Testing and Validating Your Span of Control Benchmarks

Understanding the IdealSpan Calculation
Why Companies Look at Span of Control

- Gain a competitive advantage by flattening organizational structures
- Increase the speed of decision making
- Trim costs with limited negative effect on revenues or the customer experience
- Reduce the number of resources working on lower-value activities or on declining products
- Focus resources on doing work rather than on coordinating work

High performance organizations have fewer layers between leaders and customers and wider spans of control
What Factors Impact Span of Control

Job Dimensions
(These factors relate to the design of the job and nature of the work)
- Predictability of the work
- Interdependence of the work
- Amount of supervision required
- Complexity of the work
- Strategic impact of work
- Specialization of the work
- Role of manager
- Risk of the work managed
- Number of locations/geographies
- Work discretion
- Supporting technologies/facilities

Worker Dimensions
(These factors relate to the people – incumbents – who are doing or managing the work)
- Employee technical expertise/skills
- Supervisor/Manager experience
- Self-management experience
- Team skills

If you envision these factors along a continuum, the further you move to either extreme along the continuum the larger or smaller the ideal span of control will be.
Let’s Look at an Example

Assume we are calculating the ideal span of control for a vice president of marketing. If we look at the dimension of “Work Predictability,” depending on where we evaluate this job will determine the ideal span of control. The further right you go, the higher the percentage; the further left, the lower the percentage.¹

Analyzing the ideal span for one dimension is fairly straightforward. The challenge comes when we have to analyze all of the dimensions that can impact span of control. This is where IdealSpan comes in.

¹ IdealSpan does not show the percentages associated with each dimension.
IdealSpan applies a unique calculation for each dimension and then combines these individual calculations into a single estimate of the ideal span of control given your responses.

Even though the calculation is different for each dimension, the concept works like this…

![Graph showing work predictability with percentages ranging from 60% to 100%]

If the possible maximum span of control for the vice president of marketing is 12, then as you adjust the slider, the percentage is adjusted. If the final percentage is 80%, then the ideal span of control will be $12 \times 80\%$ or 1 manager to 9.6 direct reports. IdealSpan then applies a +/-10% to this calculation to give a range.
Each dimension has its own unique calculation so even if you put the slider in the same spot, the percentage might differ (see the illustration below). When IdealSpan combines all of the individual calculations, it does weight a couple of the dimensions higher than the others.
Some important notes,

✓ Depending on how you answer the initial questions when creating a new job to evaluate will affect what dimensions are displayed to be evaluated.
  - For example, if you are evaluating a brand new job with no incumbents, then none of the Worker Dimensions are displayed. Likewise, managerial/executive positions have additional dimensions to be evaluated that other positions won’t have.

✓ Even though IdealSpan is based on the best thinking and research about organizational spans of control, the application is only designed to test your design assumptions and allow you to play with different span of control scenarios. Therefore, IdealSpan should only be used as a guide and not as the final, authoritative answer regarding span of control.
  - The application has not been statistically validated nor benchmarked so the results should not be used as a replacement for management discretion and sound judgment.
  - If an initial calculation doesn’t seem reasonable, run another scenario and adjust some of your assumptions.
Job Dimensions Defined

• **Predictability of the work** – The degree to which work comes at a steady pace and can be planned.

• **Interdependence of the work** – The degree to which work assignments need to be planned and coordinated. The more straightforward, easy to understand, and complete the work, the less coordination required.

• **Amount of supervision required** – The amount of supervision required to oversee the work so that it is completed timely and accurately.

• **Complexity of the work** – The degree of complexity in doing the job. Complexity can be caused by the nature of the work, the skills required, or the need to meet tight timeframes.

• **Strategic impact of work** – Some work is strategic for an organization—meaning it delivers differentiation for the organization. Span of control should consider the strategic impact of the work.

These factors relate to the design of the job and nature of the work
• **Specialization of the work** – The degree to which the job is focused and specialized allowing for high-levels of expertise and productivity.

• **Role of manager** – The degree to which this job involves managing or supervising as well as performing the work.

• **Risk of the work managed** – The degree of risk this job is responsible for managing on behalf of the company. This may include cost, time, reputation, and regulatory impacts.

• **Number of locations/geographies** – How dispersed is the work. Includes time zone, culture, language, and diversity when multiple geographies are involved.

• **Work discretion** – How much freedom or discretion this job has to make decisions, allocate resources, prioritize work, set-interpret policies, or make exceptions.

• **Supporting technologies/facilities** – The degree to which the organization has technologies and facilities to effectively manage the work involved in this job.
Worker Dimensions Defined

- **Employee technical expertise/skills** – The level of technical skill, expertise, or experience workers in this job have. Certifications, years of experience, education levels could influence this dimension.

- **Supervisor/Manager experience** – The level of skill or experience supervisor(s) who manage this job have.

- **Self-management experience** – The degree to which employees are comfortable, effective, and experienced in managing themselves and their work.

- **Team skills** – The level of skill or experience employees have in working as a part of a team where work/tasks are interrelated.

These factors relate to the people – incumbents – who are currently or will be doing/managing the work.
• Applying benchmarks to strategic roles or work

• Span design should enable strategy or at least not get in the way

• Using IdealSpan as the final answer