation , you are looking at something that has with stood the test of time. **Thomas Kelly, Deputy Undersecretary, US Army**

ⁱ Requisite Organisation is a copyright name to Elliott Jaques and Cason Hall and is based on his book "Requisite Organisation" published by Cason Hall in 1986 and reprinted several times with updated ideas.