

Juros altos,
vida dura

O balanced scorecard
em ação

A principal tarefa do
CEO? Contratar talentos

Lojas Americanas: mudar
para não morrer

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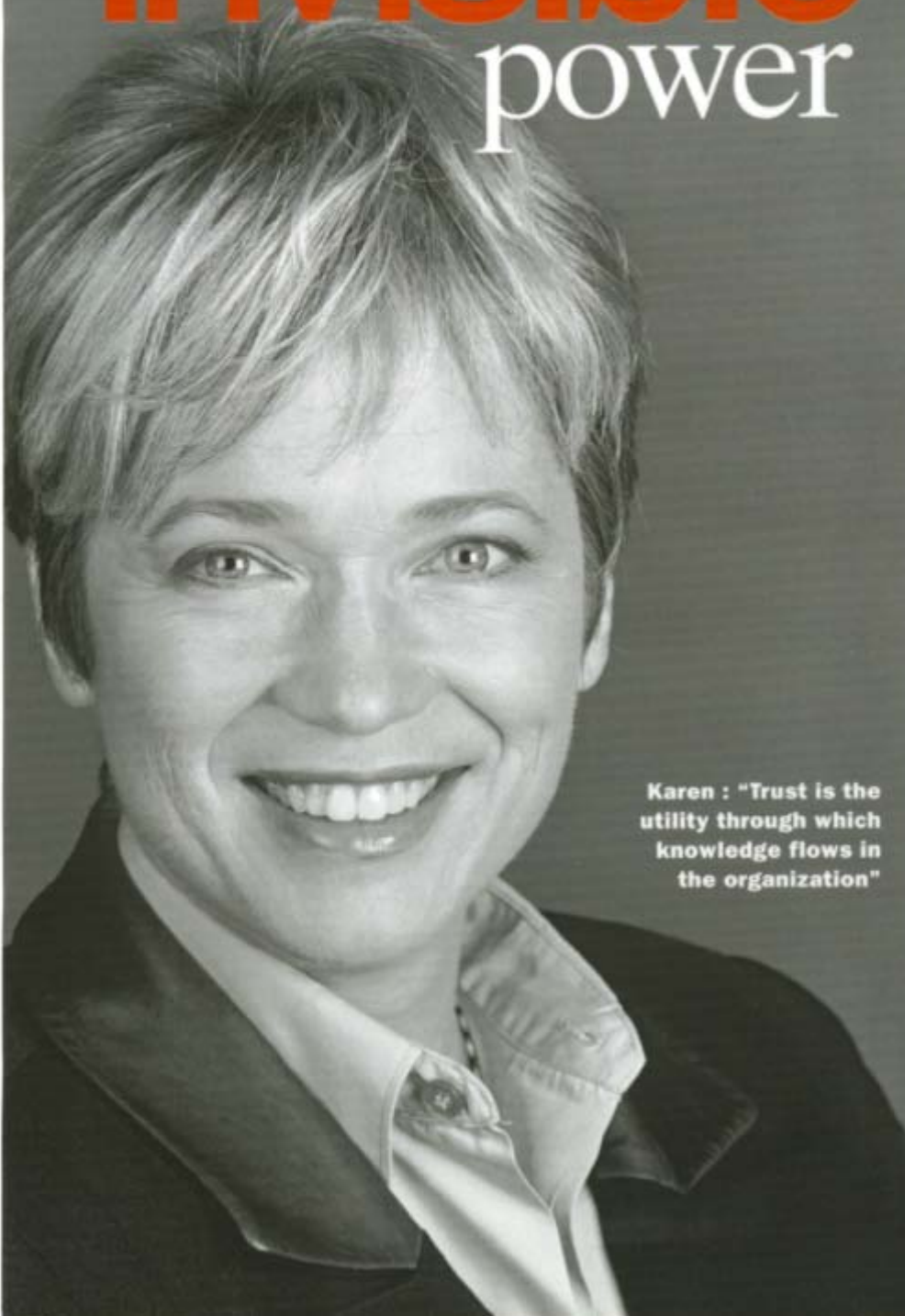
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Como — ao usar
a biodiversidade brasileira,
criar sua marca internacional
e subverter dogmas da gestão
— a Natura está transformando
seu jeito de fazer negócio

A REINVENÇÃO DA NATURA

interview Karen Stephenson

The invisible power



Karen : "Trust is the utility through which knowledge flows in the organization"

For the American consultant, the critical power of transformation is not based on the organization chart but on the existing informal trust networks in the organizations

By Cynthia Rosenburg

TO WHOM DID YOU TALK TODAY in the office? To your boss, colleagues or just to that friend who works in another department? And, what did you talk about? The answer to these questions has a lot more to say about your role in the organization than your title. Who says so is Karen Stephenson, American, Ph.D in anthropology by Harvard University—she also studied chemistry and mathematics. Karen is an expert in an academic discipline called social network analysis. Her work consists of identifying—through researches and mathematical analysis—the patterns of relationship amongst executives in the corporations. "The culture of a company is fostered or transformed through the informal communication networks", says Karen. "It is an invisible yet powerful system that is neglected by many executives".

Karen has already tested her theory in companies such as Merrill Lynch and HP. At the end of 2001 she was invited by the U.S. State Department of Defense to help

DIVULGAÇÃO

identify terrorist group Al Qaeda's networks. From her office in California, she spoke to EXAME.

You say that the real power of a company does not rely on formal structures but on trust relationships among people. Why?

In chemistry, when we analyze the molecular material we observe a field of energy bonding the nucleus of the atom or the molecular structure. This magnetic or electronic energy is not uniform and allows an interaction with other atoms and molecules. We can draw an analogy between the way human beings interact, even at the companies. People feel comfortable working with colleagues who they trust. Trust is a real, untangible force that bonds people in a web of relationships. You talk to people you trust and share some information with them. Your behavior changes in relation to the people you do not trust. Trust is very much important because it is the utility through which knowledge flows—or not—in the organization. By analogy to what happens to the molecules, it is not something uniform. Trust varies in different groups and areas of the organization.

Are there different trust networks in a company?

Yes. People establish connections for different reasons. Think about your own experience. When you need to accomplish a task very rapidly you turn to certain people. When you need to make decisions—or when you want to discuss your own career, for instance—you may prefer to look for the same people or others. The same happens to your colleagues. Diverse strategies of relationship for each individual at the company establish invisible networks, which do not correspond to hierarchy, although those may be much more powerful than the hierarchical structure

CAUGHT IN THE NET

Check the questions Karen Stephenson makes in her searches to identify different trust networks in a company.

1. With whom do you exchange information about your daily work routines? Conversation about daily work routines takes place in “work networks”..

2. With whom do you discuss new ideas? Executives question the traditional way of doing things in “innovation networks”.

3. To whom do you turn to tackle a subject? The expertise of a company is held in “knowledge networks”.

4. To whom do you turn to discuss changes in processes? People choose new methods of work in “learning networks”

5. With whom do you check in, inside or outside the office, to find out what is going on in the company? People will reveal whether the level of trust in the company is high or low in “social networks”.

6. To whom do you usually talk about your career and the future? Individuals who act as mentors gain more visibility in “career networks”.

Why?

Because in these networks people are going to decide whether or not to abide by a determined decision, whether or not they are going to contribute towards a change, whether or not they are willing to accept a new leader. The networks are more flexible than hierarchy and may

manipulate it. For instance, when a company merges with another, key-executives are in charge of making it succeed. But if different networks do not agree with the change, they will face an enormous difficulty.

You worked with the HP/Compaq merger. Did that happen there?

HP, as well as Apple, is an example of a company with strong networks. It is a legacy from the founders which had established a trustworthiness culture with its employees. My job was to analyze HP's networks, identify resistances and help change these areas before the merger with Compaq. Compaq itself was already a very hierarchical organization and their employees were very confused about the merger. However, they were very much influenced by HP's personnel and the process started to move on quickly.

How can trust networks be identified?

I ask at least 80% of the company's personnel to answer five or six questions. The objective is to have them name those they usually turn to discuss different subjects. These informal conversation groups create different networks (see table). Through them we identify existing level of trustworthiness in the relationships. See, it is useless to simply ask “who do you trust?”. Nobody will tell you that. Tacit knowledge is held by people and depends on trust to be disseminated. It can only be reached through the identification of patterns of communication.

Which are the roles people can play in these networks?

Typically there are three roles. “Hubs” are those persons with a great number of links. They spend most of their time talking to others in

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the company. It is very easy to identify hubs in the graphic representations we have made of trust networks. They look like the center of star clusters, with links radiating out from them. "Gatekeepers" are those professionals who try to ensure that they will control information flow before others. Usually they are placed among hubs or different areas of the company. Gatekeepers do not have many links but they have rather strategic and powerful connections.

What is the third type?

They may be called "pulsetakers". Pulsetakers establish indirect

with the pulsetakers whether the message was understood or not.

How to manipulate the networks for specific purposes?

For example, imagine that the chief executive realizes that he/she needs to stimulate innovation. He/she may establish a connection between the executive who is the main hub of the innovation network with another executive, who is the gatekeeper of the learning network—organizing a meeting or having them sit side by side. If the problem has another connotation—weakened social or career networks, for example—different combinations

who could fill the role. She was a classical hub. If she died in a plane crash the company would have lost one of its main communication channels. But, as she did not have any connections with Joe, she ended up leaving the company right after his promotion and therefore, before she could have been appointed to the position. A third director was chosen for the position, a kind of pulsetaker. He was not very active in social networking but he played an important role in career networking and he was respected. The Board took notice of him and finally made an adequate choice.

Are there companies in which the level of trust in upper management is so low as to jeopardize the business?

Yes. In the early 90's I worked with IBM and found out that the networks of trust were weakened. The executives were paid to surpass their colleagues. This naturally led to a fierce competition among them. IBM's upper management called me to figure out why their executives could not take group decisions. I suggested that part of their compensation should be linked to team work, but the idea was not accepted. Six months later I was called back and we changed the system.

Is it possible to reward individuals for the role they play on networks?

Not yet—and this is a problem. Executives do not only take on bureaucratic work. Much of what they do is to talk informally. Performance appraisals take into account their achievements and the relationship with boss, peers and subordinates. Appraisals do not encompass these conversations and the informal connections. ■

Networks are more flexible than hierarchy and may manipulate it

relationships and their goal is to monitor health and direction of the organization. Since their connections are sparse and follow a very distinct mathematical pattern, it is very difficult to tell who these people are.

What is the use of identifying hubs, gatekeepers and pulsetakers?

These archetypes are gears of a great system that may block or strengthen the flow of communication. They may help increase efficiency, innovation or, going to the opposite extreme, they may boycott any attempt of transformation. If the chief executive of the company knows who the hubs, the gatekeepers and the pulsetakers are, he/she can use people instead of just relying on hierarchy. In order to send a specific message to the company the CEO will need to be closer to the hubs. He/she will also need to convince the gatekeepers not to interrupt the flow of information. Some time later, he/she may find out

should be established. In broad terms, the CEO needs to learn how to use the right people for the right purposes.

Can the CEO weaken the networks?

Yes, it can be done especially if there is a lot of resistance to change the culture. The most efficient way of doing this is isolating the most influential hubs, gatekeepers and pulsetakers. It is like removing part of the company's DNA.

Have you ever used the network analysis on studies about CEO's succession?

Yes. In a company where I collaborated, the CEO retired and passed the mantle to a director, let's call him Joe. Joe was a gatekeeper with a strong bond to the CEO. They played golf together. Three months after having taken the position, Joe was laid off by the Board. Reason: he did not have sufficiently strong connections with other individuals in the company. There was a director