

## SPAN OF CONTROL

The term “span of control” is also known as “span of management” or “span of authority”. In simple words, span of control refers to the number of subordinates/individuals a manager can effectively supervise. Span of control is necessary as the managers and executives have constraints with regard to both time and ability.

How many subordinates can a manager efficiently and effectively direct or supervise? This is because the number of subordinates should neither be too large nor too small. When the span becomes too large, subordinate performance suffers because managers no longer have the time to provide the necessary direction and support. At the same time, too small a span suffers from problems like increased levels of management, complexity in the vertical communication, encouraging overly tight supervision, and discouraging subordinate/employee autonomy.

Now, a basic question arises that what should be ideal size of span of control? Different experts have different opinions on it. Some experts consider four as ideal span at higher levels, and 8-12 at the lower levels. Such a variation is because of the fact that the nature of jobs and capacity of individuals vary from one organization to another. However, it is established that the ideal number of subordinates under the control of an executive or manager depends on a number of factors as mentioned below:

- Nature of work
- Ability of the manager
- Efficiency of the organization
- Time available for supervision
- Ability of the subordinates
- Degree of decentralization
- Communication techniques
- Staff assistance

## Benefits of a Good Organization

While there are many different structures that organizations can adopt, depending upon the type of organization, including whether it is a service organization or a manufacturing organization, a well structured organization has many benefits. Some of the beneficial outcomes of a good organization are:

1. A good organization facilitates attainment of objectives through proper coordination of all activities. It has a built-in system of “checks and balances” so that the progress towards the attainment of objectives is evaluated along the way and any new decisions that may be required are taken.
2. In a good organization, the conflicts between individuals over jurisdiction are kept to a minimum. Since each person is assigned a particular job to perform, the responsibility of performing that job rests solely with him. Hence, the interdependency is reduced to a minimum.
3. It eliminates overlapping and duplication of work. Duplication only exists when the work distribution is not clearly identified and the work is performed in a haphazard and disorganized

way. Since a good organization demands that the duties be clearly assigned, such duplication of work is eliminated.

4. It decreases the likelihood of "runarounds". The "run-arounds" occur when we do not know who is responsible for what and we are sent to wrong people for getting some work done. However in a well organized company where the responsibilities are clearly established, this does not occur.
5. It facilitates promotions. Since the organizational chart clearly pinpoints the positions of individuals relative to one another, it is easier to know as to which level a person has reached. Furthermore, since each job is well described in terms of qualifications and duties, the promotional stages can be more clearly established.
6. It aids in wage and salary administration. A fair and equitable wage and salary schedule is based upon the premise that the jobs with similar requirements should have similar benefits. If these requirements are clearly established and the yearly increments or the cost of living increments for each type of job are clearly and properly understood, then compensation administration policies are easier to apply.
7. Communication is easier at all levels of organizational hierarchy. Since the lines of communications and the flow of authority is quite clear in the organizational chart, the inter-communication is both clearer and easier and it eliminates ambiguity.
8. A well-structured organization provides a sound basis for effective planning. Since the goals and resources are clearly established and identified, both short-term as well as strategic planning becomes easier and realistic and such planning contains the provision to permit changes to be made in the right direction including expansion or contraction of operations and activities when necessary.
9. It results in increased cooperation and a sense of pride among members of the organization. An employee is given sufficient freedom within the domain of his responsibility and his authority. Since the authority and the extent of exercise of such authority is known, it develops a sense of independence in employees which in turn is highly morale boosting.
10. It encourages creativity. Because of a sense of belonging and high morale and with the help of clear-cut accountability, recognition of skill and appreciation for contribution towards organizational growth, it encourages resourcefulness, initiative and a spirit of innovation and creativity.

## ORGANIZATIONAL CULTURE

Culture can be considered as a constellation of factors that are learned through our interaction with the environment and during our developmental and growth years. A growing baby learns a basic set of values, ideas, perceptions, preferences, concept of morality, code of conduct and so on through family and cultural socialization and such prevailing culture with which the member of the family is associated determines many of the responses that an individual makes in a given situation.

The organizational culture is a system of shared beliefs and attitudes that develop within an organization and guides the behaviour of its members. It is also known as "corporate culture", and has a major impact on the performance of organizations and specially on the quality of work life



experienced by the employees at all levels of the organizational hierarchy. The corporate culture “consists of the norms, values and unwritten rules of conduct of an organization as well as management styles, priorities, beliefs and interpersonal behaviours that prevail. Together they create a climate that influences how well people communicate, plan and make decisions.” Strong corporate values let people know what is expected of them. There are clear guidelines as to how employees are to behave generally within the organization and their expected code of conduct outside the organization. Also, if the employees understand the basic philosophy of the organization, then they are more likely to make decisions that will support these standards set by the organization and reinforce corporate values.

The word “culture” has been derived metaphorically from the idea of “cultivation”, the process of tilling and developing land. When we talk about culture, we are typically referring to the pattern of development reflected in a society’s system of knowledge, ideology, values, laws, social norms and day-to-day rituals. Since the pattern of development differs from society to society, the cultural phenomenon varies according to a given society’s stage of development. Accordingly, culture varies from one society to another requiring a study of cross-national and cross-cultural phenomenon within organizations. For example, Japanese work culture is very different from American work culture. In America, the ethics of competitive individualism shapes the organizational management and operational performance. The industrial and economic performance in America is taken as a kind of a game in which each individual desires to be a “winner” in order to receive a reward for successful behaviour. This work culture is a continuation of general culture and family upbringing where children are encouraged to “think for themselves”, and show a sense of assertion and independence.

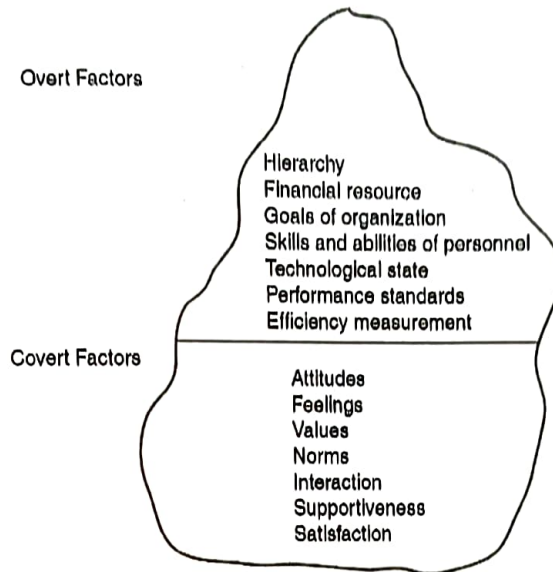
The Japanese culture, on the other hand, encourages individuals as a part of the team thus encouraging interdependence, shared concerns and mutual help. The organization is viewed as a family to which workers frequently make life long commitments as they see the organization as an extension of their own families. The authority relations are often paternalistic in nature and strong links exist between the welfare of the individual, the corporation and the nation.

## **ORGANIZATIONAL CLIMATE**

Even though organizational culture and organizational climate are sometimes used interchangeably, some important differences between these two concepts have been recognized. According to Bowditch and Buono, “Organizational culture is with the nature of beliefs and expectations about organizational life, while climate is an indicator of whether those beliefs and expectations are being fulfilled.” Basically organizational climate reflects a person’s perception of the organization to which he belongs. It is a set of characteristics and factors that are perceived by the employees about their organizations that serve as a major force in influencing their behaviour. These factors may include job descriptions, organizational structural format, performance and evaluation standards, leadership style, challenges and innovations, organizational values and culture and so on.

Richard M. Hodgetts has classified organizational climate into two major categories. He has given an analogy with an iceberg where there is a part of the iceberg that can be seen above the surface and another part that is under water and is not visible. The visible part that can be observed or measured include the structure of hierarchy, goals and objectives of the organization, performance

standards and evaluations, technological state of the operations and so on. The second category contains factors that are not visible and quantifiable and include such subjective areas as supportiveness, employee's feelings and attitudes, values, morale, personal and social interaction with peers, subordinates and superiors and a sense of satisfaction with the job. Both of these categories are shown below in the form of an iceberg (Figure 10.1).



**Figure 10.1** Categories of organizational climate

**Source:** Richard M. Hodgetts, *Organizational Behavior*, Macmillan Publishing, 1991, p. 430.

While some of the factors are easily measured by quantitative methods, others have to be assessed subjectively simply by asking employees relevant questions as to how they feel about certain factors relating to organizational climate. A number of questions are prepared and the questionnaire is given to the workers to respond. Their responses are generally measured on a scale of 1 to 5 where 1 means generally a strong disagreement with the essence of the question and 5 means a strong agreement. For example, a question such as, "In this organization, promotions are given entirely on the basis of merit and contribution to the organization", could elicit a response on the following scale:

1. Strongly disagree
2. Moderately disagree
3. Neutral (No opinion)
4. Moderately agree
5. Strongly agree

These responses can then be tabulated and conclusions can be drawn about how the employees feel about the process of promotion.



Considerable work has been done in this area by Likert, who developed a profile of organizational climate by isolating six variables, with each variable having four dimensions and each dimension containing five degrees or levels. For example, one of the variables is decision making. The question is "At what levels are decisions made?" The four dimensions to this variable are:

1. Mostly at the top.
2. Policy is set at the top; some delegation occurs.
3. Broad policy is set at the top; considerable delegation occurs.
4. Decision are made throughout the entire organization.

Each of these dimensions can be answered on a scale of 1 to 5 as discussed above.

Other organizational variables in this particular profile developed by Likert are: Leadership style, motivation, communication, goal setting and control.

Based upon the inputs so received from the employees, the organization can determine the type and state of existing climate and the changes that can be undertaken to achieve the desired climate. For example, an organization with a climate of autocratic leadership might find that the workers are unhappy with the situation and would prefer a more democratic style of management and thus may decide to make changes to make the decision making more participative that is expected to be more conducive to higher productivity.

### SUMMARY

The type of structure of an organization has considerable impact on the motivation and productivity of employees. In a good organizational structure, each person is assigned a role, responsibility and necessary authority. Each person is expected to coordinate his activities with others in order to achieve the common organizational goals. Each employee is expected to do his assigned job to the best of his ability and in an optimal manner, so that waste is minimized and the performance is optimised.

Basically, the organizational structures fall into two broad categories. The structures can either be mechanistic or organic in nature. The mechanistic structure is similar to bureaucratic structure that is formal with clearly assigned roles and responsibilities at each level of the organizational hierarchy. The division of labour is by functional specialization, where each person knows exactly what he has to do and no deviation is permitted from strictly following rules, regulations and procedures so that organizations are very rigid and a high degree of discipline is maintained.

Organic structures on the other hand are very flexible and there are built-in provisions to cope with the rapidly changing environments. The decision making is decentralized, the departmental boundaries are flexible and the organizational atmosphere is more collegial. While mechanistic structures are highly centralized in that the policy making and the decision making authority rests with the top management, the organic structure encourages decentralization where decisions are made at the point of operations.

There may develop an informal organization within the formal framework on the basis of social interactions and interpersonal relationships. They have their own structure, their own norms, their own leaders and their own working patterns.



The formal structures can either be flat or narrow, depending upon the number of subordinates under any given manager. It is also known as span of management and it has been proposed by Lyndall F. Urwick that for optimum efficiency, the number of subordinates under one manager should not be more than five or six.

The type of organizational structure is a function of the macro-environment of the business, the size of the organization, technology in use and philosophy and strategy of the organization itself. A large organization using sophisticated technology lends itself to organic type of structure.

Various types of organizational structures include line structure that is a very simple hierarchical type where all people are directly involved with the production of goods and services or it could be line and staff where specialists are added to assist the line, without the authority to enforce its recommendations. Then there is a functional structure that permits a specialist in a given area to enforce his directive within the clearly defined scope of his authority. For example, a quality control manager can enforce his standards on all production areas.

The divisional organization can be based upon and differentiated by products, by customers, by geography or by working shifts.

Organization structures can also be based on a given project. The project can be temporary in nature such as a project to build an airport or it can be more permanent in nature such as the American space programme for which a matrix type of organization is more suitable. A matrix structure is a combination and interaction of project and functional structures in which cross-functional teams of specialists are used. Both functional managers and project managers are specialists and jointly control all aspect of the operations.

Culture, in an organizational sense, is referred to as a set of shared values and beliefs that form the pattern of work behaviour among the employees. It consists of norms, values and unwritten rules of conduct as well as management styles, priorities and interpersonal relationships. A strong culture lets people know as to what type of behaviour is expected of them. A culture can be highly conservative where employees behave by the rules of the book or it could be more liberal where the employees have the freedom to be innovative and creative.

While organizational culture reflects the nature of beliefs, values and expectations, the organizational climate refers to the degree to which these beliefs and expectations are fulfilled. Organizational climate is a set of characteristics and factors that are perceived by the employees about their organizations that serve as a major force in influencing their behaviour. These factors include leadership styles, decision making processes, motivation, communication, goals, control processes and so on.

## CASE STUDY

### Joint Chiefs of Staff (JCS)\*

The United States armed forces have four wings. These are: Army, Navy, Air Force and Marine Corps. Each of these services has a chief from its own ranks and each staff is appointed by the President of the United States for a non-renewable four-year term. This appointment is subject to confirmation by the US Senate.

\*This case is personally known to the author. Names have been changed.