Understanding Levels of Work

What do we mean by ‘levels of work’?

The “Levels of Work” conceptual framework that I outline in this document is based on the theories of: “Viable Systems Model” (Stafford Beer); “Human Activity Systems” (Peter Checkland); “Stratified Systems” (Elliot Jacques, especially his ideas on ‘forms of time’); and more closely with the rigorous model put forward by Luc Hoebeke called “Domains of Work” (the ‘...interactions that arise from interaction of the enterprise and its environment’).

All of these authors are part of a community of systems thinkers covering all the great disciplines, including Physics, Philosophy, Biology, Psychology, Sociology, Economics, Mathematics and “meta-theoretics”. The Pygmalion “Levels of Work” model is really an attempt to synthesize the immense body of knowledge on how we can conceptualise our understanding of the contribution that we are making to the work system that we are part of. It is hoped that a slightly simplified explanation would offer a more accessible framework to guide you in your identification and appreciation of your leadership challenge and opportunity.

In a ground breaking book, Luc Hoebeke identifies seven levels of work that span four respective domains of work. The aim of Hoebeke’s framework is “…to enable anyone to understand their contribution to the work systems of which they are a part”. His purpose is to develop a model which is an alternative to bureaucratic, structural and anonymous ideological models. According to Hoebeke:

“The output of each domain provides the conditions for the next domain. Thus, the meaning domain provides conditions for the value systems domain which, in turn, provides conditions for adding value for the future which, in turn, provides conditions for creating value for the present. Meaning, values and awareness of the future permeate and are implicit in creating value for the present”.

What is elemental to the notions of ‘levels of work’ is the idea that the output of work systems operating in a ‘higher’ domain create the conditions for the underlying domain. Whilst this implies an essential degree of hierarchy in any work system (as in all natural systems), it does not imply that a higher domain directly manages the activities of a lower one (which would reinforce our current organisational models in terms of power, authority and status). Both Hoebeke and Elliot (who pioneered the concept of ‘stratified systems’) have often been misinterpreted as a justification for what we call a ‘flat earth’ society – i.e., a meritocratic class based society where ‘some are more equal, more important, than others’. The figure above is of Hoebeke’s depiction of the four domains of work, with the respective seven levels of work that express the activities that define what work is required.
**How Pygmalion has adapted the model**

Pygmalion (Sean Germond) has inverted the typical triangle model that we use to depict organisations, as we have a view that, to quote Russell Ackoff: “we need to turn our organisations upside down.” Furthermore, we have narrowed our focus to the five levels of work, by including Hoebeke’s level-6 and level-7 as an extension of what executive leaders operating at level-5 need to attend to in their work.

The image of an inverted triangle is a powerful one, as it demonstrates the impact of higher levels of work on the actual day to day activities of everyone in the organisation - where the collective contribution touches ground, impacts on end consumer/client. What is also important to understand is that *no matter who we are or where we are* within our organisation, *we all straddle all 5 levels*. What differentiates us, though, is the relative attention and contribution we make at each level.

By using an inverted triangle, we hope that our model demonstrates the constant need to pay attention to what we call ‘the sharp end’ of all our work activity. This is about the meaning that all derive from the value of such labour. What is the end point of all our activities within the organisation – the front end of the delivery of the services and products of the extended organisation. This means that the ‘top-line’ and ‘bottom line’ is not merely about financial returns, but also about ‘why I do what I do’ in this business, and also the contribution that this business makes to others and the world at large: linking principles (or purpose) with profitability.

Essentially, the model assists one with understanding the organisation and related leadership practices in terms of two criteria that define the work that you are involved with as a leader: **Complexity & Time**. The 5-levels of work relate to how leadership practices can be mapped against the nature of the work (complexity of task) that is required, and the time span of your effort becoming realised (i.e., input through to output).

What is implied by the model is that we need to understand what the key requirements of one’s role within the organisation in terms of work role and complexity (i.e., the percentage spread of effort/focus across all 5 levels). We also need to ensure that our own leadership practices are appropriately matched to what we are called on to deliver. This means that our effectiveness as a leader is based on the ‘goodness of fit’ between our approach and our role (the required contribution in relation to the business of the organisation).

Leaders are required to cover all 5 levels of work in terms of task and in terms of corresponding practices. They need to, however, ensure that they make the right choices of where their focus/emphasis lies across these levels of work (or ‘landscapes’ as articulated by my colleague, Tom Cummings) relative to their functional role (in terms of what they are tasked to deliver as individuals) and relative to their level/positioning within the organisation (i.e., as leader of country unit versus member of regional leadership team).

By **relative to one’s level in the organisation**, it is important to understand that level-5 (e.g., as MD of a country unit), is different to level-5 as member of regional leadership team, to the level-5 of a functional director, etc., etc. The challenge for leaders is to allocate the appropriate % of our attention and effort across these 5 levels. How one allocates one’s time/effort and capacity in terms of these ‘leadership attention units’ is informed by your understanding of what your **organisation is tasked to deliver**, and the operating model that informs how you interpret your role within that organisation as well as your own line of interest!

In contemporary organisations, which are often based on a matrix model, leadership teams are often challenged in their individual and collective interpretation of how they operate within that structure to deliver on their individual and collective ambition.

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### Stepping up into an “Enterprise Leadership” mindset

**A “Levels of Work” Perspective**

<table>
<thead>
<tr>
<th>Domain</th>
<th>Strategic</th>
<th>Operational</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>Transformational, abstract, unknown</td>
<td>Transactional, tangible, known</td>
</tr>
</tbody>
</table>

**Crafting the “Value System” itself (Vision & Aspiration)**

**Adding Value for the Future (Ambition/StratPlan)**

**Creating & Delivering Value for the Present (Contract)**

**Future**

10-20 Years

**Current**

(today, this month)

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Hoebke’s interest was on the need to understand organisations as ‘work systems’ rather than ‘work structures’. He saw the need to move from structural/status/power connotations of the term “Organisation”. This was because organisational boundaries (e.g., functional silos or institutionalized hierarchies) tend not to coincide with those of the related/required work systems. The model is a process view of management where the focus is on the “Work System” that is required rather than the structures that are required. The work system consists of sets of purposeful (meaningful and concrete) activities and sets of relations between people performing these activities”. In using the Levels of Work model, the definition of work system includes an understanding of the ‘transformation process’ which expresses the basic purpose of the work system (i.e., inputs into outputs). Another way of defining the 5 levels of work, is to understand the nature of the ‘transformation process’ (inputs into outputs) that defines each level of work. This is outlined in the model below:

**What each Level of Work entails (the ‘transformative process’)**

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### The Transformation Process at each Level...

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LEVEL 1</strong></td>
<td>To materialize a specified output (product, service, experience, etc) with prescribed means, technologies, procedures and methods in the most efficient way, i.e. with a minimum of waste.</td>
</tr>
<tr>
<td><strong>LEVEL 2</strong></td>
<td>Given a specified output (product, service, etc) to be materialized on level 1, define the right means (tools, procedures, methods, etc) so that improvements in efficiency become achievable.</td>
</tr>
<tr>
<td><strong>LEVEL 3</strong></td>
<td>Maintaining and adapting products and services for meeting the requirements of known real and potential clients. Taking care of the right balance between ends and means, an across systems perspective. Doing the Right Things.</td>
</tr>
<tr>
<td><strong>LEVEL 4</strong></td>
<td>Innovating product/service/technology combinations for existing groups of clients or introducing existing product/service/technology combinations for new groups of clients.</td>
</tr>
<tr>
<td><strong>LEVEL 5</strong></td>
<td>Creating whole new product/service/technology combinations as part of/contribution to ‘new business’</td>
</tr>
</tbody>
</table>

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**Level 5: Strategic Innovation & Development (Intent & Viability)**

This level can be equated with a perspective of ‘working back from the future’ – it is all about the future viability of the organisation, and is a consideration of the Macro/Global context. This implies that the level of engagement with current operational issues is minimal, and one relies upon how these are being translated and represented by level-4 and below. The long term view, typically 5 to 10 years, is often ‘around the corner’. This means that the exact nature of the events in the future are anticipated rather than known/proven, and are based on a synthesis of data/information from a diverse set of sources, including public, private, scientific/academic sectors. The information that is considered is complex, ambiguous, and often paradoxical. It is beyond the competitive field and deals with the organisation’s legitimacy in society and the world at large.

Your leadership at this level requires a focus on the imagined future organisation or reality that does not yet exist, and be able to translate this back to the present with a sense of what it would take to get there over the next few years. The responsibility is also to be able to position the organisation of the future to be a legitimate member of that future society and community in terms of policy and governance. This implies that leadership at this level need to be an authority on the nature of the business they are involved in, and be able to access the right expertise and know how to inform their policy decisions. It is worth considering that leaders of some indigenous cultures often made decisions based on the impact of what we choose today on 3 to 7 generations in the future.

**Level 4: Strategic Management (Direction and Innovation)**

This level can be described as the work of translating Strategic Intent into more tangible Strategic Action through the definition of priorities in support of the strategic intent. This is about translating the macro context and intent into business objectives that are relevant to the particular Sector/Industry/Market context within which you operate. The
focus is leading to close the gap between current and future state. Your stakeholders include shareholders (investor relations), your extended organisation (the larger value chain), market trends and competitor activities. Typically, the future view becomes more focussed on an 18 month to 3 year time line. It is all about providing direction on the basis of the above perspective which requires an understanding and knowledge of how to ‘design’ elements of the organisation that do not yet exist.

Your leadership at this level requires a focus on ensuring that the business has capability and capacity to deliver in terms of its structure, systems and processes to support the flow of work. The supervision you receive at this level is limited to ensuring that your thinking and intended actions are aligned with the agreed intent. Another way of describing work at this level is that the ratio between ‘business as usual’ and ‘business un-usual’ tends to be 30:70. Decision latitude is significant, and often requires unique decisions with data that can be ambiguous. Decisions taken at this level often only show their fruit 2-3 years down the track, which can make performance management conversations rather difficult in terms of direct and current evidence of the errors in judgment.

**Level 3: Business Management (Practice Development and Improvement)**

This level of leadership is best described as being concerned with the issues within the organisation, such as how we will govern to achieve the strategic priorities we have signed up to. This is about good business management. The perspective at this level of leadership is on how best to organise our people, resources, assets and processes/systems to meet the goals that we have set. Again, one receives limited supervision, and you are expected to define your role and activities within a fairly broad mandate and you are able to commit the organisation and/or function (e.g., procurement) to a course of action.

Your leadership perspective requires you to resolve complex problems or issues that occur in your work environment; you are expected to develop and innovate, and be responsible for the flow and co-ordination and completion of large scale projects and services. Much of your time will be on leading and developing others who are themselves leading functionally defined work teams.

**Level 2: Service Delivery Management (Team)**

This level is concerned with the effective delivery of work by your team or group of people who you are expected to lead. It is about translating business objectives into activities that work teams can deliver upon. It can also be described as the working or fully qualified level, which implies that one is competent to plan, do, manage and co-ordinate others to ensure that the necessary task activities are taking place. This requires a working knowledge of program needs and decision latitude to resolve work problems. Work is generally already defined and known, and one’s attention it to ensure that your team is an effectively functioning organisation within the larger organisation.

Much of your leadership focus is on leading your immediate team, chairing meetings, doing appraisals, reviewing projects, recruiting and developing, and improving team performance. Your event horizon now becomes this quarter, this month in terms of the goals and objectives that were set for this year.

**Level 1: Task Quality Execution (Value)**

This is the most immediate perspective where our focus is on ourselves and our ability to do the work that we have committed to do. The nature of the tasks can be described as being routine, with a fairly immediate sense of the outcome of such effort. This means the event horizon now becomes this moment, today, this week. This is your ‘to-do’ list today – the meeting you attend, the email you draft, the budget you review, etc.

Your leadership focus is therefore about leading yourself, and working within established guidelines and established parameters, ones tasks are often repetitive and routine and decision making is limited within those standards and context.
In closing... the Story of the Stone Masons

The following story provides a simple way of understanding how individuals working on the same task can have very different understanding and interpretation of the reason for and results of their effort. These three stonemasons reflect the importance of being able to understand the meaning of work across different levels, from a level-1 focus on task execution that is defined by set criteria/parameters and material reward through to a level-5 focus on task input towards an output that is not only complex, but will not be realised in one’s own lifetime!

During my travels I came to a city and saw on its outskirts great works being undertaken by many stonemasons.

I started to inquire what was happening and asked one: 'What are you doing?'

He answered: 'I am cutting my 20 stones a day, so that in the evening I can go home with my daily wage and am able to feed, clothe and shelter my wife and children…'

I went to a second stonemason and again asked what he was doing. He answered: 'I am struggling with a new chisel that I designed last week. Some of the stones cannot be cut because of their difficult grain. I don’t like to throw them away and am looking to cut them beautifully against that grain…'

I went to a third stonemason and again asked what he was doing. He answered: 'Look around you! Don’t you see that I am building a cathedral?…'

… After that I stopped travelling and lived in that city, because it was a good place to stay”.

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i By Sean Germond (Director, Pygmalion)
iii See Elliot Jacques, “Stratified Systems” (especially his ideas on ‘forms of time’), & “Domains of Work” (Luc Hoebeke). Level-5 Leadership Practice is based on the work by Jim Collins (Good to Great).
iv Anecdotal – Acceptance speech at Tällberg Forum 2005 ‘how on earth can we live together”
v Ref, Tom Cummings & Jim Keen: “Leadership Landscapes” – their excellent explanation of “Leadership Attention Units”
vi See Luc Hoebeke (1994) Making Working Systems Better; John Wiley and Sons