

Evolution of organizations in the new millennium

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Abstract

Progressive stages in the evolution of organizations correspond to progressively deeper aspects of the mind. The stage of task-based management emphasized the more superficial sensorimotor and concrete thinking capacities; this approach of rigid rules and structures is now unsuited for an increasingly knowledge-based economy. The next stage, process-based management, makes greater use of the intellect of organizational members to design, implement, and evaluate systemic productivity improvements. A few organizations today demonstrate the lasting success of values-based organizing, managing on the level of feelings and ego. The new millennium will see organizations that utilize the deepest level of human consciousness, connecting the human mind to the intelligence of natural law which spontaneously organizes for optimal simplicity, synergy, and holistic progress.

Alexander's model of individual development

The beginning of the millennium gives us an occasion to consider where we have come from and where we are going in our understanding and practice of organizing people to work together. To help us see the direction in which organizations have evolved and will continue to evolve, we present a model of stages of organization development which builds upon a model from developmental psychology. In developmental psychology, a stage constitutes a qualitative advance involving a new mode of knowing which allows solutions to problems inherent in the prior stage of development. Thus, more advanced stages of individual development entail increasingly adaptive and effective thought and behavior. Similarly, each progressive stage in our model of organizational development adds a new mode of knowing – characterized by a deeper level of the human mind – and resolves limitations inherent in the prior stage, enabling performance to be more effective.

Alexander (Alexander *et al.*, 1990; Alexander *et al.*, 1991; Alexander *et al.*, 1994) has explained how cognitive and interpersonal capabilities unfold through progressive stages that correspond to the progressively deeper levels of the mind identified in Vedic psychology (Maharishi, 1969; Orme-Johnson, 1988). These levels of the mind are the senses/organs of actions, the thinking mind, intellect, feelings, ego, and self or pure consciousness.

In Alexander's model of psychological development, infancy is predominated by the world of the senses and action. The personality at this stage is impulsive. The concrete thinking mind is at the center of development in childhood, and the personality becomes conforming. By the end of adolescence, new formal reasoning capacities of the intellect

have unfolded to varying degrees. The personality at this stage adheres to a consistent intellectual construction of the world and oneself. Research has found that few individuals continue beyond this development threshold. However in rare self-actualized adults, an integrated ego is realized (Loevinger, 1976; Alexander *et al.*, 1991).

In Vedic psychology, "the mind that thinks, the intellect that decides, the ego that experiences" are said to comprise the lower self, while "The higher self is that aspect of the personality which never changes, absolute Being, which is the very basis of the field of relativity including the lower self" (Maharishi, 1969, p. 339). This self is also referred to as transcendental consciousness because it is consciously experienced when thought is transcended, and the awareness settles down to "a state of inner wakefulness with no object of thought or perception, just pure consciousness aware of its own unbounded nature" (Maharishi, 1976, p. 123). Experiences of this transcendental state have been reported in every culture. The availability of a technique for systematically cultivating this experience, such as the Transcendental Meditation? technique, makes accessible an advanced stage of individual development which utilizes this transcendental level of the mind. As individuals grow in the capacity to operate from this level of the "managing intelligence" of nature (Maharishi, 1995a, p. 8), they display profound wisdom, creativity, and accomplishment. Our findings that a sample of world-class leaders reported more frequent experiences of a transcendental nature relative to other samples (Harung *et al.*, 1995) support the notion that the fullest capacity of performance is associated with utilization of the deepest level of the mind, the transcendental self. In the new millennium, as more individuals unfold this deepest potential of the mind, organizations will increasingly display new qualities which we describe later in this paper as natural law-based management.



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A stage model of organizational development[1]

Within the adult population, individuals are found at a variety of developmental positions. Likewise, in a given organization not all individuals are at the same stage of development; but the organization as a whole will be characterized by the stage of development which is typical of its individual members. Figure 1 introduces a typology of four progressive stages of organizational development, adapted from Harung (1999). The first stage of development is task-based. Organizations at any of the four stages accomplish tasks; however, at stage 1 awareness is predominantly concerned with performing isolated, concrete tasks while the underlying dimensions of process integration (stage 2) and values (stage 3) receive too little attention. Task-based management may be the most common stage in today's organizations. The second stage, process-based, is becoming increasingly evident. We use the term process to denote the integration of all the tasks needed to develop or produce a whole service or product (Hammer and Champy, 1993). Processes underlie tasks; they tell us how tasks are performed.

Our third stage we call values-based. Values tell us why to undertake the process; they give a direction to the process. Management at this stage stimulates intrinsic motivation, the role of feelings in judgments of right and wrong, organizational alignment through shared values, and a healthy corporate culture. As Senge (1994) has observed, deep change in organizational culture (values) is often necessary to support the objectives of process-oriented change. In our fourth stage – natural law-based – the holistic progress of the company is co-

ordinated with the progress of the whole social and natural environment.

Stage 1 of organizational development, task-based, is predominated by the senses and the thinking mind. Stage 2, process-based, utilizes more of the intellect of organizational members. Stage 3, values-based, enlivens a distinctive identity or ego. Stage 4 adds the still more fundamental level of pure consciousness, which connects the management of the firm to the "managing intelligence of natural law" (Maharishi, 1995a, p. 8).

Like situational theories of leadership (Hersey and Blanchard, 1982), this model suggests that the management approach which can be successfully enacted within any specific organization is contingent on the aggregate developmental stage of the organization's members. For example, stage 1 manages by command and control, while stage 3 manages by internalized ethical principles. Even though a stage 3 organization will generally out-perform one at stage 1, it won't work to suddenly introduce stage 3 management practices in a stage 1 organization. In all likelihood, a stage 3 management approach will be a developmental mismatch for the majority of the organization's members. This parallels the findings of research on stages of development in leaders, which concluded that empowering leadership cannot be taught to individuals who lack the prerequisite psychological maturity (Drath, 1990).

The following sections elaborate on difference in management principles and practices at each of these four stages of collective development and discuss how each progressive stage unfolds greater capacity for effective, life-supporting performance.

Stage 1. Task-based management

Task-based management utilizes the sensorimotor and concrete thinking capabilities of the members of the organization, but stops short of fully engaging the deeper levels of the mind – the intellect, the ego, and the self. Organizations at this stage of development are characterized by isolated tasks and centralized formal authority. Work is organized in a hierarchy of functional departments, and broken down into simple tasks with each worker performing one or at most a few repeatable functions. The assumption is that it is necessary and sufficient to have only a few people at the top of the hierarchy who know what needs to be done and who have the comprehension to integrate and coordinate the tasks. Through command-and-control those in authority make certain that employees adhere to their exercise of unilateral power.

Figure 1
Four stages of organizational development

STAGES OF ORGANIZATIONAL DEVELOPMENT	LEVELS OF MIND
1. TASK-BASED	Senses, Mind
2. PROCESS-BASED	Intellect
3. VALUES-BASED	(Feelings) Ego
4. NATURAL LAW-BASED	Higher Self. Transcendental Consciousness. Source of Natural Law.

Two types of task-based management styles may emerge: autocratic management and bureaucracy. Autocratic management style will tend to emerge where collective development is dominated by the impulsive stage typical of a young child. In such a situation, employees tend to act with preconventional morality (Kohlberg, 1969) and in an ego-centric manner that precludes empathetic communications with others and appreciation of what benefits the whole organization.

The somewhat more mature management scenario of bureaucracy can be seen when collective development evolves from a predominately sensory mode to greater unfoldment of the apprehending and comparing functions of the thinking mind. This level of psychological development, typical of an older child, features a concrete style of thinking, conventional morality, and a conforming personality. When employees function primarily from the level of thinking mind, they are capable of learning and following rules in a systematic way, but they do not yet function from a sufficiently developed level of intellect to generate new rules for themselves in accordance with abstract principles or organizational goals. In this scenario, the managers create a rule for every contingency, and lines of reporting and authority are clearly drawn.

Compared to autocratic management, bureaucracy increases the likelihood of consistency. However, life is too complex to be effectively governed by rigid rules, and such a system cannot flexibly adjust to the flood of demands and opportunities confronting today's corporations. By their very nature, rules reflect the past, or at best the present, but major changes in the corporate world require new directions that cannot be projected or even understood through existing rule systems: "the challenge to business in the coming decade [is] to operate in a world where trends of the past no longer predict the future" (Forrester, cited in Renesch, 1992, p. ii). As a result, bureaucracy often restricts learning and progress.

Shortcomings of task-based management

Task-based management implies a negative view of the intrinsic capabilities of man since it assumes the need for extensive control external to the individual. This management style has been described as "order through force" (Broekstra, 1990). When it is assumed that there is an extensive need for those higher up the corporate ladder to enforce their ideas on those lower down, this frequently results in inappropriate action and the undermining of essential initiative and self-sufficiency.

Another limitation of task-based management is that when each task is considered in isolation, work tends to be boring and

meaningless. Today, more and more employees want to express their own creativity and intelligence, and pursue something that each one considers meaningful. Finally, many businesses today have evolved beyond repetitive manufacturing of simple goods, for which this fragmented approach functioned relatively well. In today's complex work environments, it is increasingly costly, if not impossible, to rely on management alone to coordinate isolated tasks. In the emerging post-industrial society, knowledge and service workers are required to make their own decisions. For these reasons, the task-based style of management simply does not work anymore. Therefore, we turn to the second stage in our model.

Stage 2. Process-based management

In process-based organizations, the focus shifts from isolated tasks to streams of related activities involving several functional departments. Often the work is centered around teams that may be self-managing to various extents. Members at all organizational levels may participate in the improvement of processes, i.e. each team often evaluates its own performance, makes decisions to improve it, and assesses the outcome. Compared with task-based management, stage 2 features substantially higher levels of competence and collaboration throughout the organization. Due to the widespread participation in decision making, it is essential that all members and teams have the necessary information. Hence, sharing information is central to process-based businesses.

Process-based management requires that the typical member of the organization more fully utilizes the faculty of intellect (Figure 1). Whereas the thinking mind can collect, store, and retrieve information, it is the intellect that evaluates information and makes decisions. It is only the abstract functioning of the intellect that can effectively coordinate all the tasks considered by concrete thinking (Alexander *et al.*, 1990).

Process-based management aims to simultaneously simplify work flows and add more value for the customer. It provides workers with multidimensional jobs and team responsibility for performing a whole process, not just a small piece of it (Hammer and Champy, 1993).

Many of the checks and controls previously performed by management are eliminated. Rather than focusing on controlling employees, management focuses more on removing obstacles so that processes are flowing smoothly and customers are satisfied. This is much simpler than attempting to control and

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coordinate a large number of fragmented tasks. Process-based management does not do away with control. Rather, each team or member is increasingly exercising greater self-control. When effective, this inner locus of control is continuous, simpler, more direct, and more dignified. People who do well in process-based organizations tend to be those who are self-motivated and intent on doing a good job. Many mature intellects are needed when a large proportion of the associates are expected to contribute to effective decision-making.

Compared to stage 1, the stage 2 style of functioning is better able to utilize the resources of each employee. Work becomes more satisfying since individual associates have a greater sense of accomplishment from their contributions. The National Research Council states: "Team-based processes build quality in, reduce reject rates, improve motivation, make sustaining the process of employee involvement in innovation and improvement easier, and yield much higher payoffs" (*National Research Council*, 1994, p. 137). Put simply, process-based management results in achieving more with less effort.

Since the logic of this approach to management is so appealing, an increasing number of organizations are aspiring to function at stage 2. For instance, AT&T company literature states: "This new way of working requires a new way of thinking and a new way of behaving. Our responsibilities are moving from narrow and task-oriented, to multidimensional and process-oriented" (AT&T, 1994). However, there may be a considerable gap between theory and practice. For reasons that we will now expound, we believe in fact that relatively few organizations are operating at the process-based stage.

There is a challenging side to all the good news: "If the old model was simple tasks for simple people, the new one is complex jobs for smart people, which raises the bar for entry into the workhorse.... It is no longer enough merely to look at prospective employees' education, training, and skills; their character becomes an issue as well" (Hammer and Champy, 1993, pp. 70-1). A shortage of people with requisite maturity of character (Kegan, 1994) may explain why most current organizations attempting to introduce programs to substantially increase employee involvement are unsuccessful (McMaster, 1996).

Making an existing process more efficient is different from being original, visionary, or coming up with an entirely new process, direction, or value-adding business idea. Further, even though process reengineering may make the organization more efficient and able to satisfy the needs of its customers, this can occur at the expense of satisfying the

employees' needs, resulting in stress and ill health. The next phase of organizational transformation does focus more on employee well-being, a larger purpose, and a culture which is cohesive, yet supports diversity.

Stage 3. Values-based management

Development of the feelings and ego (Figure 1) – more intimate levels of the mind than the level of the intellect – are necessary to move to the stage of values-based management and to bring greater fulfillment to the process-based approach. Even though the rationale of empowerment and self-management may be intellectually conceived at stage 2 of organizational development, the ability to implement it in practice appears to depend on such stage 3 properties as empathy, trust, receptivity, freedom, generosity, and mutual respect. Development of the feelings and ego brings qualities of self-actualization such as an inner-directedness, emotional sensitivity to oneself and others, enhanced initiative and creativity, and altruism (Alexander *et al.*, 1991).

Inner-directedness is critical for being a postconventional strategist and pathfinder rather than a conventional path-follower. When such visionary insight is found not just in exceptional leaders, but in the corporation as a whole, that organization can be at the forefront of its field and able to create entirely new markets by developing completely new products or services.

Emotional intelligence is critical for collective accomplishment. According to Goleman (1996, p. 161):

The...important factor in maximizing the excellence of a group's product was the degree to which the members were able to create a state of internal harmony, which lets them take advantage of the full talent of their members.... In groups where there are high levels of emotional and social static – whether it be from fear or anger, from rivalries or resentments – people cannot offer their best. But harmony allows a group to take maximum advantage of its most creative and talented members' abilities.

Table I contrasts features of stages 1 and 3 of organizational development. In values-based management, the main focus is to make certain that the employees have healthy, ethical, and evolutionary human values (Fløistad, 1993; Harung and Dahl, 1995). According to *The Concise Oxford Dictionary*, values are defined as one's principles, standards, or judgment of what is valuable or important in life. The idea in effective organizations is that once the company's value system is sound, the self-managing members and teams will for the most part be fully capable of organizing their activities

themselves. In this situation, the role of managers is to encourage productive values throughout the organization.

Stage 3 is characterized by strength and stability of identity. In *Built to Last*, Collins and Porras (1994, p. 8) write that "the crucial variable is not the content of a company's ideology, but how deeply it believes its ideology and how consistently it lives, breathes, and expresses it in all that it does". It may be that socially imposed values, combined perhaps with fear of punishment or loss of face, can create an artificial management by values on a temporary basis. However, on the whole, the only way psychological ownership of sound human values can be accomplished on a sustainable basis is in an organization in which individuals have strong, individuated self-identities.

In a values-based organization, the ability to receive and give trust will be high. Managers will focus on nourishing the feelings and sense of identity of their employees. Superficial role-playing and the manipulation of other people is likely to vanish with the general increase in personal integrity. At this level of collective development, there is no longer need for the extensive control and interference from outside the organization (e.g. government and media), or from written rules inside the organization (Harung and Dahl, 1995), though such control may be justifiable in a stage 1 organization.

When people who are given genuine freedom and trust are developed enough to accept and use it, then innovation and diversity of opinions will increase. Less mature organizations lack the ability to handle this diversity and will thus perceive the situation as full of rebels. On the other hand, values-

based organizations will have a greater ability to foster and enjoy unity in diversity. The greater the diversity, the greater the need for unity (Harung and Harung, 1995). For this reason, a strong sense of common vision and purpose is essential for mature organizations. Fortunately, self-actualized people are disposed towards win-win interpersonal strategies (as opposed to win-lose strategies at immature stages) and often possess the ability to simultaneously satisfy individual and collective needs (Maslow, 1968). This is due to a blending of several features: greatly enhanced creativity, perspective, and sensitivity to the needs of others. Once we become aware of the feeling level in ourselves, we become sensitive to this level in others; and once the ego has realized its own unique identity, it no longer requires that others be subservient to it and is willing to appreciate the distinctiveness of other egos as well.

Values-based staffing

Values-based companies are aware that hiring new members with a mature psychology is an important proactive strategy in preserving their organizational culture. Their hiring practices may give greater priority to values and attitudes than to skills and formal education – in recognition that it is easier to improve skills and knowledge than self-development. Hiring for higher positions may involve up to five culture or value interviews with applicants.

How many companies today are values-based?

How prevalent are stage 3 organizations? Opinions differ slightly. One writer claims that "needless to say, there are few if any business organizations operating at this

Table I
Evolution from task-based to value-based organization

Stage 1 (task-based)	→ Stage 3 (value-based)
Limited and materialistic meanings	→ Focus on actualization on self and others
Top-down initiative and control-and-demand	→ Effectiveness (doing right things)
Few effective managers	→ Effective members throughout, parallel processing
Hierarchy (vertical)	→ Network (flatter)
Rigid organizational structures	→ Fluidity and spontaneous self-organizing
Many and elaborate rules	→ Shared vision, few and simple rules
Sharp division of work	→ Overlapping and multidimensional assignments
Clear-cut organizational edges	→ Customer and supplier participation
Slow mass production	→ Rapid customization to customer needs
Win-lose assumption and opposition	→ Win-win assumption and mutual support
Divergent individual and organizational needs	→ Simultaneous satisfaction of individual and organizational needs
Considerable anti-social behavior	→ Coexistence of freedom and ethical behavior
Outer organizational promotion (i.e. "extrapsychic")	→ Inner personal growth (i.e. "intrapsychic")
Limited concern for the environment	→ Appreciates a beautiful and clean environment
Competing against others	→ Competing against self

rarefied level," (Harrison and Spoth, 1992, pp. 3-8); while another believes that there are a few meaning-rich organizations already out there (Wheatley, 1992). We have found some organizations in the transition between stages 2 and 3, but none fully in stage 3 (Harung and Dahl, 1995; Harung and Rieber, 1995; Harung 1996). This should not surprise us. Stage 3 organizations are appropriate for, and are made up by individuals at the advanced stage of self-development that Alexander *et al.* (1994) associated with the ego level of the mind; but less than 1 per cent of adults, they note, are considered at this advanced level of development. So a major limitation of the stage 3 approach is that it is not practical on a large scale until more individuals experience developmental advances. The social context of such an organization may in itself be a catalyst for personal development. A mental practice which permits awareness to systematically transcend from surface aspects of experience to the silence of pure consciousness at the basis of the mind has been found to promote developmental advances (Alexander *et al.*, 1991; Alexander *et al.*, 1994), thus unfolding the capacity for not only values-based management but the still further stage of natural law-based management described below.

Stage 4. Natural law-based management

Our model of the mind in Figure 1 shows that there is yet a deeper level of the mind, beyond the feelings and ego which are enlivening in the stage of values-based management. That deeper level – transcendental consciousness – is the foundation for the further evolution of organizations to natural law-based management.

An emerging transpersonal perspective in management recognizes that organization is an inherent property of an intelligent, self-organizing universe of which man is an integral part. The implicate order in nature is a holistic intelligence (Bohm, 1980), interconnecting everything. By enlivening the deepest level of creativity within us, business activity can be the flow of that natural order through us, rather than imposition of our dominion over nature. Harmon (1988, p. 119) presents the outlook of deep ecology which: ... goes beyond the contemporary scientific framework to a subtle awareness of the oneness of all life, the interdependence of its multiple manifestations, and the irrepressibility of its tendencies towards evolution and transformation.

In this emerging viewpoint, organizing is not an act of control which man imposes on the environment; rather innate processes in living systems create order. Wheatley (1992)

suggests the possibility of an organization which moves gracefully in the unfolding dance of order which is already lively in the self-organizing universe (Jantsch, 1980). Ray writes of a new paradigm of business based on "wholeness and connectedness" and "doing business from our most profound inner awareness and in connection with the consciousness of others and the earth" (Ray, 1993, pp. 4-5).

The tradition of Vedic psychology has maintained that the unifying intelligence of nature can be experienced and lived in the highest stages of human development. Dillbeck (1988) explains that practices from Vedic psychology enliven the dynamics of nature's creativity in human awareness. Indeed it is the use of such technologies to harmonize the individual manager with the cosmos which constitutes the principle practices of what we present here as a natural law-based approach to management. The application of such practices will lead to an organization with the following characteristics:

- 1 harmony with the natural environment;
- 2 efficiency on a par with nature's "principle of least action";
- 3 spontaneous and frictionless coordination;
- 4 creative inspiration akin to artistic genius;
- 5 doing well by doing good: prosperity and social value;
- 6 spontaneous change in an evolutionary direction;
- 7 leadership which promotes full human development.

Each of these characteristics are elaborated in the paragraphs which follow.

Harmony with the natural environment

A concern of responsible businesses today is how to protect the natural environment from pollution. But pollution is the inevitable though unintended side effect of any enterprise not grounded in wholeness; and wholeness is only available when consciousness experiences its own unbounded status beyond thought, beyond division of subject and object. At this level of the mind, individual awareness gains alliance with "the organizing power of Natural Law ... which [is] ... automatically maintaining the well co-ordinated relationship of everything with everything else" (Maharishi, 1995a, p. 8). The experience of this transcendent level of consciousness by a sufficient portion of an organization's members, can enable the stage 4 organization to achieve the same kind of pollution-free progress which can be seen in nature:

... each area of infinite variety in creation always expands but does not create pollution, because in this theme of evolution in nature,

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the part is always well-connected with the whole, so that the total organizing power of Natural Law is persistently available to every stage of evolution of everything (Maharishi, 1994, p. 299).

Efficiency on a par with nature's "principle of least action"

Modern physics holds that all known laws of nature function through this principle of least action (Hagelin, 1998). Natural law-based management spontaneously computes the path of least action, just as a stream spontaneously flows downhill. Margaret Wheatley has reflected on the value of learning to manage as nature manages:

What is it that streams can teach me about organizations? . . . This stream has an impressive ability to adapt, to shift the configurations, to let the power balance move, to create new structures. But driving this adaptability, making it all happen, I think, is the water's need to flow. Water answers to gravity, to downhill, to the call of ocean. The forms change, but the mission remains clear. Structures emerge, but only as temporary solutions that facilitate rather than interfere. There is none of the rigid reliance on single forms. . . . It is time to stop now. It is time to take the world off our shoulders . . . and look for an easier way (Wheatley, 1992, pp. 15-17).

Maharishi has used the expression "automation in administration" in suggesting that leaders engage "the evolutionary power of Natural Law" to work for them (Maharishi, 1995b, p. 127). In an organization enjoying such automation, things would seem to run almost by themselves. The members would display a high degree of personal self-sufficiency, full expression of individual creative intelligence, excellence in action, coherent social interactions, and frictionless achievement without strain.

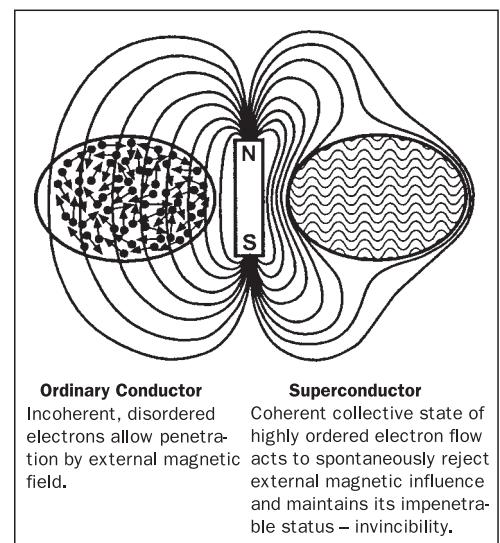
Spontaneous and frictionless co-ordination

Simultaneous coordination of numerous elements is evident in the organizing power of natural law. Consider for example the vast number of automatic processes continuously taking place in our body – self-regulating homeostasis, respiration, cardiovascular activity, metabolism in each cell – and the synchronized movements of celestial bodies in the universe. In a similar way, within a natural-law based organization, all the parts will be spontaneously aligned in a coherent wholeness.

Figure 2 illustrates the differences between a physical system which has a high degree of coherent orderliness – indicated by the pattern of parallel waves, and a system in which each element takes its own direction, without an overarching wholeness. The coherent

Figure 2

The Meissner effect: an example of invincibility in the quantum physics of superconductivity



superconductor gains the property of frictionless flow – an electrical current will continue to flow without resistance or loss of energy. The superconductor can not be perturbed by external magnetic influences, but gains a quality of invincibility called the Meissner effect (Wallace, 1993). Similarly, a natural law-based organization will enjoy a kind of superfluid coordination of people whose awareness is established on a common, transcendent ground. Those working in such an organization will commonly experience fortuitous coincidences in which the work of others is found to spontaneously support what one is trying to accomplish.

Creative inspiration akin to artistic genius

Peak performing individuals have explained that their finest actions are computed by an intelligence of nature, which is beyond their individual intellect and feelings. The German composer Johannes Brahms put it thus: "The powers from which all truly great composers like Mozart, Schubert, Bach, and Beethoven drew their inspiration is the same power... they [have] linked themselves to the infinite energy of the Cosmos" (Pearson, in press, p. 261). Brahms recounted how this elevated experience naturally leads to peak performance in composing:

Straight-away the ideas flow in on me ... and not only do I see distinct themes in my mind's eye, but they are clothed in the right forms, harmonies, and orchestrations. Measure by measure, the finished product is revealed to me when I am in those rare, inspired moods (Pearson, in press, p. 260).

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We project that in a natural law-based organization this kind of creative inspiration could be found in any job. Engineers, for example, could have completed product and process ideas construct themselves in their settled awareness; and because those ideas flow from that level of natural law which is always economical and always holistic, those products and processes will be most efficient, most free from problems, most aesthetically pleasing, and most healthy for people and the natural environment.

Doing well by doing good: prosperity and social value

Since natural law is the common basis of everything, management grounded in this level is said to promote progress and fulfillment for the individual, the corporation, and the larger environment (Maharishi, 1995a, p. 11). Indeed, just as different expressions of life support each other in the ecology of nature, so also in a natural law-based ecology of business, individual organizations will fulfill their own interests while benefiting the greater social whole in which they operate.

Spontaneously changing in an evolutionary direction

For many organizations today, change is problematic. Corporate change programs often involve costly reorganizations. About 80 per cent of major organizational change initiatives are said to fail. Where there are too many change programs going on at the same time in one organization (we have found up to 40 in one business!), the net result is confusion, frustration, and waste of resources.

At each stage of development the organization establishes a stable reference point at a progressively more abstract level. In stage one the reference point is the rules. At stage 2 the stable reference point could be said to be an intellectual process for problem-solving. At stage 3, stability is found in enduring core values. Finally, in stage 4 the reference point for change is a fully alert state of consciousness. Capacity to change is most restricted in stage 1, which has the most concrete point of reference. While in stage 4, the greatest freedom and creative potential is available. Indeed at stage 4, change is no longer problematic. Grounded in the inner stability of the transcendental self, evolutionary changes occur spontaneously and without resistance. Organizations take on the qualities of spontaneous evolution and self-organization which science has observed in the systems of the natural world.

Conclusion

While organizations are striving today to become process-based, and a few demonstrate the potential of values-based management, we predict a further advance to a style of human mind. The model is well supported by data in development. The model fits the observable progression of organizations from task-based to process-based to values-based. And, as we have reviewed above, the fourth stage which we predict is consistent with other visionary conceptions of the evolutionary potential of organizations.

The key concept in our prediction is the notion that the deepest level of human mind is connected with the intelligence of natural law which "manages" the orderly progress of everything. This concept is based on a profound ancient tradition of Vedic Psychology. Its implications for Vedic Management have recently been articulated in practical as well as theoretical terms (Maharishi, 1995a, 1995b).

We are at the dawn of a new millennium and new developments for organizations yet lie ahead for us. The key to realizing the evolution of organizations in this new millennium will be the unfoldment of the yet untapped potential of consciousness within each of us.

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