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Requisite Organization at Novus International, Inc.  
The Novus Management System:  
Establishing a Common Vocabulary and Toolset  
Published July, 2010

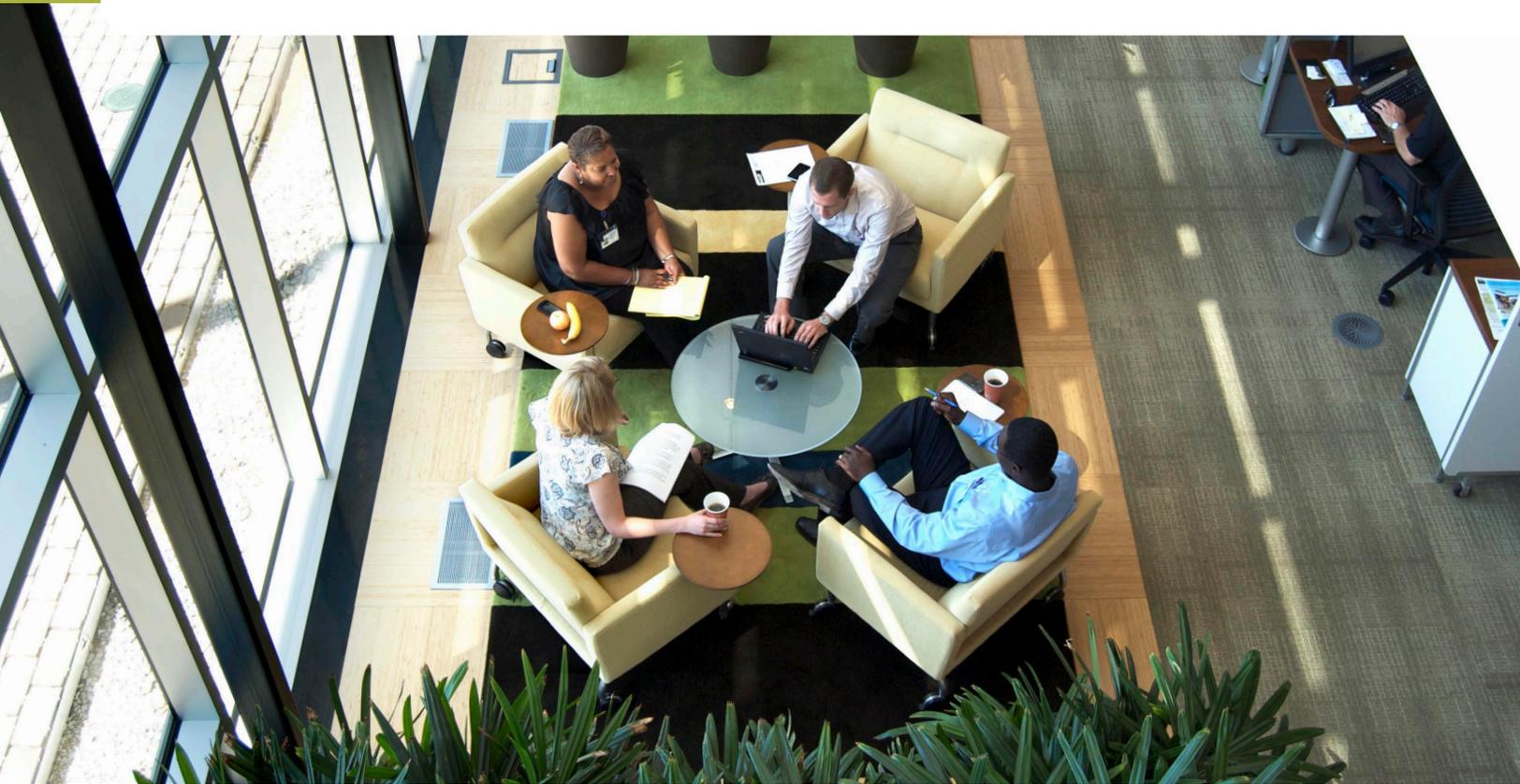
By Novus International Inc.

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# Requisite Organization at Novus International, Inc.

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*Cover photo (clockwise from top-left): Novus employees Judith Thelwell, Rob Jearls, Kwame Boahene and Melissa Althausser collaborate on a project in an open huddle space at Novus's Global Headquarters in St. Charles, Missouri.*

# Executive Summary

## Scientific Management for a Science-Based Company

Novus International, Inc. wanted to manage its growth in a manner that was as disciplined as the methodical approach that its scientists employ to discover innovative nutritional solutions for the food and agriculture industry. The Novus Management System (NMS), based on Requisite Organization principles, provides a scientific framework to guide that growth.

Since its inception, Novus has increased the size of its product portfolio from 1 to over 100, grown to more than 800 employees working in more than 90 countries, and now generates revenues approaching \$1 billion per year. The magnitude of that accomplishment is based on the many minute details carefully planned and integrated into the company's requisite structure.

## Background

Novus was created in 1991, when Monsanto Company sold its Feed Ingredients division to Mitsui & Co., Ltd. and Nippon Soda Co., Ltd. The new owners gave senior management a free hand to transform a division of a traditional chemical company into a dynamic engine that could generate a continuous stream of innovative, industry-leading solutions.

Senior management recognized potentially powerful synergies between Novus and Requisite Organization, a set of management principles based on research done in 15 countries over a period of 55 years. Dr. Elliott Jaques, the originator of Requisite Organization, defined "requisite" as "required by the natural order of things." In the Requisite organization, managers make decisions on the basis of research-proven principles that enable employees to work effectively toward a common goal based on common values, standards and procedures.

Shortly after Novus was founded, senior managers began applying Requisite Organization principles as they created the NMS. Within this framework, all employees are empowered to contribute the creativity, skills and knowledge needed to sustain the innovation that gives the company its competitive edge.

## Trust, Clarity and Open Communication

Open, two-way communication is a Requisite Organization principle, with trust and clarity as related principles. The NMS requires managers

to clearly define the tasks they assign in specific terms, according to the standard of "QQTR."

- Quantity: The measurable output expected from an assigned task, specified precisely
- Quality: Parameters that define the expected quality of output
- Time: The time limit within which the task must be completed
- Resources: The financial, material, technical or human resources that are available for completion of the task

These guidelines ensure that managers define expectations at a level of detail that eliminates question or confusion.

"QQTR helps establish the two most important tenets of Requisite Organization: trust and clarity. Everyone has confidence and trust in the process because they understand exactly how things are going to happen," said Tricia Beal, Communications Director.

## Full Engagement at All Levels

Every task performed by every employee is linked to the company's long-term strategy and Critical Success Factors through a chain of three-year objectives, short-term goals and key accountabilities. At the top level, the company has three fundamental aspects of business focus and culture:

- Long-Term Strategy: "To responsibly grow revenues and profits by leveraging and expanding our investments in innovation and people; optimizing our operations and portfolio of products and customers; and improving the organization's business processes."
- Critical Success Factors: Growth, Profitability, People and Reputation.
- Novus Integrity System: A framework to reinforce the company's basic commitment to conduct its business in an ethical manner, in compliance with corporate policies and all applicable U.S. and international laws.

Novus senior management develops three-year objectives in support of the company's four Critical Success Factors. They then assemble teams to develop short-term goals based on these objectives. These short-term goals are assigned to managers who identify the key accountabilities required to support the short-term goals. They assign these accountabilities in a process that starts at the highest level and cascades throughout the entire organization.

# Executive Summary *(continued)*

Scott Hine, Executive Director, Strategic Initiatives, was the manager accountable for a three-year objective to increase the profitability of a major product line. “The clarity we had was a great advantage. It made it possible for us to move forward purposefully, without any in-fighting or turf battles, without distraction or delay,” Scott said.

## Structure

The NMS establishes six levels of work across the company worldwide.

- These levels are ranked according to the complexity, degree of responsibility and magnitude of the challenge required.
- A role’s level of work is determined by the length of time required by its longest task.
- The roles of manager and subordinate should be placed close enough to enable clear communication, but far enough apart so the manager can add value to the subordinate’s work.

“Requisite is about having the right people do the right work at the right time. It’s the natural order of how things work,” said Sabrena Hamilton, Vice President, Global Human Resources. “Requisite Organization is hierarchical. People know where their roles fit in the organization. They know what work is expected, and what authority they have to execute that work.”

## Staffing

Every position has a Key Accountabilities Document (KAD) that links that role’s tasks to the chain of short-term goals, three-year objectives, Critical Success Factors and long-term strategy. The KAD also defines a standard that hiring managers use to assess a job candidate’s ability to perform the work of that role. It brings specificity and clarity to a range of factors that affect a candidate’s ability to perform work at the level the role demands.

“We look for a long-term staffing solution, not a quick fix for a given project. We see the positive results of this approach in employee morale and job satisfaction,” said Maria Burt, Human Resources Manager and Recruiter.

## Authority and Accountability

The NMS clearly articulates the fundamental proposition that managers are accountable for their own output as well as the output and behavior of their subordinates.

Subordinates also have clearly defined accountabilities and authority: the NMS requires them to bring their full capability to work every day, to continue to develop their professional knowledge and skills and to provide their managers with timely feedback.

## Training and Development

As an organization designed to optimize employee engagement at all levels, Novus understands the importance of training and development. As a Requisite organization, Novus has a system to ensure that all employees regularly receive the training and education they need to move forward with their careers as the company moves forward with its long-term strategy.

Training is available in four major categories:

- Induction training, to provide all employees with basic knowledge about the company
- Department orientation, to provide employees with fundamental knowledge about their department
- Professional Development, to help individuals develop their knowledge and skills
- Manager training, to help managers lead their subordinates more effectively

Courses are offered through instructor-led workshops; e-learning modules, through the Novus Online Learning System; and blended learning, which combines instructor-led workshops and online learning.

## Conclusion

The NMS has fine-tuned the company’s corporate culture to unleash employee commitment and creativity at every level, and to direct that energy in a highly focused manner towards clearly defined corporate goals.

The company’s innovation and agility would not be possible without a corporate culture that combines entrepreneurial thinking with organized structure and a motivating corporate Vision: to help feed the world affordable, wholesome food and achieve a higher quality of life.



## Supporting Novus's Long-Term Strategy

*I am often asked to define the Novus Management System (NMS). Very simply stated, it is a living set of principles that guide us in most effectively structuring, staffing and managing our organization.*

*Each Novus employee plays a critical role in supporting our long-term strategy. For that reason, it is essential that we help all employees to do their work as effectively as possible. The NMS gives us the tools to do so. From structuring our organization, to filling individual roles and to assigning key tasks, everything comes together to create an organization in which we have the right people doing the right work at the right time.*

*Requisite Organization principles—and by extension the NMS—help us define what people are accountable for and what they have the authority to do; how teams should be assembled to perform most effectively; and how managers and subordinates are to work together to improve processes and achieve goals.*

*But the NMS is not a set of policies and procedures that limit creativity. Quite the opposite, the NMS provides an approach to thinking about problems in a way that keeps us moving forward as an organization. At its core, the NMS is designed to help all employees bring their full capabilities to bear. And by doing so, each employee is best positioned to help Novus successfully implement its long-term strategy.*

A handwritten signature in black ink that reads "Sabrena M. Hamilton". The signature is fluid and cursive, with a large loop at the end.

**Sabrena M. Hamilton**  
Vice President  
Global Human Resources

# Section One: Foundations

Requisite Organization at Novus

Novus Business Focus and Culture

# Requisite Organization at Novus

## Requisite Organization Principles

The Novus Management System (NMS) is based on a set of principles referred to as Requisite Organization—principles and ideas developed over a period of more than 55 years by Dr. Elliott Jaques and his colleagues in 15 countries. These ideas have been tested and put into practice throughout the world.

Dr. Jaques chose the term “requisite,” which is defined as “required by the natural order of things,” to describe this integrated theory of how organizations work best. Corporations exist to get work done in order to achieve organizational goals. Achieving these goals requires appropriate structure, with competent individuals at each organizational level, and procedures and practices that facilitate the work.

Novus is no exception to these requisite principles. Successful implementation of corporate strategy and achievement of long-term objectives require:



An organization that is appropriately structured—placing roles so that managers are positioned to solve problems and add value to the work of their subordinates

Practices that support effective managerial leadership—using clarity to build trust so that people can bring their full capability to bear every day

The right people doing the right work at the right time—defining roles carefully and then staffing those roles with individuals who can effectively perform the required work

Requisite Organization principles offer a tested, scientific approach that enables individuals to make decisions using a logical approach according to a prescribed process. In this way, Novus can avoid ad hoc decisions, and achieve consistency in the way all managers lead their subordinates and all employees perform their work.

### The NMS ensures that all employees understand:

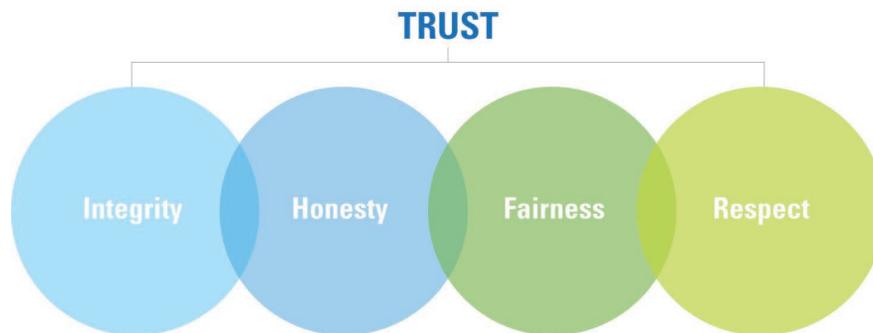
- The company’s values and goals
- What they are individually accountable for
- What they have the authority to do

Through this understanding, all employees are able to make decisions in support of the organization’s values and goals, and have the framework—in terms of accountability and authority—to act on those decisions. It is in this way that each employee can bring his or her full capability to bear.

# Requisite Organization at Novus (continued)

All employees have difficult decisions to make, often without clear guidance as to how to proceed. Requisite principles guide the decision-making process for Novus employees at all organizational levels. For example, an employee weighing two options must consider which choice will develop more trust—trust between Manager and Subordinate; trust between people working together; and trust within the organization as a whole.

Clear and open communication is essential to creating an environment of trust.



## Clear Communication

Communicating clearly is central to Requisite Organization. Consider the manager who must assign a task to a subordinate. It is not enough to explain what must be done in general. Requisite principles require that the manager define the task specifically, in terms of:

- **Quantity:** Output is always measured, at some level, in terms of quantity. Therefore, the expected output of an assigned task must be specified in terms of an exact quantity.
- **Quality:** Quantity serves no purpose without the appropriate level of quality. If the quality of the output is too low, the output will be unsatisfactory. But on the other hand, if the quality of the output is too high, it is likely that unneeded resources will have been expended wastefully.
- **Time:** Resources and costs have a time factor. The manager always has a time limit in mind for the completion of a task. This time limit must be explicitly stated when the task is assigned.
- **Resources:** Managers must assign tasks in terms of the financial, material, technical or human resources that are available for the completion of the task.

These factors are referred to as the “QQTR” of a task. This standard is an example of the level of clarity that is expected within a company that follows Requisite Organization principles.

## Open Communication

Clarity, however, is only part of the equation in creating an environment of trust. Open communication is equally critical. Requisite Organization principles do not merely encourage subordinates to provide feedback to their managers; these principles specifically state that subordinates have accountability to provide that feedback.

For example, if work is not getting done in the allotted time or to the allotted specifications, the subordinate must immediately bring this situation to the manager’s attention so both Subordinate and Manager can have an open conversation about priorities, resources and deadlines. Subordinates must be able to negotiate with their managers in an honest effort to ensure the satisfactory completion of assigned tasks.

Working in this way ensures that the manager is aware of what is going on at any given time and is able to take appropriate adaptive action, such as adjusting tasks or available resources.

# Requisite Organization at Novus *(continued)*

## Novus Management System

In 1991, Mitsui & Co., Ltd. and Nippon Soda Co., Ltd. jointly acquired the feed ingredients business from Monsanto Company. The owners granted authority to members of the original management team—many of whom are still leading the company today—to organize Novus for top performance.

Dr. Elliott Jaques' principles of Requisite Organization appealed to Novus management, who believed these principles would help the new company achieve its objectives. They were drawn to the scientific approach to management, and they believed that lacking these principles, management would be an ad hoc art rather than a science.

In applying the Requisite Organization principles to the specific needs of Novus, senior leadership developed a management system that would allow employees with diverse ways of thinking to work together effectively. The NMS defines a framework that enables all employees, whether working individually or as part of a team, to get their work done with the right motivation and intention.

Dr. Jaques asserted that Requisite principles work only in organizations with senior leadership that practices these values and believes in them. Novus leadership is firmly committed to the NMS; and there is ample evidence of that commitment throughout the organization.



*Thad W. Simons, President and Chief Executive Officer, and Sabrena M. Hamilton, Vice President, Global Human Resources, members of the original Novus management team that established the NMS.*

# Novus Business Focus and Culture

The NMS provides a framework for all employees to understand the ideals that Novus values. Employees at every level receive ongoing training—beginning within 30 days of employment—on the role they have in supporting the long-term strategy.

On this and the following page are details of three fundamental components of Novus’s business focus and culture: long-term strategy, Critical Success Factors and the Novus Integrity System.

## Long-Term Strategy

**Innovation:** The 90,000-square-foot Novus headquarters is Platinum LEED-certified, the highest energy and environmental designation available in the United States.

**People:** Novus awards scholarships to support the research and work of professors and students who are—and will be— leaders in the agricultural industry.

“To responsibly grow revenues and profits by leveraging and expanding our investments in **innovation** and **people**; optimizing our **operations** and portfolio of **products** and **customers**; and improving the organization’s business **processes**.”

**Operations:** Always striving for improvement, Novus recently redesigned its product packaging with recyclable, low-density polyethylene (LDPE). It is tough, flexible and can be printed on with water-based inks that do not use solvents or heavy metals.

**Processes:** The NMS provides the framework within Novus that enables employees to work effectively in an environment of trust, openness and clarity. The NMS focuses on effective managerial leadership and continual improvement, which ensures that employees at all levels actively contribute to improving business processes.

**Products:** The Novus product portfolio continues to grow. The newest product line from Stratum™ Nutrition offers a portfolio of branded, value-added ingredients that improve human health and nutrition.

**Customers:** Novus develops customer-oriented solutions that bring value to the customer’s efforts to deal with business challenges, from production problems to raw materials for feed. This commitment is evident in the seminars that Novus Aqua presents to customers all over the world. Whatever the topic or audience, the seminars focus on developing customer-oriented solutions that will bring practical solutions to the attendees.

## Critical Success Factors

At Novus, four Critical Success Factors (CSF) define the standards for all business goals and priorities, and align them with the company's long-term strategy.



### GROWTH

**“Continually assess and develop our portfolio of products, customers and suppliers, and implement performance-enabling programs and technologies to achieve a long-term competitive position.”**

- New product development: New products from the Arenus division include ASSURE<sup>®</sup>, which supports hindgut health in horses; and STEADFAST<sup>®</sup>, which supports joint integrity, bones, tendons, ligaments and other connective tissues in dogs and horses.
- Partnerships and licensing agreements: Stratum Nutrition has entered into strategic partnerships with two ingredient manufacturers in support of heart, joint and bone health.
- Acquisitions: When Novus acquired the following companies, it did so to achieve specific growth objectives: The Animal Nutrition Division of Albion Laboratories, Inc., to enhance the Novus chelated trace mineral line; and IQF Enamex Group, with a customer base extending across more than 60 countries, and product lines in the poultry, ruminant, pork and aquaculture markets.



### PEOPLE

**“Provide an environment that enables employees to bring their full capabilities to bear, with behaviors consistent with the Novus Management and Integrity Systems, in accordance with the Novus Mission, Vision and Core Values. Promote a safe and healthy work-life balance to motivate employees to achieve our Novus Three-Year Growth and Diversification efforts.”**

As a knowledge-based company, Novus recognizes that its greatest return on investment in employees comes from employee development programs—education and training.

One significant component of the Novus learning and development program is the Novus Online Learning System, which offers training opportunities in the NMS, the Novus Integrity System (NIS), Novus products and services, foreign language courses, sales, safety and productivity software.



### PROFITABILITY

**“Implement improved business processes, measures and supporting systems that will move Novus closer to its customers and deliver increased business value, year-on-year.”**

Novus achieves greater profitability by consulting with its customers to develop mutually beneficial opportunities.

As part of its commitment to work closely with customers, Novus maintains research and development laboratories, offices and manufacturing operations in more than 35 countries around the world, and field staff in an additional 75 countries.

Novus helps its customers become more profitable through this commitment to localized research and development, technical support, customer service and logistics. This proximity to customers increases Novus's own potential for profitability as well.



### REPUTATION

**“Expand on our positive image by augmenting activities and programs that demonstrate Novus's integrity and aspirations to operate ever-more responsibly, in a sustainable manner.”**

Reputation is directly supported by the Requisite Organization principles of accountability and authority. All Novus employees are fully aware of the accountabilities they have to Novus, their co-workers and themselves. These accountabilities extend beyond assigned tasks and general responsibilities; they also include support of the NIS, which ensures that all employees understand that good ethics and good business are synonymous.

The NMS gives every employee accountability for complying with NIS policies; and when there is questionable—or a lack of—compliance, the NMS also gives every employee the specific authority to take appropriate action.

## Novus Integrity System

In order to maintain an ethical global culture, it is essential that all Novus employees comply with corporate policies as well as with U.S. and international laws. The NIS provides the framework that enables all employees to understand and fully comply with the laws that are applicable to the organization's businesses worldwide.

Novus expects all employees to become familiar enough with NIS policies to recognize potential legal problems in certain situations. Further, through ongoing education, Novus helps employees understand that Human Resources and Legal must review and approve any new policies, especially those with worldwide effects. This review ensures that all Novus policies are compliant with laws around the world.

## Employee Education

Novus provides employees with training on the NIS—through e-learning and/or instructor-led sessions—and requires that all employees, on an annual basis, certify that they understand the following:

- Policies that comprise the NIS
- Procedures for reporting a violation or potential violation of the NIS
- Policies relating to employment, including laws and policies against harassment and discrimination
- The composition and role of the Novus Compliance Committee

## Achieving Novus Integrity System Goals

Novus expects all employees to actively participate in achieving the goals of the NIS by committing to full, candid and direct communication; complying with all applicable laws; and performing daily work in an ethical manner.

Any employee who does not comply with the Novus Integrity System faces disciplinary action. Managers may also face disciplinary action if they contributed to or concealed a violation, or otherwise failed to address a violation through the appropriate procedures.

Alice V. Sterkel  
Vice President  
General Counsel and  
Chief Compliance Officer



## Protecting Novus's Reputation

*It is no small task to ensure that Novus does business in accordance with all applicable laws, statutes and regulations wherever it does business, in more than 90 countries around the world. This challenge is especially complicated because Novus is growth-oriented, developing new products and tapping into new markets. Fortunately, Alice Sterkel thrives in that environment.*

*She joined Novus in 1998, and as the company has grown, she has built a solid team and created an integrated program. Employees know to bring new ventures, intellectual property issues and other items of a legal nature to her department. By positioning the legal team as a service provider, Alice has demonstrated that her goal is positive—not to block progress, but to protect the company's reputation and bottom line.*

# Section Two:

## Implementation of Requisite Principles at Novus

### Introduction: Requisite Principles in Practice

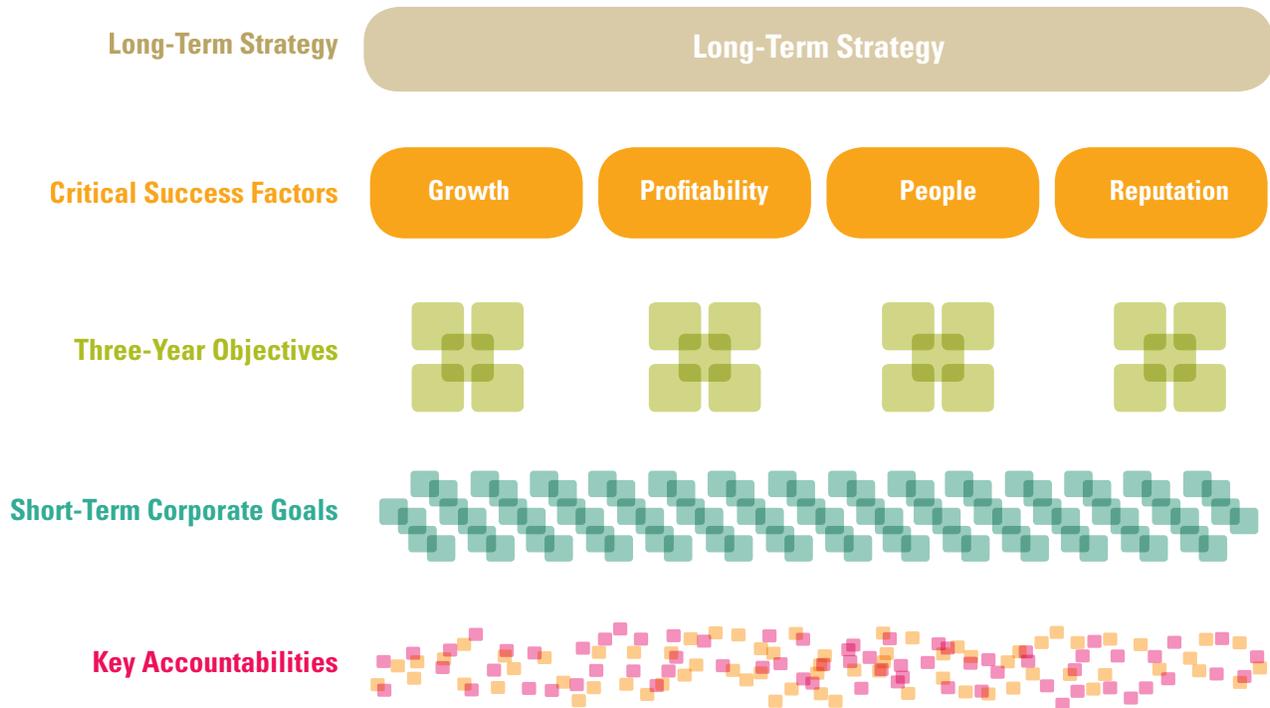
It is through the NMS that Novus puts Requisite Organization principles into practice. The NMS provides practical and tangible approaches to big-picture concepts such as organizational structure and staffing, as well as day-to-day processes such as coaching and task assignment. Further, it helps all employees make the connection from the strategic to the tactical, so they are fully aware of how their daily actions affect the company's long-term strategy.

The implementation of Requisite Organization principles, through the NMS, guides Novus in its approach to every aspect of business. The following pages will present the manner in which the NMS approaches the concepts shown below.



# Linking Strategy to Key Accountabilities

All Novus employees, through ongoing NMS education, are taught how to identify the specific ways in which their key accountabilities are linked to the company's long-term strategy.



The graphic above demonstrates how linkage cascades through every level of Novus, connecting the company's long-term strategy to the key accountabilities of individual employees. Please see the following pages for details on each component of the linkage process.

# Linking Strategy to Key Accountabilities *(continued)*

## Long-Term Strategy

The strategic planning process is an integral part of the NMS. It begins with senior leadership determining the Novus Vision, Mission, Core Values and long-term strategy.

The Novus long-term strategy is “to responsibly grow revenues and profits by leveraging and expanding our investments in innovation and people, optimizing our operations and portfolio of products and customers and improving the organization’s business processes.”

For specific examples of the implementation of this strategy, please see the illustration on page 8.

## Critical Success Factors

Once the long-term strategy has been established, senior management determines the key factors that will allow Novus to implement that strategy. In other words, these are the Critical Success Factors (CSFs) required for Novus to achieve its goals.

Novus has identified its Critical Success Factors as:

- Growth
- Profitability
- People
- Reputation

For definitions and examples of the CSFs, please see page 9.

## Three-Year Objectives

After identifying the CSFs, senior management develops three-year objectives in support of each CSF. There are typically five three-year objectives for each CSF.

Note that these three-year objectives are organizational—they are not objectives for individual employees. The purpose of the three-year objectives is to define the actions the organization must take to support the CSFs.

The formulation of three-year objectives is generally accomplished in a meeting of senior management. The group is divided into subgroups that work within the CSF of their expertise. The findings of the subgroups are then shared with the larger group for discussion and modification. This activity typically results in a total of 20-to-30 three-year objectives, jointly developed by senior management.

Ultimately accountable for the results of the organization, the Novus CEO has a hands-on role in the process of identifying the three-year objectives.

## Short-Term Goals

Novus creates its short-term goals, typically 12-to-18 months in duration, based on the three-year objectives. There are approximately five goals for each three-year objective, creating a total of 100 or more short-term goals.

The process to create these short-term goals is as follows:

Senior management selects the team(s) responsible for developing the short-term goals for each of the three-year objectives.

The responsible teams meet to determine:

- The key tasks for each short-term goal
- The departments or managers accountable for achieving the short-term goal
- The additional functions that may be needed to complete the short-term goal

Each short-term goal is tied to an accountable manager; in effect, this link is the first step in initiating a plan for the tactical implementation of each goal.

## Key Accountabilities

At this point, Novus has defined many short-term goals, all of which need to be achieved by various teams and individuals.

In order to do this, Novus managers identify the key accountabilities that will be required at the individual level to support the short-term goals. This process starts at the top of the organization and cascades down through every single employee.

Ultimately, Novus has an organization in which all employees understand exactly what their key accountabilities are. And each employee understands that these key accountabilities have a direct effect on Novus's short-term goals, three-year objectives, Critical Success Factors and finally on the long-term strategy.

Every employee plays a role and has accountability to support the implementation of the corporate long-term strategy.

## Practical Application of Linkage at Novus

In Requisite Organization, linking employees' key accountabilities to the company's long-term strategy ensures that the right people are assigned to do the right work at the right time, and that they have the clarity of purpose to move forward—which has a direct effect on the company's Critical Success Factors.

Recently, senior management developed a three-year objective to improve the profitability of a major product line by a specifically-defined target amount. This project was focused on the product line's manufacturing and customer delivery costs.

"Our three-year objective master document broke that project up into clearly defined tasks, which put the work at the right level," says Scott Hine, Executive Director, Strategic Initiatives. *(Please see pages 13 and 14 for a description of the process used by the CEO's Executive Leadership Team to develop the three-year objective master document.)*

The team was able to define the time and resources available and the individuals who would be accountable for specific tasks, one of which was the development of a database tool that would enable managers to estimate profitability of this product line prior to making a sale.

Requisite principles greatly enhanced the effectiveness of the team, according to Scott. "When you break down the project from the top level, you can clearly see how your delivery of an output directly contributes to an overall corporate goal. From an intrinsic perspective, you know how you are going to fit in with your teammates, and what mutual expectations are.

"The clarity we had was a great advantage. It made it possible for us to move forward purposefully, without any in-fighting or turf battles, without distraction or delay," Scott said. "We took the shortest, most direct route to our objective. As a result, we achieved the cost savings goal we targeted, made substantial progress in support of one of our Critical Success Factors—profitability—and the company as a whole is stronger."

# Structure

In order to fully understand the requisite structure of Novus, it is important to first be familiar with the concepts of:

- Level of Work
- Time Span
- Placement of Role Levels

These topics are covered on this and the following page. On the subsequent pages are Novus-specific details related to the company's organizational structure.

## Level of Work

Every role in Novus—from Level I to the Level VI role of CEO—has necessary tasks. The completion of every task requires judgment, which Novus defines as making decisions and solving problems. This is the work involved in carrying out a task.

“Level of work” refers to the complexity of what needs to be done in a role in order to carry out the tasks that are given to that role.

For example:

- How far-reaching are the decisions that need to be made in carrying out a task?
- How challenging are the problems that must be solved in carrying out a task?

Level of work is commonly talked about as how big a role someone has, how heavy the responsibility is in a role or the amount of responsibility in a role.

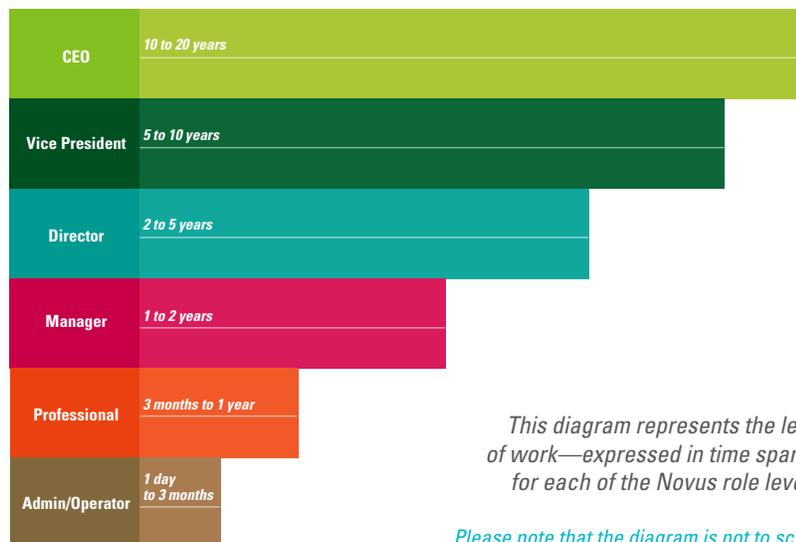
## Time Span

The level of work in a role—or the complexity of what needs to be done in order to carry out the tasks assigned to that role—is measured by the time span of the longest task of work assigned to that role.

Some tasks may take a very short time to complete. For example: “Find a location for the training session that fits the specifications outlined by the manager, and get the contracts signed by Novus and the hotel.”

On the other hand, some tasks may take one or more years to complete. For example: “Evaluate the current structure, and develop and implement a competitive compensation and benefits structure for all employees in Brazil, within the next 18 months.”

To determine the level of work for a particular role, one must look at all the tasks assigned to that role. The time span of the longest task for the role determines the organizational level at which the role should be placed.

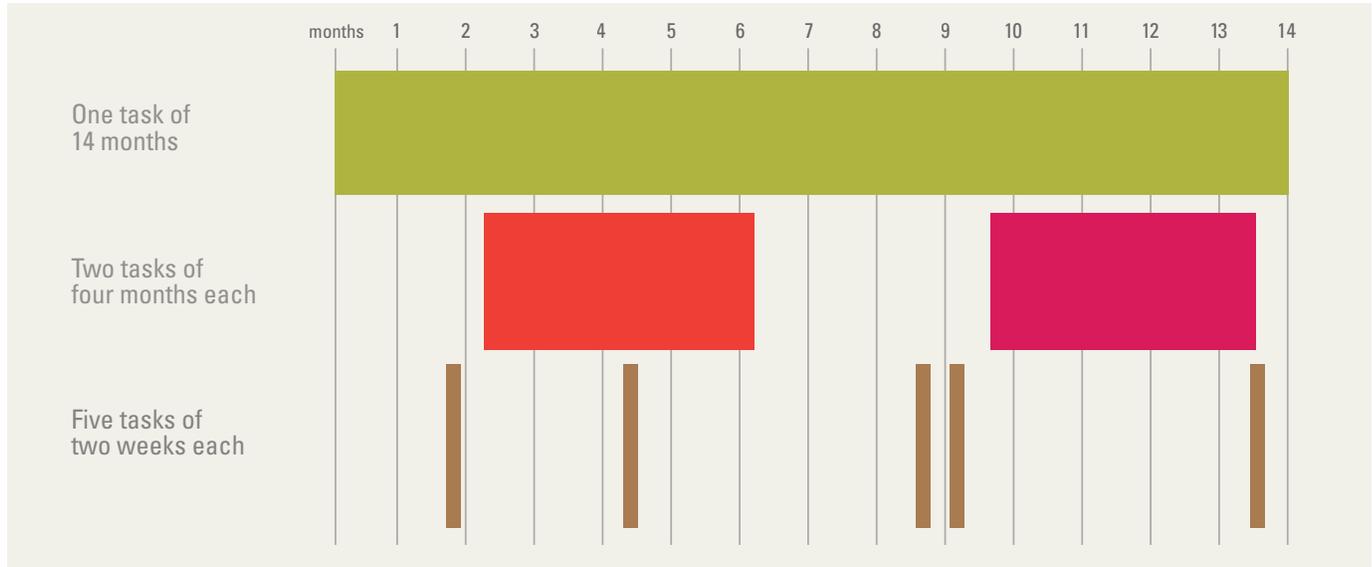


*This diagram represents the level of work—expressed in time span—for each of the Novus role levels.*

*Please note that the diagram is not to scale.*

## Time Span: A Practical Example

For example, suppose a role has:



The time span of the longest task determines that role's level of work, which places the role in a specific level within Novus.

The longest task is not always the most complex. Nonetheless, the longest task serves as an accurate indicator of a role's level of work. Two reasons for this are:

- The duration of the longest task indicates the longest period of time that a manager must rely on the judgment of a subordinate.
- The employee must be capable of juggling the planning and completion of all the tasks assigned to him or her within the time frame for the longest task.

For these reasons, Novus uses the time span of the longest task to measure a role's level of work.

It is important to note that while the NMS uses time span to measure the level of work of a role, it does not use time span to measure the complexity of a task. The longest task of a role is not necessarily the most complex.



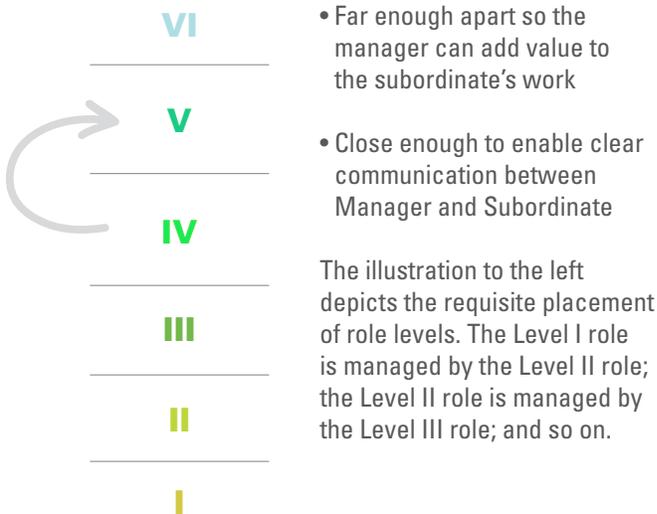
*Allen Yeh works on a task in support of one of his key accountabilities.*

# Structure *(continued)*

## Requisite Placement

In developing principles of Requisite Organization, extensive research was conducted across multiple organizations and countries to determine the proper—or requisite—placement of role levels. Part of this research included interviews with subordinates: They were asked, “To whom do you go when you need to solve a problem?” By asking this direct question, researchers were able to learn who the subordinates considered to be their real manager—the person to whom they could turn when they had to solve a problem beyond their own level of work.

The research ultimately demonstrated that for roles to be placed requisitely, they must be:



*A typical Novus example of requisite placement (from left to right): Novus employee Nisha Bagchi with Manager Francisco Gomes and Manager-once-Removed Scott Fleetwood.*

## Requisite Structure Optimizes Effectiveness at Novus

Since the early 1990s, Novus’s investment in a requisite structure has consistently generated solid results in support of its Critical Success Factors. A primary strength of a corporate structure based on Requisite Organization principles is that it maximizes employee engagement, creativity and productivity at all levels—and Novus derives its competitive edge from the innovative solutions developed by highly-creative employees.

Novus has grown from a one-product company to a multi-product company; from a half-billion-dollar company to a billion-dollar company. But the magnitude of that accomplishment is based on the many minute details carefully planned and integrated into the company’s requisite structure.

“Requisite is about having the right people do the right work at the right time. It’s the natural order of how things work,” says Sabrena Hamilton, Vice President, Global Human Resources. “You have to build the company aligned to the business goals. And that’s what Structure does.

“Requisite Organization is hierarchical. People know where their roles fit in the organization. They know what their work is and what is expected, and what authority they have to do it,” she says.

## Role Compression

The illustration to the right depicts an example of role compression. The Level I subordinate is managed by a Level I manager; and the Level II subordinate is managed by a Level II manager.

In this case of role compression, there is not enough distance between subordinate and manager for the manager to add value to the subordinate’s work.

This compression can lead to frustration for both the subordinate and the manager, and would obstruct Novus personnel from fully utilizing their capabilities.



## Role Gap

The illustration to the right depicts an example of role gap. In this situation, a manager has a subordinate two levels below, instead of the requisitely required one level below.

In the case of role gap, there is too much distance between the manager and subordinates. As a result, the manager could be assigning tasks that are too complex for the subordinates, which would lead to frustration for all parties—subordinates because they would not understand their assigned tasks; and managers because subordinates would not meet expectations.



## Defining the “Real” Manager

Requisite structure aligns roles and responsibilities according to the natural relationships necessary to do the work effectively. Its simple logic eliminates the cumbersome bureaucracy that creates confusion, extra cost and ultimately conflict within an organization. In some traditional organizations, employees may have a manager who is their official supervisor, but they may have to seek the direction they need on a particular project from someone else.

“When Novus started as a spin-off from Monsanto Company, we had many, many grade levels. I was a Role Level 32,” says Dr. Giovanni Gasperoni, Executive Vice President, Marketing and Sales. “After we made the Requisite change to six levels, I was in a Role Level III position—and since the CEO was only a Role Level VI, I thought I was very close to the top!”



Dr. Giovanni Gasperoni  
Executive Vice President  
Marketing and Sales

“Role Levels based on Requisite principles are determined by recognizing who is an employee’s real boss—in other words, who does a person go to when they need help solving a problem? At Novus, we structured the organization and assigned roles based on how the work is actually done, so we were able to eliminate many unnecessary tiers of management,” Giovanni says.

## Structure (continued)

### Novus Role Levels

Following the principles of Requisite Organization, Novus established the requisite role levels in order to best support the organization's long-term strategy. While there are three bands within each role level, there are only six levels. In practice at Novus, requisite structure allows for only four role levels between the CEO and first-line employees.

The names, time spans and descriptions of each Novus role level are presented here.

Role Level:	Time Span:	General Description:	Sample Task:
<b>Level I:</b> Administrative/Operator	One day to three months	Work that is clearly defined by the manager <ul style="list-style-type: none"> <li>• Follows defined procedures</li> <li>• Returns to manager for guidance when there are unforeseen obstacles</li> </ul>	Find a location for a training session that fits the specifications outlined by the manager, and get the contracts signed by Novus and the hotel within one month.
<b>Level II:</b> Professional/ First Line Manager	Three months to one year	Diagnoses and analyzes problems and issues <ul style="list-style-type: none"> <li>• Makes decisions based on immediate cause-and-effect consequences</li> <li>• Identifies and implements incremental improvements to products or processes</li> </ul>	Complete the implementation of a new online banking system for the accounting department before the end of the fiscal year.
<b>Level III:</b> Manager	One to two years	Recommends alternative pathways to achieve an outcome <ul style="list-style-type: none"> <li>• Improves present processes</li> <li>• Manages relationships with current or new customers, external resources and/or contracts</li> </ul>	Evaluate, develop and implement a competitive compensation and benefits structure for all employees in Brazil within 18 months.
<b>Level IV:</b> Director	Two to five years	Integrates multiple pathways, and manages a function and advises senior management in that function <ul style="list-style-type: none"> <li>• Requires experience and ability to develop many different pathways to achieve a goal</li> <li>• Requires superior expertise in subject matter</li> </ul>	A functional unit head has several products to introduce to the market. Considers sales goals, market positioning, timeline, logistics, etc. to determine product launch strategy while controlling costs to maximize profitability within the next four years.
<b>Level V:</b> Vice President	Five to ten years	Responsible for a unified system and is concerned with the overall nature of the organization <ul style="list-style-type: none"> <li>• Must manage inter-related financial, human resource, production, technology and product research issues</li> <li>• Requires a vertical focus: downward to integrate the business unit and upward to connect the unit with the corporate entity</li> </ul>	Tasks at the Vice President level involve making judgments with regard to changes needed anywhere in the system in order to integrate functions and achieve organizational goals.
<b>Level VI:</b> CEO	Ten to twenty years	The CEO is concerned with corporate performance management as well as corporate social responsibility <ul style="list-style-type: none"> <li>• Work includes oversight of business units and assessment of their needs for increases in investment, while balancing resource allocation</li> <li>• Work at the CEO level focuses on worldwide networking in all areas likely to be significant to Novus, including political, legal, economic, social, and technological concerns</li> </ul>	Tasks at the CEO level involve continually influencing political, economic, social and technological factors and transforming the organization.

# Structure (continued)

## Using Key Accountabilities to Define a Role

When a vacancy occurs or a new role is established, the NMS provides a process that ensures fairness and enables the manager to select a subordinate who will be capable of performing the work of the role.

The first step in the selection process is to define the requirements of the role. The description is specific in regard to:

- The level of work of the role
- The major tasks of the role
- The knowledge, experience and/or qualifications necessary to the role

The manager uses the Key Accountabilities Document (KAD) to specify the role. Through clear questions, the KAD guides the manager through the process of identifying the particulars that comprise the role. The KAD requires a brief description of the role, general responsibilities, key knowledge and skills required and other basic information.

The core of the role, however, is determined by the key tasks assigned.

The manager must give significant thought to the role's required output, and in so doing, the manager has the opportunity to judge whether the role is placed at the appropriate level within the organization. For example, in completing the KAD for a vacant role, the manager may realize that the tasks are of a different time span than initially anticipated, or that the tasks would require a higher (or lower) level of capability than originally thought. If that is the case, the role might requisitely belong elsewhere in the organization's structure.

In this way, the KAD assists the manager in accomplishing two significant goals, providing:

- Guidelines for defining a role
- An opportunity to validate the placement of the role within Novus

## Felt Fair Pay

### History

In 1992, Novus employed fewer than 100 people. However, there were 47 different pay grades for those 100 employees. This complexity led to many problems, including the investment of a great deal of time, effort and money to manage salaries and ensure that all employees were compensated equitably.

To seek a solution, Novus established a system based on the Requisite Organization principle of Felt Fair Pay, which asserts that a role's value is based on the time-span needed to complete the longest task. That is, the longer the time span, the greater the appropriate level of pay.

### Concept of "X"

All salaries within Novus are based on the standard defined by "X," which is located at the breakpoint between Role Levels II and III. The lower boundary of each role level is roughly set as shown at the bottom of this page.

Novus has successfully implemented the Felt Fair Pay structure in the vast majority of the countries in which it conducts business, and has plans to fully integrate all countries—including emerging markets such as China and India—into the Felt Fair Pay structure as these markets mature.

As shown below, "X" is the constant that defines the basis for all other salaries. Each role level consists of three "bands." "X" is shown in relation to the lowest band (band 1) for each role level.

### Global Application

The Felt Fair Pay system allows Novus to manage compensation fairly and efficiently across the dozens of countries in which it has employees. To keep a level playing field, Novus maintains the same relationship to "X" worldwide. As a result, if one were to convert all aspects of compensation in any country to U.S. dollars, the result would be roughly the same total compensation by role level.

To ensure global equality of pay, Novus determines "X" in each market by considering several factors, including:

- A market match for a similar role in the industry
- Information gained from local recruiters
- Information gained from local job applicants
- Survey data from generally accepted sources



8X for Role Level VI-1



4X for Role Level V-1



2X for Role Level IV-1



X for Role Level III-1



55% of 'X' for Role Level II-1



31% of 'X' for Role Level I-1

## Staffing Decisions Based on Logic and Fact

Selecting the right person for each role can be challenging, particularly for a growing company like Novus. The NMS, however, provides a set of principles that are applicable to staffing and ensure that decisions are made with logic and based on fact.

The KAD, discussed on page 21, provides documentation that defines a standard according to which candidates will be measured for their suitability for a particular role. By using the KAD as a guide in the interview and selection process, managers are better able to ensure that they will select an individual who is capable of effectively performing the work of the role.

Below is a Novus case study, illustrating how the Requisite Organization of Staffing has contributed to Novus's success. On the next page are descriptions of the criteria that Novus uses to accurately assess a person's ability to effectively perform the work of a role.



*Maria Rivera Goeden and her manager, Rafael Cervantes, consider the key accountabilities of a newly created—but yet unfilled—role.*

## Requisite Principles Help Novus Ensure the Right People are in the Right Roles

Having the right people in the right roles is key to the success of any organization—especially a knowledge-based company like Novus, which depends so heavily upon the creative engagement of its employees. Staffing and hiring decisions are crucial. In a requisite organization, these decisions are not a casual matter. They are the result of a precisely-defined process, according to clearly-defined criteria.

“We take time throughout the selection process to ensure the appropriate fit to the role. The candidates are screened against the Key Accountabilities Document (KAD) to ensure that they have the capability, knowledge and skills, and that they value the role and can work well with a diverse group of people,” says Maria Burt, Human Resources Manager and Recruiter.

“We look for a long-term staffing solution, not a quick fix for a given project. We see the positive results of this approach in employee morale and job satisfaction,” she says.

Many companies focus on a job candidate's knowledge and experience to the exclusion of other significant qualifications. Requisite Organization takes a multi-dimensional approach.

“We evaluate the candidate's approach to getting work done. We also consider their decision making

process and how they get along with others. If someone doesn't value the role, will they stay in the position when work they value more highly comes along?

“We look for the person with the right knowledge and experience, but we also ask: Does this person also have the forward-looking, critical thinking skills to anticipate needs within that role? We want someone who values the challenge of the work and finds personal fulfillment through it. We dig into those issues and explore the candidate's personality and behaviors for the right fit,” Maria says.

The KAD is an important tool in the staffing and selection process. It provides more information about what the job entails than the standard job descriptions used by many companies, including general responsibilities and current goals, as well as participation on teams, cross-functional relationships and managerial leadership.

“All of these considerations—in total—must be considered when assessing the candidate's capability to deliver in support of our Critical Success Factors and long-term strategy,” Maria says. “Requisite Organization gives us the direction we need to effectively integrate the right employees into the role that will be the most satisfying and productive for them—and for Novus.”

## Measuring a Person's Suitability for a Role

### Knowledge and Experience

Most people and organizations focus primarily on knowledge and experience when considering a person for a specific role. While knowledge and experience are certainly important considerations in staffing, they are not the only factors to consider. Having the necessary knowledge, skill and experience will not enable someone to fill a role fully if that person does not have sufficient capability to handle the complexity of issues and decisions required by that role.

### Complexity of Information Processing

Ability to process information is a critical element in considering a candidate's suitability for a role. Novus defines Complexity of Information Processing (CIP) as the complexity of mental activity required to perform work. Complexity is determined by the number of factors, the rate of change of those factors and the ease of identification of those factors in a specific situation.

In staffing a role, Novus managers are expected to consider CIP in practical terms. For example, would the candidate have the ability to:

- Make a decision without coming back to the manager for guidance, direction, consultation?
- Proactively seek alternatives and subsequently bring those alternatives to the manager?

### Values the Work

It is difficult for employees to bring their full capability to bear in a role they do not value and, therefore, to which they cannot fully commit.

In discussing a particular role with a candidate, Novus managers are trained to find out if he or she values the work of the role. It would not be productive for Novus to place people in roles they do not value.

For example: Suppose a high-performing Novus sales representative is moved into a managerial role. The employee performed exceptionally well as a sales representative, but has little or no interest in managing others. Consequently, this person would not bring his or her full capability to the new role.

### Traits

Novus encourages and seeks diversity. Every employee has a unique set of personality attributes—such as reflective, thoughtful, mature, calm, energetic and many others. Novus refers to these attributes as "traits."

From a staffing perspective, Novus is concerned about whether individuals can effectively work together to accomplish the organization's goals. For example:

- The issue is not how mature a person is, but whether that person is so immature that it interferes with work getting done.
- It is not how sociable someone is, but whether that person is so abrasive that it interferes with work getting done.

# Task Assignment—QQTR

## Authority and Accountability

A basic assumption underlies all working relationships: Individuals who work together by virtue of the roles they occupy will endeavor to work effectively with one another.

The concepts of authority and accountability may seem obvious; and it is precisely for that reason that Novus explicitly defines them. Concepts that seem obvious are open to different interpretation. Therefore, it is through the specific NMS definitions of authority and accountability that employees fully understand what is expected of them. This leads to greater clarity and trust, resulting in more effective working relationships.

### Manager Authority and Accountability

A fundamental proposition of the NMS is that managers are accountable for:

- Their own output
- The output of their subordinates
- The working behavior of their subordinates

In order to be held accountable for the output and working behavior of their subordinates, managers must have a certain minimum authority with regard to their immediate subordinates. This standard includes the authority to:

- Veto the appointment of a subordinate
- Initiate the removal of a person from a role
- Assign tasks to subordinates
- Evaluate a subordinate's effectiveness

### Subordinate Authority and Accountability

Novus has clearly established the manager-subordinate relationship as a two-way working relationship.

Subordinates, no less than their managers, have clearly defined accountabilities and authority. The NMS states that subordinates are to:

- Bring their full capability to work every day
- Continue to develop knowledge and skills needed in their role
- Provide their managers with feedback

## QQTR—A Means of Achieving Clarity

A task is an assignment to produce a specified output. All tasks are to have a specified “QQTR”—quantity, quality, targeted completion time, and allocation of resources. Furthermore, all tasks are to be carried out within specified limits. For example, tasks must be carried out in compliance with Novus policies and procedures.

Most tasks are assigned by the manager, always with appropriate context setting, to be completed by the subordinate.

### Context Setting

Part of every Novus manager's job is to give subordinates a broad understanding of what is going on so they can make informed decisions as they work on their assigned tasks. Novus refers to this as “context setting.”

A principle of Requisite Organization—and of the NMS—is that all employees can work more effectively when they understand how a particular task fits in with other tasks and when they understand the desired outcome. In other words, if employees understand “why” they are doing something, they will be in a better position to go about achieving it.

The NMS directs Novus managers to set context by:

- Keeping subordinates informed about the manager's own goals, issues and problems
- Providing subordinates the bigger picture
- Offering information so that all subordinates understand each others' assignments, allowing direct collaboration

### Quantity

There is always a quantity involved in an output. Therefore, the quantity must be specified in the assignment of the task. As an example of quantity: Produce two marketing brochures per market, per region.

### Quality

Consider the following task assignment: “Document cost savings of standardizing the rail fleet by December 15.”

With this relatively vague assignment, the subordinate could have many options for interpretation. She could:

# Task Assignment—QQTR (continued)

## QQTR—A Means of Achieving Clarity (continued)

- Email a dollar amount to her manager, with no support material
- Produce a 20-page report, augmented with charts and graphics, including proposals for methods of future cost savings
- Provide a two-page executive summary of the cost-saving measures that have been taken

Because there may be room for interpretation, Novus managers are trained to clearly define the expected quality. For example, the previous task would have more clarity if it were stated as: “Document cost savings of standardizing the rail fleet by December 15. Documentation should be in the form of a three-page text document, with a supporting spreadsheet containing the data.”

### Time

A manager will always have in mind a time when a task must be completed. The NMS requires that this time be explicitly stated in the task assignment. There are two primary reasons for this requirement.

First, the subordinate will most likely have other tasks to complete during the new task’s timeframe. Providing the subordinate with a clear deadline for the task allows the subordinate to plan his or her work most effectively.

Second, when the time allowed for a task is stated explicitly, the manager and subordinate have a common understanding of when the output is expected. If either the manager or the subordinate learn new information that would affect the subordinate’s ability to complete the task within the specified timeframe, they can discuss it, and determine if changes need to be made to the task assignment.

### Resources

Managers are also required to assign tasks in terms of the financial, material, technical or human resources that can be expended in the completion of the task.

## Clear Task Assignment Supports Project Success at Novus

Requisite task assignment gives managers a procedure to follow that provides subordinates clarity by defining specific targets and parameters for the Quantity and Quality of output expected, the Time allowed for the project, and the Resources available (QQTR), and eliminates any vagueness or confusion that could open the door to an unproductive path. Subordinates can proceed more quickly when they have a complete understanding of the project and their manager’s expectations for it.

“QQTR helps establish the two most important tenets of Requisite Organization: trust and clarity. Everyone has confidence and trust in the process because they understand exactly how things are going to happen. If you set context, and clarify up front how you can meet your goal, it makes it easier to be successful,” says Tricia Beal, Communications Director.

The successful completion of the NovusConnect project in only one year is an example of how requisite task assignment can greatly strengthen a team’s effectiveness.

“NovusConnect is our global intranet. We built this corporate infrastructure within a very compressed schedule. At many companies, it would have taken at least 18 months to build something of that magnitude,” Tricia says.

“The first thing we did was make sure that the implementation team understood the overall context of the project, as well as the specific expectations that the organization had. Before beginning work, each person on the team understood the benefits of this infrastructure to the company and why the World Area Directors meeting was our best opportunity to introduce this tool,” she says.

More than 100 applications were built into NovusConnect, requiring input from more than ten departments. “With all that complexity, it’s critical to manage all the moving parts through a defined structure,” Tricia says.

The team members based the project plan on the concept of QQTR. They broke the project into manageable pieces, and allocated specific Resources for specific tasks. Each task was defined in terms of expectations for Quantity and Quality, the Resources needed and the Time available.

“Outlining the project using QQTR, always with the appropriate context setting, enabled us to deliver the project on time, with all its critical aspects in place. NovusConnect had a successful launch at the World Area Directors meeting, and it continues to function effectively as the organization continues to grow,” Tricia says.

# Personal Effectiveness Appraisal (PEA)

## Ongoing Appraisal Process Results in Increased Effectiveness

Personal Effectiveness Appraisal (PEA) is not a once-a-year event at Novus. To the contrary, PEA is an ongoing process: Managers coach their subordinates on a regular basis to help them become more effective in their roles and stay on track toward achieving their key accountabilities.

In line with Requisite Organization principles, Novus does not assess employees with a “performance appraisal.” Many companies would prefer to have performance appraisal systems that use objective measurements of output. The NMS, however, recognizes that in reality, people cannot be assessed in terms of designated outputs, since they cannot control the resources available to them or changing external circumstances.

Rather, Novus expects employees to use their capability to do their best to produce their assigned outputs. They should be paid for the level of capability that they are able to use in working to achieve the output. For that reason, the requisite process is called personal effectiveness appraisal rather than performance appraisal.

### The PEA System:

- Lets subordinates know how their manager judges their personal effectiveness
- Provides an opportunity for subordinates to express their views and have a discussion with their manager about their personal effectiveness
- Provides an opportunity for managers to coach their subordinates and develop action plans with them for improved performance
- Provides input for compensation decisions
- Keeps the Manager-once-Removed informed about the personal effectiveness of their Subordinates-once-Removed



*This photo of Jim Richards and Yujin Chen depicts a typical mid-year review at Novus.*

## Ongoing Coaching

Novus trains all managers to provide ongoing feedback to all subordinates. To help keep this idea top-of-mind, Novus has established several triggers designed to remind managers to provide training. These triggers include cases in which a subordinate:

- Is new to a role
- Is progressing toward achieving assigned tasks faster or slower than expected
- Demonstrates a need to strengthen skills and knowledge
- Appears to be ready for development within a role
- Is having specific difficulties performing an assigned task or general responsibility

## Mid-Year Review

About halfway through the fiscal year, each Novus employee has a mid-year review with his or her manager to ensure that the Key Accountabilities Document is realistic and achievable, or—if it's not—to make appropriate adjustments.

## Formal Appraisal Meeting

Since the employee appraisal process is ongoing, the subordinate should not expect any surprises at an annual formal appraisal meeting. The goals of the meeting are listed in the bullet points to the left.



# Training and Development

## Novus Learning System Offers Four Categories of Training and Development



Courses are offered as instructor-led workshops; e-learning, through the Novus Online Learning System; and through blended learning, which combines both online and facilitator-led sessions.

Through this focused approach to training, Novus enables employees to more effectively achieve their key accountabilities, achieve greater professional development, and support Novus's Critical Success Factors and long-term strategy.

*Lillian Brown, of the Novus sales organization, attends an online learning module on Novus's chelated trace mineral product family.*



## Training and Development Program Enhances Sales Success

Members of the Novus sales organization need to understand industry-wide issues as well as the specific issues that concern individual customers. Then they need to understand everything about Novus—from the technical details of its nutritional products to its business strategies, policies and processes. They need to establish credibility with customers, and then build a multi-level relationship with each customer that grows deeper over time.

The company's Growth—a Critical Success Factor—depends upon the effectiveness of all employees in sales. And new hires need to come up to speed quickly. Novus's extensive training and development offerings—both online and instructor-led—have greatly strengthened the effectiveness of its sales force, according to Dan Meagher, Vice President of Sales.

"We have a protocol for new hires as well as ongoing product training for everyone in the

organization. When we bring people on board, we expose them to Novus and its principles; they meet with all product managers and are exposed to the core products that are critical to their area of species expertise," Dan says.

When Novus acquired the Animal Nutrition Division of Albion Laboratories, Inc., about five new people joined the Novus sales team. Within four months, the Albion sales group was successfully selling Novus products and the Novus sales people were successfully selling Albion products. Dan credits much of this success to the exchange of knowledge between the Novus and Albion sales groups.

"The Novus Online Learning System has been a powerful tool that accelerates this training process and ensures that everyone is speaking a common language and working from a standardized knowledge base," he says. "We focus the sales team's training on the products that are the core of their responsibilities."

Every employee has a personal development plan that includes regular training and further education. The combination of online, instructor-led and blended training opportunities indicates the depth of Novus's commitment to empowering its employees to move the company forward.

As the company grows, the training and development programs are responsive to the changes and help employees to adapt and grow. The next generation of sales leaders is expected to be promoted from within the organization, and for that reason, the growth of the company is closely linked to the professional growth of its employees.

"It's exciting to see the progress that the individuals in our organization have made and continue to make," Dan says. "Our success has been greatly enhanced by the effectiveness of our training and development programs."

# Conclusion

## Creating Clarity—Building Trust

The NMS, based on Requisite Organization principles, is built on the premise that the very nature of things should be explicitly stated. Novus firmly believes it is necessary for all employees to have a common understanding of what needs to be accomplished and what processes should be used in doing so.

The NMS explicitly defines even the most obvious of concepts and processes, and in doing so, creates clarity, builds trust and encourages all employees to bring their full capability to bear in every task. This is the simple brilliance of the NMS.

For example, consider the most basic fact that Novus expects a manager to define a task and the subordinate to update the manager on whether the task is being completed within the specified parameters. Intuitively, this is how business should operate; but the NMS makes this explicit so all Novus employees have a clear understanding of what is expected of them.

Other concepts may not be so intuitive, or they may be open to individual interpretation. For example: People have different levels of complexity of information processing; role levels must be distinguished by the complexity of the work, not the number of subordinates or the financial responsibility involved; individuals must have the proper value for the roles they occupy. By defining each concept—as well as the process to apply the concept—the NMS eliminates misinterpretation and helps all employees focus on doing the work of the organization, in the most effective manner.



*From left to right: Novus employee Peggy Wunder receives feedback on an assigned task from Manager Maria Burt.*

## Contact Us

If you have comments on this white paper or would like further information about the NMS, please contact Novus Human Resources by sending an email to [hr@novusint.com](mailto:hr@novusint.com) or send a request in writing to the address on the right.

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## OUR PURPOSE

The Global Organization Design Society is a not-for-profit corporation registered in Ontario, Canada to promote the following objective:

The establishment and operation of a world-wide society of academics, business users and consultants interested in science-based management to improve organizational effectiveness for the purposes of:

Promoting among existing users increased awareness, understanding and skilled knowledge in applying concepts of Levels of Work Complexity, Levels of Human Capability, Accountability, and other concepts included in Requisite Organization and/or Stratified Systems Theory.

Promoting among potential users of the methods, appreciation of the variety of uses and benefits of science-based management, and access to resources.

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