



The chaordic dream | The Xpragmatic View



The Xpragmatic View #115
 April 29, 2009
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If the human race wants to survive on this planet, it will have to change its behaviour, its institutions, its government structures and its way of doing business. The chaordic theory carries the promise of the better organisational approach that will support this. Can it really work that way?

Birth of the Chaordic Age

Last week, we finished reading 'Birth of the Chaordic Age' by Dee Hock. Dee Hock is the founder and the former CEO of VISA. In his book, Hock describes the creation process of the VISA organisation, an organisation which, according to Hock, was created according to the so-called "chaordic principles".

The expression "chaordic" was coined by Hock and refers to a system that blends characteristics of both chaos and order.

It was only recently that we discovered the Chaordic theory and Dee Hock's book. At first sight, this brought the promise of something that was closely aligned with some of our ideas regarding new organisational structures and perhaps, the answer to some of the questions we are struggling with.

Indeed, according to the theory,

Chaordic organizations are modeled on the fundamental organizing principles of nature. They harmoniously blend apparent opposites such as competition and cooperation, self-organization and coherence, freedom, and concern for the common good.

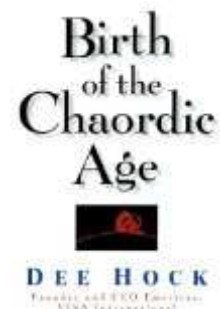
Unfortunately, after reading the book, the outcome was rather disappointing. The book certainly is worth reading since it contains numerous interesting ideas. However, the chaordic theory seems less likely the solution we hoped for.

The wrong example

First, it is unfortunate that the VISA case is used as the example of a successful implementation of a chaordic organisation since VISA is the wrong example.

While the creation and the development of the initial VISA-organisation, as described by Dee Hock, exhibit a lot of the characteristics of a chaordic organisation, VISA remains a special case.

Indeed, while VISA is a real icon of the capitalistic economy, it cannot be seen as a regular, for



[Birth of the Chaordic Age](#)
 Dee W. Hock

profit, organisation. VISA's unique position and structure is the direct result of a specific business context where a regular command-and-control organisation could not do the job.

As we all know, companies largely exist in order to exploit economies of scale. At the extreme level, further economies of scale are only possible when competing organisations collaborate. In this case, several hundreds of competing banks collaborated developing a more efficient credit card business.

In such environment, traditional command-and-control approaches cannot do the job, since the decision making process becomes too complex and time-consuming.

Therefore, an approach such as the VISA-initiative is likely the only one that can exist in the centre of such traditional for-profit ecosystem, since many of the characteristics of such chaordic organisation (e.g. lack of formal hierarchy or so-called 'strong' leadership) are wanted behaviour since non-threatening for the participating members.

So, the VISA story is an unfortunate choice for the chaordic movement since the mere size of this initiative seems to be the compelling proof of the feasibility and the value of the approach. Unfortunately, it is a proof in the wrong context.

Not the result but the process

A second challenge facing the chaordic movement is the process of migration.

Overall, we do think that most characteristics of chaordic organisations do match our own thinking about how "good" organisations should function. In addition, most of them are very similar or even identical to the requirements list of what will make an innovative organisation. However, how do you become one?

In general, newly emerging organisations do exhibit a lot of the characteristics of what a chaordic organisation is. Unfortunately, as the VISA history illustrates, it becomes increasingly difficult adhering to these concepts, once the organisation grows larger.

Still, for such growing organisation, things might continue working as long as the stakeholders continue adhering to the right principles.

However, we are living today in a world where nearly all existing organisations, either public, private or non-profit do not adhere to these principles, but function as traditional command-and-control organisations. So, a major challenge will be transitioning from the present context to the new one.

Unfortunately, the people who are in the best position to initiate and support this transition (top management, shareholders...) are the most unlikely to give their support.

Indeed, as we already described in [Do we even try?](#), these individuals are not in that position because they are strong believers in the chaordic principles. Quite the opposite.

So, how will we start the transition? How will, initially weaker, chaordic organisations succeed displacing the entrenched "traditional" organisations?

Nothing lasts forever

And that brings us to a third concern. While the chaordic theory claims that chaordic organisations are the better and stronger organisational form and *"are infinitely durable in purpose and principle"*, nature itself shows us that this is not the case. No single organism, whatever its strength, has the eternal lifetime guarantee.

So, chaordic organisations will fail, being displaced by "better" organisations, either traditional or chaordic.

How will this look like?

It is difficult envisioning this. The very essence of chaordic organisation is all about collaboration, sharing power, sharing responsibilities and rewards, being the better place to work.

However, failure remains failure with all the associated unpleasant feelings that we know all too well. Therefore...

It will have to be different

If there ever will be a Chaordic Age, it for sure will look very differently.

Indeed, when looking at the fundamental principles of chaordic organisations, it is impossible to envision a world where organisations will compete. The same principles that demand respect and cooperation within the single organisation will, by definition, be extended towards other organisations.

So, no competition possible.

What will our economy then look like?

Well, there seem to be only two options.

Either will there be an ecosystem of small organisations that co-exist in a non-competing environment. The net result will be a fundamental slowdown or even standstill of progress.

The other extreme is the vision of the single organisation. Here, progress might still exist since there is one competitor left: the rest of the universe. However, is this the situation we want to be in? Where's the difference with the ant society?

Personally, we don't like either option.

So, while Dee Hock titles his book the 'Birth of the Chaordic Age', in reality, it didn't really start at that moment. Perhaps, there was a glimpse of what might be a better world. Perhaps, there was the promise that something like that will ever be possible.

Nevertheless, still a promise.

Perhaps better so.

About the author



Marc Buyens is analyst, management consultant and owner of Xpragma. Marc started Xpragma in 1999 after a 20+ years career in the IT sector. Today, he provides advice, training and mentoring services focusing on the intersection of technological evolution, organisational change and business strategy: a messy world of unfulfilled promises.


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