

# Los Angeles Times

TUESDAY JUNE 26, 2001 SECTION E  
COPYRIGHT 2001 / THE LOS ANGELES TIMES



Lawrence K. Ho / Los Angeles Times

"[Our findings] make executives very happy, because at last they can see what's really going on," says Karen Stephenson, whose consulting company is based in New York.

## Unraveling Workplace Intrigue

Karen Stephenson helps organizations around the world find their backstabbers, visionaries and unsung workhorses.

By REED JOHNSON  
TIMES STAFF WRITER

Many moons ago, while stalking ancient Mayan ruins in Central America, Karen Stephenson suddenly found herself at the wrong end of an automatic rifle. The Harvard-trained anthropologist was traveling with colleagues in the war-torn region when renegade soldiers waylaid their jeep. In the sickening moments that followed, "if we'd panicked, they surely would have shot us."

"I can still feel the sweat on my forehead," said Stephenson, now a jet-hopping corporate consultant, during a frenetic 48-hour stopover in Los Angeles. "I've had many life-threatening experiences in the jungles of Guatemala. But no more life-threatening than I've experienced in the corporate world."

Sharpened by Stephenson's vestigial West Texas twang, it's a canny synopsis of her workplace world view. A former UCLA business professor, Stephenson has traded in her safari togs for designer labels, a Sony laptop and a Palm Pilot that must be on the verge of a nervous breakdown.

But she has kept her Mata Hari-like sense of adventure. These days, the self-styled "corporate anthropologist" circles the globe preaching a sophisticated yet plain-spoken management gospel to a disparate clientele that at one time or another has included blue-chippers IBM, Time/AOL/Warner and Hewlett-Packard, plus the Pentagon, the CIA, the Los Angeles Philharmonic and the Los Angeles Police Department.

Her message? Next time you slip into your cozy office cubicle, don't forget to bring your

hip boots. The American workplace can be a swamp of betrayals, sneak attacks, feral co-workers, slash-and-burn bosses and other nasty surprises. That's why "trust relationships," as Stephenson calls them, should be recognized and nurtured as the gold standard of successful, innovative organizations.

While most institutions rely on hierarchies and office flow charts to measure employee interaction, Stephenson thinks there's a better way to determine how workers actually communicate and share vital information. Using mathematical algorithms and customized software, she and her New York-based company, Netform International Inc., chart the below-the-radar social networks that shape white-collar environments.

Through confidential surveying and painstaking analysis, Stephenson and her 20-

member staff attempt to determine a company's hidden molecular makeup by asking simple questions like: Who do you talk to? Who do you go to for expert advice, or a quick decision? Which old-timers know where the bodies are stashed? Which employees are creating information "bottlenecks," bolstering their own power by keeping colleagues in the dark?

When collected and converted into graphic images, the resulting data resemble DNA strands, densely encoded with names, job titles and crisscrossing lines indicating personal connections. "[Our findings] make executives very happy, because at last they can see what's really going on," Stephenson asserts, "and it makes the rank and file very happy because they're finally getting recognized for the work they do."

Indeed, Stephenson continues, we ignore these trust-based networks at our peril, because when they're not properly understood or used, everyone loses. Key employees aren't retained over time. Mentorship breaks down. Institutional memory seeps away. Manipulative blowhards who have the boss' ear get promoted over more talented, less visible rivals. Lacking the psychological safety net of trust, many employees grow afraid of taking risks.

Thus, Stephenson says, when people complain they don't get recognized for the work they do, they're usually right. "They don't get recognized for the work they do, because the work they do gets done at the tacit level," she says. "Many people reorganize their companies all the time, and nothing ever changes. Too much misalignment is a bad thing. Before you know it, you've got 'acquired organizational dysfunction syndrome.' We want to avoid that."

## Free-Thinking Insights Help Build Reputation

This type of snappy, user-friendly insight has been boosting Stephenson's profile as a free-thinking corporate provocateur—the Camille Paglia of the Wall Street Journal crowd. With her nimble, bicoastal firm, she's out to redesign the global workplace, one corporate culture at a time. And from Wall Street to Hollywood to Harvard, people are listening.

"She is kind of in a class alone," says Maria Leo, first vice president of human resources for Merrill Lynch, which has been working with Stephenson for several years. "I hate to sound terrible, but I have found most other consultants to be not that smart. They're selling a product. You push 'em a little bit and they can't go to the innovative. Karen is so broad and so deep."

At 49, Stephenson fully fits the part of a modern management guru: Gucci glasses. High-end, head-to-toe black. Short bobbed hair, flatteringly gray. A can-do personality with an impish streak that suggests a younger,

more corporatized Shirley MacLaine.

Divorced for many years, Stephenson says she once told her former husband that, "My work is first, my child is second and you are third." Her son, now 18, graduated from high school two weeks ago. That leaves his mother freer than ever to pursue what she earnestly calls her "mission": enabling the "strong" to help the "meek" get their due in the workplace, while holding the "weak" (i.e. petty-minded obstructionists, backstabbers and incompetents) in check.

"Not a lot of people are strong," she says, rather wistfully. "I'm strong. Sometimes I wish I wasn't so strong. It'd be nice to kick back once in a while."

A Southwesterner to the core—her great grandfather, Joseph Hutt, rode and hunted with Buffalo Bill Cody—Stephenson is as independent in her personal habits as in her opinions. She's "definitely into low-maintenance": rented cars, a hassle-free Marina del Rey condo that alternates with a downtown Manhattan pied-a-terre a streamlined personal life.

Staying lean and mean is pretty crucial today in big-league corporate consulting, where competition is fierce and trained anthropologists have become almost quotidian. "There are a lot of copycats out there," Stephenson says. "Most of them I've trained, and now they're my competition." Although she has "a funny feeling I'll probably be acquired in the next five years," she plainly prefers operating as a free agent, a rare Alpha female in a male-centered business. "I kind of like being the wild stallion," she says with a cryptic smile.

One recent Saturday morning, Stephenson zipped into town to address the Southern California chapter of the International Interior Design Assn. at a seminar at the Boeing complex in Long Beach. The sprawling Boeing Visitors Center, behind a tinted, Jetson-esque office tower, lent a fitting Old Economy backdrop to her state-of-the-art presentation. It was easy to picture the ghosts of Bryl-Creem'd aerospace engineers punching hand calculators and plotting Cold War technology coups.

Staring out at a roomful of pallid, hypercaffeinated faces, Stephenson gets a warm introduction from association vice president Pamela Light. "Karen is expensive and well worth every penny," Light says. Soon, the audience is alert and leaning forward as Stephenson rattles off case study after case study, while iridescent diagrams flash behind her like fireworks.

Her methods, Stephenson would argue, are no less scientific than those of a rocket scientist, and scarcely less vital to the nation's long-term interests. Drawing analogies with chemistry and anthropology, she contends that most organizations are marked by three

recurring behavioral patterns, as regimented as baboon grooming rituals. These derive from three groups of archetypal workers known as "hubs," "gatekeepers" and "pulsetakers," classified according to the nature and number of their "trust relationships" with colleagues.

Hubs are employees with the most direct ties to co-workers. Gatekeepers are more self-aware versions of hubs. They enjoy serving as power brokers and tend to infuse information with their own personal agendas.

Pulsetakers are the least visible employees. They observe and measure the state of the company and are widely trusted. Perhaps the most famous pulsetaker in history was the wily Italian courtier Niccolò Machiavelli, author of "The Prince," that brilliantly cynical manual of managerial technique. Some employees may occupy several of these roles, or trade them as their careers evolve.

Stephenson's research identifies the members of each group in a given organization. Then, using mathematical models first conceptualized by mathematical theorist Frank Harary and structural anthropologist Per Hage, she maps out her findings in interlocking graphs that are actually easier to decipher than they look. What's striking is how similar these networks appear, whether depicting an Indian caste system, a corporate bureaucracy or a group of HIV-positive men.

One of Stephenson's earliest clients was the national Centers for Disease Control and Prevention. In the late 1980s, she helped the agency track and interpret the spread of AIDS stemming from Gaetan Dugas, the infamous French Canadian airline flight attendant known as "Patient Zero." Researchers concluded that Dugas, because of his unusual job mobility and prodigious sexual appetites, played a pivotal and lethal role in sowing the HIV virus across North America.

By identifying the central figure of Dugas, and ranking other men according to the number and range of their sexual contacts, it was possible to visually reconstruct a human chain showing which men were central and which were peripheral to the spread of HIV. Stephenson has demonstrated that the same methodology can be applied to a corporate office suite to determine which employees are acting as conduits for the flow of information and expertise. Whatever the currency—information or bodily fluids—the patterns are much the same.

Besides analyzing information flow, Stephenson occasionally advises clients on how to create more open, inviting public spaces where workers can congregate and kick around ideas. Among her current projects is helping Stevens Institute of Technology in Hoboken, N.J., fashion an office design for its future headquarters building.



LAWRENCE K. HO / Los Angeles Times

Stephenson addresses an International Interior Design Assn. seminar at Boeing's Long Beach complex.

Jerry Hultin, a dean at the college, credits Stephenson's success to her plucky intellect, broad interdisciplinary background and a jes'-plain-folks delivery that belies the radical, sometimes counterintuitive nature of her ideas. "A little Southern drawl goes a long way in delivering the truth," Hultin says.

Though much of her work has been with corporations, Stephenson also has been winning converts in government and not-for-profit circles. Vice Adm. Dennis McGinn, deputy chief of Naval operations for Warfare Requirements and Programs at the Pentagon, credits a Netform analysis with breaking a bureaucratic logjam.

After surveying 2,200 Navy employees, Stephenson determined that Navy staffers, drowning in paperwork, were wasting time currying favor in order to get their memos moved to the top of their colleagues' in-baskets. The affected departments have set up a Web-based routing system that lets employees swap information more easily and have input on tasks in progress.

"I think the metaphor Karen uses of being a radiologist for organizations is a good one," McGinn says. "You take an X-ray or you take a scan of an organization with a survey, and then you process that scan, and then you need someone to interpret that scan."

The catch, of course, is that human interaction is harder to track than, say, autos on an assembly line. Take the Los Angeles Philharmonic, which Stephenson analyzed a few years ago following a major faux pas in which a sponsor's name accidentally got left off a printed program. Stephenson determined that the orchestra's development and marketing staffs weren't communicating effectively about new projects, partly due to an age gap between staffs. A committee was formed to bridge the gulf to the Phil's satisfaction.

The LAPD was still smarting in the wake of the Rodney King debacle, and under severe public and political pressure, when it hired Stephenson as a consultant in the mid-1990s. She discovered a corporate culture in which officers were torn between trying to adopt a more user-friendly attitude without becoming sitting ducks. "I recommended they take some of these Robocops and put 'em in the community as a way of reminding them that people have lives and to broaden their training," Stephenson says. The department agreed.

### At Ease in a Public Setting

Clearly at ease with the give and take of public performance, Stephenson speaks in pithy aphorisms that are equal parts Margaret Mead, Norman Vincent Peale and Warren

Buffett. She also has a Clintonian capacity for making a dry-looking diagram sound as sexy as a French novel, as full of byzantine intrigue as the Roman Empire. "What a beautiful straight line of strategem intent," she'll coo, perusing a sheaf of printouts. "Look at these cool fractal patterns! Isn't that the neatest thing?"

Yet despite her scholarly bent, Stephenson's decade-long UCLA tenure was frustrating. She had come there directly from Harvard, where she was the first person to complete a higher degree in anthropology focusing on a corporation. But she never really fit in at Westwood, possibly, she theorizes, because her unconventional background and aggressiveness threatened too many middle-aged male dons. In her parting e-mail to the dean she declared: "Even Lincoln freed the slaves."

"Boy, did I confuse those professors at UCLA," she says, reiterating a favorite personal leitmotif. "They thought they were going to get some obedient sociologist from the East Coast and what they got was this wiry, wry Texan who said, 'Hey, let's try this.' It was like one big, dysfunctional family. I burned bridges because I just didn't care." Still, she's not totally soured on academia: She'll be teaching a course at Harvard this fall.

The cost of Stephenson's burgeoning caseload is a life meted out in frequent-flier miles and Power Point presentations. Not that she's complaining. After weathering its startup phase, Netform is turning a profit, which Stephenson hopes to increase soon "if I keep my costs down." Living the life of a global nomad isn't for everyone, she admits, but it helps her to see the big picture. "I'm grounded in myself," she says.

Last week it was London, then Majorca, Spain, then Monterey, Calif. This week she'll be back in New York for the Fourth of July, then return to L.A.. In a few months she may touch down long enough to celebrate her first half-century on the planet, maybe with champagne, a few friends and some Bon Jovi on the stereo.

"He's quite the sweet artist," she says of the pop rocker. "He lives now in L.A. I've always thought I'd like to have him sing at my 50th birthday."

What would she have him perform? For once, Stephenson seems stumped. "I don't know," she says finally. "How about 'My Way'?"

*Note: May not be reproduced or retransmitted without permission. For permission call the Los Angeles Times at (800) 528-4637 Ext. 74914.*

*The sale of this reprint does not constitute or imply the publisher's endorsement or sponsorship of any product, service, company, individual or organization.*