Seven Insights from Hospital Span of Control Benchmarks
Note
All data is based on the HR Advancement Center 2014 Span of Control Survey.
Management structures are changing in today’s value-based care environment. Health care leaders cannot afford to make staffing decisions based on instinct. Changes to your organizational structure require both solid data and careful deliberation.

Unfortunately, there’s no perfect management structure for all hospitals, nor a perfect number of direct reports per leader. The right span of control depends on several factors, including level of leadership, size of the hospital, system status, and budget.

The HR Advancement Center collects span of control data to help you assess your organization’s management structure in a principled, methodical way.
The HR Advancement Center’s data allows you to evaluate your management structure against other hospitals like yours.

Breakdown of Respondents
n=165

By Region, Bed Size

By Hospital Type

* Chart above does not add up to 100% due to rounding.
We use the following standard definitions to enable consistent comparisons across organizations.

**Executive**
Senior-most leader within a hospital

**Director**
Someone who oversees managers

**Manager**
Someone who directly oversees frontline staff and has management responsibilities (e.g., performance evaluations and personnel issues)

**Supervisor**
Someone who may have oversight over frontline staff, but also has frontline responsibilities and doesn’t formally manage staff
In 2014, our national cohort had the following median spans of control for each leadership level:

Median Span of Control by Leader Level

By Headcount

<table>
<thead>
<tr>
<th>Leader Level</th>
<th>Median Span of Control</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supervisor</td>
<td>40.6</td>
</tr>
<tr>
<td>Manager</td>
<td>42.1</td>
</tr>
<tr>
<td>Director</td>
<td>1.9</td>
</tr>
<tr>
<td>Executive</td>
<td>3.8</td>
</tr>
</tbody>
</table>

This research briefing contains key insights and observations from the national cohort, instructions on how to use the HR Advancement Center’s interactive Span of Control Benchmark Generator and a framework for applying the benchmarks to your organization.

A LOOK INSIDE THE BRIEF

SECTION 1: Insights from the National Span of Control Survey

SECTION 2: Use the Online Benchmark Generator to Explore the Data for Yourself

SECTION 3: How to Apply Benchmark Data to Your Own Organization
Insights from the National Span of Control Survey
Most supervisors and managers have fewer direct reports than in 2011—except for nurse leaders.

Overall, supervisors at hospitals in the 50th percentile oversee four fewer frontline staff than in 2011. Managers oversee two fewer direct reports than in 2011.

Yet, while hospitals have decreased span of control overall for supervisors and managers, nurse leaders today manage more frontline staff than they did in 2011. Nurse supervisors oversee almost five more frontline staff. Nurse managers at hospitals in the 50th percentile now oversee more than two more direct reports.

An increase in nurse supervisor span of control since 2011 brings nurse supervisors’ number of direct reports more in line with supervisors hospital-wide. Nurse managers—who already had a higher span of control than managers hospital-wide in 2011—now have a wider gap.
Hospital span of control doesn’t follow a traditional pyramid structure, where the top leadership level has the smallest number of direct reports.

Instead, directors typically have the smallest span of control—and median executive span of control is twice as large as the median director’s.

Continuing a trend we saw in 2011, directors have the smallest span of control among all leadership levels with about two direct reports per director. On the other hand, executives have a median span of about four direct reports.

This trend contradicts the pyramid reporting structure common in many industries.

Traditional Pyramid versus Health Care Span of Control

When examining director span of control at your organization, remember directors may have a lower span of control for several valid reasons.

First, they often oversee processes or initiatives, not managers. Second, some directors receive their title so they can have credibility in external-facing roles. Third, they may have been promoted to a director to allow for a market-competitive salary at institutions where titles are linked with narrow salary bands.

If your directors have a notably lower span of control than executives, consider whether some of these factors are at play. You may need to address the root cause of the problem—for example, loosening salary bands.
Nationwide, nurse supervisors have the **greatest variation** in span of control.

In our national cohort, nurse supervisor span of control ranged from overseeing fewer than 12 nurses to more than 173 frontline nurses. This represents the greatest variation within any leadership role.
The smallest hospitals—measured either by number of beds or size of workforce—have much lower supervisor spans of control than larger hospitals.

Supervisors at hospitals with 100 or fewer beds oversee 41% fewer frontline staff than supervisors at hospitals with 101 to 200 beds. Median supervisor span of control peaks in hospitals with 201 to 400 beds.

The trend holds when we measure hospital size by the size of the overall workforce: supervisors at hospitals with fewer than 850 employees oversee 38% fewer frontline staff than supervisors at hospitals with 850–1,500 employees. Median supervisor span of control is fairly consistent in hospitals with 850 or more employees.
Nurse supervisors and directors shoulder the most additional managerial responsibility at larger hospitals.

Median nurse manager span of control increases steadily as hospital bed size increases. Similarly, span of control increases with bed size for nurse supervisors and directors, but at a more dramatic rate from the smallest to largest hospitals. Median nurse supervisor span of control more than doubles from the smallest to largest hospitals. Median nurse director span of control triples from the smallest to the largest hospitals.
Executives and supervisors at teaching hospitals have different spans of control than those at academic medical centers.

For managers and directors, span of control is relatively consistent across three types of hospitals: academic medical centers, teaching hospitals, and community hospitals.

But span of control for supervisors and executives differs by hospital type. In particular, supervisors at the median academic medical center oversee more than twice as many frontline staff as supervisors at the median teaching hospital.
Of the five departments we analyzed, environmental services managers are stretched thinnest.

The median environmental services manager has roughly 16 more direct reports than other managers. However, environmental services managers may have more support from supervisors than other managers: environmental services supervisors oversee about half the number of frontline staff as supervisors overall.
Use the Online Benchmark Generator to Explore the Data for Yourself
You can explore our 2014 hospital span of control benchmarks through our interactive Benchmark Generator.

You can compare your organization’s performance to your peers’ by filtering our national cohort to create a custom cohort that reflects your hospital’s region, bed size, teaching status, and more.

All HR Advancement Center members may use the tool to view the national 2014 results. Any organization that participated in the 2014 survey may access a custom report with their organization’s data.

Follow the instructions below to use the Benchmark Generator.

1 **Access the Span of Control Benchmark Generator**

You can access the Span of Control Benchmark Generator by entering the tool’s title in the search engine on advisory.com, or by going directly to this URL: advisory.com/hrac/spanofcontrol

2 **View national data for 64 span of control metrics**

When you enter the Span of Control Benchmark Generator, you will first see benchmarks for the entire cohort. The menu on the left panel displays metrics for hospital-wide and department-specific span of control.

For each metric, the graph will display the span of control by decile. The 50th percentile represents the median value for the data. Beneath the graph title, you will see the “n” value, which is the number of hospitals who submitted data for the metric.
Filter the national data to compare your performance to your peers

Click the “Modify Cohort” button on the top row to filter the national cohort by hospital demographics or quality indicators such as patient satisfaction.

You can create a custom peer group by using multiple filters at once. The only limitation is that you cannot apply so many filters that the cohort sample size falls below 25 hospitals (to ensure a meaningful sample size for comparison).

For example, if your organization is a 180-bed community hospital and you want to compare your performance to peer organizations, you can filter the data to view only the performance of community hospitals. Then you can further filter the data by viewing only the performance of community hospitals with fewer than 200 beds.
4 View data for other hospitals within your system

If you are part of a health system, and multiple hospitals submitted span of control data during our 2014 survey, you can view each hospital’s individual performance. To do so: click “Change Provider” and select the hospital you would like to review.

This option is accessible only for systems that have submitted data for more than one hospital.

5 Generate a custom report to email or print

You can generate a custom report at any time. Generating a report allows you to easily print, download, or email graphs to colleagues. To do so: click “Generate Report” and select the metrics you would like to include.
How to Apply Benchmark Data to Your Own Organization

SECTION 3
The following pages provide guidance on how to best apply our span of control benchmarks to your organization.

1. **Start with a national comparison, then cut data by demographic**

Start by comparing your hospital’s performance with the national benchmarks. The Benchmark Generator allows you to view span of control data for 64 metrics, including four leadership levels (executive, director, manager, supervisor) and five departments.

This national comparison will allow you to benchmark against our largest data set and understand which leadership levels may need closer examination.

Then use the “Modify Cohort” function in the Benchmark Generator to filter the data by important demographic factors—such as bed size, hospital type or region—to enable a more “apples-to-apples” comparison.

Remember to limit the number of filters you apply at the same time, since the sample size shrinks with each filter you add.
CASE IN BRIEF: Shadygrove Hospital*

Shadygrove Hospital, a 500-bed teaching hospital in New England, started by comparing its leader span of control to the national sample.

Next, Shadygrove compared their manager span of control to a similar cohort of hospitals with more than 400 beds.

While Shadygrove’s manager span of control is in the 30th percentile in the national sample, it’s closer to the median when compared to hospitals with more than 400 beds.

* Pseudonym.
2 **Rely more on span of control measured by headcount (rather than by FTE)**

We offer benchmarks on the number of direct reports for each leadership level measured by headcount and by full-time equivalents (FTEs). At more senior leadership levels, span of control as measured by FTE is essentially the same as span of control measured by headcount. However, for managers and supervisors, span of control by headcount can be considerably different than span of control by FTE.

Headcount more accurately illustrates the amount of “people management” at a given leadership level. Regardless of an employee’s part-time or full-time status, his or her manager is still responsible for the full scope of managerial responsibility such as performance evaluations and disciplinary actions.

### Representative Manager Span of Control

**Headcount Versus FTE**

<table>
<thead>
<tr>
<th></th>
<th>Frontline Staff</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>40</strong></td>
<td>using Headcount</td>
<td><strong>32</strong></td>
</tr>
<tr>
<td><strong>32</strong></td>
<td>using FTE</td>
<td></td>
</tr>
</tbody>
</table>

FTE data is most useful if you are interested in understanding span of control in terms of how many staff work hours are allocated to a manager.
3 Use a consistent percentile benchmark

When you’ve decided which percentile reference you’d like to use, you should use the same reference for all leadership levels.

In this example, the organization’s span of control is indicated by the shaded bars. This organization chose the 60th percentile as the reference for all leadership levels.
Consider the impact of non-structural factors on span of control

Two high-performing hospitals may have identical demographic profiles but markedly different spans of control. When applying benchmarks to your own data, consider the factors below. Talk with department and unit leaders to understand how these factors may affect span of control for their area:

- **Individual manager competency:** Managerial competency (or ability) directly influences the number of direct reports that can be successfully overseen.

- **Spatial layout of unit or department:** Managers and supervisors in patient care areas such as nursing units often need to be close at hand to address daily challenges. A manager may have the ability to manage the total number of staff spread across two small units. But if the units are far apart, each may need its own manager—leading to a smaller span of control.

- **Talent availability:** Sometimes the right talent is not available when you need it. Consequently, departments survive for long periods of time without the right people on board. When this occurs at the managerial level, other managers step in and span of control increases.

- **Compensation strategy:** Your management structure may require a very narrow compensation window for a given level. To retain high-performing employees, you may have to promote them to provide a competitive salary.

- **Need for external-facing credibility:** Some employees may receive a more senior leadership title to establish their credibility and authority with external constituents.

- **Time required for strategic priorities:** Organizations that are undergoing strategic transformation may want to consider if leaders should devote slightly less time to daily operations to increase their capacity for strategic initiatives. In those cases, a smaller span of control may be warranted.
Additional Resources

To see more of the HR Advancement Center’s resources, visit our website.

advisory.com/hrac

**Span of Control Benchmark Generator**
Get 64 national benchmarks on hospital span of control to assess your organization’s reporting structure.

**Annual Turnover, Vacancy, and Premium Labor Benchmark Generator**
Compare your hospital’s turnover, vacancy, and premium labor data to national benchmarks and organizations similar to yours.

**Bending the Labor Cost Curve**
View the labor savings tactics that peer executives believe most warrant further investment of time and resources.
All data is based on the HR Advancement Center 2014 Span of Control Survey.
Seven Insights from Hospital Span of Control Benchmarks