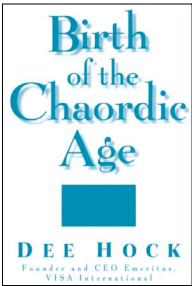




A NEW KIND OF ORGANIZATION BASED ON PURPOSE AND PRINCIPLE

BY DONELLA MEADOWS



*Birth of the
Chaordic Age*
by Dee Hock

What do the Internet, Alcoholics Anonymous, and VISA International all have in common? You can find them just about anywhere on earth. They have not spread through unrelenting market push; rather, they are pulled by demand, because they meet needs very effectively. They serve their purposes successfully without any obvious headquarters, no glittering center of power, no centralized command. No one owns them. VISA does \$1.25 trillion worth of business a year, but you can't buy a share of it.

Dee Hock, who founded VISA, would say that these are all chaordic organizations. He made up that word by combining "chaos" and "order." Chaordic organizations operate not through hierarchies of authority, but through networks of equals. It isn't power or coercion that makes them effective, rather it's shared purpose, ethical operating values, and responsibility distributed through every node.

It's in the interest of every computer owner to be sure that no one messes up the functioning of the Internet. It's in the interest of every alcoholic to know that there will always be a place to turn for help. It's in the interest of every card-issuing bank, card-accepting merchant, and card-using customer to know that payments will go through, accounts will be kept accurately, bills will be paid. Chaordic organizations, like any orga-

nization, may be abused, but they have astounding powers of self-policing and self-repair.

"What Ought to Be"

In his new book, *Birth of the Chaordic Age* (Berrett-Koehler, 1999), Dee Hock tells his own life story, the story of VISA, and a profound story about human institutions. Raised in a Mormon family in Utah, Hock developed a strong aversion to central control. Brought in to save the failing Bank Americard system, he envisioned, years before electronic funds transfers, an organization that "could guarantee, transport, and settle transactions twenty-four hours a day, seven days a week, around the globe."

"At the time did I think it would be done? No! Did I think the Bank of America would give up ownership? No! Did I think banks worldwide could be brought together in such an effort? No! Did I think laws would allow it? No! But did I believe it was what ought to be? Ah, that was another question indeed!"

By now we take credit cards for granted. It's worth imagining for a moment the network of organizations and the flow of information that allows it all to happen so seamlessly. What holds it together is a set of principles and above all a purpose.

The purpose is "what ought to be." Purpose is derived from morality, from vision, from collective wisdom, not from individual ambition or greed. That, says Hock, is where the whole industrial system, including both corporations and governments, has gotten so far off track.

"Life is not about controlling. It's not about getting. It's not about having. It's not about knowing. It's not even about being. Life is eternal, per-

petual becoming, or it is nothing. Becoming is not a thing to be known or controlled. It is a magnificent, mysterious odyssey to be experienced."

"Money, markets, and measurement have their place. They are important tools indeed. We should honor them and use them, but they are far short of the deification their apostles demand of us, and before which we too readily sink to our knees. Only fools worship their tools." Strange talk for a banker.

Transcendent Purpose

Hock retired from VISA, with no stock options, no fortune, intending just to enjoy nature and his grandchildren. But the depredations of the nonchaordic institutions of the world pulled him back into helping other groups envision transcendent purposes and put together nonhierarchical organizational structures.

He is working with fishermen to form the Northwest Atlantic Marine alliance. After a year of discussion, it has defined its purpose: "to restore and enhance an enduring Northwest Atlantic marine system that supports a healthy and diverse abundance of marine life and commercial, recreational, aesthetic, and other uses."

He is also trying, with representatives of the increasingly dysfunctional U.S. healthcare system, "to create a new concept of organization that will enable all individuals to have access to the information, assistance, and resources necessary for them to achieve their optimum health."

Wow! Isn't it great to hear someone articulating and taking seriously the challenge of creating what ought to be? ■

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