



A Brief History of Organizations: The Quest to Reinvent Work

The way we work isn't working anymore.

Some experts blame traditional organizational hierarchies, incentives that fail to motivate, disengaged employees (two-thirds of the workforce), and a system that overcompensates management while undervaluing frontline workers.

New ways of working have already evolved, explains corporate coach Frederic Laloux in *Reinventing Organizations: A Guide to Creating Organizations Inspired by the Next Stage of Human Consciousness*. He poses an important question:

Can we create organizations free of politics, bureaucracy and infighting; free of stress and burnout; free of resignation, resentment, and apathy; and free of the posturing at the top and the drudgery at the bottom?

Some say we're on the verge of a shift in the way we organize and manage people who must work together. Others aren't so sure. Is it really possible to reinvent organizations? Can we devise a new model that makes work more productive—and, even more importantly—truly fulfilling and meaningful?

In the course of history, humankind has repeatedly reinvented how people come together to get work done, each time creating a new, vastly superior organizational model. What's more, this historical perspective hints at a new organizational design that may be just around the corner, waiting to emerge.

Organizations' Evolving Stages

A review of the major stages in the development of human consciousness and organizations reveals how we can potentially reinvent work to be more productive and meaningful.

Many scientists and historians have categorized how we organize to get things done, but naming the stages is always a struggle. It's challenging to use a

A Message from Nancy...

Let me ask you:

- Are the people on your team engaged and committed or just collecting a pay check?
- Do you have the right people in the right seat on the bus? Are you in the right seat?
- Is the high cost of turnover eating away your organization's bottom-line?
- Are your processes and procedures (or lack thereof) delivering productive and efficient results?
- How comfortable are the members of your senior team managing and leading others?



In today's highly competitive environment, it's no surprise that *"what got you here may not get you there."*

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single adjective to capture the complex reality of any organizational model.

One way to understand and clarify developmental stages is to assign descriptive names and colors, which vary according to experts. Laloux uses names and colors suggested by Ken Wilber, Integral Theory, Spiral Dynamics and others.

Early Tribal Organizations

Reactive-Infrared Paradigm: This paradigm addresses humanity's earliest developmental stage, spanning 100,000 to 50,000 BC. Humans lived in small bands of family kinships.

These bands typically numbered just a few dozen people who foraged to survive. There was no division of labor, so there was nothing resembling an organizational model. There was no hierarchy, chief or leadership. There were usually high rates of violence and murder.

Magic-Magenta Paradigm: Around 15,000 years ago, humanity started to shift into tribes of up to a few hundred people, representing a major improvement in members' ability to handle complexity. Tribes sought comfort in ritualistic behaviors, following an elder or shaman with strong beliefs in spirits and magic.

Early Organization of Labor

Impulsive-Red Paradigm: Around 10,000 years ago, chiefdoms and proto-empires evolved as the first forms of organizational life. Thinking was shaped by a black-and-white worldview: strong vs. weak, us vs. them.

Role differentiation and divisions of labor existed, with a chief, foot soldiers and sometimes slaves. Some present-day organizations still operate with this model: prisons, crime cartels, countries at war or civil-war states. Gangs and inner-city neighborhoods may organize using the Red Paradigm.

A Red Organization's defining characteristic is the chief's use of overwhelming power to remain in position. There's no formal hierarchy and no job titles, so this organizational model doesn't scale well. Fear and submission keep the structure intact.

Conformist-Amber Paradigm: Every paradigm shift opens up new capabilities and emerging ways for groups to get things done. Around 4000 BC, more sophisticated societies emerged in Mesopotamia. Humankind leaped from a tribal world subsisting on horticulture to the age of agriculture, states and civilizations, institutions, bureaucracies and organized religions.

A new class of rulers, administrators, warriors and craftsmen emerged. To feel safe in the world, members of the Amber Paradigm sought order, stability and

predictability, creating control through institutions and bureaucracies. Societal roles and rules were well defined.

Most people today operate from this paradigm. They grasp cause-and-effect relationships and linear time, and they can project into the future. These capabilities foster self-discipline and foresight in planning.

Amber Organizations: With the Amber level of consciousness, organizations evolved because of two breakthrough ideas:

1. **Medium- and long-term planning**
2. **Stable and scalable structures**

These breakthroughs led to unprecedented innovation: irrigation systems, pyramids, the Great Wall of China, trading posts, merchant shipping and the Catholic Church.

The first large corporations of the Industrial Revolution were run on this paradigm. Amber Organizations are still very present today: government agencies, public schools, religious institutions and the military.

Today's Organizations

Achievement-Orange Paradigm: As consciousness evolves, people can handle greater complexity. They move beyond absolute right-or-wrong reasoning, weighing relevant variables. Effectiveness replaces morals as the decision-making yardstick.

Orange thinking emerged with the Age of Enlightenment and the Industrial Revolution. It was adopted by most Western societies after the Second World War. Orange is the dominating worldview of most modern businesses and political leaders.

Orange thinking has spurred scientific investigation, innovation and entrepreneurship, bringing unprecedented prosperity in just two centuries. Yet, every paradigm has its dark side.

Driven by materialism and individual egos, the Achievement-Orange Paradigm has also yielded corporate greed, short-term thinking, overconsumption, and reckless exploitation of resources and ecosystems.

Orange Organizations: The global corporation is the embodiment of this paradigm. Orange organizations have achieved more than any of their brethren, primarily through three breakthroughs:

1. **Innovation**
2. **Accountability**
3. **Meritocracy**

Orange organizations are process- and project-driven, retaining the pyramid as their basic structure, but

with project groups, teams and cross-functional initiatives that enable faster innovation.

They aim to predict and control, inventing tactics like management by objectives, key performance indicators, strategic planning, budget cycles and scoreboards to track progress. The reigning metaphor is the machine; people are resources managed with incentives.

With meritocracy, in principle, anyone can move up the ladder. Individual success is highly valued. Leadership is goal-oriented, focused on solving tangible problems, putting tasks over relationships. Dispassionate rationality is favored over emotions.

A downside of the Orange paradigm is “innovation gone mad,” or growth pursued for growth’s sake. When the bottom line is all that counts, collective greed may triumph.

When there’s a lack of shared values and purpose—when success is driven year after year by numbers and targets, milestones and deadlines—people may end up bereft of meaning and fulfillment.

Achievement-Orange is clearly the dominant paradigm of today’s corporations, but not all organizations are satisfied with the bottom line as their sole focus.

Pluralistic-Green Paradigm: The Pluralistic-Green worldview attempts to fill the void of individual success by being sensitive to everyone’s feelings. In the Green stage, the emphasis is on social equality and community. All people deserve respect, fairness and harmony through cooperation and consensus.

The Green Paradigm brought about the abolition of slavery and equality for women and minorities in the late 18th and 19th centuries, and it continues to make inroads today. While Orange is predominant in business and politics, Green largely prevails in postmodern academic thinking, nonprofits and community activism.

Green Organizations: Green strives for bottom-up processes, gathering input from all levels to achieve consensus. The Green perspective is uneasy with power and hierarchy. But consensus among large groups of people is inherently difficult.

Green Organizations have contributed three breakthroughs:

1. Empowerment: Although they retain the pyramidal hierarchical structure, Green

leaders push a majority of decisions down to frontline workers. Top and middle managers share power.

2. Shared Values and Purpose: Research shows that values-driven organizations can outperform others by wide margins.

3. Multiple-Stakeholder Perspective: While Orange companies strive to increase shareholder value, Green looks to benefit all stakeholders: employees, customers, suppliers, communities and the environment.

If Orange businesses use a machine metaphor, the metaphor for Green is the family. Examples of Green organizations include Southwest Airlines, Zappos and Ben & Jerry’s.

Teal: The New Stage of Organizations

The next stage of human consciousness corresponds to Maslow’s self-actualizing level and has been variously labeled “authentic,” “integral” or “Evolutionary-Teal.” People transitioning to Teal deal with the world in more complex and refined ways. For example:

- **The shift to Conformist-Amber** happens when Impulsive-Red internalizes rules that allow them to disidentify from impulsively satisfying their needs.
- **The shift to Achievement-Orange** happens when Amber disidentifies from group norms.
- **The shift to Evolutionary-Teal** happens when we learn to disidentify from our own ego.

When we minimize the need to control, to look good, to be right and to fit in, we are no longer fused with ego. We refuse to let fears reflexively control our lives. We listen for wisdom in others and to the deeper parts of ourselves.

The fears of the ego are replaced by a capacity to trust the abundance of life. With this belief, if something unexpected happens or if we make mistakes, we are confident things will turn out all right. (And when they don’t, we believe life will give us an opportunity to learn and grow.)

- **In Impulsive-Red**, a good decision is the one that gets me what I want.
- **In Conformist-Amber**, decisions conform to rules and social norms.
- **In Achievement-Orange**, decision yardsticks are effectiveness and success.
- **In Pluralistic-Green**, decisions are judged by the criteria of belonging and harmony.

In **Evolutionary Teal**, we are concerned with

The Evolutionary-Teal Organization, *continued from page 3*

inner rightness: Does this decision seem right? Am I of service to the world? Does my decision resonate with my deep inner convictions?

In Teal, we do not pursue recognition, success, wealth and belonging to live a good life; we pursue a life well lived. Our ultimate goals are reimagined:

- To become the truest expression of ourselves
- To live into authentic selfhood
- To honor our gifts and calling
- To be of service to humanity

Leaders of Teal Organizations

What happens when leaders run an organization from the Teal Paradigm? The higher they climb on the developmental ladder, the more effectively they'll lead others, according to several researchers.

William Torbert has established that a CEO's developmental stage significantly determines the success of large-scale corporate transformation programs. Leaders who operate from Evolutionary-Teal were by far the most successful. Clare Graves came to a similar conclusion in his research.

The more complex our worldview and cognition, the more effectively we can deal with problems. In Teal Organizations, some of today's common corporate ills disappear. But many questions arise:

- When trust replaces fear, does a hierarchical pyramid provide the best structure?
- Are all the rules, policies, detailed budgets, targets and processes that give leaders control still necessary or effective?
- Are there simpler, more efficient ways to run organizations?

To answer such questions, Laloux researched a dozen pioneer companies that operate on Teal principles including self-management. Next month's article will explore their structures, practices and cultures.



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