

A Balancing Act: Understanding & Optimizing Managerial Span

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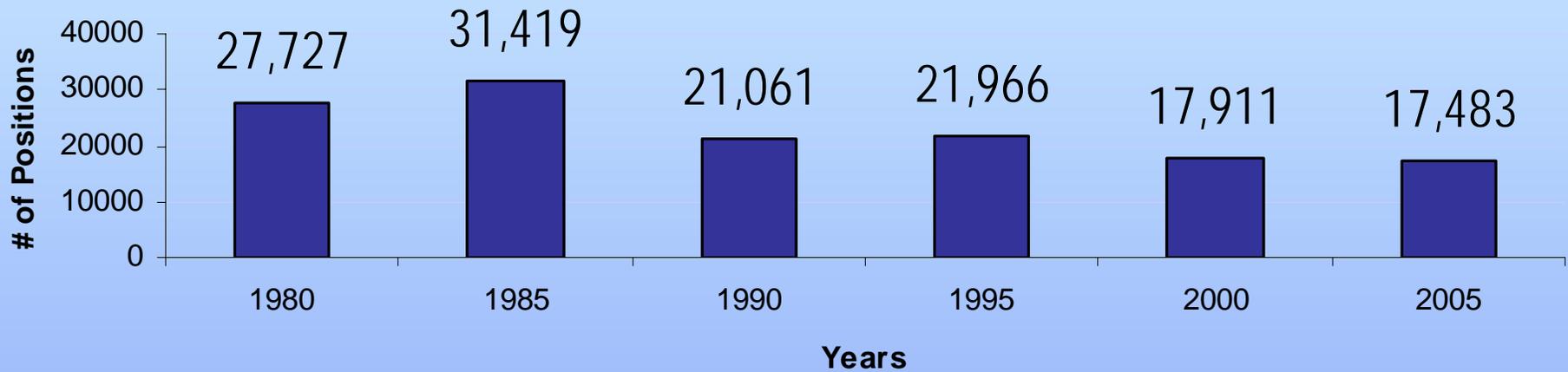


Background

- A decade of health care reform & shortages has been associated with human resource inefficiencies
- Declining supply of managers accompanied by role shift during the late 1980s & early 1990s

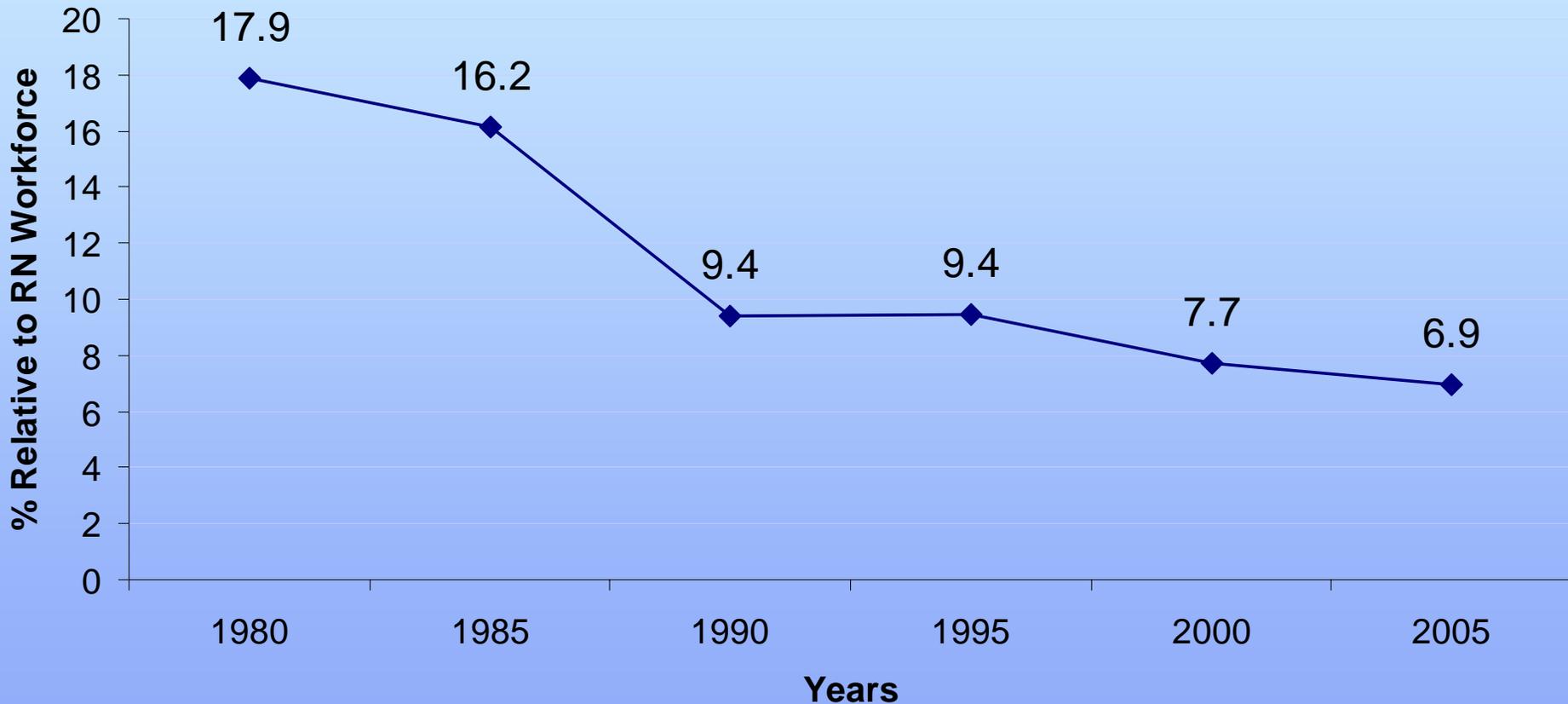
RNs in Management Positions

- Declined by 36.9% from 1980 & 2005 (CIHI, RNDB)



% RNs in Management Positions Relative to Size of RN Workforce

- Declined from 17.9% in 1980 to 6.9% in 2005 (CIHI, RNDB)



Aging Management Pool

- In 2005, 17,483 RNs reported working in management positions
- On average, these RNs were 5.5 years older than staff nurses
 - 49.3 vs 43.8 years of age (CIHI RNDB)
- 13.1% of these RNs were under age 40

Conceptual Approaches to Span

- 
- **Industrial Revolution**
 - **limited span:** maximum number per supervisor
 - 1940's
 - **optimum span:** number varies by organizational level
 - 1960's
 - **situational span:** no single rule; depends on characteristics of manager, employees, context
 - **managerial scope:** depends on the complexity & diversity of roles & responsibilities assigned
 - 1970's
 - **time spent:** need to consider time spent by manager in supervisory (vs. other) activities

How can span measured?

| Measure |
|--|
| $\frac{\text{FTE or \# of employees}}{\text{FTE or \# of managers}}$ |
| $\frac{\text{\# of employees}}{\text{per manager}}$ |
| $\frac{\text{\# of employees}}{\text{\# or \% time spent by manager}}$ |
| weighted scale related to roles & responsibilities |
| $\frac{\text{\# of employees}}{\text{per unit/department}}$ |
| $\frac{\text{\# of employees}}{\text{\# or \% time spent by manager \& \# or \% time spent by others with managerial duties}}$ |

Does unit of measurement matter?

- **Employee headcount vs full-time equivalent (FTE)**
 - Use of FTEs reflects the number of 40-hour work weeks assigned to the manager (i.e., span of responsibility)
 - Use of FTEs does not capture the resources allocated per employee related to orientation, scheduling & evaluation
- **Manager time spent: absolute number vs %**
 - Use of % is confounded by variation in length of managers' work week

Spans in Health Care in Canada

| | <i>Direct reports</i> | Reference |
|---------------------|---|--|
| First-line Managers | <i>Range: 36-151</i> <i>Avg.: 77</i> | Doran et al. (2004) 7 hospitals, Ontario |
| First-line Managers | <i>Range: 5-264</i> | Laschinger, Wong et al. (2007) 66 hospitals, 10 provinces |
| First-line Managers | <i>81% in Acute: 40-59</i> <i>87% in CCC: 30-59</i> <i>LTC: most varied</i> | McGillis Hall et al. (2006) 53 managers, Ontario |

Spans in Health Care in Canada

| | <i>Direct reports</i> | Reference |
|-----------------------|--|--|
| Middle Managers | <i>Range: 1-40</i> | Laschinger, Wong et al. (2007) 66 hospitals, 10 provinces |
| Senior Nurse Leaders | <i>Range: 2-47</i> | Laschinger, Wong et al. (2007) 66 hospitals, 10 provinces |
| Senior Nurse Managers | <i>Range: 8-105</i> <i>Avg.: 49</i> | O'Brien-Pallas et al. (2004) 418 organizations |

Spans in Other Industries

| | <i>Direct Reports</i> | Reference |
|------------------------------|--|---|
| School Administrators | <i># teachers/administrator Range: 3-31 Avg.: 14</i> | Bohte & Meier (2001) 1994-1997 data 678 school districts Texas, US |
| Flight Departure Supervisors | <i># FTE staff/supervisor Range: 8-42</i> | Gittell (2001) 4 airlines US |
| Branch Managers | <i># FTE staff/manager Range: 5-21 Avg.: 11</i> | Schriesheim et al. (2000) 98 Bank Branches US |

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FTE = full-time equivalent

Span: Outcomes

(Review of 15 studies across industries)

Wide spans associated with decreased employee:

- Performance
- Teamwork
- Engagement
- Organizational commitment
- Satisfaction with work & work environment
- Morale
- Labour stability (1 year survivors)
- & also with decreased patient satisfaction

Wide spans associated with increased employee:

- Accidents & unsafe behaviours
- Intent to quit
- Turnover

Costs?

- If a span of 100 nursing staff is associated with a 16% turnover rate Doran et al./McCutcheon (2004)
- If nurse turnover ranges from \$10,000 – \$60,000 USD (depending on specialty) Hayes et al. (2006)
- A span of 100 could potentially cost upwards of \$160,000 USD yearly
- Not to mention the potential hidden fiscal & human costs of reduced productivity related to injuries, lower morale, satisfaction & teamwork
- Can you afford *not* to have enough managers?

Decisions? Theory suggests ...

- Diversification of Function
 - # of employee types
 - # of functions individuals perform
 - Inputs that workers use
- Stability
 - Employee tenure, turnover
 - Organizational inputs & environmental stability which allow for routinization & long-term planning
- Space
 - Physical proximity of manager to workers

Additional Considerations

- Organizational Demands
 - How do managers spend their time? What is the scope of their role beyond managing staff?
- Organizational Context
 - How well resourced is the environment?
- Managerial Characteristics
 - Leadership style, experience, education, etc.
- Staff Characteristics
 - Experience, education, etc.

Wide or Narrow Spans for Managers?

- Wide spans of control are often
 - the default from an efficiency standpoint
 - argued to be desirable when workers are highly skilled or independent ... however,
- Narrow spans of control may be preferable for first-line managers when:
 - Complex work processes are inter-reliant, involve teamwork & require access to organizational resources & support
 - Production technologies are diverse
 - High role diversity among production-level employees
 - High turnover of production personnel

Conclusions

- Decisions about the span of managers can influence organizational structure, costs & outcomes
- Balancing the span, job design & organizational context of managers is necessary to optimize the contributions of managers to patient, employee & organizational outcomes

Thank you

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