

THE COLOURS OF BUSINESS MANAGEMENT

Iwona Gorzeń-Mitka

Czestochowa University of Technology, Poland

Email: iwona.gorzen-mitka@wz.pcz.pl

We live in VUCA world. One of crucial modern management challenges is to operate in volatility, uncertainty, complexity, and ambiguity business environment (VUCA) (Gorzeń-Mitka 2017, 2018). Nowadays each organization must continuously seek for the ways to improve its operations (Sipa, Gorzen-Mitka & Skibinski, 2015, Sitek, 2017, Wasiluk, 2017). At the moment, many researchers and business practitioners more and more often indicate that the current way to run organizations has been stretched to its limits. At the same time, many studies indicate the relationship between a higher level of organizational consciousness and performance (Ajmal& Aziz Lodhi, 2015, Pandey & Gupta, 2008, Rooke & Torbert, 1998, Pruzan, 2001).

The inspiration for my editorial was the groundbreaking book titled *Reinventing Organisation* by Frederic Laloux (2014), in which the author introduced the new paradigm of organizational consciousness development. He adopted the theoretical frameworks of thinkers like Ken Wilber (1993) and Robert Kegan (1982, 1994) to his study of companies, by using colours to identify different kinds of organisations. Wilber (1993) and Kegan (1982, 1994) claim that a higher level of consciousness corresponds to a better capability to handle complexity. According to Laloux (2014) there is a relation between the extents an organization reacts to complex challenges and its consciousness development. Among other thinkers he argues that transformations of society enable new organizational forms to emerge. Organizational forms that are common today reflect the current worldview of the society, and thereby its current stage of consciousness. Laloux (2014) describes five stages of organizational consciousness development: Impulsive-Red, Conformist-Amber, Achievement-Orange, Pluralistic-Green and Evolutionary-Teal. From an organizational perspective, each new stage of consciousness introduces new breakthrough ideas, allowing organizations to meet more complex challenges and achieve results of unprecedented scale.

What is the symbolism of colours in Laloux framework? Below he gives a short description of them.

Firstly - red. According Laloux (2014, 2015) red organizations are moulded on the red stage of consciousness. Their main management style is the continuous exercise of power in interpersonal relationships. Red organizations tend to be highly reactive with a short-term focus. They are poor at planning and build the strategy but very effectively react to new threats and opportunities. They are therefore well adapted to chaotic environments but are ill-suited to achieve complex outcomes in stable environments where planning and build a long-term strategy are necessary.

Secondly - amber. As we can read in Laloux (2014, 2015) amber organizations strive for stability and are characterized by clear roles and ranks within a hierarchical structure. Leadership is exercised through command and control and compliance is expected throughout the organization. Stability and order are enforced through rules and processes. Innovation is not encouraged, and competition is viewed with suspicion. They are good in planning and build strategy for the medium and long term and can create stable organizational structures.

Thirdly - orange. In this framework orange thinking sees organizations as machines (Laloux, 2014, 2015, RO, 2018, Kleiner, 2015). Orange organizations have dynamic nature and focus their management thinking on competition, innovation and performance. Leadership style is focused on predict-and-control (management by objectives). The pyramid is the fundamental structure in it. Effectiveness is a yardstick for decision making (KPI, yearly evaluations, bonus systems). In orange organizations the hard aspects of strategy and budgeting have a crucial role. The significant management breakthrough in orange organisation is meritocracy, the idea that anyone could rise to any position based on his or her qualifications and skills.

Fourthly - green. Organizations in the green stage postulate cooperation over competition and strive for equality, solidarity, and tolerance. They consider social responsibility the core of their mission. They postulate that not just shareholders serve but all stakeholders (e.g. they accepted results in higher costs in the short-term perspective) (Laloux, 2014, 2015, RO, 2018, Kleiner, 2015). Soft aspects of business — investing in organizational culture and values, coaching, mentoring, and teamwork have the crucial role. But many researchers point that empowerment and egalitarian management are hard to sustain (Lee & Edmondson, 2017).

Fifthly - teal. Organizations in the teal stage characterise the following features: 1) self-management - management system based on peer relationships, structures and practices with high autonomy; 2) self - organization - decentralized structure consists of small teams that take responsibility for their own governance and for how they interact with other parts of the organization and 3) evolutionary purpose - as indicates Laloux (2015), their strategies base on agile practices and paradoxically, by focusing less on the bottom line and shareholder value, they generate financial results that outpace those of competitors. He indicates too, that necessary conditions for developing a teal organization are top leaders and owners who understand and embrace teal world views.

Which of the colours is dominant currently? Are changes possible according to the teal paradigm? How many questions are still unanswered?

Business has many colours and faces. Undoubtedly, we are at an inflection point in discussion on modern business management models ((Kana & Mynarzova, 2014, Kuraś & Kuraś, 2015), but maybe teal paradigm shows the direction of changes. I hope that little remarks above on view the colours of business management of 21st century will encourage You to get acquainted with the latest studies of the issues of management of modern organizations and that you will find “added value” in them for yourselves.

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Iwona Gorzeń-Mitka

PhD., Assistant Professor, Faculty of Management, Czestochowa University of Technology, Al. Armii Krajowej 19B, 42-201 Czestochowa, Poland.

Email: iwona.mitka@zim.pcz.pl

Website: <http://www.zim.pcz.pl/profile/295,iwona-gorzen-mitka>