Hierarchical or Egalitarian? The Advantages of Hierarchy

Key Concept

While hierarchies can be used by people in power to control others, new research indicates hierarchies also help people in lower positions to feel a sense of control and order in their lives. Change agents who are flattening hierarchies to create leaner, more effective organizations must make sure that they don't unintentionally undermine this sense of order.

Idea Summary

Hierarchies have been taking a bad rap. The mantra for a number of years has been to 'flatten' the organizations. Hierarchies were not only seen as inefficient, but worse: as a mechanism for the outdated belief that leaders must 'control from the top down'. In place of hierarchies, flat organization advocates argued for a more egalitarian structure in which, for example, decision-making was distributed throughout the company rather than be hoarded by top management.

Through a series of seven empirical studies, a team of researchers have revealed that the prevailing wisdom about hierarchical and egalitarian organizations may not tell the whole story. It's certainly true that hierarchies fulfil top-echelon leaders' psychological need for power and status. But hierarchies, the research shows, also serve an important psychology function for those who are not in power: to compensate for a lack of personal control, or the threat of a loss of control, in their surroundings by offering some sense of clear, orderly and predictable structure.

When for whatever reason, people feel that they are not in control over the events or situations around them, they take comfort and a sense of control from the hierarchy. Through the hierarchy, they find the logic and order that would be missing otherwise. They also find comfort in the status quo that the hierarchy represents.

There are some caveats. The first is that the hierarchy
must indeed be structured. The compensatory sense of control that people take from hierarchies is lost if there is disorder or randomness in the hierarchy.

The second caveat is that the hierarchy must be one that is fair and just. Hierarchies led by inconsistent, fickle leaders will fail to fulfil a compensatory function for those who feel their personal control threatened.

**Business Application**

While many leadership theorists might assume that anyone below C-suite level would enthusiastically welcome the flattening of hierarchies, the truth is more complicated. Leaders who are restructuring an organization into a more ‘egalitarian’ model must not lose sight of the psychological comfort and sense of control that structure provides. If the hierarchy is going to be flattened, the change agents must clearly highlight that:

- There will still be structure in place, only it will be simplified; and
- There was unpredictability and disorderliness in the previous hierarchy that will be eliminated.

Moderation, as always, is more convincing than the extreme. Hierarchies can be an efficient structure for completing tasks, but can also be rife with unfairness. The best leaders will recognize the advantages and disadvantages of both hierarchy and egalitarianism and strive to create the organization that builds on the best of both.

**Further Reading**


**Further Relevant Resources**

Justin Friesen's personal website
Aaron Kay's profile at The Fuqua School of Business
Richard Eilbach's profile at University of Waterloo
Adam D. Galinsky's profile at Columbia Business School
The Fuqua School of Business Executive Education profile at IEDP
Columbia Business School Executive Education profile at IEDP