AVION CONSULTING

EXECUTIVE PERSPECTIVE

The Great Flattening Is Removing Layers Faster Than It's Redesigning Work

I've watched a board approve this exact move more than once. The math holds up on the slide. It rarely holds up six months later, once the work that layer used to do has nowhere to go.

41%

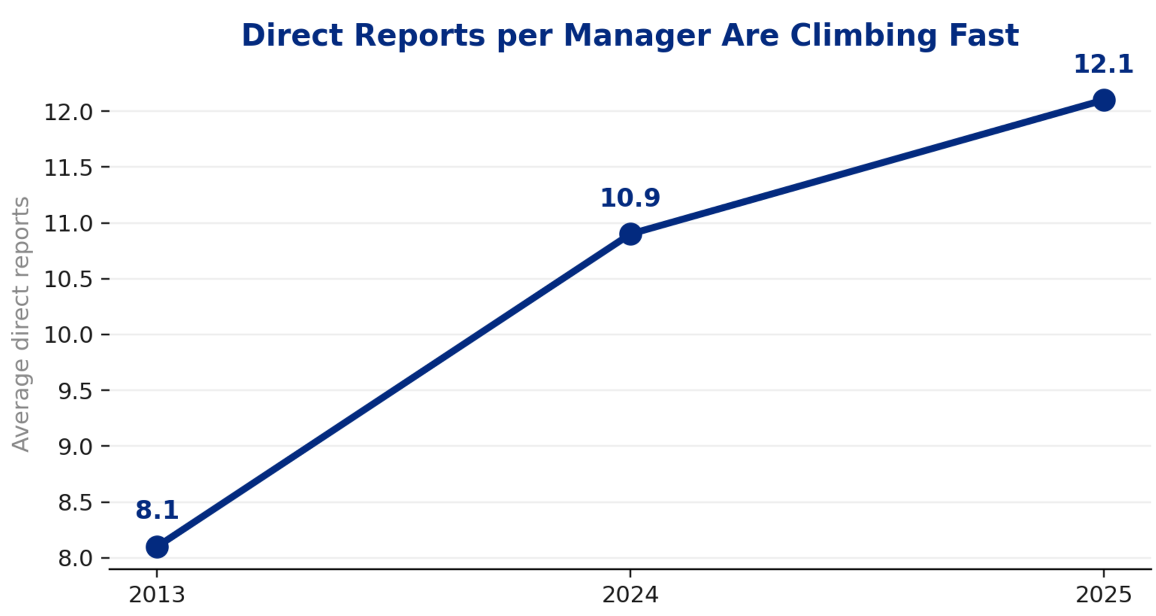
Of employees say their company reduced management layers in the past year

Nazma M. Rosado, MPH, MAOL, PMP
Principal Consultant, Avion Consulting
nrosado@avionconsulting.com | avionconsulting.com

A Move I've Watched Boards Make Before

Delayering is not new, and I do not say that as an academic observation. Firms began aggressively shrinking management layers in the late 1980s and through the 1990s, General Electric under Jack Welch being the case everyone still cites, compressing nearly a dozen layers between the CEO and the factory floor down to four or five. What is different this time is the technology doing the cutting and the branding wrapped around it: the great flattening, the great unbossing, language that makes restructuring sound like liberation rather than what it actually is.

The scale is real regardless of what we call it. Forty one percent of employees report their company reduced management layers in the past year, and Gartner projects that through 2026, 20 percent of organizations will use AI specifically to flatten their structure, eliminating more than half of current middle management positions.

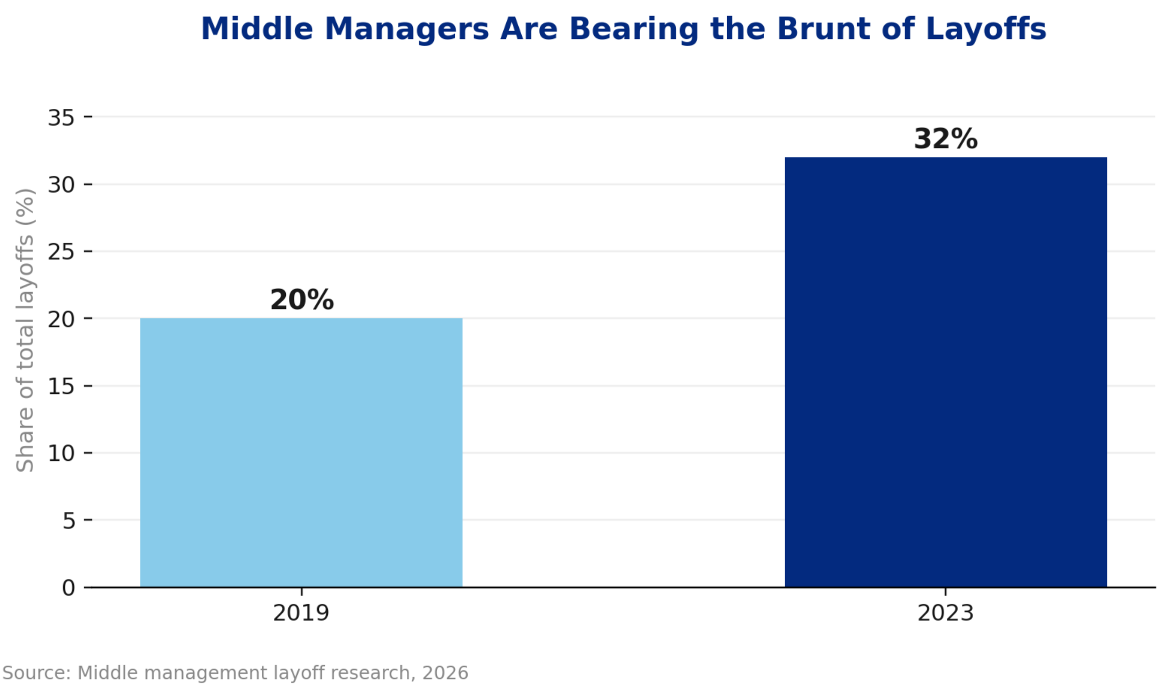


Source: Gallup State of the Global Workplace 2026

Average direct reports per manager have risen sharply as layers are removed.

Who Actually Absorbs the Cut

Middle management has become disproportionately the target. Its share of total layoffs rose from 20 percent in 2019 to 32 percent in 2023, a 60 percent increase in how concentrated the cuts have become at that level. That is not incidental. It reflects a deliberate strategy to reduce overhead by eliminating management roles specifically, rather than spreading reductions evenly across the organization.



Middle management has absorbed a rapidly growing share of layoffs.

The Numbers at a Glance

Metric	Figure	Source
Employees reporting reduced management layers	41%	Korn Ferry, Workforce 2025 Power Shifts Report
Orgs projected to use AI to flatten structure through 2026	20%	Gartner projection
Average direct reports per manager, 2025	12.1, up from 8.1 in 2013	Gallup State of the Global Workplace 2026
Middle management's share of layoffs, 2023	32%, up from 20% in 2019	Middle management layoff research, 2026

What the Slide Never Shows

I have sat in the room when a board approved this exact move, and the slide always tells the same story: fewer layers, lower cost, faster decisions. What the slide does not show is where the eliminated layer's actual work goes. It does not disappear. It lands on whoever is left, usually without a corresponding change to their scorecard, their compensation, or the expectations placed on them. Business is business, and a cost reduction target is a legitimate thing to pursue. But the people absorbing that work are not an abstraction on a slide. They are the managers who show up Monday with the same span of control on paper and twice the actual workload underneath it.

The organizations paying closest attention are finding that overloaded managers do not just underperform. They leave, taking institutional knowledge and team stability with them. Replacing a manager costs considerably more than the salary line suggests, once you count the team disruption during the vacancy and the ramp time for whoever steps in. Treating span of control purely as an efficiency metric misses the cost sitting on the other side of the ledger.

What This Asks of You, Depending on Your Seat

For the CEO

Before approving the next round of delayering, ask a direct question: where is the eliminated layer's work actually going to land? If nobody in the room can answer that with specifics, the plan is not ready, no matter how clean the projected savings look.

For the CHRO

Span of control needs to sit on the same dashboard as headcount and attrition, not surface for the first time in an engagement survey debrief. Once the average span in a function crosses twelve without a corresponding investment in manager support, that function is carrying risk nobody has priced yet.

What Separates This Wave From the Last One

The technology genuinely is different this time, capable of absorbing coordination work in a way nothing in the 1990s could. The organizations that use it that way, redesigning the work deliberately rather than simply deleting the people who did it, are the ones who will make this round of flattening durable. Everyone else is going to rebuild the same bureaucracy in a different, less visible shape, and find that out the hard way, the same way boards did thirty years ago.

References

1. Metaintro, "Why Companies Are Cutting Middle Managers, and What It Means for Your Career," June 1, 2026.
2. Korn Ferry, "Workforce 2025 Power Shifts Report."
3. Gallup, "State of the Global Workplace 2026."
4. Deloitte, "Org chart vs. work charts: Organizational delayering," 2026.
5. Speakwise, "Middle Management Statistics 2026," June 7, 2026.