Reinventing organizations

A Guide to Creating Organizations
Inspired by the Next Stage of Human Consciousness
Advance praise for Reinventing Organizations

“Ground-breaker! Game-changer! Brilliant! The most exciting book I’ve read in years on organization design and leadership models. Sustainability? Employee engagement? Innovation? This elegant, parsimonious way of working realizes those aspirations effortlessly while exceeding traditional bottom-line measures and infusing heart and spirit into work without gimmicks. Like a Zen practice, learning to do less takes discipline, and this book shows how letting go gives back—to you, your organization, your stakeholders, and the world.”

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“Frederic Laloux has done business people and professionals everywhere a signal service. He has discovered a better future for organizations by describing, in useful detail, the unusual best practices of today.”

—Bill Torbert, Author of Action Inquiry

“Frederic Laloux’s ‘Teal Organization’ is as close a model to what I call a ‘conscious organization’ as I have seen—an organization and a culture that not only thrives in the unfolding paradigm of collective thought but helps in the unfolding. It could serve as the mid-wife for a new worldview that will allow humankind to consciously evolve to a level where the world works for everyone.”

—John Renesch, futurist, founder of FutureShapers, LLC and author of 14 books, including The Great Growing Up

“As the rate of change escalates exponentially, the old ways of organizing and educating, which were designed for efficiency and repetition, are dying. Frederic Laloux is one of the few management leaders exploring what comes next. It’s deeply different.”

—Bill Drayton, Founder, Ashoka: Innovators for the Public
REINVENTING ORGANIZATIONS

A Guide to Creating Organizations Inspired by the Next Stage of Human Consciousness

Frederic Laloux
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CHAPTER 1.3

EVOLUTIONARY-TEAL

The most exciting breakthroughs of the twenty-first century will not occur because of technology, but because of an expanding concept of what it means to be human.

John Naisbitt

The next stage in human evolution corresponds to Maslow’s “self-actualizing” level; it has been variously labeled authentic, integral, or Teal. This stage is the last one identified by Maslow’s hierarchy of needs (though he later hinted at another stage of “self-transcendence”), but other researchers and thinkers have established with a fair amount of confidence that evolution doesn’t stop there (Appendix 2 gives a short description of subsequent stages). Maslow and other authors agree, in any case, that the shift from Green to Teal is a particularly momentous one in the human journey—so much so that Graves and others in his wake have used the term “first-tier” consciousness for all stages up to Green and the term “second-tier” for the stages starting with Teal. All “first-tier” stages consider that their worldview is the only valid one, and that all other people are dangerously mistaken. People transitioning to Teal can accept, for the first time, that there is an evolution in consciousness, that there is a momentum in evolution towards ever more complex and refined ways of dealing with the world (hence the adjective “evolutionary” that I will use for this stage).

Taming the fears of the ego

Each shift occurs when we are able to reach a higher vantage point from which we see the world in broader perspective. Like a fish

[In Teal] the ego becomes more of a variable, less of an absolute.

William Torbert
that can see water for the first time when it jumps above the surface, gaining a new perspective requires that we disidentify from something we were previously engulfed in. The shift to Conformist-Amber, for instance, happens when Impulsive-Red internalizes rules that allow it to disidentify from impulsively satisfying its 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. By looking at our ego from a distance, we can suddenly see how its fears, ambitions, and desires often run our life. We can learn to minimize our need to control, to look good, to fit in. We are no longer fused with our ego, and we don’t let its fears reflexively control our lives. In the process, we make room to listen to the wisdom of other, deeper parts of ourselves.

What replaces fear? A capacity to trust the abundance of life. All wisdom traditions posit the profound truth that there are two fundamental ways to live life: from fear and scarcity or from trust and abundance. In Evolutionary-Teal, we cross the chasm and learn to decrease our need to control people and events. We come to believe that even if something unexpected happens or if we make mistakes, things will turn out all right, and when they don’t, life will have given us an opportunity to learn and grow.

Inner rightness as compass

When we are fused with our ego, we are driven to make decisions informed by external factors—what others will think or what outcomes can be achieved. In the Impulsive-Red perspective, a good decision is the one that gets me what I want. In Conformist-Amber, we hold decisions up to the light of conformity to social norms. Decisions beyond what one’s family, religion, or social class considers legitimate cause guilt and shame. In Achievement-Orange, effectiveness and success are the yardsticks by which decisions are made. In Pluralistic-Green, matters are judged by the criteria of belonging and harmony.

In Evolutionary-Teal, we shift from external to internal yardsticks in our decision-making. We are now concerned with the question of inner rightness: does this decision seem right? Am I being true to myself? Is this in line with who I sense I’m called to become? Am I being of service to the world? With fewer ego-fears, we are able to make decisions that might seem risky, where we haven’t weighed all possible outcomes, but that resonate with deep inner convictions. We develop a sensitivity for situations that don’t quite feel right, situations that demand that we speak up and take action, even in the face of opposition or with seemingly low odds of success, out of a sense of integrity and authenticity.

Recognition, success, wealth, and belonging are viewed as pleasurable experiences, but also as tempting traps for the ego. In contrast

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Fear is the cheapest room in the house. I would like to see you living in better conditions.

Hafez
with previous stages, the order is reversed: we do not pursue recognition, success, wealth, and belonging to live a good life. We pursue a life well-lived, and the consequence might just be recognition, success, wealth, and love.

Life as a journey of unfolding

In previous stages, the pursuit of love, recognition, and success shapes our lives slowly but surely to the point that we end up, in the words of poet May Sarton, “wearing other people’s faces.” In Teal, our journey toward inner rightness prompts some soul searching of who we are and what our purpose in life might be. The ultimate goal in life is not to be successful or loved, but to become the truest expression of ourselves, to live into authentic selfhood, to honor our birthright gifts and callings, and be of service to humanity and our world. In Teal, life is seen as a journey of personal and collective unfolding toward our true nature.

This is like a Copernican revolution in an age that tells us that we can become anything we want, if we only put our mind to it. If we “go Teal,” then instead of setting goals for our life, dictating what direction it should take, we learn to let go and listen to the life that wants to be lived through us. Parker Palmer, the author, educator, and activist, writes beautifully about this perspective on life and vocation in his book *Let Your Life Speak:*

> Behind the understanding of vocation is a truth that the ego does not want to hear because it threatens the ego’s turf: everyone has a life that is different from the “I” of daily consciousness, a life that is trying to live through the “I” who is its vessel. …
>
> It takes time and hard experience to sense the difference between the two—to sense that running beneath the surface of the experience I call my life, there is a deeper and truer life waiting to be acknowledged.¹

Many people transitioning to this stage take up practices like meditation, centering, martial arts, yoga, or simply walking in nature to find a quiet place that allows the inner voice of the soul to speak its truth and guidance. Individuals who live from this perspective and connect to a deeper sense of purpose can become quite fearless in pursuit of their calling. With their ego under control, they don’t fear failure as much as not trying. Clare Graves’ favorite phrase to describe someone operating from Teal was “a person who has ambition, but is not ambitious.”

Growing into their true nature and working toward their calling is their driving force, so much so that to others who don’t come from the same perspective, persons operating from Teal can sometimes come across as impatient with people who impede their personal growth, or
with situations that don’t feel aligned with the purpose they perceive for their life.

Building on strengths

When we set goals for our life that are disconnected from our deeper selfhood, when we wear other people’s faces, we don’t stand in the strength of our selfhood. Inevitably we will find ourselves lacking and invest much energy in trying to overcome our weaknesses, or in blaming ourselves or others for not being who we think we ought to be.

When we see our life as a journey of unfolding toward our true nature, we can look more gently and realistically at our limitations and be at peace with what we see. Life is not asking us to become anything that isn’t already seeded in us. We also tend to focus less on what is wrong or missing in people and situations around us and move our attention instead to what is there, to the beauty and the potential. We trade in judgment for compassion and appreciation. Psychologists talk about a shift from a deficit to a strength-based paradigm. Slowly, this shift is making profound inroads in different fields, from management to education, from psychology to health care—starting with the premise that, as human beings, we are not problems waiting to be solved, but potential waiting to unfold.

Dealing gracefully with adversity

When life is seen as a journey of discovery, then we learn to deal more gracefully with the setbacks, the mistakes, and the roadblocks in our life. We can start to grasp the spiritual insight that there are no mistakes, simply experiences that point us to a deeper truth about ourselves and the world. In previous stages, life’s roadblocks (an illness, a bad boss, a difficult marriage) are seen as unfair rolls of the dice. We meet them with anger, shame, or blame, and these feelings disconnect us from others and ourselves. In Teal, obstacles are seen as life’s way to teach us about ourselves and about the world. We are ready to let go of anger, shame, and blame, which are useful shields for the ego but poor teachers for the soul. We embrace the possibility that we played a part in creating the problem, and inquire what we can learn so as to grow from it. In earlier paradigms, we often convince ourselves that everything is all right until a problem has snowballed and hits us like an avalanche, forcing change into our life. Now, we tend to make frequent small adjustments, as we learn and grow from problems we encounter along the way. In previous stages, change on a personal level feels threatening; as of Evolutionary-Teal, there is often an enjoyable tension in the journey of personal growth.

With appropriate humility, we accept our inability to control the world. ... We accept that losing is part of life. We do not fear adversity or suffering. Out of them comes new learning, new growth, new hope, and new life.

Dennis Bakke
Wisdom beyond rationality

In Orange, rationality is king and rules unquestioned in the pursuit of the decision that will yield the best outcome. Any source of insight other than facts and logical reasoning is “irrational” and must be discarded. Ironically, however, Orange’s attachment to outcomes often clouds the ability to see reality clearly. Amid the stacks of information that are meant to inform complex decisions, we can fail to see information that is incongruous with our worldview or with the future our ego has projected and is attached to; often the writing was all over the wall, and yet people dismissed the clues (or didn’t dare to speak up). Teal, less attached to outcomes, can more easily accept the sometimes unpleasant truths of reality; therefore, rational thinking within Teal can be more accurately informed by data.

Beyond facts and figures, cognition at this stage taps a broader range of sources to support decision-making. The Orange modern-scientific perspective is wary of emotions that could cloud our ability to reason rationally, whereas Green sometimes goes to the other extreme, rejecting analytical “left brain” approaches for “right brain” feeling as a basis for decision-making. Teal is happy to tap into all the domains of knowing. There are insights to be gained from analytical approaches. There is also wisdom to be found in emotions if we learn to inquire into their significance: Why am I angry, fearful, ambitious, or excited? What does this reveal about me or about the situation that is unfolding?

Wisdom can be found in intuition, too. Intuition honors the complex, ambiguous, paradoxical, non-linear nature of reality; we unconsciously connect patterns in a way that our rational mind cannot. Intuition is a muscle that can be trained, just like logical thinking: when we learn to pay attention to our intuitions, to honor them, to question them for the truth and guidance they might contain, more intuitive answers will surface.

Many people believe that there are answers to be found in yet deeper sources. Wisdom traditions and transpersonal psychology trust that if we don’t simply ask a question, but live a question, the universe in its abundance may give us clues to the answer in unexpected events and synchronicity or in words and images that arise in dreams and meditations. Non-ordinary states of consciousness—meditative states, contemplative states, visionary experiences, flow, peak experiences—are available at any stage of consciousness, but from Teal onward, people often take on regular practices to deepen their experience in these states and access the full spectrum of human experience.

Another cognitive breakthrough is the ability to reason in paradox, transcending the simple either-or with more complex both-and thinking.
Breathing in and breathing out provides an easy illustration of the difference. In either-or thinking, we see them as opposites. In both-and thinking, we view them as two elements that need each other: the more we can breathe in, the more we can breathe out. The paradox is easy to grasp for breathing in and out; it is less obvious for some of the great paradoxes of life that we only start to truly understand when we reach Teal: freedom and responsibility, solitude and community, tending to the self and tending to others.

Put this all together—a fearless rationality and the wisdom that can be found in emotions, intuition, events, and paradoxes—and Evolutionary-Teal turns the page from the rational-reductionist world-view of Orange and the post-modern worldview of Green to a holistic approach to knowing.

Striving for wholeness

Disidentifying from the ego is one more step of liberation on the human journey. But with disidentification comes separation, and people operating at this stage often develop a keen sense of how far we have let separation fragment our lives and how much it has cost us. We have let our busy egos trump the quiet voice of our soul; in our culture we often celebrate the mind and neglect the body; we often value the masculine above the feminine; we have lost community and our innate connection with nature.

With this stage comes a deep yearning for wholeness—bringing together the ego and the deeper parts of the self; integrating mind, body, and soul; cultivating both the feminine and masculine parts within; being whole in relation to others; and repairing our broken relationship with life and nature. Often the shift to Teal comes with an opening to a transcendent spiritual realm and a profound sense that at some level, we are all connected and part of one big whole. After many successive steps of disidentification, as we learn to be fully independent and true to ourselves, it dawns on us that, paradoxically, we are profoundly part of everything.

This longing for wholeness is at odds with the separation that most existing workplaces foster, albeit unconsciously—overemphasizing the ego and the rational while negating the spiritual and emotional; separating people based on the departments they work in, their rank, background, or level of performance; separating the professional from the personal; separating the organization from its competitors and the ecosystem it is embedded in. Vocabulary we use is often revealing: in organizations, we often speak about “work-life balance”—a notion that shows how little life is left in work when we have separated ourselves from so much that truly matters. For people transitioning to Teal, these separations in the workplace often become so painful that they choose to leave organizational life for some form of self-employment, a more accommodating context to find wholeness with themselves and with others.
Wholeness in relation to others

In Evolutionary-Teal, we can transcend the opposites of judgment and tolerance. In earlier stages, when we disagree with other people, we often meet them in judgment, believing that we must be right and they must be wrong. Our task then is to convince, teach, fix, or dismiss them. Or we can, in the name of tolerance, the Green ideal, gloss over our differences and affirm that all truths are equally valid. In Teal, we can transcend this polarity and integrate with the higher truth of non-judgment—we can examine our belief and find it to be superior in truth and yet embrace the other as a human being of fundamentally equal value.

In the absence of judgment, relationships take on a new quality. Our listening is no longer limited to gathering information so as to better convince, fix, or dismiss. We can create a shared space safe from judgment, where our deep listening helps others to find their voice and their truth, just as they help us find ours. In Orange, we broke free from the oppressive, normative communities of Amber. Now we have a chance to recreate community on new grounding, where we listen each other into selfhood and wholeness.

Wholeness with life and nature

Paradoxically, again, the more we learn to be true to our unique self, the more it dawns on us that we are just one expression of something larger, an interconnected web of life and consciousness. That realization can be elating but also painful—we now comprehend how deeply our relationship with life and nature has been broken. We strive to repair that relationship, not from a place of moral obligation, but from an inner awareness, knowing that we are not separate from but one with nature. We see the foolishness and arrogance of mankind’s stance of putting itself above the rest of life and try to find a more truthful and humble place in the midst of it. Often, rekindling our relationship with life and nature causes us to pursue a simpler life, less cluttered by possessions we thought we needed until we understood that we are rich not through the things we own, but through the relationships that nourish our soul.

What this could mean for Teal Organizations

In the first chapter of this book we discussed how every new organizational model in the past has achieved outcomes of a magnitude that previous models could not consider. A number of researchers—Clare Graves, William Torbert, Susanne Cook-Greuter, and Keith Eigel, to name a few—have empirically established another interesting phenomenon: within a given organization (say, an Orange Organization), the higher people have traveled on the developmental ladder, the more effective they are. Torbert, for instance, established that the CEO’s developmental stage determined to a significant degree the success of
large-scale corporate transformation programs (and within that, leaders operating from Evolutionary-Teal were by far the most successful).\(^5\) Clare Graves came to a similar conclusion with a different approach. He put together groups of people based on the paradigm they most often operated from and gave them complex tasks to perform.

*I took a group of people who thought the same way, and I put them in situations ... where they were required to solve problems with multiple answers. ... and lo and behold, when the results started to come in I found this most peculiar phenomenon: the [Teals] find unbelievably more solutions than all the others put together. They found more solutions than the [Red] plus the [Amber] plus the [Orange] plus the [Green]. I found that the quality of their solutions to problems were amazingly better. ... I found that the average time it took the [Teal] group to arrive at a solution was amazingly shorter than it took any of the other groups.*\(^6\)

It appears that the law of evolution holds true for Evolutionary-Teal as much as it did for previous paradigms: the more complex our worldview and cognition, the more effectively we can deal with problems we face.

This is a hopeful message for organizations, especially when not only individuals within it, but the organization itself, operates from Teal principles and practices. Based on what we know about how individuals operate from Teal, we can make some conjectures about what might define Teal Organizations. Taming the ego could have deep repercussions on how we structure and run organizations. Many of the corporate ills today can be traced to behaviors driven by fearful egos: politics, bureaucratic rules and processes, endless meetings, analysis paralysis, information hoarding and secrecy, wishful thinking, ignoring problems away, lack of authenticity, silos and infighting, decision-making concentrated at the top of organizations, and so forth. In Teal Organizations, less driven by ego, we can hope to put some of these corporate ills behind us. More generally, the relationship to power could be transformed in quite fundamental ways. When trust replaces fear, will a hierarchical pyramid still provide the best structure? Will we need all the rules and policies, detailed budgets, targets, and roadmaps that give leaders today a sense of control? Perhaps there are much simpler ways to run organizations when the fears of the ego are out of the way.

As people in Teal are busy exploring the calling in their lives, they are likely to affiliate only with organizations that have a clear and noble purpose of their own. We can expect that purpose, more than profitability, growth, or market share, will be the guiding principle for organizational decision-making. It’s also fair to assume that Teal Organ-

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*Companies either operate from the fears of the ego or the love of the soul.*

Richard Barrett
izations will strive for wholeness and community, and will be places that support people’s longing to be fully themselves at work, and yet be deeply involved in nourishing relationships.

The above are conjectures, based on what we know about individuals seeing the world through a Teal lens. Thankfully, today we can move past conjectures. Part 2 of this book tells the stories of organizations that are already operating from this paradigm. It examines the structures, practices, and cultures of a dozen extraordinary pioneers and provides a detailed description of what the Teal organizational model can look like in practice. There is a template ready to be copied, emulated, and improved upon by people called to help more soulful, fulfilling organizations come about.