

# Requisite Organisation: The CEO's Guide to Creative Structure and Leadership

*by Elliott Jaques*

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In his popular book on Chaos, James Gleick describes the ways in which order can be seen in chaos through looking for qualities of *self-similarity*. This self-similarity is symmetry across scale: pattern inside of pattern. Think about endless pyramids within pyramids, or pyramids on pyramids. Jaques' book is based on a pattern of self symmetry in the nature of task organization - four layers of task complexity which repeat themselves at every fifth layer; and within each layer of which it is possible to see further layers of four layers. Thought about visually in this way as infinitely embedded pyramids, these layers of self-similarity produce a particular effect for the observer: *it is impossible to get either inside or outside the system being observed*. Any description of complexity has lower orders of complexity embedded in it, and is itself embedded in higher orders of complexity. It is this endless visual detail - this ability to zoom in or out endlessly while always seeing the same structures - which makes these geometries so aesthetically appealing. It can also induce a feeling of vertigo! The challenge that these 'chaotic' systems raise for the subject (for example a Chief Executive or a Consultant) however is how to take up a position in relation to these layers. How does Jaques solve this problem?

Here is Jaques talking about levels:

"Two series of changes of state occur in the nature of task-complexity: the changes from level to level within the quartets of types of task-complexity; and the changes in state of the increasing complexity in the orders of world-scale within which the quartets operate. This theme will become particularly important when we consider *an equivalent structure of orders of mental complexity*, each containing a quartet of levels of increasing complexity in cognitive process." (p32)

The remarkable thing about Jaques' Stratified Systems Theory (SST) is the way in which he has used these embedded pyramids to elaborate the nature of work organizations - **Accountable Hierarchies** (AcH's) as he calls them. The book has the ring of authority born of distilling more than 40 years of practical experience, and is capable of being used for the purposes for which its author intended. It is rich in practical detail. But to be able to work with it there are conditions:

"To get the best out of this book: *first*, you must be prepared to understand the theory and the concepts it presents. And *second*, you must be willing to undertake a substantial long-term program of organizational and human resources development in which you

yourself and your senior colleagues sustain a personal interest and commitment. I know of no easier way to give strong leadership for these developments." (Memo)

What kind of conditions are these? What is Jaques offering? In order to understand this I looked to the section on Afterthoughts. In this Jaques speaks of the ways in which his own evidence and clinical experience have thrust him in the direction of Freud and psychoanalytical theory as developed by Melanie Klein. He identifies two kinds of organizational structures and processes, one of which can make it easier for people to work together through their ability to sustain loving relations between employees (philogenic), and one of which makes it more difficult through stirring feelings of suspicion and mistrust (paranoiagenic):

"At the heart of the very earliest stages of individual development is the struggle to cope with powerful destructive impulses, in the course of which we are prone to see everyone else, even the ones we love, as destructive also, and so we are subject to intense paranoid feelings. These paranoid feelings are reinforced by primitive impulses of envy and greed (and later by disruptive guilt). The conflicts engendered as a result of these processes are never completely resolved. They are readily stimulated in adulthood by circumstances which can give rise in many ways to suspicion or mistrust." (p133)

Requisite organization then is organization which encourages philogenic relations:

"Creativity and innovation, like freedom and liberty, depend not upon the soft pedalling of organization, but upon the development of institutions with the kind of constraint and opportunities that can enable us to live and to work together harmoniously, effectively and creatively. I call such conditions *requisite organization*...." (p1)

"Requisite institutions are those institutions whose articulated structure and functional arrangements provide solidly regulated conditions of trust in working relationships, and hence of authority with freedom and justice." (p132)

SST defines the conditions for coherence and consistency across an Ach through which any *extant* organization can be rectified to form *requisite* organization:

"Your understanding of the extant organization can be of great practical value. First, it can give you clues about the possibly requisite by giving you a picture of how people intuitively judge the place can be made to work best, in spite of current confusions and unclarities - for by and large we do try to get our work done as sensibly as the situation will allow! Second, it gives you a significant picture of just what changes will be necessary in order to get from the current real situation to the requisite - and these changes can be demonstrated to those concerned. Discover the extant and use it as a stepping stone to the requisite." (p11)

How does Jaques suggest we set about achieving this? It is in relation to this question that I begin to have difficulties. I introduced the metaphor from Chaos not only

because the visual imagery of the embedded pyramids is striking, but also because of the problem of the observer. How does the subject locate himself in relation to these pyramids? How is the subject supposed to know? Jaques is certainly not very complimentary about the current state of affairs in organizations and the field of management science:

"Any true science must have a language of univocally defined concepts. *Without such clear meaning it is impossible to think, or to test propositions, or to talk to one another with any hope of understanding. And you certainly cannot train people.* But that unclarity is the ruling state of affairs in organizations and the field of management science. There is *not one single unequivocally defined concept in the whole field.....* If you want to check this criticism, *write down* what you think is your own organization's commonly understood meaning of even one of the (above) concepts, and then check your definition with those of a few of your senior executives..... As a result of this conceptual Babel, our field is much like alchemy in the 15th and 16th centuries.... It is intended that the concepts put forward (in this book) should be used specifically as they are defined, and in no other way." (p7)

So does Jaques know better? For him it would appear that the subject-who-knows is someone whose own cognitive processes reflect the same structures. The projection of these structures into the world articulates a capability for dealing with different orders of *time-span*, the measurement of which is at the center of the whole book. It all sounds a bit tautologous. Could he simply be saying 'trust me' to the CEO in the opening Memorandum?

In practice Jaques goes to enormous trouble to build consensuality about the nature of the institution. But are we to accept that the only conditions in which the benefits from his learning are to arise are under circumstances in which the CEO's commitment to his theory is unequivocal and the CEO's use of his concepts univocal ? This *sounds like* 19th Century scientific idealism. So what happened to metonymy, metaphor, power, paradigm, vested interest, difference? Is the solution to the problem of the observer simply to 'think like Jaques thinks'? What is being taken for granted here?

I think the lacuna which obscures Jaques presence is his relation to what cannot be said:

"I am going to use 'words' to refer to all forms of articulated thoughts and ideas: words, formulae, models, designs, mathematics, and all other symbols which we can use to communicate to one another about the world. We can ask if all thinking and decision-making must take place with words. The answer is: some but not all - and the distinction is of great practical importance if you want to understand what human work is about. The mental processes that go on in words constitute our knowledge. There are also underlying mental processes that are not in verbal form. These are variously referred to as sensing, unconscious, intuitive. I shall simply refer to them as non-verbal thinking..... The work which you experience as the effort in decision-

making is the effort in giving direction to the non-verbal thinking process and bringing or allowing the outcomes into verbalizeable awareness, so that they can become part of you knowledge and available for conscious use in problem-solving." (p35)

Jaques has nothing to say about what cannot be said... except perhaps at the end of the book to suggest that the CEO "feel free to get in touch" (p130) It is true that Jaques restricts the applicability of this book to accountability hierarchies. But what are we assuming about human organization by reducing them to this? And how is that which is left out to be taken into consideration? How do the assumptions the CEO makes about 'market forces' influence his development of competitive strategy? Do accountability hierarchies restrict us to particular ways of competing?

I suspect that the *usefulness* in what he has written lies in the way in which he *interprets* it in relation to the particular of his experience. Like an analyst perhaps? So are we (the Other Serious Readers of his introducing Memorandum?) to become analysts if we are to work with this book in practice? If process follows structure, is there to be a Requisite Organisation II - what the CEO didn't see?! Jaques sets high standards by which to be judged. What he has achieved is a milestone in the understanding of organization. But I think Jaques has developed an explanation of what he has learnt from his 40 years' experience, and left his own position out of it.

Gleick, J. (1987), *Chaos - making a new science*. Sphere Books.

### **P.J. Boxer**

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