LEAD+Insights

NEW ORGANIZATIONAL FORMS

New Organizational Forms

Dear Reader,

TEAL, agile, sociocracy, humanocracy, holacracy, and self-managed organizations. Most of us have probably encountered these new organizational forms, as they are becoming increasingly prevalent in both the public and the private sectors.

The enthusiasm is typically high when reading about renowned organizations like Buurtzorg, Spotify, and Patagonia, which have all succeeded in organizing themselves in new and innovative ways. In practice, however, the experience often differs significantly. This is because adapting a successful approach from one context to another can be challenging, given the significant role of context and culture.

In this edition of LEAD Insights, we provide a more pragmatic and nuanced portrayal of the new organizational forms than what is often found in the enthusiastic leadership books from across the Atlantic.

The new organizational forms indeed offer significant and exciting potential, but they also require adaptation to your own organization.

There are two balance points that are especially important to consider before implementing new organizational forms. The first is *1) the balance between centralization and decentralization:* How much mandate can be distributed across the organization, and for what purpose? Many new organizational forms seek to broadly share decision-making mandates, but this comes with both clear opportunities and (often overlooked) challenges. An alternative starting point is to promote influence, where more people can be seen and heard, without necessarily holding a formal decision-making mandate.

The second balancing point is *2) the balance between autonomy and community,* which requires careful attention and consideration in the new organizational forms. Often, there is a strong desire for more freedom and autonomy, but without proper attention, this can impact community and collaboration in a negative way. Therefore, it requires a focus on shared direction and coordination, but without stifling engagement and autonomy.

Finding the balance between centralization and decentralization, as well as autonomy and community, will depend on the culture and context. These balancing points shov how succeeding with new organizational forms requires more than following an alluring organizational formula.

You can read much more about how to approach this in this month's edition of LEAD insights.

Enjoy!

Thor Molly-Søholm, CEO at LEAD

What Characterizes the New Organizational Forms?

There is a lot of hype about new organizational forms, with terms like Agile, TEAL, Sociocracy, and similar concepts.
In this article, we provide an overview of some of the most popular and widespread organizational forms, explaining their key characteristics and how they differ from one another

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Over the past decades, new and less hierarchical organizational forms, such as Agile, TEAL, and Sociocracy, have emerged in both private and public organizations. These new organizational forms can be seen as a shift away from the more traditional ways of organizing, which have been rooted in a mechanical, functionalist, hierarchical, and bureaucratic understanding, where control, management, functional silos, top-down decisions, and unequal power distribution between leaders and employees have been some of the foundational principles. Instead, the common denominator of these newer organizational forms is their focus on people, systemic thinking, distributed responsibility, and collaboration. The goal is to unlock human potential to enhance well-being and improve organizational performance.

In the box below, we explain some of the main characteristics of three of the most widely discussed and popular organizational forms.

1. Agile Organizations

Agile organizations share a common foundation in the "*Agile Manifesto*," which emphasizes people and interactions, handling changes, and collaborating with the customer or user over rigid adherence to plans, contract management, and extensive documentation. In practice, this means working more iteratively and incrementally within self-organizing teams, which follows a series of structured developmental processes aimed at achieving gradual and rapid deliveries and improvements. Leadership and decision-making are more embedded within the self-organized team, which holds a shared responsibility to ensure progress and constructive collaboration.

2. TEAL-Organization

The principles of TEAL are primarily promoted by author and consultant Frederic Laloux. He describes how many modern organizations increasingly replace formal hierarchy with self-organization, decentralized responsibility, and shared leadership. Laloux further highlights holistic thinking, where employees can bring their full selves to work and connect more organically with each other to tackle tasks with genuine motivation and interest. There is also a focus on an evolutionary purpose, where the organization and its employees continuously adapt to meet an inherent purpose of creating a positive and meaningful impact on people, society, and the planet.

3. Sociocratic Organization

The fundamental organizing principle in sociocracy is a circular approach, where self-organizing teams collaborate and make decisions together. These circles of teams continuously interact and distribute responsibility, decisions, and direction in a democratic manner. Continuous feedback and learning are also crucial, allowing both employees and the organization to develop over time. This is an organizational form that highly values collaboration, involvement, transparency, and influence.

Four Common Traits
- Organization comes in many forms and expressions

In Denmark, agile organization is primarily seen in private companies–particularly within IT departments. TEAL organization is often found in elder care and service organizations, working with self-organizing teams and holistic thinking to bring services and purpose closer to customers, citizens, and patients. Sociocratic organization can be seen, for example, at the Job, Activity, and Competency Center in Gentofte Municipality (JAC), where employees and leaders work together to achieve consensus and make shared decisions regarding strategy, wages, hiring, and finances.

However, many organizations utilize a more pragmatic approach, adopting "the best of both worlds" and adapting it to their own context. Most organizations also retain elements from more traditional leadership and organizational forms while experimenting with new organizational approaches in selected areas or departments. In practice, new organizational forms come in many different shapes and expressions, but what common traits do they share?

1. A Lesser or Non-Existent Formal Hierarchy

A flatter hierarchy can either mean removing formal leadership layers or distributing leadership roles among multiple people. The goal is to reduce or eliminate reporting and power structures between leaders and employees, creating greater autonomy and authority for individuals or teams. Simply put, a common trait of new organizational forms is that the leader is not the only one directing and setting the course; rather, this happens more collaboratively among employees, each with their own responsibility and mandate.

2. Decentralized Decisions

Another common trait is shifting decision-making and mandates within the organization–not only downward but also across different parts of the organization. This stands in contrast to a hierarchy, where decisions are typically made at the top or in smaller leadership groups, who then pass them down the hierarchy for execution. The purpose of decentralized decisions is to move decisions to where the expertise, knowledge, and skills are. To use a simple example: a caregiver is most likely the best person to assess whether a client needs care, a conversation, or a walk. This decision does not require KPIs, bureaucracy, or a leader's perspective.

3. Self-Organizing Teams

New organizational forms typically focus on cross-functional and self-organizing teams, which have greater autonomy in deciding what to work on, how to do it, and who should do what. The team-centric focus aims to enable more flexibility, efficiency, and innovation, both internally and externally with clients or citizens. For instance, an agile team decides how a product should be developed and function, by drawing on their expertise and understanding of the user needs.

4. Flat but Clearly Defined Structures

A common misconception is that new organizational forms lack structure. However, this is indeed a misconception, as self-management and self-organization require explicit focus on structure and formalization. Structure is necessary to succeed with decentralized decisions, shifting roles, and distributed leadership. Most successful flat organizations have strict processes and procedures for collaboration, roles, responsibilities, and decision-making. Only with this level of clarity can employees understand where authority and mandates lie.

Differences and Similarities
Among Organizational Forms

Based on these common traits, we use "new organizational forms" as an umbrella term for organizational and leadership logics that strive for flatter hierarchies, decentralized decision-making and responsibility, greater self-leadership and self-organization, as well as a clear structure and formalized procedures for collaboration and processes.

We illustrate the differences and similarities among these organizational forms as follows:

	The Traditional Organization	The Agile Organization	The TEAL-Organizaion	Sociokratisk organisering
Fundamental Logic	Analysis, prediction, control, and stability – creating value for shareholders.	Circular and iterative – customer focus and speed take precedence over documentation and control – fostering innovation.	Organic and purpose-driven – creating a positive and meaningful impact on people and the planet.	Inclusive and democratic – creating meaning through democratic involvement and consensus decision-making.
Governance Model	Centralization of decision-making power at the top of the hierarchy – top-down decision flow.	Centralization of vision and strategy. Decentralized breakdown into self-organizing multidisciplinary teams that work iteratively.	Dismantling of formal hierarchy, decentralization of decisions, self-leadership, and self-organizing teams.	Dismantling of formal hierarchy, democratization of decision-making processes through involvement, consensus, and consent.
Perspective on Leadership	"Command and control" – the leader sets direction, manages, makes decisions, and drives results.	"Servant leadership" – the leader supports, coaches, removes obstacles, and facilitates the team's collaboration and success.	Self-leadership and self-organizing teams replace formal hierarchical leadership.	Leadership is something we produce together in committed democratic communities.
Perspective on Employees	The employee is viewed as a resource that is incentivized by reward and punishment structures.	The employee is a creative agent motivated by meaning, mastery, and participation.	The employee is a purpose-driven agent motivated by expressing their whole self and connecting with other people and the planet.	The employee is a democracy-driven agent motivated by active participation and meaningful communities.

New Organizational Forms
Arise from new expectations

There can be many reasons why more people are gravitating towards new organizational forms. For instance, increasing competition, digitalization, and complexity have significantly propelled the rise of agile organizational models. Additionally, we see that sustainability, ESG (Environmental, Social, and Governance), and triple bottom lines have truly gained traction. This means that many want to work in places that leave sustainable footprints on society. Consequently, they are turning to TEAL organization, which is holistic and focuses on business, employee well-being, and development, as well as the opportunity to make a positive difference in the community.

Furthermore, we observe a humanistic ideal that's being driven by rising expectations to create workplaces that better accommodate the entirety of life. This is evident through flexible working hours or a four-day workweek. Lastly, the incidence of stress, dissatisfaction, and burnout continues to rise in society, which organizations must address.
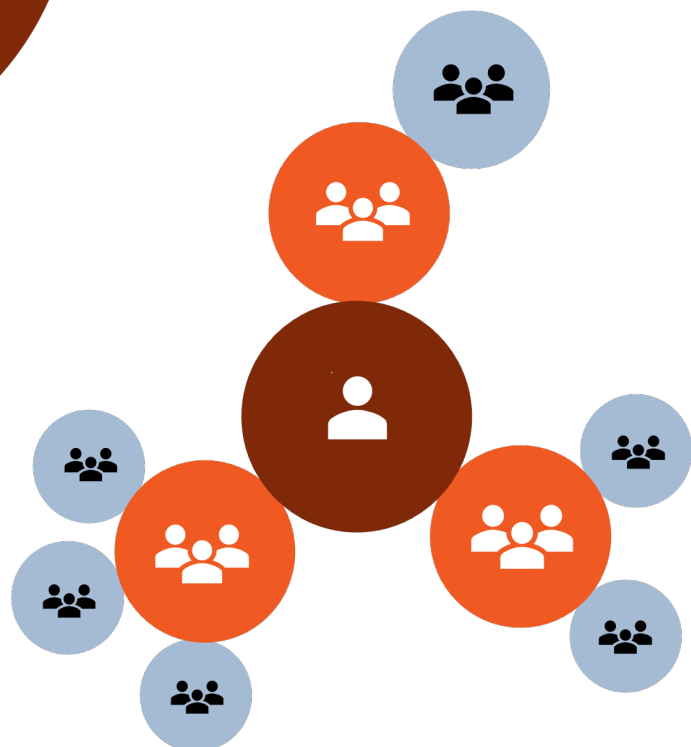
These trends impose new and greater demands on how we organize ourselves. Thus, the new organizational forms can become part of the solution, as they aim to liberate individuals and create organizations that more effectively evoke the best performance from people.

Agile organization
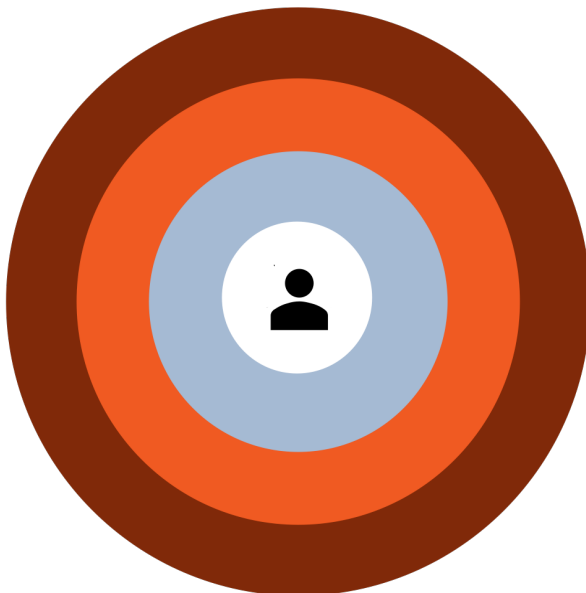
TEAL-organization

Sociocratic Organization

Research-Based Conference

The Attractive Workplace

Gain insights from and receive a copy of the new book

"Help, We're Short on Colleagues: How to Create the Attractive Workplace"

By 2030, the Danish labor market will be short of 90,000 employees. Solving this issue requires new perspectives and actions. Otherwise, in just a few years, we will face such massive workforce challenges in significant parts of the public sector that we will no longer be able to deliver on basic welfare areas such as health, education, childcare, and elderly care.

With an increasing proportion of older employees nearing retirement age, there will be a greater need to attract and retain younger workers. At the same time, it may become more difficult to retain experienced employees who have built up valuable knowledge and expertise throughout many years in the public sector. Therefore, we must rethink our public workplaces to make it more appealing for more people to contribute, and we must reimagine how we adapt organizations to a future with rising expectations for welfare and fewer individuals to deliver it.

At this conference, you will receive the latest research-based knowledge on what characterizes an attractive public workplace, as well as tools to strategically address attraction, retention, and adaptation.

Content
The conference consists of presentations, discussions, and practice-oriented workshops that will enable you to:
- Work strategically to create an attractive workplace based on the holistic model for the attractive workplace.
- Map out which areas of focus your organization should work on.
- Utilize best practice examples to rethink how your organization can expand its workforce or reduce the need for labor.

Authors and Speakers

Cecilie Pedersen
Chief Consultant at LEAD

Claus Elmholdt
Director and Founder of LEAD

Christian Nyvang Qvick
Partner at LEAD

Conference Dates and Program

Cecilie Pedersen, Claus Elmholdt, and Christian Qvick will guide you through the day. The professional content will be based on their upcoming book *"Help, We're Short on Colleagues: How to Create the Attractive Workplace."*

We will hold the conference on the following dates:
- November 26, 2024, in Copenhagen
- February 19, 2025, in Aarhus

Want to know more?

Click here to read more about the conference.

Time	Content	Facilitator
08.30 - 09.00	Arrival & Breakfast	Claus Elmholdt, Director and Founder of LEAD
09.00 - 11.00	The Holistic Model for the Attractive and Innovative Workplace – How to Attract and Retain Employees	Claus Elmholdt, Director and Founder of LEAD
11.00 - 11.15	BREAK	
11.15 - 12.30	Professional Recruitment Processes and Systematic Onboarding of New Employees	Christian Qvick, Partner at LEAD
12.30 - 13.15	LUNCH	
13.15 - 14.30	Work-Life Balance	Cecilie Pedersen, Chief Consultant at LEAD
14.30 - 14.45	BREAK	
14.45 - 16.00	Professional Communities in a Flexible Working Life	Claus Elmholdt, Director and Founder of LEAD
16.00 - 16.15	Wrap-Up	Claus Elmholdt, Director and Founder of LEAD
16.15 - 17.00	Wine & Informal Networking	

Getting Started with Flattening the Hierarchy

Organization is no longer synonymous with hierarchy. New organizational forms are becoming increasingly popular. Before you get dazzled by the enthusiastic messages from well-crafted international management books, however, there are several considerations regarding purpose, culture, and implementation that you need to think about to effectively flatten the hierarchy.

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Organizations have been synonymous with hierarchy for so long that it almost seems like a natural law; however, it is indeed possible to organize in other ways that are flatter and more self-managing. And there are in fact compelling reasons for doing so. In this article, we explore what you should consider if you want to flatten the hierarchy and distribute leadership among more people.

The "So ein Ding" Trap
The first consideration is obvious but often overlooked. Start by thoroughly asking yourself: *"Why should we even organize differently? Is there a real need, or are we too influenced by what others are doing or what organizational trends dictate?"*

If you fail to start by asking these questions, you risk falling into the "so ein Ding" trap. Here, one becomes dazzled by the incomparable potentials that always seem crystal clear on a polished PowerPoint slide or in a well-written management book. However, the actual road to achieving these potentials is always more winding. A helpful way is to carefully, boldly, and honestly consider why you want to embark on this journey—and how a flatter organizational form could potentially better promote the organization's purpose, strategy, and goals than a more hierarchical structure.

As you embark on this journey, consider whether you wish to become more agile, faster, and efficient? If so, *agile organizing* might be the solution. If you aim to create a more humanistic organization where inclusion, responsibility, and autonomy serve as levers for well-being and better collaboration, it may be worth looking into *humanocracy*. If the organization's purpose and sustainability are important, then *TEAL* or *regenerative leadership* are excellent options.

The decision involves choices and trade-offs—every

organizational form has its strengths and limitations. This also applies to flatter organizational structures. Start off well by considering why a flatter organization is the answer to your organization's needs and challenges.

Context and Culture Cloud the Picture

The leadership literature is replete with outstanding examples of flat and self-managing organizational forms—Buurtzorg, Morning Star, Valve, Patagonia. The list is long. However, it often becomes more challenging when organizational models are taken out of their original context and applied uncritically in a different culture and context.

Consider the following example: Buurtzorg is a private company that is hard to compare with Danish municipal home care services, where bureaucracy, new public management, and political winds influence the conditions, frameworks, and opportunities to act both holistically and self-managing. Thus, it calls for a good dose of pragmatism to be meaningfully inspired by Buurtzorg in the context of a public sector.

The point of the example is that many flat organizational forms are difficult to translate and adapt to organizations that have a markedly different context or culture. Transforming an old, established hierarchical organization into a fluid organism where self-managing teams freely work towards an evolutionary purpose is challenging. So, while there is much to gain, it is risky to underestimate your own context and culture when you aim to flatten the hierarchy.

Implementation: Big Bang or Ripples in the Water?

So far, so good. Let's look at the advantages and disadvantages of three distinct methods for implementing a flatter organizational structure.

1. The Spark Approach

This approach involves selecting a department or team to trial a flatter or more self-managing way of organizing. It could be the whole package, but it can also involve introducing or testing smaller elements, such as self-organizing teams or working on tasks that benefit people, society, or the world. You have to start somewhere. This is a small and pragmatic implementation that creates space for practice and learning.

The advantage of this approach is that it comes with less risk. It doesn't cost much to experiment. Furthermore, the implementation often stems from bottom-up initiatives that contain significant motivation and engagement. For this reason, there is a good chance that others in the organization will

be inspired.

A disadvantage can be that it is difficult to isolate a department from the surrounding hierarchical organization. Thus, the 'spark' risks being extinguished quickly due to a lack of support from the established leadership system.

2. The Ripples-in-the-Water Approach

In this approach, a specific area within the organization is selected to implement a flatter and more self-managing organizational form. Here, the entire area is reorganized, and new leadership roles and workflows are defined. Following that, space, time, and resources are created to support the new organization. Ideally, time is spent learning, adapting, and becoming wiser along the journey. In this manner, the organizational form is optimized and tailored to the culture of the area. At the same time, you gain insights into how it might spread or interact with other parts of the organization. The key difference between the 'spark' approach and the 'ripple effect' approach is that the latter is strategically initiated and driven by (top) leadership, while the former tends to emerge more organically from within the organization.

The advantage of the 'ripples-in-the-water' approach is that hopefully, through this conscious initiation, a sufficiently large wave is created for the organizational form to develop

and find its place. If executed well, it will spread favorably because of to attention, resources, and the need for change.

The disadvantages are that a larger reorganization can conflict with other areas of the organization, which may feel pressured or frustrated because the two organizational forms seem incompatible with regards to leadership, workflow, and culture. This requires great attention to interfaces, collaboration, and polarization between the different organizational forms. Additionally, a new organizational form can quickly become positioned as the 'good one', while the previous forms are viewed as outdated, creating a sense of "*us vs. them.*"

3. 'Big bang' Implementation

With big bang, a new organizational form is rolled out across all or most parts of the organization. This means many changes at once and over a long period. Such 'big bang' implementations are rare, but they do occur. Oticon and their world-famous spaghetti organization are probably the most notable Danish example. Nuuday also did this with their *enterprise agile organization.*

Big bang implementation redefines the organization, splits up departments, and transforms leadership roles. It often combines significant changes in workflows, strategy, and purpose.

The advantages of this approach are that it allows

for a fresh start. It shakes up the old by creating entirely new structures that can hopefully change both culture and behavior, thus potentially creating better conditions for the organization. Many theories on flatter organizational forms postulate that a radical and total transformation of the organization is the only way forward if you want to succeed; the old must be uprooted.

The disadvantage is that it is costly, burdensome, and entails a significant risk of making mistakes that may have been overlooked. You start with the structure, which is natural. But it can quickly become an empty shell if you do not know how to lead, who is responsible, or how to collaborate. It takes time to fill it out. However, time is often a scarce resource. The last disadvantage is that you have designed and structured a new and flatter organization that may not even fit its purpose.

How do we maintain a sense of community when half of our employees are working from home?

Some organizations have started to require employees to return to the workplace physically, fearing that remote work undermines collaboration and cohesion. However, this is not the solution to the freedom vs community dilemma, which should instead be viewed as a both-and rather than an either-or.

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One question has become increasingly relevant for leaders in recent years: How do we foster strong, trustful bonds and social support in our collegial communities when we organize in a way that has half of our employees working from home several days a week? For some leaders, the solution lies in granting employees complete freedom, while others have begun to limit or even eliminate remote work options out of fear that it will negatively impact collaboration and performance.

However, for the vast majority, this question reveals a paradox between freedom and community. This means a desire to achieve both at the same time, which will always come with certain strains. Many of us value the freedom to work wherever and whenever we choose to. At the same time, most of us also wish to be part of a strong and committed community at work.

Today, the reality for an increasing number of collegial communities is that they are trying to navigate between community and freedom. At first glance, these may seem like two poles that are difficult to reconcile, but attractive workplaces offer both individually flexible work arrangements and social support within collegial communities.

Both aspects are essential for employees' attachment to the workplace but also contain an inherent contradiction. It is a delicate balancing act that calls for continuous reflection, action, and adjustment. Therefore, the key questions to explore is: How do you, as a leader, support social support in collegial communities when work and organizational forms become more flexible? And how do you, as an organization, prevent these flexible communities from becoming unstable with a low degree of social support and shared commitment? We will attempt to answer

these two questions in this article.

Strengthen Spontaneous and Informal Dialogue

The first overarching initiative you can work on is to create structure for social support. It is well-documented that a lack of physical presence can reduce the spontaneous and informal conversations that typically take place at the coffee machine or over lunch.

Face-to-face interaction is crucial for building trust and understanding among colleagues. This interaction also contributes to creating a solid foundation for social support in collegial communities. To achieve this, it is necessary to consciously and systematically create space for social support and the building of trusting collegial relationships.

Specifically, this can be done by allocating time during meetings for spontaneous and informal dialogue and knowledge sharing. You might also start the day with a brief digital check-in within the team, where everyone is present in spirit, even if they are geographically apart. Another option is to structure the week so that there is a clear distinction between shared physical meeting days and individually flexible days, where employees decide for themselves where and when they work. Additionally, it may be necessary to consider onboarding programs, networking groups, or professional knowledge groups that ensure both new and more experienced employees have regular touchpoints with other colleagues. Finally, you can foster closer connections among employees through "mentor or buddy programs" that help establish tight social bonds.

The second main initiative involves discussing the balance between individual and collective needs. Greater flexibility in how people work can reduce the social support and care that some employees

especially rely on from their colleagues. Instead, these structures can lead to feelings of professional isolation and loneliness.

For this to happen, a psychologically safe space must be created for conversations about individual differences in preferences and needs, as well as dialogues about how you can collectively create inclusive, engaging, and present communities.

It should be equally acceptable to express a longing for physical presence and informal sparring with colleagues in daily life as it is to say that one appreciates the freedom to determine how to best structure one's workday – even though the preference for complete freedom is evident in many new organizational forms.

At the core is the need to establish a space for meaningful conversations about how you can best secure the conditions for a strong collegial community in a more flexible and liberated work life. There is no single right way to do this; it will depend on individual, cultural, and contextual factors.

Less Hierarchy and More Community

In recent decades, there has been a growing challenge to traditional organizational forms. These are based on a predominantly mechanical,

functionalist, and hierarchical understanding. Here control, governance, functional silos, top-down decision-making, focus on individual performance, and unequal power dynamics between leaders and employees are fundamental conditions.

Common to the new organizational forms that are emerging and challenging the traditional ones is that they strive for flatter hierarchies and a higher degree of self-leadership and self-organization. This is achieved by promoting increased collegial support, connectedness, and collaboration in teams, as well as more distributed responsibility in the work.

Studies show that higher levels of employee satisfaction, engagement, and well-being can be attained when inspired by these organizational approaches. The self-organizing, tightly knit, and stable team is central to new organizational forms. Committed collegial working communities are thus a key element of these new organizational forms, while individual performance, formal leadership, and organizational boundaries are de-emphasized.

These new organizational forms particularly focus on supporting and leveraging the potentials within collegial communities. This shared commitment to one another can potentially strengthen collaboration on shared tasks. The approach often enhances the experience of help, support, and collegial presence, as the team increasingly works together as a community – even while enjoying greater freedoms to organize their work. It is thus also possible to organize for greater connectedness and collaboration, which can benefit both the community and the individual freedom and flexibility.

The optimal solution for balancing freedom and community should therefore not be viewed as an either-or dilemma, but rather as a paradox in which the tensions can be navigated through a thoughtful and context-specific both-and approach.

Leadership Networks

The Attractive Workplace

Join LEAD's Network for the Attractive workplace

There are many myths and partial truths about what measures truly matter when organizations seek to attract and retain employees. The fact is that projections indicate a shortfall of 90,000 workers in the Danish labor market by 2030. This issue affects both the public and private sectors.

   The solution to this problem requires new perspectives and new actions. Otherwise, in a few years, there will be such massive challenges with labor force shortages that the public sector will no longer be able to deliver on essential welfare areas such as healthcare, education, childcare, and eldercare. Meanwhile, the private sector will miss out on significant revenue – already this year, the lost revenue exceeds a three-digit billion amount.

Focus Areas of the Network
In this network, we work with both the latest practical experiences and the best knowledge from research.

Attraction and Retention:
Learn how to create a culture that attracts the right employees.

Engagement and Feedback:
Gain insights into how feedback and learning promote employees' professional and personal development.

Flexibility and Inclusion:
How can flexible working arrangements and diversity contribute to a robust workplace?

Target Audience
This network is designed for leaders, HR professionals, and consultants who wish to work in-depth on leadership development in a time where the labor force challenge requires new solutions across sectors.

Benefits
As a participant, you gain access to a professional community that inspires and provides concrete tools that can be translated into action. Together, we develop a sustainable workplace culture that meets employees' needs, enhances their skills, and supports well-being and results.

Network Director

The network for the attractive workplace has a dedicated network director, Kim Martin Nielsen, partner at LEAD.

Kim has 22 years of experience as a coach, consultant, and educator in various areas, with leadership and professional conversations as a central theme.

Kim's expertise lies in leadership development, often based on Leadership Pipeline theory. Here Kim works on clarifying leadership profiles, transitions into new leadership roles, and developing leaders' interactions across the leadership chain.

Want to learn more about Kim? Click here.

Want to know more?

Click to receive additional information about the network.

Potentials and Pitfalls of New Organizational Forms

When hierarchies are flattened, they can enhance well-being and help create attractive workplaces that skilled employees are drawn to. However, it can also create uncertainty about where power truly lies and who makes what decisions. In this article, we will explore the potentials and pitfalls of new organizational forms.

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There is, for good reasons, a growing focus on new organizational forms in recent years. The potential benefits of a flatter, self-managing structures are significant, both in terms of well-being, sustainable working lives, and creating attractive workplaces that can attract and retain employees.

However, amidst the enthusiasm, a dose of realism is necessary. No organizational form is perfect. There are both opportunities and pitfalls, and it's crucial that you are aware of them so that you don't get swept away by the hype. Instead, you need to know what to pay attention to if you wish to flatten the hierarchy in your organization. We'll guide you through that in this article.

The common themes of new organizational forms broadly include a greater focus on flatter hierarchies, self-organized teams, self-leadership, and distributed responsibility. Many of these shared characteristics align well with important factors for enhancing well-being and improving performance at work. Let's look at the potential embedded in these new organizational forms:

1. Influence and Autonomy

Across new organizational forms, a key starting point is to create a high degree of influence throughout the organization. This involves both being engaged in central decision-making processes and enabling employees to have greater say in how they execute and organize their work. Influence is fostered through a focus on self-organized teams that collaboratively prioritize the tasks they deem most important for creating value for customers or citizens. It is then up to the self-organized team to determine who does what and how to best structure the work process.

2. Social Support and Shared Responsibility

In new organizational forms, teams often become the central and essential element, while departments, formal leadership, and organizational boundaries are downplayed. Responsibility is placed within the team, which must collectively uphold this responsibility. This means that the distribution and execution of tasks are not dictated by leaders or top performers. Instead, team members have a say and share responsibility for who handles which tasks and how. This can enhance the feeling of social support and connectedness.

3. Meaning and Clear Purpose

In many new organizational structures, purpose is the most prominent guiding principle. In practice, this means that employees have significant influence on defining how they work most meaningfully with the organization's purpose. Employees continuously renegotiate goals and purposes so they can see themselves in them, creating intrinsic motivation in their efforts to achieve the purpose and embody the values. This can potentially benefit employee well-being as well as the organization, which continuously adapts to the work.

4. Learning and Development

In many new organizational forms, learning, development, and professional support are embedded in the organizational rhythm. For example, there are often numerous learning and reflection sessions aimed at improving both the product and collaboration. This creates space and opportunities for feedback and learning in daily operations, addressing the need for recognition and the desire to feel competent and grow. This can potentially benefit employees' development and well-being, as well as the organization, which continuously adapts to the work.

Overall, new organizational forms hold the potential to promote well-being and prevent stress in Danish organizations, thereby creating more attractive workplaces. A common theme among these organizational forms is that they are based on trust in human capabilities and decision-making - valuing interaction, learning, and collaboration over control, management, and authority. This focus can contribute to influence, social support, greater predictability, and balanced demands in work life, all of which enhance well-being and performance at work.

Pitfalls of Organizational Forms

It's important however to also recognize that the potential for well-being presented by new organizational structures does not imply that these organizations are flawless. There are numerous internal issues, potential conflicts, dilemmas, pitfalls, and embedded challenges associated with these new forms. Here, we highlight some of the most significant ones:

a. Leadership Power May Become Ambiguous

In new organizational forms, hierarchies flatten, and leadership is increasingly understood as a process and a shared responsibility within a collective of individuals working together to ensure common direction, coordinate efforts, and foster commitment . This means less focus on who is leading and more on how leadership is produced collectively. This may or may not involve formal leaders. One advantage of hierarchies is that structural power–defined as power through position, authority, and mandate over others–is clearly distributed. Power is tied to formal positions within the organization, associated with rights and responsibilities to make decisions for others, potentially leading to organizational transparency and clarity. In new organizational forms, structural power can become diluted as formal leadership roles are either removed or distributed among informal leaders, coaches, facilitators, or the collective.

   Whether we like it or not, there will always be power in organizations, but flatter hierarchies and tendencies towards distributed leadership may mean that structural power becomes less clear. As a result, many may find themselves asking, "Who really decides here?"

b. Responsibility Can Become Boundless

The liberating potential of new organizational forms can have the downside of placing (too much) responsibility on the individual or team. This is sometimes referred to as the paradox of freedom: with greater freedom comes greater responsibility. This liberation can potentially accelerate limitless   work, where one never knows when they have succeeded because an external and formal leadership assessment may be lacking. If individuals or their collaborations with colleagues are unable to establish a good balance, self-defined–and thus potentially boundaryless–work can be just as harmful as having narrow constraints and minimal influence on one's work.

   It's therefore crucial to be mindful of when greater responsibility becomes "*too much of a good thing*." If the opportunities presented by responsibility and autonomy aren't managed properly, they can overflow and instead become risk factors, imposing excessive work or responsibility on the individual or team, leading to distress. Additionally, it is important to emphasize that there are significant individual differences regarding the willingness to take on responsibility and be accountable for one's decisions. Some thrive with a high degree of responsibility, while others prefer the responsibility to lie elsewhere.

c. Culture and Structure May Clash

New organizational forms are based on organizational and leadership logics that often differ fundamentally from those of traditional organizations. Through work and education, we are all conditioned to navigate a hierarchical world, which shapes our way of thinking and acting. This hierarchical conditioning is ingrained in most of us and becomes an automatic reaction that we rarely question.

Culture Can Hinder or Promote

To succeed with the new organizational forms or their variants, one must have a keen eye on the existing organizational culture –and how it can both hinder and promote the new potentials and ambitions that one wishes to achieve. It also necessitates being aware of what kind of culture you want to create and how to get there effectively.

It is often seen that new and traditional organizational forms coexist simultaneously, which can lead to numerous tensions and challenges. This may include tensions between centralized or decentralized decision-making. In hierarchical organizations, decision-making authority is centralized around leaders, while in new organizational forms, it is increasingly distributed to self-organizing teams. There may also be tension between having great autonomy while maintaining a common direction, which can become problematic if not managed properly.

In addition to being mindful of culture, it's essential to pay attention to structure when flattening the hierarchy. It is often overlooked that new organizational forms rest on a strong foundation of structure and clear collaboration processes. Structure shapes culture, making it a good starting point to clearly outline the structures of the new organization, the central collaborative processes, and workflows.

Next, it's essential to examine what new behaviors need to be implemented to fill out the structure and, in turn, shape and influence the culture. This is an ongoing process of learning and adjustment. Learning is crucial for effectively flattening the hierarchy, distributing leadership more widely, and involving more people.

New organizational forms have the pitfall of making leaders' mandates more subtle and difficult to pinpoint clearly. This is not inherently negative, but it requires a keen eye to discern when power is constructive and when it is not. Responsibility may also become limitless if it is not supported by structure, roles, and clear processes for prioritization and decision-making. Furthermore, new organizational forms necessitate a pronounced focus on the interplay between structure and culture to avoid tensions, demotivation, and ambiguity.

Together, we elevate people and organizations to the next level so they can make a difference for others and society.

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