



READINGS IN GLOBAL ORGANIZATION DESIGN

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REQUISITE ORGANIZATION GOES TO CHURCH

by John Morgan, Ph.D.

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Elliott Jaques advised us that his concepts were appropriate for managerial employment hierarchies and cautioned against their use in associations or other forms of membership organizations except in those parts of the organization that had employed managers and employee subordinates. Nevertheless, the application of requisite concepts still has useful applications, as is explained by John Morgan in the final article in this part, "Requisite Organization Goes to Church." Morgan used Jaques's and Cason's concepts on human capability in his doctoral dissertation to evaluate the cognitive capability of several historical religious figures. Now in his role as senior pastor of Pinion Hills Community Church, a mega-church in New Mexico, he describes how he used RO concepts in church governance and administration to increase the effectiveness of the Church.

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Organization Design, Levels of Work & Human Capability

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Requisite Organization Goes to Church

John Morgan, Ph.D.

WHAT'S IMPORTANT

- A New Mexico mega-church used RO concepts to grow from a weekly attendance of 800 to more than 1,500.
- While most churches operate stratum at II or III, Piñon Hills Community Church is a stratum V organization with a board capable at stratum IV or above and managers capable at each level to handle operations.
- Executive pastors at stratum IV are accountable for major ministries and groups of remote campuses.
- The Church runs its own community leadership training center that provides talented leaders to support its continued growth.

Pastoral mega-churches are surely the most important social phenomenon in American society in the past thirty years. This to my mind, is the greatest, the most important, the most momentous event, and the turning point not just in churches, but perhaps in the human spirit altogether.

—Peter Drucker¹

I am the pastor of one of the large and growing evangelical churches that make up what Peter Drucker described to *Forbes Magazine* as the mega-church phenomenon. It was in this type of church that I learned and applied requisite organization ideas that led to great growth and much better management.

Congregations in the mega-church phenomenon differ from mainline congregations. These large, growing Evangelical congregations are churches with large Sunday attendance, non-traditional worship and led by the head pastor. Like many other such churches, we are not legally affiliated with any denomination or other church, although we cooperate with many other evangelical churches in various ministries. And unlike mainline hierarchical denominations, the final authority in our church rests with the congregation. They can vote to remove the board or the senior pastor, and indeed hired me 12 years ago after I interviewed for this position. They recommended me to the congregation, who approved my hire by a 90 percent vote, more than the two-thirds vote required by our constitution. As chief executive, I am the head of our employment system, so no other hires or dismissals are brought to the congregation for their vote.

The nature of this kind of church requires good management and leadership. I often describe our kind of church as “entrepreneurial,” because our mindset is to take the risks necessary to seize opportunities to accomplish our mission, which is to add people to the faith. So our management and leadership more closely resemble that of a growing business than that of a mainline traditional church. Churches in the mainline denominations tend to focus more on maintaining their traditions and leading by consensus. The result has been much less growth and also lower demands on their management and leadership.

That is why the pastors of large, growing evangelical churches tend to focus on “leadership.” They study leadership and seek to apply it. Some of the best leader-

¹ “Management’s New Paradigms” *Forbes Magazine*, October 5, 1998

ship training in America is delivered by flagship, growing, American churches like Willow Creek Community Church in suburban Chicago and Saddleback Church in Lake Forest, California. But unfortunately, they do not differentiate between the leadership necessary to run the staff organization, leadership to lead the association of the congregation's people, and spiritual leadership.

I believe managerial leadership of the staff hierarchy and leading the congregation's people overlap. You can't do one without the other, yet I see them with some distinction. Part of that is from my theological background. I believe God gives some the spiritual gift of leading the congregation and some the spiritual gift of managing the employment hierarchy per se.

Leading the congregation, in my mind, is the ability to get people to follow you in a direction to solve problems. The more people you can get to solve more complex problems, the greater is your leadership capability. In my mind, managing the staff means staying on top of many people, tasks, and situations to guide them in a cooperative direction. Another kind of leadership is spiritual leadership. I believe that is being an example of how to follow God by faith and effectively communicating the faith to others.

How I Came to Requisite Organization

My introduction to requisite organization came at a providential time several years ago. Our church and staff were growing, but we had hit a bad cycle of conflict and turnover. At the same time I was working on my Ph.D. in organizational leadership. My primary interest for my research and dissertation was the phenomenon of the levels of leadership capability that exist in any given population. I had almost completed my coursework that included a review of every major leadership theory, and none of them adequately explained this phenomenon.

Then my dissertation chairperson recommended that I complete my final class credits in an independent study on requisite organization. I could not believe my eyes. As I researched it further and read Elliott Jaques's works, I knew I had discovered the holy grail of leadership that answered the questions I was asking.

So I did my doctoral dissertation on the phenomenon of leadership levels using Jaques and Cason's ideas on human capability.² My method was to analyze the lead-

² Jaques, E. and Cason, K. *Human Capability. A Study of Human Potential and Its Application*. Green Cove, Florida: Cason Hall & Company Publishers, 1994.

ership levels of three high-level, historic Christian leaders—Jesus, Martin Luther King, Jr., and Pope John Paul II—through the construct of complexity of information processing. The result provided a sound explanation for the complexity of these three leaders’ important ideas and communications and the correlating historic impact that they had.³

A Theology of Human Capability and Organization

As a leader of my organization and congregation, I got a new perspective on how to develop an organization to accomplish a mission. I came away with a working theory of leadership and management that is a smooth integration and theology of human capability and organization that is consistent with the teachings of Jesus and the Bible.

A “theology” of any topic is a philosophy of belief about that topic that includes all truth that God has given us. I follow a classic line of philosophy that goes from the Apostle Paul, to St. Augustine, to St. Thomas Aquinas, to John Calvin, to Pope John Paul II that “all truth is God’s truth.” We believe that God gives us truth through revelation, truth from the Bible, and reason, our intellectual ability to find truth that is testable, logical, and consistent. So, my theology of human capability and organization is based on the revelation of the Bible and the reason of requisite organization and other sources of leadership and management wisdom.

Putting the Right People into the Right Roles Doing the Right Things

I came away with the understanding that successful organizations place the right people in the right roles doing the right things in alignment with the mission of the organization. Organizations in general are bad at doing this, but churches tend to be worse because, in the name of helping people, they let some people work in roles for which they may be incapable. The result is often ineffectiveness. I decided to lead our church away from this mentality when we were growing past 800 people in our weekend worship attendance, a crucial time in our history.

3 Morgan, J. “An Analysis of the Leadership Levels of Jesus, Martin Luther King, Jr., and Pope John Paul II through Elliott Jaques’ Construct of Complexity of Information Processing.” (Doctoral dissertation, Regent University.) UMI/Digital Dissertations. 2005.

First, it meant I had to let my second-in-command staff member go. He had showed himself ineffectual in selecting the right people for staff positions and incompetent to give them adequate management and leadership. He had brought several bad hires on in a row and had managed them so poorly that when they left our staff, it caused major shock waves to go throughout our congregation. I had to de-select him, because I had to bear the responsibility for his unacceptable output.

Second, it meant I had to train our staff and key non-staff leaders in the principles of requisite organization, so that we could begin aligning ourselves properly. We were a stratum III organization where I personally managed all ministry staff and treated them all as organizational equals in defining the mission and strategy of our organization. We imploded in cycles of conflict with many lobbying for their various agendas. Our board was made up of strata II and III people who could not think beyond short-term operational issues and who participated in every employee management decision.

Since I had been assessed at stratum V as part of my doctoral work, we established clear levels of employment that began with me at stratum V, then cascaded down to volunteers and staff who function at strata I and II. We established the four major responsibilities of all managers which are the following:

1. Select the right people.
2. Assign them the right work.
3. Give them the right feedback.
4. De-select those who won't do the right work.

We focus our hiring practices now on the following four criteria for all candidates. Of all of our management challenges, clearly assessing candidates for these criteria is the greatest.

1. Does their work capability fit the role?
2. Do they have the knowledge and skills needed for this role?
3. Do they have the desire needed to fulfill this role?
4. Do they have enough character to fulfill this role?

One of the key improvements that requisite organization has made in our staff is how we hire and dismiss. In the past, all of these decisions were made by the senior pastor with the counsel of the board. As the congregation and our employment system grew to be several layers, these decisions were transferred to the managers and managers-once-removed. I do bring hires and dismissals of my immediate sub-

ordinates to our board for their counsel, but hires and dismissals below that level are handled by the managers of our employment system.

This has allowed our board to stay out of operational issues, unless there is a legal issue. For example, recently our stratum III student ministries director received the resignation of one of his stratum II subordinates after a series of management meetings with him to correct problems. The director conferred on his management and possible corrective actions with our stratum IV executive pastor. When the resignation came, the executive pastor informed me, and we in turn gave it as an information item to our board. This issue was handled properly at the right level. A search for a new hire will be handled by them also.

My own work changed, and illustrates how I view managerial, congregational, and spiritual leadership. I manage my direct relationships with my subordinates and, as their manager-once-removed, give career direction to staff two levels down. I lead our whole staff by continually casting vision and strategy to them, holding a monthly all-staff vision and strategy session that is followed by a social lunch. I lead our board by setting the tone of vision and strategy with them, and including them in the process of defining our exact directions and methods. I lead our whole congregation by communicating the faith to them in weekly preaching and casting vision and strategy to them in semi-annual messages about the church as an organization. I personally deliver the operational ministry work of personal pastoral care to a number of our people who are in crisis. Most of that is delivered by our staff, but I have my share of these duties too.

The third major thing we did was to train our board of directors in requisite organization. Now, when new candidates are being nominated and selected for our board, one of the criteria for selection is that they must be capable of doing at least stratum IV work. While this is unusual in mainline congregations whose boards are often at stratum II or III, our church attracts highly capable people from across the region. Our board members are busy people in demanding roles outside the church who believe that the mission of our organization is a vital part of their lives.

Many people wonder how we can attract such capable people to be committed to such a large task. We attract them through a monthly, half-day leadership training program for executives. This draws in the leaders in our church and community. Our current board also recruits candidates who have demonstrated spiritual commitment as well as leadership capabilities in their lives and work. Last, having a sen-

ior pastor at stratum V is most important, because leadership cascades. Ultimately, stratum IV people are attracted by strata V and VI leaders.

This has helped our board become productive at working on vision and strategy, instead of becoming bogged down in operational issues that our staff and their volunteer teams should be solving. This has been not only a major improvement for our church, but it also has a real benefit for me as the leader of our organization.

We also changed how we work with our members as volunteers. This problem is inherent to churches, but not a part of a business's normal operations.

We will occasionally have stratum II programs led by volunteers, but they answer to a stratum III staff person. When a program grows to stratum III complexity, we bring it under paid staff supervision if it is going to stay under our church, thus keeping mission alignment within our organization.

Regardless of the working level of a volunteer, we try not to have employees answer to volunteer managers. We found that it simply does not work well.

We also found that volunteers can stay motivated for a time volunteering at levels below their capabilities. However, the longer people volunteer in our system, the more they seem motivated to serve in areas that tap more of their capacities, which has made identifying and engaging high-capacity people in ministry one of the key challenges of our church.

It has been said that a business makes money at strata I and II. In a church, we do ministry at strata I and II through our community groups, making this our most important ministry. We found that one needs to be capable at high stratum I or II to do well in leading a community group. Thus, the entry point for our most important and most needed volunteer position is accessible by most adults.

Finally, we created a leadership training organization that trains people in requisite organization principles of management and leadership. As described above, this half-day training venue for people in business, non-profit organizations, and churches has also served as a place to train existing congregational leaders and recruit new ones into it.

Requisite Enabled Growth

It is clear to me that implementing RO concepts has enabled us to grow into a dynamic congregation that manages our employment structure and volunteers in a

way that both produces growth and creates a environment for spiritual growth. In fact, we measure the spiritual growth of our congregation by the following criteria:

- Professions of faith and baptisms of new converts
- Number of community groups and percent of our congregation who are involved in these groups, which are home-based and lay-led spiritual support, growth, and ministry units
- Number of community and cross-cultural service/ministry projects
- Overall retention of membership and growth
- Overall engagement of our people in volunteerism
- Overall unity and spirit of vision and outreach by our congregation
- Quality and quantities in our key ministry departments, e.g., children's, youth, and community groups; worship and arts; women's and men's ministries

Within the last year, it became clear to me that our biggest organizational need was for staff members who could function at stratum IV, just below me. My new second-in-command could function at that level, but our organization was becoming so broad that I felt we needed three there. So we hired two more people who work at stratum IV, which we call our "executive pastor" level. This change has paved the way for major improvements in our existing ministries and created new ministries that serve entirely new groups of people.

We now have about 30 staff members. As previously mentioned, I function at stratum V as the senior pastor. My executive pastor, ministry development pastor, and community life pastor function at stratum IV. Under them, stratum III managers manage our major ministry departments, such as our children's and youth ministries. We have some strata I and II employees who work under these managers. Most of our board function at stratum IV or higher.

Success

We have grown from 800 in weekend attendance to just fewer than 1,500, and our income from supporters has grown faster than our attendance. We are entering a building program to relocate to a new 60-acre campus that will allow state-of-the-art ministry and outreach. Within the last year, our congregation has completed more than 50 community service projects. We have started our first satellite video-venue church campus 150 miles away in Rio Rancho, the fastest growing city in New

Mexico, and we are expecting the campus to break 200 in attendance by the end of its first year. One of the three executive-level pastors who work under me manages the campus pastor of that congregation. We are in a fast-paced growth and development mode, which is only possible because we are learning to place the right people in the right roles doing the right work in alignment with our mission.

Exciting Future

The future is exciting to me because I sense that I will be transitioning in my own capabilities from stratum V to stratum VI in the next few years. This means my vision, thinking, and work capability will allow me to be the top executive and spiritual leader of multiple organizations. I will lead multiple church campuses, each one with its own campus pastor, as well as the expansion of our community foundation that does non-profit community work, the expansion of our leadership training program, and the expansion of my own message through writing and speaking.

A big part of my message is that whether you are in business, non-profit leadership, or religious ministry, the best way to get the most people doing the best things is by organizing according to requisite organization principles.

Biblical Affirmation of Requisite Concepts

Let me make one more note about something I referred to earlier. Requisite organization is built on the core concept of the varying levels of human capability to do work. What Elliott Jaques discovered by research is also affirmed theologically in the Bible. In the Old Testament in Exodus 15, Moses' father-in-law, Jethro, consulted him on his organizational problem of leading Israel: everyone came to Moses for judgment on civil disputes. There was a long line of people waiting to see him every day, and it was wearing him and the people out. Jethro consulted Moses to set up a system in which people who were capable at different levels of work would be responsible for leading various groups of people and Moses would be the apex leader. These people were chosen according to their capabilities.

Also in Jesus' parable of the talents, he told the story of a wealthy person who gave three people different amounts of money to manage in his absence. The amount that was entrusted to them was based on his estimate of their capability. Many Christian

theologians have understood this story to be about the abilities that God gives us and our responsibilities with them.

Finally, the Apostle Paul was the major biblical writer in the New Testament to present the idea of “gifts” that God gives people for His service. These gifts are God-given capabilities to do work in the service of God and His church. They range from having an aptitude for sympathy and mercy to being able to make and give money to leadership and administration. The bottom line in Christian teaching is for each person to serve according to the capabilities God has given him or her. So, the Bible affirms that the various levels of human capability are God-ordered.

As a pastor and a leader I see an objective, carefully defined, researched and validated process for effective organizational design. I also see how RO helps individuals be all that God intended them to be.

ABOUT THE AUTHOR

The Rev. Dr. John Morgan is the lead pastor of Piñon Hills Community Church in Farmington and Rio Rancho, New Mexico. He is the founder of the Piñon Hills Community Foundation and the founder of a leadership training organization called The John Morgan Company. He holds a master’s degree in divinity and a Ph. D. in organizational leadership. He is the co-author of *How to Discover Your Personal Life Mission* (2007, Xulon Press) and the author of *Horsepower: How Leadership Works* (2007, Xulon Press).

Morgan and his wife Greg Lane have five children. His favorite avocation is salt water fishing and he is the co-leader of a ministry of male-initiation that leads men in a weeklong spiritual transformation that takes place at fishing resorts in Mexico and Costa Rica.



GO Global Organization Design Society

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To support the organizing of work in a responsible, fair and healthy manner in which people are led in a way that enables them to exercise their capabilities.

The Society believes this requires applying a systems framework* emerging from reflective inquiry in which levels of work and capability are the initial paradigm and growth in human awareness is the essential process.

The benefits are organizational effectiveness, fulfilled people and organizations designed for value-creation, sustainability and social well-being.

* Note: inspired by the work of Wilfred Brown and Elliott Jaques

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The GO Society fulfills its purpose by:

- 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. The GO Society supports the learning and development of current and future practitioners by holding world conferences and professional development workshops, publishing books and a journal, and maintaining a resource-rich web site with related articles, monographs, books, videos, blogs, discussion groups, and surveys.

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