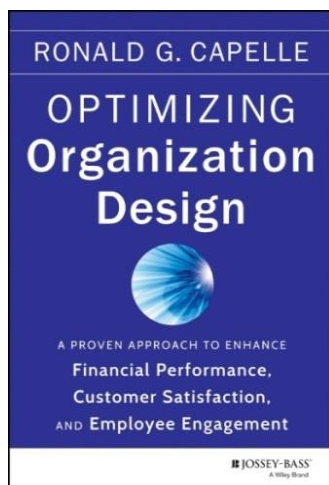


## Book Review:

### *Optimising Organisation Design* by Ronald G Capelle PhD



Optimizing Organization Design from Capelle is a timely addition to the body of literature based organization design around Requisite Organization principles given that 2013 is the 10<sup>th</sup> anniversary of Elliott Jaques' passing. The book is sectionalized into a body of writing around six cores based on organization design and enhanced by a number of Appendix that monopolize the latter half of the book by deriving their content from 25 years of client experience, research and industry based case studies. The work is rounded off by a glossary, reference list and index. This is a well thought through integrated package of theory, applied knowledge and practical application of the principles of organization design by Capelle.

Chapter one introduces the book thematically by alluding to the basics around why it is necessary to ensure the optimum organization structure is in place in your company. Themes include: employee and customer satisfaction, financial and competitive performance, ROI, strategy, HRM, on-going research and client experience. The introductory chapter serves two purposes in that it allows experienced practitioners to quickly skim over the material while at the same time providing in-depth background information to someone relatively new to organization design and development based around stratum systems theory.

Chapter two is comprehensive (pp. 20 to 137) and by far the major contribution to the theory buttressing the book. Systems theory, the research of Elliott Jaques, systems change models, time span, stratum 1 - 8, explanations of work and a summation of how all of these concepts meld into a 'requisite' organization are explained. Of note is the use of the word 'alignment'. There is alignment of positions, accountabilities, authorities, people, deliverables and tasks to name just a few. Capelle fuses together systems theory and the principles of requisite organization to complete the chapter with a focus on aligning the individual parts into a cohesive organization. I particularly liked the simplicity of the diagrams in graphically displaying the concept under discussion and the descriptor clarifying the differentiation between stratum I and II and how this translates into the workplace. The stratum I/II interface has never been an easy concept to apply in practice in a meaningful way that accurately reflects the theoretical DNA heritage.

Chapter three explains the steps in undertaking 'organisation design implementations' in a short succinct fashion via an implementation model and number of dot-point memory joggers/lists. The adaptation of a basic three stage change model in Figure 3.4 enhances the understanding around the middle stage of 'moving' while concurrently highlighting the importance of the human factor (people) in change interventions. The criticality of executive leadership and the head of the organization 'in staying the course' within the target company completes the chapter.

Chapter four is a short chapter that describes the process from initial contact through to completion of the assigned project. This chapter introduces a suggested basic template for projects undertaken between a company and an external provider.

Chapter five converges on ‘the role of the board’ as noted in Figure 5.1: Governance Model. Themes dealt with include selection of board members, the work of a board, projects, interface linking a CEO and the board and compensation matters. Depending on the company size, discussions on board selection more often than not embrace a conversation around the top quartile of stratum levels - certainly stratum V and above. I consider this chapter as more of an introduction, rather than an analysis in depth, of the appropriate stratum a board should be recruited from or operating at. The whole issue around board member selection, makeup and competencies resonates with me as being crucial and worthy of additional analysis, in a post GFC business environment.

Chapter six completes the theory section underpinning the book with a ‘call to action’ based around Capelle’s 10 reasons on why organisations tend not to optimize their organization’s design. Working through this section a number of times is well worth the effort as the research supporting the assertions has been amassed into a client database over an extended period of time.

Appendix A describes client experience, appendix B is grounded in the research of Capelle Associates and appendix C introduces four case studies spanning financial services, railways, power generation and health care. Combined, the appendix make up half of the book’s mass and are a rich vein of practical examples to complement the earlier theoretical aspects of organizational design.

Optimizing Organization Design is a substantive work comprising 462 pages in a traditional hard cover paper version or e-book. This book is not ‘organization design for dummies’ or a basic ‘how to do it manual’ but a significant researched and written addition to the current field of knowledge. The book is a worthwhile purchase if you are interested in a contemporary reference on process, theory and practice of organization design based around the principles of Elliott Jaques’ Requisite Organization. Optimizing Organization Design’s peerage is underwritten by 25+ years of consulting experience from Capelle Associates spanning a diverse range of industries utilizing elementary five stratum business unit structures through to the C-Suit and board room at stratum six and above.