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This document contains the introduction to a Analyst Note.

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Spans of control in IT: facts and perspectives

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Spans of control, for most of the time, are of little interest to CIOs or those in the IT function generally. But in companies undergoing delayering, which necessarily involves an increase in spans of control, they can quickly become of consuming interest.

This Analyst Note gives the facts about span of control in IT and will help leaders to think through some key issues.

Introduction

Average spans of control, i.e. the average numbers of people supervised by managers in an organization, are often used as a quantitative indicator of organizational health. They are particularly important when companies are seeking to delayer because delayering will inevitably increase the spans of control of many managers. For this reason, these two quantitative measures are often bracketed together and used to define a target model, e.g. 8x8 indicates an eight-level structure where the normal span of control is eight. A real life example of such a model is Deutsche Bank which declared in its 11 September 2012 presentation to investors, *Deutsche Bank: Winning in a Changed Environment*, that by 2015 it wanted to:

- *'Reduce from 10 to 8 layers, and*
- *'Increase average span of control from 1:5.5 to 1:8'*

This example is discussed on page two of this Note.

'Spans of control are to organization redesign what bell curve distributions of performance ratings are to performance management.'

A key purpose in measuring and comparing spans of control inside companies is to ensure that delayering is implemented consistently up and down the hierarchy, and not just focused on stripping out a single layer (or two), leaving most layers unchanged. Spans of control are to organization redesign what bell curve distributions of performance ratings are to performance management: measures used to compare, simplistically, quite complex situations. This description is not to deny their usefulness, when applied intelligently.

The IT function will usually be expected to implement whatever number of layers is being introduced across the company. Or it may, independently, be seeking to rebalance its structure. Either way, this Note gives the facts about span of control in IT and will help leaders think through two key issues: accounting for span of control and the implications for IT managers' capability.