

ERC Department Sizes & Organizational Structure Survey

February 2010

Conducted by ERC

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Overview

In December of 2009 and January of 2010, ERC conducted a survey on organizations in Northeast Ohio to determine trends in department sizes and organizational structure – specifically issues related to general structure, levels of reporting, and span of control.

Key findings in the survey

- Most organizations structure their organizations based on departments by internal structure.
- The majority of organizations (88%) review their organizational structure and modify it accordingly as needed and not based on a regular schedule, such as annually or biannually.
- The average number of direct reporting levels among responding organizations is 4 levels.
- Job titles reporting directly to the CEO most commonly include Finance, Operations, Administrative, HR, Marketing/Sales, Technology, and Quality executives (Vice Presidents, Directors, and/or Managers depending on the organization's titling preferences.
- Most respondents did not differentiate between levels of managers and mid-level employees.
- Supervisors and managers are most commonly given performance management responsibilities, while managers and above are more likely to make salary decisions.
- Of the supervisory and managerial levels, supervisors and managers have the widest range of direct reports.

Department Sizes

The following tables provide a breakdown of employees by function across several levels (entry, mid-level, supervisory, managerial, and director).

Figure 1 | Total employees by function

Function	Average
Accounting/Finance	6
Business Administration/Operations	5
Customer Service	7
Distribution	17
Development/Fundraising	1
Engineering	6
Human Resources	2
Information Technology	5
Manufacturing/Production	55
Marketing	3
Purchasing	3
Quality	4
Research & Development	2
Sales	8

Figure 2 | Entry-level (administrative, clerical) employees by function

Function	Average
Accounting/Finance	2
Business Administration/Operations	3
Customer Service	6
Distribution	12
Development/Fundraising	1
Engineering	1
Human Resources	1
Information Technology	1
Manufacturing/Production	43
Marketing	1
Purchasing	2
Quality	2
Research & Development	1
Sales	2

Figure 3 | Mid-level (nonsupervisory) employees by function

Function	Average
Accounting/Finance	3
Business Administration/Operations	3
Customer Service	3
Distribution	10
Development/Fundraising	2
Engineering	6
Human Resources	2
Information Technology	4
Manufacturing/Production	23
Marketing	2
Purchasing	2
Quality	2
Research & Development	2
Sales	5

Figure 4 | Supervisory employees by function

Function	Average
Accounting/Finance	1
Business Administration/Operations	2
Customer Service	1
Distribution	2
Development/Fundraising	0
Engineering	1
Human Resources	0
Information Technology	1
Manufacturing/Production	4
Marketing	0
Purchasing	1
Quality	1
Research & Development	0
Sales	1

Figure 5 | Managerial employees by function

Function	Average
Accounting/Finance	1
Business Administration/Operations	2
Customer Service	1
Distribution	3
Development/Fundraising	0
Engineering	1
Human Resources	1
Information Technology	2
Manufacturing/Production	2
Marketing	1
Purchasing	1
Quality	1
Research & Development	1
Sales	3

Figure 5 | Director employees by function

Function	Average
Accounting/Finance	1
Business Administration/Operations	2
Customer Service	1
Distribution	1
Development/Fundraising	1
Engineering	0
Human Resources	1
Information Technology	1
Manufacturing/Production	1
Marketing	1
Purchasing	1
Quality	1
Research & Development	0
Sales	2

General Organizational Structure

Most organizations structure their organizations by departments and internal functions such as HR, Marketing, Sales, and Production. Few organizations report being structured based on division or customer process.

Figure 6 | Which of the following best describes your organization’s structure?

	Percent
Departments by internal function (HR, Marketing, Sales, Production)	91%
Divisions based on product, market, or region	5%
Function based on customer process (practice, customer market, etc.)	2%

Respondents most commonly cite that they review their organizational structure and modify it as needed. Few organizations review it on a structured basis, such as annually or biannually.

Figure 7 | How often does your organization review its organizational structure and modify it accordingly?

	Percent
Annually	7%
Every two years	0%
As needed	88%
Other	5%

Level of Reporting

Most respondents have 3-4 levels of reporting within their organizations. The average number of direct reporting levels among respondents was 4 and the median number of direct reporting levels was 3. The most common number of direct reporting levels cited by employers was 3.

Figure 8 | How many levels of direct reporting do you have in your organization?

	Percent
Minimum number of direct reporting levels	1
Average number of direct reporting levels	4
Median number of direct reporting levels	3
Maximum number of direct reporting levels	16

The job titles that were reported as most frequently reporting to the CEO among respondents include many standard functional areas of the organization such as Finance, Operations, and Administration.

Figure 9 | Please name all of the job titles in your organization that report directly to the President/CEO.

Function	Job Titles Reported by Respondents
Finance	Chief Financial Officer (CFO); Controller; VP of Finance; Director of Finance/Accounting; Accounting Manager
Operations	Chief Operations Officer (COO); VP of Operations; Director of Operations; Operations Manager
Administrative	Vice President; Executive Vice President; Executive Assistant; Chief Administrative Officer; Administrative Services Leader
Human Resources	VP of Human Resources; Director of Human Resources; HR Manager
Marketing	VP of Marketing; Director of Marketing; Marketing Manager
Sales	VP of Sales; Sales Director; Sales Manager (also can be Sales & Marketing)
Technology	VP of Information Technology, Director of IT; IT Manager
Quality	VP of Quality; Director of Quality; Quality Manager

The following job titles were also cited by respondents, however, less frequently report to the CEO. These jobs tend to be industry-specific:

- Chief Development Officer; Director of Development
- Chief Program Officer; VP of Programs
- Chief Clinical Officer; Clinical Manager
- Director of Science / Research & Development
- Director of Community Services
- VP of Customer Service; Director of Customer Service
- VP of Planning; Director of Strategic Planning
- VP of Engineering; Director of Engineering; Engineering Manager
- Director of Supply Chain; Manager of Supply Chain
- Manufacturing Manager; Plant Manager
- Production Manager; Scheduling Manager
- Purchasing Manager
- VP of Distribution

Most organizations do not differentiate between levels of managers or mid-level employees. However, among those respondents that do, the most common ways of terming or titling levels of managers and mid-level employees is by using junior and senior terms preceding their titles. Some organizations also cited using terms or titles such as team lead, coordinator/supervisor, and associate.

Figure 10 | Does your organization differentiate between levels of managers (senior, district, regional, etc.)?

	Percent
Yes	34%
No	66%

Figure 11 | Does your organization differentiate between levels of mid-level employees (junior, senior, associate, etc.)?

	Percent
Yes	34%
No	66%

Some organizations place restrictions on the levels in which they only hire externally. The most common level in which respondents only hire externally is for entry level positions (administrative and clerical). Over a quarter of organizations also only hire externally for executive level positions and 20% only hire externally for director-level positions.

Figure 12 | At what level(s) does your organization only hire externally?

	Percent
Entry (administrative, clerical)	36%
Mid-level/non-supervisory (specialists, analysts, coordinators, etc.)	11%
Supervisors	7%
Managers	11%
Directors	20%
Executives	27%

In terms of positions open for internal transfer or promotion, the majority of respondents allow all levels to be open for such movement. Fewer employers open executive or director-level positions for internal transfer or promotion.

Figure 13 | What levels are open for internal transfer or promotion?

	Percent
Entry (administrative, clerical)	80%
Mid-level/non-supervisory (specialists, analysts, coordinators, etc.)	91%
Supervisors	89%
Managers	84%
Directors	61%
Executives	45%

No widespread trend appears to exist relative to how administrative personnel are structured in organizations. Slightly more organization (52%) decentralize administrative staff – meaning that administrative employees are used by departments and not separated by function or job duties than centralize administrative staff.

Figure 14 | Are administrative personnel...

	Percent
Centralized (administrative staff used for entire company and separated by function or job duties)	48%
Decentralized (administrative staff used by department and not separated by function or job duties)	52%

Span of Control

Span of control varies across organizations. Respondents, however, generally reported higher numbers of direct reports for those in supervisory and managerial roles.

Figure 15 | Please specify the fewest and highest number of direct reports for the following levels of management.

	Minimum Fewest	Average Fewest	Maximum Fewest	Minimum Highest	Average Highest	Maximum Highest
Lead	1	1	6	1	9	50
Supervisor	1	2	8	1	17	89
Manager	1	1	10	1	11	33
Director	1	1	7	1	6	24
Executive	1	2	10	4	7	15

The most common levels of supervision or management that are responsible for performance management/review are supervisors and managers. Executives and directors also tend to be responsible for performance management.

Figure 16 | What level(s) of supervision/management is responsible for performance management/review?

	Percent
Lead	16%
Supervisor	80%
Manager	86%
Director	66%
Executive	77%

Executives, managers, and directors are most commonly responsible for salary decisions, according to respondents. Supervisors and leads were less likely to be responsible for these decisions.

Figure 17 | What level(s) of supervision/management is responsible for salary decisions?

	Percent
Lead	2%
Supervisor	30%
Manager	66%
Director	61%
Executive	84%

Respondent Demographics

Forty-four (44) organizations in Northeast Ohio participated in the survey; a breakdown of the industries and sizes they represent is provided below.

Figure 18 | Respondent demographics by industry and organizational size

	Percent
Industry	
Manufacturing	52%
Non-Manufacturing	32%
Non-Profit	16%
Organizational size	
1-50	14%
51-200	64%
201-500	11%
501+	11%

About ERC

ERC is Northeast Ohio's largest organization dedicated to HR and workplace programs, practices, training and consulting. ERC membership provides employers access to an incredible amount of information, expertise, and cost savings that supports the attraction, retention, and development of great employees. We also host the nationally recognized NorthCoast 99 program and sponsor the ERC Health insurance program. For more information about ERC, please visit www.ercnet.org.

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