Tuning Jobs to Fit Your Company

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In this article excerpt from Harvard Business Review, professor Robert Simons looks at how organizations can adjust the "span" of jobs to increase performance.

by Robert Simons

Editor's Note: In a recent Harvard Business Review *article, professor Robert Simons wrote about how organizations can design jobs for maximum performance. In this excerpt, Simons discusses what he terms the four basic "spans" of a job—control, accountability, influence, and support—and how managers can adjust those spans as if on sliders to make employees more effective.*

The four spans of job design

To understand what determines whether a job is designed for high performance, you must put yourself in the shoes of your organization's managers. To carry out his or her job, each employee has to know the answer to four basic questions:

- "What resources do I control to accomplish my tasks?"
- "What measures will be used to evaluate my performance?"
- "Who do I need to interact with and influence to achieve my goals?"
- "How much support can I expect when I reach out to others for help?"

The questions correspond to what I call the four basic *spans* of a job: control, accountability, influence, and support. Each span can be adjusted so that it is narrow or wide or somewhere in between. I think of the adjustments as being made on sliders, like those found on music amplifiers. If you get the settings right, you can design a job in which a talented individual can successfully execute your company's strategy. But if you get the settings wrong, it will be difficult for any employee to be effective. I'll look at each span in detail and discuss how managers can adjust the settings. (The exhibit "The Four Spans" provides a summary.)

The span of control. The first span defines the range of resources—not only people but also assets and infrastructure—for which a manager is given decision rights. These are also the resources whose performance the manager is held accountable for. Executives must adjust the span of control for each key position and unit on the basis of how the company delivers value to customers.

Consider Wal-Mart, which has configured its entire organization to deliver low prices. Wal-Mart's strategy depends on standardization of store operations coupled with economies of scale in merchandising, marketing, and distribution. To ensure standardization, Wal-Mart sets the span of control for store managers at the "narrow" end of the scale. Although they nominally control their stores, Wal-Mart site managers have limited decision rights regarding hours of operation, merchandising displays, and pricing. By contrast, the span of control for managers at corporate headquarters who oversee merchandising and other core operations is set at "wide." They are responsible for implementing best practices and consolidating operations to capture economies of scale. In addition to controlling purchasing, merchandising, and distribution, these managers even control the lighting and temperature at Wal-Mart's 3,500 stores by remote computer.

Of course, the spans of control will be set very differently in companies that follow different strategies. Consider Nestlé, a food company that reformulates its products in response to regional tastes for spices and sweets. In this "local value creation" configuration, the span of control for regional business managers is set very wide so that they have all the resources they need to customize products and respond to customers. Regional managers take responsibility for sales, product development, distribution, and manufacturing. As a consequence, the spans of control for managers back at the head office are relatively narrow, covering only logistics, the supply chain, global contracts, and accounting and finance.

The span of accountability. The second span refers to the range of trade-offs affecting the measures used to evaluate a manager's achievements. For example, a person who is accountable for head count or specific expenses in an operating budget can make few trade-offs in trying to improve the measured dimensions of performance and so has a narrow span of accountability. By contrast, a manager responsible for market share or business profit can make many trade-offs and thus has a relatively wide span of accountability.

Your setting for this span is determined by the kind of behavior you want to see. To ensure compliance with detailed directives, hold managers to narrow measures. To encourage creative thinking, make them responsible for broad metrics such as market share, customer satisfaction, and return on capital employed, which allow them greater freedom.

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The span of control and the span of accountability are not independent. They must be considered together. The first defines the resources available to a manager; the second defines the goals the manager is expected to achieve. You might conclude, therefore, that the two spans should be equally wide or narrow. As the adage goes, authority should match responsibility. But in high-performing organizations, many people are held to broad performance measures such as brand profit and customer satisfaction, even though they do not control all the resources—manufacturing and service, for example—needed to achieve the desired results.

There is a good reason for this discrepancy. By explicitly setting the span of accountability wider than the span of control, executives can force their managerial subordinates to become entrepreneurs. In fact, entrepreneurship has been defined (by Howard H. Stevenson and J. Carlos Jarillo) as "the process by which individuals—either on their own or inside organizations—pursue opportunities without regard to the resources they currently control." What happens when employees are faced with this *entrepreneurial gap*? They must use their energy and creativity to figure out how to succeed without direct control of the resources they need. Thus, managers can adjust these two spans to stimulate creativity and entrepreneurial behavior.

Of course, spans of accountability vary by level in most organizations—in general, they are wider at the top of a company and narrower at the bottom. The CEO of McDonald's has a wide span of accountability that encompasses stock price, earnings per share, and competitive market position. A McDonald's store manager has a much narrower span. She must focus on compliance with standard operating procedures, and she is monitored through detailed input and process measures.

The span of influence. The third span corresponds to the width of the net that an individual needs to cast in collecting data, probing for new information, and attempting to influence the work of others. An employee with a narrow span of influence does not need to pay much attention to people outside his small area to do his job effectively. An individual with a wide span must interact extensively with, and influence, people in other units.

As is the case with the other spans, senior managers can adjust the span of influence to promote desired behaviors. They can widen the span when they want to stimulate people to think outside the box to develop new ways of serving customers, increasing internal efficiencies, or adapting to changes in external markets. In many companies, widening the span of influence counteracts the rigidity of

organizational structures based on boxes and silos. For example, although global companies like Procter & Gamble need to be responsive to local customers' needs, they must also create pressure for people in different operations to look beyond their silos to consolidate operations and share best practices to lower costs. Similarly, firms such as big-box retailers that centralize merchandising and distribution to deliver low prices must ensure that they continue to monitor changing competitive dynamics. Operations managers who are insulated from the marketplace must be forced to interact with people in units that are closest to customers. In all of these cases, it's up to senior managers to ensure that individuals work across organizational boundaries to test new ideas, share information, and learn.

Executives can widen a manager's span of influence by redesigning her job—placing her on a cross-functional team, for example, or giving her an assignment that requires her to report to two bosses. They can also adjust a job's span of influence through the level of goals they set. Although the *nature* of a manager's goals drives her span of accountability (by determining the trade-offs she can make), the *level*, or difficulty, drives her sphere of influence. Someone given a stretch goal will often be forced to seek out and interact with more people than someone whose goal is set at a much lower level. Finally, executives can use accounting and control systems to adjust the span of influence. For example, the span will be wider for managers who are forced to bear the burden of indirect cost allocations generated by other units, because they will attempt to influence the decisions of the units responsible for the costs.

Wide spans of support become critically important when customer loyalty is vital to strategy implementation.

The more complex and interdependent the job, the more important a wide span of influence becomes. In fact, a wide influence span is often an indication of both the power and effectiveness of an executive. In describing eBay's Meg Whitman, for example, A.G. Lafley, the CEO of Procter & Gamble, said, "The measure of a powerful person is that their circle of influence is greater than their circle of control."

The span of support. This final span refers to the amount of help an individual can expect from people in other organizational units. Again, the slider can be set anywhere from narrow to wide depending on how much commitment from others the person needs in order to implement strategy.

Jobs in some organizations—particularly positions such as commission-based sales in efficient and liquid markets—do not need wide spans of support. In fact, such organizations generally operate more efficiently with narrow spans, since each job is independent and individual contributions can be calculated easily at day's end. Traders in financial institutions, for example, need little support from their fellow traders, and their colleagues can and should stay focused on their own work (and should be compensated solely for their success in generating profit).

But wide spans of support become critically important when customer loyalty is vital to strategy implementation (for example, at exclusive hotel chains) or when the organizational design is highly complex because of sophisticated technologies and a complex value chain (in aerospace or computers, for instance). In these cases, individuals throughout the company must move beyond their job descriptions to respond to requests for help from others who are attempting to satisfy customers or navigate organizational processes. . . .

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WORKING Knowledge

by Robert Simons

THE FOUR SPANS

Managers can adjust the spans of job design to create positions that are tuned for optimum performance.

SPAN	TO NARROW THE SPAN	TO WIDEN THE SPAN
	Narrow ⟷ Wide	
1 Span of control	Reduce resources allocated to specific positions or units.	Allocate more people, assets, and infrastructure.
2 Span of accountability	Standardize work by using measures (either financial, such as line-item budget expenses, or nonfinancial, such as head count) that allow few trade-offs.	Use nonfinancial measures (such as customer satisfaction) or broad financial measures (such as profit) that allow many trade-offs.
3 Span of influence	Require people to pay attention only to their own jobs; do not allocate costs across units; use single reporting lines; and reward individual performance.	Inject creative tension through structures, systems, and goals—for example, cross-unit teams, dotted lines, matrix structures, stretch goals, cross-unit cost allocations, and transfer prices.
4 Span of support	Use leveraged, highly individualized rewards, and clearly single out winners and losers.	Build shared responsibilities through purpose and mission, group identification, trust, and equity-based incentive plans.

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