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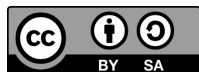
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Satisfaction of Employees in the Organisation from Frederick Laloux Model Perspective

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Abstract: Nowadays employee satisfaction is becoming more and more important for companies. Managers and boards of directors started to realise that the effectiveness of the business is strictly connected with the individual performance of each unit involved in processes of the organisation. The aim of the paper was to examine the correlation between employee satisfaction and the type of organisation from the Frederick Laloux model perspective. His theory assumes that organisations have an evolutionary character and evolve with the people who make them up. He listed several types of organisations and marked each with a color. According to Laloux's concept, the more evolutionary the type of organisation, the greater the emphasis on employee satisfaction. The study was conducted in a quantitative form. A questionnaire was used as a research tool to collect data. The research proved that the hypothesis mentioned above is true and people that belong to more evolved types of organizations are indeed more satisfied.

Keywords: employee satisfaction, types of organisations, Laloux's model, colors of organisations, motivation

1. Introduction

Employee satisfaction is becoming more and more important for companies. Managers and boards of directors started to realise that the effectiveness of the business is strictly connected with the individual performance of each unit involved in processes of the organisation. It seems that employee satisfaction is a large and complex problem because various factors strongly influence each individual. Another matter in this context is that each unit has its own drivers and motivation sources. Therefore, there is no such thing as one universal solution. However, nowadays, companies are trying to create the most optimal working environment

for employees. In the pursuit of maximisation of efficiency, the whole new concepts of organisations emerged. One of the most prominent and popular directions is the idea that organisations should contain smaller, self-governing teams with great independence. The precursor in studies on this new trend in management is Frederick Laloux. He created the model in which colours classify organisations and the classification depends on the management style and type of structures present in specific organisations.

The aim of the research is to examine the correlation between employee satisfaction and the type of organisation from the Laloux model perspective using quantitative research methods. The outcome is meant to show if there is a link between those two factors and how one is influencing the other.

The research takes the form of a questionnaire because checking the correlation between two variables creates the need to process many data inputs. The survey contains 23 questions divided into 3 sections, intended to check the respondent's particulars, type of organisation they work in and measure satisfaction.

2. Theoretical Background

2.1. The Concept of Job Satisfaction and Its Determinants

In the history of research on job satisfaction, many scientists defined the matter in different ways. There are two general approaches to the matter of job satisfaction. The first one concentrates on intangible feelings and emotions, and pushes the understanding of the topic into the subjective perception of each employee. One of the best known definitions of job satisfaction is a result of this approach. It was formulated in 1976 by Locke, who defined satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. He created a separate model that illustrates his thoughts. According to him, job satisfaction is an outcome of comparing two variables: job expectancy and the real situation. In this simplified model, the exact job satisfaction level depends on how much those variables cover each other (Locke, 1976, as cited in Juchnowicz, 2014). The second approach is much more complex and assumes that two separate elements constitute job satisfaction as a whole: job satisfaction and job contentment. This approach emerged from the theory of Herzberg et al. (1959, as cited in Juchnowicz, 2014). The traditional assumption was that job satisfaction and dissatisfaction exist on the same level, namely, employees that do not have reasons to be satisfied with their job must be dissatisfied (Robbins and Judge, 2013). Herzberg stated that there are two groups of factors influencing satisfaction. He named them hygiene (instead of contentment) and motivation (instead of satisfaction). Those are two different concepts; the main difference between them is the factors that influence each. Job contentment is simply connected with external drivers like satisfying compensation, good relations with other people in an organisation, good conditions of working

environment, suitable management style, etc. The second term as a whole is much broader. This situation is caused by the fact that achieving job satisfaction requires that internal factors additionally influence an individual. Among them are, i.e., learning possibilities, a sense of entrusted responsibility or feeling appreciated.

Based on the above-mentioned theories, it becomes visible that while looking at the topic of job satisfaction, it is essential to investigate the topic of motivation. There have been many attempts to investigate what motivation is and how people react under its influence. Chronologically, the ancient Greek civilisation made the first ever attempt that people are aware of. They stated that people are taking every action in their lives to maximise pleasurable experiences and minimise or avoid painful ones (Gick and Tarczyńska, 1999). A more modern approach to motivation is a simple model based on needs and fulfilling them, created by Maslow (1954). He formulated a hierarchical group of needs that humans have and defined them in a form of pyramid, with the most basic needs at the bottom and the weakest at the very top. According to Maslow's hierarchy, the needs that people have can be related to (from the strongest to the weakest): physiology, safety, belonging or love, esteem and self-actualisation (development, achieving true potential). People who did not meet their basic needs will not think about the ones from a higher place in the pyramid; for example, without anything to eat, humans will not think about self-actualisation, because the more basic need, the more urgent it is to satisfy. Maslow stated that people are motivated by needs that are not yet fulfilled and that their goal is to achieve them. This approach was further discussed by Gick and Tarczyńska (1999). From their point of view, people have an opportunity to satisfy needs of all kinds in the work environment. The compensation fulfils the physiological needs of employees, while the feeling of stability meets their safety needs. When the two basic needs will be satisfied, people will start forming relationships with others in the same organisation. Social contact generates a need for esteem and ambitions to be looked at as a successful person. The authors noticed that the need of esteem hardly ever decreases and allows a need of self-actualisation to emerge. With that the efforts of a unit are transferred to fulfil it.

The concept of motivation was evolving throughout history. The development process was simplified and described by Pink (2009). According to his words, there were 3 stages of evolution in motivation. The first one was strictly connected with the primal need for survival, and only after acquiring food or a partner was no longer humanity's primary goal, a new motivation could emerge. This kind of motivation was connected with the "stick and carrot" method. The basic assumptions of this system were to punish the not wanted behaviour and to reward the wanted one. Third and the last type emerged because work became more heuristic than algorithmic. Pink noticed that people could achieve the best results if granted autonomy because, according to him, people have their internal need for creation and achieve self-determined goals. Achieving job satisfaction because of fulfilling personal goals in a creative work environment will stimulate

employees' further development and help them achieve even greater satisfaction. Intrinsic motivation was also discussed by Ryan and Deci (2000), the authors of so called "self determination theory". They defined this kind of motivation as "actions that one takes for its own sake" and for satisfaction that the activity gives. They also stated that a person's joy from achieving the self-formulated goal is a very powerful incentive. This is important because it sets the direction in which organisations should develop. People perform best when they are intrinsically motivated. This type of driving force is fueled by satisfaction.

Many factors can influence job satisfaction. According to the Society for Human Resource Management (SHRM, 2011), 4 main groups of elements conclude job satisfaction. These groups are illustrated in Tab. 1.

Table 1. Aspects of job satisfaction

Career development: • opportunities to use skills and abilities • career advancement opportunities • organisation's commitment to professional development • job-specific training • career development opportunities • networking • paid training and tuition reimbursement programs
Employee relationship with management: • relationship with immediate supervisor • communication between employees and senior management • autonomy and independence • management's recognition of employee job performance
Compensation and benefits: • compensation/pay • benefit • flexibility to balance life and work issues
Work environment: • job security • organisation's financial stability • the work itself • feeling safe in the work environment • overall corporate culture • relationships with co-workers • meaningfulness of the job • contribution of work to the organisation's business goals • variety of work • organisation's commitment to corporate social responsibility • organisation's commitment to a diverse and inclusive workplace • organisation's commitment to a "green" workplace

Source: own work, based on Society for Human Resource Management (2011).

The key point to notice is that all the above aspects align with employees' needs, following Maslow's pyramid: salary and benefits cover physiological needs, job security and financial stability address safety needs, relationships with colleagues fulfil social and esteem needs, and work character and skill development opportunities satisfy self-actualization and personal growth needs.

2.2. The Theoretical Aspect of Laloux Model of Organisations

Laloux (2014) created a new organisation concept. He was trying somehow to predict the future course of the development of organisational models. From his studies, turquoise organisations emerged. According to Laloux, there have been some previous models that are still present nowadays. Because of that, he created an evolutional concept of organisations. He underlined that 5 different types emerged along with the development of human societies. Laloux described the types with the following (in the evolutional order) colours:

- Reactive Infra-red,
- Magic Magenta,
- Impulsive Red,
- Conformist Amber,
- Achievement Orange,
- Pluralistic Green,
- Evolutionary Teal.

The first two types of organisations are no longer present and were developed by humans before they transformed from pickers and hunters to farmers and breeders, in some interpretations they are not even mentioned because organisations, as people know them nowadays, started with ImpulsiveRred type. Each colour constitutes something for the next concept that comes after. Human beings evolved as time passed and organisations were evolving almost along with them.

The first real type of "organized" organisation is based on an Impulsive Red state of mind. The most important feature that characterises this type is using power in interpersonal relationships. Laloux uses an analogy to a wolf pack, where alpha uses strength to maintain status of the leader.

The next step in the process of organisational evolution is the appearance of Conformist Amber paradigm. Such organisations are highly hierarchical and the place in the hierarchy is strictly connected with birth, sex, age and wealth. Organisations of this type are managed through well established procedures and rules.

Constant evolution have led to the development of a new paradigm. It is called by Laloux the Achievement Orange. Even nowadays, this is the dominant state of mind. Orange organisations are focusing on effectiveness, and their major purpose is to achieve financial success. Because of that, those structures are highly innovative, because innovation means achieving a competitive advantage. Laloux associates this type with a machine.

The next type that appeared was called Pluralistic Green. This paradigm is driven by empathy. The organisations of this type are oriented on relationships rather than effectiveness. People are the most precious element of the structure for this kind and there is a dominant thinking that leaders should listen to and serve those who they lead. Laloux described this type as "family".

The most modern and not yet fully shaped paradigm was called Evolutional Teal. According to the author, this will be the future direction of management development. Laloux used a living organism metaphor to describe the essence of the teal model. People in such organisations are granted full autonomy, they self-manage themselves. Blikle (2021) explains that in self-organizing teams, the source of authority is expertise. Decisions are made by those with knowledge, and the group trusts them. What is important, the authority changes depending on the scope of work. Apart from that, another important element that is characteristic is the purpose of such organisations. It became different than before, namely those structures exist to serve some greater good. This type addresses intrinsic motivation and self-actualization need. Teal and all the previous colours are briefly described in Tab. 2.

Table 2. Laloux model summary

Colour	Description	Metaphor
Impulsive Red	The earliest form of organisation. Strength was the tool of maintaining order and control. Oriented on short term actions. Functions well in chaos.	Wolf pack
Conformist Amber	Highly formalized the roles in hierarchy. Top to bottom management. Stability is the crucial value and is provided by repeatable processes.	Army
Orange of Achievements	The main goal of orange organisation is to defeat a competition and achieve success. Innovation is a key value for this type. Goal setting is the domain of managers, but way of execution depends on performers.	Machine
Pluralistic Green	Organisation has a classic pyramid structure but with a strong concern about empathic, people oriented organisational culture, aimed to achieve high motivation.	Family
Evolutionary Teal	Combines self-management with efficiency. The purpose of existing for organisation is evolutionary. It serves greater good. Addresses intrinsic motivation and self-actualization need.	Living organism

Source: own work.

3. Research Methodology

The scientific research methodology that was applied was quantitative. Specifically, the tool that was used is a questionnaire. This kind of tool allows for getting bigger and more diverse group of respondents, which may have positive impact on the credibility of the research. The survey contains 23 questions divided into 3 separate sections.

The first section contains questions about the respondent's background and particulars. This part contains 5 questions. The areas covered by this section include:
- employment status,
- age,
- gender,
- size of an organisation that the respondent belongs to,
- the industry in which the respondent's organisation operates.

The second section contains questions aimed to determine the type of organisation to which certain respondents belong. Each of the question contains 5 statements that represent one of the 5 types taken into consideration in this study. The respondents are asked to mark the sentence that describes their organisation in the best way. There are 11 questions in this part. Judging by the number of answers assigned to specific types the respondent marked, it is possible to detect in what type of organisation this person works. Questions cover the following areas regarding the environment of the organisation:
- hierarchy,
- employees well-being,
- degree of control imposed by the leadership,
- promotion possibilities,
- rules and procedures,
- communication inside the organisation,
- adaptability of the organisation,
- approach to motivation,
- leadership style,
- approach to innovation,
- associations that the employees have about their organisation (symbols).

The last section contains 7 questions in total. Third part of the questionnaire is aimed to check the level of satisfaction that employees gets from various aspects of the life inside the organisation. The answers are organised into a scale with 6 steps. Comparing the final values with types of organisations determined before it is possible to detect if the correlation between those factors really exists. The following areas are covered by the questions of this section:
- overall job satisfaction,
- compensation,
- type of work,

- working conditions,
- relations with co-workers,
- relations with supervisors,
- development opportunities.

The target group of the survey were people who belong to an organisation because the research is focused around the environment of an organisation and respondent's satisfaction from being in this environment so people who do not belong to any are not in the scope. For the same reason this research focuses only on respondents of working age. Younger people (below 18 of age) were not taken into consideration because usually such people are not employed. On the other hand, older people – over 55 years of age – could participate in the study but were not the main target group, because many of them have already retired.

4. Results

The questionnaire was sent to people of different backgrounds, mostly *via* online channels such as social media platforms (for example: LinkedIn). 104 questionnares were sent back, and 87 were valid answers that could be further analysed. The majority of respondents worked in big organisations (over 2000 employees). On the other hand, there is a very equal distribution of respondents in organisations of all other sizes.

The first and most important conclusion to be drafted is that 2 largest groups are people who belong to Orange and Green organisations –39.1 and 33.3%, respectively. The rest of the groups combined are smaller than each of them. People from Red, Amber and Teal organisations stand for 4.6, 11.5 and 3.4%, respectively. The rest falls into the "other" category. Those respondents got the same score in several different types. Since such outcomes would negatively impact the rest of the study and it was not possible to make any conclusions based on those "mixed" types, they were excluded from some of the further considerations. Table 3 illustrates the distribution of respondents in the organisational types.

Table 3. Distribution of respondents by the type of organisation

Type of organisation	Number of respondents
Red	4
Amber	10
Orange	34
Green	29
Teal	3
Other	7

Source: own work.

In the questionnaire, people were asked how much they were satisfied with various job elements. This is a second fundamental element because it is directly connected with the main topic of the thesis, namely if the type of an organisation has influence on employee's satisfaction. It turns out that people in different organisations indeed have different satisfaction levels. Moreover, the more evolutional the type is, the more satisfied employees are. It is crucial because it proves that a positive correlation between those two factors exists. Each question in the satisfaction section had 6 possible answers. Every answer was assigned a value from 1 to 6, and the maximum score that could be obtained was 42. The highest the score, the highest employee's satisfaction. Each respondent's individual scores from all questions in this section combined, represent the job satisfaction level of that person. Based on the answers from part two, it was determined which colour of organisation the individual belonged to.

Table 4. Average satisfaction score for each type of organisation

Type of organisation	Average score
Red	14.5
Amber	26
Orange	29.1
Green	34.7
Teal	35.3

Source: own work.

The results presented in Tab. 4 are the arithmetic means of the individual satisfaction scores of the participants belonging to the respective group. The scores of people that indicated mixed organisation types were not taken into account, because the groups were not representative, so it was not possible to draft any conclusions on the basis of these samples. However, the theory that respondents who belong to more evolved types of organisations are more satisfied, seems to be true for people that are members of organisations that are not of mixed type.

5.   Conclusions

The main aim of the whole thesis was to check the correlation between organisation type classified according to the Laloux model and satisfaction of their employees.

The hypothesis that was made at the beginning was that the overall satisfaction that people get from their job is connected to the type of organisation they belong to. What is more, the further in evolution the type of organisation is, the bigger the satisfaction of employees should be. The correlation is positive and therefore the hypothesis was proven to be true.

Another important thing to notice is that there is a normal distribution of the organisational types among the respondents. The most common types are Orange and Green. Organisations strictly Red and Teal hardly ever appear, probably because these types are the most extreme, with one being the least evolutionary and the second being the most.

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Satysfakcja pracowników a typ organizacji w perspektywie modelu Fredericka Laloux

Streszczenie: Satysfakcja pracowników staje się obecnie coraz ważniejsza dla firm. Zarówno menedżerowie, jak i zarządy zaczęli zdawać sobie sprawę, że efektywność biznesu jest ściśle związana z indywidualną wydajnością każdej jednostki zaangażowanej w procesy organizacji. Celem artykułu było zbadanie korelacji między satysfakcją pracowników a typem organizacji z perspektywy modelu Fredericka Laloux. Jego teoria zakłada, że organizacje mają charakter ewolucyjny i rozwijają się wraz z ludźmi, którzy je tworzą. Wymienił on kilka typów organizacji i oznaczył każdy z nich kolorem. Zgodnie z koncepcją Laloux im bardziej ewolucyjny typ organizacji, tym większy nacisk na satysfakcję pracowników. Badanie przeprowadzono w formie ilościowej, wykorzystując kwestionariusz jako narzędzie badawcze do zbierania danych. Badanie potwierdziło, że hipoteza przedstawiona wyżej jest prawdziwa, a ludzie należący do bardziej rozwiniętych typów organizacji są bardziej usatysfakcjonowani.

Słowa kluczowe: satysfakcja pracownika, typy organizacji, model Laloux, kolory organizacji, motywacja