Reimagining Work

A People and Organizations Hackathon

Professor Melissa Valentine | Stanford University | AOM 2026: PDW

Org Charts Were Built for Human Decision-Making

- **Why organizations use org charts**
- Humans have limited attention, memory, and coordination capacity.
- Org charts divide large decision spaces into manageable chunks.
- Roles, teams, and hierarchies clarify:
  - Who decides
  - What they decide
  - How decisions are coordinated
  - Who is accountable

Example:

- Instead of one person managing an entire product portfolio:
  - Women's Apparel Buyer
  - Men's Apparel Buyer
  - Kids' Apparel Buyer
- Each person owns a smaller, understandable decision space.
- **Core idea:**
  Org charts optimize for human cognition and coordination, not necessarily for globally optimal decisions.

Algorithmic Decision-Making Works Differently

- Algorithms are not constrained by human decision boundaries
- Algorithms can:
  - Evaluate many more variables simultaneously
  - Detect patterns across traditional silos
  - Optimize across multiple teams, products, or customer segments
  - Explore much larger solution spaces
- As a result, the "best" algorithmic recommendation may cut across: teams, product categories, regions, & functions

Example from retail:

- An algorithm may identify inventory combinations that outperform plans created within silos.
- The organizational boundaries that help humans manage complexity can become constraints on algorithm performance.
- **Core idea:**
  Humans need decisions divided. Algorithms often perform best when decision spaces are unconstrained.

Discussion:
Future of the org chart?

- How do we balance the larger decision spaces that most benefit algorithms (for search and optimization) with the small decision spaces that humans seem to need (for curation and accountability)?
- One way to think about this relates to the nature of human-algo hand-offs. What role structures offer the best hand-offs between AI and human decision-making?
- (Under what conditions) does it help or hurt to anthropomorphize AI agents in org charts?