

Diary of a Change Agent

You don't have to be a CEO to create an environment that supports action. You just need a flair for imaginative networking.

by Art Kleiner

I thought I knew a lot about how change happens in large corporations, and then I read Barbara Waugh's recent book, *The Soul in the Computer: The Story of a Corporate Revolutionary* (with Margot Silk Forrest, Inner Ocean, 2001). It's a corporate networker's slalom ride — a memoir of encounters with one vivid individual after another at Hewlett-Packard Company during the course of Ms. Waugh's 18-year career there. She started in personnel, then became worldwide change manager at HP Labs, and currently has the title of researcher, with a focus on new ventures. Each encounter described in her book leads to some small epiphany or innovation, often with implications for the future of the entire company.

For example, Ms. Waugh tells the story of a Vietnamese-born engineer named Tan Ha, a former refugee now working at HP Labs in Palo Alto, Calif. Mr. Ha regularly sent money back to a Buddhist orphanage in Vietnam, only to have it disappear en route. Then he learned about a new HP project

called World e-Inclusion (since renamed e-Inclusion Solutions), which Ms. Waugh had helped to instigate. Inspired by Muhammad Yunus's renowned Grameen micro-banking system in Bangladesh, this venture is developing low-cost telecommunications and computing services (through such venues as village kiosks) for the high-volume but low-margin market of 4 billion poor people around the world.

E-Inclusion Solutions is HP's bid for what C.K. Prahalad and Stuart L. Hart call the "biggest potential market opportunity in the history of commerce" — providing tools, infrastructure, and financing for entrepreneurial self-development in impoverished regions. (See "The Fortune at the Bottom of the Pyramid," by C.K. Prahalad and Stuart L. Hart, *s+b*, First Quarter 2002.) Although the initiative enjoys support from some of HP's top leaders, it was started at a grass-roots level within HP Labs, and its momentum depends on the continued involvement of Hewlett-Packard managers and employees who have some connection with the Third World in their personal lives.

Which is where Tan Ha comes



in. About two years ago, he called Barbara Waugh (who was personnel director for HP Labs at the time and had a reputation for getting things done) to beg her to get the e-Inclusion group to “do something” about his money transit problems. “No,” she told Mr. Ha, the e-Inclusion group could not solve the problem. He would have to get involved himself, which meant going to the lab director, Stan Williams, and asking HP to subsidize Mr. Ha’s time to work on the project.

wires. It was a career breakthrough for me.”

The critical detail in this story, for me at least, is the noodle house and Ms. Waugh’s knowledge of it. That tip was the kind of subtle, incisive spur to human contact that leads people to feel that they can stick their necks out without much risk. Conventional wisdom tells us that the direct approval of a CEO — or, at the very least, a “zealot”-like senior executive — is needed to protect innovative projects and give

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At first, Mr. Ha demurred. But when Ms. Waugh mentioned that Mr. Williams’s favorite restaurant was a Southeast Asia noodle house near HP’s offices, Mr. Ha, preferring a different one, decided to invite his boss to lunch at his own favorite noodle house. Over lunch, Mr. Williams agreed to have 10 percent of Mr. Ha’s time sponsored for e-Inclusion Solutions work.

One thing led to another, and within a year, two scientists at HP Labs took up Mr. Ha’s quest and designed new financial software and filed patent applications for it. If HP ends up developing it, the software will, for the first time, allow people to send money securely to such developing countries as Vietnam, Mexico, and Ghana. “Because the lab director trusted me,” Mr. Ha recently told me, “I felt so charged about and committed to fixing this technical problem — and that made a difference to our research in nano-

them “air cover.” But Ms. Waugh’s story shows that people can generate a sense of safety from lower levels as well if they have a flair for networking and the requisite imagination.

Galvanize and Organize

Traditionally, people like Barbara Waugh have been known as change agents, a term that goes back to the roots of organizational development in the early 1960s. They’ve also had other names: intrapreneurs, internal consciences, evangelists, corporate revolutionaries, and, most recently, “tempered radicals,” a term coined by Stanford University Professor Debra Meyerson, who is also a friend of Ms. Waugh’s. (Dr. Meyerson’s book, *Tempered Radicals: How People Use Difference to Inspire Change at Work*, was published by Harvard Business School Press in 2001.) Dr. Meyerson deliberately chose the phrase to suggest how such people, constrained from mak-

ing big, bold moves by their mid-level positions in the hierarchy, tend to operate in small ways, through the corporate equivalent of “consciousness-raising” conversations. Furthermore, while they get fired up by their own “emotional heat,” as Dr. Meyerson puts it, they also get cooled down by the icy professional workplace. Dr. Meyerson, who researched the book by interviewing self-identified change agents at several companies, argues that they have a powerful cumulative effect over time on the atmosphere of an organization. Ms. Waugh, she says, is “indispensable to HP’s formal leaders as a source of questioning

Indeed, even if an occasional Barbara Waugh can thrive in such a role for decades, sparking a few new initiatives or building morale along the way, why should we care? What difference does the fate of “corporate revolutionaries” make to senior executives, in particular, especially when their ideas and influence could easily be nullified by the next restructuring, cutback, or merger?

Only this. The impetus for organizational change in most companies is a desire to improve performance, but change is also geared toward improving a company’s reputation. Customers, regulators, neighbors, and prospective employ-

doesn’t prove this argument, but it makes a coherent case for it — and it shows (between the lines, at least) just how difficult it is to create an environment supportive of the corporate revolutionaries themselves, and of those senior executives who want to foster them.

Forging Alliances

“We’ve been blinded by the image of the heroic CEO,” said Ms. Waugh at the April 2002 Spirituality in the Workplace conference in New York. “But 100,000 employees, each doing one small thing differently, can shift a company as powerfully as any CEO.” She is a compact woman in her late 50s who looks a little like the actress Dame Judi Dench, who talks like a Berkeley radical (which she once was), and who has the ability to shift her persona instantly from one of serene, enigmatic watchfulness to one of great vivacity.

She made this remark after sitting impassively through a roundtable conversation among about 50 activists and consultants, much of it devoted to complaints about the lack of attendance by CEOs and other senior line executives. “We invite them and invite them,” said one participant, “and they never come. When they come, they don’t contribute and they don’t stay.” The conversation merely revealed how little the idea of “spirituality in the workplace” has to offer senior line executives, at least in a roundtable conference format.

On the other hand, I couldn’t help noticing that the very same complaint crops up *inside* corporations among recruiters trying to attract fast-track women and minority executive candidates. (“They hardly ever come, and when they

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and challenging. She serves as a reality check for them.”

Barbara Waugh can also lay claim to tangible accomplishments. From a not terribly lofty perch in the HP personnel department, she galvanized dozens of people to talk in depth about “what it would mean to be the world’s best industrial research lab.” This contributed directly to new products, to mentoring relationships among engineers, and to a 20 percent reduction in R&D development life cycles.

In the grand scheme of corporate life, the contributions of individual change agents like Ms. Waugh may seem inconsequential — certainly when compared to the giant product ideas or industry-redefining mergers that change a company’s strategy and position.

ees judge a company not by performance metrics or by the share price alone, but by the quality of the company’s products, the character of its community presence, the attractiveness of its jobs, and its record on such issues as pollution, sweatshop labor, and diversity in the work force. If outsiders’ judgments matter at your company, then people like Barbara Waugh are exceptionally important, because the climate they create, far below the level of executive command, has a great deal of influence on a company’s ability to improve in these arenas.

Creating a corporate climate friendly to revolutionaries could thus represent a tremendous competitive advantage, all the more valuable because it is so counterintuitive. Barbara Waugh’s story

come, they don't stay.") It's as if the corporate boundary is a kind of polarizing filter, blocking perception of people on the other side as human beings, and letting them be seen only as impersonal resources to be used for convenience.

Ms. Waugh was keenly aware of that polarizing filter from the moment she first joined HP in 1984 as a recruiting manager targeting women and minorities. With her Ph.D. in organizational behavior (which her HP interviewer suggested she omit from her resume), and her leftist Berkeley background (which she hid as a matter of course), she had worked at a string of nonprofits. In her last post outside HP, as president of a struggling two-year college, she had to take care of all emergencies herself, including vandalized toilets. From the beginning, she worried that she would never fit HP's family-centric culture. Her life partner was a woman, and they later adopted two African-American children. Some of the most vivid passages in *The Soul in the Computer* concern her own insecure progress from terrified outsider-in-hiding to accomplished idea broker. Each step of the way, she did it by forging alliances with people who seemed, at first, to be unreachable opponents.

Positive Deviance

Over the years, Ms. Waugh developed a set of guidelines for herself and other potential corporate revolutionaries. "You have to always be willing to lose your job — to have your resume ready." You have to learn not just to appreciate people, but to tap the strength in relationships; not just to appreciate the best in people, but to ferret out the best where you don't see it at first, and

draw attention to it. (Ms. Waugh calls this "amplifying positive deviance.") Don't just operate on one level of the hierarchy, she argues, but on several; be ready to "scale up" to be visible or "scale down" to work, one-on-one, with several junior managers separately so that no one notices they are part of a burgeoning movement. Be ready to voice uncomfortable truths.

Her overarching principle is "remember who you work for." In other words, you may report to a boss, but your true employer is a larger principle: "It might be ending poverty, God, a sustainable planet, or whatever is big enough to be worth your life."

If you can hold to that position, Ms. Waugh writes, "you'll stand in a place that gives you much better options than simply standing inside the teeny little problem of the moment, trying to figure out what to do for the boss on the organization chart. And incidentally, you'll do better by the boss on the org chart, too."

When I read this, I thought, "she makes it sound too easy." But even at a company with an ethic called the "HP Way," which explicitly honors the contributions of individuals around the company, it takes dozens of years for an effective change agent to discover and learn the ropes, and, in effect, build up his or her capabilities from scratch to influence organizations for the better from within.

The same is true for "tempered radicals" that I've met in more culturally rigid organizations, for example, at the Exxon Mobil Corporation, Dow Chemical Company, and the Central Intelligence Agency. The commitment of internal change

agents is always undeniable, but their impact is often negligible.

Creating the Culture

Barbara Waugh's experience provides insight into the real dynamic that allows some corporate revolutionaries to succeed while others fail. HP gave her just enough freedom within the enshrined corporate culture to perform her noodle shop-style interventions (and to persevere even when she was told "no"). Corporate cultures that make room for such behavior unleash a wave of innovative projects and initiatives at lower levels of the hierarchy. Grass-roots innovations are especially important during times of turmoil or public criticism, when senior leadership is preoccupied, and the bulk of managers are more risk-averse than they would otherwise be. During these times, it's the change agents who keep the fires of knowledge and innovation burning.

If you buy this view of change, then corporate revolutionaries like Ms. Waugh represent a highly valuable form of leverage. To be sure, they can be discomfiting at times. Corporate revolutionaries shouldn't have it too easy in companies; they need the kind of sharp edge that is honed by opposition and adversity. But they shouldn't have it too difficult, either, and they should be permitted to say difficult things without fear of reprisal.

The trick is to create the kind of workplace environment that is tough enough to grind on corporate revolutionaries and polish them in the process, loose enough to give them freedom to innovate, and open enough to ensure that when somebody has something worthwhile to say, he or she will be heard. +