

The Decentralised Mosaic Model: A Structural Framework for Reducing Leadership Entropy in Complex Organisations: Decentralised Mosaic Leadership Framework

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ABSTRACT

As organisations scale, structural coordination failures produce what this paper conceptualises as Leadership Entropy — the progressive loss of decision clarity, authority alignment, and coordination effectiveness. Drawing on practitioner observation across Indian and emerging-economy organisations and the organisational design literature, this study introduces the Decentralised Mosaic Model. Four interdependent structural pillars — Shared Purpose, Transparent Intelligence, Distributed Authority, and Dynamic Alignment — enable semi-autonomous teams to maintain strategic coherence without hierarchical control. Testable research propositions and practitioner diagnostics are offered.

Keywords: Leadership Entropy, Decentralised Mosaic Model, Organisational Design, Decision Architecture, Distributed Authority, Scaling Organisations, Emerging Economies, Coordination Effectiveness

EXTENDED SUMMARY

Organisations operating in India and other emerging economies face a distinctive and acute coordination challenge as they scale rapidly. Unlike firms in mature markets that can rely on developed institutional infrastructure — established capital markets, labour regulations, professional intermediaries — organisations in emerging economies frequently scale with informal structures, thin management layers, and limited governance frameworks. These conditions accelerate the structural deterioration that this paper conceptualises as Leadership Entropy.

Leadership Entropy is introduced as a structural phenomenon distinct from individual leadership failure, bureaucratic rigidity, or organisational decline. It describes the progressive degradation of decision clarity, authority alignment, and cross-functional coordination that occurs when organisational architecture fails to scale alongside complexity. This pattern has been observed consistently across Indian start-ups, family-managed enterprises transitioning to professional management, and rapidly expanding services firms navigating geographic diversification.

The Decentralised Mosaic Model is proposed as a structural remedy. Drawing on the metaphor of a mosaic — in which individual tiles retain integrity while collectively forming a coherent image — the model specifies four interdependent pillars: Shared Purpose, which aligns autonomous decisions with organisational strategy; Transparent Intelligence, which ensures information equity across hierarchical levels; Distributed Authority, which places decision rights closest to operational knowledge; and Dynamic Alignment, which preserves cross-team coordination without rigid structural rules.

The paper provides a four-stage diagnostic framework enabling practitioners to identify the severity of Leadership Entropy in their organisations and calibrate interventions accordingly. Five empirically testable research propositions are offered to guide future scholarship, with particular encouragement for validation within Indian and emerging-economy contexts. The framework bridges academic organisational design theory and practitioner observation, providing both conceptual precision and actionable guidance.

INTRODUCTION

Organisations operating in emerging economies — including India — face a distinctive scaling paradox. Growth opportunities arise rapidly and unpredictably, yet the structural foundations required to sustain coordinated execution often lag far behind. What begins as an entrepreneurial advantage — speed, informality, founder-driven direction — frequently becomes an organisational liability as headcount grows, functions multiply, and geographic footprints expand. The personal authority that once aligned a team of thirty cannot sustain coherence across three hundred people operating across multiple cities and business lines.

After two decades of practitioner observation across Indian organisations — spanning workforce solutions firms, family-managed enterprises transitioning to professional management, technology services companies undergoing rapid scaling, and board-level governance engagements — a consistent structural pattern emerged. Organisations did not fail primarily because of flawed strategy. They failed because decision ownership became progressively ambiguous as complexity grew. Authority structures that were implicit and functional at small scale became unclear and contested at large scale. Information that once flowed informally through personal networks became fragmented and inaccessible as organisational layers multiplied. Leaders who were once decisive became bottlenecks, not because their capability had diminished, but because the organisational architecture surrounding them had not evolved.

This paper names that structural failure Leadership Entropy: the progressive degradation of decision clarity, authority alignment, and coordination effectiveness within scaling organisations. Leadership Entropy is particularly acute in emerging-economy contexts, where organisations often expand through informal structures, thin management layers, and limited institutional support — conditions that accelerate structural decay that hierarchical frameworks cannot prevent (Khanna & Palepu, 1997; Bruton, Ahlstrom & Li, 2010). The phenomenon manifests in organisations across sectors and sizes, but its consequences are most acute in environments where institutional support systems are underdeveloped and where the cost of organisational drag — delayed decisions, misaligned teams, escalating coordination costs — falls directly on competitive performance.

Traditional management literature frequently attributes coordination failure to poor strategy execution or individual leadership inadequacy. Boards replace chief executives. Consultants redesign strategies. Leadership development programmes are commissioned. Yet in many cases, the organisations continue to struggle — not because these interventions are without value, but because they address symptoms rather than causes. The problem frequently lies in organisational architecture rather than individual competence (Galbraith, 1973; Mintzberg, 1979). As organisations scale, their internal complexity grows through additional teams, functions, and decision nodes. Without structural mechanisms that preserve clarity of authority and coordination, Leadership Entropy gradually erodes execution effectiveness — even when individual leaders are highly capable and strategically well-directed.

This paper proposes the Decentralised Mosaic Model: a structural framework designed to address Leadership Entropy by enabling distributed decision-making without sacrificing strategic coherence. The model identifies four interdependent structural pillars — Shared Purpose, Transparent Intelligence, Distributed Authority, and Dynamic Alignment — that collectively sustain coordination in complex, scaling organisations. Together, these pillars create the conditions under which decentralisation enhances rather than undermines organisational effectiveness.

The paper proceeds as follows. Section 2 reviews relevant organisational theory, including an examination of the emerging-economy context. Section 3 introduces Leadership Entropy and a diagnostic staging framework. Section 4 presents the Decentralised Mosaic Model. Section 5 elaborates each of the four structural pillars. Section 6 distinguishes the model from existing frameworks. Section 7 presents five research propositions. Sections 8 through 11 address contributions, practitioner implications, limitations, and conclusions.

While existing organisational theories have extensively examined structure, coordination, and decentralisation, limitations remain in explaining the systemic breakdowns that emerge during organisational scaling under conditions of increasing complexity. Classical frameworks emphasise hierarchical control (Mintzberg, 1979),

competitive positioning (Porter, 1980), and bounded rationality in decision-making (Simon, 1947), yet provide limited insight into the dynamic fragmentation of decision systems observed in rapidly scaling environments.

Subsequent work on organisational sensemaking (Weick, 1995) and adaptive systems has highlighted the importance of shared interpretation and distributed cognition. However, these perspectives do not fully account for the structural misalignments between decision authority, information flow, and coordination mechanisms that lead to execution inefficiencies.

This paper addresses this gap by introducing the concept of Leadership Entropy as a structural condition arising from misalignment across organisational decision systems. The proposed Decentralised Mosaic Model extends existing theory by integrating decision architecture, information transparency, and coordination dynamics into a unified framework for understanding organisational scalability.

LITERATURE REVIEW

Organisational Design and Structural Coordination

Classical organisational design theory establishes structure as the primary mechanism for coordinating complex activities (Mintzberg, 1979; Galbraith, 1973). Hierarchical models have historically managed accountability through formalised authority, standardised processes, and centralised decision-making (Weber, 1947; Thompson, 1967). These mechanisms are effective in stable, predictable environments where tasks can be decomposed, standardised, and assigned to clearly defined roles. However, as organisations grow in size and operational complexity, hierarchical coordination mechanisms become increasingly strained.

Lawrence and Lorsch (1967) demonstrated through their landmark contingency research that organisations operating in uncertain, differentiated environments require more adaptive and less centralised coordination structures. Their finding that effective organisations match their internal structure to external environmental demands remains foundational to organisational design theory. Daft (2015) further argues that increasing organisational size and task complexity generate information-processing demands that exceed the capacity of traditional vertical structures. Information bottlenecks form at hierarchical junctions; accountability becomes diffuse across management layers; strategic responsiveness declines as decisions queue for authorisation. These are the observable symptoms of what this paper terms Leadership Entropy.

In the Indian context, structural coordination challenges are compounded by what Khanna and Palepu (1997) identify as institutional voids — the absence of the regulatory, financial, informational, and market intermediary infrastructure that firms in developed economies rely upon. Indian firms have historically substituted personal networks, family authority, and informal relationships for formal structural mechanisms. These substitutes can be effective coordination devices at small scale but tend to produce significant entropy as organisations expand beyond the span of informal authority. When the founding entrepreneur or patriarch can no longer maintain personal oversight of all significant decisions, the absence of formal structural alternatives produces precisely the coordination degradation described in this paper.

Distributed Leadership

Distributed leadership theory proposes that leadership functions may be shared across multiple individuals rather than concentrated in a single authority (Bolden, 2011; Gronn, 2002). This perspective recognises that complex organisational challenges require coordinated expertise from multiple sources rather than direction from a single leader. Distributed leadership enables organisations to position decision-making closer to operational realities, enhancing both responsiveness and the quality of decisions made in proximity to relevant information.

Gronn (2002) identified distributed leadership as a unit of analysis distinct from individual leadership, arguing that collective leadership activity — the coordinated contributions of multiple actors — produces outcomes that no single leader could achieve independently. Spillane (2006) further developed the concept, distinguishing between formal distribution (explicit delegation) and emergent distribution (organic co-performance), both of which contribute to organisational leadership capacity. In scaling organisations, the shift from concentrated to

distributed leadership is not merely desirable but structurally necessary: no individual leader possesses the bandwidth to maintain personal oversight of a complex organisation's full decision landscape.

However, Bolden (2011) notes an important limitation: distributed leadership requires strong alignment mechanisms to maintain coherence. Without shared purpose, common information, and clear decision boundaries, distributed leadership risks producing fragmentation rather than coordination — multiple individuals making independent decisions that are locally reasonable but collectively incoherent. The Decentralised Mosaic Model directly addresses this limitation by specifying the four structural pillars that sustain coherence within distributed systems.

Networked Organisational Structures

Network-based organisations rely on horizontal relationships and cross-team collaboration rather than strict hierarchical control (Powell, 1990; Snow & Miles, 1992). While these structures increase flexibility and cross-functional responsiveness, they also introduce coordination challenges regarding the maintenance of strategic alignment across autonomous units. In complex network organisations, coordination depends heavily on shared understanding, information transparency, and trust-based authority rather than formal reporting mechanisms (Ouchi, 1980; Weick, 1995).

Powell's (1990) foundational analysis established networks as a distinct organisational form — neither market nor hierarchy — characterised by reciprocal, preferential, and mutually supportive relationships. This form is particularly well-suited to environments characterised by demands for reliability and quality, where the tacit knowledge embedded in relationships constitutes a primary source of value. In the Indian context, network-based coordination is common in business groups, industry clusters, and professional communities — reflecting both institutional tradition and the practical necessity of coordinating in the absence of developed market infrastructure.

The Decentralised Mosaic Model builds on network organisation theory by specifying how organisations can institutionalise the informal coordination mechanisms of network structures — shared understanding, information transparency, trust-based authority — into durable structural pillars that do not depend on the personal relationships of any individual leader.

Organisational Complexity and Adaptive Systems

Organisations increasingly resemble complex adaptive systems in which outcomes emerge from interactions among multiple actors rather than from centralised planning (Anderson, 1999; Uhl-Bien & Arena, 2018). In such environments, traditional command-and-control mechanisms often prove insufficient for timely responses to dynamic conditions. The unpredictability of system behaviour — arising from interdependencies, feedback loops, and emergent properties — means that no central authority can possess the information required to direct all significant decisions effectively.

Complexity leadership theory (Uhl-Bien & Arena, 2018) distinguishes between administrative leadership, which manages formal structure and maintains organisational stability, and adaptive leadership, which enables emergent solutions to complex challenges. Effective organisations require both: administrative leadership provides the structural clarity within which adaptive leadership can operate without producing chaos. The Decentralised Mosaic Model bridges these two dimensions by proposing a structure that enables adaptive responses at the team level while preserving administrative clarity at the organisational level.

Decision-Making Architecture

Simon's (1947) foundational work on bounded rationality established that decision quality depends significantly on the information available to decision-makers and the structures within which decisions are made. Because no individual possesses unlimited cognitive capacity or perfect information, the architecture of decision-making — the rules, norms, roles, and information systems that govern who decides what, under what conditions, and with what information — profoundly shapes the quality and speed of organisational decisions.

March (1991) demonstrated that organisations must balance exploitation of existing capabilities with exploration of new possibilities — a balance that requires deliberate structural design rather than organic emergence. Exploitation-oriented structures tend toward centralisation and standardisation; exploration-oriented structures require greater autonomy and information access. Organisations undergoing rapid scaling in emerging economies frequently face both demands simultaneously: they must exploit their existing capabilities to deliver growth while exploring new markets, products, and operating models. This dual demand places particular strain on decision architecture and accelerates Leadership Entropy when structural adaptation is delayed.

Teece, Pisano and Shuen's (1997) dynamic capabilities framework further argues that sustained competitive advantage in changing environments depends on the capacity to sense, seize, and reconfigure organisational resources — processes that are fundamentally dependent on effective decision architecture. When decision architecture fails to scale alongside organisational complexity, dynamic capability is undermined at the structural level. Leadership Entropy is the predictable result.

Organisational Learning and Knowledge Systems

Argyris and Schon's (1978) work on organisational learning highlighted the importance of information feedback systems in enabling organisations to adapt to changing conditions. Their distinction between single-loop learning — in which organisations adjust behaviour within existing assumptions — and double-loop learning — in which organisations question and revise the assumptions themselves — identifies a fundamental challenge for scaling organisations: as complexity grows, the information required for effective double-loop learning becomes increasingly difficult to surface through hierarchical structures.

Nonaka (1994) demonstrated that knowledge creation requires both explicit information systems and tacit social networks — the former providing codified, transferable knowledge; the latter providing the contextual, relational knowledge that gives formal information meaning. In scaling organisations, the rapid growth of explicit information systems (dashboards, reporting tools, management information platforms) often outpaces the development of the social networks required to interpret and act upon that information. The resulting gap — information availability without interpretive capacity — is a structural condition that the Transparent Intelligence pillar of the Decentralised Mosaic Model is specifically designed to address.

Senge (1990) argued that organisational effectiveness depends on systemic thinking — the capacity to understand how individual actions and structures interact to produce outcomes over time. Systems thinking reveals the feedback dynamics through which Leadership Entropy self-reinforces: as coordination degrades, senior leaders become more involved in operational decisions; their involvement reduces the decision-making capacity of operational teams; reduced team capacity increases dependence on senior leaders; senior leader bandwidth decreases further; coordination degrades more. Structural intervention breaks this cycle by restoring decision capacity at the operational level.

Emerging Economy Context

Organisations scaling within emerging economies face structural challenges that differ materially from those in developed markets. Bruton, Ahlstrom and Li (2010) identify the institutional environment as a critical moderator of organisational design effectiveness, arguing that theories developed in mature institutional contexts cannot be applied without modification to emerging-economy settings. In contexts such as India, structural informality, rapid and often unplanned talent acquisition, geographic expansion into markets with heterogeneous operating conditions, and limited access to professional management expertise create compounding sources of coordination complexity.

India's economic liberalisation since 1991 has produced a generation of rapidly scaling organisations that have grown faster than their structural foundations could support. Technology firms scaling from start-up to multi-thousand-person enterprises within a few years, family conglomerates diversifying into new sectors, and domestic services firms expanding internationally have all experienced the structural coordination failures described in this paper. The common thread is not strategic failure but architectural inadequacy: structures designed for a simpler organisational form that were not redesigned as complexity grew.

The Decentralised Mosaic Model addresses these conditions directly. Its emphasis on transparent intelligence and distributed authority is particularly relevant to organisations operating in information-asymmetric, high-velocity environments characteristic of emerging economies. Its diagnostic staging framework enables practitioners to identify the severity of structural degradation before it reaches crisis point — a capability of particular value in environments where institutional support for organisational renewal (consulting infrastructure, management education, governance frameworks) is less developed than in mature markets.

Leadership Entropy: Concept and Diagnostic Framework

Conceptual Definition

Leadership Entropy describes the progressive degradation of decision clarity, coordination effectiveness, and leadership alignment within complex organisations. The concept draws an analogy from thermodynamic entropy: in closed systems, the natural tendency is toward increasing disorder unless energy is actively applied to maintain structure. Organisations exhibit an analogous dynamic. Without deliberate structural investment in coordination mechanisms, the complexity of a scaling organisation naturally increases while its coordination effectiveness naturally declines.

Leadership Entropy emerges when the architecture governing decision-making, authority distribution, and information flow fails to scale alongside increasing organisational complexity. It is not a single event but a progressive process — beginning with minor inefficiencies that are individually tolerable and collectively overlooked, progressing through identifiable stages of escalating severity, and culminating, if unaddressed, in organisational paralysis or structural crisis.

Critically, Leadership Entropy does not require poor individual leadership. It can emerge — and frequently does — within organisations staffed by highly capable leaders operating within structures designed for a smaller, simpler organisational form. As Burns and Stalker (1961) observed, organic structures appropriate for dynamic environments differ fundamentally from mechanistic structures suited to stable conditions. Leadership Entropy occurs when mechanistic structures persist as organisational complexity demands organic coordination. The structural mismatch, not the individual leader, is the source of the problem.

Leadership Entropy is distinguished from related constructs in the organisational literature. Organisational decline (Whetten, 1980) refers to a reduction in an organisation's resource base; Leadership Entropy can occur in growing organisations with expanding resources. Bureaucratic rigidity (Merton, 1940) refers to the dysfunctional consequences of over-formalisation; Leadership Entropy can occur in organisations with insufficient rather than excessive formalisation. Structural inertia (Hannan & Freeman, 1984) describes resistance to change; Leadership Entropy describes the consequences of change that has not been accompanied by appropriate structural adaptation. Leadership Entropy is thus a distinct construct with distinct diagnostic and intervention implications.

Observable Symptoms

Leadership Entropy manifests through four primary observable symptoms that are frequently misdiagnosed as talent problems, cultural deficiencies, or strategic failures:

- **Unclear decision ownership:** Routine decisions escalate unnecessarily to senior levels, and accountability for outcomes becomes diffuse across multiple roles and functions. When a decision fails to produce the desired outcome, it is unclear who was responsible for making it, reviewing it, or implementing it. This accountability diffusion is not a character failure among leaders; it is a structural failure of decision architecture.
- **Cross-functional coordination delays:** Teams operating in parallel experience increasing friction at coordination points, producing bottlenecks in workflows that span functional boundaries. Marketing waits on product; product waits on technology; technology waits on business sign-off. The delays are not

caused by unwillingness to coordinate but by the absence of clear coordination mechanisms and information-sharing norms.

- **Fragmented information flows:** Decision-makers at operational levels lack access to relevant strategic and operational intelligence, while decision-makers at senior levels lack visibility into operational realities. This mutual information asymmetry produces decisions made with incomplete situational awareness at every level of the organisation.
- **Repeated escalation of routine decisions:** Leaders at senior levels find themselves repeatedly resolving decisions that should be resolved at operational levels — not because they seek to micromanage, but because operational teams lack either the authority or the information to decide independently. The consequence is an increasing diversion of senior leadership bandwidth from strategic to operational concerns, reducing the organisation's capacity for strategic adaptation.

Individually, each of these symptoms can be attributed to individual failure or situational factors. Collectively, they constitute a structural diagnostic: the organisation's coordination architecture has failed to scale with its complexity.

Leadership Entropy Staging Framework

Based on practitioner observation across scaling organisations in India and other emerging economies, Leadership Entropy appears to progress through four identifiable stages, each associated with specific organisational triggers and symptom patterns. The following diagnostic framework is proposed for empirical testing in future research. Practitioners can use this framework to assess the current severity of Leadership Entropy in their organisations and to calibrate the urgency and scope of structural intervention accordingly.

| Entropy Stage | Key Symptoms | Typical Organisational Trigger | Intervention Priority |
|--------------------|---|--|---|
| Stage 1 — Latent | Decisions slightly slower; occasional accountability gaps; senior leaders occasionally drawn into operational matters | Headcount crosses 150; first management layer added; informal coordination begins to strain | Preventive architecture design: document decision rights, establish information-sharing norms |
| Stage 2 — Emerging | Regular escalation of routine decisions; silo behaviour increasing; cross-functional friction becoming visible | Headcount 300–500; multiple functions operating independently; geographic or product expansion | Decision rights clarification; cross-functional coordination forums; transparency tools |
| Stage 3 — Active | Strategic drift visible; people cost rising without output gain; senior leaders consumed by operational issues | Headcount 500+; business unit or geographic expansion; leadership team growth | Structural redesign required; pillar-by-pillar implementation of Decentralised Mosaic Model |
| Stage 4 — Critical | Board-level execution concern; leadership team misaligned on priorities; external stakeholder confidence declining | Major transformation: merger, rapid scaling event, leadership transition, investor pressure | Immediate structural intervention; external facilitation recommended |

Table 1: Leadership Entropy Staging Framework

Exploratory Empirical Validation

Sample and Data Collection

While Leadership Entropy has been conceptually defined, it is important to examine whether it manifests in observable organisational patterns. To provide initial empirical grounding, an exploratory survey was conducted among managers in scaling organisations in India.

A total of 23 managers participated in the study. They were drawn from organisations in sectors such as:

- Technology services
- Recruitment and workforce platforms
- Financial services
- Consumer businesses

All organisations were in a growth or scaling phase, with employee strength ranging from approximately 150 to 2,000 employees.

Participants included:

- Business heads
- Functional managers (Sales, Operations, HR, Product)
- Founders and senior team members

The survey was conducted over a 3-week period using a structured questionnaire. Responses were kept anonymous to encourage honest input.

What Was Measured

The survey focused on four key areas that reflect Leadership Entropy:

Decision Clarity

Whether people clearly understand who is responsible for making decisions.

Escalation Frequency

How often routine decisions are pushed up to senior leadership.

Information Transparency

Whether teams have access to the information they need to make decisions.

Alignment Across Teams

Whether different teams make decisions that are consistent with organisational goals.

In addition, two outcome areas were assessed:

Decision Speed – how quickly decisions are made

Execution Effectiveness – how well the organisation delivers on its plans

A combined score was used to represent overall Leadership Entropy, where higher scores indicate greater confusion, delays, and misalignment.

Key Observations

The responses showed patterns consistent with the concept of Leadership Entropy.

Managers in several organisations reported:

- Frequent escalation of routine decisions
- Lack of clarity on decision ownership
- Delays in cross-functional coordination
- Limited access to relevant information

These patterns were more visible in organisations that had recently expanded in size or entered new markets.

Findings

The analysis revealed a consistent relationship:

- Organisations with higher Leadership Entropy tended to have slower decision-making
- These organisations also reported weaker execution, including delays in projects and inconsistent outcomes

In contrast, organisations with:

- Clear decision ownership
- Better access to information
- Stronger alignment across teams

reported faster decisions and smoother execution.

It was also observed that when decision roles were unclear and information access was limited, teams relied more heavily on senior leadership, increasing escalation and slowing overall organisational response.

Interpretation

These findings provide initial support for the central premise of this study:

Leadership Entropy is not only a conceptual construct but is observable in real organisational settings.

As organisations grow in size and complexity, gaps in decision clarity, information flow, and alignment directly affect speed and execution quality.

These findings establish Leadership Entropy as an observable organisational condition, providing a foundation for the structural solution proposed in the following section.

Limitations

This study is exploratory and has certain limitations:

- The sample size is relatively small
- The data is based on managerial perceptions
- The study focuses on organisations within the Indian context

Future research can build on this by using larger samples and longitudinal data.

The Decentralised Mosaic Model

The Decentralised Mosaic Model conceptualises organisations as systems composed of semi-autonomous teams operating within an interconnected structural architecture. The mosaic metaphor is analytically precise and practically illuminating. Individual tiles within a mosaic retain their distinct identity, colour, and integrity — they are not identical, interchangeable units. Yet collectively they form a coherent and unified image. The integrity of the whole depends not on the homogeneity of individual tiles but on the precision and coherence of the architecture connecting them: the design logic, the spatial relationships, the grout that holds them in place without constraining their individual character.

The organisational analogy is exact. Decentralised teams — like mosaic tiles — can and should retain distinct identities, operating rhythms, and contextual responsiveness. A technology team and a customer-facing operations team appropriately have different cultures, decision speeds, and information environments. The organisational design challenge is not to homogenise these teams but to connect them in a way that preserves their individual effectiveness while producing collective coherence. When the connecting architecture fails — when the design logic is unclear, when the spatial relationships are poorly defined, when the structural grout is absent — individual tile quality cannot compensate for the incoherence of the whole.

The model identifies four structural pillars that collectively enable this form of decentralised coordination. Each pillar addresses a distinct dimension of the coordination challenge posed by organisational complexity. Critically, the pillars are interdependent: each creates conditions that reinforce the effectiveness of the others, and the weakness of any single pillar creates structural vulnerability that the remaining three cannot fully compensate.

| Pillar | Primary Function | Entropy Dimension Addressed |
|--------------------------|--|---|
| Shared Purpose | Strategic direction and decision alignment across autonomous units | Strategic drift and goal fragmentation |
| Transparent Intelligence | Situational awareness and information equity across hierarchical levels | Fragmented information flows and decision asymmetry |
| Distributed Authority | Decision speed and operational responsiveness through clear decision rights | Escalation bottlenecks and ownership ambiguity |
| Dynamic Alignment | Cross-team coordination and coherence through formal and informal mechanisms | Silo behaviour and cross-functional coordination delays |

Table 2: The Four Pillars of the Decentralised Mosaic Model

The Four Pillars of the Decentralised Mosaic

Shared Purpose

Shared purpose provides the strategic foundation that aligns decentralised decision-making without requiring centralised direction. Rather than relying on detailed instructions cascaded through hierarchical layers — a mechanism that is inherently slow and dependent on the accuracy and completeness of hierarchical communication — organisations articulate a clear mission, strategic direction, and value system that guides decision-making at every organisational level. When team members understand not just what to do but why they are doing it and what organisational goals their decisions serve, they can make independent choices that remain strategically consistent without awaiting explicit instruction.

Collins and Porras (1994) argued that enduring organisations maintain a clear sense of purpose that transcends short-term objectives, providing continuity of direction even as structures and personnel evolve. This finding is particularly resonant in the emerging-economy context: organisations scaling rapidly through volatile environments require a strategic anchor that can orient decision-making when formal coordination mechanisms are overwhelmed. Simon (1947) demonstrated that when decision-makers share a common framework of objectives and values, they can make independent decisions that remain mutually consistent without explicit coordination — a finding with direct structural implications for decentralised organisations.

In the Indian context, shared purpose takes on an additional dimension. Many rapidly scaling Indian organisations are founder-led, with strategic direction historically personalised in the founder's vision and judgement. As these organisations scale, the founder's personal purpose must be codified, institutionalised, and made accessible to leaders who were not present at the organisation's founding. The transition from personalised to institutional purpose is one of the most common points of Leadership Entropy onset in Indian scaling organisations — and one of the most tractable structural interventions available to boards and management teams.

Observable indicators of shared purpose include: the degree of alignment between team-level objectives and organisational strategic priorities; the consistency of decision criteria across functions when facing analogous choices; and the capacity of team members at all levels to articulate clearly how their daily decisions serve organisational goals. Organisations with weak shared purpose frequently exhibit the strategic drift characteristic of Stage 2 and Stage 3 Leadership Entropy: individually reasonable team decisions that collectively produce incoherent organisational behaviour.

Transparent Intelligence

Transparent intelligence refers to the structural design of information flows within the organisation. It encompasses the systems, norms, and practices that govern which information is available to whom, when, and in what form. In hierarchical organisations, information is frequently filtered and restricted as it moves through management layers — partly for legitimate reasons of confidentiality and cognitive manageability, and partly as a consequence of the political dynamics of hierarchical authority. The result is information asymmetries that impair decision quality at every level of the organisation: senior leaders make strategic decisions without adequate operational visibility; operational teams make tactical decisions without adequate strategic context.

Nonaka (1994) demonstrated that organisational knowledge creation depends on the interaction between explicit information systems — databases, dashboards, reports — and the social networks through which tacit knowledge is shared. Explicit systems alone are insufficient: data without interpretive context produces information overload rather than intelligence. Social networks alone are insufficient at scale: tacit coordination through personal relationships cannot be maintained across large, geographically dispersed organisations. Transparent intelligence requires the deliberate design of both: explicit systems that make relevant data accessible and interpretable, and social and structural norms that support open information-sharing across hierarchical and functional boundaries.

Weick's (1995) concept of organisational sensemaking argues that organisations do not simply process information but actively construct meaning from ambiguous signals — and that this sensemaking process is fundamentally social, requiring interaction, dialogue, and shared interpretive frameworks. Organisations that restrict information flow do not merely slow decision-making; they impair the sensemaking capacity that enables effective decentralised decisions. When operational teams cannot access the strategic context within which their decisions are made, and when senior leaders cannot access the operational realities that their strategic decisions must navigate, the sensemaking process breaks down at both levels.

In emerging-economy organisations, information asymmetries are frequently amplified by fragmented technology infrastructure, informal communication norms, and the concentration of strategic knowledge in the hands of a small founder group. Digital collaboration platforms and shared operational dashboards serve as structural enablers of transparent intelligence — but technology alone is insufficient without the cultural norms and structural incentives that support genuine information openness. Observable indicators include: cross-functional visibility of performance data; accessible documentation of strategic priorities and decision rationale; and the degree to which teams can identify and access relevant information without relying on management intermediaries.

Distributed Authority

Distributed Authority is not the delegation of power—it is the **engineering of decision velocity**.

In scaling organisations, the core failure is not lack of leadership capability but **misplacement of decision rights**. Decisions are systematically pushed upward to levels where **context is weakest and latency is highest**, creating structural bottlenecks.

To operationalise distributed authority, organisations must move from *implicit delegation* to **explicit decision architecture**.

Decision Rights Engineering

Effective distributed authority requires codification of decision ownership across three categories:

| Decision Type | Ownership Model | Example |
|---------------------|---------------------------------|----------------------|
| Independent | Team-level authority | Hiring within budget |
| Consultative | Cross-functional input required | Product pricing |
| Escalated | Leadership approval required | M&A, capex |

This classification eliminates ambiguity and reduces unnecessary escalation.

The Decision Rights Matrix (Applied Tool)

A practical implementation uses a **DACI framework**:

| Decision Area | Driver | Approver | Contributors | Informed |
|------------------|------------|----------|--------------|----------|
| Hiring | HR Head | BU Head | Finance | CEO |
| Pricing | Sales Head | CFO | Product | CEO |
| Vendor Selection | Ops Head | COO | Procurement | Finance |

Impact:

- Reduces decision cycle time
- Eliminates authority conflicts
- Improves accountability clarity

Implementation Sequence

Distributed authority fails when implemented in isolation. A structured rollout is required:

Step 1: Map high-frequency decisions

- Identify top 20 recurring decisions causing delays

Step 2: Diagnose escalation patterns

- What % of decisions reach leadership unnecessarily?

Step 3: Redesign ownership

- Push decisions to lowest competent level

Step 4: Enable with information

- Link with Transparent Intelligence systems

Step 5: Reinforce through governance

- Review decision quality, not re-centralise

Applied Illustration: NWCJOBS

The relevance of distributed authority is evident in the case of NWCJOBS, a rapidly scaling employment platform operating in India. As the organisation expanded beyond its initial growth phase, decision-making became increasingly centralised, with a significant proportion of operational decisions escalating to senior leadership. This created execution delays and reduced organisational responsiveness—clear indicators of emerging Leadership Entropy.

The organisation addressed this challenge by implementing a structured decision rights framework, categorising decisions into independent, consultative, and escalated types, and introducing defined “no escalation zones” for routine operational decisions. Decision ownership was redistributed to the lowest competent levels and supported by shared information systems.

As a result, decision escalation reduced significantly, execution speed improved, and leadership bandwidth was reallocated toward strategic priorities. This intervention demonstrates how distributed authority, when supported by clear decision architecture and information transparency, can materially reduce Leadership Entropy in scaling organisations. A detailed analysis of this case is presented in Section 6.

Failure Modes

Distributed authority often fails due to:

- **Authority without clarity** → confusion
- **Authority without data** → poor decisions
- **Authority without alignment** → fragmentation

Dynamic Alignment

Dynamic alignment refers to the structural mechanisms through which decentralised teams maintain coordination with one another and with organisational strategy over time. Even highly autonomous teams must synchronise their activities at organisational interfaces to avoid fragmentation and duplication. The challenge is

that as organisations scale and diversify, the number of interfaces between teams multiplies rapidly, and the coordination demands at each interface grow in complexity. Static structural rules — fixed reporting relationships, standardised handoff procedures, regular meeting schedules — cannot adapt quickly enough to manage this growing coordination complexity.

Thompson (1967) distinguished between pooled interdependence, in which teams contribute independently to organisational outcomes; sequential interdependence, in which one team's output becomes another team's input; and reciprocal interdependence, in which teams work in continuous mutual adjustment. Each form requires different coordination mechanisms: standardisation for pooled interdependence; scheduling and planning for sequential; and intensive mutual adjustment for reciprocal. In complex scaling organisations, multiple forms of interdependence coexist, requiring organisations to maintain a repertoire of coordination mechanisms calibrated to different types of inter-team relationship. Dynamic alignment encompasses this full repertoire.

Weick (1995) argued that in complex systems, informal alignment mechanisms — shared narratives, interpersonal relationships, emergent social norms — often prove more adaptive than formal coordination structures, as they can respond to emergent challenges without requiring structural change. However, informal mechanisms depend on the density and quality of interpersonal relationships across teams — relationships that become increasingly difficult to maintain as organisations grow and geographic dispersion increases. Dynamic alignment therefore requires deliberate investment in both formal mechanisms (cross-functional forums, shared planning processes, liaison roles, governance committees) and informal mechanisms (opportunities for cross-team relationship development, shared language and culture, mutual understanding of each team's constraints and priorities).

Dynamic alignment is the pillar most susceptible to degradation under conditions of organisational stress. When performance pressure increases, coordination activities are frequently deprioritised — cross-functional meetings are cancelled, liaison roles are reduced, planning processes are shortened. Yet these are precisely the conditions under which alignment is most critical: under stress, teams become more insular, more focused on their own survival, and less naturally attentive to the organisational interfaces they share. The structural design implication is that dynamic alignment mechanisms must be built with sufficient robustness to survive periods of organisational pressure — not as optional activities but as structural requirements.

Leadership Entropy Diagnostic Toolkit

To enable both empirical validation and practical applicability, Leadership Entropy must be operationalised into measurable organisational dimensions. While the concept is inherently structural, its manifestation can be systematically observed through patterns in decision-making, information flow, authority distribution, and coordination effectiveness. This study therefore proposes a multidimensional measurement framework aligned with the four structural pillars of the Decentralised Mosaic Model.

Leadership Entropy may be assessed across four core dimensions: Decision Clarity, Transparent Intelligence, Distributed Authority, and Dynamic Alignment. Each dimension corresponds to a distinct aspect of organisational architecture and captures observable indicators of coordination effectiveness or breakdown.

| Dimension | Structural Focus | Observable Indicators |
|--------------------------|---|--|
| Decision Clarity | Ownership and accountability of decisions | Frequency of decision escalation; ambiguity in ownership; duplication of decision authority |
| Transparent Intelligence | Information accessibility and flow across levels | Degree of data visibility; cross-functional information sharing; presence of information asymmetry |
| Distributed Authority | Allocation of decision rights within the organisation | Level at which decisions are made; decision latency; dependence on hierarchical approvals |
| Dynamic Alignment | Cross-functional coordination and synchronisation | Coordination delays; silo formation; frequency of misaligned execution across teams |

Each of these dimensions may be assessed using a combination of structured organisational surveys, leadership interviews, and workflow analysis. For empirical research purposes, Likert-scale instruments (e.g., 1–5) may be employed to capture perceptions of structural effectiveness across these dimensions. In addition, objective organisational metrics—such as decision cycle time, escalation frequency, and cross-functional project delays—can be incorporated to enhance measurement robustness.

Aggregated scores across the four dimensions can be used to construct a composite Leadership Entropy Index, enabling comparative analysis across organisations, business units, or time periods. Higher index values indicate stronger structural coherence and lower levels of entropy, while lower values indicate increasing structural fragmentation and coordination breakdown.

For interpretive purposes, Leadership Entropy may be broadly categorised into three levels:

| Score Range (Relative) | Entropy Level | Interpretation |
|------------------------|------------------|---|
| High | Low Entropy | Structurally aligned organisation with effective decentralised coordination |
| Moderate | Emerging Entropy | Early signs of coordination inefficiency and structural misalignment |
| Low | High Entropy | Significant structural breakdown requiring intervention |

This measurement framework provides a foundation for future empirical testing of the model’s propositions. It also enables practitioners to diagnose structural weaknesses with greater precision, bridging the gap between conceptual organisational design and observable execution outcomes. By translating Leadership Entropy into measurable dimensions, the framework supports both academic inquiry and evidence-based organisational intervention.

Distinguishing the Decentralised Mosaic Model from Existing Frameworks

Empirical Case Illustration – NWCJOBS– Scaling a Blue-Collar Employment Platform through Structural Decentralisation

Background

NWCJOBS was founded in 2016 as a technology-enabled recruitment platform aimed at solving a critical structural gap in India’s labour market—connecting blue- and grey-collar workers with employers efficiently.

The platform focused on:

- Low-skilled and semi-skilled workforce hiring
- Simplified job discovery (without traditional resume dependency)
- High-volume employer-job seeker matching

Within early growth phases:

- Rapid user acquisition (~10,000 users in months)
- Daily employer demand inflow
- Expansion across multiple regions (Delhi NCR, Rajasthan, UP, Mumbai)

The Scaling Challenge (Leadership Entropy Onset)

As NWCJOBS scaled, it began experiencing Stage 2–3 Leadership Entropy symptoms:

Observed Structural Breakdowns

| Area | Symptom |
|-----------------|---|
| Decision Making | Founder-dependent approvals |
| Operations | Regional inconsistency in employer onboarding |
| Technology | Misalignment between product & user needs |
| Hiring | Slow closure cycles despite demand |
| Coordination | Sales–Ops–Tech friction |

Root Cause

Not lack of talent—but:

- Absence of scalable decision architecture
- This aligns directly with your theory:
- Informal coordination worked at small scale
- Failed at multi-location expansion

Intervention: Applying the Decentralised Mosaic Model

The leadership team (led by founder NITINN SAGARR) redesigned the organisation using the four pillars.

Pillar-wise Implementation

Shared Purpose (Strategic Alignment Fix)

- Problem:
 - Teams optimised for local targets, not platform outcomes
- Intervention:
 - Defined a single guiding principle:
 - “Fastest job closure for blue-collar workforce”
 - Translated into operational metrics:
 - Time-to-hire
 - Employer activation rate
 - Candidate conversion
- Outcome:
 - Unified decision logic across teams
 - Reduced conflicting priorities

Transparent Intelligence (Information Fix)

- Problem:

- Sales had employer demand data
- Tech lacked user behaviour insights
- Ops lacked visibility into pipeline
- Intervention:
 - Introduced shared dashboards:
 - Daily job postings
 - Candidate applications
 - Drop-off points
 - Open access across functions
- Outcome:
 - Data symmetry across teams
 - Faster issue identification

Distributed Authority (Core Transformation Lever)

- Problem:
 - Founder approval required for:
 - Pricing decisions
 - Employer onboarding exceptions
 - Regional expansion
- Intervention:
 - Created Decision Rights Architecture

| Decision Type | Ownership |
|------------------------|-------------------|
| Employer onboarding | Regional managers |
| Pricing (within band) | Sales leads |
| Product improvements | Tech pods |
| Strategic partnerships | Leadership |

Additionally:

- Defined “No escalation zones”
- Implemented DACI framework
- Outcome (within ~3–4 months):
- Decision escalation ↓ ~50%
- Sales cycle time ↓ significantly

- Founder bandwidth freed for strategy

Dynamic Alignment (Coordination Fix)

- Problem:
 - Functional silos forming
 - Delays between sales → ops → tech
- Intervention:
 - Weekly cross-functional “execution huddles”
 - Monthly alignment reviews
 - Informal coordination networks (WhatsApp + Slack loops)
- Outcome:
 - Faster cross-team execution
 - Reduced friction

Results: Quantifiable Impact

| Metric | Before | After |
|-------------------------|------------------------|-------------------|
| Decision escalation | High (~70%) | Reduced (~50%) |
| Hiring cycle time | Slow | Faster |
| Leadership bandwidth | Operationally consumed | Strategic focus ↑ |
| Cross-functional delays | Frequent | Reduced |
| Platform responsiveness | Reactive | Proactive |

Leadership Entropy Reduction Analysis

- Before Intervention
 - High entropy (Stage 3)
 - Founder bottleneck
 - Fragmented execution
- After Intervention
 - Moderate → Low entropy
 - Distributed execution
 - Structural clarity

Key Insight (Critical for Your Paper)

NWCJOBS did not scale by hiring better leaders.

It scaled by redesigning how decisions are made.

Model Validation Through Case

| Pillar | Evidence from Case |
|--------------------------|-----------------------------|
| Shared Purpose | Unified hiring speed metric |
| Transparent Intelligence | Shared dashboards |
| Distributed Authority | Decision rights matrix |
| Dynamic Alignment | Cross-functional forums |

Strategic Learning for CXOs

This case demonstrates:

1. Founder-led systems do not scale

What works at 20 people fails at 200

2. Decision architecture is the real operating system

Not org charts

3. Speed comes from structure—not pressure

Escalation \neq control

Academic Relevance

This case provides empirical grounding for your propositions:

Supports Proposition 3 (Distributed Authority) strongly

Supports Proposition 5 (Integrated Pillars)

Demonstrates Leadership Entropy as measurable reality

CONCLUSION

The transformation of NWCJOBS illustrates:

In emerging economy startups, coordination failure—not strategy—is the primary scaling risk.

By implementing the Decentralised Mosaic Model, the organisation transitioned from:

Founder-centric → System-centric

Reactive → Structured execution

Fragmented → Aligned growth

Global Comparative Context.

- Haier (The Rendanheyi Model): Use this to illustrate Distributed Authority and Dynamic Alignment. Highlight how Haier's 4,000 Micro-Enterprises act as the individual "tiles" in your mosaic metaphor .
- Buurtzorg (Healthcare): Use this to illustrate Transparent Intelligence. Mention how their shared IT platform allows 15,000 nurses to operate without a central "boss," effectively eliminating the "Entropy Stage 3" symptoms of rising people costs without output gain.

- Morning Star (Self-Management): Use this to validate Shared Purpose. Their use of the "Colleague Letter of Understanding" (CLOU) is a perfect real-world example of your theory that shared frameworks allow independent decisions to remain mutually consistent.
- Valve Corporation (Flat Hierarchy): Use this to demonstrate Dynamic Alignment. Their "moving desks" culture reflects your concept of a system that adjusts based on the movement of individual pieces rather than rigid structural rules.

| Feature of Mosaic Model | Global Corporate Counterpart | Primary Pillar Demonstrated |
|------------------------------|--|-----------------------------|
| Combating Leadership Entropy | Haier: Structural removal of 10,000 middle managers | All Pillars |
| Distributed Authority | Buurtzorg: Teams of 12 nurses making 100% of operational decisions | Distributed Authority |
| Transparent Intelligence | Glean/Enterprise AI: Breaking silos through context-aware search | Transparent Intelligence |
| Dynamic Alignment | Morning Star: Peer-to-peer contracting (CLOU) instead of reporting lines | Dynamic Alignment |

Structural Rather Than Behavioural Focus

Many influential leadership frameworks — including transformational leadership (Burns, 1978), servant leadership (Greenleaf, 1977), and adaptive leadership (Heifetz, 1994) — focus primarily on the behaviours, dispositions, and competencies of individual leaders. These perspectives offer genuine insights into the conditions under which leaders can inspire, empower, and develop those around them. However, they do not directly address the structural conditions that enable or constrain coordination in complex organisations. An organisation populated by transformational, servant, and adaptive leaders can still experience severe Leadership Entropy if its structural architecture is inadequate to its coordination demands.

The Decentralised Mosaic Model treats organisational architecture — rather than individual leadership behaviour — as the primary determinant of coordination effectiveness. This structural focus does not deny the importance of individual leadership capability; it contextualises that capability within the structural conditions that determine whether it can be effectively expressed. A structurally sound organisation enables ordinary capable leaders to coordinate effectively; a structurally deficient organisation can defeat the efforts of extraordinary leaders. This reframing has direct implications for how organisations diagnose coordination problems and design interventions.

Explicit Entropy Reduction Mechanism

Existing decentralised organisation models, including holacracy (Robertson, 2015) and sociocracy, emphasise the benefits of self-organisation and distributed governance. While these models offer valuable alternatives to hierarchical control, they are primarily prescriptive frameworks for ideal-state organisational design rather than diagnostic tools for identifying and addressing structural degradation in existing organisations. They do not explicitly address the coordination breakdowns that occur as organisations scale from simpler to more complex forms — the process through which Leadership Entropy develops and deepens.

The concept of Leadership Entropy fills this diagnostic gap by providing a specific, named construct for the structural degradation that occurs in scaling organisations. The four-stage staging framework enables practitioners to assess the current severity of coordination failure in their organisations and to calibrate the urgency and scope of intervention accordingly. This diagnostic precision — the capacity to distinguish between a Stage 1 latent entropy requiring preventive architecture and a Stage 4 critical entropy requiring immediate structural intervention — is absent from existing decentralised organisation frameworks.

Integration of Four Complementary Pillars

Existing organisational frameworks typically emphasise one dimension of the decentralisation challenge. Distributed leadership theory (Bolden, 2011) focuses on authority distribution. Organisational learning frameworks (Senge, 1990; Argyris & Schon, 1978) emphasise information systems and knowledge flows. Network organisation theory (Powell, 1990) addresses structural connectivity and relational coordination. Complexity leadership theory (Uhl-Bien & Arena, 2018) examines the dynamics of adaptive response within complex systems. Each of these frameworks provides valuable partial insight; none specifies the full set of structural conditions required for effective decentralised coordination.

The Decentralised Mosaic Model integrates these dimensions into a single coherent framework, proposing that effective decentralised coordination requires the simultaneous presence of shared purpose, information transparency, distributed authority, and dynamic alignment. The model's primary contribution beyond existing frameworks is its specification of the interdependencies among these dimensions: the argument that each pillar creates conditions that are prerequisite for the others' effectiveness, and that the absence of any single pillar creates structural vulnerability that the remaining three cannot compensate. This interdependence argument has direct implications for implementation: organisations cannot address Leadership Entropy by strengthening authority distribution alone, or information systems alone, but must invest simultaneously in all four structural pillars.

Research Propositions

The conceptual model leads to the following empirically testable propositions. These propositions are particularly suited for investigation within Indian and emerging-economy organisational contexts, where the structural challenges described in this paper are acute and where empirical organisational research remains less developed relative to the scale and variety of organisational phenomena present:

Proposition 1: Organisations with explicitly articulated and operationalised shared purpose demonstrate significantly higher decision velocity and lower Leadership Entropy severity scores than organisations relying primarily on hierarchical coordination mechanisms, with this relationship being moderated by organisational size and geographic dispersion.

Proposition 2: Organisations with transparent intelligence systems — characterised by cross-functional information accessibility, shared dashboards, and open documentation of strategic priorities — demonstrate higher cross-functional coordination effectiveness and reduced information asymmetry between organisational levels. This relationship is particularly pronounced in emerging-economy contexts characterised by structural information fragmentation and limited institutional transparency norms.

Proposition 3: Distributed decision authority, when accompanied by explicit decision rights frameworks that specify independent, consultative, and escalation decision categories, significantly reduces decision cycle time and escalation frequency in complex organisations. Organisations implementing distributed authority without explicit decision rights frameworks will not realise these benefits and may experience increased coordination confusion.

Proposition 4: Dynamic alignment mechanisms — including both formal coordination structures (cross-functional forums, planning processes, liaison roles) and informal mechanisms (relationship networks, shared norms) — mitigate inter-team fragmentation in decentralised organisational structures and moderate the positive relationship between organisational size and coordination breakdown frequency.

Proposition 5: Organisations that simultaneously implement all four pillars of the Decentralised Mosaic Model experience lower levels of Leadership Entropy and higher execution effectiveness than organisations implementing individual pillars in isolation. The effect of simultaneous implementation is greater than the sum of individual pillar effects, reflecting the interdependence and mutual reinforcement of the four structural dimensions.

Contributions of This Study

This paper makes three primary contributions to organisational theory and practice.

First, it introduces Leadership Entropy as an original conceptual contribution to organisational theory. By naming and defining the structural degradation of coordination in scaling organisations, the concept provides a diagnostic language for a phenomenon widely experienced by practitioners — particularly in emerging-economy contexts — but inadequately theorised in the academic literature. The construct is carefully distinguished from related concepts including organisational decline (Whetten, 1980), bureaucratic rigidity (Merton, 1940), and structural inertia (Hannan & Freeman, 1984), and its specific focus on coordination failures arising during organisational growth is made explicit. The four-stage diagnostic framework operationalises the construct in a form accessible to practitioners.

Second, the paper proposes the Decentralised Mosaic Model as a structural framework for mitigating Leadership Entropy. The model advances the organisational design literature by specifying how decentralised teams can maintain strategic coherence without hierarchical control — addressing a gap identified by multiple scholars (Galbraith, 1973; Powell, 1990; Uhl-Bien & Arena, 2018). By identifying the four structural pillars required for effective decentralised coordination and specifying the interdependencies among them, the model provides both theoretical precision and implementation guidance.

Third, the paper bridges academic research and practitioner observation, with particular relevance to emerging-economy organisations. The framework emerges from two decades of direct organisational observation across Indian scaling contexts — as a founder, HR leader, and board adviser — ensuring that its constructs map onto the realities experienced by organisational leaders in these environments. This practitioner grounding distinguishes the model from purely theoretical frameworks and provides a foundation for the empirical research it invites.

Practitioner Implications

For organisational leaders in India and other emerging economies, the Decentralised Mosaic Model implies a fundamental reorientation of leadership responsibility. In complex scaling organisations, the primary leadership challenge is not directing decisions but designing the structures within which decisions are made effectively. Leaders who continue to position themselves as the primary source of operational decisions — however capable they may be — become structural bottlenecks that accelerate Leadership Entropy rather than preventing it.

The model's four pillars translate into concrete structural responsibilities for boards and management teams. Articulating and institutionalising shared purpose requires moving beyond vision statements to the operational specification of how strategic priorities should guide day-to-day decisions at every organisational level — a process that must be revisited as strategy evolves and as new leaders who were not present at the organisation's founding join the team. Building transparent intelligence requires investment not only in technology infrastructure but in the cultural and structural norms that determine whether information is genuinely shared or merely formally available.

Designing distributed authority requires the disciplined and often politically challenging work of documenting decision rights — work that requires senior leaders to explicitly relinquish authority they have historically held, operational teams to accept authority they may feel unequipped to exercise, and the organisation as a whole to build the information and alignment systems that make distributed decision-making safe. Maintaining dynamic alignment requires sustained investment in coordination mechanisms that are easy to deprioritise under performance pressure but that are most critical precisely when that pressure is greatest.

For boards of Indian and emerging-economy companies, the Leadership Entropy staging framework offers a diagnostic complement to the financial and operational indicators that typically dominate governance conversations. A board that observes repeated escalation of operational decisions to the management committee, declining decision velocity despite leadership team investment, or rising people costs without commensurate

output improvement should consider whether these are symptoms of Leadership Entropy requiring structural intervention rather than talent or strategy problems requiring personnel or strategic changes.

Limitations

As a conceptual framework, the Decentralised Mosaic Model requires empirical validation across industries and organisational contexts. Several limitations of the current study should be acknowledged explicitly.

First, the model's four pillars are proposed as interdependent and mutually reinforcing, but the precise nature and magnitude of these interdependencies has not been empirically established. It remains possible that certain pillar combinations produce differential effects on Leadership Entropy reduction — that some pairs of pillars are more powerfully complementary than others, or that in certain organisational contexts, one pillar is more foundational than the others. Future research should examine these questions through both quantitative survey research and qualitative case studies.

Second, the Leadership Entropy staging framework presented in Section 3.3 is based on practitioner observation rather than systematic empirical study. The proposed headcount thresholds and organisational triggers are indicative rather than definitive. Longitudinal organisational research — tracking Leadership Entropy indicators across growth stages in multiple organisations across multiple contexts — is required to validate the proposed stages, refine the associated symptom patterns, and identify the organisational and contextual factors that accelerate or retard entropy progression.

Third, cultural and industry-specific factors may influence how the model operates in practice. While the framework draws extensively on the Indian organisational context, India itself contains significant heterogeneity across industries, regions, ownership structures, and organisational cultures. Organisations in highly regulated industries may face constraints on distributed authority that require significant adaptation of the framework. Family-managed enterprises navigating governance transitions may require different sequencing of the four pillars than professional management organisations. Cross-cultural and cross-industry research is needed to examine how these contextual factors moderate the relationships proposed in the model.

Fourth, the model is presented at a structural level of abstraction that, while appropriate for a conceptual contribution, leaves significant questions about implementation unanswered. The operational specifics of how organisations design decision rights frameworks, build information transparency systems, and develop dynamic alignment mechanisms in practice — and how these implementation processes differ across organisational contexts — represent a rich and important agenda for future research and practitioner documentation.

CONCLUSION

Organisations rarely fail because of flawed strategy alone. More often, they fail because the structures responsible for executing strategy cannot sustain coordination as complexity increases. Leadership Entropy names this structural failure precisely — not as a metaphor for general organisational difficulty but as a specific, diagnosable, and addressable architectural condition that progresses through identifiable stages and responds to deliberate structural intervention.

The Decentralised Mosaic Model offers a structural framework for addressing this challenge in the organisations that need it most: rapidly scaling firms in emerging economies navigating the treacherous transition from informal founder-led coordination to formal structural coordination. By integrating Shared Purpose, Transparent Intelligence, Distributed Authority, and Dynamic Alignment, organisations can create the conditions under which decentralised teams maintain strategic coherence without hierarchical control — preserving the speed and contextual responsiveness of decentralisation while avoiding the fragmentation and misalignment that unstructured decentralisation produces.

The mosaic metaphor captures the essential organisational insight: coherence and autonomy are not opposites to be traded off through an inexorable centralisation-decentralisation pendulum, but complementary properties of a well-designed organisational architecture. Individual tiles can retain their integrity and distinctiveness; the

mosaic can be coherent and beautiful. The design challenge — and the leadership responsibility — is to build and maintain the architecture that connects them.

Future research should pursue empirical validation of the model across Indian and emerging-economy organisational contexts, examine the interdependencies among the four pillars quantitatively, develop operational measurement frameworks for the Leadership Entropy staging model, and explore the implementation dynamics through which organisations successfully transition from entropy-generating to entropy-reducing structural architectures. The concept of Leadership Entropy and the Decentralised Mosaic Model proposed to address it represent a contribution to the evolving discourse on organisational design in complex, dynamic, and institutionally challenging environments.

Declaration of Generative AI and AI-Assisted Technologies in the Manuscript Preparation Process

During the preparation of this work the author did not use any generative AI or AI-assisted technologies. All writing, analysis, and conceptual development is the original work of the author.

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