

The Coordination Collapse

Why AI didn't cause the layoffs. It just made them impossible to justify avoiding.

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1. The Pattern

Every significant productivity shift in the history of organised work has followed the same sequence. A new capability emerges that allows fewer people to produce more output. The coordination infrastructure that existed to manage the old way of working becomes visible as overhead. That infrastructure is removed.

Consider the telephone switchboard operator. For decades, connecting one person to another required a human intermediary whose entire job was routing information. The operator did not generate value. She enabled it by sitting between two parties who needed to communicate. When automatic switching arrived, the role did not evolve. It disappeared. Not because operators were bad at their jobs, but because the job was a side-effect of a technical limitation that no longer existed.

The resistance was fierce. In 1919, telephone operators in New England went on strike partly over fears of automation. The unions argued, correctly, that automatic switching would eliminate tens of thousands of jobs. They were right about the impact and wrong about the remedy. The limitation was real. The role it created was not.

This pattern has repeated in every era. The typing pool existed because producing a document required specialist equipment and training. The ledger clerk existed because reconciling accounts required patient, manual arithmetic. The dispatch coordinator existed because routing vehicles required local knowledge held in one person's head. In each case, the role was not performing the work. It was performing the coordination of the work. When better tools made that coordination unnecessary, the role went with it.

Organisations do not add coordination because they want to. They add it because, at a given level of tooling and communication bandwidth, it is the only way to scale. When the tooling changes, the coordination becomes drag. The question is never whether it will be removed, but when, and how honestly the people removing it will describe what they are doing.

We are in the removal phase now.

2. The Tax That Became Invisible

Software organisations scaled for two decades by adding coordination roles. Project managers, programme managers, scrum masters, delivery leads, business analysts, business operations staff. Each role existed to solve a real problem: as teams grew, information stopped flowing naturally. Someone had to route it.

This is an important distinction. Coordination as a function is necessary. Small teams coordinate constantly — they just do it as part of the work, in conversation, in code review, in shared context. The problem is not coordination. The problem is the coordination layer: a dedicated class of roles whose primary function is moving information between the people doing the work and the people making decisions.

The cost of this layer was never measured in salaries alone. The real cost was in decision latency. Every layer added a round-trip. A question that an engineer could answer in five minutes required a meeting to surface, a ticket to track, a status update to report, and a retrospective to review. The answer hadn't changed. The time to reach it had multiplied.

Over time, the layer became invisible. Not because anyone stopped noticing, but because everyone was paying the same tax. When every company has six levels between the person writing the code and the person making the decision, six levels looks like the natural shape of an organisation. It was not. It was a side-effect of tooling constraints that no longer exist.

The coordination tax was also self-reinforcing. Each coordination role generated work for other coordination roles. Project managers needed programme managers to align across projects. Programme managers needed portfolio reviews to justify prioritisation. Portfolio reviews needed executive dashboards to summarise status. At no point did any of this touch the actual product. But removing any single piece felt dangerous because the rest of the structure depended on it.

This is how organisations become bloated without anyone making a decision to bloat them. It happens incrementally, one reasonable hire at a time, until the overhead is structural and the people inside it cannot distinguish the organisation from the scaffolding.

3. The Inflection

The popular framing of AI and employment is that AI replaces people. This is wrong, or at least, it is the wrong lens for understanding what is happening right now in organisational restructuring.

AI did not replace anyone's project managers. What it did was make a small team capable of shipping what a larger, more coordinated team used to. When three engineers with good tooling can do the work that previously required three engineers, two project managers, a business analyst, and a delivery lead, the question changes. It is no longer "how do we coordinate this work?" It is "why are we coordinating at all?"

This distinction matters because it changes who is accountable. If AI replaced people, the technology is the agent and the company is a passive recipient of change. If AI made coordination overhead visible, the company is making a choice — a choice it could have made years ago, with different tooling, but chose not to because the cost was bearable and the alternative was unfamiliar.

The arrival of AI is an accelerant, not a cause. The cause is that organisations built coordination layers to compensate for tooling limitations, and now the limitations are gone. The bloat was already there. AI just made the invoice legible.

4. The Evidence

Between January and May 2026, a pattern emerged that is too consistent to be coincidence. Across different industries, different company sizes, and different business models, the same restructuring is happening in the same language.

4.1 Amazon and Meta: the same playbook at scale

Amazon cut 30,000 corporate roles between October 2025 and January 2026 — roughly 10 percent of its corporate workforce. The stated rationale was "reducing layers, increasing ownership, and removing bureaucracy." Jassy's goal was to operate like "the world's largest startup," while simultaneously spending \$125 billion on data centre infrastructure. Meta followed the same pattern, eliminating approximately 7,900 positions and restructuring around what Zuckerberg called "running the company more efficiently." Both targeted middle management and coordination roles specifically. In Meta's newly established applied engineering unit, the staff-to-manager ratio reached 50:1. Different companies, different industries, identical logic: fewer managers, more builders.

4.2 Coinbase: 14%, "no pure managers"

In May 2026, Coinbase cut 14 percent of its workforce and announced a structural overhaul. CEO Brian Armstrong capped the org chart at five management layers below the CEO and COO, eliminated what he called "pure manager" roles, and required all remaining leaders to be active individual contributors — "player-coaches" rather than coordinators. Armstrong introduced "AI-native pods": small teams, some potentially a single person, directing AI agents across what previously required separate engineering, design, and product management roles. His framing was unusually direct: "I've watched engineers use AI to ship in days what used to take a team weeks."

4.3 ASML: 1,700, management to engineering

Dutch chip-equipment manufacturer ASML announced plans to cut 1,700 employees, mainly from management roles in IT and technology departments. The company would shift these positions into engineering roles — an explicit conversion of coordination capacity into building capacity.

4.4 Google: management delayering

Google executed four separate workforce reduction programmes in the first half of 2026, including a "management delayering program" still executing at time of writing. The pattern was the same: flatten the structure, remove the routing layer, retain the builders.

4.5 Intuit: 3,000, the clearest articulation

On 20 May 2026, Intuit CEO Sasan Goodarzi announced the elimination of 3,000 positions — 17 percent of the company's full-time workforce. His language on the earnings call was the clearest articulation of the coordination collapse in corporate dialect.

Goodarzi said the company had spent the past year studying what was "getting in our way." The answer: too many layers of management, and too many "coordination-heavy" roles. Project managers. Business operations. Functions that, in his framing, had become unnecessary because the remaining teams could now build products faster without them.

He explicitly said: "This was not about AI."

Then he described a restructuring driven by AI-enabled productivity gains.

This is not dishonesty. It is the accurate but incomplete version. The cuts were not about AI in the sense that no chatbot replaced a project manager. They were about AI in the sense that AI-augmented engineering teams no longer need the coordination scaffolding that justified those roles. The distinction lets the CEO be technically truthful while avoiding the political and reputational cost of saying "we are restructuring around AI."

The financial context is instructive. In the nine months prior to the announcement, Intuit spent \$3.4 billion on share buybacks. Its board authorised an additional \$8 billion in future repurchases. Goodarzi told investors that the bulk of the savings would flow to "margin expansion and EPS growth." The restructuring charge — approximately \$340 million, primarily severance — is a rounding error against the buyback programme.

The human scale is visible on LinkedIn. A staff engineer with thirteen years at the company. A senior analyst with twenty-five years. A customer experience leader who had spent eight years building Mailchimp's support organisation in Atlanta. These are not underperformers. Goodarzi said as much: the cuts were "not in response to any underperformance." They were "deliberate actions to scale our growth engine."

4.6 The shared vocabulary

What makes this pattern unmistakable is not just the actions but the language. "Reducing layers." "Increasing ownership." "Removing bureaucracy." "Faster, leaner." "Builder culture." "Player-coaches." These phrases are appearing independently across companies that do not share boards, consultants, or competitive pressures. They are arriving at the same conclusion because they face the same structural reality: the coordination layer that scaled their organisations through the 2010s is now the thing slowing them down.

Over 114,000 tech workers have been laid off in 2026 so far. The roles being cut are disproportionately in coordination, middle management, and operational support. The roles being created — where they are being created — are in engineering, AI infrastructure, and technical leadership. The direction is unambiguous.

5. What This Means for Engineering Leadership

If you are a CTO, VP of Engineering, or technical founder reading this, these announcements are not news stories. They are previews.

The coordination collapse does not only affect companies with tens of thousands of employees. It affects any organisation where the ratio of builders to coordinators has drifted. If your engineering team has more people managing work than doing it, you are carrying coordination debt. The question is whether you address it deliberately or whether it addresses you in an earnings call.

5.1 Team size is shrinking

This is no longer a prediction. Amazon, Meta, Coinbase, ASML, and Intuit have all announced restructurings that explicitly reduce team size and flatten management. Meta's 50:1 ratio in its applied engineering unit and Coinbase's one-person AI-native pods represent the far end of a spectrum that every technology organisation is now somewhere on. The optimal team is getting smaller, more senior, and more autonomous. Hiring plans built around headcount growth are already behind the curve.

5.2 Coordination roles are not returning

Once an organisation discovers it can ship without a dedicated coordination layer, it does not rebuild that layer. The telephone exchange did not rehire switchboard operators. The shipping industry did not return to break-bulk cargo. Amazon is not going to re-add the management layers it just spent two quarters removing. The roles that have been cut across these companies are structurally gone, and the companies that have not yet made these cuts are studying the ones that have.

5.3 Build-or-buy decisions are shifting

When internal teams are smaller and faster, the calculus of outsourcing changes. Large consultancies that sold coordination-as-a-service — armies of project managers and business analysts managing delivery — are selling a product that their clients are actively eliminating internally. The consultancies that survive will be the ones that provide capability, not coordination. The ones that arrive with builders, not with Gantt charts.

5.4 The survivors are already lean

Companies that built small, high-trust teams from the start are not restructuring. They do not need to. The coordination collapse is a correction that only affects organisations that over-indexed on coordination in the first place. If you never built

the overhead, you have nothing to dismantle — and you are now structurally advantaged against competitors who are spending their energy cutting while you spend yours building.

5.5 The verification gap is real — but it does not validate the old model

There is a counterargument that deserves honest engagement. A May 2026 CloudBees study of over 200 enterprise technology leaders found that 81 percent reported an increase in production issues linked to AI-generated code. Sixty-one percent of enterprise code is now AI-generated or AI-assisted. Seventy percent of respondents said test suite maintenance has become a larger burden than writing the code itself. And 92 percent expressed confidence that their code was production-ready before it shipped — confidence that the 81 percent failure rate flatly contradicts.

This is a real problem. But it is not an argument for rebuilding the coordination layer. It is evidence that the coordination layer was masking something far more uncomfortable: these organisations never had engineering discipline. They had coordination discipline. They had process discipline. They had meetings, reviews, sign-offs, and stage gates staffed by people whose job was to catch what the engineering culture did not. When the coordination layer was removed, the lack of underlying rigour was exposed. The building started cracking not because the scaffolding was removed, but because the scaffolding was load-bearing — and it should never have been.

The answer is not more people. It is automated quality gates that run whether anyone remembers to check. It is test coverage that exists because the engineering culture demands it, not because a QA lead's job depends on it. It is teams small enough that the person writing the code understands the requirement directly — no handoff, no reinterpretation, no lossy compression of intent through six layers of Chinese whispers between a stakeholder and an engineer.

Smaller teams do not just move faster. They move with higher fidelity. The coordination collapse rewards engineering discipline. It punishes organisations that mistook process for rigour.

6. The Longer Arc

It is tempting to frame this as an AI story. It is not. From the dawn of employment, every enterprise has sought to do more with fewer people. This is not cynicism. It is the basic mechanics of productive capacity. The tools change. The pattern does not.

What makes this iteration different is speed. Previous coordination collapses took years or decades to play out. The mechanisation of agriculture, the containerisation of shipping, the digitisation of record-keeping — each unfolded over a generation. The current shift is happening in quarters. Amazon cut 30,000 corporate roles in four months. Coinbase restructured its entire management philosophy in a single CEO memo. Intuit studied the question for one year and then cut 17 percent of its workforce in a single announcement.

The speed matters because it compresses the window for adaptation. When the switchboard operator's role was automated, the transition took decades and the displaced workers largely moved into new telecommunications roles that the same technology created. When a CEO can restructure an entire coordination layer in a quarter, the people in those roles do not have decades. They have months, and the new roles being created require fundamentally different skills.

This creates an obligation — not a moral sermon, but a practical one. Companies that are honest about what they are doing give their people time to adapt. Companies that say "this was not about AI" while restructuring around AI capabilities deny their people even the dignity of an accurate explanation. The coordination collapse is real, it is structural, and it is not going to reverse. Naming it accurately is the minimum.

For organisations making decisions today, the question is straightforward: are you building teams that need coordination, or teams that don't? The answer to that question will determine whether the next restructuring is something you read about or something you announce.

7. About uRadical

uRadical is a software consultancy that builds small, fast, dependency-minimal systems for organisations that care about owning their infrastructure and their data.

We have operated since inception on the principles described in this paper: small teams, minimal coordination overhead, builders making decisions. Our engineering philosophy — `stdlib-first`, `single-binary`, `open web` — is a practical expression of the belief that the best software is built by the fewest people with the fewest dependencies.

We work primarily in Go. We ship single binaries that run on your infrastructure, not ours. We do not sell coordination. We sell capability.

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