

An Excerpt From

Peer to Peer Leadership
Why the Network Is the Leader

by Mila Baker

Published by Berrett-Koehler Publishers

PEER TO PEER LEADERSHIP

WHY THE NETWORK
IS THE LEADER

Mila N. Baker

More Praise for *Peer-to-Peer Leadership*

“Baker captures exactly what we all see happening in organizations. The power of relationships enables positive change regardless of existing systems, processes, and hierarchy. Baker has a keen eye for spotting these trends, investigating the data, and drawing cogent insights.”

—**Joanna B. Miller, cofounder, Miller Black Associates, LLC**

“Baker captures powerful forces overlooked by old-school leadership and management models. Dismiss them at your peril!”

—**Christopher Whitfield, CEO, Batswadi Pharmaceuticals**

“Mila Baker challenges us to rethink all of our basic assumptions about how business enterprises are managed. She very convincingly argues that the hierarchical structure of leadership and management that characterized organizations in the Industrial Age not only has lost its relevance in today’s world but might actually be a hindrance and a handicap. Be prepared to unlearn the conventional wisdom of a bygone era.”

—**Emmy Miller, President, Liberty Business Strategies, Ltd.**

“Mila Baker challenges traditional modes of leadership in all institutional and organizational settings—corporate, civic, religious, and political. Technology now brings information at the same time to all participants in an enterprise. Therefore, the leader’s role must shift—he or she must now manage the process of bringing shared information into the decision-making center and collectively arriving at a course of action where all participants have shared responsibility for outcomes. This book is indeed revolutionary.”

—**Enith Williams, international business consultant and Member, World Ladies Group**

“*Peer-to-Peer Leadership* may make for uncomfortable reading in organizations reliant on hierarchy. Mila Baker describes and ably exemplifies an organizational peer-to-peer archetype requiring fundamental changes to organizations: to their leadership and their design. Thought provoking—the debate the book is sure to raise is exactly what a peer-to-peer organization would want to start to remodel itself.”

—**Patricia Cichocki, founder, Design to Change, and coauthor of *Organization Design***

“Mila Baker’s new peer-to-peer model of leadership is designed from the viewpoint that individuals are autonomous, collaborative, self-reliant, and able and willing to deal with changing circumstances to forward the purpose of their organization. Treat everyone as a leader and the organization will strengthen and grow—Baker’s book shows how.”

—**Peter Roche, cofounder and Managing Partner, The London Perret Roche Group**

“Mila Baker really nails it in *Peer-to-Peer Leadership*. She shows leaders how they can unleash the power in their organizations by sharing information openly and freely. This book may make some leaders uncomfortable, but those who will succeed in the 21st century will embrace its cutting-edge ideas and put them to work.”

—**Bud Bilanich, “The Common Sense Guy,” author and career mentor**

“The paradigm for effective leadership is changing. Companies can no longer rely on single individuals. And teams are not always best suited to address every situation. Fortunately, Mila Baker offers both practical and provocative insights leaders and followers alike can use to lead in an era of globalization, proliferating technology, and nonstop dialogue with customers—what she calls the ‘peer-to-peer approach.’”

—**Claudy Jules, Global Lead, Human Capital Strategy, Accenture**

“Are you ready to rethink your notions of leadership and organization design? In this thought-provoking book, Mila Baker gets us to examine the way organizations really function and the way leadership works in a world where collaboration is king. Using examples from politics, business, computing, and education, Mila helps you explore what it means to be a leader and a follower in a networked world. Read this book from cover to cover; you will be glad you did.”

—**Dick and Emily Axelrod, authors of the forthcoming *Time Well Spent***

“Equipotency. Take a good look at that word. P2P architecture, as well as your future and mine, is built upon it. Equipotency, node communities, and the ‘new’ relational dynamics you’ll learn about in this book aren’t theory. Far from it. They’re here *now*. Box up the old gadgets before it’s too late. What an amazing book! I can’t wait to buy a full case to share.”

—**David Sanford, author, speaker, consultant, and Director of Institutional Marketing, Corban University**

“Mila Baker has conceived a powerful 21st-century model of human organization. Of particular interest is the fluidity of leading and following when team members work in ‘equipotent,’ nonhierarchical relationships. She helps us see and understand the evolution that is occurring in our lifetime and how to harness its full potential.”

—**Ira Chaleff, author of *The Courageous Follower***

“A revolution in the concept of leadership is afoot. Baker’s paradigm-shattering insight into the nature of peer networking redefines the whole field of leadership studies by illustrating that modern leadership is a characteristic of groups that function more like a peer-to-peer computer network than a command-and-control hierarchy.”

—**Tom Thomson, Adjunct Professor, New York University**

“Applying lessons learned from technology and social media, Mila Baker’s *Peer-to-Peer Leadership* breaks new ground in presenting how peer-to-peer interactions can fundamentally change organizations. A must-read.”

—**Frederick A. Miller, CEO, and Judith H. Katz, Executive Vice President, The Kaleel Jamison Consulting Group, Inc., and coauthors of *The Inclusion Breakthrough* and *Opening Doors to Teamwork and Collaboration***

PEER
 **TO**
PEER
LEADERSHIP

This page intentionally left blank

PEER TO PEER LEADERSHIP

WHY THE NETWORK
IS THE LEADER

Mila N. Baker



BK

Berrett-Koehler Publishers, Inc.
San Francisco
a BK Business book

Peer-to-Peer Leadership

Copyright © 2014 by Mila N. Baker

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the publisher, except in the case of brief quotations embodied in critical reviews and certain other noncommercial uses permitted by copyright law. For permission requests, write to the publisher, addressed "Attention: Permissions Coordinator," at the address below.



Berrett-Koehler Publishers, Inc.

235 Montgomery Street, Suite 650
San Francisco, California 94104-2916

Tel: (415) 288-0260, Fax: (415) 362-2512

BK

www.bkconnection.com

Ordering information for print editions

Quantity sales. Special discounts are available on quantity purchases by corporations, associations, and others. For details, contact the "Special Sales Department" at the Berrett-Koehler address above.

Individual sales. Berrett-Koehler publications are available through most bookstores. They can also be ordered directly from Berrett-Koehler: Tel: (800) 929-2929; Fax: (802) 864-7626; www.bkconnection.com

Orders for college textbook/course adoption use. Please contact Berrett-Koehler: Tel: (800) 929-2929; Fax: (802) 864-7626.

Orders by U.S. trade bookstores and wholesalers. Please contact Ingram Publisher Services, Tel: (800) 509-4887; Fax: (800) 838-1149; E-mail: customer.service@ingrampublisherservices.com; or visit www.ingrampublisherservices.com/Ordering for details about electronic ordering.

Berrett-Koehler and the BK logo are registered trademarks of Berrett-Koehler Publishers, Inc.

First Edition

Paperback print edition ISBN 978-1-60994-747-7

PDF e-book ISBN 978-1-60994-748-4

IDPF e-book ISBN 978-1-60994-749-1

2013-1

Project Management: Lisa Crowder; Adept Content Solutions; Urbana, IL

Full-service book production: Adept Content Solutions; Urbana, IL

Cover Design: pemastudio

Author Photo: © NYU-SCPS/Mark McQueen

for Chista Mela Baker

This page intentionally left blank

OPPORTUNITY

The leader enters the door each day.

The follower enters the door each day.

Both enter the door to serve.

The leader serves the organization.

The follower serves the leader.

Each day an opportunity is lost.

This page intentionally left blank

Contents

Preface	xvii
About This Book	xxi
Chapter 1: The Language of Leadership	1
Leadership and the Tech Revolution	4
Individuality and Equality	7
What Is Peer-to-Peer Computing Technology and How Is It Related to Leadership?	8
The Difference between a New Theory and a Paradigm Shift	12
Summary	14
Chapter 2: Node Community	17
What Is a Node Community?	20
The Power of Node Communities: Instant Information Sharing	23
Power to Create Change and the Dangers of Misinformation	24
Disruption of Traditional Communication Models	26
ON THE P2P PATH: Giant Hydra	26
The Value of Node Communities in Organizations	27
<i>Efficient and Effective Flow of Information</i>	28
<i>The Expertise of the Whole Community</i>	28
<i>Nimbleness and Response to Change</i>	29
<i>Real-Time Feedback and Dialogue</i>	30
Summary	30
Chapter 3: Organizational Equipotency	33
The Power of Equipotency in Organizations	36
<i>All Nodes Are Created Equal: Everyone Leads and Everyone Follows</i>	37
<i>Driven by Communication (Nodes)</i>	38
The Value of Equipotency in Organizations	39

<i>Serving as an Enabler</i>	40
<i>Driving Commitment</i>	40
<i>Engendering Positive Intent</i>	40
<i>Motivating Everyone to Give Their Best</i>	41
Implications for Organization Design	41
ON THE P2P PATH: BMW Designworks	42
Implications for a New Leadership Paradigm	43
Summary	44
Chapter 4: Relational Dynamics	47
ON THE P2P PATH: Google	50
Relational Dynamics	52
ON THE P2P PATH: Stiletto Network	53
The Value of Relational Dynamics	54
<i>People, Information, and Connections</i>	55
<i>Organizational Anarchy</i>	55
<i>Shared Decision Making and Governance</i>	56
Implications for a New Leadership Paradigm	57
Summary	59
Chapter 5: From Survival of the Fittest to Survival of the Connected	63
Darwin Misinterpreted	66
Adaptation and Mitigation	67
Protective Processes	68
Solving Problem Solving	70
Summary	72
Chapter 6: The Flow of Information	75
Traditional Barriers to Communication	79
Day-to-Day Sharing: Network as Communication	
Infrastructure	81
Benefits of the Open Transfer of Information	82
Summary	84
Chapter 7: Nimbleness and Change	87
P2P and Drivers for Change	90
The Space and Time for Change	93
<i>The Evolutionary Model</i>	94

<i>The Dialectical Model</i>	94
<i>The Teleological Model</i>	95
<i>The Life Cycle and Cultural Models</i>	95
A Case for P2P Architecture: Herman Miller	96
Summary	97
Chapter 8: Real-Time Feedback and Dialogue	101
Starbucks: Two Observations, Two Outcomes	105
ON THE P2P PATH: NYU—A Global Network University	107
A Better Way	109
Summary	113
Chapter 9: Implications for Organization Design	117
Why is P2P Architecture Important?	120
The Work Experience	122
ON THE P2P PATH: Hot Spots Movement	123
The Work Environment	125
Summary	128
Chapter 10: Implications for Leadership	131
Organization Formation	135
ON THE P2P PATH: ROWE	139
Human Resources and Organization Development	140
Questioning Traditional Leadership	142
Leadership as a Dyad Exchange Structure	145
Summary	146
Moving Forward	149
ON THE P2P PATH: Paul Polman at Unilever	153
Notes	159
Acknowledgments	163
Index	165
About the Author	169

This page intentionally left blank

Figures and Examples

Chapter 1: The Language of Leadership	1
Figure 1: Peer to peer IT architecture	9
Figure 2: Client server model	11
Chapter 2: Node Community	17
Figure 3: Peer to peer network community	21
ON THE P2P PATH: Giant Hydra	26
Chapter 3: Organizational Equipotency	33
ON THE P2P PATH: BMW Designworks	42
Chapter 4: Relational Dynamics	47
ON THE P2P PATH: Google	50
ON THE P2P PATH: Stiletto Network	53
Chapter 8: Real-Time Feedback and Dialogue	101
ON THE P2P PATH: NYU—A Global Network University	107
Chapter 9: Implications for Organization Design	117
ON THE P2P PATH: Hot Spots Movement	123
Figure 4: Peer to peer network	128
Chapter 10: Implications for Leadership	131
ON THE P2P PATH: ROWE	139
Moving Forward	149
ON THE P2P PATH: Paul Polman at Unilever	153

This page intentionally left blank

Preface

The journey to write this book started as I completed work on a major merger project assignment at one of the largest pharmaceutical companies in the world. After going through phases of personal leadership and experiencing the continued futility of trying to fit our existing leadership theories, models, and language into a new world reality, it became clear to me what people mean when they say insanity is doing the same things over and over and expecting different results. This became clear in three phases of my learning curve about leadership: invisible leadership, leadership theory shopping, and bold, new ways of thinking about leadership and organization design—leadership through community.

The invisible leadership phase started with my first experience as a new manager and leader. I recognized that as a newly minted PhD I had a lot of theoretical knowledge, but little practical knowledge and experience. I wanted to apply the knowledge I had learned in graduate school, but I also wanted to experiment with and test new ideas. I wanted to let others learn how to achieve results and personal success on their own. There were many people I worked with who were more experienced than I was, and while I wanted to learn from them, I didn't necessarily want to follow exactly in their footsteps.

I focused on asking others what they thought before I expressed my point of view or perspective. I quickly

learned that some individuals who reported to me were uncomfortable with being asked their thoughts. They were confused, looked for me to provide more direction, and perceived their jobs as solely following orders and doing what the manager wanted them to do. Others expressed different points of view, and I was tentative and unclear in my response. It was not until months later that one person on my staff told me how uncomfortable everyone was with being asked their thoughts; no manager had ever asked them what they thought, and they were intimidated when asked to share their thoughts because they were afraid they would not say what I wanted.

At the same time, my manager did not think I was taking control as a manager and thought that I relied too heavily on consensus of the group. He wanted me to be direct and tell those working for me what he wanted and what he had directed us to do. Demonstrating through my actions how I expected my reports to behave and make decisions turned out to be too subtle an approach and did not provide enough guidance and direction. It did not take long to realize that invisible and silent leadership translated as no leadership to many.

From the invisible leadership phase, I moved to a phase of leadership theory shopping—a phase where I tried on different leadership styles to see what seemed to work best in different contexts or situations. As an academic, I was well versed in all the current theories and regularly tried most of them to see how others would respond. I tried to absorb and use not only the leadership theories I had been introduced to as a doctoral student, but also all the new theories that arrived on bookshelves daily. Keeping up with new trends and practices felt like taking an intense crash course every few months. Every conference, seminar, and

expert lecture I attended added more material to an already overloaded brain repository of leadership information.

I quickly learned that some theories were considerably better than others, but while each approach yielded some success, there was always some aspect that resulted in unintended consequences (or completely failed to deliver the expected results). After many interventions and attempts to apply theoretical approaches, it was clear that adding yet another new approach to the existing toolbox was not the answer.

Soon after I completed work on the major merger assignment at one of the largest pharmaceutical companies in the world, I realized it had been a tremendous two-year learning experience. It opened my eyes to the strength and importance of change, transformation, and leadership. It also humbled me. For the first time, I was acutely aware of how important a leader's work can be for the lives and livelihood of many people, let alone an organization as a whole. Going forward, I felt it my professional duty, moral obligation, and ethical responsibility to do whatever I could to ensure the organizations with which I worked had the guidance, advice, and support needed to ensure more positive outcomes that would enhance organizational performance as well as the quality of life for all those along the chain of command. I realized I was beginning to make the transition from scholar-practitioner to practitioner-scholar. This was an important distinction for me, and helped me realize that my practice—my daily work—would be more formative than what I read in new books and journal articles. I realized that the act of doing the work was very powerful and significantly influenced my thinking about the work. I was beginning to form my interpretation of what leadership should be.

A brief period of reflection followed my work on the pharmaceutical companies' merger. This pause allowed me to recognize that something else was needed, not only in the way I worked, but also in the way I helped others. The status quo was no longer sufficient, and neither were the theoretical models currently in use. In one sense, it was somewhat disturbing that I had not appreciated the value of deep reflection before, since that is a core of the work of a practitioner and scholar of strategic change and leadership. But I was gratified and energized that I was now embarking on a period of reflection that would lead to a new level of thought and introspection on the work I was so passionate about. I felt confident that it would inform and direct me going forward—that it would become the footprint for the next phase of my professional life.

Fueled by the merger experience (and a re-reading of Meg Wheatley's bestselling book, *Leadership and the New Science*), I began a journey to explore a bold, new paradigm for leadership and organizational design. I never thought that the theories in use were useless and should be discarded. On the contrary, I thought about them in terms of the fairy tale of the emperor and his clothes. In this instance, it was not that the emperor was not wearing any clothes so much as that he had an outdated wardrobe—a somewhat restrictive wardrobe not suited for the conditions of the twenty-first century.

Seeing the emperor dressed so poorly, I saw the need to figure out what type of wardrobe best suits leaders and organizations in the twenty-first century. Rather than construct new architectural forms and structures, my approach was to look for ways to create form and structure from natural order—similar to Frank Lloyd Wright's architectural approach. I wanted to explore ways

consistent with natural order and chaos. I did not want to impress one more theory upon the natural order of the time, but hoped to harness some of the power inherent in that order. For our time, that order is the architecture of the peer-to-peer network.

About This Book

This book uses the analogy of peer-to-peer information technology architecture to demonstrate how technological advances can help guide our thinking about a new paradigm for leadership and organizational design. It does not view technology as a barrier or a threat, but rather sees it as an enabler of greater understanding about the integral connections between individuals in organizations and how work can be organized for optimal success. It introduces a new way to define, measure, and express leadership in a world that is now hyper-digitally connected and brings the challenges that prevent us from altering the way we think about leadership to the surface.

Peer to peer (P2P) IT architecture is a radical, architectural shift that has transformed the computing industry and influenced how society uses computer technology. Beyond that, it has ignited an interest in examining many social peer-to-peer processes and relationships where interaction—especially in large organizations—traditionally occurs in accordance with the model of command-and-control leadership. With P2P, it becomes possible for leaders to relinquish some of that command and control, and for individuals to be equals.

The book itself is organized around two important concepts—leadership and organization design. There are three elements and patterns: (1) node communities,

(2) equipotency, and (3) relational dynamics. Like the colors and patterns in a kaleidoscope, these themes weave a new tapestry for leadership and for organization design. Their interplay forms a somewhat abstract but integrated look at the whole organization.

While the first chapter takes a look at the current state of leadership, the language of leadership, and the language of the peer-to-peer architecture (P2P), chapters two through four each deal with a particularly important piece of P2P architecture: *nodes and node communities*, *equipotency*, and *relational dynamics*, respectively. Chapters five through eight provide guidance and background for understanding the importance of and need for a fundamental shift, as well as examples of people and organizations that have put P2P leadership and organizational structure into practice. Chapters nine and ten outline the P2P implications for leadership, for organization design, and for how P2P can be practiced in the twenty-first-century organization. I talk about how decisions in organizations are influenced by their leadership practices and their organizational design, about possibilities and a vision for the future of leadership, and about the mindset, perspective, and behaviors needed to realize a new vision. The book also highlights a few companies that are already on the P2P path and authors who are outlining new behaviors consistent with P2P network communities. In addition to presenting ideas, the book provides examples of what we could do differently to build momentum toward the vision of P2P leadership. To that end, the book is more about ideas than practices and frameworks. It is an invitation for you to put yourself in a new scenario and a new reality—one that is almost undeniably imminent, whether our organizations are ready for it or not. It is intended to provoke thought,

spark questions, and conjure images of possibilities that can be tested and tried in the arenas of leadership and organizational design.

This book is for doers, thinkers, and helpers. It is for those who must take action, those who enjoy thinking and inquiry, and those who are committed to helping others. It is not for pessimists, for those who are comfortable with the outcomes of current practices, or for those who think the state of leadership is well and will continue to flourish as it is. Regardless of organizational position or status, it is for and will benefit those who think and feel passionately that we can and must improve the quality of leadership actions, research, teaching, and consulting, as well as the overall design of organizations and leadership programs.

The book is not a review of theories or a book of facts. It is not a scholarly treatise on leadership. Rather, it is a journey on a new road—a road not taken before. There is a quote carved on a bench in front of my children's upper school that reads: "I believe in the sun even when it rains." To this day, this quote is the first that comes to mind when I think about moving forward by embracing the opportunity presented at the moment. In that spirit, I invite you to join me on a new road.

Mila N. Baker
New York, New York
October, 2013

This page intentionally left blank

1

**The
Language
of Leadership**

This page intentionally left blank

The current definitions and historical models of leadership are rooted in the relationship between two entities—leader and follower. Terms such as “leader-member,” “in-group and out-group,” “power over,” talent and workforce, and “power through” highlight the traditional models, while terms such as “empowerment,” “subordinates,” and “followers” conjure up images of servitude and second-class citizenship. All of them differentiate each entity in terms of status and imply a certain level of inequality. There is no job description for or position called “Follower Specialist.” The role of follower is more often than not viewed in negative terms while the role of leader represents a virtuous mantle of aspiration. Leadership was, and largely still is, reserved for a very few while the very many follow. The language of leadership reflects and supports this division between leader and follower, and neither the definition nor the language of leadership is sufficient for the world today.

After the Great Depression of the 1930s in the United States and the post-World War II era when people returned to work, loyal followership often guaranteed lifelong employment and ensured that one could care for and feed one’s family (and, upon retirement, get a watch as a token of appreciation). Employers could almost guarantee that subordinates would do whatever was necessary to earn their pay and small rewards. The negative connotation of the word “follower” was far less painful to swallow than the inability to care for oneself or one’s family. Even as the informal and unwritten employment contracts began to erode and change in the latter part of the twentieth century, only to be rendered completely obsolete in the twenty-first century, there were many instances where employees felt compelled to follow blindly—even in situations of blatant abuse and illegal behavior. The economic conditions of the

time helped support the divide and distinctions between leaders and followers. The landscape has changed quite a bit since the 1930s, but the language we use remains a remnant of a bygone past. Our responses to and the visceral images created by that language linger. Instead of reinforcing age-old divisions, we need a mindset and language of leadership that maintains equilibrium between leading and following—a conception of leadership that is agile and stateless in its composition. Like the U.S. constitution guides and influences the nation's trajectory without stifling the rights and freedoms of its populace, organizations' designs need to facilitate leading and following on an equal platform. Neither leaders nor followers can achieve success without the other, and both can render an organization non-competitive or cause it to underachieve its mission.

Leadership and the Tech Revolution

The rapid advancement of technology and the proliferation of mobile and other network-attached devices have been the catalyst and tipping point for all types of changes in how we consume media, organize data, and communicate with each other. The medium and the messages are shifting. Conversely, our views of leadership and organizational life have been slow to change. These fundamental shifts in technology and media consumption have blurred the boundaries of communication within organizations, which has in turn blurred the distinction between leaders and followers and also the media and messages they use to communicate. Traditional leadership models and prevailing paradigms based on these roles are no longer suited for the world we live in today. A digital revolution is driving

complexity and pace. It presents enormous challenge and opportunity. There are new computational tools and voluminous data of all types.

One of the most profound shifts has been an erosion of individual power and authority, with an unearthing of collective power enabled through social media. Historically, power and authority have been granted to or taken by a few and reinforced through organizational hierarchy and structure. Today, informal, social networks like Twitter and Facebook are usurping the power of some formal, hierarchical networks. We need to challenge ourselves and ask the question, What is the rationale for maintaining the outmoded and cumbersome organizational layers and vertical hierarchies? Why haven't we embraced Fritz Capra's notion that all learning systems are coordinated by network? We have been discussing the notion of the organization as a social system for quite some time.

While the focus on informal networks is generally discussed in terms of social networks and social relationships—not related to power and authority within networks—each of these shifts challenges the notion of command-and-control leadership and the clearly delineated roles of leader and follower. In the case of the Arab Spring, informal networks allowed individuals to organize more efficiently. The power of subordinates and followers was significantly elevated, and traditional, hierarchical leadership was overthrown in a very concrete way.

Technology has also disrupted structural boundaries within organizations. Like an earthquake fault line that releases energy associated with rapid movement and structural shifting, there is a leadership fault line that has fractured and resulted in discontinuity and a permanent

fracture in our traditional leadership formations. The organization is flattened, matrixed, and decentralized as it incorporates tools and emerging technologies into many areas of operation (e.g., enterprise systems, social media for customers and potential employees, etc.). The structural boundaries within organizations have been permanently altered as a result of technological eruptions and explosions and to accommodate some of the shifts, leaders and followers move into these new forms of organizational structure.

Too often, organizations see technological advances as, primarily, the Information Technology department's responsibility. External forces, customer demands, or security concerns often drive how an organization responds to shifts in landscape, be they technological or otherwise. Organizations rarely integrate internal organizational changes in advance of a specific cause-and-effect event. This lack of planning places an organization in a perpetual cycle of reactionary change and, frequently, behind the curve. Rather than temper or hedge the effect of technology on an organization's infrastructure, the desired action should be to embrace new developments and leverage them to their fullest potential.

The shift to power of the masses within organizations is unleashing the grip of command-and-control leadership. More specifically, command-and-control leadership is losing its grip on the organizational clutch. Where hierarchy and traditional organizational structures either intentionally or unintentionally acted as a barrier to equality, new technological advances erase those barriers. Even when leaders within traditional models make attempts to treat everyone as an equal and genuinely see the value of doing

so, the traditional organizational structures and lexicon stand as impermeable, and often invisible, barriers. Leading in the twenty-first century requires a new structure and design that is more suited to the realities of today. This is a journey that many organizations have begun, and they are taking steps forward.

Individuality and Equality

In recent years, there has been a shift in the balance between organizational leadership and individuality evidenced by the disparity between pay among senior leaders and pay for the average worker. The justification for the increase in CEO compensation and the huge severance packages for senior executives who leave underperforming organizations are reflections of the focus on the value of the individual.

Since the founding of the United States, the balance between individuality and equality has, over time, shifted toward one pole or the other. Where power was once concentrated in the hands of few at the top of traditional hierarchies, the revolutions in technology have abruptly swung the pendulum back toward equality of the masses. The influence of power and authority has diminished.

Today, new books have surfaced that discuss the rise of the power of followers, the need for more empowerment, or how to make leaders act like followers and followers act like leaders. There have been calls to de-emphasize command-and-control leadership in favor of a more matrixed or hybrid organization structure. In spite of all the adjustments—command-and-control tweaks and redesign, ultimately—the language and message is still rooted in a model dominated by traditional hierarchy.

What Is Peer-to-Peer Computing Technology and How Is It Related to Leadership?

Today, computer technology is no longer just a tool, but a social and structural phenomenon that makes information readily accessible and more transparent. In an environment where communication comes in real time and from closer to the source (if not the source itself), anyone can take the lead. In its classic sense, peer-to-peer (P2P) computing is network architecture for data sharing. Its use began more than thirty years ago and moved onto the center stage of computing with the introduction of distributed music file sharing at the turn of the twenty-first century. For our purposes, peer-to-peer is a type of architecture that influences the transfer of information, social exchange, and discourse.

The P2P architecture is unique in that its processes are built using dynamic and changing structures that adapt themselves as needed. Where older, client-server systems required information to be centralized and then distributed from that center, the dynamic structures within P2P comprise a network of peer *nodes* (computers, phones, and other devices) used for communication and collaboration. Information is decentralized, and all nodes can send and receive information within a P2P network. The interaction or exchange between peer nodes is a relational dynamic that reflects an egalitarian network. All nodes within a P2P network are equal and function as equally privileged participants in the larger whole—a concept known as *equipotency*.

Equipotency is based on an operational premise that the P2P network does not know where a needed resource

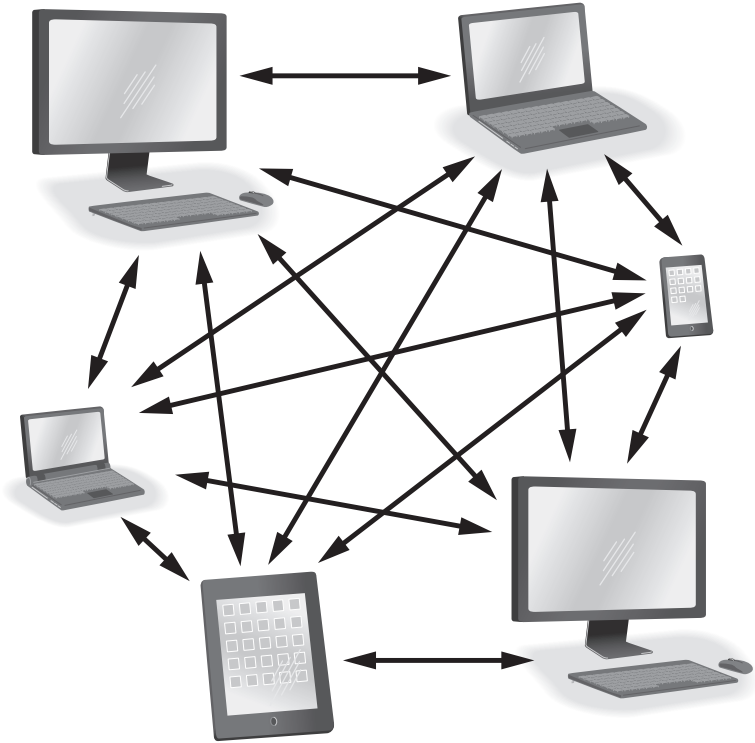


Figure 1: Peer to peer IT architecture

or asset will be located, and that any node may be capable of being a resource to any other node in that network. The architectural structure is designed so that every available node can be ready to fulfill a need as it arises. In their dual roles, all peer nodes are both suppliers and consumers of resources (assets). Each node supplies or shares assets and each node consumes resources based on need.

In traditional, client-server models, formal rules dictate the role of client and the role of server—information flows from the centralized server out to the client. The P2P architecture is a departure from the traditional client-server model in that there are no formal rules or advance decisions made to determine whom the participatory members are or how they must relate to each other. All rules are generated from within, and there is no central coordinator or dedicated master server.

The P2P model can be used to reframe the concept of organizational leadership and organizational architecture. It enables us to take a fresh new look at the authoritarian and centralized notions of current organizational leadership approaches. While traditional hierarchies place emphasis on a certain chain of command, P2P architecture places emphasis on the organizing and indexing of data (both archival, real-time inputs), so that nodes in the organization act as both servers and clients (senders and receivers) of the data. In this model, the network itself becomes the leader as it constantly computes raw data and turns it into actionable information.

In a P2P organization, layers are flattened, and spans are spherical. Each node is interdependent on the next, making each node responsible and accountable to the whole and allowing the question of what should be done to supersede the question of who is in charge. Cooperation

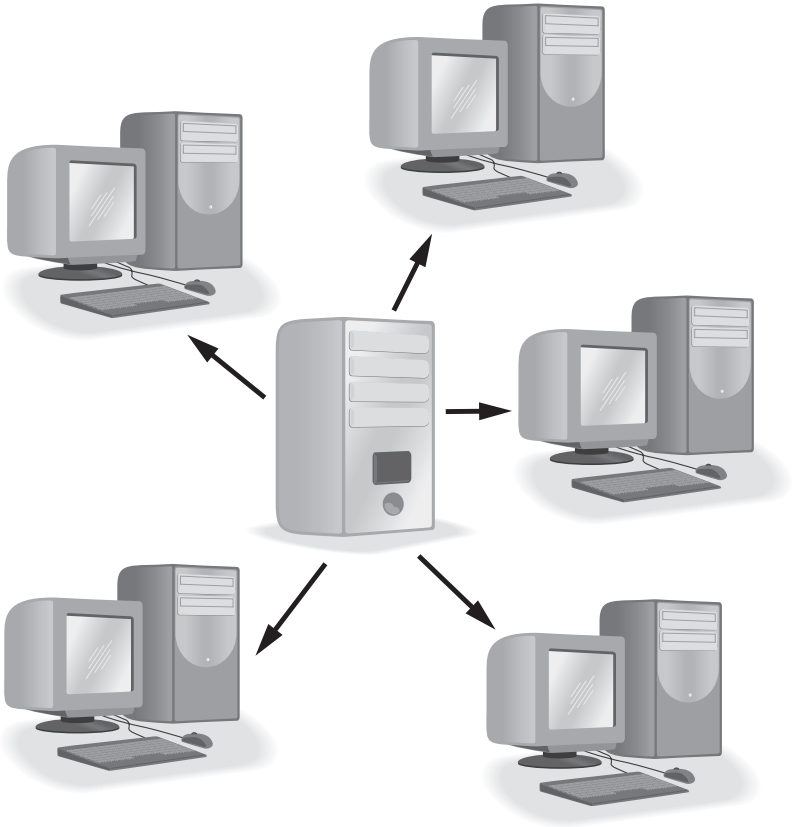


Figure 2: Client server model

and collaboration among and between equals to achieve common tasks in pursuit of a common good then becomes far more important than an individual's traditional status as a "leader" or "follower."

The Difference between a New Theory and a Paradigm Shift

Traditional organizational structures are based on mechanical models of organizations from the Frederick Taylor days of industrial management and leadership. As late as the 1960s, the literature surrounding organizational structure described it using mechanical language—cogs on a wheel. While the mechanical command-and-control leadership models are still alive and thriving, technology has forced us to confront a new reality—organization structures cannot be understood in purely mechanical terms. There is a natural order to the flow and structure within an organization that now calls for correction and a fundamental shift in the understanding of leadership. It is a shift to a model where knowledge and intelligence is distributed throughout the organization from the periphery of the system to the center of the system—a shift that allows us to look at a more integrative model between individuals, work units, and the organization. Rather than seeing each as separate, mechanical entities or organizational silos, the shift to P2P allows us to see combinations of natural, organizing entities.

Those of us who practice or teach leadership have lulled ourselves into a false sense of security with the proliferation of new theories and new books on leadership, but these theories are largely remiss in detailing the fundamental

change in landscape sculpted by the rise of informal networks. This failure to see the P2P future threatens to push organizations who embrace traditional leadership structures into a reactionary corner rather than a position of being able to leverage the powers of this new, natural order.

As early as 1935, Kurt Lewin wrote of the importance of the interactions between individuals and their environment.¹ More recently, Ira Chaleff spoke of the shift in the balance of power between leaders and followers and how leaders can no longer ignore the influence of internal and external stakeholders.² There is now recognition that broader context and all constituents are critical—not just customers, employees, and shareholders; not just founders and donors.

Informal networks have become as powerful as traditional hierarchies—and in some cases, more powerful. Organizations have responded in a variety of ways that range from putting constraints on employees' use of services like Facebook and Twitter to doing nothing at all. In attempts to bring parity between leaders and followers, organizations are beginning to recognize this as a futile effort given the current structure of organizations and many governments, but few if any have tried to harness the power of peer-to-peer architecture in the very structure of their organizations.

In most organizations, relationships and information flow are organized in some form of hierarchical structure, but this doesn't need to be the only model. From popular movements in Tunisia and Egypt to Occupy Wall Street (OWS), the influence of an integrated network of equally privileged participants sharing information is producing a radical paradigm shift in the way we connect and relate to

one another. People in social networks act much like “peer nodes” in P2P network architecture. The world no longer must rely on traditional hierarchical order to transmit or receive information.

Summary

When Canadian geese migrate, they fly in a V-formation to move quickly and fly longer than they could as individuals. Geese use synergy—the law of nature that recognizes that working together creates a greater result than could be achieved alone. The pendulum has swung such that leadership now requires synergy and an adjustment that better suits the realities of the time. The rationale for the importance of both leading and following is that data moves too quickly. No one has the capacity to know everything they need to know or to convert all the data to information needed to be successful in the twenty-first century.

What we have is not working. The disparity between principle and established practice is transparent to the masses. Elaborate leadership development programs, coaching initiatives, a proliferation of leadership books and “best practice” guidance, and reinforcement from other organizations that only expand on current practice are no longer viable solutions or sufficient for building effective leadership. Barbara Kellerman, a Harvard professor, leadership expert, and author of *The End of Leadership*³ has questioned whether the leadership industry—with its myriad of books, articles and training—actually does what it claims to do: that is, grow leaders. She also questions whether leadership can be taught at all. Its demands have certainly shifted. Few organizations have adjusted or adapted to the new reality, and still

fewer see the integral connection between organizational leadership and organization design. Informal networks like Facebook and Twitter are becoming more powerful than many organizational structures, and current leadership approaches and organization designs are not aligned to the new reality. To the contrary, we have seen more transparency to failed leadership and more calls for a new approach.

Leadership in today's world requires insight from more than one individual. We must rely constantly on others' insight even when we are in a position of authority. In the coming chapters, we'll look at the power inherent in P2P architecture for organizational design, organizational structure, and leadership.

Practical Application

Jot down all the things that you did this week that you would not (or could not) have done five years ago.

Key Points

- ▶ The current leadership lexicon is insufficient for today's world.
- ▶ The fundamental shifts in technology and media consumption have blurred the boundaries and eroded power and authority within organizations.
- ▶ The peer-to-peer (P2P) IT architecture model can be used to reframe the concept of organizational leadership and organizational architecture and design.
- ▶ The concepts of the node, node community, equipotency, and relational dynamics will frame a new concept of leadership more suited for the twenty-first century.
- ▶ The world no longer has to rely on traditional hierarchy to transmit information.

An Excerpt From

Peer to Peer Leadership
Why the Network Is the Leader

by Mila Baker

Published by Berrett-Koehler Publishers

Copyright © 2014, All Rights Reserved.

For more information, or to purchase the book,
please visit our website

www.bkconnection.com