Span of Control and Span of Attention

A Panel Discussion: May 2, 2019

FUTURE SENSE[®]

Led by Jim Finkelstein President and CEO FutureSense, LLC

Panelists



Matthew Gerlach Executive Vice President & COO, CHOC Children's



Kenneth McFarland CEO, Fountain Valley Regional Medical Center, Tenet Healthcare





Lori J. Morgan, MD, MBA President/CEO, Huntington Hospital

Jeremy Zoch, PhD CEO, St. Joseph Hospital, Orange



Format for Session

Introduction

Panel Discussion and Q&A

Tools and Resources

More Q&A

Final Thoughts

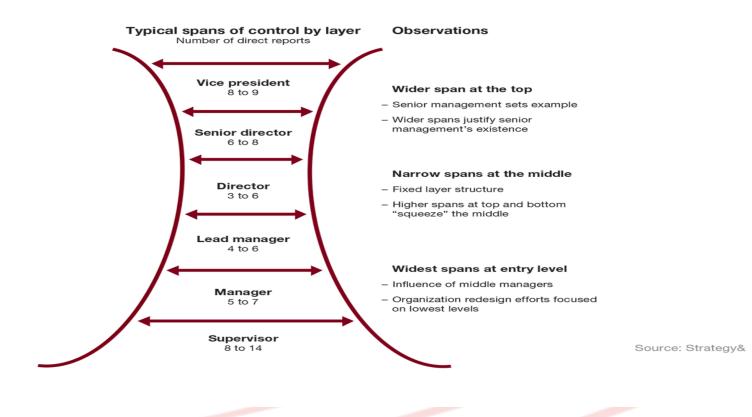
- Hospital span of control doesn't follow a traditional pyramid structure.
- Directors typically have the smallest span of control and median executive span of control is twice as large as the median director.
 - Executive 4
 - Director 2
 - Manager 42

Advisory Board, 7 Insights from Hospital Span of Control Benchmarks, Executive Research Briefing, April 7, 2015



Exhibit 1

The "hourglass" organization



Management spans and layers: Streamlining the out-of-shape organization. By: Gary Neilson, Joe Saddi, Startegy&, PwC. Published: October 1, 2003



- How successful CEOs manage their time
 - With meetings, shorter is sweeter
 - 1/3 of their meetings lasted an hour on average, 38% went longer
 - Make time to be alone
 - CEOs spent 28% of their work time alone, but the majority was in blocks of an hour or less
 - Delegate more
 - They have a hard time shedding the COO or President roles they previously held
 - Use email less
 - 61% of work time is in face to face interactions and 24% on electronic communications

How Successful CEOs Manage Their Time, Jeanne Sahadi, CNN Business

Study by Michael Porter and Nitin Nohria, Institute for Strategy and Competitiveness at Harvard Business School;
60,000 hours of data from 27 CEOs of large, mostly public companies.



- How successful CEOs manage their time (Continued)
 - Don't schedule every minute
 - 25% of their time is in spontaneous interactions
 - Keep in touch with employees
 - 14% of their time with low level managers and 6% with rank and file workers
 - Make time for your life
 - 7 hours of sleep on average; 9% (or 45 minutes) of their non-work time was devoted to exercise; of the 25% of their time (or 6 hours a day) spent awake but not working, half was spent with family.

How Successful CEOs Manage Their Time, Jeanne Sahadi, CNN Business

Study by Michael Porter and Nitin Nohria, Institute for Strategy and Competitiveness at Harvard Business School;
 60,000 hours of data from 27 CEOs of large, mostly public companies.



- 5 managerial archetypes
 - Player Coach A player/coach has a significant level of individual responsibility
 - Coach A coach archetype has a substantial level of individual responsibility and executional support from others.
 - Supervisor A supervisor archetype has a moderate level of individual responsibility and has leadership from others for execution.
 - Facilitator A facilitator archetype has limited responsibility for individual delivery, with primary accountability for managing the day-to-day work of others.
 - Coordinator A coordinator archetype spends nearly all of his or her time managing day-to-day work.

https://www.mckinsey.com/business-functions/organization/our-insights/how-to-identify-the-right-spans-of-control-for-your-organization



- 4 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?

https://www.mckinsey.com/business-functions/organization/our-insights/how-to-identify-the-right-spans-of-control-for-your-organization



- Span of Attention and Span of Control: What is the Effective Use of Time for Health Care CEOs and COOs?
- HBS Study was the stimulus for this discussion.
- Four key findings:
 - Number of reports
 - Type of interaction
 - Delegation
 - Firm size

Span of Control and Span of Attention; Working Paper 12-053; April 30, 2014 Copyright © 2011, 2012, 2014 by Oriana Bandiera, Andrea Prat, Raffaella Sadun, and Julie Wulf Harvard Business School



Panel Discussion and Q&A



Tools and Resources

Span of Attention and Span of Control Panel Discussion

FUTURE SENSE[®]

May 2, 2019

C-level span of control diagnostic tool

"Strategy&"

Part of the PwC Network

https://www.strategyand.pwc.com/organization-strategy/structure_at_the_top/span-of-control-diagnostic



C-level span of control diagnostic tool

- A real-time learning tool to help you assess your target span of control looking forward for the next two years.
- This tool can help you determine your target number of direct reports based on your current company situation.

C-level span of control diagnostic tool

What is your target number of direct reports?

We invite you to use this real-time learning tool to help you assess your target span of control looking forward for the next two years. There are 13 questions in five categories. After each set of questions, the tool resets the target span on the display bar.

Number of direct reports										
5	6	7	8	9	10	11	12	13	14	15+
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─ Your position in the executive lifecycle (Questions 1-3)

1. How long have you been in your role?	please select > > >	0
2. How many direct reports do you expect to change?	please select > > >	0
3. What is the status of the strategy?	please select > > >	0
next >		

- + Degree of cross-collaboration (Questions 4-7)
- + Activities beyond your direct span (Questions 8-9)
- + For CEOs only (Question 10)
- + Current span and situation

https://www.strategyand.pwc.com/organization-strategy/structure_at_the_top/span-of-control-diagnostic



Your Position In the Executive Lifecycle

- Where do you stand today?
- 3 questions

Degree of Cross Collaboration

 Relationships, skills and scope of business
 4 questions

Activities Beyond Your Direct Span

- Time spent collaborating
- Is focus on advancing strategic goals?
- 2 questions

For CEOs Only

- Dual Role?
- 1 question

Current Span and Situation

- Role, direct reports and level at
 - company
- 3 questions

https://www.strategyand.pwc.com/organization-strategy/structure_at_the_top/span-of-control-diagnostic



Span of Control Process

Russell Reynolds Associates Leadership Span[™] Process

https://www.russellreynolds.com/about/our-approach



C-level span of control diagnostic process

- Developed to "help companies select and develop best-in-class leaders who demonstrate prowess across competing competencies."
 - Clarke Murphy, CEO, Russell Reynolds Associates

Activating Our Approach

Our research shows that successful leaders master the tensions of competing traits. To measure this, Leadership Span[™] is comprised of two components: Core Leadership and C-Suite Differentiators.



Leadership Span™

in partnership with Hogan Assessment Systems





Core Leadership

Competencies that represent the essential leadership traits required of all leaders at all levels.

DISRUPTIVE & PRAGMATIC

- Leaders challenge the status quo and make the case for fundamental changes.
- However, they also act as an organizational filter during times of volatility and understand the practical limits on the amount of change an organization can absorb.

RISK-TAKING & RELUCTANT

- Leaders thrive in ambiguity and adapt nimbly.
- Yet, they also exercise caution in taking risks and foresee threats of the horizon.

C-Suite Differentiators

Sets of competencies that seem dichotomous by nature. But those leaders who master the ability to move across them have proven to be high-level, long-term performers.

HEROIC & VULNERABLE

- Leaders display perseverance in the face of challenges and assert their own strengths.
- Also are acutely aware of their limitations.

GALVANIZING & CONNECTING

- Leaders inspire trust through influence, charisma, and drive.
- Conversely, they let others take the spotlight and empower others to create powerful networks within and beyond the organization.

Russell Reynolds Associates Leadership Span[™] Process <u>https://www.russellreynolds.com/about/our-approach</u>



More Q & A



Final Thoughts

