# THE NATURE AND CREATION OF CHAORDIC ORGANIZATIONS

**BY DEE HOCK**

**chaordic** [kay'-ordic], *adj.,* fr. E. chaos and order. 1. the behavior of any self-governing organism, organization or system which harmoniously blends characteristics of order and chaos. 2. patterned in a way dominated by neither chaos or order. 3. characteristic of the fundamental organizing principles of evolution and nature.

We are living on the knife's edge of one of those rare and momentous turning points in human history. Liveable lives for our grandchildren, their children, and the children's children hang in the balance.

The Industrial Age, hierarchical, command-and-control institutions that, over the past four hundred years, have grown to dominate our commercial, political, and social lives are increasingly irrelevant in the face of the exploding diversity and complexity of society worldwide. They are failing, not only in the sense of collapse, but in the more common and pernicious form—organizations increasingly unable to achieve the purpose for which they were created, yet continuing to expand as they devour resources, decimate the earth, and demean humanity. The very nature of these organizations alienates and disheartens the people caught up in them. Behind their endless promises of a peaceful, constructive societal order,

which they never deliver, they are increasingly unable to manage even their own affairs, while society, commerce, and the biosphere slide increasingly into disarray. We are experiencing a global epidemic of institutional failure that knows no bounds. We must seriously question the concepts underlying the current structures of organization and whether they are suitable to the management of accelerating societal and environmental problems—and, even beyond that, we must seriously consider whether they are the primary cause of those problems.

Poised as we are on the knife's edge between socioenvironmental disaster and a liveable future, one question cuts to the core of our future: Will the result be chaos and the even more repressive and dictatorial regimes so often arising from chaotic conditions? Or will we emerge from the eggshell of our lndustrial Age institutions into a new world of profound, constructive organizational change?

The answer lies in the very *concept* of organization and in the *beliefs* and *values* of individuals.

## Formation of a Chaordic Organization

Our current forms of organization are almost universally based on compelled behavior—on tyranny, for that is what compelled behavior is, no matter how benign it may appear or how carefully disguised and exercised. The organization of the future will be the embodiment of

*community* based on *shared purpose* calling to the *higher aspirations of people.*

Formation of a chaordic organization is a difficult, often painful process, but one also filled with joy and humor. Entirely different dynamics of judgment, behavior, capacity, and ingenuity can evolve. Small shifts in deeply held beliefs and values can massively alter societal behavior and results—in fact, may be the only things that ever have. That is my hope for our future.

I know it can happen. I've been there—or at least gone part of the way—during the formation of VISA and other chaordic organizations. It's very difficult to put in words, for in truly chaordic organization there is no

destination. There is no ultimate being. There is only becoming.

Forming a chaordic organization begins with an intensive search for *Purpose,* then proceeds to *Principles, People,* and *Concepts,* and *only then* to *Structure* and *Practice.* It can't be done well as a linear process. Each of the six elements can be thought of as a perspective, a sort of "lens" through which participants examine the circumstances giving rise to the need for a new concept of organization and what it might become. The most difficult part is to understand and get beyond the origin and nature of our current concepts of organizations; to set them aside in order to make space for new and different thoughts. Every mind is a room filled with archaic furniture. It must be moved about or

cleared away before anything new can enter. This means ruthless confrontation of the many things we know that are no longer so.

## Purpose

The process can easily begin with a deceptively simple question: "If anything imaginable is possible, if there are no constraints whatever, what would be the nature of an ideal orga-

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nization to . . . ?" Finishing that question is all-important. It is essential to determine with absolute clarity, shared understanding, and deep conviction the *Purpose* of the community. From that, all else must flow. It is what will bind the group together as worthy of pursuit. The first attempt nearly always results in platitudes; impressive words full of smoke and mirrors with which everyone can quickly agree without discomfort and easily implement with a bit of institutional cosmetology. To get beyond platitudes, it becomes necessary to agree on what a "purpose" really is.

To me, purpose is a clear, simple statement of intent that identifies and binds the community together as worthy of pursuit. It is more than what we want to accomplish. It is an unambiguous expression of that which people jointly wish to become. It should speak to them so powerfully that all can say with conviction, "If *we* could achieve that, *my* life would have meaning." Making a profit is not a purpose. It may be an objective; it may be a necessity; it may be a gratification; but it is not a purpose!

It is not necessary to perfect the purpose, or any other part of the process, before proceeding to the next. It is only necessary to obtain agreement that the present expression of purpose is good enough to permit exploration of principles, and that each expression of a principle is good

enough to go on to the next. Every principle will call into question and refine the purpose. Every principle will call into question and refine every other principle. In looking through each "lens," that is, each perspective of the process, both that which precedes it and that which lies ahead, will be illuminated and improved.

## Principles

Conceiving the *Principles* is an extremely complex part of the process. The same difficulty returns. Platitudes inevitably emerge. It is necessary to reach agreement on what a principle is. By principle I mean a behavioral aspiration of the community, a clear, unambiguous statement of a fundamental belief about how the whole and all the parts intend to conduct themselves in pursuit of the purpose. A principle is a precept against which all structures, decisions, actions, and results will be judged. A principle *always* has high ethical and moral content. It never *prescribes* structure or behavior; it only *describes* them. Principles often fall quite naturally into two categories: principles of structure and principles of practice.

Purpose and principle that can lead to a chaordic organization cannot be devised by leaders and imposed on a community as a condition of participation. They must be evoked from the minds and hearts of members of the community. They are not frozen mandates to be obeyed under penalty of banishment from the community. They are a living set of beliefs capable of evolving with the participation and consent of the community. Properly done, they will never be capable of full realization. "Honor thy father and mother" is a true principle, for we all understand what it means, yet it gives us no instruction as to method. There are infinite ways to honor a father and mother.

The whole of the purpose and principles should constitute a coherent, cohesive body of belief, although it is inevitable that one principle may be in conflict with another. Where conflict exists, decisions should be balanced so that no principle is sacrificed to another. Paradox and conflict

are inherent characteristics of chaordic organization.

It is not uncommon for even the most perceptive group to meet bimonthly for three days of intense discussion, for more than a year, before arriving at clarity and agreement on such a body of belief. Long before they are through, they will discover that it is not a somber process, but full of laughter and joy. There will be growing respect and trust. There will be growing commitment. There will be realization that what they are doing is as much about personal transformation as it is about organizational reconception. If there is not, the effort will never achieve its full potential.

## People

When a sound body of belief is reasonably complete and agreed upon, the group can then begin to explore the *People* and *Organizations* that would need to be participants in the enterprise in order to realize the purpose in accordance with the principles. It sounds simple, but rarely is. When people set aside all consideration of existing conditions, free themselves to think in accordance with their deepest beliefs, and do not bind their thinking with structure and practices before considering meaning and values, they usually discover that the number and variety of people and entities to participate in governance, ownership, rewards, rights, and obligations are much greater than anticipated. They usually find their deepest beliefs require transcendence of existing institutional boundaries and practices. Determining the people and institutions required to realize the purpose in accordance with the principles brings realization of just how narrow and restrictive existing institutions are in relation to the exploding diversity and complexity of society and the systemic nature of seemingly intractable social and environmental problems.

Awareness arises in all members of the working group that they cannot represent only their own views and beliefs, for a good many members of the community they hope to form are not at the table. They must, to the best of their ability, act on behalf of the larger potential community and not bind its hands by trying to perfect the work they have begun. They are really trustees attempting to bring into being a chaordic organization capable of attracting a diversity of others and enabling them to continue its evolution. It is at this point that most groups more fully realize the magnitude of the task in which they are engaged. It is well that they do, for the point of frequent failure lies just ahead.
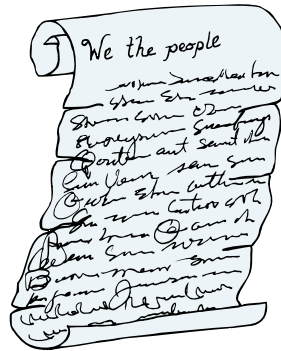


## Concept

With *Purpose, Principles,* and *People* well established comes realization that it is unlikely that any existing form of organization can enable those people to achieve the purpose in accordance with their principles. Something new must be imagined; a new concept of organizing relationship. Again, definition helps. By *Concept* I mean a visualization of the relationships between all of the people that would best enable them to pursue the purpose in accordance with their principles. An organizational concept is perception of a structure that all may trust to be equitable, just, and effective. It is a pictorial representation of eligibility, rights, and obligations of all prospective participants in the community. The feedback part of the process never ends. Developing a new concept calls into question purpose, principles, and people. Every part of the process illuminates all subsequent and preceding parts, allowing each to be constantly revised and improved.

The conceptual part is where the old internal model returns time and again to derail the process. It is impossible to describe how difficult it is to imagine all the permutations and possibilities of human relationships that arise when one truly accepts that organizations exist only in the mind; that they are no more than conceptual embodiments of the ancient idea of community. At this point in the process it is so easy, so comfortable, so reassuring to avoid the difficulty by allowing old concepts to emerge camouflaged in new terminology. Breaking through the old eggshell to stand wet and shivering in a new world of possibilities is a frightful thing. Especially when crawling back in is clearly an option. Extraordinary insights emerge when there is realization that any concept of relationships that can be imagined can be codified and legally brought into being.

Once a group makes its way through *Purpose, Principles, People,* and *Concept* and can see the harmony that can be achieved between them, a transformation takes place. By this time, they have filled the practice part of the process with a rich variety of objectives and activities that might be realized if the organization they visualize can be brought into being. The questions shift from "Are we going to do this?" to "How quickly can we achieve it?" Success is by no means assured. The group may fail to communicate it properly to others. They may fail to obtain the resources. They may fail to achieve enough understanding and support from others to bring it into being. If they are an existing organization, they may fail to develop a successful process of transformation. But nothing will keep them from the attempt.

## Structure

The most frustrating part then begins. They must shift from conceptual thinking, to which they have become accustomed and grown to love, to the pragmatic, meticulous, grinding work of *Structure.* By structure I mean the embodiment of purpose, principles, people, and concept in a written document capable of creating legal reality in an appropriate jurisdiction, usually in the form of a charter and constitution or a certificate of incorporation and bylaws. It is the written, structural

details of the conceptual relationships—details of eligibility, ownership, voting, bodies, and methods of governance. It is the contract of rights and obligations between all participants in the community.

Many difficult questions arise in the structural process, primarily because it is rare when the deepest beliefs of people fit old concepts of organization. Every such effort raises new structural questions different from all others. How to embed purpose and principles in the constitutional documents? How to create equal legal responsibility of directors and management to guide the organization in accordance with the purpose and principles as well as in accordance with sound financial management? How to create new concepts of ownership not dominated by monetary markets? How to involve all affected parties in deliberations and decisions free of domination by any? How to preserve purpose and principles from capricious change, yet provide adequate means for their evolution? How to embody in the constitution an immune system to the recentralization of power and wealth? How to ensure and protect rights of self-organization? How to equitably balance competition and cooperation? The answers are emerging and are improving with every attempt.

## Practice

Long before the structural work is finished, everyone realizes that they need not worry about the practices of the community. By *Practice* I mean the deliberations, decisions, and acts of all participants in the community functioning within the structure in pursuit of purpose in accordance with principles. They realize they should not bind participants in the new community to any practice, no matter how desirable it may appear in advance. Their responsibility is to bring into being an organization in which all participants can have an active, creative, equitable role in deciding what practices will best achieve the purpose in accordance with the principles, and effectively undertake them. The organizers have

long since realized that they are engaged in the process not to command and control, but to act as trustees to bring into being an organization more in harmony with the human spirit and the natural world—an enabling organization aligned with the higher aspirations of humanity. They will be faced by the thousand and one difficulties required to bring it into being and nurture it to maturity, but that will no more dissuade them than the difficulties of birthing and raising a child will dissuade an aspiring parent.

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When the structure is complete, the entirety of the work results in a charter package, which is temporarily frozen. It is usually in the form of a massive civil contract between an unlimited number of people and institutions which meet eligibility requirements for participation. The contract of participation is often no more than a single page acknowledging receipt of the structural documents and agreeing to abide by them as they then exist or are thereafter modified, which is relatively risk-free. Modifications are determined by the participants, of which they are one. No participant has inferior or superior rights and obligations. The contract creates irrevocable rights, but allows withdrawal at any time should the participant judge benefit no longer outweighs obligation. If sufficient participants accept the new concept and structure, it comes into being, its governance structures are formed, its momentary state of arrested development ends, and it resumes evolutionary self-organization. The process of actualization may be considerably different with respect to an existing hierarchical organization, particularly one constrained by institutionalized monetization. However, the fundamentals of reconception will be much the same.

When such an organization is brought into being, it will inevitably attract the people required for its success, since they will be drawn to the clarity of shared purpose, principles, concept, and structure. With clarity of shared purpose and principles, the right people, an effective concept, and proper structure, practice will be highly focused and effective since human spirit, commitment, and ingenuity will be released. Purpose will then be realized far beyond original expectation. People will come to see that the process is not a closed circle. Achieving purpose beyond expectation enlarges confidence and calls into question the original purpose and principles. And an enlarged and enriched purpose will enlarge and enrich in concept an ever widening and ascending spiral of complexity, diversity, creativity, and harmony—well, let's call it what it is—evolution. And what about profit? Well, from my experience, profit becomes a barking dog begging to be let in. ◘