

Requisite Organizational Design

The power of know.

Overview and Best Practices

By: Glen Sollors



Contents

- Requisite Organization Overview 3
- Requisite Organization Terminology..... 4
- Creating a Requisite Organization 6
 - Step 1: Define the Outcomes 6
 - Step 2: Describe the Work 6
 - Step 3: Establish Guiding Principles for Teams 8
- Requisite Management..... 8
 - Management Practices 8
 - Management Structure..... 9
- Conclusion..... 9

Requisite Organization Overview

The natural approach to Organizational Design.

It's common sense: in order to achieve long-term goals you need to do the right work. Requisite Organization is a method of clearly defining the nature of work and relationships required across an organization in order to enable desired results. Implemented correctly, every employee will **know**:

- what I do
- the outcome of what I do
- what others do
- how to work with others

Knowing all this leads to employee engagement, innovation, communication and a vested interest in organizational performance. The tool used for enabling this work – a **role profile**.

How?

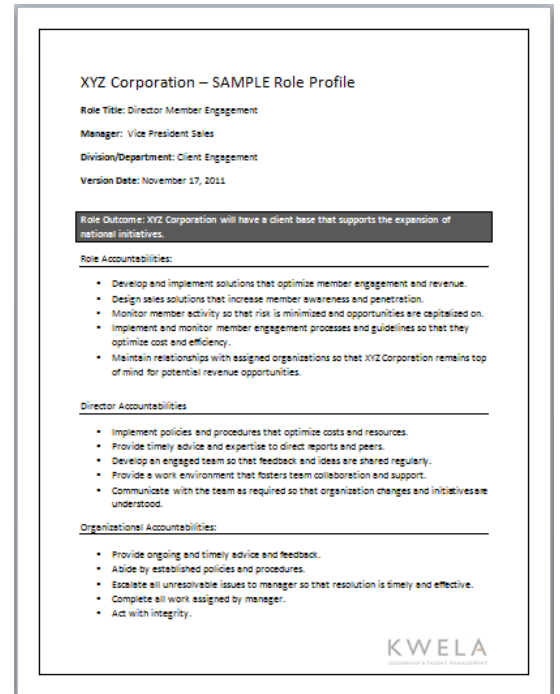
A role profile is a negotiated document between a manager and employee – tool if you will – detailing the work they are accountable for and the authority that goes with it. This includes the outcome of work and who they need to work with; it breaks down silos, eliminates confusion, removes duplication and gaps in work; and builds trust. By managers setting clear and achievable expectations, they enable employee success. The role profile is the tool that drives the right behaviours needed to achieve goals. What is written is done.

Why Managers?

A manager's role is to optimize team performance. They assign work. As such, they must be good at:

- **having the right roles and people**
- **filling any capability gaps**
- **streamlining communication and conflict resolution**
- **creating team work**
- **delegating**
- **engaging their people**

Before getting into the details of how to implement requisite organization and best practices, it's important to know some associated terminology.



Role Profile

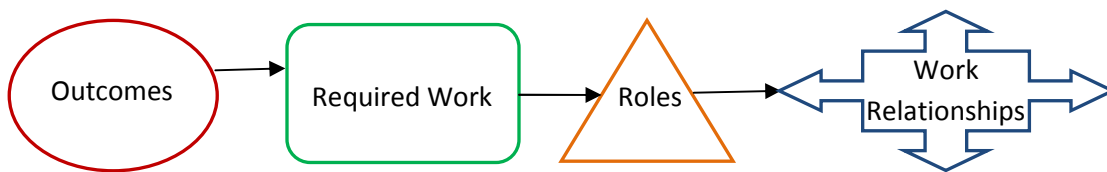
Requisite Organization Terminology

Accountability:	An agreement on all aspects of what will be done; the result.
Authority:	The power a role has in making decisions.
Context Setting:	Explaining how requests or information applies to the recipient of the message. What will motivate or inspire them? This facilitates trust, dialogue and decision making.
Cross Functional Work Relationships:	The definition of the authority and accountability between roles that are horizontal or lateral in function.
Individual Contributor:	A role that completes the final output themselves.
Leadership:	Managerial leadership; setting the purpose and direction for subordinates so they have the confidence, commitment, competence, pathway and enthusiasm required to do the work.
Manager:	Accountable for defining work and the success of direct reports; ensures capabilities and behaviours match requirements.
Manager Once Removed:	The manager of a subordinate's manager.
Process:	The way things should happen.
QQT/R:	Quality, Quantity, Time and Resources.
Requisite:	Something required or necessary for a particular purpose, position, etc.
Role Complexity:	Complexity of tasks measured by time-span.
Role Relationships:	The relationship of role connections defining accountability, authority and scope.
Strata/Stratum:	Organizational layers based on levels of work complexity.
Structure:	The natural structure based on the nature of things.
Task:	Assignment to produce a specified output.
Work:	Judgment and discretion used in making decisions while carrying out tasks.

A call came in from an irate customer. The person answered the phone and passed the call to another person who they thought was the right person to talk to. That person said, “No, you have to go to right person to answer the question.” The call was transferred but then was dropped. The irate customer became more irate and now asked for the right person who ended up not being the right person, so they spoke to another person who assured them that the right person would call back. That person called the next day stating that the client needed to talk to the right person as they were the wrong one. The right one eventually did call but then didn’t have the authority to be the right person...

Sound familiar? Now, imagine what may be going on inside that organization.

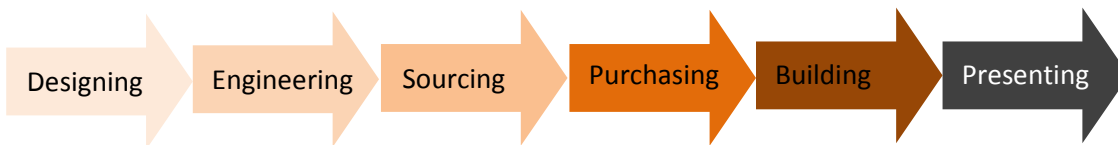
Requisite Organization starts with knowing the strategy and expected outcomes, determining what work is needed to achieve them, who ideally should do the work and then evaluating how people need to work together.



This process starts at the top and works its way down to every level of the organization, resulting in every role knowing who, what, why and how work is done. This information is documented in the role profile.

What becomes clear in creating a requisite organization is that working in silos is the root cause of many problems organizations face. Not knowing what others do or how to work effectively creates behaviours that focus on individual power versus team. When defining work and outcomes, what becomes certain is that roles are extremely interdependent.

For example, if a condominium construction company is building a new high rise (the outcome); the work required may look like this at a high level:



Different work is done at each stage and if each is not considered in the big picture of how they need to work together, the project could be negatively impacted in duplication of work, cost over-runs, completion time and more. By understanding the end goal, organizing requisitely considers all factors that impact work such as functions required, management hierarchy, capabilities, required relationships, authority and who is accountable for what. Performance is maximized.

Creating a Requisite Organization

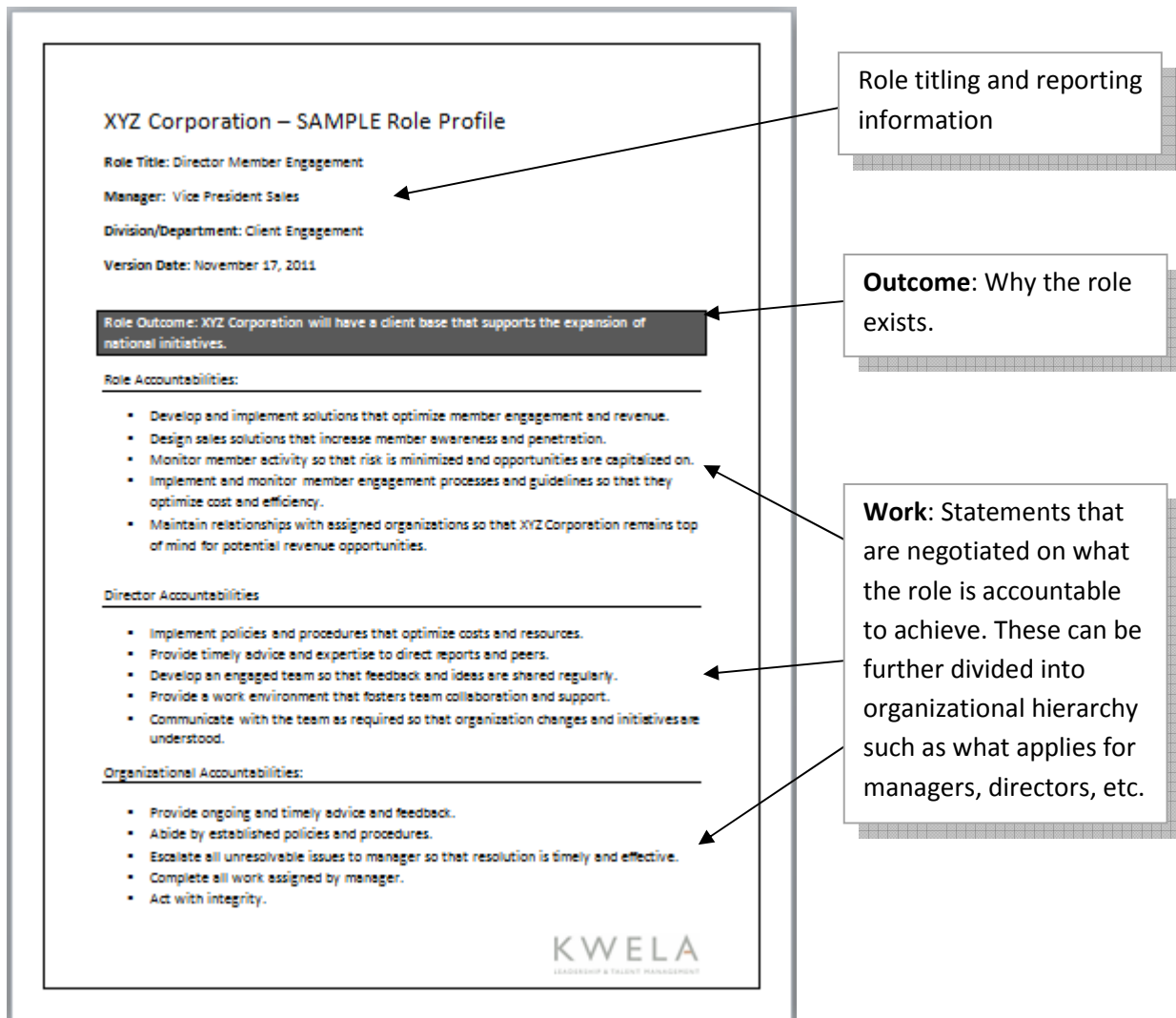
There are three critical steps in creating a requisite organization in order to ensure **knowledge leads to power**.

Step 1: Define the Outcomes

Every role in an organization must provide a specific value and outcome. Starting with the most senior role, determine what their work will lead to. What is the single most important reason the role exists? At a president's level, it likely will encompass the impact the organization has on respective communities. When assembling a puzzle, you first look at the big picture, then determine the corner pieces and work inward – each. Each piece is dependent on another and has a clearly defined fit. By defining the outcomes, you are putting together the organizational puzzle – who needs to achieve what?

Step 2: Describe the Work

What work makes sense for the role based on organizational requirements? This is documented in the role profile.



The role profile makes it clear why they exist and how to work with others. Unlike a typical role description, the profile is not task specific (how the work is done), but rather, outcome specific (what needs to be achieved).

Page two is where the role profile completely differentiates itself. This page is about what the role requires outside of itself in order to achieve the outcome.

Cross Functional Work Relationships:

- 1. Marketing Activities**
Provide the Marketing Director timely feedback and advice on the impact of marketing activities with clients.
- 2. Revenue Forecasting**
Advise the Credit Director of monthly revenue forecasts so that profit and loss situations can be managed accordingly.
- 3. Project Deliverables**
Coordinate project requirements in collaboration with Project Leads so that execution meets established timelines.
- 4. Client Innovation**
Inform the Program Director of Member requirements or changes so that programs meet expectations and maximize effectiveness.

Subordinate Outcomes:

Consultant:
Member engagement activities will meet current trends in the industry sector.

Client Manager:
Member Engagement service scores and revenue will be optimized.

Administration Assistant:
The Member Engagement team will have the support required to effectively manage member relationships.

Notes:
All work required by roles other than the manager may be negotiated based on Quality, Quantity, Time and Resources.

Cross Functional Work*:
Statements of accountability and authority agreed upon by supporting roles. This is what a role needs from another one in order to do their work.

Direct Reports: In management roles, the outcomes of direct reports that enables overall outcome. This provides a clear picture of how each role is interdependent.

KWELA
LEADERSHIP & TALENT MANAGEMENT

*Authority Requirements

In order to reduce conflict, roles need to agree on levels of authority in their respective relationships. There are seven ways authorities can be specified in the authority one role has over another.

- 1. Advising:** Providing advice. Role must listen and can then exercise their authority.
- 2. Auditing:** Inspecting and approving work within prescribed limits.
- 3. Collateral:** Agreements with roles from the same manager in how to perform work.
- 4. Coordinating:** Bringing roles together to achieve a common objective.

5. **Monitoring:** Evaluating work and advising on required/suggested changes.
6. **Prescribing:** Instructing on what activities are required. Receiving role must act on these.
7. **Service Getting/Giving:** Providing services agreed upon within established quality, quantity, time and resource parameters (QQT/R).

Step 3: Establish Guiding Principles for Teams

The role profile sets up teams for success. Once managers and subordinates have completed the role profile, they must ensure that everyone else on the team understands what everyone else does. Knowing this, the team is now in a position to figure out how they best work together in supporting one another to be accountable. It is crucial that this process is facilitated so that subordinates come up with solutions, not necessarily the manager. The manager does provide their stamp of approval.

The result is a document of guiding principles and accountabilities on how the team works collaboratively to achieve results. The team must also evaluate barriers, gaps, and opportunities that impact them being able to deliver on their outcomes.

Requisite Management

Management Practices

Despite requisite organization efforts, the potential bottleneck to success lies with the manager. Management empowerment can be the most complex part of the process; however, done effectively, creates strong sustainable results and helps build stronger capability across all roles.

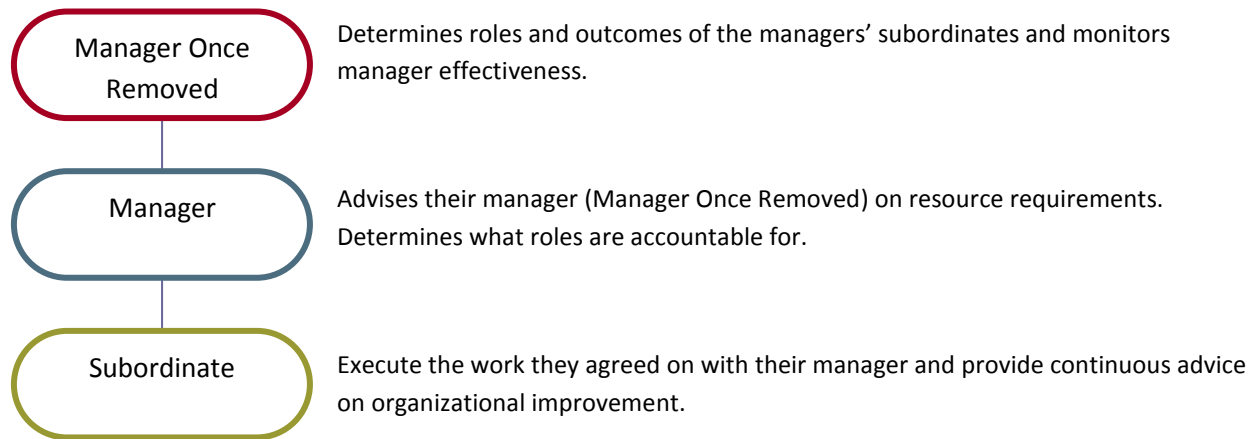
Managers are accountable for team success, therefore they need the right skills, behaviours, and authority; this includes hiring and firing. Work starts and stops with the manager. Accountabilities include:

- providing roles the capabilities to meet performance requirements; this includes having the right people
- assigning work to direct reports
- evaluating and implementing merit increases are suitable within policies
- creating an environment where subordinates collaborate and work together effectively
- generating input on opportunities for continuous improvement
- ensuring the team understands and exercise policies and procedures.

In order to fulfill accountabilities, managers must be capable of setting right context, defining expectations, managing performance, facilitating feedback and dialogue and holding people to account.

Management Structure

Requisite Organizations have a tri-level management model to enable issues, opportunities and conflict to be resolved quickly. For example, Management escalation: if decisions are not agreeable at a role level, the decision is escalated until it reaches a cross-over manager – the manager both business functions report into. This manager would make the final decision. The structure is as follows and applies to all organizational layers depending on where you sit in the model.



Conclusion

Organizations that effectively implement requisitely have the capability to achieve long term goals through employees that know why they are important, what's expected and how to work together. By being clear on their value and accountabilities, there naturally comes a vested interest in wanting to make things better. Managers who leverage this are better able to foster a collaborative environment that increases team and organizational performance. Desired results are achieved.

There is clear power in knowing.

Please contact Kwela Leadership and Talent Management for more information on building a requisite organization.

www.kwelaleadership.com