

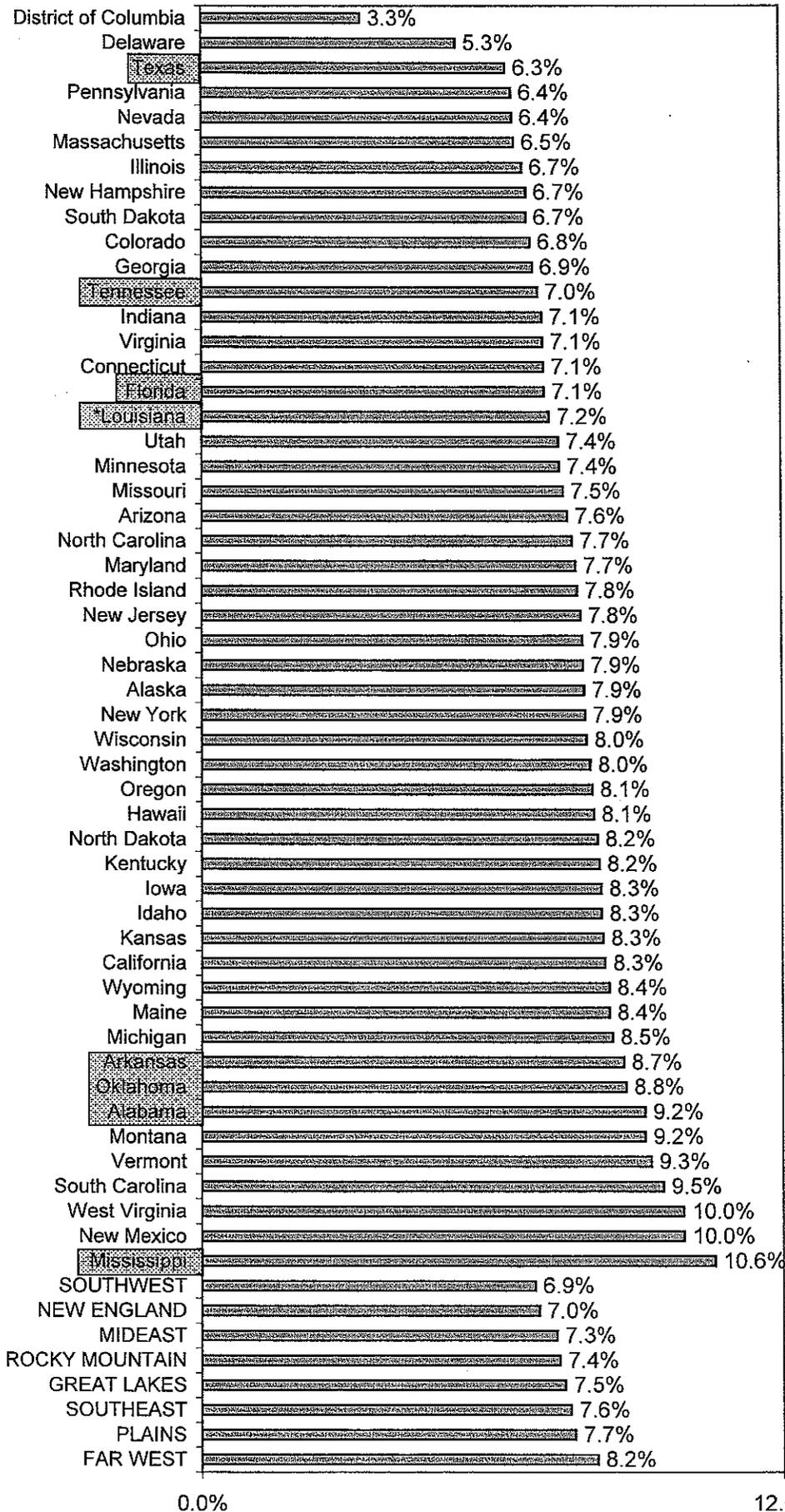
# **LA Streamlining Government Commission**

**Additional Information  
Accompanying the Presentation of:**

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## State and Local Gov Compensation as % of GDP

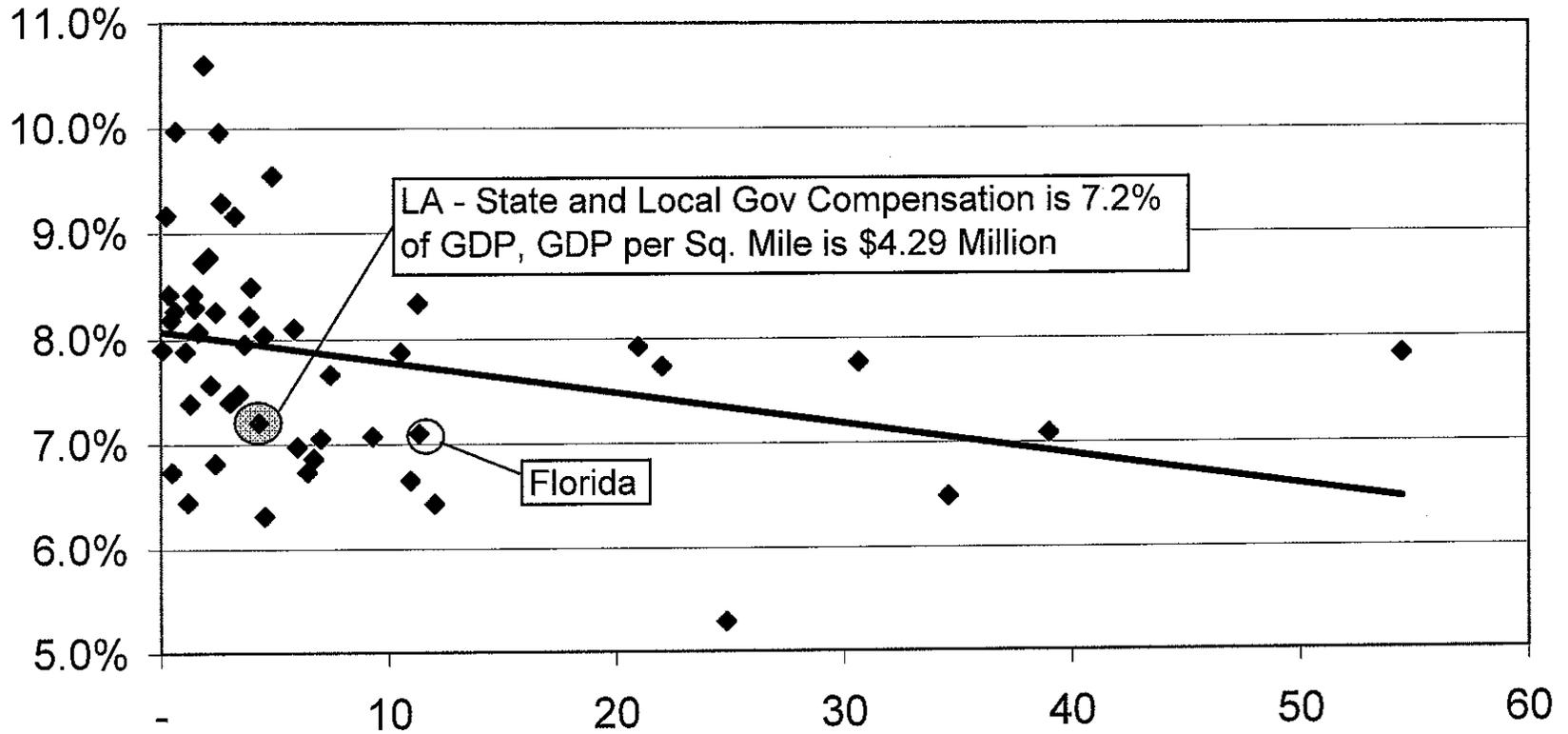


0.0%

12.0%



### State & Local Gov Comp as % GDP / GDP per sq mile



## **How to Evaluate an Ideal 'Span of Control'**

The 'ideal' span-of-control ratio depends on many factors, such as:

- Nature of Work: More complex = more management input
- Job similarity: Similar Jobs = more employees per manager
- Geographic proximity: Dispersed locations = more supervision
- Amount of coordination required: High coordination = more supervision
- Employee Abilities: Knowledgeable, trained staff = less supervision
- Employee Empowerment: Employees who are trusted need less supervision
- Ability of Management: More capable management = more employees per manager

## **Results of higher Span of Control Ratio**

- Workers are more independent and collaborative, more empowered
- Faster decision making process
- Greater focus on individual worker performance, less on supervision
- Streamlining organizations has reduced numbers in management and associated costs
- Role of supervisors changed from 'control' to 'support'
- Organizations move from being highly specialized towards being cross-functional and flexible
- Improved communications: Clean chains of command are eliminated in favor of a free flow of information
- Higher levels of job satisfaction with increased delegation

Texas implemented the changes over time with the following timeline:

March 31, 2004 – A ratio of 1:8 must be met

March 31, 2005 – A ratio of 1:9 must be met

March 31, 2006 – A ratio of 1:10 must be met

March 31, 2007 – A ratio of 1:11 must be met

## **Layers of Management**

In most reports that we have studied, this issue is often considered in tandem with layers of management.

- Seattle recommended a maximum of 6 layers of management, with 4-5 for most departments. Their report mentions that the city has 8 layers of management in some areas, and most of the city's employees (80%+) operate under five or more layers of management.
- The Texas report also recommended a maximum of 4-6 layers of management (with less for departments with 500 or fewer employees).
- Maine also noted that 4-5 layers of management would be a typical target (with a max of 6).
- Kansas City reports that it has up to 9 layers of management in some areas, and also noted that it was more than most similar sized cities had.