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# How to identify the right ‘spans of control’ for your organization

Organization December 2017

Understanding five managerial archetypes can help.

**Throughout the 20th century,** many organizations chased the notion of finding and using one ideal universal “span of control” (SOC)—the magic number of employees a manager could oversee to achieve optimal effectiveness and efficiency. However, over decades of supporting the world’s leading organizations in their redesign experiences, McKinsey has found that there is no single magic number that fits all types of managers and the work that they do. In fact, chasing one single number can actually reduce effectiveness.

Some practitioners have attempted to identify the “right” number by industry or segment, using benchmark or peer comparison methods. Our analytical evidence and experience indicate that while a peer-benchmark approach may seem appealing, it often causes new problems, heavily handedly applying structures that work for the strategy of other organizations. The top-down assignment of managerial span of control, based on external comparisons, misses the specificity critical to designing something that is right for each company’s context and strategy. It doesn’t take into account how each department and team should perform their work to accomplish their collective performance and health goals.

We propose a new way to set target spans of control for our clients, one that enables companies to build organizations that are “fit for purpose” to their context and strategy. We have found that optimizing for managerial span requires an understanding of the complexity and the nature of the work done by both the manager and their direct reports. By studying thousands of individual managerial jobs, we have categorized them into five different archetypes that reflect the most typical types of managerial work: player/coach, coach, supervisor, facilitator, and coordinator. By applying these managerial archetypes to current manager roles, you can identify opportunities to rightsize their spans of control, ultimately increasing the effectiveness, efficiency, speed, and productivity of the entire organization.

## The five managerial archetypes

In our experience, basing the target number of direct reports on the actual work done by a manager’s team produces the best outcome. In doing this across hundreds of organizations we have identified five managerial archetypes to guide the process: player/coach, coach, supervisor, facilitator, and coordinator. These archetypes cover spans ranging from three to five to more than 15 direct reports per manager. We use ranges to allow for flexibility in strategy and execution, as we know that not every individual in a given manager cohort will have the same

managerial capabilities. Ranges give room for managers both new to the role, who are still upskilling, as well as for high-performing managers, who are at the top of their game.

Each role in an organization can be mapped to one of the five managerial archetypes depending on four aspects of managerial complexity:

- **Time allocation.** How much actual time is the manager spending on her or his own work versus time spent managing others?
- **Process standardization.** How standard and formally structured is the work process?
- **Work variety.** How similar or different is the work of individual direct reports?
- **Team skills required.** How much experience and training do team members' jobs require? How independent are the direct reports?

#### **Player/coach**

A player/coach has a significant level of individual responsibility. There may not be guidelines or standardized processes in place for this work. The teams conduct different types of work, and those work activities are rarely repeatable. Self-sufficiency can be achieved only after several years because work requires skills developed over an extensive apprenticeship.

#### *Example: Functional vice president*

Such a role typically needs a great deal of experience in the industry and business, and they bring their experience to bear. Strategy work, by its nature, is unique and not repeated. Team members are apprenticed to the leader, and build their expertise over a long period of time, which requires the manager to provide constant guidance and apprenticeship. Other roles that typically fall into this category include areas with expert knowledge or skill—a consulting engagement manager falls squarely into this bracket.

**The typical managerial span for a player/coach is three to five direct reports.**

#### **Coach**

A coach archetype has a substantial level of individual responsibility and executional support from others. Process guidelines are in place. Subordinates typically conduct more than one type of work. Additionally, for a given type of work, coach activities are conducted differently. Self-sufficiency can be obtained typically within a year because work requires skills developed during a substantial apprenticeship in a structured way.

#### *Example: Customer-analytics manager in a marketing group*

The customer-analytics manager has a substantial level of individual responsibility. While process guidelines may be in place for standard analytics, this role will also be responsible

for developing new analytics based on best practices. Subordinates join with some level of analytics background, but need support and apprenticeship to become familiar with the business, the strategy, and the customers for this company to be effective at their work.

**The typical managerial span for a coach is six to seven direct reports.**

### **Supervisor**

A supervisor archetype has a moderate level of individual responsibility and has leadership from others for execution. A standard work process exists. Direct reports conduct the same type of work but activities may be conducted differently. Self-sufficiency can be achieved more quickly (for example, within six months) because work requires skills developed through a moderate apprenticeship in a standardized way.

#### *Example 1: Accounting manager*

Typically, the accounting manager will handle exceptional situations, however standard company-wide processes and guidelines for accounting already exist. Direct reports are typically all accountants who manage the books but activities may differ by jurisdiction. Accountants come in with basic training but need apprenticeship to understand the company-wide processes and procedures that may be specific to their company.

#### *Example 2: Senior vice president of finance*

This is a senior leader in finance in a large organization who has direct reports at the vice president level. He or she may do a large amount of individual work and be responsible for situations where there are no clear guidelines, while direct reports are typically also very senior and independent. As a result, the archetype tends toward supervisor.

**The typical managerial span for a supervisor is eight to ten direct reports.**

### **Facilitator**

A facilitator archetype has limited responsibility for individual delivery, with primary accountability for managing the day-to-day work of others. Work is mostly standardized. Teams conduct the same type of work and similar activities. Self-sufficiency can be achieved within one to two months because skills can be acquired quickly or direct reports have the majority of skills before starting the job.

#### *Example: Accounts receivable and payable managers in a large finance organization*

There's one clear process established for all activities, with adjustment for some exceptions. All vendors follow the same process, and it is repeated at a fixed time interval. The direct reports can be self-sufficient within a month and the manager then has to handle only the exceptions.

**The typical managerial span for a supervisor is 11 to 15 direct reports.**

### Coordinator

A coordinator archetype spends nearly all of his or her time managing day-to-day work. The work is highly standardized or automated. Direct reports perform the same essential work and activities. Self-sufficiency can be achieved in a couple of weeks because work requires few specific skills or people have the skills before entering the role.

#### *Example: A manager in a call center*

A call-center manager typically handles only escalation calls; all other calls are handled by the operators. The work, especially in billing call centers, is very standardized, and people can start in a call center with only a week or two of training.

**The typical managerial span for a coordinator is 15 or more direct reports.**

### Use managerial archetypes to drive efficiency and effectiveness

By better understanding the managerial archetypes in the organization you can set specific guardrails for each managerial cohort. Using rigorous analytics and evidence, targeted actions can be taken to either streamline or increase the spans of control for each group.

By rightsizing your managerial spans of control, companies can dramatically improve the productivity and speed of their organization. In our work with companies, we've seen that increasing spans of control for managers with few direct reports (for example, replacing coaches with facilitators) can eliminate subsize teams, helping to break down silos, increase information flow, and reduce duplication of work. By increasing the span of control for managers who could or should take on more, you can actually decrease the amount of micromanagement in the organization, creating more autonomy, faster decision making, and more professional development for team members. Correcting spans that are too narrow can also reduce the total number of layers of an organization—decreasing the distance from senior leaders to the front line and, in many cases, to their customers. Typically, we see comprehensive span exercises reducing at least one layer in an organization. Finally, by rightsizing spans of control, you can free up resources to invest in higher value activities. We typically see an opportunity to save between 10 to 15 percent of managerial costs by rightsizing spans and layers.

Historically, optimizing SOC has often been seen as primarily a cost-management exercise. However, companies can also use the opportunity to better structure their organizations, increasing productivity and efficiency. Ultimately, smarter and more efficient management will drive value.

### An outside-in and inside-out approach

We advise taking an “outside-in, inside-out” approach to applying these managerial archetypes to an organization. Based on expert interviews and empirical research, we have created a robust set of preassigned managerial archetypes for a list of functional and subfunctional groups (for example, HR, legal, or even auditing).

We can apply these preassigned archetypes outside-in to the managerial job families in an organization's personnel data file to create a starting point for discussion with internal experts (for example, HR and business leaders). Then we apply an inside-out method to truly understand the roles, spans, and structure of the organization. We conduct a series of collaborative working sessions to pressure-test these archetype assignments given the company's specific context and strategy. In these sessions, we can unearth situational factors (for example, a new group or line of business that's just been launched, so isn't yet standardized but someday will be) that can help our clients set their own span-of-control targets that are rooted in our archetype methodology but customized to their organizational needs.

Importantly, these sessions also provide clients a chance to identify root causes that have led to misaligned spans of control, which can then be addressed as part of their redesign effort. Recognizing these critical underlying issues is the first step to improving organizational efficiency.

In some cases, for example, we have found that too-small spans of control have proliferated because managerial designation has been perceived as the only—or easiest—way to recognize and promote high performers. In other cases we've seen narrow spans because an organization has been slow to invest in its systems or digital enablement, requiring manual work—and human quality control—in places that could be largely automated. Correcting spans without addressing the underlying sources of inefficiency is, at a minimum, a short-term fix. Our approach helps to set targets for managerial work as it could get done but recognizes that understanding how it currently gets done helps identify sustainable ways to correct spans for the long term.

### **Evolution of our thinking on managers and management**

As more of the workforce has moved from manufacturing and production industries to service-driven and knowledge-based sectors, the old-school notion of span of control has become increasingly challenged. Its very concept is being rethought and reimaged to exist in a modern, digital workforce, where people work remotely, globally, independently, and collaboratively, while doing a wide variety of analytical and creative jobs.

The top-down autocracy where managers would give orders to get work done is increasingly seen as a relic of another era. Today, managers are expected to provide guidance, apprenticeship, and expertise. Instead of it being about “control,” real leadership is more about managing through empowerment to drive productivity in teams that is greater than the sum of their parts. In agile organizations, where teams function as self-managed units, collectively setting team goals and leading themselves to achieve those goals without most of that leadership coming through the line manager, spans can sometimes be much larger than those mentioned here, given the reduced need for managerial oversight.

What's clear is that as the reality of work continues to be disrupted by technology, innovation, and more modern work flows, the philosophy of management will also evolve. Our ideal managerial spans will need to keep up with the changing dynamics and demands of the workforce. Understanding the work that managers should and do get done will ultimately help you set targets for those magic numbers and create the right environment for your people to be successful. □

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