

# BREAKAWAY

## The Entrepreneurial Life

# THE CORPORATE JUNGLE

*Anthropologists, by studying business cultures, hope to help companies cut back on bureaucratic inefficiencies*

By Eleena de Lisser

**A**NTHROPOLOGIST Karen Stephenson, who once spent months at a time studying ancient Mayan culture in the rain forests of Central America, now has a different focus—the temples of corporate power.

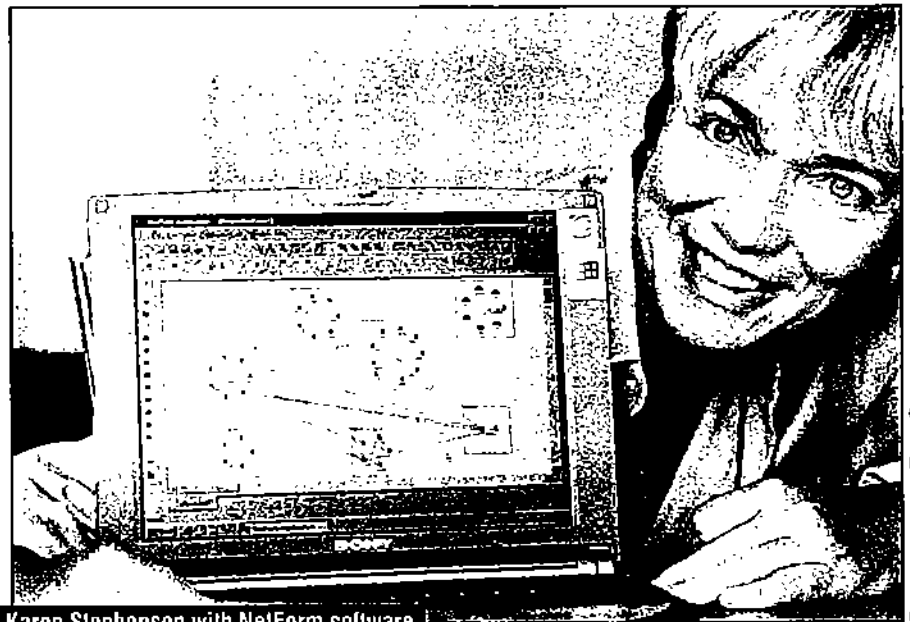
Today, the Harvard educated, University of California-Los Angeles professor is using her skills and training to cut through the underbrush of company inefficiency and bureaucracy as a “corporate anthropologist.”

“I’m a bridge between theory and practice,” says the ebullient 46-year-old Texan who teaches management at UCLA’s Anderson School of Business. So, when she’s not instructing future M.B.A.s about organizational behavior, she’s out developing her fledgling business, called NetForm.

The two-year-old company sells a proprietary software she created that allows executives to measure and map the “knowledge networks” within their firms. The software can be customized to identify internal management problems, design corporate marriages, study diversity or measure employee performance.

Dr. Stephenson’s work is part of the expanding link between the academic “soft sciences” such as anthropology and the world of consulting. According to Marietta Baba, a professor and chair of the anthropology department at Detroit’s Wayne State University, at least 40% of the 2,000-plus anthropologists with masters or doctorates degrees work in the private sector.

“If you’re an anthropologist, you’re interested in life and patterns of living,” says Dr. Baba. “Studying a corporation has an incredible vitality and immediacy to it.”



Karen Stephenson with NetForm software

PHOTOGRAPH BY ERIC SANDER

And businesses and other organizations, from the federal government to non-profit groups, are turning to them for insights into how to improve their operations. It appears to be a good fit since an anthropologist’s training is rooted in careful observation of humans and their behavior.

“That’s where anthropology is a real advantage” to an organization, says Neil Tashima, an anthropologist who heads LTG Associates Inc., a consulting firm with offices in California and Maryland. “We’re trained as professional outsiders and we have to get inside.”

For Dr. Stephenson, the path to becoming a corporate anthropologist was a circuitous one. As an undergraduate at Austin College in Sherman, Texas, she majored in art and chemistry and even tried to pursue a career as a painter in New York City after graduation. But she rejected art as a career because she felt it wouldn’t allow her the interactions with others she enjoyed.

Her interests soon turned to anthropology, the “study of humanity,” which she viewed as melding her interests in art and science. While working on her master’s degree in anthropology at the University of

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Utah, Dr. Stephenson became fascinated by the way knowledge is gathered and then shared through the invisible social networks that exist within companies. Her research started to take shape while getting her doctorate at Harvard University.

## TRIBAL CULTURE

For Dr. Stephenson, the business world is an "exotic" living tribal culture. Take for example, a typical office meeting. There are the tribal elders milling around a huge polished wooden slab, shaking hands and pounding each other on the back. The men are dressed in the same costumes with their "loin cloths" held up by suspenders or a belt, and their feet encased in black polished footwear.

Indeed, she notes that in both small and large companies tribal leaders govern, enact and carry out internal tribal law that may or may not be beneficial to the people within the tribe.

"The experiences of cooperation, solidarity, rejection and mistrust are shared by all peoples, whether triumphantly marching into the village after a head-hunting expedition or sitting in a board room surrounded by bronze busts of corporate patriarchs," Dr. Stephenson says. "A chief in Melanesia, a CEO of a major corporation or a general manager all have in common the challenge of leading and managing people."

At the foundation of Dr. Stephenson's corporate anthropology is the organizational chart that typically shows the corporate hierarchy, a ranking of who is in charge. But what it doesn't show is how things get done within a company and who is actually doing the work.

"I knew this stuff was going on but I couldn't see the networks," Dr. Stephenson says, recalling her early days as a research chemist for the federal government. "But I could feel it, feel it, feel it."

Now that Dr. Stephenson has figured it out, she's not advocating some touchy-feel pseudoscience.

Instead, she has crafted algorithms that quantify the value of a social network. Motivated by a belief that any company's culture is a "kind of DNA" that can be measured and studied, she has collected data on the social networks of more than 200 organizations, both profit and not-for-profit, over the past two decades. What she has discovered is that there are patterns of interaction within a company regardless of its industry, nationality or size.

## HUBS, GATEKEEPERS

The one constant that has emerged from her research is that there are always peo-

ple who fill the roles of what she calls hubs, gatekeepers and pulse takers.

The hubs are well-connected employees who know a lot of people and hold a lot of face-to-face conversations. The gatekeepers are the connectors between the hubs, who channel information out to other employees. If this person likes you, he or she comes across as an insightful co-worker who shares information; if the gatekeeper dislikes you, he appears to be reticent.

Meanwhile, the pulse takers have the most indirect ties and are described by Dr. Stephenson as "unseen but all seeing." These workers wield a lot of clout but it tends to be subtle and beneath the surface. Dr. Stephenson calls Niccolo Machiavelli, the infamous, crafty Italian statesman, one of the all-time greatest pulse takers.

Often there is overlap in companies, where the same employee acts as both a hub and a gatekeeper. And interestingly, people who inhabit these roles generally do so beneath the radar of upper management.

For example, one of Dr. Stephenson's clients learned that an employee several layers below the divisional hierarchy was acting as an unofficial, informal "personnel department." Although it wasn't part of her job, the employee was giving co-workers career advice, informing them about job openings and directing them to training programs. Dr. Stephenson's research uncovered this behind-the-scenes activity and the woman got promoted.

At another company, a senior executive at a telecommunications company was going to fire one of his vice presidents because he felt the junior executive wasn't following instructions. But Dr. Stephenson noticed that the junior executive was a "hub" in the company, who was well respected and trusted by his colleagues.

So she advised the senior executive to re-examine his decision, telling him that "if you remove him it will have a downward effect on your status, not his."

The executive took her advice, and the two men patched up their differences. The senior executive "not only preserved the organizational structure but he kept the knowledge capital in place," Dr. Stephenson says.

While two-year-old NetForm has yet to turn a profit, Dr. Stephenson and her Norwegian business partner, Svein Hanna, are planning to step up production of the software and expand the availability of their consulting services. By the end of this year, they hope to add 40 consultants, up from the current 10. NetForm is expected to generate \$500,000 in revenue this year.

When clients buy the software, they also get Dr. Stephenson's expertise. As the company's chief consultant, she trains a

client's in-house personnel on how to use the software, helps the client craft the survey questions to elicit applicable employee responses and then months later she reviews the survey data with the client.

Mike Duff, of TTC Inc., a telecommunications and data networks company, hired Dr. Stephenson when he became the vice president in charge of human resources and marketing services at the Germantown, Md.-based company. "I didn't understand how the department got its job done and by charting it, I thought would be a great benefit," he says.

Under the umbrella of marketing services were five different departments. While they were all charged with various aspects of marketing the company's products and services, they didn't talk to each other. Using the NetForm software, TTC could see where the channels of communication flowed smoothly and where they were getting dammed up.

## DECIDING TO DECIDE

One weak spot that the research uncovered was the inability of employees to make even simple decisions without first getting higher-ups' approval. The employees had been conditioned to wait for guidance from the former division vice president. That was a task Mr. Duff didn't want.

"I wasn't going to be able to make decisions for these people," he says, noting that he didn't want his job to just be about saying yea or nay on the simplest things. "They needed to improve communication among themselves."

As a result of Dr. Stephenson's training and the use of her software, the company has created "cross-functional teams," made up of workers from the different business units. Also, employees may now communicate with different departments without having to go through a supervisor.

These days, Dr. Stephenson is delving into Charles Schwab & Co., the discount brokerage based in San Francisco. The company hopes that the NetForm software will pinpoint gaps in communication between groups of employees, along racial, gender and work specific lines.

Julius James, the Schwab vice president working on the project, says Dr. Stephenson's anthropology background helped her to beat out other "organizational consultants" who were offering similar assistance to Schwab.

"She puts a foundation on things that we simply observe and not know what it means," he says. "She can help you read cues and see the symptoms." ■