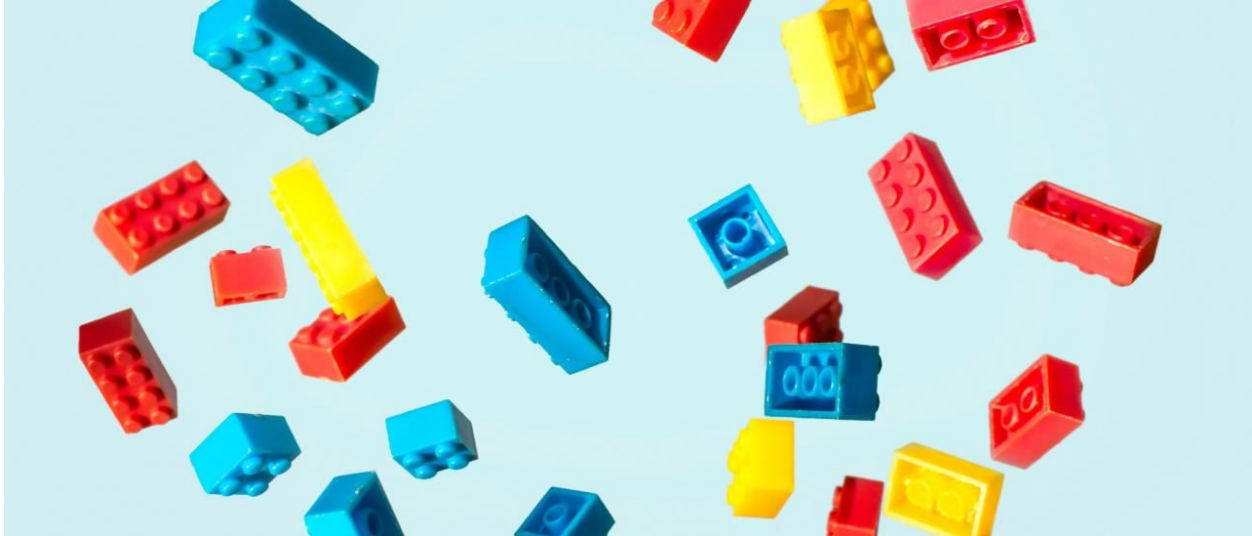


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# How to Dismantle Hierarchies in Teams



By INSEAD Knowledge with Michael Y. Lee , INSEAD

## **Why teams often fail in their attempts to “go flat” and how they can set themselves up for success.**

Rigid hierarchical team designs – once the de facto way of structuring organisations – seem to have fallen out of favour with many contemporary organisations and knowledge workers. In recent years, prominent firms including Google, Netflix and Meta have embraced a **decentralised approach**, where authority is more evenly distributed between team members instead of concentrated among a few senior leaders.

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A key benefit of decentralisation is that it empowers workers with greater autonomy. Besides allowing for more nimble and efficient decision-making, which could accelerate processes and improve operations, it can also foster creativity and facilitate idea generation, as well as improve job satisfaction among staff.

However, making the switch is by no means easy. Companies trying to do away with rank-based authority often encounter a myriad of operational setbacks and human challenges. These range from having to juggle multiple change initiatives to managing resistance from employees and redefining the firm's leadership model.

In this podcast, Michael Y. Lee, Assistant Professor of Organisational Behaviour at INSEAD, explains the difficulties of dismantling organisational hierarchies. He unpacks the reasons why firms can fail in their bids to **jettison hierarchies**, with teams eventually reverting, either formally or informally, to rank-based structures and old ways of working. He also recommends two key practices that firms can adopt in their decentralisation journey: bounding authority and grounding authority.

As Lee says, decentralisation is not a one-time structural change. Organisations should approach it as a continuous and dynamic exercise – one that requires the constant navigation and neutralisation of the forces and tensions that drag teams back towards **hierarchy**. By adopting a learning orientation and embracing the complexity of the process, firms can ensure the long-term success of any attempt to shift and maintain new power dynamics.

*Michael Y. Lee directs the **Collaborative Leadership** programme at INSEAD, where participants learn more about this new leadership approach.*

#### **Find article at**

<https://knowledge.insead.edu/leadership-organisations/how-dismantle-hierarchies-teams>

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#### **About the author(s)**

**INSEAD Knowledge** is the expert opinion and management insights portal of INSEAD, The Business School for the World.

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#### **About the research**

**“Enacting Decentralized Authority: The Practices and Limits of Moving Beyond Hierarchy”** is published in *Administrative Science Quarterly*. **“Self-managing organizations: Exploring the limits of less-hierarchical organizing”** is published in *Research in Organizational Behaviour*.