



How You Handle Chaos Will Determine Your Success or Failure

By [Harrison Barnes](#)

Yesterday, I received a telephone call at 9:00 am from an employee who had been working for a [recruiting company](#) of ours for less than 72 hours and was giving notice before boarding an airplane. We had brought this particular employee out to work for us from another city and were training her in Pasadena before she fled home to the city she is from. During this employee's 72 hours with the company, she witnessed numerous changes we were forcing ourselves to go through. One of our largest businesses was formerly a [student loan company](#). Despite the fact that the number of loans we were doing was down 98% from this time last year due to the difficulty of making loans in this economic climate, we still had some employees unnecessarily on the payroll in the hope that things would pick up. We were in the process of letting some of them go. This new person was witness to much of the chaos these remaining layoffs in this business had created in our company.

While we are understandably doing fantastically well in several of our businesses, the loan industry is not one of them. Moreover, our company has recently replaced its [Chief Financial Officer](#) and its [Human Resources](#) person. This has resulted in an incredible amount of confusion. We have new people reorganizing everything and are spending a lot of time trying to get everything in order. We are reorganizing departments and refocusing our company away from loans to the [job search](#) industry exclusively.

At the outset, I want to make an incredibly important observation that could change your life forever if you understand it: *You can only grow if you are willing to subject yourself to, and tolerate chaos and confusion. Groups, things, and people subjected to stress and increased input either reorganize and improve or they die away.*

I'm going to explain the deep meaning of this statement to you below. This statement is a foundation of some of the most important work in quantum physics, biology, and other disciplines of our time, and understanding this can change your life. The man who first proved this statement, Ilya Prigogine, won a Nobel Prize for showing how this statement governs all things.

"You're at the airport?" I asked.

"Yes. I left the keys to the truck you let me use at the front desk and took a taxi to the airport. I also bought my own plane ticket home. I left the book you let me borrow on the front desk in the office."

In my entire career, I'd never seen anything like this. In fact, the job this person was quitting no one had ever quit within the first year of starting--much less run away from. I was amazed by what I was witnessing. I had been on the phone with this person until well after 11:00 pm the night before. The person related how we were not organized enough. She felt that we should have had a benefits package ready for her the second she started. She overheard someone say that we had paid a phone bill for one of our companies late. All of the administrators in our company were too busy to speak with her the day she arrived because we were in the midst of a reorganization (we are a job search company and lots of people are [looking for jobs](#)). She was on a conference call with about 20 people from the company of ours she was joining and someone was concerned about getting expenses reimbursed that they had submitted only a week or so ago.

"Our accounting department is being reorganized," I explained to the group who was concerned about the reorganization of our accounting department. "We'll get your expense checks out next week."

This person had come out of an extremely structured [law firm](#) environment and was now walking into a very chaotic one where there is tons of activity and things are being reorganized. Amidst this reorganization, an exciting company is emerging that is getting tens of thousands of people jobs in exciting ways. The person had been the only one hired from a pool of over 500 applicants and well over 40 people we interviewed. When she was hired, I was pretty confident the person would be earning at least \$250,000 over the next 12 months in her position. Once she started in the position, her job would be to make sense of the chaos not only in our company (if she chose to pay attention to this), but in the actual job she would be starting. Her job would involve her taking up to 40 phone calls per day, writing at least 3-4 five page letters per week, meeting with people and taking all sorts of calculated risks with the chaos around her.

She was looking for something that was more organized, however.

The chaos of our company and disorganization was something that frightened her away. Despite the fact our company is growing at a meteoric pace, the woman took the disorganization we are experiencing as something to be alarmed about. In her world, like in many of our worlds, organization and order is something that is a requirement for feeling secure in a job.

There is no such thing as a secure job. There is no such thing as a secure life. Everything goes away and everything turns to dust. In fact, the only way companies can grow and change is if they subject themselves to constant change and chaos. You, too, need to subject yourself to constant change and chaos. This is how you grow.

I've seen our company go through numerous periods of disorganization and reorganization throughout the years. What always happens inevitably is that the new company that results after we have reorganized is stronger than the one before. A year or two later, we may reorganize again. Our company is like a complex organism that adapts to all sorts of environments. It is for this reason that we have always managed to do well and survive regardless of what is happening. We are constantly organizing to take on the world and changing when we need to.

There are numerous types of businesses in the world and there are also numerous types of people. I'm going to digress for a moment because I would like to make some observations about some things that I have noticed throughout my life that are relevant to your life and career. This may at first appear to be a digression into a topic unrelated to your job search. However, I can assure you that it will shortly begin to make sense, and the resulting understanding you get from what I'm about to

share could change your life forever. I also know that I'm going to offend some people, but this is a risk I'm going to have to take because I believe you can learn a lot from what I'm about to say.

I had the privilege of growing up in essentially two types of upper-middle class neighborhoods. One neighborhood, and the school within it, consisted of people I would dare say had families who had lived in this country for hundreds of years. I would refer to it as an "established neighborhood". The other neighborhood and school consisted of people who were more recent immigrants to the United States but were still pretty well off. What I noticed in the school and the neighborhoods of the more established people was that there was never a lot of emotion. Things always seemed very ordered, and there was a lot of inflexibility to new ideas and concepts. People dressed more or less the same way they had for decades. People were never on the cutting edge of fashion or anything. People kept to themselves more and were very careful and measured with most things they did and said. They didn't appear to want to change much. There was a lot of suspicion of anything that wasn't a certain way (i.e., the way it had always been or was expected to be). The front yards of the homes were very uniform and nothing was ever ostentatious.

People were extremely suspicious of outsiders in this established area. When I would go over to friends' homes in these areas, I was expected to hold my fork a certain way and could never be loud. People in the established environment had all sorts of problems--the same problems people have anywhere. The thing about this established environment, however, was that no one wanted to talk about their problems, and every issue that people had was aggressively "covered up" and avoided. People would often know about each others' problems, but the problems would be brought up in secret and behind closed doors. Houses were very well ordered and uncluttered. Inside of the homes was generally very quiet. Not a lot of emotion was ever shown.

In the less established neighborhoods, things were always far more chaotic. There was a lot of exchange of information. People spoke more and were more upfront about what was going on. People wore the latest fashions and changed the sorts of clothes and styles they liked often. People were not as concerned about the same sort of things. There was more emotion. Entire families often lived together, and I would dare say there was a lot more "chaos" and other sorts of things happening in these environments. People were also more accepting and far, far less rigid. Some of the parents didn't know how to use their forks and other utensils properly. People were louder. The culture was different. People were also more interested in ideas, for the most part, and didn't care as much about what other people thought of them. The houses were messier, and there was a lot going on. People didn't really care what others thought as much either. There was far less paranoia, and social norms were not followed. If people wanted to put a gold lion in their front yard, they would. People didn't care as much about what others thought.

People in these environments also had problems. If they had a problem, however, they would always talk about it, and a lot of people would end up knowing about it. People around them would console them and debate the problem, and the problem would almost always eventually go away. The person would end up being much stronger in the long run from having dealt with the problem. Nothing was hushed up, for the most part, and everything was dealt with head on.

The most important thing about the juxtaposition of these environments that I noticed is this:

The people who were coming out of the environments with the most "chaos"--i.e., the "less established environments" were by and large always more successful. They went to the best colleges. They did the best on standardized tests. They were happier and had less substance abuse problems. They were in better shape as a general rule. They were more balanced psychologically. They seemed to ultimately enjoy life the most.

Looking back on everyone I knew out of both environments, I can say unequivocally that the people out of the more established and rigid environments have had more problems and have had less fulfilling lives than the people who came out of the less established environments. This is a hugely controversial sort of statement to make, but it is a major pattern that I witnessed. Call me an amateur anthropologist or sociologist--I noticed this pattern and it was unequivocally there.

What I think was happening is that people from the established environments where there were the most rules about the way things should be could not tolerate any input from their environments that was different than what they expected. They made sure their environments stayed as stable as possible and resisted change. People from the less established environments learned to work with whatever came their way and had fewer rules. Thus, they adapted in response to what happened in their environments.

There was more exchange of information and ideas in the less established environments. The less established environments were still organizing themselves and learning the ropes. The more established environments were resisting change.

Here is an important point of how I believe companies and individuals function:

- Newer groups and companies tend to function with less order than older systems and companies, and are more open to change. This enables them to adapt and grow.
- Older and more established groups and companies tend to function with more order than younger groups and companies and resist change. *Resisting change hurts them and prevents them from growing and improving.*

This makes sense, of course. The longer an ethnic or religious group is in the United States, the more ordered it is likely to become. The longer a company or other group is in existence, the more ordered it too is likely to become. Groups, companies, and other organizations have the tendency to become more ordered the longer they are around. The issue is that this increased order begins, at some point, to hold it back.

I love studying auto companies. The auto companies that have done the best in the United States are not the more established ones in this country. Companies like General Motors at one point were the epitome of order. They were the subject of numerous management studies, by people like Peter Drucker, as to how ordered companies could be. Look at what happens with this order, however. The more order there is, the less the organization starts learning and adapting in response to information from its environment. The organization gets static and doesn't change when the world around it is changing. Procedures take hold and people try to protect things to make sure they stay a certain way. Eventually, this order hurts the organization and it falls in upon itself because it's not interacting properly with its environment. The order that was meant to protect the company actually will eventually force the company either to collapse on itself and die, or reorganize into a stronger (more likely smaller) company that is interacting better with its environment. The reorganized company will be able to provide products and services that people actually want at a given point in time. This process repeats itself with every company out there. Order meets chaos, and the company either responds to the chaos by becoming stronger or it disbands and dies.

In my case, I've witnessed the difference between established and un-established groups with law firms. When you walk into some law firms, you can practically hear a pin drop. The entire environment is extremely quiet and ordered. In these environments, no one typically talks about the problems that the law firm is having. Problems various partners and others in the law firm are having are kept quiet. There is very little exchange of information. No one has much idea about anything.

There are other law firms (almost always much newer and less established) that are chaotic where there is a tremendous amount of activity and numerous things going on. The law firm may be getting tons of new clients and may be figuring out how to make sense of everything that's happening. The law firm may be growing at an aggressive pace. Eventually, the law firm (like other groups) will become organized. As it becomes organized, much of the chaos that formerly characterized it will fall away. What do you think General Motors was like in its early days? What do you think Google and Microsoft were like in their early days?

What happens to all systems is that there is a tendency to eventually move towards organization.

One of the basic laws of thermodynamics is that there is always a certain amount of energy lost in converting energy into work. During the industrial revolution of the nineteenth century, physicists thought that ideally an engine that was perfectly efficient could be produced that would convert all of the fuel put into it into mechanical energy without any loss of heat. According to the second law of thermodynamics, however, this is not possible because any heat engine will invariably lose some of its heat input as friction, heat radiation, and exhaust. Because no heat engine can be perfectly efficient, the implication of this second law of thermodynamics is that unless energy is added in some way, the engine (like all things) will tend to become disordered and break down. The measurement of the inefficiency in the process and the loss of energy is called entropy.

Entropy is a fairly easy concept to understand. If you have a gasoline engine and add fuel to it, when you start the engine, some energy will be lost--i.e., not all the fuel that is burned will be converted into work. The engine will give off heat that's not translated into power. The piston will cause friction within the engine, and this will eventually cause the piston to break down. Unless some new energy is added in the form of new parts, an overhaul, and so forth, the engine will eventually no longer function. *All systems and all machines eventually break down unless energy is added to them.* A house will eventually rot away and turn to dust if it sits there long enough and no one does any work on it. A political party will eventually disband. Everything is consistently falling apart and losing energy.

For over a hundred years, scientists wondered how it was possible that (a) despite the entropy predicted by the second law of thermodynamics (b) the world and its groups appear to be moving towards increased order. For example, life has evolved on earth into a state of increasing order. Different species have arisen that are suitable for their environments. People have become increasingly sophisticated in how they organize and are evolving and growing. How can this be true, scientists wondered, when the tendency of the universe is for everything to break down and become less ordered? Entropy is one of the fundamental concepts of physics, and the conflict between this and the world to move towards order was something very difficult for scientists to understand.

In 1977, Noble Prize winning Belgian chemist, Ilya Prigogine, proved his hypothesis that order emerges not in spite of chaos, but because of chaos. Prigogine was interested in why systems are increasingly going towards order and becoming more complex when there is entropy, and the universe is consistently losing energy and tending towards disorder and chaos--i.e., the universe is expanding and becoming increasingly disordered. What Prigogine proved was that evolution and growth occur when a system successfully takes in energy from its environment and dissipates that energy into the environment. In order to successfully dissipate energy into its environment; however, systems need to reorganize themselves once the input from the environment exceeds the system's ability to dissipate the resulting entropy.

The most important point of Prigogine's study was his finding of what occurs when the input begins to exceed the ability of the system to dissipate the necessary entropy. At this point, the system will become very unstable and at some point the input will be enough to push the system "over the edge." At that point, if the energy input becomes enough that the system is about to break down, it will reach what he calls a "bifurcation point"--a point at which (1) the system either totally breaks down and no longer exists as an organized system, or (2) it reorganizes itself in a new way able to meet the increased energy input. If the system reorganizes itself into a system that can handle the increased level of energy input from its environment the result will be a more complex system than the one that existed before. This new system will be more resilient and functional and will have a greater ability to dissipate entropy. If the energy input increases again beyond the ability of the new system to handle it, it will reorganize again or die.

This is the process by which evolution happens. Everything grows and evolves in this manner. This is one of the most fundamental and important understandings of both physics and how life on this earth works.

People are constantly taking in energy in the form of food, information, light, air, water, stimulation from people and objects in their environment, and heat. Simultaneously, people are dissipating energy in the form of heat, waste products, carbon dioxide, and the activities they are involved in whether it be movement, speech, or influencing other objects in their environment. The more input you receive and the more stimulation, the more likely you, too, will reach the point of bifurcation and either fall apart or reorganize at a higher level. It is this point where you choose to either fall apart or reorganize at a higher level that interests me the most. It is also what is going to be the turning point of your life.

Not surprisingly, the woman who called me from the airport was someone whose life had been spent in controlled environments. These environments included having grown up in established environments, with established parents, attending established schools, and then working in established law firms. This particular person was sort of like the law firm that remains static and portrays to the world extreme order. It's like the family that portrays extreme order despite chaos within it. It's like the group that portrays extreme order. This woman was being met with an incredible amount of chaos in her work environment when she started work. This chaos she was seeing was part of our organism as a company and how we function. Her job would also have involved a lot of chaos, and this chaos would have pushed her to grow and become a new person much more able to deal with stress at work and other areas of her life. Learning to deal with this chaos could literally have made her rich financially if she had understood that chaos can be used to make you reorganize how you deal with life and the world.

Due to constant entropy, all things eventually fall apart and die. People all die. Organizations all die away. Nothing can remain stable forever. But we hold on and hope that everything can remain stable and will always be stable. We want stability. The executives at a company like General Motors want to keep earning a lot of money and hold onto the belief the world won't change. What they need is input from their environment that forces them to reorganize at a higher level--and if they don't

accept this input, the company will go away. This is also something that you need as well. It's also something that the woman at the airport needed.

The best thing about chaos and increased input in our environment is that it rapidly forces reorganization. The reorganization that comes out of this is something that gives you the capacity to handle more chaos in the future and also enables you to function at a higher level. The more input and the more insanity we can handle, the better off we can be. This is also one reason you see some of the best executives in the world doing ridiculous things like trying to break records in balloons, sailboats and rockets, or climbing mountains--they are pushing themselves as hard as they can so they can see a new level of stress and force their minds to reorganize at a higher level.

So where does this leave you and your job search? Have you lost a job? You are getting input from your environment that's changing your entire world view and forcing you to change to adapt, just like species change to adapt. You are being given the option to either fall apart or reorganize at a higher level. The natural order of things is that you should reorganize at a higher level. If you are under stress and think you might be about to lose your job, you should do whatever you can to reorganize at a higher level and not fall apart. When the world changes and bad things happen, we are being given a tremendous opportunity to become more sophisticated and better at everything that is going on around us.

"What are you planning on doing?" I had asked the woman at the airport as we chatted late into the evening the night before.

"I need something that feels more stable and is more predictable," she told me.

I didn't want to get too far into it with her, but what this told me was that she had made the decision to take herself out of an environment that was going to force her to grow and change. She had been given a tremendous opportunity to grow, and instead had taken herself out of the system.

- Better schools make people work harder and challenge their students more because they know this will make the students grow more. Some students quit because it is too much for them.
- Better coaches push their athletes harder in practice because they know this will make them better in the game. Many athletes resist being pushed hard like this and drop out of the sport.

Energy input causes chaos, and the more energy input that comes in the better. We need to put ourselves in positions where we are being forced to reorganize and get better and better at what we do. *Chaos is a good thing.*

One of my greatest strengths is constantly injecting chaos into any business I'm involved with. Once chaos is injected into a system, you see more opportunities than you may see without the chaos.

It's for this reason I believe that I've been able to thrive in every conceivable economic environment. When the economy is good, the companies I lead do well, and when the economy is bad, the companies I lead also do well. I think I must have learned this from my mother. Everything was always incredibly chaotic with her. There was one problem after another constantly coming up. The thing about my mom, I realized when I got older, was that she used chaos to her advantage. When you make things chaotic, there are numerous benefits. In fact, the ability to create and manage chaos is one of the most formidable skills anyone can have. If you understand how to work with chaos, you will always experience success in your career. Great things come from chaos.

Over the years I've seen a succession of employees of our company be incredibly turned off and frightened by the use of chaos. I've also seen an incredible number of people succeed when working with the chaos in our companies.

When I was growing up, there was a very uptight man a couple of doors down from my house. From the time I was 19 or so, he had watched me start an asphalt business from the back of a Yugo into an operation with numerous trucks and employees that was doing more residential asphalt sealing than any other company in the suburbs of Detroit. For years, I would say hello to him in the morning as he was taking walks. I would frequently notice him looking at my equipment when I would stop by my father's house in Birmingham, Michigan.

The man had been an architect before he'd retired several decades before. I had seal coated all of his neighbors' asphalt for years and they had been happy with the work. Each year, when I would stop by to talk to him about his asphalt, however, he would not allow me to do it. He was very familiar with how I worked because he would watch me at the neighbors and appeared to be amazed by how quickly I would do their asphalt despite the work going off completely without a hitch. Each year, he would talk to me about his asphalt and never would allow me to do the work.

"I have no idea what the hell that guy's problem is," his neighbors would say to me frequently. I knew what was wrong, though.

When the man would look at my equipment, he would always make one remark or another about how I wasn't maintaining it properly. For example, he would tell me I hadn't cleaned my tools properly. When I was doing my work for his neighbors, he would constantly watch me to make sure I didn't spill anything on his neighbors' houses and that I was very careful. He demanded to know all about the material I used and researched it to make sure that it was perfect. For years, he appeared to be studying me to see if I had what it took to do what was no more than a \$300 driveway sealing job.

At the height of my career as an asphalt sealant contractor, I was doing as many as 25 driveways a day in an average neighborhood. I got so good at it that my crew and I would pull up to a house, and using an array of incredibly sophisticated equipment, we would have virtually any driveway done in 15 to 30 minutes. It was an incredible sight to watch, and I got very, very good at it because I'd done it over and over again. Because my prices were so good, I could go into a neighborhood and do every single house on some streets. People knew me and my work was trusted.

That was why I was amazed one day when I stopped by my father's home and could smell asphalt sealer coming from a few doors down. When you are in the business of asphalt sealing, you can smell asphalt sealer for miles. I still have this ability to this day. About a year ago, I was relaxing on the beach in front of my home in Malibu, and I picked up the smell of asphalt sealer. My wife didn't smell anything. A couple of hours later, I was driving to the grocery store about two miles away and there was some freshly sealed asphalt. Once the asphalt sealing business gets in your blood, you look at the world in a different way.

I walked up to the architect's house and couldn't believe my eyes. There was a brand new looking pickup truck with a small tidy little asphalt tank behind it. There were also a couple of guys sealing the driveway. They looked like engineers. They didn't have a single drop of asphalt sealer on them at all. They were using small little brushes and appeared to think the driveway was an artist's canvas rather than a slab of asphalt (I typically did my work with a brush that was at least 4 feet across--these guys were using small paint brushes around the edges). I'd never seen anything like it. It was the most anal

retentive asphalt sealing operation I'd ever seen. I had no idea who these guys were, but the entire situation looked very strange to me.

"My god!" I asked them. "How long have you been doing this?"

"Six hours," one of them said not even making eye contact with me.

"Six hours?" I was astonished. This driveway wouldn't have taken me longer than 12-14 minutes at most. I noticed that they had also done all sorts of precautionary measures that must have taken them hours. For example, they had put newspaper with masking tape all over the garage. This was something they did so that the sealer didn't get on the garage in case there was an accident. I noticed that the guys didn't have a drop of sealer on them, and they were wearing protective booties over their shoes. It was incredible to me. For the life of me, I couldn't imagine how these guys could make a living doing this. There wasn't a drop of asphalt sealer anywhere on their equipment. It was as if they were performing surgery.

"Do you guys do this all the time?" I asked them.

"Yes."

"Where do you do business?"

"All over Detroit."

"How many driveways do you do in an average week?"

"Generally 2 or 3."

To me, this seemed like one of the most unusual asphalt operations I had ever seen. I had no idea how these guys could make any money whatsoever doing their business like anal retentive artists.

"How much did those guys charge?" I asked a neighbor a few days later.

"Around \$650," I think.

They charged more than twice what I would have charged and did the work five times slower. In addition, they had come out to the architect's house to give an estimate, sent him one, and then waited for him to call them. I typically just showed up at people's homes and asked them if they wanted me to do the work or not. It was disorganized, but it worked. The job I would have done would have turned out the same, but it wouldn't have been as measured and done with as much caution. The retired architect was seeking to have the work done with extreme precision, and after a long time searching, had found people who would do things with this level of precision. He was interested in bringing extreme order to the process of what was occurring. There are never good long-term benefits to incredible order. You need to have disorder to see opportunities and grow. I was able to create an incredible business using disorder and dominate a market.

In our lives, we are constantly faced with incredible amounts of chaos and disorder. People want predictability, and they want things to work a certain way. The search for order often results in missed opportunities, and the inability to tolerate chaos is something that can harm you. The best ideas and the best processes, in my opinion, come directly out of chaos. You can use chaos to your advantage to make things happen. The architect who was seeking order is the sort of person I encounter frequently. People who are constantly seeking order are short-changing themselves. Expose yourself to disorder and chaos, and this will force you to grow.

THE LESSON

There is no such thing as true security in either work or life. Companies must subject themselves to change and chaos in order to survive and grow, and you must do so also. People's natural desire for predictability and for things to proceed in a certain way leads to many missed opportunities. You must not short-change yourself by constantly seeking order; expose yourself to change and chaos in order to force yourself to grow.

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