



## WHAT IS CHAOS THEORY AND HOW DOES IT APPLY TO YOUR ORGANIZATION?

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Have you ever made a seemingly innocuous statement, or executed a “normal” business action and, in return, experienced surprisingly angry or retaliatory reactions?

...Reactions that were far out of proportion to your original intentions...Intentions that were likely benign and, definitely, “inconsequential” acts. If so, you were experiencing, first hand, the results of Chaos Theory at work.

James Brown (fictitious name) is the CEO and Managing Director of a large utilities company in a mid-western state. He frequently visits offices of his managers, and, while there, he also makes the rounds and chats with their employees, answering questions, receiving feedback, and so on. On one such visit, Mr. Brown encountered a group of employees clustered in the coffee room, excitedly poring over and discussing a news item in the *Wall Street Journal*. Seizing upon the opportunity to talk to a number of employees at once, he approached the group [Mr. Brown had just returned from a long overseas trip and was interested in conducting his business in this plant as expeditiously as possible, before jet-lag overtook him – the larger the number of employees, the greater his “reach” for the day, and the sooner he could achieve his sense of having fulfilled the obligation of “keeping in touch with the troops.”] Therefore, Mr. Brown waded into the midst of the group to join in their conversation which, as it turned out, was about deregulation of the utilities industry. The employees welcomed his presence and explained that they were deeply concerned about what this move might mean to the industry. Mr. Brown, tired from his long trip, distracted by his recent talk with the plant’s manager [productivity was down], and disappointed to find himself in the middle of a political discussion, experienced this “diatribe” as “simply unprofessional whine,” and, before he could stem the flow of his words, had said as much, dissolving the group’s vibrancy into stunned silence. His immediate attempts to retract his piercing comments were not met with a high degree of receptiveness, as the mood had descended into distinct chilliness. In addition to the embarrassment of his humbling exit from the coffee room, he was later to learn that, unbeknownst to him, a junior member of the group, who had just joined the firm and was experiencing his first coffee klatch, was, in fact, the nephew of the Chairman of the Board of Trustees of the utility company. The rest of the scenario is predictable and can likely be imagined without going into further detail. But the point is that, in a seemingly small and innocent moment, Mr. Brown sowed the seeds for his dismissal, as the Board member made it his new-found mission to begin monitoring Mr. Brown’s performance very closely.



A more recent, and more public, example of a remark gone awry is that of Lawrence Summers, President of Harvard University, who commented in an unguarded moment that men were better at math and science than were women [current research supports this contention, by the way, and there are complicated reasons why this is so]. Regardless of the possible long-term ramifications on Mr. Summers' job [the faculty have threatened to censure him, a serious action on a university campus], one of the unintended long-term results of his "innocuous" action, is that Mr. Summers will go down in history as the Harvard President who proclaimed that "girls aren't up to the challenge" [that's not exactly what he said, but it's what he's credited with saying and it's how he has been branded]. Even though Mr. Summers has always been a controversial personality, this is not how he will like to be remembered.

To debrief on what Mr. Brown and Mr. Summers fell prey to, let me explain Chaos Theory and how it works in business or other formal organizations. Clearly defined, chaos, or chaotic events, are the unexpected consequences of seemingly small actions of "inconsequential" behaviors. Chaos Theory has its basis in quantum physics and holds that: Not only do we influence our reality, but, in some degree, we actually *create* it. (Gary Zukav, *The Dancing Wu Li Masters*). John Wheeler, who was a physicist at Princeton University, wrote that the universe, in some strange sense, is "brought into being" by the participation of those who participate.

Popularly stated, the Theory of Chaos is that, "If a butterfly flaps its wings in Tokyo, it causes a tornado in Texas." And, why is this bit of philosophy and science important to the conduct of business and to those who manage these organizations? It is because when one realizes that the smallest of actions in an organization can have prodigious ramifications, as in Mr. Brown's case, one begins to fully become aware of the magnitude and importance of human interactions and their impact on the organization.

This awareness, alone, can be a powerful tool for the knowledgeable executive and can mold and temper his or her professional reactions. For example, knowing that the slightest action can set off a firestorm, as in Mr. Summer's case, and that this fact is backed up by a large body of theory [called Chaos Theory] one can feel secure in structuring daily interactions wisely and with this in mind. To take the simple example of Mr. Brown, had he been more attuned to himself and to his behavioral tendencies when very tired, he would simply (and wisely) have postponed a plant visit planned for the day following his return from Asia. In other words, he would have planned that day's activities to be structured so that he interacted, solely, with trusted confidantes and with



individuals who would not be prone to take offense to any ill-advised words spoken while in a state of exhaustion.

So what is the message for executives that can be derived from the teachings of Chaos Theory and applied to the broader scope of a manager's life?

This message can be summarized in a few statements, known as the "*Three R's of Chaos Theory in Management*":

*The First*, is to *Recognize* that everything that you do is under serious scrutiny;

*The Second* ...*Recognize* that you are the employees' friend only so long as they want you to be -- any untoward work or action can change the category from "friend" to "enemy," irreversibly; and

*The Third* ...*Recognize*, therefore, that all actions, no matter how small or seemingly inconsequential, must be self-monitored on a regular, consistent, and on-going basis, for their content and continuous appropriateness, and, even more importantly, for the reactions that they might incur.

"Remember the Butterfly!" my graduate management students used to say. This slogan for their management practice arose after they had become familiar with Chaos Theory and had found an explanation for the chaotic events that they were experiencing as managers. Chaos Theory brought new meaning to their lives as managers, after they were familiar with Chaos Theory; and after they were in the throes of management decisions and interactions, i.e., had experienced the first "bite" from chaotic events. One of the reasons that first experiences with chaotic events are so surprising is that we are often told in our management classes that we are not to "sweat the small stuff" -- that we are, instead, to "take care of the big stuff" and the "small stuff will take care of itself." [This is a quote from one of *my* management professors, but every management student has heard a similar bromide.]

By not "sweating" the small stuff, one is led, inexorably, into chaotic events, because one's management belief structure has been formed to consider "small matters" as inconsequential, insignificant and beneath one's notice. *Nothing could be further from the truth!*



When Chaos Theory was first explored as an explanatory theory for management practice, Dan Griffiths, Ann Hart and Billie Blair wrote: “A great many facets of administrative work cannot be described, explained, or predicted by current [management] theories...[managers] are chagrined when seemingly minor and innocuous events that are quickly forgotten surface later as major lawsuits, noisy demonstrations, acrimonious confrontations, or strikes. These events do not seem to be related to the [manager’s] competence, foresight, intelligence, knowledge, or sensitivity. Because these events are unrelated to the customary relationships that characterize a leader’s work, they represent a form of disorder that reappears with seeming regularity.”

As you observe your work as a manager and leader, observe with fresh application the incidents that have preceded truly chaotic events and begin to chronicle for yourself what these events consisted of -- I think you’ll be amazed to find that all chaotic events have their roots in a very small “triggering” incident. And, as you look at your practice of management, “Remember the Butterfly!”

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