Rethink Hierarchy: Think Peer-to-Peer

By Mila N. Baker

The bright sunlight beams from the outside throughout the interior of the new, four-story GlaxoSmithKline (GSK) building in Philadelphia, Pa. This is the opening line of many news articles describing the transformation occurring within GSK and the city. GSK has been a landmark in the Philadelphia community since 1830 and is now planting new roots at the Philadelphia Navy Yard—a dynamic redevelopment region within the city. The city and the GSK organization are excited. Approximately 1,300 employees occupy the building where there is no single office, no visible sign of hierarchy or designated authority—a true renaissance and sign of a new era of how people are working together. GSK President of North America Deidre Connelly proudly explains to others seeing the facility for the first time: "Our work space is designed to inspire and connect people. Our teammates and I are energized by the new environment, where we can do our best work and collaborate without the constraint of office walls." Even her language conveys connection. She talks about "our" and "we" rather than "my" or "I."

Employees work in "neighborhoods" and freely move about throughout the day working in a variety of different settings that invite collaboration and include custom-designed workstations for sitting or standing, team tables, and meeting spaces, as well as comfortable seating areas and quiet rooms.

John B. Campbell, principal-in-charge of Workplace Strategies at Francis Cauffman, notes, "By creating an open and healthy workplace environment focused on providing the right physical and IT tools with a wide variety of work settings throughout the building, the new workplace has transformed the level of energy, engagement, and connectivity across the organization."

Employees have responded positively. One comment captures their immediate observations: "We can easily interact with our colleagues and do our best work so that we can ultimately serve our patients better."

The new GlaxoSmithKline (GSK) building at the Philadelphia Navy Yard is a dramatic departure from the current traditional leadership and traditional organizational designs characterized mostly by a command-and-control model or a hybrid of these models. The increased level of hyperconnectivity, transparency, and real-time communication in most organizations renders these traditional models obsolete. They are no longer suited to the way work is being done today. They are outdated and in need of significant overhaul. The GSK facility represents a new era—a wave of organizational overhauls in response to the call for a new approach to leadership and design.

The dominant model in most organizations has its roots in early 20th-century industrial age management and has only been modified over the years. Today, the number of leadership approaches is staggering; each tries to address a leadership void or add a new dimension to what is required of those aspiring to develop leadership competence. As companies experiment with new structures—agile, agora, transparent, holacracy, flatter management, and more freedom—the search for greater accountability, collaboration, and innovation still eludes even the strongest companies. They are struggling to fit the existing models into the new realities of a global economy. With only minimal and often short-lived success, organizations continue to try and fit round pegs in square holes.

Global Trends and Key Questions

The global shifts in business, technology, real-time information exchange, and the decline of employee engagement are driving rapid changes in the way CEOs make decisions and the way they drive innovation, business results, and organizational success.

Based on global trend reports from Deloitte Consulting, PricewaterhouseCoopers consulting, the SHRM Foundation, and the Economist Intelligence Unit, several major trends are influencing the evolution of work and the worker: mobility and integration of global workers, availability of analytic data for decision-making, aggressive global expansion, and increased knowledge work. These trends influence workforce demographics and diversity, alignment of worker skills and workforce demands, and wage disparity between highest- and lowest-paid workers.

Responding to these trends and addressing key questions raised by the new business landscape are the themes of the book *Peer-to-Peer Leadership: Why the Network Is the Leader* (Mila Baker, 2014) and a catalyst for a new approach. The book outlines a more integrative and distributive approach to organization success. Four key questions are addressed: How can organizations reliably and consistently unlock value from everyone in the organization? How can organizations become more nimble and resilient to today's complexity, risk, and competitive threats brought about by the recent trends? How can organizations retain people long enough for

them to make a sustainable contribution? What type of leadership is necessary for organizational success today and in the future?

The Peer-to-Peer (P2P) Network Community

Focusing on the organizational architecture is one key to maximizing organizational success and unlocking value from everyone in the organization and retaining them. The peer-to-peer network community is an organizational architecture designed for the 21st century. The new framework integrates **work environment (WEV), work experience (WEX), and leadership** into an interlocking system of dynamic, relational connections.

WEV+WEX+L= MOS (Maximum Organization Success)

The **work environment** is the element of organizational architecture that defines the spatial aspects of the workplace and is comprised of public spaces and private places that align with the organization's purpose, business imperatives, and the human needs of the community. LRN, Inc. in New York City, similar to GSK, is an example of an organization where the work environment reflects a peer-to-peer network community and also fosters a culture that embraces its mission and purpose.

One LRN employee proudly explains, "The office design is lovely and open. It is truly inspiring to immediately see, as you enter the modern lobby, the organization's purpose 'Helping People Around the World Do the Right Thing' is illuminated on the wall. There are many open spaces where you can meet and collaborate with your colleagues. The large lobby has a touch-down space, where many people will congregate in comfortable seating to do their work. …This gives you somewhat of a 'Starbucks' feel, by just bringing your laptop and doing your work. It provides a change of space from just sitting at a desk. It allows openness, creativity, and flexibility. In fact, there are many spaces where you can go for a change of venue—couch areas, private work places, and dining-type areas."
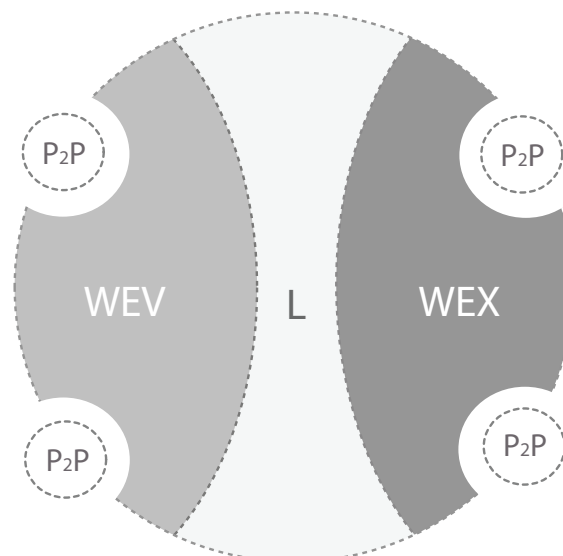
In a peer-to-peer—or P2P—network community, working in one confined space all day is a relic of the past. There are many locations available to employees, some of which are private, while others are public. The locations designated as private are places within the organization where individuals can have private meetings or engage in personal activity (e.g., personal communication, quiet time, group meetings, lactation). These are designated as "private places" and are available to any member of the community as needed.

Locations designed to be public spaces are most abundant and are areas where work and leisure occur in collaboration with others. Public spaces may be any arrangement: open desk and work areas, comfortable sofa-and-chair seating, libraries, patios, gardens, coffee or tea bars, sport areas, or alcoves. The P2P work environment is designed for work connection, collaboration, and conversation—all places where work and reflection get done. The work environment is designed to enable a workflow that promotes the dynamic movement of people and information. Some equipment is stationary, but most movement occurs with ease and in a convenient manner.

The **work experience** defines how the members of the community work together to accomplish the organization's purpose, mission, and goals. In a P2P network, community members work as providers and receivers of information and assets. Each member has *equal responsibility*, *authority* and *power* to be a supplier *and* a consumer—everyone gives and takes. This is illustrated in the new GSK facility as the company president sits among all other members of the community, accessible and available to converse and exchange information.

At LRN, this is illustrated by an employee who explains her experience when she started with the company: "I was pleasantly surprised by the collegial and collaborative feel of the organization and how everyone worked. You are welcomed by all on day one. The culture is a key positive advantage. I was invited into a meeting with a global partner during my first week with the organization, and Dov Seidman, the CEO, actually dropped in at the meeting. This gave me a sense that we were all connected and working for a common goal and that every project is important and receives top-down, around, and bottom-up support. Everyone contributes, and everyone listens and appreciates the views of others. I appreciate that you are

Figure 1. Peer-to-Peer network community (WEV+WEX+L=MOS)

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given plenty of autonomy to get results. I love the collaborative teaming. I like that we have access to everyone and that people genuinely look to support the common cause. Everyone understands the common cause because we live and work it every day."

The work experience within the network community occurs within small communities or work pods or can occur across work pods, depending upon the project or nature of the work. Members have a designated or home work pod but move frequently between work pods based on their skill, expertise, and interest. Job titles become fluid rather than static, and career growth is based on skills, knowledge, interest, and organizational need rather than hierarchy. The home network community or work pod sets the objectives, goals, and strategies defined by project or work requirements—both of which are driven by purpose and mission.

An example of a P2P network community work experience was observed by the author at a Starbucks in New York City. Over time, it became easy to observe that this Starbucks provides customers much more than a good cup of coffee. When the order queue was long, someone came from behind the counter and began taking orders from customers as they waited. When there was no queue, someone regularly grabbed a broom and cleaning supplies to tidy and restock the condiment and service area. Trash was emptied and tables cleaned. There was a steady line of help available to baristas. The employees all

smiled and visibly seemed to enjoy their work, and on most occasions, it was difficult to tell who the supervisor was. Associates exchanged duties and requests with each other. Each seemed capable and interested in doing whatever was needed at the time. The fluidity of give and take was remarkable to watch. As in the case of the Work Environment, the Work Experience is designed around organizational purpose, business imperatives, and the human needs of the member community.

P2P leadership takes time. For a P2P network community to achieve excellence and overall sustainable success, it must reach a level of maturity where all network communities work toward the organization's common purpose. In a P2P network community, there is a level of maturity required to reach a P2P leadership competency. That level of maturity is reached through a developmental path that is comprised of four stages. P2P leadership is attained only when the organization has reached Stage 4 maturity, and is considered a P2P leadership competent organization.

- **Stage 1.** Understanding, commitment, and internalization of purpose and values throughout the organization.

- **Stage 2.** A mutual and continuous exchange of open input and output, giving and taking throughout the organization. Well-developed competence in dialogue, conflict resolution, an appreciation of differences among all members of the community.

- **Stage 3.** Recognition and reconciliation of external and internal polarities, tensions, and abstractions (e.g., global/local; headquarters/field; strategy/operations).

- **Stage 4.** P2P leadership—the catalytic action that occurs when a minimum coalition of two individuals works to achieve a common goal—a goal that expands beyond their individual interests. That coalition could be two Starbucks workers deciding how to manage a long queue of waiting customers or senior leaders deciding how best to work together on a new expansion project. P2P leadership requires building dyad exchange structures throughout the organization.

GSK, LRN, and other organizations like Unilever, Google, and BMWDesignWorks are clearly on the P2P leadership path, and others will undoubtedly follow. Each of these organizations operates in a way that suggests it is not only intentional about striving for excellence but also in recognizing the key success factors that will enable sustainability into the future. The journey starts with a new compass and a clear focus on purpose and mission beyond self-interest. **P&S**

Further Reading

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