



Can We Fix Hierarchy?

Societies need new organisational design paradigms, if we are to overcome the urgent challenges ahead.

What is one of the most widely disliked aspects of work today? Hierarchy. What is one of the most robust techniques to organise large-scale collective action that we know of as a species? Hierarchy.

This contradiction is apparent everywhere. For instance, **flat or “boss-less” organisations** continue to inspire envious fascination – and may actually have **much to teach conventional firms**. Yet the innovative companies that have scaled most impressively – think Apple or Amazon – are the ones most identified with strong, visionary and authoritative CEOs. The **pathway to scale for flat firms** is, by contrast, disputed if not non-existent.

The high stakes of hierarchy

In our current research, we work to better understand how to reconcile the tension between the unpopularity of hierarchy and its apparent necessity, and what we might do about it going forward. Can we improve how hierarchies work so that the experience of individuals working within them can be better? Or should we accept that hierarchies will always force us to choose between organisational efficiency and individual autonomy and satisfaction? These questions are important to answer, because there are many tests of our capacity to organise looming ahead – from dealing with global warming to expanding human habitation

Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>

to other planets. Will we continue to rely on established hierarchical principles, or can we do better?

One of the issues that we have been grappling with is that hierarchies don’t all have the same shape. When people report dissatisfaction with hierarchies, which kinds of hierarchical shape are they reacting to? There can be dramatic variations in both reporting layers and span of control across layers. By layers, we mean the number of bosses that stand between the most junior employee and the CEO of an organisation. By span of control, we mean the number of direct subordinates that a boss has. There are lots of theories about why layers and spans vary across organisations, but none, to the best of our knowledge as to why spans should vary within an organisation.

We are trying to understand why these differences exist, as well as the implications for satisfaction and productivity of the individuals who inhabit these architectures. Whether people lambast hierarchies or swear by them, this attention to the variation in their shapes seems to be missing from the discourse. Without understanding how the various shapes of hierarchies affect the satisfaction of the people within them, it’s hard to see how we can work towards improving them.

Share your experience

We have some hunches about this that we would like to share with you. But rather than a one directional communication exercise, we'd like to try to make this a bit more interactive: Can you please help us by taking this short (fewer than 10 questions, only three minutes of your time) **anonymous survey** before 30 September 2017.

We will compile your answers and publish the results on 6 October 2017.

We'll reserve what we want to say about the shapes of hierarchies 'til we have heard from you, to avoid biasing your responses. Thanks for playing along!

Phanish Puranam is the Roland Berger Chair Professor of Strategy & Organisation Design at INSEAD. He is also the Academic Director of INSEAD's PhD Programme.

Eucman Lee is Assistant Professor in the Division of Strategy, Management and Organisation at Nanyang Technological University.

Follow INSEAD Knowledge on ***Twitter*** and ***Facebook***.

Find article at

<https://knowledge.insead.edu/blog/insead-blog/can-we-fix-hierarchy-7176>

Download the Knowledge app for free



Visit **INSEAD Knowledge**
<http://knowledge.insead.edu>