

PRINCIPLES OF ORGANISATION

"If we keep doing what we've always done, we will continue to get what we've always gotten." (Steve Bhaerman)

This article presents a set of "principles", derived from a lifetime's experience participating in or leading organisations covering a wide range of activities and participants in the public, private and not-for-profit sectors.

Although a little "tongue in cheek" - and perhaps cynical, they relate to real-life experiences.

They represent a personal point of view and in no way reflect a particular ideology except "continuous improvement"

They should demonstrate your organisation is actually predictable in its behaviour and why it performs at less than its capabilities would suggest.

They will be found to apply fairly universally however, although there may well be exceptions or variants, their intent is to assist managers and organisers to develop their organisations to a higher state of effectiveness and efficiency.

The author hopes this set of principles will deliver some guidance to solving your organisation's shortcomings by identifying behaviours and means for changing them.

They are not intended to be "absolute".

GRIMWOOD'S FIRST PRINCIPLE OF ORGANISATION:

Public sector, private sector, not for profit incorporated associations or benevolent organisations are usually neither designed, structured, resourced, operated, maintained, nor further developed, to effectively and exclusively perform the declared purpose for which they exist.

See Note 8

GRIMWOOD'S SECOND PRINCIPLE OF ORGANISATION:

Competitive forces cause every organisation to rationalise itself and its activities to a state of being where it becomes incapable of fulfilling its purpose for existence - thus it will ultimately cease to exist.

GRIMWOOD'S THIRD PRINCIPLE OF ORGANISATION:

Every organisation that deems Customers as "stakeholders", instead of "partners" having mutual vested interest in transactional outcomes, does not consider the interests of its Customers before itself - thus it is self-serving.

"Stakeholders" include investors, insurers, creditors, government (taxes), suppliers, contractors, service providers and employees etc. - none of whom provide revenue to the organisation

See Notes 1, 2, 3 and 4.

GRIMWOOD'S FOURTH PRINCIPLE OF ORGANISATION:

An organisation that does not exist to serve its Customers (ie that class of persons for whom the organisation exists to serve) is self-serving.

An organisation that exists for its own purpose and goals will be seen by its Customers as just that.

In examples such as insurance or mortgage lending or consumer credit, where the standard of service may not be seen until a claim or default is made, there may be a long period of dormancy where a Customer believes a particular outcome will eventuate when in fact it may not.

It is under conditions of Customer stress that an organisation is most likely to declare its true principles and values

GRIMWOOD'S FIFTH PRINCIPLE OF ORGANISATION:

An organisation that does not demonstrate respect for its Customers will not have any.

Arrogance and contempt towards Customers may be seen in pricing, standards of service, delivery lead times, terms and conditions of sale or warranties and guarantees.

Self-serving monopolies and oligopolies will for a time control and exploit their Customers, but in the meantime those Customers will be actively searching for and often finding alternative sources of supply or alternative goods or services to fulfil their needs.

GRIMWOOD'S SIXTH PRINCIPLE OF ORGANISATION:

An organisation's regard for its Customers may be accurately assessed by comparing the relative number and location of Customer (automobile) parking bays to the relative number and location of executive parking bays - and the proximity of those bays to the entrance to the organisation's office.

Proprietors and executives like to perceive themselves as more important than Customers in their relationship with the organisation, hence Customers typically come last in the parking pecking order.

This is particularly so when the dependence of the organisation upon its Customers is not perceived as direct - eg public sector organisations.

In this age of dependence upon the automobile, many organisations simply do not provide any Customer parking at all.

GRIMWOOD'S SEVENTH PRINCIPLE OF ORGANISATION:

A person's rank in an organisation is directly proportional to the extent of his or her formal authority or empowerment to make legally binding commitments to those Customers with whom it transacts business and upon whom the organisation depends for its existence.

To ensure centralised power and control are maintained, diffusion of responsibilities and tasks is a key strategy of large organisations. Consequently the right to legally represent the organisation to the outside world is usually restricted to either the trusted few or to those whose functional roles require it.

GRIMWOOD'S EIGHTH PRINCIPLE OF ORGANISATION:

The FUNCTIONAL RESPONSIBILITY of a person is determined by their market cost.

The "official" status of every person in an organisation, the title of the position they fill, and their remuneration, are based upon their assigned FUNCTIONAL RESPONSIBILITY, determined by the value the organisation assigns to its perceived need for that function offset by the cost of procuring that person in the open labour market.

The astute Customer will ensure the organisational representative person they are dealing with has the organisational authority and organisationally authorised legal responsibility to support the claims or commitments they make to that Customer.

See Notes 5, 6 and 7.

GRIMWOOD'S NINTH PRINCIPLE OF ORGANISATION:

LEADERSHIP ignores all constraints and overcomes all impediments to success - irrespective of their nature, risks or consequences, and causes what needs to be done to be done.

GRIMWOOD'S TENTH PRINCIPLE OF ORGANISATION:

Organisational "LEADERSHIP" is the exclusive domain of those who are assigned stewardship to act on behalf of the beneficial interests of an organisation's proprietors - thus managers are only authorised to "manage" and administrators are only authorised to "administrate".

LEADERSHIP is intended to cause a measurable change from one state of being to another - even when that change may be limited to maintaining the status-quo in a changing environment.

The Ninth Principle of Organisation defines the role of leaders. Since this is also the universal job description of a "manager" some conflict of role understandings and leadership expectations will result in functional managers attempting to lead the organisation.

Hence so-called "leadership" in management and administration is merely a limited form of organisational empowerment or freedom, because the state of being cannot change beyond the bounds of authorised organisational functionality of the manager or administrator.

Consequently **regardless of benefit**, when a group "leader" exceeds his or her authorised organisational functionality or empowerment or authority, the organisation will restore order and balance back to the status-quo.

GRIMWOOD'S ELEVENTH PRINCIPLE OF ORGANISATION:

The more an organisation's leaders are protected from external scrutiny the more likely the organisation will fail.

The devices created and used by an organisation's leaders to protect themselves from the natural (legal, social, political or organisational) consequences of their actions or inactions also prevent them from becoming aware of those cause and effect relationships that impede the organisation's success - and therefore their own success.

GRIMWOOD'S TWELFTH PRINCIPLE OF ORGANISATION:

The most important element for every function of every organisation is COMMUNICATION.

Communicate what is required to be done, when it is to be done, where it is to be done, how it is to be done (process), how well it is to be done (criteria), who is going to do it, and why it is to be done (organisational purpose).

Since effective communication is a two-way process, it is necessary to communicate feedback of how well it was done, how it was measured, how it was documented and recorded, the level of recipient satisfaction obtained and what corrective or preventive action was applied to ensure continuous improvement.

Effective communication of requirements is dependent upon the organisation providing training, resourcing and systems that ensure the organisational competence and capability to do what it wants.

Do not expect people to do what you want if you have not told them what you want.

Say what you mean and mean what you say - clear instruction produces clear outcomes.

GRIMWOOD'S THIRTEENTH PRINCIPLE OF ORGANISATION:

A CONTRACT is binding upon two or more parties only to the extent that they both actively commit to honour it.

GRIMWOOD'S FOURTEENTH PRINCIPLE OF ORGANISATION:

An organisation's esteem for its staff and/or its Customers is demonstrated by the quantity, quality and cleanliness of its toilets and amenities

(Most organisations do not provide facilities of any kind for their Customers - which tells its own story.)

GRIMWOOD'S FIFTEENTH PRINCIPLE OF ORGANISATION:

An organisation that declares it is in business to make money will never reliably make it because Customers only buy goods and/or services - they do not buy money.

Money is simply a numerical "token" of relative value agreed between parties for the purpose of exchange. It does not have an intrinsic value of itself - eg foreign exchange rates simply compare relative nominal values.

Since "profit" and "interest" are essentially only extra service charges over and above the numerical value of the money upon which a transaction is calculated, no Customer will willingly pay more money (or a tax or a levy) for the sole purpose of enabling a supplier to make more money - particularly when the supplier declares that is the reason for the higher price.

Hence if there is an alternative option, the Customer will find it - eg when prices or interest rates go up, sales go down.

GRIMWOOD'S SIXTEENTH PRINCIPLE OF ORGANISATION:

PROFIT is a result of doing things well and is simply a measure of the difference between cost and revenue.

GRIMWOOD'S SEVENTEENTH PRINCIPLE OF ORGANISATION:

A monopoly or oligopoly will self-destruct by its own arrogance, greed and self-interest.

Monopolies, oligopolies, corrupt, criminal, military, political organisations and some churches all suffer from institutionalised autocratic control from the top down. Hence individual executives, managers, employees, servants and agents have no role but to serve as instructed. Since the top is consumed by its own self-servance and protection from corrective forces, what follows is inefficiency, ineffectiveness, disorganised chaos and a downward spiral of self-destruction.

With effective and honest leadership, and a commitment to national interest, dictatorships have the potential to be immune from this principle, which is why "democratic" organisation is promoted by their competitors.

Note: Corporations are *never* "democratic" - even to their shareholders - which says something about the democratic model.

GRIMWOOD'S EIGHTEENTH PRINCIPLE OF ORGANISATION:

A commercial organisation typically pays more to its employees and the State than it pays to its investors.

GRIMWOOD'S NINETEENTH PRINCIPLE OF ORGANISATION:

The State ultimately recovers nearly as much from its employees in taxes and charges as it pays them.

The economists' "multiplier effect" applies here.

GRIMWOOD'S TWENTIETH PRINCIPLE OF ORGANISATION:

Investors are driven by a desire to obtain something for nothing - ie "return on investment" or "interest" or "tax", that someone else pays for - hence investor controlled organisations (including the State) are driven by greed and self-interest.

GRIMWOOD'S TWENTY-FIRST PRINCIPLE OF ORGANISATION:

In any system of government, the State is incapable of performing the social role it sets for itself.

(see also the 1st and 11th Laws)

GRIMWOOD'S TWENTY-SECOND PRINCIPLE OF ORGANISATION:

Managers are first trained by their peers then selected and appointed on the basis of their likelihood to perform as their predecessors did or their peers do. Hence organisational mediocrity will remain the norm.

GRIMWOOD'S TWENTY-THIRD PRINCIPLE OF ORGANISATION:

The managements of organisations may be divided into "revenue creators", who create the products and services which are the organisation's purpose, and "revenue collectors" who collect the revenues required to enable the organisation to exist and function.

Since "revenue collection" is considered more important than revenue creating product development, manufacture or supply - which are the reason for the organisation's existence but create costs - then;

1. "revenue collectors" will be given greater status, authority and influence in an organisation's decision making processes.
2. "revenue collectors", not having the innovation, design, product creation and delivery knowledge or understanding essential to ongoing product success, will deprive the organisation of the financial resources required for future success - so it will fail.

This principle of organisation applies also to the State, where the collection of taxes, fees and charges are given statutory priority and status over programme or service delivery. (The State frequently fails to achieve its objectives)

GRIMWOOD'S TWENTY-FOURTH PRINCIPLE OF ORGANISATION:

An organisation's values, ethics, ethos, attitudes and performance are an amalgum and expression of the personalities and behaviours of its leaders.

Most organisations are led by people who say one thing but do another.

Actions speak louder than words.

Since the leaders behave in this manner, their followers do as they do.

GRIMWOOD'S TWENTY-FIFTH PRINCIPLE OF ORGANISATION:

All organisations seek to control the environment in which they operate.

Organisations have great difficulty in surviving in a changing or dynamic environment, because internal and external constraints limit their capability to respond to challenge.

Managements therefore try to limit or control those constraints.

GRIMWOOD'S TWENTY-SIXTH PRINCIPLE OF ORGANISATION:

Organisations have available only human, financial and physical resources.

Because machines (including computers) are easier to control and assumed to be more productive than people, proprietors tend to focus resource building towards physical resources (plant and machines) through financial resources (capital).

However ultimately it is the skill, experience, knowledge and attitudes of human resources (people) who determine the productivity of the plant and machines and therefore return on capital.

The more an organisation mechanises, the greater the impact human resources have on the organisation's performance, survival and growth.

Humans are the face and interface of an organisation.

GRIMWOOD'S TWENTY-SEVENTH PRINCIPLE OF ORGANISATION:

To maintain net profit in real terms in an inflationary economic environment, profit must grow at the rate of inflation and taxation - but competition forces prices downwards such that each unit of production contributes less to overall revenue and profits, hence to maintain the status-quo of return on investment, an organisation must increase revenue by increasing prices, adding new products, producing more or reducing costs - or fail.

To deal with this phenomenon in the public sector where costs increase generally in direct proportion to inflation, either services are eliminated, reduced, or rationed, or the scope or quality of services is reduced. This is often disguised by "restructuring".

Another option is "outsourcing", where public sector functions, services or projects are outsourced to the private sector. However the private sector pays substantial State taxes and charges, interest, and return on investment (profit), that must be offset before the status-quo is achieved for the State. Hence outsourcing is more about the politics of distancing the State from the consequences of its policies and programmes, rather than economic benefit.

GRIMWOOD'S TWENTY-EIGHTH PRINCIPLE OF ORGANISATION:

When interfacing with their external environment, managers and employees tend to identify themselves as personally representing the organisation who employ them.

Many managers and employees suffer from a lack of personal fulfilment, relevance or social status in their lives. Identifying with the organisation as its personal representative to the outside world allows such people to feel they are important and have value - typically using the Royal "We" in conversation..

The larger or more powerful the organisation the stronger the trait may be demonstrated - often evident in those employed to administer statutory processes with the statutory protection and discretionary power of the State - ie "public officers".

It is also common in "Customer Service Officers" in private corporations.

It follows that persons who have "controlling" or "bullying" or "abusive" personality traits will seek out this functional role to facilitate self-expression and fulfil personal needs. Such traits are typically secondary - hidden behind a facade of pleasant and affable personality and otherwise exemplary performance.

It is often the case that weak, aloof or busy senior managers will use such persons to shield themselves from interfacing with their Customers.

However this can be an organisationally damaging trait because such a person is likely to make statements or hostilely act towards Customers in ways that are destructive to future business relationships.

To control this, clear direction and limits of empowerment must be set.

A useful preventive measure is care in employee selection.

GRIMWOOD'S TWENTY-NINTH PRINCIPLE OF ORGANISATION:

The vision statement, mission statements and policies of an organisation have no effect unless there are defined plans, systems, processes and procedures in place to implement them.

Most organisations publish such statements but have no formal means of implementing them, or initiating remedial action when they are not implemented, or appraising their relevance or effectiveness.

See 12th Law.

GRIMWOOD'S THIRTIETH PRINCIPLE OF ORGANISATION:

A "Plan" is merely a "statement of intent" and has no effect unless the organisation commits appropriate and adequate human, financial and physical resources to it.

Management must ask - " what happens if the plan is not implemented effectively?

GRIMWOOD'S THIRTY-FIRST PRINCIPLE OF ORGANISATION:

Designers of plans, systems, processes and procedures tend to assume they will work effectively and provide no mechanisms for addressing outcomes when they do not work.

It is most relevant to organisational operations areas where systems and procedures are mostly out of date or ad-hoc.

This principle is particularly relevant to computer software and accompanying instruction manuals.

Organisations having a flat management structure at high risk because few in the organisation have understanding of how it works or what to do - see 32 nd Principle below..

GRIMWOOD'S THIRTY-SECOND PRINCIPLE OF ORGANISATION:

"Flat structure" organisations that replace "employees" with fee-for-service "contractors" have no middle-management to manage activity, so lose the capability to control what is happening, how it happens and therefore outcomes.

Outsourced contracting is widely used in some industries to avoid aspects of employment law and the obligations that go with it.

However when a contractor commences employment he or she is deemed (based upon previous employment history) to be suitably skilled and experienced and assumed to know what is required of them. Apart from initial induction, on-the-job training is not normally provided. Contractors are left to decide themselves what is to be done and how it is to be done.

Outsourced contractors are selling themselves on the basis of their pre-existing skills and experience, so do not tend to willingly share knowledge with their fellow contractors - they cannot be part of "the team".

Many organisations structure project management about a central core of "company" people who are deemed a vital part of the organisation's core team. Profit focused organisations appoint *revenue collecting* "money managers" to manage projects but these individuals are not likely to possess the technical knowledge or experience to adequately super-

vise, challenge practices or identify technical or product deliverable variances to desired outcomes. Whilst this may well be a practical approach in mature process and discrete project industries where outcomes are pre-determined, it is dangerous where design, innovation or change is required. Thus when things go wrong they really go wrong !! See 12th and 23rd Laws.

GRIMWOOD'S THIRTY-THIRD PRINCIPLE OF ORGANISATION:

"Responsibility" without "accountability" is a meaningless term or concept.

The term "responsibility" is widely used to describe functional roles in an organisation, however apart from dismissal there is usually no directly related "accountability" for poor-performance or non-performance.

Generally speaking, the more an individual is "responsible" the less they are "accountable".

This is demonstrated in public sector organisations where hierarchical layers of "responsible" people are appointed to diffuse responsibility and accountability. Responsibility is apportioned in ways that make it impossible for one individual to be responsible for much at all.

Committees and "boards" are frequently seen in this strategy.

Performance criteria is typically expressed in meaningless measures. The "learning organisation" is born.

The result is no-one is really accountable for anything, producing a situation where no-one can be blamed for dysfunction or poor performance.

GRIMWOOD'S THIRTY-FOURTH PRINCIPLE OF ORGANISATION:

Managements would rather see their organisation self-destruct rather than admit they are wrong.

"Ego, hubris, narcissism, avarice, self-grandiosement and an unwillingness to own up to mistakes are great motivators for the cover-up.

Collective decision making ensures no-one individual carries the can.

GRIMWOOD'S THIRTY-FIFTH PRINCIPLE OF ORGANISATION:

The larger the organisation the higher the level of organisational "conformance" is required from its individual managers and employees.

Large organisations attempt to break work down into discrete components or elements such that any individual performing them does not affect the organisation if they fail to report to work or leave.

This principle is a core driving force behind "mechanisation, automation and computerisation" in the workplace.

By eliminating human interaction with work processes, human influence is minimised.

However this ethos requires a high level of skill and experience on the part of those who design the means for mechanisation, automation and computerisation, so that organisational outcomes are achieved. Very often they are not.

I have yet to see a corporate management computer system that actually does reliably what it is intended to.

See 12th, 26th and 33rd Law.

GRIMWOOD'S THIRTY-SIXTH PRINCIPLE OF ORGANISATION:

Designers of organisational policies, processes, procedures and practices, assume that what is intended to happen will in fact happen - although it often does not.

e.g. In this era of national and global organisations, it is common for a Customer or prospective Customer to try to contact an organisation by telephone on a day or at a time when that organisation is not open for business. It is common for such organisations to respond with automated telephone services that either put Customers "on hold" indefinitely or fail to indicate the organisation is not open for business. Customers vote with their feet and their chequebooks and credit-cards.

GRIMWOOD'S THIRTY-SEVENTH PRINCIPLE OF ORGANISATION:

The State is incapable of complying with its own laws.

LAW is an "instrument of governance" - intended to legitimise and authorise the "governor" and not the "governed".

Governance is ALWAYS "discretionary".

The State organises itself as policymaker, lawmaker, regulator and enforcer - often within the same department or agency.

In most jurisdictions, a citizen has no legal mechanism or process available to prosecute the State, or its servants and agents, for the State's breach of its own laws against itself - ie "the common good" - unless that citizen is directly and adversely affected.

Even though a citizen may be a witness as a third-party to a breach of law by the State against itself or another citizen, the citizen is powerless to do anything to prevent that breach from continuing - including prohibition of reporting to a relevant and responsible State authority.

In corporate environments, this law also applies to **corporate policies** (eg "Customer Service Charter") which, unless specifically enshrined in a legally binding contract with a Customer, have no effect or recourse whatsoever - "*caveat emptor*".

GRIMWOOD'S THIRTY-EIGHTH PRINCIPLE OF ORGANISATION:

Leaders of volunteer (eg not-for-profit) organisations rely upon their formal status and support of the trusted few for their functional power and authority, hence their survival is dependent upon eliminating dissent or opposition.

Members of volunteer organisations, including democratically elected parliaments, are not bound by the master/servant relationship of paid employment. Hence they are free agents bound only by the "rules" and "policies" of the organisation.

If members dissent to or resist the policies and decisions of the leadership (eg President or Committee) the leadership will gather around itself a trusted few to protect it. They will also resort to the "rules" to use *administrative process* as a barrier to dissent.

If there is a Committee or Board of Management, that group will be populated with the trusted few so it is free from dissenters. This is a common phenomenon in public sector organisations directed by hand-picked "boards".

Committees are reknown for using their organisation's physical, financial and intellectual resources to fight dissent from within and without the organisation.

If dissent continues, dissenter members will be removed from the organisation by whatever means are necessary. Once a member is expelled they are no longer a member and therefore have no legal rights to participate in the organisation.

Conversely, if the members decide to eliminate the leadership and trusted few, the core group will resort to legal process or victimisation to retain power and control. However if sufficient members dissent simultaneously it is possible to expel the core leadership group (usually some but not all).

GRIMWOOD'S THIRTY-NINTH PRINCIPLE OF ORGANISATION:

Managers are selected on the basis of their demonstrated willingness, commitment and track-record to behaving as their predecessors have behaved.

Behavior is the result of "attitude".

To minimise risk, organisations (new or established) want their managers to behave in a defined and predictable manner.

Consequently no-one will be allowed the keys to the discretionary power and freedoms of management unless they can demonstrate commitment to the organisational status-quo.

Prospective managers must refrain from declaring their willingness to turn the organisation on its head and fix its problems because nobody wants that - despite claims to the contrary. Proprietors want "order", so change will only be tolerated if it is slow and progressive and can be reversed if something goes wrong.

In my experience, senior executive managers would rather see their organisation fail than admit mistakes, so "more of the same" is essential to protect past errors.

NOTES:

Note 1. "Customer" - Definition.

In the above statements, the term "Customer" defines a person, or group of persons, who gives a state or private organisation "Custom" - ie does business with an organisation - and includes those who make enquiries, request information about the organisation and its products (ie - goods and services), enter into contracts with the organisation, rely upon the organisation's integrity for future performance (eg spare parts, service, warranties and guarantees), respond to demands from the organisation, or interface in any way with the selling or delivery elements of the organisation - whether past, present or future.

Note 2: Stakeholders

Although from the perspective of acquiring the desired or agreed product or service, and support of warranties and guarantees, a "Customer" is very much a "stakeholder" in the organisation, it is not realistic (for the future of the enterprise) or equitable to rank a Customer alongside or equally with non-paying or non-revenue creating stakeholders, such as "Investors" or "Insurers".

Note 3. Members

In the case of "not-for-profit" organisations such as mutual societies, clubs, churches, incorporated associations and friendly societies, "Members" can be "Customers" if they purchase goods or services from the organisation, but otherwise they remain "Stakeholders" - in a similar relationship to "Investors" in the case of "for-profit" enterprises (corporations).

This is verified by the legally legitimised behaviour, that "not-for-profit" organisations generally do not accede any obligation of rights or privileges from the organisation to an individual member - (even though the Members collectively own it) - unless that Member *purchases* the organisation's goods or services as a "Customer".

Note 4. Electors

From the above it can be seen that because "Electors" - ie "Members" - are merely "Stakeholders" in a democratic society, they have no direct rights to goods or services provided by the State (even though they collectively own it) - unless they pay for them in a "Customer" relationship - eg a discrete "user pay" relationship.

"Pay" does not necessarily mean "money" but can include loss of liberties, freedoms, privacy, rights and privileges in return for a good or service - eg grants, pensions, benefits, subsidies or allowances based upon qualifying class.

However by the device of biased laws and subterfuge founded on Customer ignorance - supported by overwhelming state power - where the (subsidised) fees charged to the "Customer" only cover a portion of the full true cost, the fee-paying "Customer" is considered to only "contribute" to revenue and therefore does not create an entitlement to a formal contractual relationship as would occur with a private business enterprise (corporation).

This is exemplified in education, training, hospital, medical, transport and utility services such as postal.

Another more subtle device, used for the supply of water, sewerage, gas, drainage and Local Government in Australia, is to charge a "service provision fee" or a "Rate" by which the basic cost of the service is paid for as a tax - usually with no specific entitlement or recourse whatsoever. But since Local Government Rates are a direct tax on existence, it is impossible for a taxpayer to claim a particular right as a "Customer" for a good or service in exchange.

Generally speaking there is no recourse for poor, faulty or non-performance in the good or service unless the Customer is truly a Customer. Often though the supplying organisation will hide behind "industry standards" as the accepted measure for the good or service - eg water quality.

"Caveat emptor" still prevails.

Note 5. The Public

In Australia, there is a steadily increasing trend for suppliers in Government owned and operated organisations to impose a "disclaimer" upon their unsuspecting Customer.

This includes Departments of the State - ie subsidiaries and subsystems of Executive Government.

One outstanding example is in the communication of LAW from the State to the public. LAW is used as an "Instrument of Governance" by the State and relies for its successful acceptance and implementation by the populace upon communication and interpretation.

However Australian State and Federal Government owned and operated websites that communicate LAW (if you can find them) carry a DISCLAIMER stating that the information provided is not to be relied upon and may not be accurate. This is despite the intention that the populace should comply - because they have been told!!

Government also declares Statute Law to be copyrighted, so users cannot legally communicate the law to others.

Furthermore, the Australian Tax Office - the tax collecting arm of the federal state warns Customers who use the ATO website to pay their taxes that the Customer is liable for any problems caused by such use.

This is the State versus the individual - one on one.

A remarkable achievement in a self-proclaimed "democratic" free society which holds itself up as an example to the world.

Note 6: Organisational Function

Cost driven circumstances encourage internal promotions - subject to application of the "Peter Principle", which states that "in an organisation a person is ultimately promoted to their level of incompetence".

These *cost driven* circumstances also encourage organisational FUNCTIONS to be limited by their cost to the organisation of acquiring an individual having sufficient capability and competency to fill that function.

These *cost driven* circumstances also encourage organisational design and structures to be based upon the relative cost to the organisation of the incumbents needed to service each FUNCTION - hence an organisation will incrementally re-design and restructure itself into incompetence.

Note 7: Functional Responsibility

To effectively serve an organisation - ie to maximise *benefit* to an organisation:

A person performing a **FUNCTION** must be assigned **FUNCTIONAL RESPONSIBILITY** for the performance and outcomes of that function

FUNCTIONAL RESPONSIBILITY is consequent upon **FUNCTIONAL AUTHORITY** to act autonomously without reference to higher authority

FUNCTIONAL AUTHORITY is consequent upon **FUNCTIONAL EMPOWERMENT**

FUNCTIONAL EMPOWERMENT is consequent upon **FUNCTIONAL FREEDOM**

FUNCTIONAL FREEDOM is consequent upon:

- **defined FUNCTIONAL SCOPE**
- **defined SPAN OF FUNCTIONAL CONTROL**
- **defined LIMITS OF AUTHORITY**
- **defined EMPOWERMENT**

But **FREEDOM** incurs **RESPONSIBILITY**

RESPONSIBILITY demands **COMPLIANCE** within the limits set by **EMPOWERMENT**

NON-COMPLIANCE incurs **ACCOUNTABILITY**
ACCOUNTABILITY incurs **CONSEQUENCES**

Thus,

without CONSEQUENCES mediocrity and the status-quo will be preserved.

Note 8:

Obvious examples include:- The CIA (Central Intelligence Agency), which does more than collect and analyse "intelligence".

The FBI (Federal Bureau of Investigation), which does more than "investigate".

The Australian TAFE (Technical and Further Education) system, which does more than "educate".

This set of principles is the result of observations over more than 50 years' experience in management.

They are not absolute - but do apply in a general sense.

They are intended to be used as a guide for organisational design and development.

Remember - your competition has read them already.

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