



# The Stratified Systems Theory (SST) and Time Span of Discretion Framework



Written by **Cole Abbott** • Updated: September 26, 2024 • 14 Minute Read

Welcome to Founder's Framework, offering full access to objective, informational, and researched articles on core business frameworks – aggregated into a single, organized space.

This article provides a detailed overview and expert insights on Stratified Systems Theory (SST) to help support a sound, informed decision on framework implementation.

# At a Glance

**Framework:** Stratified Systems Theory (SST)

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**Creator:** Elliott Jaques

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**Stage of Development:** [Stage 3: Scale](#)

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**Core Competency:** [Structure](#)

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**Business area:** [Organizational structure](#), [People](#), [Hiring](#)

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**Change Required:** High Change Management level

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**Key pain points addressed:**

- Lack of clarity in roles, accountabilities, and responsibilities
  - Misalignment of people skills and role complexity
  - Compensation inequity
  - Ineffective organizational structure
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## What Is the Stratified Systems Theory Framework?

Stratified Systems Theory (or SST) is a framework for designing organizational hierarchies and roles based on the complexity of work at different levels (seven levels total) – each with a different **time span of discretion** (in other words, the time it takes for an individual to complete a task that they can comfortably undertake without supervisory oversight). The framework assigns different time spans to different work roles across levels.

## KEY TERM

# Time Span of Discretion

Measures the complexity of a role by the longest task an individual can manage independently – which determines the level of autonomy and decision-making authority.

## Who Created SST?

SST was developed by Elliott Jaques and encompasses more than 45 years of organizational design expertise. A Canadian psychoanalyst and organizational theorist, Jaques developed SST to offer a systematic and scientific approach to organizational management.

Jaques developed SST to objectively measure the complexity of work in roles and provide an understanding of a human's potential capability and its maturation over time.

## 5 Levels (Strata) of Time Span of Discretion

The framework assigns different time spans to different work roles across levels. At a high level, Jaques found in his research that the most effective organizations were structured in a way that noted that as someone moves up in an organization, they must be able to focus on projects that take longer periods of time without close supervision. The higher someone is in the organization, the longer the time span into the future an individual needs to be able to get smart stuff done.

Essentially, this breaks down to the following levels (or Strata):

1. Roles (or Seats) at this level are focused on tasks and objectives up to three months ahead.
2. Supervisors focus on responsibilities from 90 days to one year. They are often accountable for overseeing the work of Stratum 1 team members.
3. Leaders in areas of expertise (or Core Functions) are accountable for initiatives that span 1–2 years.
4. Leaders at this level often focus ahead 2–5 years on long-term strategic planning and integrating Core Functions. (These are often C-Suite.)
5. CEOs at this level are thinking out 5–10 years.

## Stratified Systems Theory Examples

Consider this simplified example of time span of discretion:

- front-line employees (or team members) focus on daily tasks;
- middle management on monthly or quarterly goals;
- and senior leaders (or executives) on yearly plans and long-term strategies.

Or let's look at a more detailed example that includes all seven levels of SST:

LEVEL	TIME - SPAN	THEME	ROLE	CONTRIBUTION
7	20 - 50 YEARS	CORPORATE PRESCIENCE	INTERNATIONAL PRESIDENT	VALUES
6	10 - 20 YEARS	CORPORATE CITIZENSHIP	GROUP CEO / VP	VALUES
5	5 - 10 YEARS	STRATEGIC INTENT	CEO / GM	ADDING FUTURE VALUE
4	2 - 5 YEARS	DEVELOPMENT	SENIOR EXECUTIVES / GMS	ADDING FUTURE VALUE
3	1 - 2 YEARS	PRACTICE	FUNCTION HEADS	SERVICE
2	3 - 12 MONTHS	SERVICE	FIRST LINE MANAGERS	SERVICE
1	0 - 3 MONTHS	QUALITY	FRONT LINE STAFF	SERVICE

Jaques developed SST as an alternative approach to antiquated, title-based hierarchies. The theory focuses on designing organizational hierarchies and roles that align with the complexity of work at a given work level. Jaques observed that team members naturally agreed with pay levels based on the time span of discretion, which is used as an objective measure of work complexity.

SST also offers a systematic, scientific approach to structuring organizational work levels and roles by matching a team member's cognitive capabilities with the complexity of work assigned to them. This helps mitigate over- and under-employing by aligning capabilities with appropriate role complexity.

The theory further clarifies accountability and decision-making authority at each level of the hierarchy. SST offers the basis for defining who is accountable for certain decisions based on time span of discretion and role demands. This better supports fair and equitable compensation by aligning pay levels to measured complexity of work over job titles or pay demands.

Overall, SST offers greater rationale, equity, and effectiveness to organizational structure because it's based on empirical assessment of work complexity and human capabilities.

## Key Pain Points Addressed

Stratified Systems Theory was developed to address common organizational challenges for Stage 3 companies, including:

- ✔ Lack of clarity in roles, accountabilities, and responsibilities, as well as in decision-making authority across work levels. A core objective of SST is to offer a rational basis for defining who is accountable for what decisions based on time span of discretion and cognitive demands. Ultimately, the goal is to mitigate (if not eliminate) overlaps in decision rights that lead to confusion and decision silos.
- ✔ Misalignment of human capability and role complexity. SST emphasizes aligning an individual's cognitive capabilities with their work role to ensure the right people are placed in the right seats on the bus. The main objective is to mitigate placement of staff in roles where they are over- or underqualified.
- ✔ Inequities in compensation. SST supports compensation based on measured complexity of work over negotiating power or traditional titles. This supports a more equitable pay structure.
- ✔ Ineffective organizational hierarchies and reporting structures. Work is categorized into unique levels of complexity to offer a clear framework for designing organizational hierarchies and reporting lines that match work-level demands.

Broadly, SST provides an objective, systematic, and measurable method for structuring organizations, hierarchies, and individual roles.

## When You Should Apply Stratified Systems Theory

SST is applied in organizations that have reached Stage 3 (Scale) of Ninety's Stages of Development. A Stage 3 organization:



Has implemented a more intentional approach to work and is increasingly adding expertise.



Is focused on developing a clear path to long-term viability.



Has a founder whose main focus is on the next 1–2 years.

# PROs and CONs of Stratified Systems Theory

As you evaluate SST, consider the top pros and cons of this framework adoption:

## PROs

- ✓ Provides a systematic and objective approach to organizational design based on measurable work complexity.
- ✓ Helps align work levels and roles with distinct cognitive demands, which can potentially improve efficiencies.
- ✓ Aligns an individual's cognitive capabilities with appropriate role complexity, reducing over/under-employment issues.
- ✓ Clarifies accountability and decision-making authority across all Strata.
- ✓ Offers a framework for more equitable compensation structures based on work complexity over subjective factors.

## CONs

- ✗ May create a rigid hierarchical structure that could stifle innovation or flexibility in some organizations.
- ✗ Requires significant commitment and buy-in from senior leadership, which can be a barrier.
- ✗ May have limited focus on teamwork, as SST's emphasis is on individual cognitive capabilities and may not fully account for cross-functional teams.
- ✗ Can be difficult to measure cognitive complexity and time span of discretion objectively.



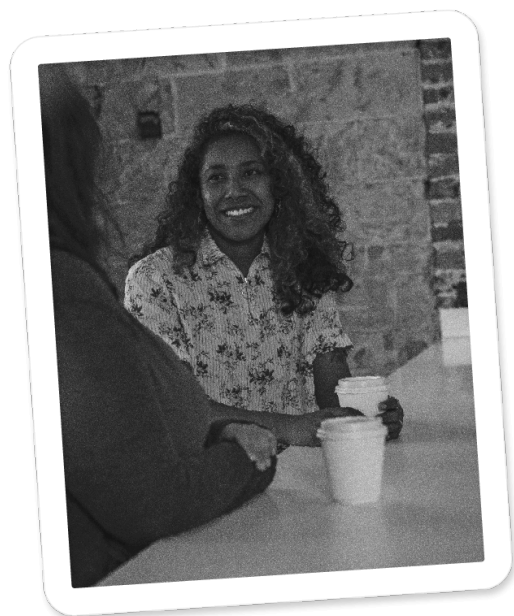
# TLDR: Stratified Systems Theory in Summary

Stratified Systems Theory offers organizations a systematic and scientific approach to organizational management – an alternative to traditional hierarchies. SST was developed to help ready-to-scale organizations objectively measure the complexity of roles across work levels and align that with an individual’s potential capability to fulfill a given role over time.

SST aligns with organizations that are ready to implement an intentional approach to work and progressively augment expertise, are dedicated to developing a clear path to long-term visibility, and have a founder whose focus is on the next 1-2 years.



While there are many pros to SST, including alignment of human capabilities with distinct roles and equitable compensation, there is a lot to consider before making the move. With this in mind, working through the **ACTIONABLE GUIDANCE** section below will help you determine if SST is a good fit for your organization and the next steps required to get you there.



## Guided Approach to Stratified Systems Theory

If you think SST is a good fit for your organization, it’s time to start preparing for a successful implementation. The following offers a guided approach to support your efforts:

## Ensure deep understanding of the theory:

Research the core concepts of SST, including the seven Strata of work complexity, time span of discretion, and cognitive capabilities required at each work level.

## Evaluate your existing organizational structure

- Evaluate your organizational hierarchy and roles. How are accountability and decision rights clarified across work levels?
- Identify any mismatches between job complexity and employee capabilities.

## Map work complexity

- Analyze tasks and responsibilities across the organization.
- Categorize work into the appropriate Strata based on decision-making complexity and time span of discretion.

## Evaluate employee capabilities

- Use assessment tools like the Cognitive Process Profile (CPP) or Cognitive and Potential Assessment (COPAS) to measure team members' cognitive abilities.
- Match these capabilities to the appropriate work levels within your **organizational structure**. Also identify roles that may be at risk for over- or under-employing – that is, who may be over- or underqualified for a given role.

## Redesign organizational structure

- Align roles and reporting structures with the identified work complexity levels. This helps ensure that your **structure is solid** and, from there, that you have the **right people in the right seats**.
- Ensure clear accountability and decision-making authority at each level.

## Develop job descriptions

- Create or revise job descriptions to reflect the complexity and cognitive requirements of each **role and its related responsibilities**.

## Implement fair compensation

- Develop a compensation structure that aligns with the complexity of work at each level to ensure compensation equity.



## **Train management**

Educate managers on SST principles and how to apply them in their leadership roles. Ensure managers cascade information to all team members to support company-wide buy-in and positive promotion.

## **Create development plans**

Design career paths and development programs to help team members grow into higher complexity roles over time.

## **Monitor and adjust the new structure**

Assess the new structure's effectiveness regularly and make adjustments as needed to ensure optimal alignment between work complexity and team member capabilities.

## **Foster a supportive culture**

Encourage open communication and collaboration across levels to support the new organizational framework. Buy-in across the business is critical.

## **Seek expert guidance**

Consider working with consultants experienced in SST implementation to guide you through the implementation process and provide proven, tested insights at each phase.

Implementing any new business framework is a significant organizational change that requires leadership commitment and significant time investment to fully realize its value. Approach implementation systematically, with a concrete plan in place, and be prepared to make adjustments along the way to ensure long-term success.

# Take Ninety

SST is built into the very foundation of Ninety and how we look at [organizational structure](#). We believe that meaningful work is among the most valuable human pursuits. Jaques's framework is not just how we operate our company but also a core part of the [9 Core Competencies](#) we teach — essential for mastering to build great organizations.

Implementing SST at Ninety enables us to align the [right seats with the right roles](#), establishing a clear and effective organizational structure. Each Stratum, from task-focused team members to leaders with a strategic outlook, is matched with specific decision-making authorities and responsibilities.

Our [Grow or Die blog series](#) highlights that scaling effectively is challenging without a deliberate focus on structure. Proper structure ensures everyone knows their roles, accountabilities, and responsibilities and the scope of their decision-making authority, or Time Span of Responsibility (TSR). This clarity is crucial for aligning efforts and maintaining growth momentum.

We emphasize alignment through CCC: [Competency, Commitment, and Capacity](#), ensuring the right person is in the right seat. By incorporating SST, we create an environment where each team member operates within their optimal TSR, enhancing efficiency and fostering a culture of accountability and [high trust](#), essential for ambitious founders aiming to build enduring companies.

## Next Steps

For those ready to take action, consider these actionable steps:

- 🕒 Looking to build a stronger culture of accountability? [Start with understanding what a great Org Chart looks like](#).
- 🕒 Don't know what Stage of Development your company is in? Complete the [Stages of Development assessment](#) to find out.
- 🕒 What other frameworks would help a company focus on scaling? Find more options in our [Stage 3 frameworks](#).

- ⦿ What does it mean to master the Structure Competency in your company? **Discover the areas to focus on.**
  - ⦿ Are you being intentional about how your business operates? Find out **where your company's approach ranks.**
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🏷 Tagged with: **People**, **Structure**, **Stage 3: Scale**, **Organizational Structure**, **Hiring**