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GO Global Organization Design Society

**Don Fowke FCMC, Ken Shepard Ph.D.,
Herb Koplowitz Ph.D. and Maurice Dutrisac MBA**

Imagine a way of organizing your company that shareholders love, managers appreciate and employees trust. This is the promise of Global Organization Design (GO). Inspired by the late Elliott Jaques, it is a whole system to implement your strategy that is internally consistent and builds on root causes. It improves performance and profitability, aligns accountability, and creates clarity in roles and responsibilities.

Global Organization Design, sometimes called requisite organization, or stratified systems theory, is used worldwide in more than 200 organizations. The first principle in GO is getting work done at the right level. There are seven distinctly different levels of work complexity in a typical international corporation like Tembec, say, or eight in a behemoth like General Electric. These levels range from the first line worker at Level I, through the general manager at Level IV and business unit president at Level V, to the corporate CEO at Level VII or VIII. An important design principle is to get these levels right, so that the next higher one can set appropriate context for the work at a given level. Too many levels in an organization and there is confusion and redundancy. Too few and there is lack of direction. Just right and there is clarity and accountability.

The system works because human psychology is organized in the same way. Jaques' research has identified comparable levels of cognitive

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Elliott Jaques 1917 – 2003

In honor of the work of Dr. Elliott Jaques, Canadian-born researcher, clinician and consultant on organization design and effective managerial leadership practices, the Global Society for Science-based Management will hold an international conference on August 9, 10, 11, 2005 at the Bank of Montreal's Institute for Learning in Toronto. The Global Organization Design conference will host 200 academics, business users and consultants from Canada, the United States, the UK, Sweden, Australia, New Zealand, South Africa, Argentina, Brazil, and India, where Jaques' work has been influential. It will feature case studies of major projects demonstrating the significant benefits of the system, and will maximize sharing of knowledge, concepts, tools and methods. Day One will be designed especially to meet the needs of senior executives. Also during 2005, the Society will sponsor a variety of orientations and workshops in Requisite Organization to prepare Canadian executives to take maximum advantage of the conference.

For information and registration:
<http://www.GlobalIRO.org>

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Ken specializes in strategy formulation, organization design, and strategy implementation. He is Principal with the Canadian Centre for Leadership and Strategy. He founded the management of change program at the Niagara Institute and directed it for a decade. He earned his doctorate in management from the University of California at Los Angeles.



Herb Koplowitz Ph.D.

Herb Koplowitz is a philosopher of science and a management consultant. His gift is to help his clients understand organizations and organizational issues in a new way that allows for simple diagnosis and getting to root cause. He consults in organization design. Herb is a graduate of Cornell University in mathematics and philosophy and holds a Ph.D. in psychology from the University of Massachusetts. He is a Registered Psychologist in Ontario.

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capability in people. Getting managers in levels that match their capability at a point in time is key to making the organization work. Slotting people at too low a level breeds frustration, boredom and dissension. Putting them in over their heads is the path to the Peter Principle. People grow in their cognitive capability in predictable ways through their careers. This allows planning of the corporate talent pool, so that managers get the skilled knowledge and experience they need to operate at increasingly higher levels throughout their working lives. It also ensures that the organization has the leadership talent it needs, and when it needs it, and that upwardly mobile people get the support, skill development and executive education they need to realize their potential.

This attention to the clear bands of complexity in the work at various levels, and the concomitant cognitive capability of executives, sharpens staffing decisions. If you want to grow a department or business unit, for example, put in a manager whose current cognitive capability is one level too high. On the other hand, if you put someone in who is a level too low, this is formula for collapse.

The GO organization levels also relate to time span of discretion, which refers to the longest task assigned to middle managers and the scope of CEOs operating with strategic parameters twenty years and more into the future.

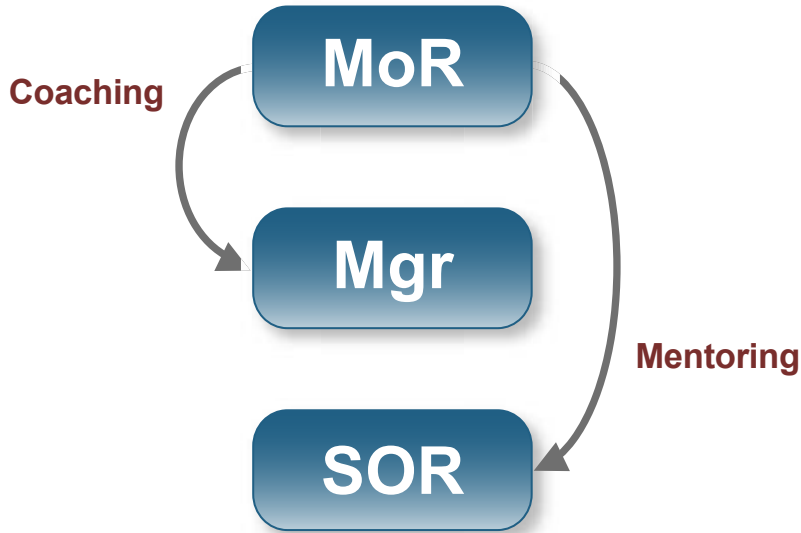
The second principle in GO is that managers are accountable for the results of their subordinates. This means you as a manager are judged on the basis of the results produced by the people working for you. And it means your boss is accountable for the results you produce. This is very different from saying you are accountable for your results – you are not. You are accountable for your own effectiveness, of course, and how well your people do, and to be so you need to understand them and what they need and be able to coach them and support them in making it happen. You also need to be responsible for having the right people in the right positions, and moving them out when they are wrong.

The third principle in GO is that your boss's boss – your manager once removed – is accountable for your longer-term career development. The manager once removed is also accountable for ensuring that treatment is fair and just; that ongoing personal effectiveness training and coaching is sustained; that clear and effective work contexts are set; and that high output and high morale is achieved.

What these principles set up is a three-level management system where an employee is coached and supported by his boss and mentored by the manager at the next level up. Accountabilities for performance, short- and long-term, are clear, and the system enhances trust.

“The second principle in GO is that managers are accountable for the results of their subordinates.”

Three-level Management



There are other aspects of GO that are important too. Some have to do with clarity of authority and accountability among managers at the same level. These, for example, distinguish among monitoring, prescribing, service-giving, and auditing accountability and authority. Others have to do with compensation practices that are felt fair for all managers and employees.

The bottom line is that “requisite” organizations perform better. An appliance company, for example, achieved 33 percent growth rate in a

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flat market to become number one in the country. A beverage company achieved a 20 percent increase in sales per employee. GO principles, not capital investment, were all that were needed to make these things happen.

Shareholders like Global Organization Design because companies

organized using its principles perform better, make more money, and maintain positions of competitive advantage in their markets over the long term. Managers like GO because accountability and authority are clear and they can get the job done, develop fully in their careers and be rewarded fairly for their efforts. Employees like it for the same reasons as managers, and they appreciate the supporting environment and atmosphere of trust that GO promotes.



Maurice Dutrisac

Maurice Dutrisac is the founder and President of Mastermind Solutions Inc. He is expert in organizational design and rightsizing, process re-engineering, knowledge management, strategic human resources and labour relations management. He was a Vice President with Inglis Limited, Southam Newspaper Group, Fisher Products Group, and Domtar Inc. He is also experienced in the public sector, having served for three years on the Board of Directors of the Workplace Safety and Insurance Board. Maurice holds an MBA from McMaster University and is also fluent in French.

The GO logo is used with permission of the Global Society for Science-based Management. Works by Elliott Jaques include:

Elliott Jaques and Stephen D. Clement, Executive Leadership: A Practical Guide to Managing Complexity, Cason Hall Publishers, 1991, 1994

Elliott Jaques, Requisite Organization: A Total System for Effective Managerial Organization and Managerial Leadership for the 21st Century, second edition, Cason Hall Publishers, 1988, 1996

Elliott Jaques and Kathryn Cason, Human Capability: A Study of Individual Potential and its Application, Cason Hall Publishers, 1994

This and previous issues of the *New Management* dating back to 1989 are available in pdf format for download at: www.new-management-network.com

For other Global Organization Design reports see: www.nmnGlobalOrgDesign.com

The New Management Network

We support executives to act quickly, directly and profitably, on what needs to be done for success.

The New Management Network is a distinctive peer group of independent management consultants who share common professional ideas, understand creative innovation and are dedicated to releasing the human spirit in organizations. Members of the network serve clients on issues of corporate purpose, strategic clarity, company-wide alignment with direction, teamwork and organizational culture.

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