

# GLOBAL CEOs vs. World Leaders

## *The Earth is Spherical*

~through the lens of Elliott Jaques~

By Mark Goodall

One of the observations I have made to some working in Stratified Systems Theory (SST)<sup>1</sup> relates to a stretch of analogy having to do with learning the Earth is spherical. My suggestion, nay accusation,<sup>2</sup> was that SST has been bogarting Elliott Jaques' human capability work<sup>3</sup> – containing it in management science. I have, in sport, made a somewhat oblique comparison to the spherical Earth, to wit: The fact that the Earth is round was shared with all humanity instead of being captured in the shipping industry. Okay, that was a bit of an over-simplification of the difficult and lengthy transition in that thought and perspective, and I suspect that many struggled with the implications of a universal sharing of such knowledge.

What I propose to do here is provide another global perspective, or illustration, through the lens of Elliott Jaques; and we might speculate about the implications of a view that is likely different than that held by the 80 percent.<sup>4</sup>

There are 195 countries on Earth. Consider the top 100. How we define “top” is not important for this essay. Then we select the top 100 global companies. Again, I am not going to get bogged down here on how they

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<sup>1</sup> Jaques and Cason, *Human Capability*; Jaques, *Requisite Organization*; Lee, *The Practice of Managerial Leadership, 2<sup>nd</sup> Edition*; Macdonald, Burke & Stewart, *Systems Leadership, Creating Positive Organisations, 2<sup>nd</sup> Edition*.

See also Requisite Organization: According to Wikipedia (smile), “Requisite organization (RO) is a term and methodology developed by Elliott Jaques and Cathryn Cason as a result of the research in stratified systems theory, general theory of bureaucracy, work complexity and human capability over 60 years.”

<sup>2</sup> Playful - playful accusation – smile.

<sup>3</sup> The reader should know that my analysis includes extensive study of Jaques' work and correspondence with persons working in and with Requisite Organization. Catherine Burke, who wrote *Systems Leadership* with Ian Macdonald and Karl Stewart, has observed: “You might want to note others who have contributed to SST — Wilfred Brown, Gillian Stamp, Ian Macdonald, Lucy Lofting, Karl Stewart and a number of others. It is not simply people who follow Requisite Organisation who have applied and developed this work. Elliott's ideas about 4 orders of human information processing was first put forward by Ian Macdonald, “Stratified Systems Theory: An Outline” Individual and Organisational Capability Unit. BIOS, Brunel University, 1984.”

<sup>4</sup> A rule of thumb reference to the percentage of the world population who work at stratum 3 or lower capability – basically, the backbone of the globe.

are selected. It is customary to use measurement of size including revenue and capitalization.

Before the turn of the last century, I had concluded that future security and prosperity depended on global companies. I felt the networks of commerce and economic interdependency could create a binding, and safety, network that could discourage, or deal with, rogue actions while at the same time provide work so needed by sapiens. However, the economic crises and bubble bursts straddling the century-turn caused me some angst. My analysis now includes the work of Jaques; and through that lens, I am back on board - and of the view that the presidents of countries, and the marginally effective United Nations, have been incapable of providing a basis for long term security. But why - could it be capability?

“Strata” can refer to the size of a role, and to the capability (including complexity of information processing) of a person working in a role. Applying Jaques’ human capability assessment and basic SST analysis, we can assume the top 100 global CEOs have stratum 7 (or greater) capability.<sup>5</sup> I would argue, however, that the top 100 presidents<sup>6</sup> are stratum 5 or lower. That would suggest a two-level, or greater, separation in capability.

With the breakdown of tribalism, and the rise of industrialism and large urban populations, we now find that management accountability hierarchies are, by far, the largest sources of employment, and that employment (work) is essential to the well-being of humanity.<sup>7</sup>

This raises the question, of course, of what it is about the various processes of selecting presidents that result in such a capability gap. Such processes are obviously dissimilar to the process of selecting a top 100 global CEO. Further, we cannot assume that a president has at her disposal a high capability infra-structure, or deep state (smile), to bridge the gap. The grunt of government is essentially stratum 3 assisted by 2s – right? On the other hand, I presume we have some higher capability exceptions in the military, state, and commerce departments. Higher capability people are, in small percentages, sprinkled throughout large

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<sup>5</sup> Attached is a Potential Progress Data Sheet from Jaques, *The Life and Behavior of Living Organisms*.

<sup>6</sup> I am not assessing the current U.S. president – I am generalizing.

<sup>7</sup> See Jaques, *The Life and Behavior of Living Organisms* and Jaques, *Social Power and the CEO*.

populations, but we cannot assume they exist in environments that permit them to be effective at a higher level.<sup>8</sup>

Because of its global position, influence and relationships, I am of the view that the size (complexity) of the role of President of the United States has grown significantly since the country was founded, but the capability of our presidents has remained relatively flat.

Management accountability hierarchies (businesses), global and domestic, have tremendous responsibility in determining the long-term future well-being of humanity, initially by providing work, so essential to meeting people's needs, and to mental health. Employment can then be enhanced by determining the right role for the right employee based on capability. Finally, hopefully, businesses can provide felt-fair pay.<sup>9</sup>

We do not have, and are unable to implement and manage, systems to elect or install presidents with the requisite capability to effectively plan a generation into the future. Nor can we rely that there is an adequate, supported, sprinkling of high capability staff in a position to make up the deficit.

Jaques', *Social Power of the CEO* cautions CEOs of their important responsibility in providing quality of life for workers and families. This new power class must step up to provide a safety net for the struggling presidents around the globe.

Respectfully submitted,

*Mark Goodall*

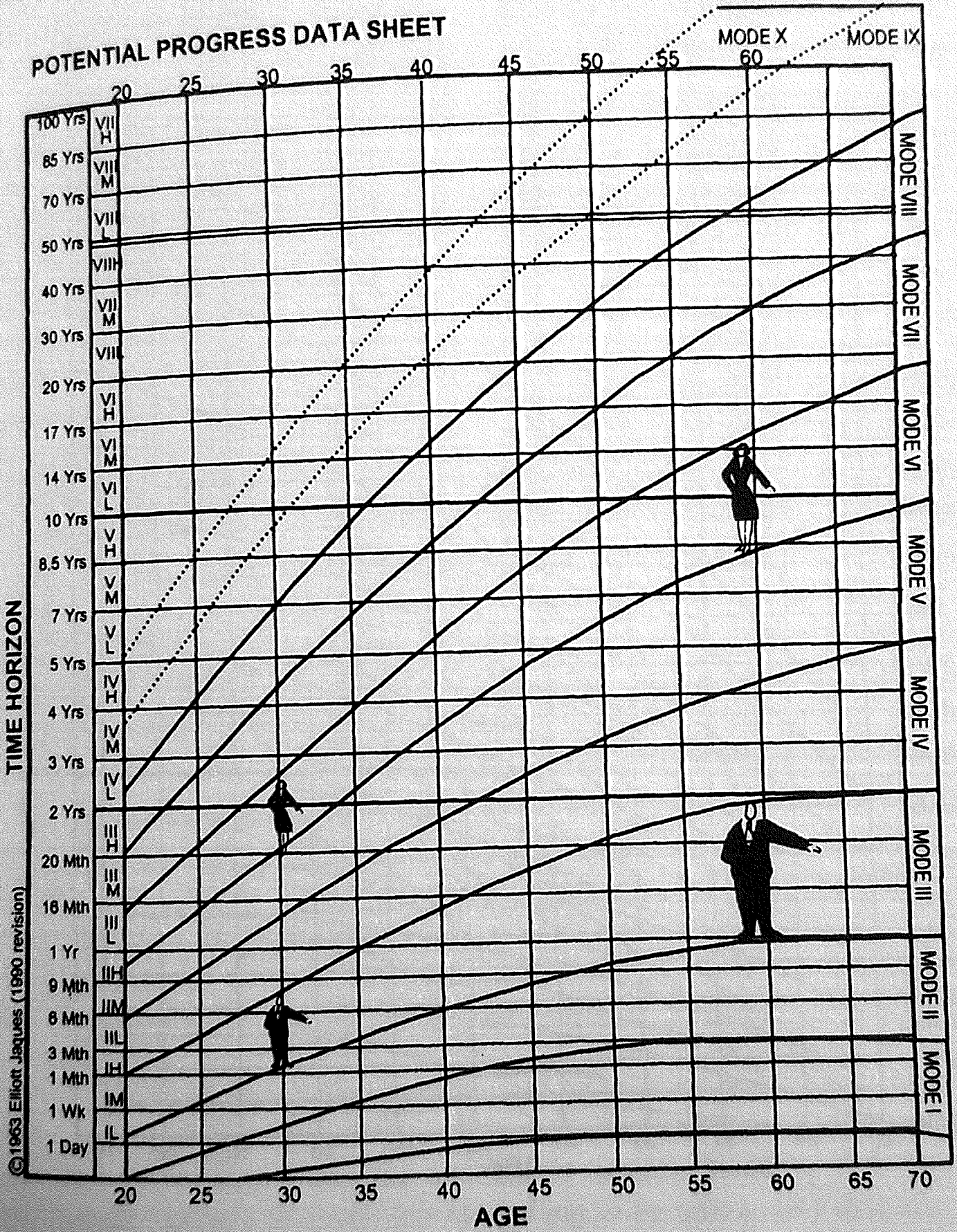
*Rev.5, 10/24/2019*

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<sup>8</sup> Thank you, Fran Marshall, for this observation.

<sup>9</sup> See Chapter 15, Jaques, *Social Power and the CEO*, in which Jaques describes felt-fair pay, and its universality, and outlines the insidious nature of treating labor as a commodity.

Figure 3.3  
 Maturation of Potential Capability in Adults



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