

## MILESTONES IN THE DEVELOPMENT OF ORGANIZATIONAL MODELS BASED ON THE THEORY OF SPIRAL DYNAMICS

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*The article examines the milestones of the development of the business environment through the prism of industrial revolutions and the theory of spiral dynamics of organizational development. The past influences the present. The present shapes the future. The world is a complex, interconnected whole that is difficult to represent and understand, especially regarding complex socio-economic processes and organizational systems, including enterprises. The first radical change began precisely with the agrarian revolution when people domesticated animals as a basis for the transition from gathering to agriculture. After the agrarian revolution, radical industrial changes began in the 18th century. The first industrial revolution (from the 1760s to the 1840s) - the invention of the steam engine and the construction of railways. The second industrial revolution (the end of the 19th and the beginning of the 20th century) - the emergence of mass production thanks to the invention of electricity and the introduction of the conveyor. The third industrial revolution, from the 1960s, - was the emergence of semiconductors and their use in large electronic computing machines, personal computers, and the Internet. The fourth industrial revolution began at the beginning of the 21st century and is characterized by the emergence of "smart enterprises". The content and essential components of these periods imposed and imposed their understanding on the development of organizational models and the way of interaction between stakeholders and the economic entities themselves, which arose at the later stages of development and are developing under the influence of global business trends. Deepening the understanding of the nature of modern approaches in management aimed at the development of organizational systems allows turning to the past and investigating issues of organizational models on the way of the history of human development based on the theory of spiral dynamics (Don et al.), which is based on a dynamic model of human development and evolution of her consciousness, change of fundamental values. So, from the standpoint of the concept of systemic perfection of a business organization, based on the theory of spiral dynamics, its consideration can be started in the system-wide understanding of the system state, which corresponds to a greater extent to the content of perfection - from the orange stage and more/less corresponds to the current trends of the fourth industrial revolution. A significant strategic gap occurs based on the mismatch between the stage of development according to the milestones of industrial revolutions and the organization's current state in relation to the theory of spiral dynamics. For example, a red organization that functions in the fourth industrial revolution era. Management of changes in paradigms of thinking is the art of management.*

**Keywords:** enterprise, organization, management, industrial revolution, spiral dynamics, systemic perfection.

## ВІХИ РОЗВИТКУ ОРГАНІЗАЦІЙНИХ МОДЕЛЕЙ НА БАЗІ ТЕОРІЇ СПІРАЛЬНОЇ ДИНАМІКИ

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*В статті розглянуті віхи розвитку бізнес-середовища через призму промислових революцій та теорії спіральної динаміки щодо організаційного розвитку. Минуле впливає на теперішнє. Теперішнє формує майбутнє. Світ являє собою складне ціле у взаємозв'язку, котре важко піддається представленню та розумінню, особливо коли мова йде про складні соціально-економічні процеси та організаційні системи, в тому числі підприємства. Перша кардинальна зміна почалася саме з аграрної революції, коли люди одомашнили тварин на бази переходу від збиральництва до землеробства. Після аграрної революції наступив ряд промислових радикальних змін, які почалися з XVIII ст. Перша промислова революція (з 1760-х до 1840 рр.) - винайдення парового двигуна та будівництво залізничних доріг. Друга промислова революція (кінець XIX та початок XX ст.) - виникнення масового виробництва завдяки винаходу електрики та впровадженню конвеєра. Третя промислова революція, з 1960-х років, - виникнення напівпровідників та їх застосування у великих електронно-обчислювальних машинах, персональних комп'ютерів та мережі Інтернет. Четверта промислова революція, почалася на початку XXI століття і характеризується виникненням "розумних підприємств". Зміст та сутнісна складова цих періодів накладала та накладає своє розуміння на розвиток організаційних моделей, способу взаємодії міжстейхолдерами та самих суб'єктів господарювання, які виникли на пізніх етапах розвитку та розвиваються під впливом глобальних бізнес-трендів. Поглиблення розуміння природи сучасних підходів у менеджменті, що спрямовані на розвиток організаційних систем дозволяє звернення до минулого та дослідження питань організаційних моделей на шляху історії розвитку людства на основі теорії спіральної динаміки Дона Бека та Кріса Кована, в основі якої знаходиться динамічна модель розвитку людини та еволюції її свідомості, зміна основоположних цінностей. Так, з позиції концепції системної досконалості бізнес-організації, то базують на теорії спіральної динаміці, її розгляд можна починати, в загальносистемному розумінні щодо системного стану, який відповідає в більшій мірі змісту концепції системної досконалості, - з помаранчевої стадії та більш/мени відповідає поточним трендам четвертої індустріальної революції. Суттєвий стратегічний розрив відбувається на базі невідповідності етапу розвитку за віхами індустріальних революцій і поточним станом організації щодо теорії спіральної динаміки. І це вже відноситься до досліджень кожної окремої організації/підприємства. Управління змінами парадигм мислення - це і є мистецтво менеджменту.*

**Ключові слова:** підприємство, організація, менеджмент, промислова революція, спіральна динаміка, системна досконалість.

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### INTRODUCTION

The past influences the present. The present shapes the future. The world is a complex, interconnected whole that is difficult to imagine and understand, especially regarding complex socio-economic processes and organizational systems, including enterprises. We can observe how everything depends on something and concluded that we should avoid getting involved with the natural order of things. However, the life and activities of man and the artificially created systems are always accompanied by elements of conditionality, randomness, and choice.

Dive into the past to better understand the nature of the modern socio-economic and system-wide situation. By building cause-and-effect relationships, we can better understand how the past influences the present and how the present determines the future. This knowledge enlightens us and equips us with the necessary insights to navigate the present complexities.

Many works of foreign and domestic scientists are devoted to developing the business environment and its key milestones. In particular, the works of scientists and researchers related to fundamental processes: M. Kondratiev and his theory of long waves [1], S. Kuznets and his study of economic processes [2], K. Schwab and the Fourth Industrial Revolution [3] and J. Schumpeter and others. Studies of business cycles and industrial revolutions answer the questions. Primarily, they are only concerned with radical changes in the technical and technological sphere. At the same time, these periods are fundamental in the psychology of communities and culture. Without considering these aspects, it is impossible to talk about the effectiveness of the management of organizations, particularly enterprises, because the main element of any economic system is people with their values, goals, and interests. Regarding the development of organizational models according to the theory of spiral dynamics, which from this angle allows us to understand the evolution of organizational models, the works of Don Beck and Chris Cowan, Frédéric Laloux, and others are discussed.

This article aims to study the milestones in developing the business environment through the prism of industrial revolutions and the theory of spiral dynamics of organizational development. Your role as academic researchers, business professionals, and individuals interested in developing organizational models is integral to this study.

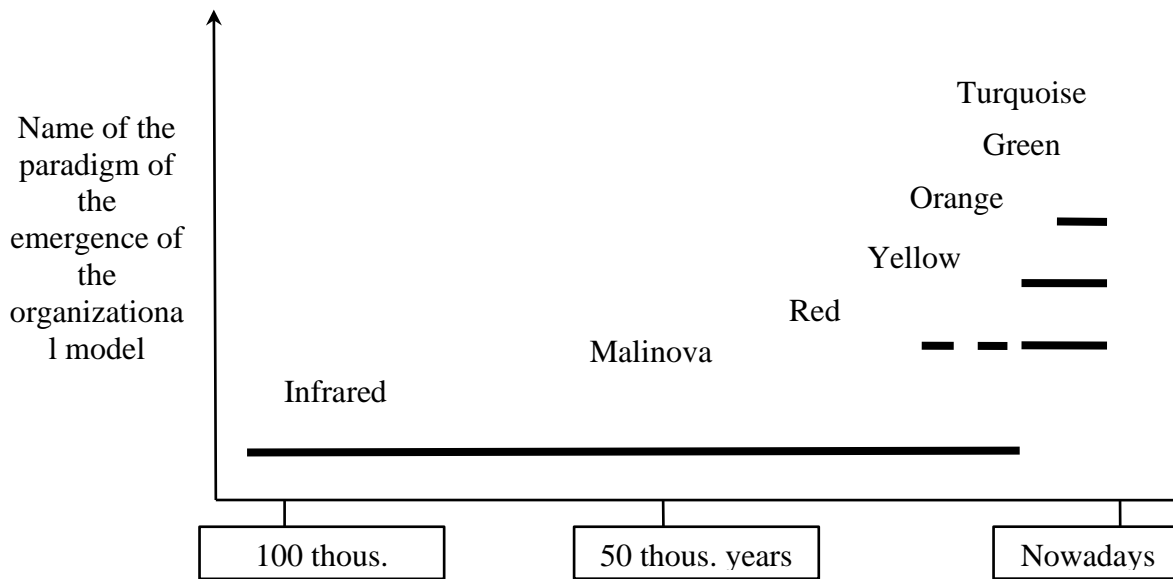
The main part. The entire historical process can be divided into temporal space, which includes hunting and gathering, agrarian and handicraft, industrial and commercial, and scientific-cybernetic (L. et al.). The beginning of each of them marks the boundaries between the respective principles of production: three types of society: agrarian, industrial, and post-industrial.

For example, in the work of K. Schwab [3], in his work "The Fourth Industrial Revolution," it is noted that the first cardinal change began with the agrarian revolution when people domesticated animals based on the transition from gathering to agriculture. The Agrarian Revolution was followed by a series of radical industrial changes that began in the eighteenth century. The driving factor of the first industrial revolution (from the 1760s to 1840s) was the invention of the steam engine and the construction of railways. All this contributed to the mechanization of labor. The Second Industrial Revolution (late 19th and early 20th centuries) was marked by the emergence of mass production due to the invention of electricity and the introduction of the assembly line. The third radical industrial change began in the 1960s, called the scientific-cybernetic, computer, or digital revolution. This is the origin of semiconductors and their application in large electronic computers, personal computers, and the Internet. The Fourth Industrial Revolution began at the beginning of the 21st century. The term originated at the Hannover Messe and refers to fundamentally transforming global value chains. The so-called "smart enterprise" technology, where virtual and physical production systems flexibly interact with each other at the global level, stimulates the creation of new operating models.

The content and essential components of these periods have imposed and imposed their understanding of the content of the development of organizational models, the way of interaction between stakeholders and the business entities themselves, which arose at the late stages of development and are developing under the influence of global business trends.

In order to better understand the nature of modern approaches in management, which are aimed at transforming organizational systems, it is necessary to turn to the past and explore the issues of organizational models on the path of the history of human development. On the horizon of 100 years, the theory of spiral dynamics by Don Beck and Chris Kovan can help us [4]. This theory is based on a dynamic model of human development, consciousness evolution, and the transformation of fundamental values. This theory states that human nature is not fixed; it can adapt to any conditions, allowing it to cope with challenges. Moreover, each model includes all the previous ones. Each model includes all the previous ones. The application of the theory of integral dynamics to the management of enterprises, in one way or another, is reflected in the following works: [ 5-7].

According to Fig. 1, the evolution of organizational models over the past 100 years is studied in a comprehensive manner, providing a deep understanding of the subject matter. This comprehensive study reassures the audience about the depth of the research and the insights it provides.



Rice. 1. Evolution of organizational models based on theories of spiral dynamics[6]

For a more thorough understanding of Fig. 1, It is necessary to refer to Tables 1 and 2, which reveal the ways of development of the spheres of human life and the stages of the paradigm of organizational development in the historical context based on the theory of spiral dynamics. Based on Table. It can be said that, from this point of view of the study, it should be understood that the enterprise can have different color distributions according to the theory of spiral dynamics, and the management of the enterprise needs to understand this and make timely management decisions, primarily at the strategic level.

Table 1

**Ways of development of spheres of life in the process of history of human development**

According to the theory of spiral (integral) dynamics			According to the version Marxist Theory	According to the version political historians	With a simplified approach V. Pekarya
By classification V. Pekarya	According to the classification of F. Laloux	According to sociopsychologists			
A world of instincts	Beige World	Reactive or infrared paradigm	-	-	-
A world of tribes and superstitions	Purple World	The Magic or Crimson Paradigm	Magical Thinking	Primitive Commons- For example, in	Stateless tribes Primitive World
A world of power and power	Red World	Impulsive or red paradigm	Heroic Thinking	Slavery	Fragile state, tyranny Antiquity
A World of Status and Order	Blue World	Conformist or yellow paradigm	Ethical thinking	Feudalism	Developed state governed by the rule of law Middle Ages
The World of Progress and Capital	Orange World	Successful or Orange Paradigm	Rationalistic thinking	Капіталізм	Open Order, Democracy, Political Nations Art Nouveau (contemporaneous)
New World: The world is a kaleidoscope World-organism	Green world	Pluralistic or green paradigm	Ecological thinking	Socialism	? New World
	Yellow World	-	-	-	-
	Turquoise World	Evolutionary or turquoise paradigm	Holistic Thinking	Socialism	? ?

\* - compiled by the authors according to sources [5, 6]

Table 2

**Stages of the Paradigm of Organizational Development in the Historical Context Based on the Theory of Spiral Dynamics**

Name of the paradigm		Key characteristics of the organizational model	Dominant Basis of Existence	Main achievements	A Guiding Metaphor	Basic perception of the company
According to the version V. Pekarya	According to F. Laloux					
1	2	3	4	5	6	7
Beige World	Reactive or Infra-Red-upon	At this stage, there were no organizational models	Foraging	A lone hunter. Survival Groups	None- The main goal of power is survival	Closed small companies, groups
Purple World	Magic or crimson	The dominance of the idea that all events take place with the participation of spirits, the formation of ethnic tribes that live according to the laws of ancestors, rituals, etc.		Mutual cover-up, mystification of family ties	Rejection of individuality	There are no organizations. The division of responsibilities is very limited
Red World	Impulsive or red	<p>A constant demonstration of power by a leader in order to keep subordinates in line. The backbone factor is the use of force in interpersonal relationships, and as a result, fear and obedience.</p> <p>Has quick reactions and is focused on short-term goals (weak in planning and strategy). Whoever leads a company surrounds himself with family members to gain greater loyalty. They are unstable due to an impulsive way of driving.</p> <p>They thrive in chaotic environments.</p>	Agriculture	Division of labor Managing Person	Wolf Pack	Centralization, authoritarian companies, collaborative It is a means of labour. Reward and punishment. Short-Planning Anniversary
Blue World	Conformist or yellow	<p>High formalization of roles within the pyramid. Management and control is carried out from top to bottom (what to do and how to do it).</p> <p>Control with the help of bureaucratic institutions.</p> <p>Stability is valued above all else and maintained through rigorous execution of processes, defining roles and identities.</p> <p>Ability to build medium and long-term plans and create resilient and growth-capable organizational structures.</p> <p>On an individual level, the desire for order and predictability, change is viewed with suspicion.</p> <p>The prevailing view is that workers are, for the most part, lazy, dishonest, and in need of control</p> <p>The future is imagined as a repetition of the past.</p>	Agriculture	Formalized roles (stable and adjustable hierarchies) Processes (actions in the long term)	Army	A company where law and order reign (the power of regulations and procedures)
Orange- For example, in the case of the United States of America,	Successful or Orange Paradigm	<p>The goal is to overcome competition, achieve profit and growth.</p> <p>Innovation is the key to staying ahead of the curve.</p> <p>Goal-based management (directing and controlling what to do; freedom to do it).</p> <p>Keep the pyramid as their main structure.</p> <p>Rigid functional certainty and hierarchy are smoothed out by project teams, virtual teams, between functional initiatives, an institute of experts, and internal consultants.</p> <p>Top management formulates the general direction and communicates to subordinates the goals and milestones to achieve the desired result.</p> <p>Individual and collective greed, political short-sightedness, over-indebtedness, reckless exploitation of the planet's resources and ecosystems.</p>	Industry	Innovations Responsibility Meritocracy	Machine	The company as a machine, hierarchy, pyramid.2
1	2	3	4	5	6	7

Green world	Pluralistic or green paradigm	<p>Within the traditional pyramid structure, there is a focus on delegating authority to provide motivation to employees.</p> <p>Organizations carry a certain culture, sensitive to human feelings, respect the principle of pluralism in opinions, strive for justice, equality, harmony, commonwealth, cooperation and consensus.</p> <p>Ambiguous attitude to the existing rules: rules, on the one hand, always end in arbitrariness and injustice, and on the other hand, their removal completely is inexpedient because it will lead to abuse.</p> <p>At the center of the activity is an inspiring goal.</p> <p>Striving for decision-making taking into account the positions of all stakeholders.</p>	Industry, post-industrial society	Delegation of authority Value-oriented culture; Increasing the number of stakeholders	Family	Decentralized- (a) To
Yellow World	-	Changes are considered the norm. Life is seen as a set of systems and forms that are constantly changing and improving. Power, status, and rank lose their supremacy over knowledge and competence. Understanding the role and implementation in all areas of systems vision.	Post-industrial society. Innovative technologies	Systemic vision, adaptation, prevalence of knowledge and competencies for rank, status, power	Freedom,	Decentralized- For example, in the case of a company, an employee is an individual Ness
Turquoise- For example, in the case of the United States	Evolutionary or turquoise paradigm	<p>Transition from external to internal decision-making criteria.</p> <p>The criterion for decision-making is community and harmony.</p> <p>Self-governing teams.</p>		Self-government Integrity Evolutionary goal	Living Systems-Organisms	The company as a living organism, self-managing teams

Today, in Western cultures, the percentage between stages is as follows [6]:

20% of the population – pluralistic/postmodern stage (new world, green, ecological thinking);

30-40% – modernism/rationalism (the world of progress and capital, orange, rationalist thinking, capitalism, open order, democracy, political nations);

40-50% – mythical stage (red light);

10% – magical stage (the world of tribes and superstitions, purple/crimson, primitive communal, stateless tribes, primitive world).

Therefore, understanding the paradigms of thinking and cultural aspects, key changes in terms of driving forces in the economy, plays an extremely important role in determining the success in the evolutionary development process of all artificially created systems on our planet, including business organizations of the "enterprise" type.

### CONCLUSIONS

The article discusses the milestones of developing the business environment through the prism of industrial revolutions and the theory of spiral dynamics of organizational development. Effective management of an enterprise is only possible with an understanding of psychological aspects because the central element of the socio-economic system is a person/employee. Understanding the historical context of key milestones in this context allows the organization's management to focus its attention on the distribution of thinking paradigms in the system and object management, reconcile this distribution by specific gravity and compare it with the strategic guidelines of the organization. To understand how these things have conjugation: whether they contribute to or are a barrier to achieving the desired future. This will make it possible to develop and implement effective strategies to change the paradigms of thinking in the enterprise to achieve the desired strategic goals. It should be noted that in each active element (a person with different social and professional roles) in the enterprise, and then in groups and further ascending, all aspects of the paradigms of thinking revealed by the theory of spiral dynamics are mixed. The question is which of them come to the fore and are dominant.

At the same time, it should be noted that from the standpoint of the concept of systemic perfection of a business organization, I am based on the theory of spiral dynamics; its consideration can begin, in the general system sense regarding the system state, which corresponds to a greater extent to the content of perfection - from the orange stage and more or less corresponds to the current trends of the fourth industrial revolution. A significant strategic gap occurs based on the discrepancy between the stages of development, the milestones of industrial revolutions, and the organization's current state regarding spiral dynamics theory. For example, a red organization that functions in the fourth industrial revolution era. And this already applies to the research of each organization/enterprise. Managing changes in thinking paradigms is the art of management.

Further research will be aimed at the impact of the cultural phenomenon on the level of systemic perfection of enterprises.

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