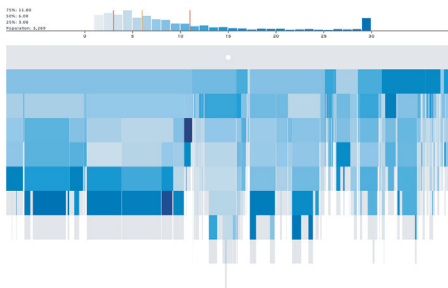


Optimize spans and layers to increase organizational efficiency.

A significant challenge faced by CHROs, especially those from large and rapidly growing organizations, is managing spans of control and management layers. Spans and layers differ from one organization to another, and from one division to another, but the principles essentially remain the same for effective communication and efficient business processes.

As a reminder, the span of control is the number of direct reports to any given manager. Layers are the number of reporting levels from top to bottom at any given part of the organization. The wider the spans of control become, the flatter the organization. This increases the time managers spend managing their subordinates and decreases their time available for achieving organizational goals. The narrower the spans of control become, the deeper the organization (more reporting levels) which adds to the communication layers between the top and bottom of an organization and leads to delayed decision making. On aggregate, too small or too large a span of control can lead to significant inefficiencies in your organization. But what span of control is best?

Span of Control: Across Entire Hierarchy



MANAGER TYPES ARE IMPORTANT

The optimal span of control depends on a number of factors that are specific to your industry and the managers job profile. Some organizations determine a maximum threshold for both spans and layers. This may be 8x8, or 10x7 for example (span of control not to exceed 10, and levels not to exceed 7). While this can be a useful yard stick, a single organization prescription fails to recognize the many different types of managerial activity that takes place in an organization. Treating the organization as a single monolithic collection of worker bees is not that useful and can lead to inefficient organizational design.

Average Span of Control by Job Family



When conducting spans and layers analysis, it important to go deeper and specifically look at groups of managers and their role in the organization. For example, the optimal span of control for a line manger in a manufacturing context will likely be significantly higher than that of a manager in a finance function. Managers in some types manufacturing can have over 100 direct subordinates, which appropriate for an assembly line, not so much for the accounting department.

The same can be said for managers in different levels in the organization, as well as their geography and other groupings. The optimum span of control for the same type of retail manager in France may be significantly different than in the US. It is therefore important to choose a workforce analytics application that allows for easy segmentation of manager types along any number of attributes to understand that varied nature of managers in your organization and the spans of control that are most appropriate.

CHANGE - IT HAPPENS!
 Optimizing span of control for each manager type, and the layers of your organization can lead to better organizational productivity. However nothing is static and your organization is sure to change with time. Optimal is an endlessly moving target. From a workforce planning and org design perspective, spans and layer analysis should become a routine exercise and this can only be done with tools that simplify the collection and analysis.

ORGINISIGHT FOR ORGANIZATIONAL PLANNING

OrgInsight was built from the ground up to facilitate spans a layers analysis and the workforce analytics. The application creates an organizational map of an entire organization. This is done through core HR data, and specifically line manager reporting relationships. The end result is a hierarchy of any entire organization displaying the reporting relationship between every member. As span of control and management layers are an inherent part of reporting relationships, the tool provides an immediate view into the distribution of each across an entire organization.

With visual workforce analytics tools with OrgInsight's visual workforce analytics tools, CHROs and those in HR analytics can analyze the spans and layers in their organization and make optimal adjustments.

OrgInsight can be used to further your workforce analytic solutions. It is hosted securely in the cloud by the SAP HANA Cloud Platform, and is vendor agnostic (SuccessFactors, SAP HCM, Workday, PeopleFluent etc.).