

# The Sixth Person Catastrophe

## How AI Destroyed Team Economics

By Ashok Murthy | March 2026

*"The definition of insanity is doing the same thing over and over again and expecting different results." — Often attributed to Albert Einstein*

There is a quiet crisis unfolding inside the world's most ambitious organizations. Companies are investing billions in artificial intelligence tools, deploying them across every function, and watching their per-person output climb to levels that would have seemed fantastical just five years ago. And yet, somehow, the calendar is fuller than ever. The Slack channels multiply. The approval chains lengthen. The alignment meetings beget more alignment meetings. Executives are spending up to 23 hours per week in meetings — a figure so staggering that it leaves barely enough time to do the work those meetings are supposedly about.

The instinctive response has been to reach for more technology. AI-powered note-takers, automated meeting summaries, smart scheduling assistants — a cottage industry of tools designed to make the meeting problem more bearable. But this response, however well-intentioned, is a category error of the highest order. It treats the symptom while the disease quietly metastasizes. The truth that most organizations are not yet willing to confront is this: **you do not have a meeting problem. You have a team size problem.**

This article argues that the dominant organizational model — large, hierarchical teams coordinated through an ever-expanding layer of meetings and digital communication — is not merely inefficient in the age of AI. It is actively destructive. And the companies that recognize this first will not simply outperform their peers. They will operate in an entirely different economic dimension.

### The Infinite Workday and Its Misdiagnosed Cause

The data on modern meeting culture is, by now, well-documented and deeply alarming. The number of meetings has tripled since 2020, driven initially by the shift to remote and hybrid work and sustained by a structural failure to rethink how teams operate. The average professional now spends 11.3 hours per week in meetings — nearly a third of the working week consumed by coordination rather than creation. For people managers, that figure rises to 16 hours. For executives, it reaches 23 hours per week, leaving barely a day and a half for the strategic thinking their roles ostensibly demand.

Microsoft's research on what it terms the "infinite workday" reveals the downstream consequences of this dynamic. Meetings after 8 pm have increased 16% year over year. The average employee now sends or receives more than 50 messages outside core business hours, and by 10 pm, nearly a third of active workers are back in their inboxes. The workday has no clear boundary because the coordination work never truly ends.

## You spent up to 23 hours in meetings last week, and AI is making it worse.

- Meetings have tripled since 2020.
- Average professionals: 12 hours/week in meetings.
- People managers: 16 hours/week in meetings.
- Executives: 23 hours/week in meetings.
- The alignment sessions produce more alignment sessions.

All those AI note-taking apps are barnacles. They are just wrong. AI didn't fix this problem, and adding note-takers isn't fixing it either.



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The conventional diagnosis of this problem points to poor meeting hygiene: too many attendees, no agendas, insufficient follow-through. The proposed remedies follow logically — better facilitation, stricter attendance policies, and, most recently, AI tools to transcribe, summarize, and action the output of meetings that probably should not have happened in the first place. These interventions are the organizational equivalent of rearranging deck chairs. They address the visible symptom while leaving the structural cause entirely intact.

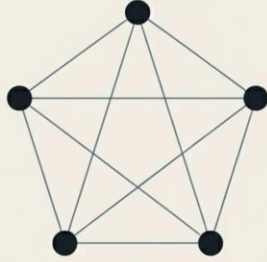
That structural cause is team size. Every Slack channel that demands monitoring, every approval that requires sign-off, every stakeholder who needs to be "kept in the loop" — these are not failures of discipline or culture. They are the mathematically inevitable consequences of having too many people in a coordination network.

### The Mathematics of Human Coordination

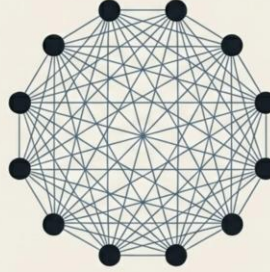
To understand why team size is the root variable, it is necessary to appreciate a simple but profound mathematical reality: the number of communication pathways in a group does not grow linearly with headcount. It grows exponentially.

The formula is straightforward. In a group of  $n$  people, the number of unique two-way communication pathways is  $n(n-1)/2$ . A team of five people has 10 pathways — a manageable web that any member can hold in their head. A team of ten has 45 pathways, at which point coordination friction begins to accelerate noticeably. A team of twenty generates 190 pathways, creating what can only be described as a tangled mesh of dependencies, handoffs, and potential misalignments.

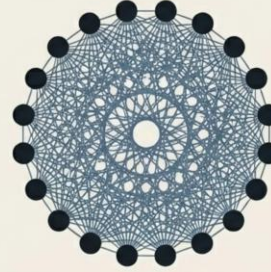
## The mathematical limits of human coordination have not changed.



**5 People = 10 Pathways**  
Every person can hold the full map in their head.



**10 People = 45 Pathways**  
Coordination friction accelerates.



**20 People = 190 Pathways**  
The network becomes a tangled mess.

The Foundation: Evolutionary psychology (Dunbar, 1992), military preparedness (US Infantry 4-person fire team + leader), and software engineering (Brooks, 1975) arrive at the same hard limit: the human brain sustains deep, high-context coordination with about five people. #1 NotebookLM

This is not a new insight. It has been independently discovered by researchers across remarkably disparate fields, which is precisely what makes it so compelling. The evolutionary psychologist Robin Dunbar identified in 1992 that the human neocortex can sustain meaningful social relationships with approximately 150 people, but that the number capable of deep, high-context coordination — the kind required for genuine teamwork — is closer to five. The US military, through centuries of battlefield experience, arrived at the four-person fire team plus a leader as the fundamental unit of coordinated action. The software engineer Fred Brooks, in his landmark 1975 work *The Mythical Man-Month*, demonstrated that adding engineers to a late software project makes it later — because the coordination overhead of each new person exceeds their productive contribution.

Three entirely different disciplines, drawing on entirely different evidence, converging on the same hard limit: the human brain can sustain deep, high-context coordination with approximately five people. This is not a cultural preference or a management philosophy. It is a cognitive constraint, as fixed as the speed of light or the laws of thermodynamics.

Team Size	Communication Pathways	Coordination Complexity
<b>5 people</b>	10 pathways	Every member holds the full map
<b>8 people</b>	28 pathways	Informal hierarchy begins to form
<b>12 people</b>	66 pathways	Formal coordination mechanisms required
<b>20 people</b>	190 pathways	Network becomes a tangled mesh
<b>50 people</b>	1,225 pathways	Coordination consumes the organization

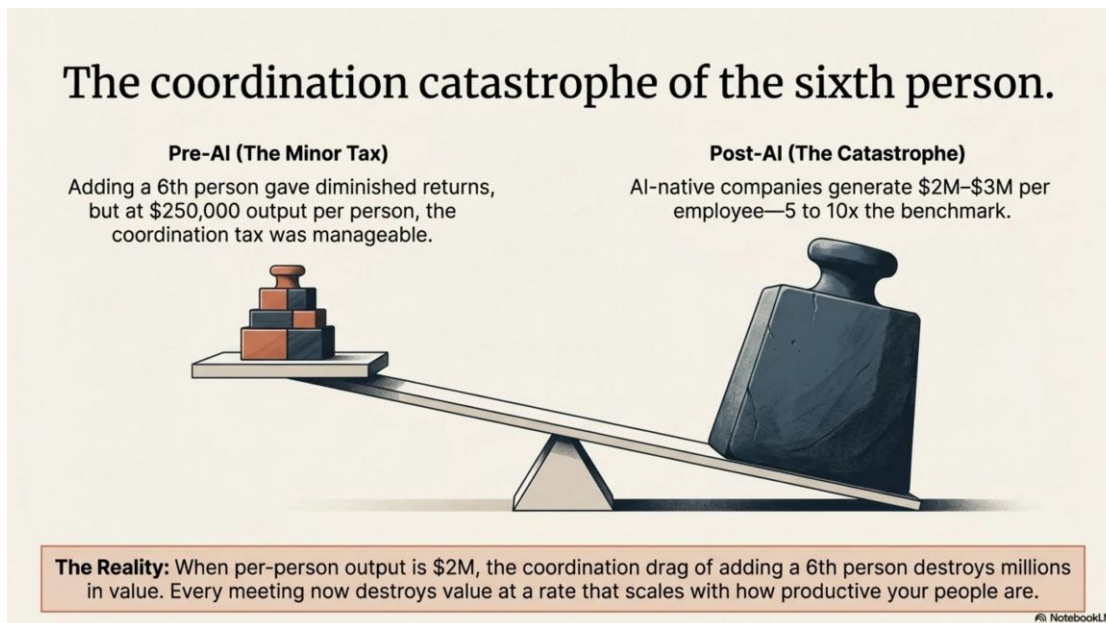
What has changed in the AI era is not this mathematical reality. What has changed is the cost of ignoring it.

## The Coordination Catastrophe of the Sixth Person

Consider a product development team at a mid-sized software company in 2019. The team has five engineers, each producing roughly \$250,000 in annual value. The total team output is \$1.25 million. Now imagine the manager decides to add a sixth engineer. The new hire brings additional capability, but also introduces a new set of coordination requirements: more code reviews, more stand-ups, more decisions that require consensus, more context that must be shared and maintained. The coordination tax is real, but at \$250,000 per person, it is manageable. The sixth person still contributes net positive value, even accounting for the friction they introduce.

Now advance to 2026. The same team, equipped with AI coding assistants, automated testing pipelines, and intelligent documentation tools, is generating \$2 million in value per engineer — a figure consistent with the productivity benchmarks observed at AI-native companies, which generate between \$2 million and \$3 million in revenue per employee, five to ten times the pre-AI benchmark. The total team output is \$10 million.

The manager, reasoning by analogy with 2019, decides to add a sixth engineer. The coordination tax has not changed in absolute terms — it is still the same cognitive overhead of maintaining one additional communication pathway, one additional set of context dependencies, one additional voice in every decision. But the relative cost has transformed entirely. When each person's productive time is worth \$2 million per year, every hour lost to unnecessary coordination is worth roughly \$1,000. A single unnecessary meeting with six attendees, lasting one hour, destroys \$6,000 in value. A week of such meetings destroys \$30,000. A year of such meetings — and the average executive attends hundreds — destroys millions.



This is the coordination catastrophe of the sixth person. It is not that large teams were ever optimal. It is that the stakes of getting team size wrong have increased by an order of magnitude. Every meeting now destroys value at a rate that scales directly with how productive your people are. The more you invest in AI to amplify individual output, the more expensive your coordination overhead becomes.

## The Fallacy Exposed: Why AI Tools Are Not the Answer

The market's response to the meeting crisis has been to layer AI on top of the existing structure. AI note-takers join every call and produce summaries. AI scheduling tools optimize calendar conflicts. AI communication platforms surface the most relevant messages from the noise. These tools are not without value — but they are, in the language of the slide deck that inspired this article, barnacles. They attach themselves to a broken hull and make it slightly more hydrodynamic. They do not fix the hull.

The deeper problem with this approach is that it can actually make things worse. When AI tools reduce the friction of scheduling and attending meetings, they lower the perceived cost of adding one more meeting to the calendar. When AI summarizes every call, it creates an incentive to hold more calls, secure in the knowledge that no one will miss anything important. The tools designed to manage the coordination problem end up amplifying it, because they treat coordination as an inevitable feature of organizational life rather than a symptom of structural dysfunction.

Consider the analogy of traffic congestion. For decades, urban planners believed that building more roads would reduce congestion. What they discovered instead was a phenomenon called "induced demand": new roads attract new traffic, and congestion returns to its previous level or worse. The same dynamic applies to meeting management tools. Every tool that makes meetings more efficient induces more meetings. The only solution to traffic congestion is to reduce the number of cars. The only solution to the meeting crisis is to reduce the number of people who need to coordinate.

**You do not have a meeting problem.  
You have a team size problem.**

~~Meeting Problem~~ → **Team Size Problem**

Every AI tool you adopt amplifies output through a coordination structure that is fundamentally broken.

Team size determines every hour of the working day: Slack channels to monitor, approvals to wait for, people to align.

AI changed how our teams operate, but we are still trying to use legacy organizational designs.

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## What AI-Native Organizations Are Getting Right

The organizations that have genuinely internalized this lesson look structurally different from their peers. They are not simply large companies with AI tools bolted on. They are small, autonomous units operating at extraordinary levels of output — and they are deliberately designed to stay small.

The clearest examples come from the technology sector, where the constraints of software development have long forced a reckoning with team size. Amazon's famous "two-pizza rule" — the principle that no team should be larger than can be fed with two pizzas — was not a quirky cultural artifact. It was a structural recognition that small teams move faster, communicate more effectively, and make better decisions than large ones. The rule predates AI, but it anticipates the logic that AI now makes urgent for every industry.

More recently, a new generation of AI-native companies has demonstrated what is possible when this principle is taken to its logical conclusion. Companies generating \$2 million to \$3 million in revenue per employee are not achieving this through heroic individual effort. They are achieving it by building organizations where each small team has the AI capability to do what previously required a much larger group, and where the coordination overhead is kept ruthlessly small by keeping the teams themselves small.

The pattern that emerges from these organizations is consistent. Teams of three to five people, each equipped with AI tools that amplify their individual output, operating with genuine autonomy over a clearly defined domain. Coordination between teams happens through well-defined interfaces — shared data, documented decisions, asynchronous communication — rather than through meetings. The org chart is not a hierarchy of reporting relationships but a map of value streams, each owned by a small, high-trust unit.

## The Diagnostic Question Every Leader Must Ask

The practical implication of this analysis is not that organizations should immediately dissolve their large teams and reconstitute themselves as collections of five-person units. Organizational change of that magnitude requires careful sequencing, and the transition costs are real. But the analysis does suggest a diagnostic question that every leader should be asking, and very few currently are:

**For every team in your organization, is the value created by each additional member greater than the coordination cost they introduce?**

In the pre-AI era, this question had a relatively forgiving answer. The coordination cost of an additional person was modest relative to their productive contribution, and the threshold for net positive value was easy to clear. In the AI era, the answer is far less forgiving. The productive contribution of each person has increased dramatically — but so has the cost of the coordination overhead they introduce, because that overhead is now measured against a much higher baseline of individual output.

The organizations that will thrive in the next decade are those that take this question seriously and act on the answer. They will not simply add AI tools to their existing teams. They will redesign their teams around the capabilities that AI provides, keeping them small enough to preserve the cognitive coherence that makes deep coordination possible, and equipping each person with the AI leverage to operate at a level of output that would have required a team of ten just five years ago.

Diagnostic Question	Legacy Organization Response	AI-Native Organization Response
Why are we meeting?	To align on decisions	Decisions are made at the team level
Who needs to attend?	Everyone who might be affected	Only those with direct accountability
How do we coordinate?	Regular meetings and check-ins	Documented interfaces and async updates
What is the right team size?	As large as the work requires	As small as the work allows
How do we measure productivity?	Hours worked and outputs delivered	Value created per person

## The Imperative for Organizational Redesign

The AI Team Size Fallacy is, at its core, a failure of organizational imagination. It is the assumption that the structures designed for a world of \$250,000-per-person productivity are adequate for a world of \$2 million-per-person productivity. They are not. The mathematics of coordination do not change, but the stakes of getting them wrong have increased by an order of magnitude.

The leaders who will define the next era of organizational performance are not those who deploy the most AI tools. They are those who ask the harder question: given what AI now makes possible, what is the right structure for our teams? The answer, in almost every case, will involve fewer people in each team, more autonomy at the team level, and a ruthless reduction in the coordination overhead that currently consumes so much of the value that AI is working so hard to create.

The meeting problem is real. But it is a symptom, not a cause. The cause is a team size model built for a different era of productivity — one that AI has now rendered obsolete. The organizations that recognize this, and act on it, will not merely be more efficient. They will be operating in a different economic league entirely.

The question is not whether to make this transition. The question is whether to make it deliberately, with clear intent and careful design, or to have it forced upon you by competitors who figured it out first.

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